Dale Sims 16 Whitewood Drive Upper Sturt SA 5156 Ph 08 8303 1895 (w)

23 August 2002

The Secretary
House of Representatives
Standing Committee on Industry and Resources

Dear Secretary

INQUIRY INTO RESOURCES EXPLORATION IMPEDIMENTS

My apologies for the lateness of this submission. I realise now that submissions closed 6 days ago. I will understand if you chose to disregard this submission due to its lateness.

I have spent 17 years as a geologist in the mining and exploration sectors. I wish to submit the following comments I believe of relevance to the inquiry based on my views of and experiences in the industry. I am currently employed as a geologist in the gold mining sector. I am a member of both the AusIMM and AIG who have made submissions to the inquiry which I have read - I have also read the submission from the AGC. I generally agree with and support these submissions. My comments below have arisen where I have divergent views from these submissions plus from my own considerations;

- Miners and explorers have to learn to work with Native Title Legislation and build trusting relationships with Indigenous Australians. The 'right to negotiate' needs to be maintained but shifted to the position of being undertaken at the point of when a discovery reaches mining prefeasibility and not at the point of obtaining land access in the attempt to make a discovery. The current SA Government process of granting land access with the onus of negotiation prior to 'ground disturbance' work is a good first step to getting exploration moving in other states.
- Companies sit on too much ground for too long. Tenement reductions should be strictly enforced to free up ground for exploration. Even on some mining leases large areas are tied up while companies work only a small portion of the lease and neglect exploration of often high prospective adjacent ground for many years. Requiring companies to develop joint ventures on unworked ground held in mining leases is a way to stimulate discoveries and the industry.

If exploration of adjacent ground is left too late in a mine's life the benefits of any potential discoveries may be lost to the owner once the mine closes for lack of ore. Later discoveries then have to shoulder the burden of re-establishment of processing plant and infrastructure. As a geologist one is constantly wondering how much potential an area really has if only it was explored and tested in a thorough way.

• In my experience the real way orebodies are discovered is through drilling. All the money spent on research, developing geoscience datasets, geophysical surveys and project generation is wasted if the targets people develop are not adequately tested by drilling. It is easy to drill a hole and miss an orebody - even if you are in the middle of one! Many discoveries are made because of persistent drilling effort - often the geological data or models used to justify the exploration programs prove with time to be flawed but the discoveries are made none-the-less. Drilling does this.

Deep drilling (+200m) is an expensive activity - if we could halve the cost of deep drilling and have companies drill twice as much for their money our success rate would increase Requiring a minimum percentage of tenement expenditure to be spent on drilling would ensure cheaper drilling didn't mean less drilling. Developing ways to reduce real drilling costs through new technologies and is a challenge for our industry as a whole but falls 'between the cracks'. Drilling is almost wholly undertaken by contractor companies who generally operate on small margins and although to their credit they are constantly improving their existing technology, they can't invest to develop new 'step-change' technologies. Mining companies don't see it as their business. I have heard past talk of high-pressure water jet or laser drilling but nothing has ever materialised. Any ways to reduce drilling costs should be investigated and considered. Rebating Juniors for initial drillholes is a commendable suggestion (AGC submission) but making all drilling cheaper would benefit all explorers - Australia could develop yet another mining industry technology with worldwide export potential.

Yours sincerely	
Dale Sims	CP(Geo)