SUMMIT RESOURCES LIMITED

INQUIRY INTO DEVELOPING AUSTRALIA'S NON-FOSSIL FUEL ENERGY INDUSTRY

MAY 2004

A SUBMISSION TO THE HOUSE OF REPRESENTATIVES STANDING COMMITTEE ON INDUSTRY AND RESOURCES

THE STRATEGIC IMPORTANCE OF AUSTRALIA'S URANIUM RESOURCES

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EXECUTIVE SUMMARY AND CONCLUSIONS

The existing regulatory impediments to the exploration for, and development of, new uranium mines in Australia cannot be justified on rational, factual, political, environmental, economic, commercial, scientific, hazard, health or safety grounds.

In fact the opposite is true.

Uranium mining and the processed products are utilised for legitimate peaceful purposes, their use is now on a large scale, is wide spread across the globe and occurs on a daily basis.

The nuclear power industry is well established and uranium derived products are used in scientific, medical, commercial and industrial applications. Nations of all political persuasions, in both the industrialised and developing world, already have nuclear industries. This nuclear industry saves lives, is one of the cleanest, safest industries known to man and generates some of the most cost efficient base load power with the lowest attributable deaths, highest safety record and has virtually no zero greenhouse pollutant emissions.

Products from uranium mining are used widely in our daily lives. As well as nuclear power overseas uses here in Australia include, among others, isotopes for Xrays, medical analytical equipment, a large range of laboratory equipment, radiation treatment for cancers, components for smoke alarms and uranium metal for trimming of the leading edge of wings on modern jet aircraft.

Further, Australia is already the world's second largest miner and exporter of uranium oxide and is known to host over 30% of the world's recoverable resources.

Australia's current regulatory environment dissuades investment in uranium exploration, favours the entrenched position of three existing producers and leaves limited opportunity for the development of other mines by new entrants and companies that have established potentially commercial resources elsewhere in Australia.

Summit's submission has attempted to address the issues before the Committee and each section contains relevant information relating to those issues.

Key conclusions that can be drawn from Summit's submission are:

- Australia is in the uranium mining business and produces around 10,000 tonnes uranium oxide a year from three mines and is the world's second largest producer behind Canada.

- The Mount Isa region is one of Australia's most prospective mineral provinces that has yielded a number of world class ore bodies and mines, including (in the past) successful uranium mines.

- Uranium was mined from 1966 to 1984 at Mary Kathleen, 50 kilometres east of Mount Isa, by Riotinto. All mine production since 1976 has been used exclusively

for nuclear power generation, monitored, waste managed and stored and mine site fully rehabilitated.

- Summit controls one of the largest undeveloped uranium oxide resources in Australia.

- At Mount Isa Summit controls over 75Mlb U_3O_8 with, using US$26/lb U_3O_8 prices, an in ground value of well over A$2.0 billion.

- Prefeasibilty studies of Summit's Mount Isa uranium project shows it would produce around 6.0 million pounds (2,750 tonnes) of uranium oxide a year for the first three years and, on scaling up of production, around 9.0 million pounds (4,000 tonnes) of uranium oxide a year.

- The project would make a significant financial contribution to the local, State and Federal economies over the first 6 years by:

    - **Capital and infrastructure expenditures of $314 million**

    - **Mining operating expenditures of $190 million**

    - **Freight expenditure of $2.6 million**

    - **State Royalty payments of $61 million**

    - **All this expended within Australia and mostly at Mount Isa**

    - **Construction employment of around 600**

    - **Direct mine employment of around 400 during the life of mine**

    - **Major contributions to PAYG and GST taxes receipts**

    - **Generate over $2.00 billion in export income**

There is a huge shortfall in uranium supply. World wide demand for uranium oxide is on the increase with current consumption twice the rate of mine production.

Mine production of uranium oxide at around 80 million pounds, can only deliver half the current demand of the nuclear power industry of over 170 million pounds per annum.

An informed public debate has also swung in favour of nuclear power. Environmentalists, politicians and the scientific community are calling for its wider use and the industry to be expanded as a sustainable energy source over the burning of carbon rich fossil fuels.

Australia's large untapped uranium resources are strategically important.

Australia's uranium resources are important to the region and as a substantial, safe and dependable source of future world wide supply to meet the increasing shortfall.

Australia's current regulatory system is inconsistent and the policy favours three large established producers over all other potential producers in Australia.

The two beneficiaries of this system are the three established Australian producers and the Canadian uranium industry.

The cost is the lack the of investment in uranium exploration, limited competition, loss of employment and wealth creation opportunities in other areas and States of Australia and a loss of a major contribution to Australia's economic well being without delivering any benefits.

The regulatory system is illogical and permits uranium mining in one State and Territory in Australia and prohibits it across a border in neighbouring States.

Outside of Olympic Dam, Australia's uranium resources could supply the entire world nuclear power grid for around five years, and China's proposed nuclear industry for the next 20 to 30 years.

Uranium exploration in Australia will deliver further viable resources into this inventory.

Summit's Mount Isa uranium resources are ideally located to supply, on a long term basis, both existing markets and the new emerging markets in Asia and China.

Soaring global energy requirements, global warming and pollution requires alternative approaches and sources of power to replace the burning of fossil fuels.

Uranium mining and its use makes a major contribution to a reduction in greenhouse gas emissions.

Australia's untapped uranium resources could make a major contribution to the soaring demand for energy and, at the same time, a reduction in global greenhouse gas emissions. One year's uranium oxide production from Summit's proposed Mount Isa mines would, globally, displace in excess of 160 million tonnes of greenhouse gas emissions.

The mining, processing, transport and exporting of uranium generates around 20,000 times less greenhouse emissions compared to the equivalent coal mining operation and, in the generation of power, no further greenhouse gases.

Uranium mine approval process involves both State and Federal government agencies and elected governments. The process is complex and flawed as:

1. Coincident conservative Federal and State governments can give the go ahead for new mines. However, lengthy lead time to mine development means a likelihood of either the State or Federal government changing to Labor during the process and the development being stopped;

2. This risk mitigates against proceeding without State and Federal guarantees that, should the studies prove positive and all guidelines be met, the mine will be granted an ML;

3. Such guarantees cannot be given under a Westminster system of government;

4. The Labor Party policy, not to approve new mines, binds both the Federal and State Labor parties and governments;

5. Labor policy does not include shutting down of existing uranium mines;

6. This is where the policy gives rise to a privileged position for existing uranium miners;

7. Commonwealth powers to override the States and grant all necessary approvals for new uranium mines should be considered. Broadly these come under the heading of acting in the National Interest.

Federal Labor supports the export of uranium to China. However, Labor Party policy dissuades investment in uranium exploration in Australia and further consolidates our competitor countries advantage in the industry.

The regulatory environment in Australia for uranium mines needs to be simplified and streamlined to encourage investment in exploration, associated technology and the development of new mines.

It must also deliver certainty to the approval process where large investments are required over several years for new mines to be brought on stream.

This process, and the development of new uranium mines, will benefit all Australians, deliver demonstrable and worthwhile economic benefits and allow participation in one of the world's fastest growing high technology, safe, clean and low emission industries that, regardless of Australia's stand, is expanding and here to stay.

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SUMMIT RESOURCES LIMITED

Submission to the House of Representatives
Standing Committee on Industry and Resources

on the

Strategic Importance of Australia's Uranium Resources

THE ISSUES

The key issues to be addressed by the House of Representatives Standing Committee on Industry and Resources into the Strategic Importance of Australia's Uranium Resources ("**Committee**") are;

1. **Global demand for Australia's uranium resources** and associated supply issues;

2. **Strategic importance of Australia's uranium resources** and any relevant industry issues;

3. **Potential implications for global greenhouse gas emission reductions** from further development and export of Australia's uranium resources; and

4. **Current structure and regulatory environment of the uranium mining sector.**

With the Committee's issues to be addressed in mind this submission by Summit Resources Limited ("**Summit**") is based on the Company's history, experience and present position in the Australian uranium exploration sector with particular reference to Queensland.

Summit controls some of Australia's largest and better grade undeveloped uranium resources in three deposits near the mining city of Mount Isa in northwest Queensland. The Company has previously invested several million dollars in the exploration and drilling of the deposits and has now recommenced uranium exploration activity in the area.

Summit controls over 75 million pounds (34,500 tonnes) of uranium oxide resources.

Australia produces around 10,000 tonnes uranium oxide a year from three mines.

The world wide demand for energy, and in particular for uranium oxide for nuclear power generation, the expanding nuclear power industry and a large shortfall in inventories and future mine supply of uranium oxide to feed this demand has led to a significant increase in the uranium oxide price and pressure for the development of new mines and sources of supply.

These are the reasons Summit has recommenced evaluation of its uranium resources in Queensland.

Summit's uranium resources are of the size and value that the assessment and possible future development of them is in the National Interest and would, if developed, make a substantial and long term contribution to the infrastructure and employment in the region, be a major contributor to State and Federal taxes and royalties, export income and Australia's balance of payments.

Therefore Summit has an interest in the information put to the Committee and a vested interest in the outcomes, conclusions and any recommendations that may be made by the Committee.

THE COMPANY

The Company was first listed on the NZX in New Zealand in July 1987 as Summit Gold NL with a number of gold exploration projects located in the Eastern Goldfields of WA and New Zealand.

In the early 1990's Summit became primarily focused on exploration for world class Proterozoic iron-oxide base and precious metal deposits in the Western Succession of the Mount Isa Inlier in northwest Queensland. These deposits are similar to the South Australian Olympic Dam and Queensland Ernest Henry mines and are known to be iron rich deposits that contain valuable minerals including copper, gold and uranium.

Summit listed on the ASX in April 1994 through an Australian $4m capital raising to fund this exploration program.

By mid 1996, with the support of the newly elected Howard government, the abolition of Labor's "Three Mines Policy" with respect to uranium mining in Australia and the support of the Borbidge Queensland government, Summit stepped up its uranium exploration activities in the area.

By 1998 drilling at Valhalla by Summit, with partner Resolute Limited, had developed a measured and indicated resource of 11.5Mt for 36.5 million pounds of uranium oxide ("**U_3O_8**") and had built up a further inferred resource base of over 75 million pounds (34,500 tonnes) of U_3O_8 including the Valhalla and nearby Skal and Andersons deposits.

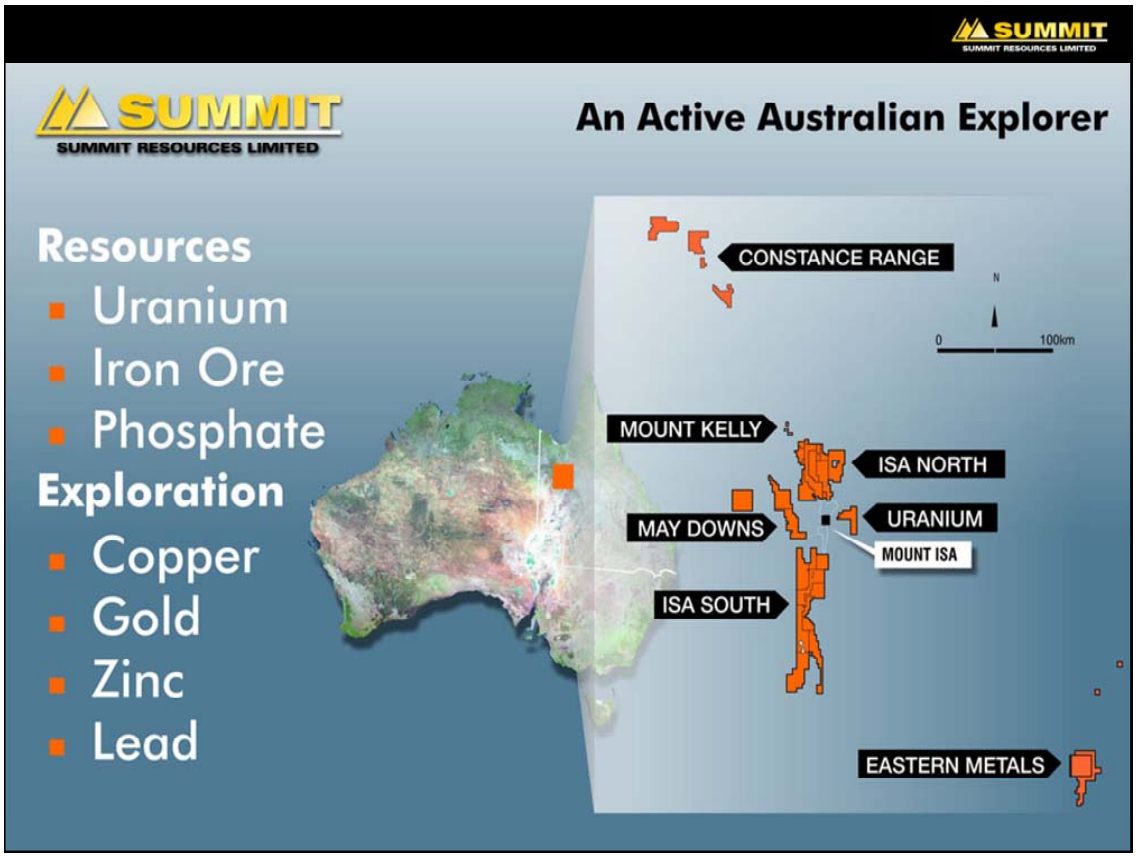
In mid 1998 the election of the Beattie Labor government in Queensland, and their policy of not approving any uranium mining in that State, resulted in Summit mothballing its uranium projects. The market capitalisation of the Company was severely reduced as a result and our activities were refocussed on copper and gold exploration in the area to rebuild the Company.

In late 2000, Summit changed its incorporation status to that of a limited liability company in Australia with its home Stock Exchange the ASX.

As Summit Resources Limited, the Company is now primarily focused on exploration for Proterozoic iron-oxide uranium, copper, gold and base metal deposits and the development of it's iron ore and phosphate resources in the Mount Isa region where it now holds over 6,200km^2 of exploration tenements.

In addition to the uranium resources drilled Summit has around 20 further known uranium prospects within it's extensive tenement holdings, controls several other base metal and gold targets in the region including the May Downs gold system, the Mount Guide zinc deposit, the Constance Range iron ore deposits northwest of Century and the Babbling Brooke Hill and Riversleigh phosphate rock deposits.

Summit has a corporate office in Perth and an exploration office, core storage facility, vehicle fleet and permanent professional staff based in Mount Isa to support its exploration initiatives.

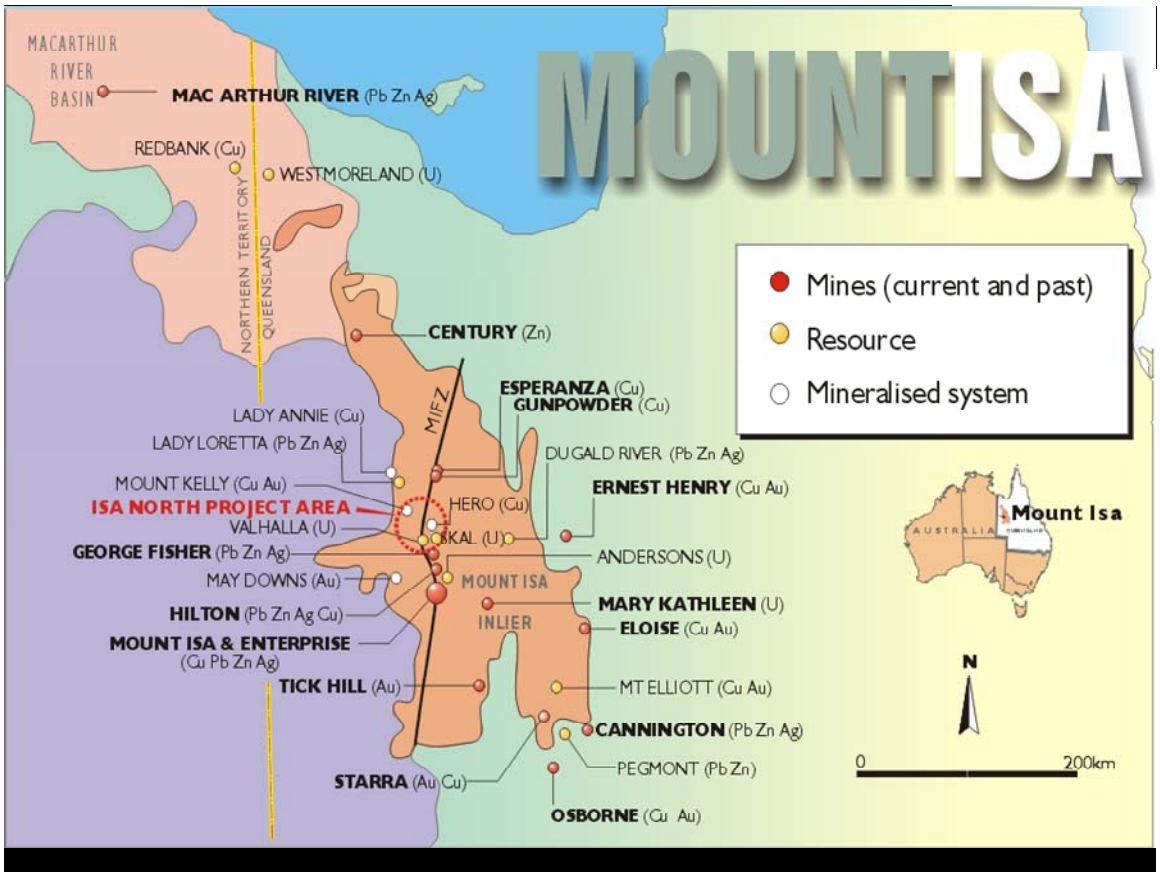


Summit now has 176 million shares on issue, approximately 2,100 shareholders with a market capitalisation of $55 million at the current share price of 30 cents a share.

MOUNT ISA OVERVIEW

The Mount Isa Inlier region is a highly prospective mineral province that has yielded a number of world class ore bodies, including Mount Isa, Hilton and George Fisher (copper, lead, zinc, silver), Cannington (lead, silver), Osborne (copper, gold), Century (zinc) and Ernest Henry (copper) and the Mary Kathleen uranium mine.

At Mount Isa uranium was mined from 1966 to 1984 at Mary Kathleen, 50 kilometres east of Mount Isa, by Riotinto. Whilst some early production from Australia's mines from the 1950's and 60's was used in weapons programs, all mine production since 1976 has been used exclusively for nuclear power generation, monitored and waste managed and stored.



Summit is one of the largest explorers in the Mount Isa region with an annual exploration budget in the region of $2.0 million and over 6,200km^2 of tenement holdings over ground both to the north and south of three of the largest mines in the area; the Mount Isa, Hilton and George Fisher mines.

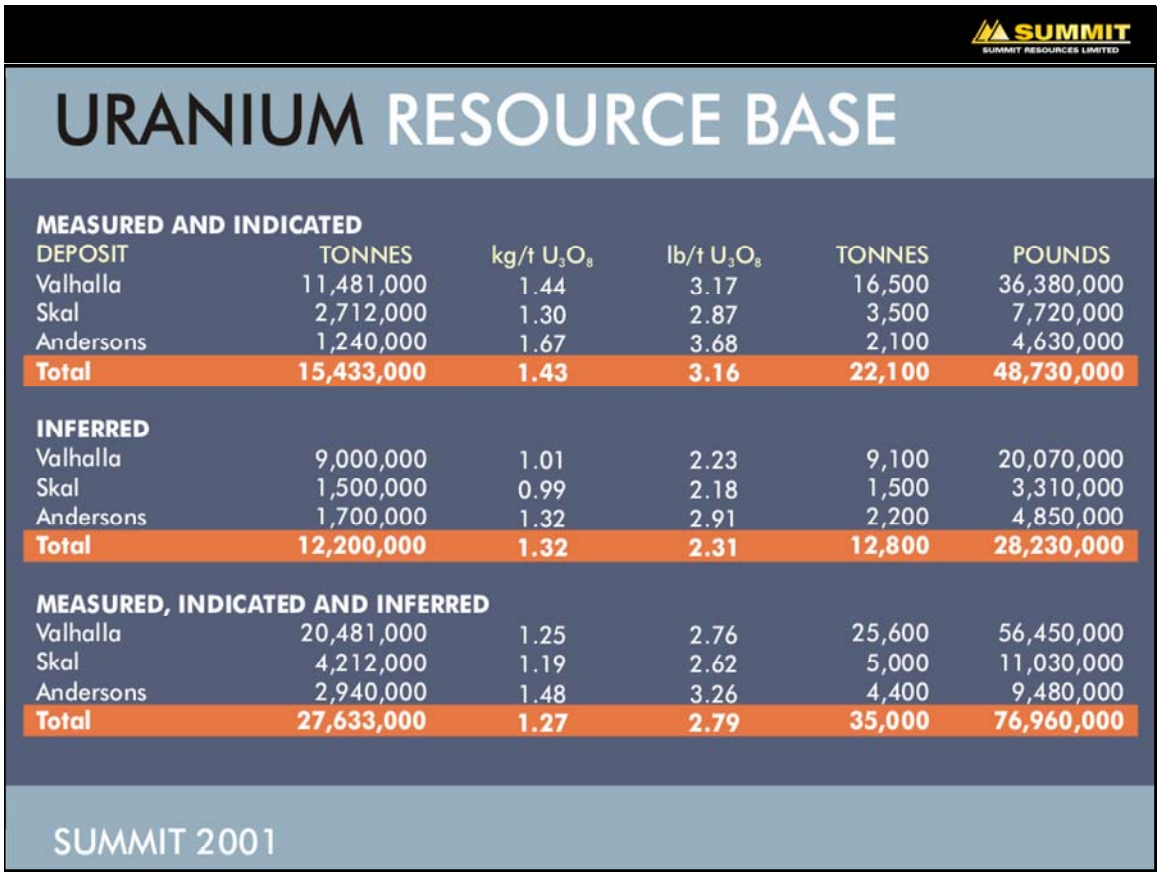
The decision to recommence uranium exploration in the area has been made with around 10,000 metres of drilling targeted at five prospects planned for 2005. The

drilling program aims to double the existing resource base, allowing Summit to recommence its pre-feasibility studies.

With the issues of land access due to restrictions imposed by Native Title issues now largely overcome, Summit is able to recommence exploration and evaluation of its uranium prospects as well as a number of other gold and base metal targets in the area.

In anticipation of the removal of the existing impediments to gaining approval for uranium mining in Queensland, Summit aims to be well positioned to take advantage of the strong uranium market to bring its projects into production.

By 1998, when drilling and evaluation of Summit's uranium project at Mount Isa was halted by a change of government in Queensland, Summit had established a measured and indicated resource of 11.5Mt for 36.5 million pounds of uranium oxide at Valhalla and had built up a further inferred resource base for the project of over 75 million pounds (34,500 tonnes) of U_3O_8 including the Valhalla and nearby Skal and Andersons deposits.



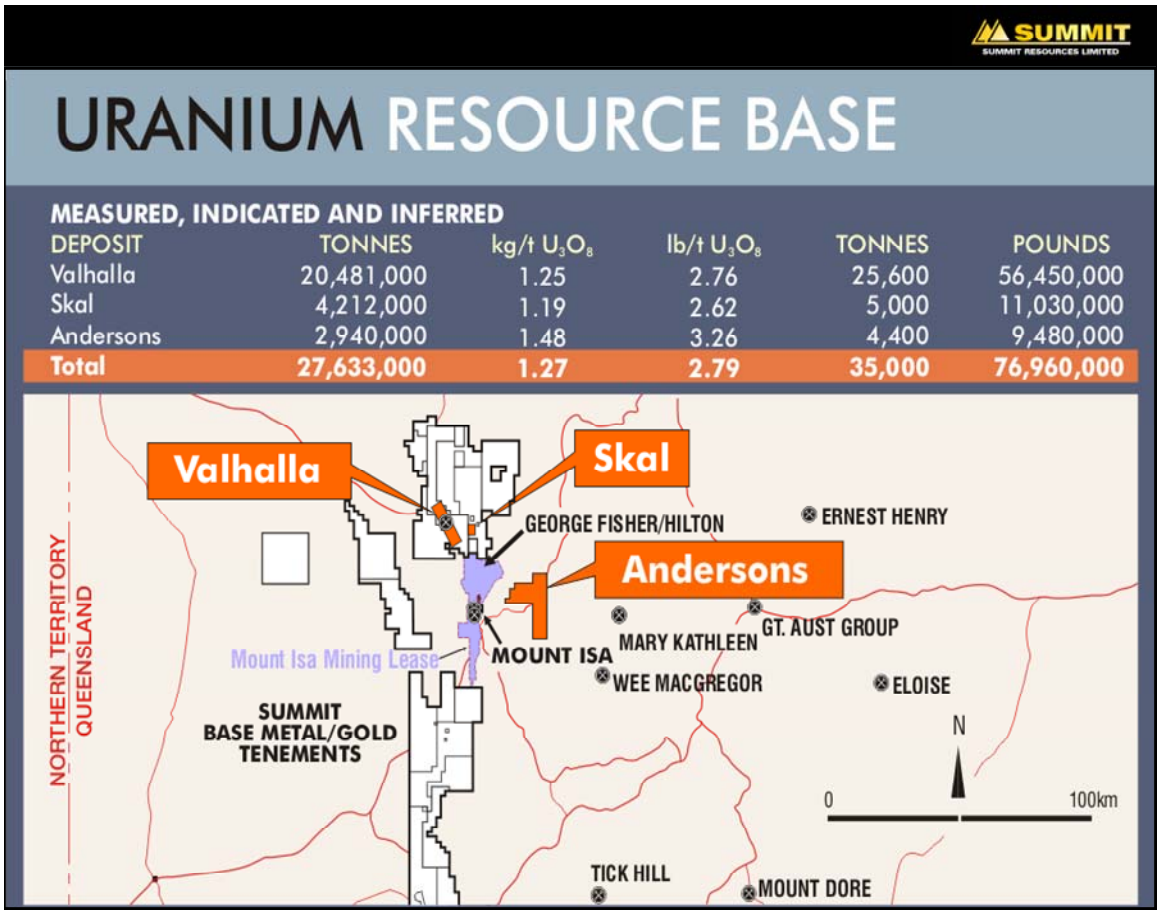
Based on the current uranium resources under its control of 75Mlb U_3O_8, and using US$26/lb U_3O_8 prices, Summit's resources have an in ground value of over **A$2.0 billion**.

MOUNT ISA URANIUM PROJECT

Exploration and drilling at Mount Isa by Summit, from 1996 to mid 1998, has established a measured and indicated resource of 11.5Mt for 36.5 million pounds of uranium oxide and an inferred resource of 9.0Mt for an additional 20.0 million pounds at Valhalla.

No drilling was undertaken on several other known uranium deposits in the area, under the Company's control at the time, as the EPM grants were held up by the then uncertainty over Native Title issues and land access. However, Summit undertook a technical review of Queensland Mines Ltd's ("**QML**") drilling and metallurgical testwork on these deposits completed by them in the 1960's.

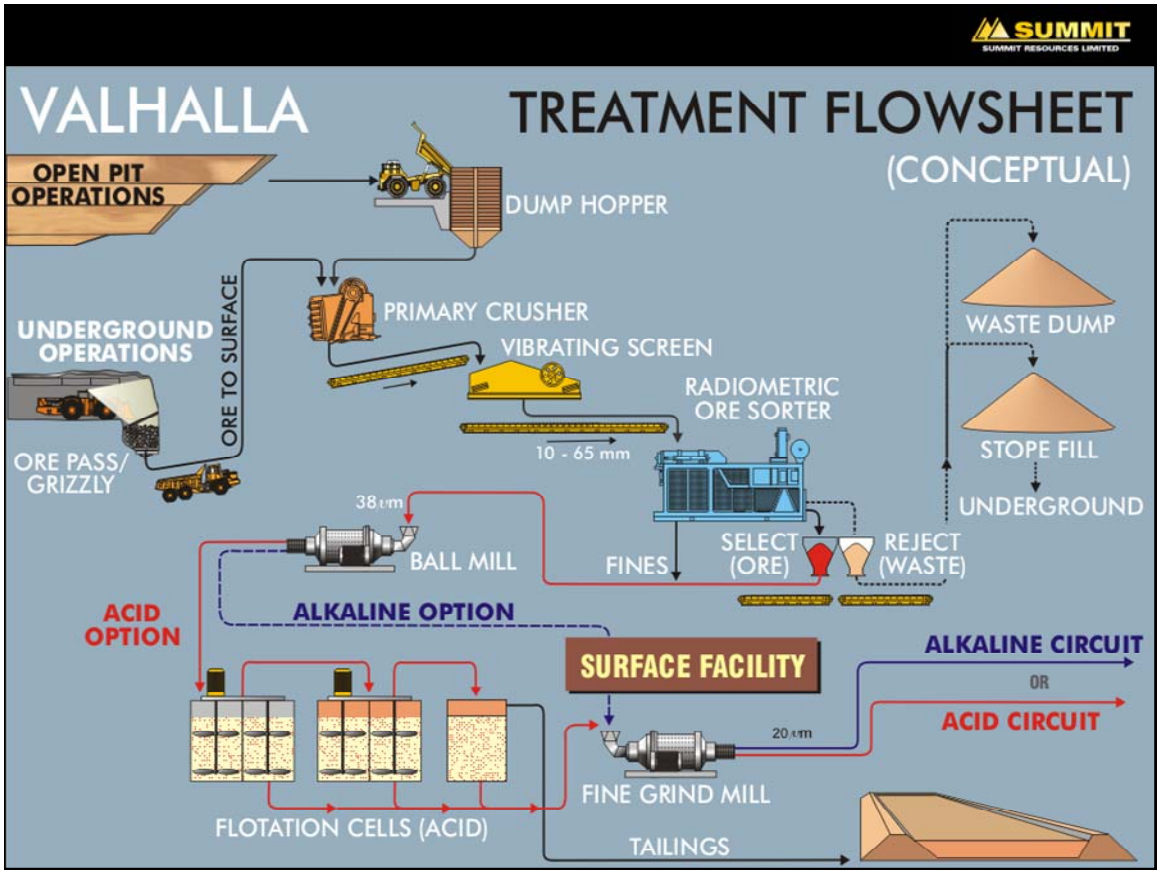
This assessment of the Skal and Andersons deposits added a further 7.2Mt of resources, in all three categories, containing 20.5 million pounds of U_3O_8 to the Company's resources in the area.



With the deposits all favourably located within 40 kilometres of Mount Isa mill feed from them could be treated by a single centrally located processing plant to the north of the city. Therefore, the three known resources can be treated as a single project with a total resource base of over 75 million pounds (34,500 tonnes) of U_3O_8.

Pre-feasibility studies have been undertaken on the project and these have included metallurgical testwork and establishing that the U_3O_8, and by product of vanadium pentoxide, are recoverable by a conventional metallurgical treatment process and the use of current technology.

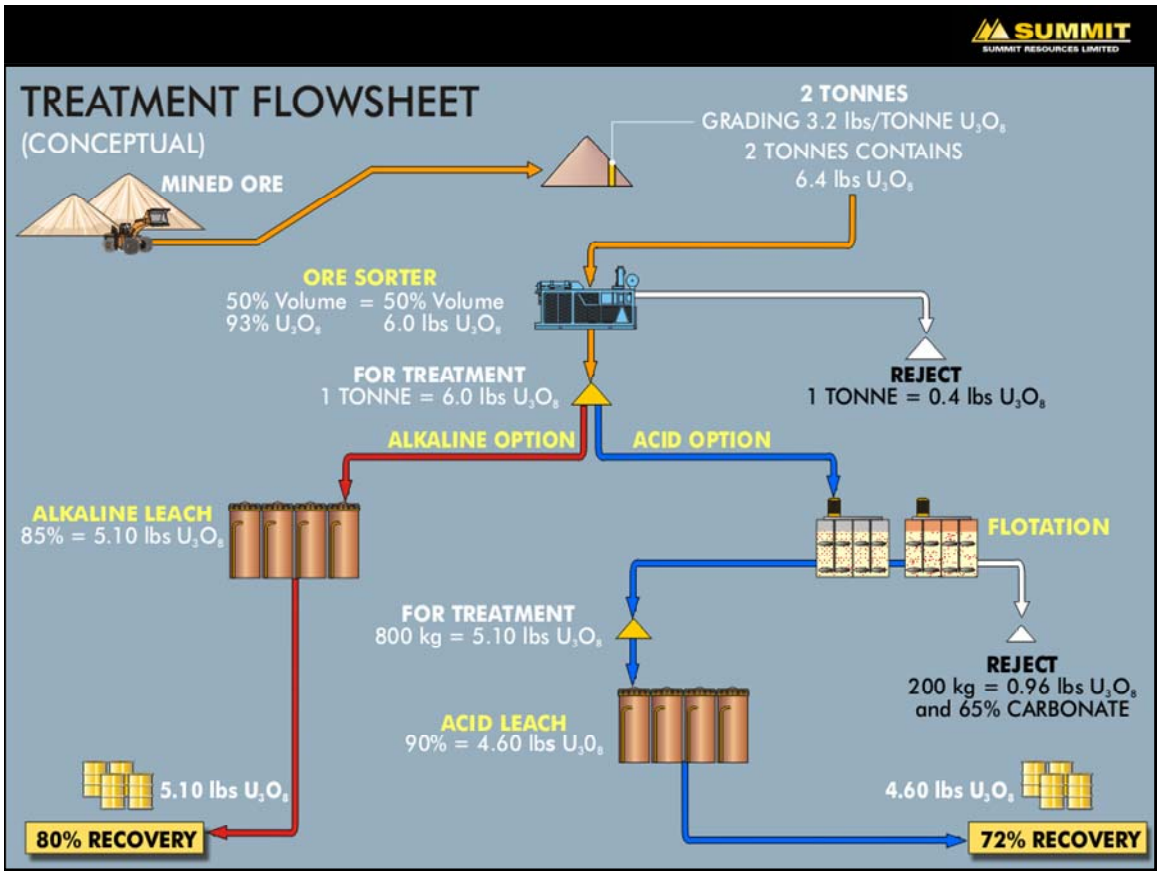
The mining would be initially from a series of satellite open pit operations at the three deposits followed by deeper underground open stope and block cave mining similar to the present day operations at Xstrata's nearby Mount Isa and George Fisher operations.



Once mined, the ore would then be crushed and run through radiometric ore sorters to reduce the amount of material to be finely ground and leached in the processing and metal recovery plant.

Following radiometric sorting the ore is finely ground in ball mills to around 80 micron and passed through a conventional flotation circuit to remove a large portion of the carbonate component of the ore to reduce acid consumption in the final leach.

The material is then passed through a conventional acid leach circuit where the uranium and vanadium metals are leached from the ore and into a solvent extraction unit where the uranium oxide and vanadium pentoxide are recovered from the leachate and packaged for transport.



Including mine dilution, metallurgical testwork and radiometric sorting trials indicate an overall recovery of around 75% of the uranium oxide and 80% of the vanadium pentoxide. The metals not recovered would remain in their natural state as mined (as all the processing plant water and acid are recovered and recycled) and be managed along with the waste rock, flotation plant reject and tailings.

The proposed mining, plant and waste management operations will be designed and managed to exceed the very stringent environmental, safety and health guidelines set for uranium mining in Australia.

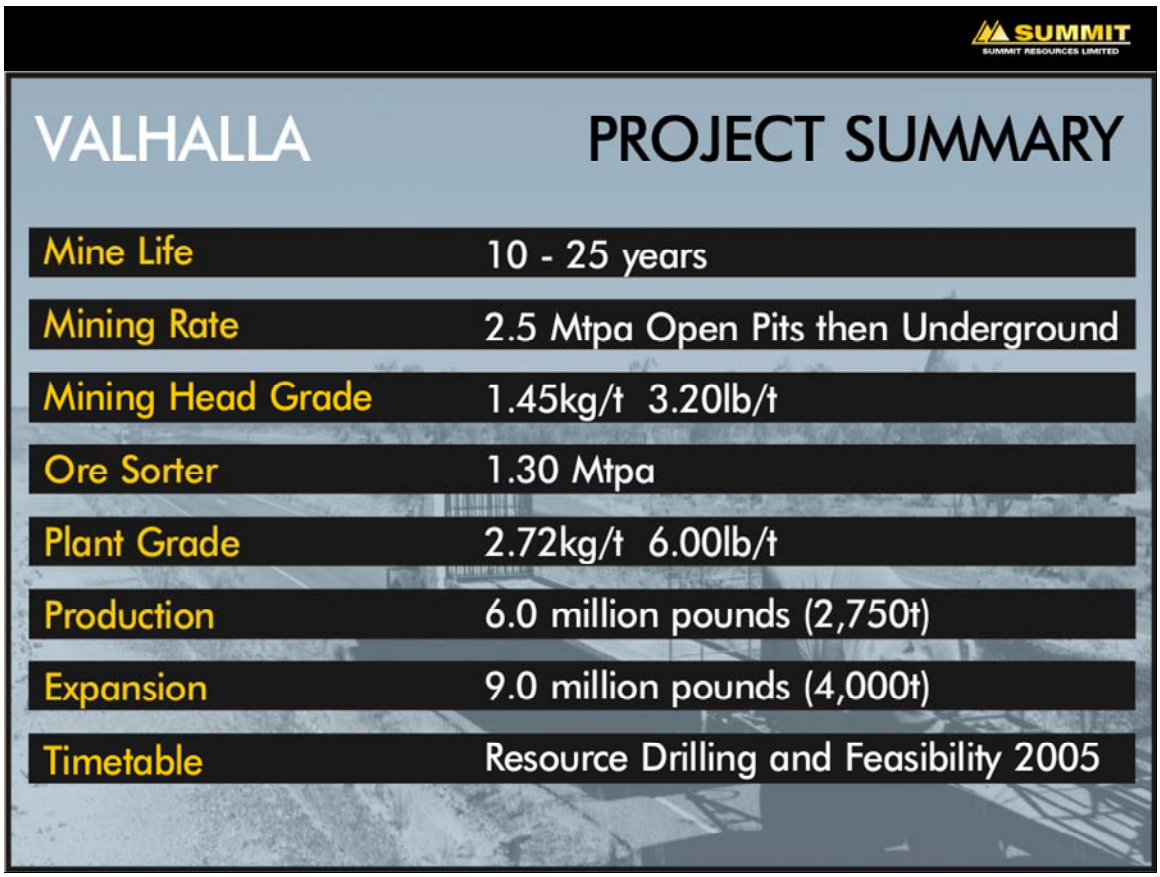
Preliminary financial modeling indicates the project would be commercially viable and make a major contribution to the local, Queensland and Australian economies.

Mining rate is planned to commence at around 2.5 million tonnes per annum for the first three years from three, possibly more, satellite open pits. During this time underground development would be undertaken so stopes can be developed and, by year four, underground production will commence and mill feed can be scaled up to 4.0 million tonnes a year.

The mine would have a life of over 10 years and, with further exploration of the existing deposits, and several new prospects in the area under Summit's control, more likely 25 years or greater.

At the current grades, recoveries and mining rates proposed (see below) the project would produce around 6.0 million pounds (2,750 tonnes) of uranium oxide a year for the first three years and, on scaling up of production, around 9.0 million pounds (4,000 tonnes) of uranium oxide a year.

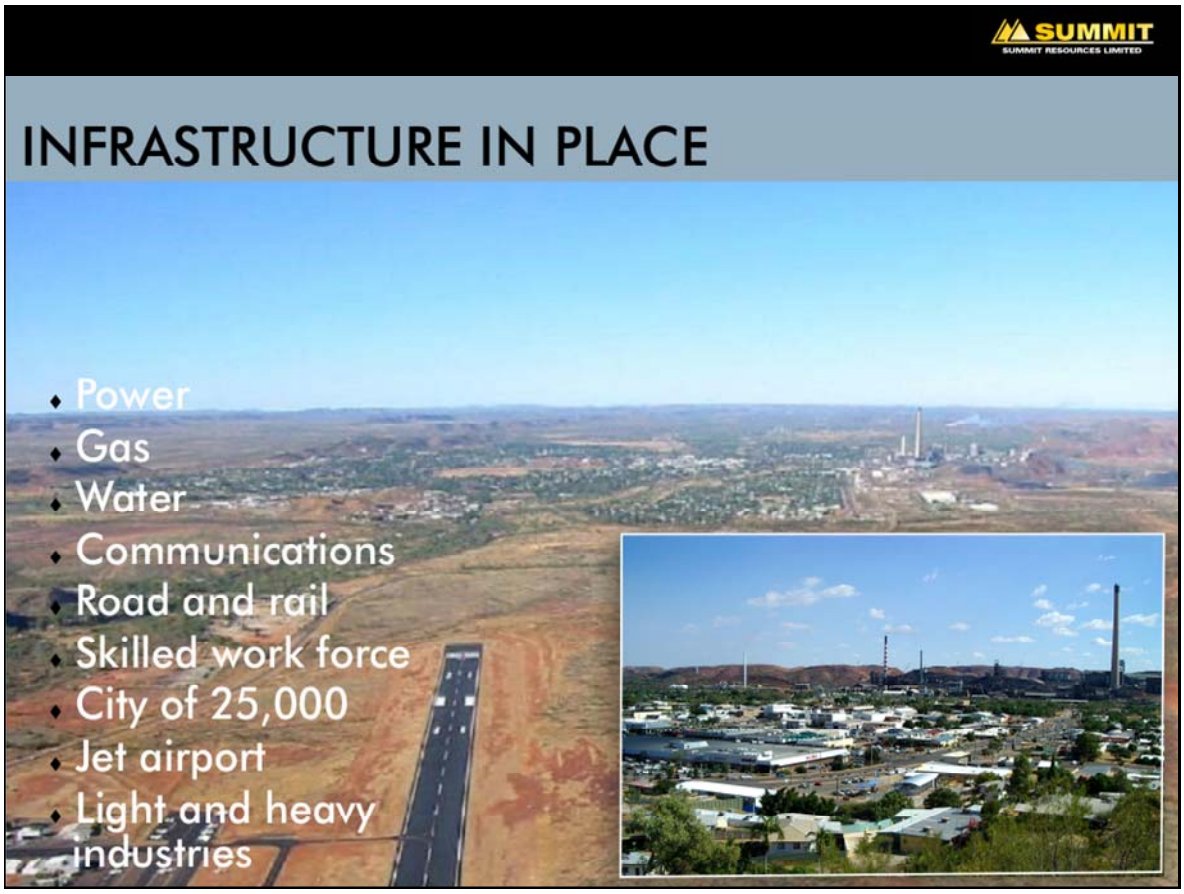
At these production levels the mine would be of a similar scale to the current Ranger operation in NT.



The total capital cost to establish the mines, plant, waste management systems and transport facilities, including working capital and interest is $314 million over four years.

I addition, $1.23 for every tonne mined is set aside for site rehabilitation and this would amount to over $24 million in the first six years of the mine life.

Capital cost of the mine development is relatively low when compared to similar new developments in Australia. This is due to the project's favourable location next to the mining city of Mount Isa in northwest Queensland. The project would utilise the existing infrastructure, skilled workforce and service industries located in Mount Isa.



The following financial assumptions have been used to model the financial performance of the project.

FINANCIAL ASSUMPTIONS FOR SUMMIT'S MOUNT ISA URANIUM PROJECT

MOUNT ISA URANIUM PROJECT		
	PRE-FEASIBILITY FINANCIAL ASSUMPTIONS	
	YEARS 1 TO 3	YEARS 4 TO 6
Mining Rate	2.5Mt	4.0Mt
Uranium Price	US$26.00	US$30.00
Vanadium Price	US$7.00	US$7.00
A$/US$ Ex Rate	0.77	0.77

There would also, as a result of its location, be very little if any call for any significant contribution by way of infrastructure establishment, subsidies or tax concessions by either the State or Federal government's to establish the project.

MOUNT ISA URANIUM PROJECT

BASE CASE ASSUMPTIONS		OPEN PITS AND BLOCK CAVE MINES		
		Tonnes	**U3O8lb/t**	**V2O5lb/t**
RESOURCE	**Valhalla**			
	Measured and Indicated	11,481,000	3.20	2.50
	Skal			
	Measured and Indicated	2,712,000	2.87	2.50
	Andersons			
	Measured and Indicated	1,240,000	3.68	2.50
	Total Measured	**15,433,000**	**3.18**	**2.50**
EXPENDITURE		**YEARS 1 TO 3**		**YEARS 4 TO 6**
Mining Haulage & Treatment	**1 YEAR**	**$73,000,000**		**$117,000,000**
Freight	**1 YEAR**	**$1,000,000**		**$1,600,000**
Total Costs	**1 YEAR**	**$74,000,000**		**$118,600,000**
REVENUE				
Gross Revenue	**1 YEAR**	**$253,000,000**		**$451,100,000**
Surplus before Royalties	**1 YEAR**	**$179,000,000**		**$332,500,000**
Royalties	**1 YEAR**	**$8,900,000**		**$16,600,000**
Surplus(Deficit)	**1 YEAR**	**$170,000,000**		**$315,900,000**
Surplus(Deficit)	**3 YEARS**	**$510,000,000**		**$947,700,000**
Capital & Interest		**$156,500,000**		**$156,500,000**
Working Capital		$20,000,000		$20,000,000
PROFIT EBIT*	**3 YEARS**	**$353,820,000**		**$811,200,000**

***** Earnings Before Income Tax and Amortisation

It can be shown from the financial modelling the project would make a significant contribution to the local, State and Federal economies over the **first 6 years** by:

- **Capital works and infrastructure development expenditures of $314 million**
- **Mining, haulage and treatment expenditures of $190 million**
- **Freight payments of $2.6 million**
- **Contributions to State Royalties of $61 million**
- **All this expended within Australia and mostly at Mount Isa**
- **Employment of around 600 skilled and professional personnel during the 3 year construction and ramp up phase**
- **Employment of around 400 skilled and professional personnel during the life of mine**
- **A major contribution in the form of PAYG and GST taxes during the construction and life of mine**
- **Over $2.00 billion in export income and contribution to Australia's balance of payments (based on gross revenue)**

The financial modelling shows the project has an overall production cost of US$7.60 a pound of uranium oxide. Therefore, once established the economics of the project are such, that it would remain in production even at historic low uranium prices of less than US$10 pound and be a source of long term employment and contribution to the Australian economy regardless of the fluctuations in the price of uranium oxide.

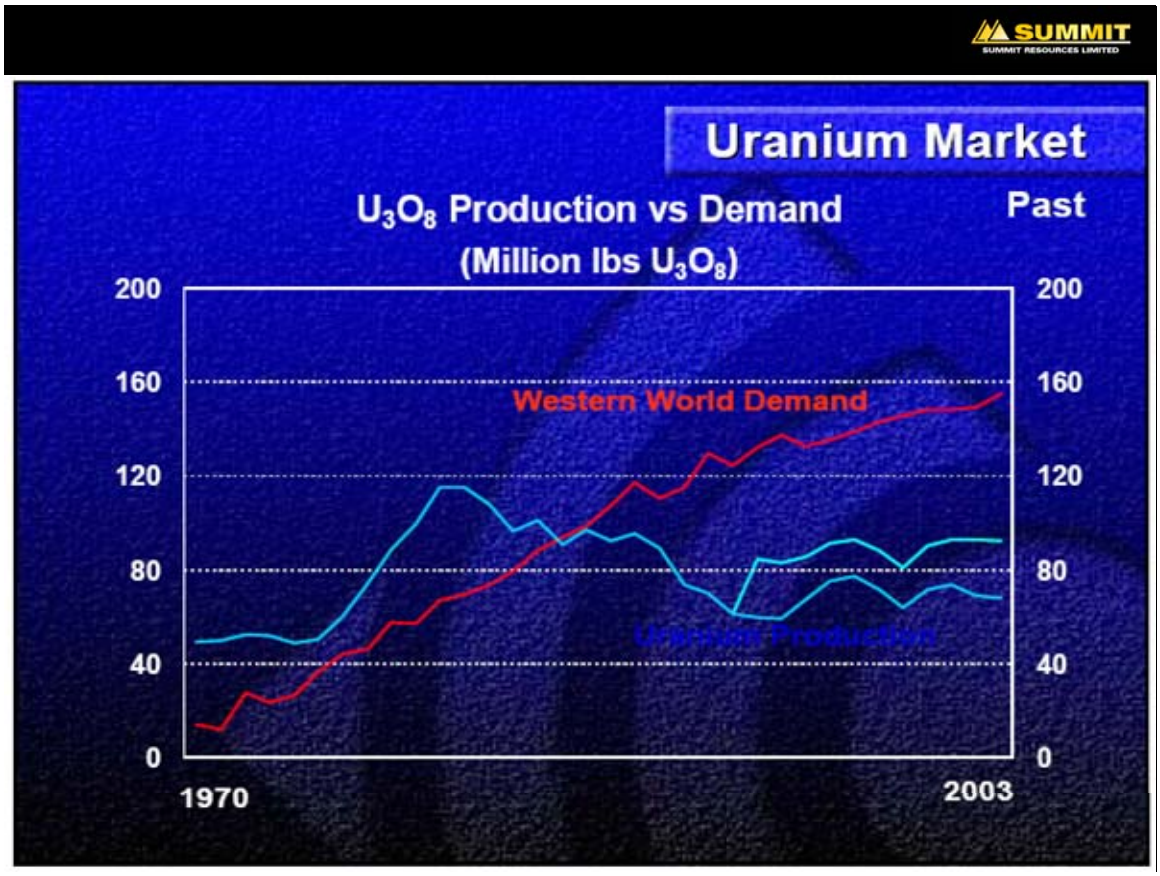
The Queensland and Federal governments, and the public, should not be deprived of the significant economic and environmental benefits that Summit's sustainable uranium mining and processing operation would deliver over a significant period of time.

GLOBAL DEMAND

Globally 32 counties have operating nuclear power facilities generating 13,000 terawatts ("**TWh**") of power with the USA generating one third of this. The demand for uranium oxide is all coming from this nuclear power industry and there is a shortfall in supply of over 50% to service the existing industry.

The world's current power grid capacity is 13,000TWh and is predicted to be 23,000TWh by 2020 and more than double to 35,000TWh by 2050. Around 17% of the world's power (2,300TWh) is now nuclear generated.

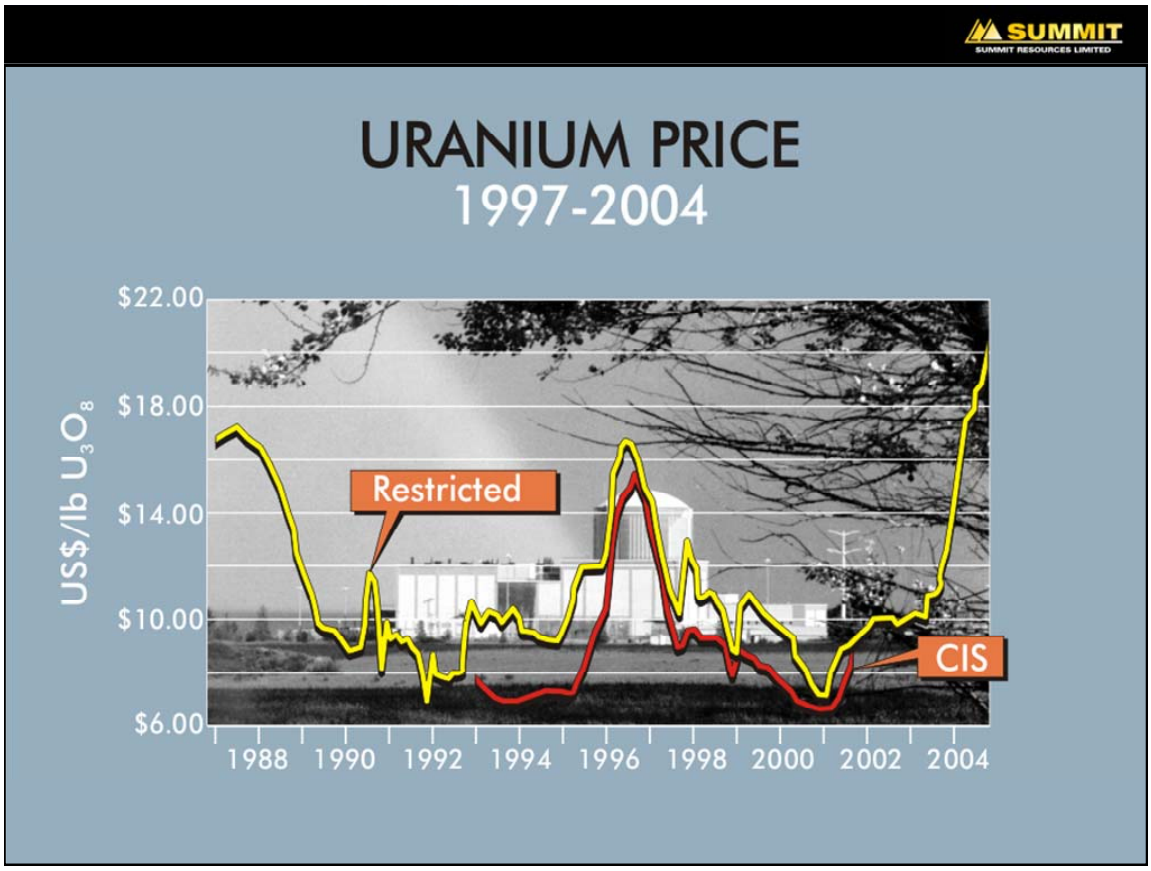
In our region China has plans for 40 new nuclear power stations with construction already underway, Japan 10 and India 8 and now Indonesia is seriously considering the nuclear option. Globally, USA, UK, France are expanding their nuclear capacity with numerous European, north and south American and Asian countries developing plans to either go nuclear or expand existing facilities.



As shown in the graphic, current world mine production of uranium oxide at around 80 million pounds, can only deliver half the current demand of the nuclear power industry of over 170 million pounds per annum.

This shortfall, has until now, been covered by stockpile inventories and the reprocessing of weapons grade material, mostly from Eastern Europe. These inventories have been exhausted and the reprocessing of weapons grade material largely completed. Hence these sources of supply are no longer available to the existing consumers, never mind as a source of supply for the nuclear power expansion by existing producers and new plant capacity, either under construction or in the planning stage world wide.

This shortfall in supply, coupled with soaring energy costs world wide, issues of greenhouse gas emissions and global warming are the primary reasons for the increase in the price of uranium oxide.



Uranium oxide spot price is now US$26.25 a pound, up from around US$7.00 pound in 2001.

Some analysts have the price as high as US$30.00 pound by 2006, US$45.00 pound by 2007 and as high as US$100 pound within the next few years.

The switch to nuclear power is being driven by soaring energy costs world wide, issues of greenhouse gas emissions and global warming as well as a realisation that alternative sources of low emission energy are seriously limited if nuclear is not considered an option.

An informed public debate has also swung in favour of nuclear power and will add to the demand for its use.

One of the founders of Greenpeace, Patrick Moore, has changed his view and now favours nuclear power as a sustainable development for the world's 6 billion inhabitants.

Another prominent UK environmentalist, Sir James Lovelock, an eminent scientist and climatologist, sees an urgent need to reduce greenhouse emissions and sees nuclear power energy, the one safe available energy source, as the key to our planet's future health.

Prominent UK environmentalist, theologian and former trustee of Friends of the Earth, Bishop Huge Montefiore, wrote in 2004 "The dangers of global warming are greater than any others facing the planet. In the light of this I have come to the conclusion that the solution is to make more use of nuclear energy."

He goes on to say "Nuclear energy provides a reliable, safe, cheap, almost limitless form of pollution free energy. The real reason why the government has not taken up the nuclear option is because it lacks public acceptance, due to scare stories in the media and the stonewalling opposition of powerful environmental organisations. Most, if not all, of the objections do not stand up to objective assessment." and on nuclear waste concludes "There is minimal risk of danger to posterity."

The same arguments can easily be applied in Australia. The entrenched position of the Australian power, coal mining and export industries, the influence they have on our governments and our energy policy, along with the royalties they generate for State governments and export income for the Commonwealth, have stifled informed debate on alternatives and uranium in Australia.

The heads of the main US and Russian nuclear research centres recently (October 2004) made a joint declaration intended for heads of government that outlines an ambitious plan for nuclear energy development. They envisage the use of advanced reactors which more fully utilise fissile resources and involve a carefully controlled fuel cycle, with reduced risk from arms proliferation and terrorism. The new nuclear era would be driven by global energy demand coupled with resource constraints on non nuclear fuels and climate change concerns.

Exposure of these arguments in the media will lead to a greater acceptance and understanding of the nuclear power cycle that, in turn, will lead to further acceptance of the nuclear power industry world wide and increase the demand for the clean fuel source, uranium oxide.

Nuclear energy technology is the only non greenhouse gas emitting fuel source that can effectively replace fossil fuels and satisfy future global demands for energy.

STRATEGIC IMPORTANCE OF AUSTRALIA'S URANIUM RESOURCES

The Australian Federal government is undertaking two initiatives that will have an impact on the strategic importance of Australia's uranium resources. They are:

1. The commencement of negotiations on a Free Trade Agreement ("**FTA**") with China; and

2. A select committee has been set up by the Foreign Minister to pave the way for uranium sales to China.

Both these initiatives highlight the strategic importance of Australia's uranium resources.

China's switch to nuclear energy is significant. China's demand for energy as its economy expands and modernises, is unprecedented and it plans, as a way to resolve at least part of this energy supply, to build 40 new nuclear power stations. Construction has already commenced and is a massive development of nuclear energy in our region.

The Chinese have no uranium oxide fuel source to service this massive infrastructure project (see Global Demand in this submission) and will be seeking reliable and dependable long term supplies as they develop their nuclear power industry. Australia is ideally positioned to be that supplier.

It's apparent that the Chinese and Australian governments have already begun to address this issue by the setting up of Minister Downer's committee.

Further, Australia's Prime Minister John Howard stated on his recent visit to China (April 2005) that the FTA negotiations will include all sectors of the economy and all commodities are "on the table". It can be reasoned that this must necessarily include Australia's large untapped uranium resources.

An implication of both the FTA negotiations and, as Australia is a signatory of the Nuclear Non Proliferation Agreement ("**NNPA**"), the outcome of Downer's committee is that China will be requested to sign the NNPA for uranium exports to commence. In turn, China will require Australia to free up its regulation of uranium mining in all States to enable the uranium supply shortfall to be met from a safe, reliable and dependable long term supplier in the region.

With around 30% of the world's easily recoverable uranium resources this increase in supply could be met on a competitive basis from a number of existing and proposed new mines in Australia.

When calling for this Inquiry the Federal Shadow Minister for Resources, Martin Ferguson, was quoted as stating words to the effect "There is no need for further division within the Labor party over the development of new uranium mines in Australia as (WMC's) Olympic Dam mine in South Australia is capable of supplying the entire world's increase in demand."

This position favours one large established producer over all other potential producers in Australia, and by implication, is discriminatory, uncompetitive and gives the established

producer a privileged position, limits competition, employment and wealth creation in other areas and States of Australia without delivering any benefits. Also, how can it be justified that uranium mining is permitted in one State and Territory in Australia and prohibited across a border in a neighbouring State?

Australia's three existing uranium mines are located in the Northern Territory and South Australia and operated by ERA (Riotinto), WMC (BHP Billiton) and Heathgate Resources. The graphic summarises Australia's known uranium mines and deposits, their location and contained resources. Summit's resources near Mount Isa are highlighted.

With the massive resource known at Olympic Dam in South Australia excluded there are around 320,000 tonnes of uranium oxide resources known in 26 deposits in Australia.

SUMMIT
SUMMIT RESOURCES LIMITED

AUSTRALIAN URANIUM RESOURCES

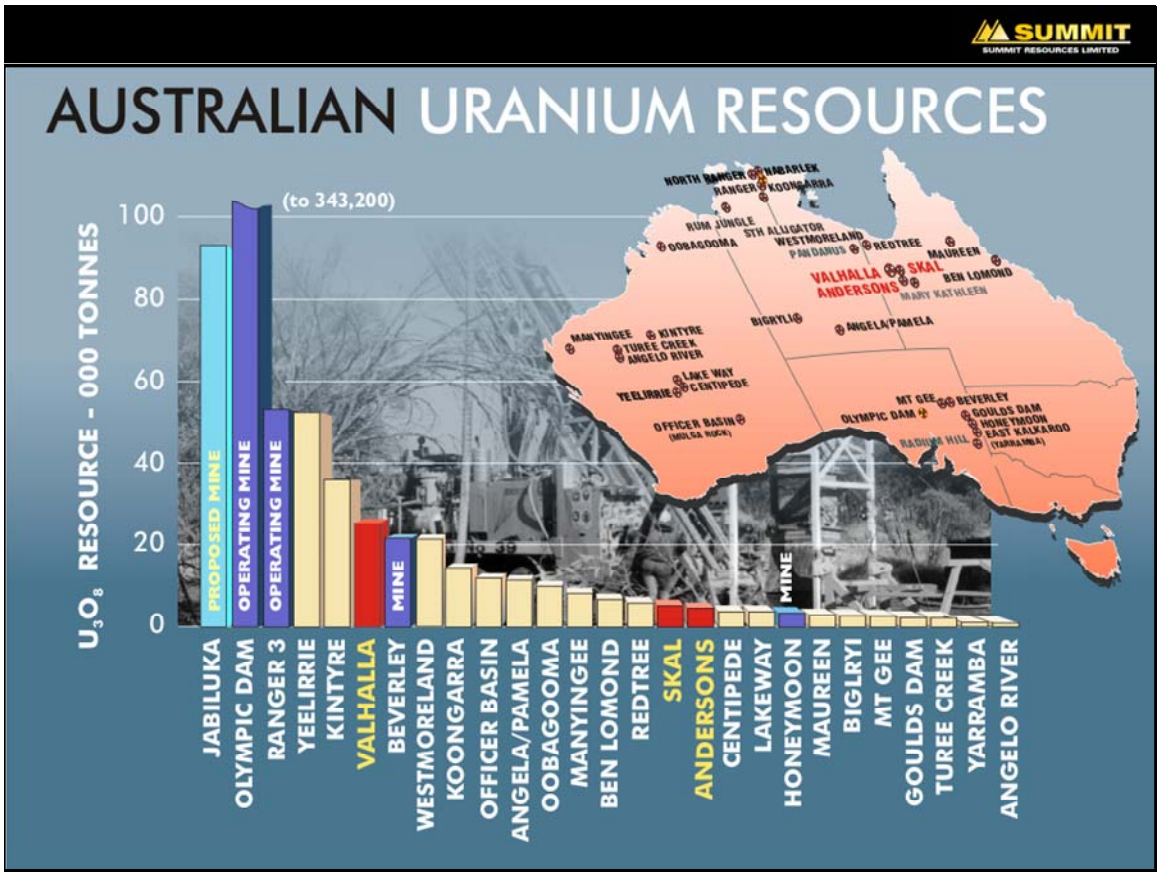
PROJECT		OWNER	Mt	Kg/t U_3O_8	U_3O_8 TONNES
JABILUKA	NT	ERA (RIO TINTO)	19.5	4.6	89,700
OLYMPIC DAM	SA	WMC	572.0	0.6	343,200
YEELIRRIE	WA	WMC	35.0	1.5	52,500
KINTYRE	WA	RIO TINTO	18.0	2.0	36,000
VALHALLA	QLD	**SUMMIT / RESOLUTE**	**20.5**	**1.3**	**26,000**
BEVERLEY	SA	HEATHGATE	7.7	2.7	21,000
WESTMORELAND	QLD	TACKLE	12.3	1.7	21,000
KOONGARRA	NT	COGEMA	1.8	8.0	14,500
OFFICER BASIN	WA	PNC	10.1	1.2	12,000
ANGELA PAMELA	NT	URANIUM AUST	8.8	1.3	11,500
OOBAGOOMA	WA	PALADIN	8.3	1.2	10,000
MANYINGEE	WA	PALADIN	6.9	1.2	8,255
BEN LOMOND	QLD	ANACONDA	3.0	2.3	6,800
REDTREE	QLD	TACKLE	3.7	1.6	5,920
SKAL	QLD	**SUMMIT / RESOLUTE**	**4.2**	**1.2**	**5,000**
ANDERSONS	QLD	**SUMMIT**	**2.9**	**1.5**	**4,400**
CENTIPEDE	WA	GREAT CENTRAL	3.8	1.0	3,800
LAKEWAY	WA	GREAT CENTRAL	3.8	**1.2**	3,800
HONEYMOON	SA	SOUTHERN CROSS	2.2	1.2	3,400
MAUREEN	QLD	ANACONDA	2.5	3.4	2,940
BIGYRLI	NT	RESOLUTE	0.8	1.0	2,770
MT GEE	SA		2.7	1.5	2,720
GOULDS DAM	SA	GOULDS DAM	1.6	4.5	2,300
TUREE CREEK	WA	ACCLAIM	0.5	**1.7**	2,250
YARRAMBA	SA	SOUTHERN CROSS	0.7	1.6	1,150
ANGELO RIVER	WA	PNC	0.6	1.2	1,000

If these uranium deposits were to be mined they could supply the entire world nuclear power grid for around five years, and China's proposed nuclear industry for the next 20 to 30 years. This is outside the existing production from Olympic Dam and further Australia wide exploration that will deliver further viable resources into this inventory.

Therefore, Australia's uranium resources, outside of the existing producers, are strategically significant to both the region and as a significant source of world wide supply to meet the increasing shortfall.

The next graphic is of Australian's known uranium resources in order of size and their location within Australia. It shows these uranium resources are entirely located within the major mining States of Queensland, Northern Territory, Western Australia and South Australia where mining infrastructure is well developed, the environmental impact of large scale mining activities well understood, managed and rehabilitation of exhausted mines, including former uranium mines, having been successfully undertaken to a very high standard.

Again, Summit's deposits are shown to be all located within 40 kilometres of the mining city of Mount Isa in northwest Queensland and just 50 kilometres west of the successfully rehabilitated Mary Kathleen uranium mine.



Any development of Summit's deposits would be based on existing infrastructure of the Mount Isa district and importantly, due to the location in northwest Queensland, the uranium oxide could be easily transported by road (or possibly on a new rail line proposed to connect Mount Isa to the Darwin to Adelaide line) to Darwin where existing export facilities for uranium oxide could be utilised.

Hence, Summit's uranium resources are ideally located to supply, on a long term basis, both existing markets and the new emerging markets in Asia and China.

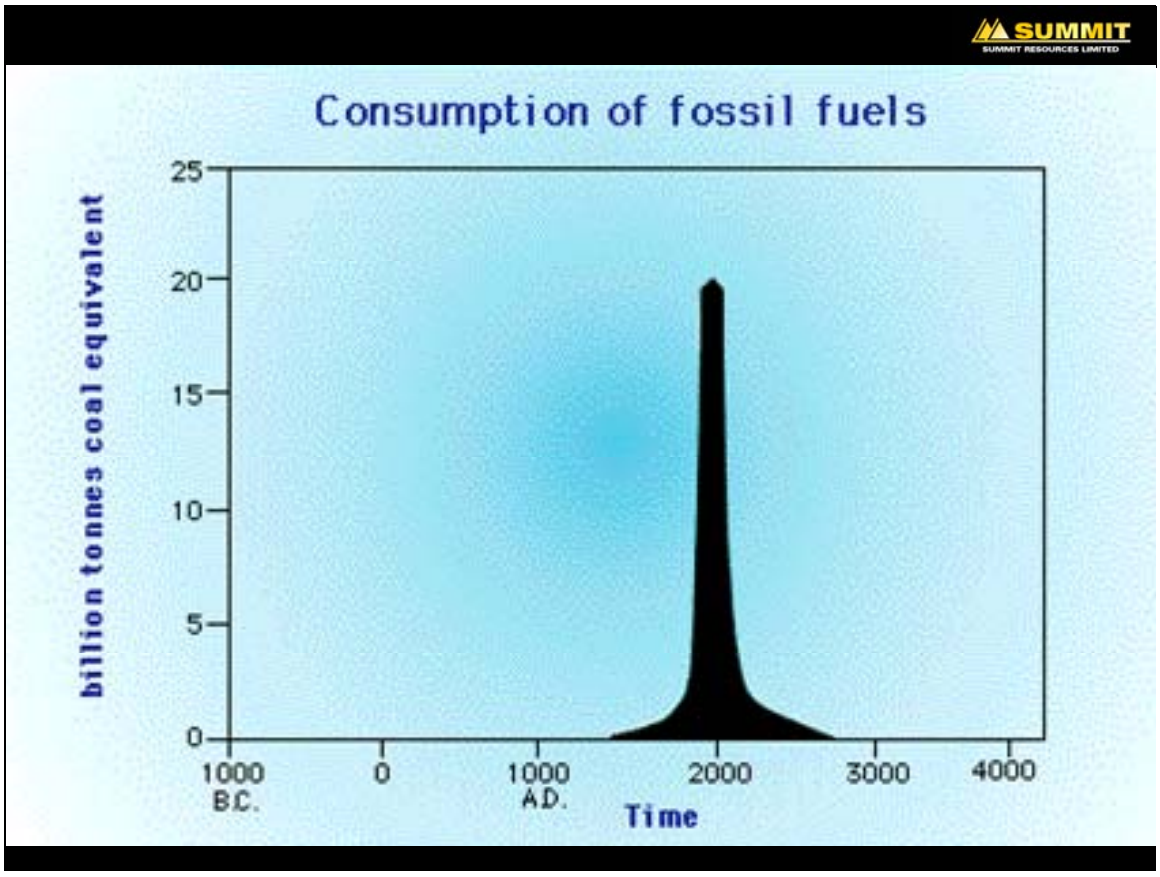
IMPLICATIONS FOR GLOBAL GREENHOUSE GAS EMISSION REDUCTIONS

On global warming Dr James Hansen of NASA recently stated “There can no longer be genuine doubt that human made gases (carbon rich emissions) are the dominant cause of observed warming.”

Research by NASA’s scientists confirm that computer models of climate change are on target and global temperatures will rise $0.6C^0$ this century, even if greenhouse gases were capped tomorrow.

One year’s uranium oxide production from Summit’s proposed Mount Isa mines would, globally, displace in excess of 160 million tonnes of greenhouse gas emissions.

Consumption of fossil fuels has rapidly escalated in the last century and is at an all time high equivalent now to around 20 billion tonnes of coal per annum.



The world cannot go on burning fossil fuels at the rate it has been over the last fifty years. Even if fossil carbon rich fuels were to be available, their burning is generating the huge amounts of greenhouse gases and atmospheric particulate pollution that directly contribute to global warming and atmosphere dimming.

Dr Hansen states “If carbon dioxide and other heat trapping emissions continue to grow, as expected, things could ‘spin out of control’ as ocean levels rise.”

Soaring global energy requirements requires alternative approaches and sources of power to replace fossil fuels.

The Kyoto Accord on climate change came into force in February 2005 with Australia and the United States the only two non-signatories among developed nations. Failure to sign can only be interpreted as a short sighted attempt to protect greenhouse gas emitting industries, coal fired power and the export coal and LNG industries.

Recent climate modelling (published in Nature) suggest global temperatures could rise by an alarming 11 degrees this century with serious consequences within the next ten years.

The geological record shows that similar global warming caused the extinction of 90 percent of life on earth at the end of the Palaeozoic Era some 250 million years ago.

However, Kyoto compliance will only halt the increase in greenhouse gas emissions by the reduction of carbon emissions by about 1%, whilst a 60% reduction is required to avoid the worst effects of global warming.

Tony Blair believes much larger reductions are needed and, in 2003, the UK pledged to go far beyond Kyoto setting an ambitious target of reducing carbon emissions by 60% by 2050.

One of the first impacts of global warming is the retreat of glaciers in temperate regions and the melting of the polar ice caps causing a rise in sea level. A 1 metre rise in sea level will displace 100’s of millions of people in low lying areas around the world, in our region and in the Pacific, along with serious erosion and destruction of high value beachside real estate and coastal infrastructure in many developed countries.

There is scientific evidence that the west Antarctic ice sheet has already begun a slow but irreversible slide into the ocean, a process that will raise sea levels by 5 metres over several hundred years.

New clean energy technologies are required now to head off the global effects of burning fossil fuels.

All renewable energy sources, including solar, wind and wave power, have unresolved problems with fluctuating supply and energy storage. The hydrothermal option is limited by its specific location over geothermal convection systems, power transmission costs and losses, cost per unit and poor reliability associated with the high temperatures involved, plant corrosion by heavy metal carrying fluids and gases and the constant deposition of plant clogging mineral deposits within the plants “plumbing system”.

The options to maintain existing generating levels, or for growth, of hydro power are rapidly diminishing for several reasons. The silting up of existing dams is reducing the effective storage (with little or no way of flushing the huge volumes of mud and silt from the dams without catastrophic effects to the landscape, people and infrastructure downstream), limited new sites available due to the encroachment on high value

wilderness areas, climate change reducing runoff with existing hydro facilities working at less than capacity and, particularly in Australia, the lack of high rainfall areas and river flows to support any new facilities.

Bio-fuels (crops that have low carbon emissions when burnt) would need to replace all of the world's agricultural areas to match the current use of fossil fuel.

Hydrogen fuel is an option with hydrogen powered cars and buses now a reality. However, this is only a clean option if based on nuclear energy to generate the hydrogen as large amounts of CO_2 are generated by either the generation of hydrogen as a by product in oil refineries or from coal fired power stations.

The only clean safe technology currently available, to supply base load power to both developed industrialised economies and the rapidly developing economies, is nuclear power.

With power demands globally predicted to increase from 13,000TWh now to 35,000TWh by 2050 nuclear power is the only commercially viable, low emission and sustainable option to take up the three times expanded capacity required in the next forty years.

Australia's untapped uranium resources can make a major contribution to the soaring demand for uranium oxide for power generation and at the same time make a significant contribution to the reduction in global greenhouse gas emissions.

One pound of uranium oxide contains energy equivalent to 8.5 tonnes (19,000 pounds) of black coal.

Coal mining generates 30 times the greenhouse gases as the equivalent uranium mining operation. Based on Summit's resource grades at around 3.5lbs per tonne U_3O_8, 1 tonne of uranium ore mined delivers the equivalent energy value of 30 tonnes of coal.

Coal transport generates 19,000 times more greenhouse gases as the transport of uranium oxide. Uranium is a high value low bulk commodity to transport. Once mined and recovered 1 tonne of yellowcake (2,200 pounds U_3O_8) has the equivalent energy value of 19,000 tonnes of black coal.

Building a nuclear power station compared to coal fired station is emission neutral.

One year's mine production from Summit's Mount Isa planned operation, when scaled up, would be 9.0 million pounds (4,000 tonnes) of U_3O_8 equivalent to 76 million tonnes of black coal.

9.0 million pounds of U_3O_8 would supply fuel for ten 2,000 megawatt power stations for a year (generating 140TWh) with no greenhouse gas emissions. 76 million tonnes of black coal burnt to produce the equivalent power produces 160 million tonnes of greenhouse emissions.

GREENHOUSE GAS EMISSIONS URANIUM VERSUS COAL

URANIUM VERSUS COAL GENERATED POWER		
	GREENHOUSE GASES (Units)	
	URANIUM	COAL
Mining	1	30
Transport	1	19,000
Plant Construction	1	1
Power Generation	0	160,000,000

In summary, mining of coal generates 30 times the greenhouse gas emissions, transport of coal 19,000 times and is neutral with respect to the construction of the power generating facility when compared to uranium. Coal fired power generates 2.4 million tonnes of carbon dioxide for every 1 tonne of coal burnt and nuclear fuel generates no emissions.

The mining, processing, transport and exporting of Summit's uranium deposits would generate around 20,000 times less greenhouse emissions within Australia when compared to the equivalent coal mining operation and, in the generation of power, no further greenhouse gases.

CURRENT STRUCTURE AND REGULATORY ENVIRONMENT OF URANIUM MINING

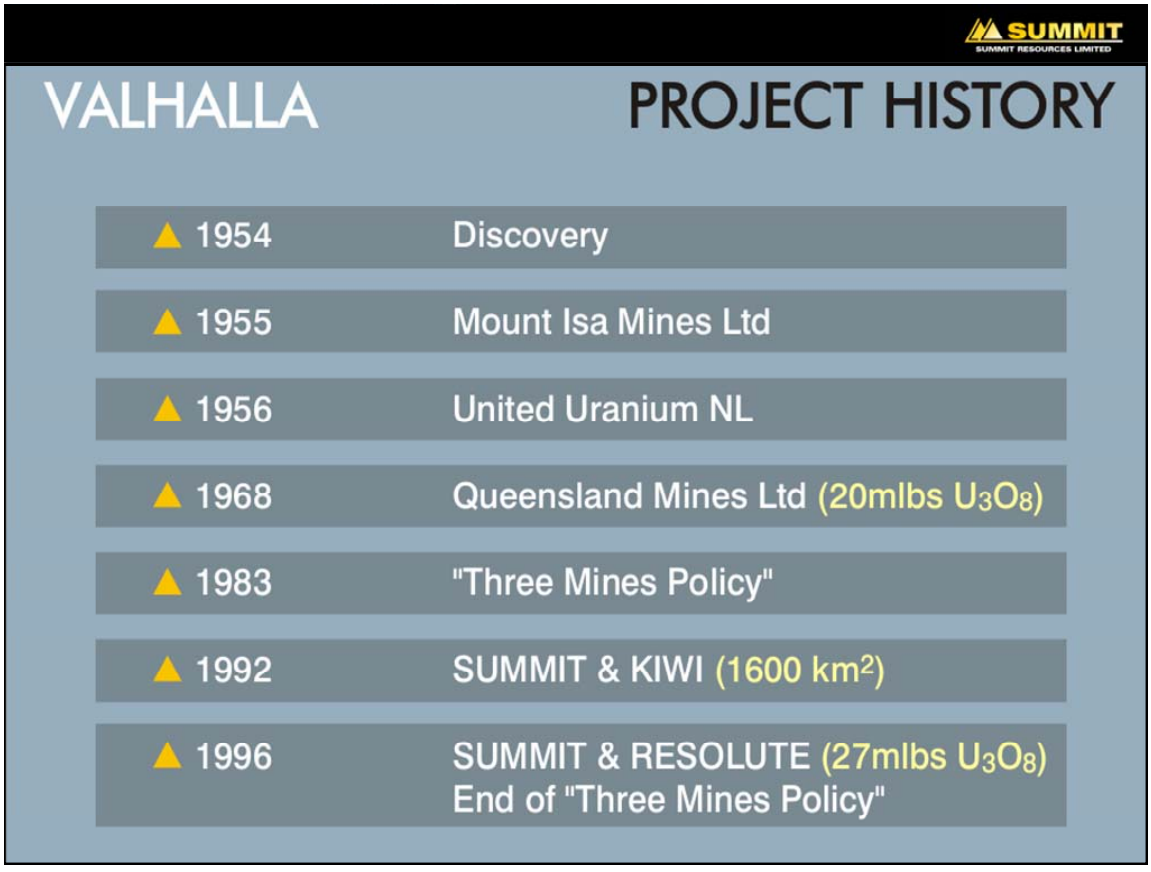
The regulatory and approval process for uranium mining, processing and export in Australia is complex and involves both State and Commonwealth government agencies.

In addition, the process is complicated by the political process with the conservative side of politics supporting the development of new mines whereas the Labor Party retains a policy, at both Federal and State levels, of not approving any new uranium mines.

Uranium is one of the few (only?) minerals that require Federal governmental approval for the mining and processing as well as the export licence. However, the States have prime responsibility for all land title and this includes mining tenure and the grant of a mining licence.

Any uranium mining and processing proposal is also subject to a lengthy public scrutiny process.

The history of the Valhalla project is summarised below and presented as an example of the problems encountered in Australia with the approval process.



The prospect was first discovered in 1954 by prospectors using Geiger counters, pegged as a series of Mining Licences ("**ML**") and explored by several parties until mid 1960's when Queensland Mines Ltd ("**QML**") commenced drilling and, by 1968, established a 20 million pound resource.

The ML's over the deposit were maintained by QML throughout the 1970's and 80's whilst the company proceeded to mine a rich, high grade uranium deposit at Narbarlek in Arnhem Land in the Northern Territory.

Mining of Narbarlek commenced in May 1979 and was completed in 128 days. The ore was stockpiled, encapsulated in shotcrete and treated through a standard acid leach solvent extraction mill at a rate of 1,400 of U_3O_8 per year. The milling operation was completed in 1988 and the site completely rehabilitated. Approximately 14,000 tonnes of U_3O_8 were recovered at an average grade of 2.3%. The total value of sales from this mine alone was $1 billion dollars (in 1988 dollars).

However, whilst QML were occupied treating the Narbarlek ores, in 1983 the Hawke Labor government had introduced its "Three Mines Policy" that included the Mary Kathleen (Queensland), Ranger (NT) and the Olympic Dam (SA) uranium mines.

As mining was completed at Mary Kathleen by 1984, this was effectively a "Two Mines Policy" with the final treatment of the Narbarlek material and the rehabilitation of both the Narbarlek and Mary Kathleen sites completed by the late 1980's.

Despite the then Federal government's position, QML held the ML's until 1992. In 1992, with the "Three Mines Policy" being maintained and the Goss Labor government in office in Queensland, the surrounding area was applied for by Summit as part of the new search in the Mount Isa area for large iron rich copper gold uranium systems. At this time QML decided not to renew the MLs. Summit immediately included QML's areas within its applications and were acquired under Exploration Permit for Minerals ("**EPM**") 9221.

EPM9221 grant included all base metals, gold and uranium as the minerals that could be explored for and the royalties for uranium production are set within the Queensland Mining Act.

There were no caveats or any indication from the then Minister and local member Hon. Tony McGrady, or his Department, that uranium could not be explored for under EPM9221.

Four years later in 1996, the Howard government was elected to Office in Canberra and one of it's first moves was for the then Federal Minister for Resources, Senator Warwick Parer from Queensland, to announce the end of the "Three Mines Policy" with respect to uranium mining, processing and export in Australia. Parer stated that, subject to the appropriate environmental and safety guidelines being met as well as compliance with the NNPA, they would support the exploration for, and development of, new uranium mines.

Coincidentally, in 1996, the Borbidge conservative government was in office in Queensland. On Parer's Statement, Summit approached the then Queensland State Minister for Mines and Resources, Hon. Tom Sullivan, and sought his view on Summit

recommencing uranium exploration around Mount Isa on its tenements, including EPM9221.

In 1996, Minister Sullivan wrote to Summit confirming that, subject to the same conditions as set by the Federal government, the Queensland government would support our uranium exploration program at Mount Isa and, if successful, grant Summit a ML to mine uranium.

Summit had the tenements granted and the support of both Federal and State Ministers responsible to proceed with uranium exploration, and if justified on commercial grounds, develop and mine any resource located.

Summit, and its joint venture partners, immediately commenced uranium exploration and by late 1996 had established that the Valhalla resource was potentially much larger than originally thought, was an iron rich system, and drilling had increased the resource base to 27 million pounds U_3O_8.

Over the following year and a half, Summit expended close to $5.0 million dollars on drilling, metallurgical testwork and pre-feasibility studies on the deposit.

This substantial investment and testwork lifted the resources at Valhalla to around 55 million pounds U_3O_8 by July 1998 and established that the uranium was commercially recoverable. A full bankable feasibility study to finance and mine development of the resource was being planned.

In mid 1998, a State election was held in Queensland and the Beattie Labor government was elected to the State treasury benches.

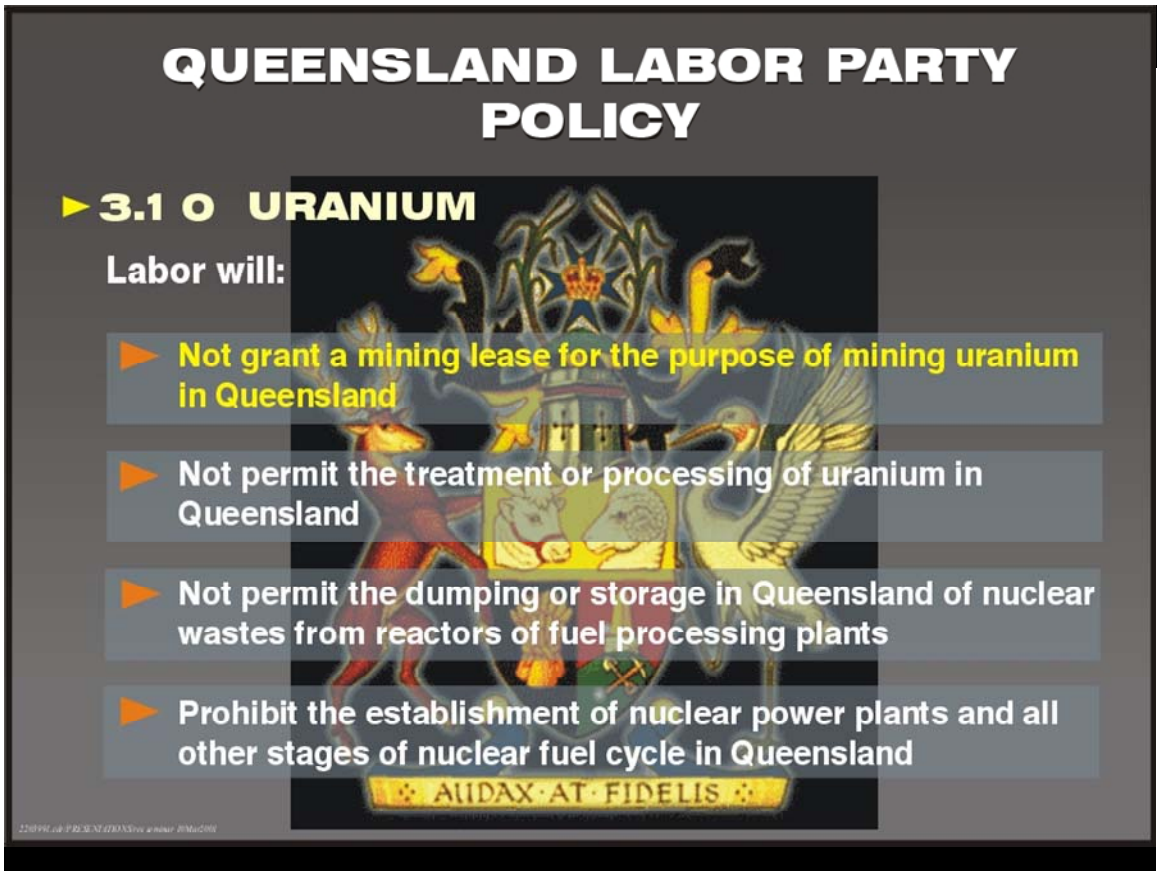
Soon after, around September 1998, Summit became aware of the new Beattie government's position on uranium mining in Queensland. Their policy is reproduced below.

In September and October 1998, Summit made approaches to the then newly reinstated Queensland Minister for Mines and Resources, Hon. Tony McGrady. The Minister's advice was that the Labor Party's position not to approve new uranium mines would be the Queensland policy and he would not be granting an ML for Valhalla, or any other uranium mine, in Queensland.

By late 1998 Summit, and its advisers, made approaches to Premier Beattie, State and national Union leaders, Federal politicians on both sides of the House to clarify its position and seek ways to proceed with the project.

Whilst we received a sympathetic hearing and support from most, particularly Union leaders and Federal politicians, both conservative and Labor, Premier Beattie reiterated the "policy" and there was no point in a meeting with us.

Summit suffered a severe retreat in its share price with some $60 million in market capital being wiped from the Company's value over this period.



By mid 1999, with a falling uranium price and the Company effectively unable to proceed with project due to the Queensland government's stand, we turned our focus to rebuilding by exploration for copper, gold, base metals, iron ore and phosphate resources in the Mount Isa region.

More recently the debate has resurfaced and the formation of this Inquiry is evidence of this.

In Australia, prominent Labor identities, including NSW Premier Bob Carr and Peter Garrett, have called for the debate on nuclear power and the nuclear option for the future to be considered. The Premier of South Australia, Mike Rann, along with the Federal Labor politicians from that State, have called on their Canberra colleagues to rethink the 20 year old Labor policy that bans new uranium mines. Federal Labor leader, Kim Beazley and his resource spokesman, Martin Ferguson, have both stated they agree in-principle with the export of uranium to China and will fully participate in this Inquiry.

However, against this, the Queensland and West Australian Premiers have reiterated their government's anti uranium stance. These are the two States that would benefit the most from a change in Labor policy.

The Queensland Premier Peter Beattie was quoted as saying "We don't support the development of the uranium industry and we won't be changing our policy on it" and

unequivocally rejected any suggestion that Queensland's anti uranium stance could be seen as a form of political risk by some mineral explorers.

We would put the case that in fact there is a large degree of political risk, as outlined here by Summit's experience in Queensland, and would welcome the chance to discuss this with the Queensland Premier.

The current regulatory system is inherently flawed and gives rise to serious issues of sovereign risk. Tony Grey's Pan Continental Mining at Jabiluka in the mid 80's, Newcrest Mining at Coronation Hill in the late 80's and Summit at Valhalla in the mid 90's, all suffered serious commercial loss as a direct result of the joint State and Federal approval process for these mines and the political risk and policies, not mining law and the state Mining Acts, that comes with such a system.

The various State and Territory Mines Act are not the problem as they generally permit uranium mining. It is the political process and new (later) government having a differing "policy" on uranium to that in place when either the tenements or project were acquired and significant investment undertaken.

We would further suggest, it's time the Queensland government openly reassessed its position on uranium mining in terms of issues such as world wide opinion and the use of nuclear power, global warming, greenhouse gases, world demand, safety, scientific evidence and the issue of direct benefits to the State by way of employment, regional development, tax revenues, export income and the development of high technology industries in that State.

There is no evidence of safety as an issue. With over 50 years of uranium mining in Australia, and currently large underground mines operating, there has been full compliance with international radiation safety regulations and standards. Constant monitoring shows maximum actual exposure levels at Australian mines about half those specified and, average levels, little more than natural background.

Importantly, to our knowledge, there has been no exposure of any mine or process plant personnel to unsafe radiation levels reported from Australia's uranium mines, or ongoing issues related to the health of current or former uranium mine workers.

In this context, it should also be noted that coal also contains uranium and generates radiation. Crustal uranium is readily dissolved by oxygen in rainwater and then by way of the water table flows downstream and when these ground waters come into contact with coal, mostly carbon and a natural reducing agent, the uranium is precipitated onto the coal which contains orders of magnitude more uranium than the average crustal material. Unlike nuclear plants, coal fired power stations do not "burn" the uranium or manage their contaminated waste. The uranium is either sent up the smoke stack or left as contaminated fly ash waste at the plant.

Best practice mine and environmental management at Australian uranium mines aims for zero emission of any harmful products or pollutants that may contaminate the environment and capital is set aside for safe decommissioning and successful rehabilitation at the end of mine life.

Radiation is also a common and natural occurrence. The table below indicates the amount of radiation that an individual is exposed to from uranium mining and nuclear power generation in comparison to other daily activities including a two hour interstate jet flight.

RADIATION EXPOSURE BY ACTIVITY

ACTIVITY COMPARISON OF RADIATION EXPOSURE	
ACTIVITY	**AMOUNT (u S per year)***
Uranium Mining	**1**
Nuclear Power	**1**
Previous Weapons Testing	**10**
Cosmic Rays at Sea Level	**250**
Medical Radiation (XRays)	**300**
Food and Drink	**300**
Natural Radon & Thoron 1	**300**
Terrestrial Gamma Radiation	**350**
Jet Flight at 9,000m	**750**

*** Microsieverts (one millionth of a siervert) per year per average person**

There are several key issues with respect to the regulatory environment for uranium mining raised here and the difficulties of getting any new uranium mine development up and running in Australia.

Uranium mine approval process involves both State and Federal government agencies and the elected governments. The process is flawed as:

1. Coincident conservative Federal and State governments can give the go ahead for new mines. However, due to the necessary lead time these mine developments take, there is a likelihood of either the State or Federal government changing to Labor during the process and stopping development before final approvals are achieved and construction starts;

2. Any new uranium mine development requires an expensive bankable feasibility stage where $10's of millions would be expended and the current regulatory environment means this phase is extremely high risk. That risk mitigates against proceeding without State and Federal guarantees that, should the studies prove positive and all guidelines met, the mine will be granted an ML;

3. Our understanding is that such guarantees cannot be given under a Westminster system of government where an incoming government, even of the same party, is not bound by any of the previous government's undertakings;

4. The Labor Party policy is set by the lay party at their biennial conference and both the Federal and State Labor parties and governments are bound by this policy. Hence, even though within Australia the various States, and the current Federal opposition, have different ways of dealing with the policy the outcomes are the same, no new uranium mines approved;

5. In the past numerous attempts have been made by major mining companies to have this Labor policy changed, without success;

6. The Labor party policy does not include shutting down existing uranium mines;

7. This aspect of the policy gives rise to a privileged position for existing uranium miners whereby they are not subject to competition, can expand their existing facilities and production whilst competitor company's are prohibited from developing their resources;

8. The situation now is uranium mining is permitted in South Australia and Northern Territory and not across the border in the neighbouring State or Territory; and

9. The Commonwealth does have the power under certain circumstances, where they can or could, to override the States and grant all necessary approvals for a uranium mine. Broadly these come under the heading of National Interest and are:

    (i) The Commonwealth acting on issues of National Interest such as in times of war, civil crisis or disaster;

    (ii) Instances where the State(s) are not deemed to be acting in the National Interest;

    (iii) Where the export income and contribution to balance of payments would be significant and in the National Interest if the project were to proceed but is being blocked by the State(s). Such contribution is thought to be in excess of A$1.0 billion and Summit's project would qualify on this basis; and

    (iv) When the Federal government is under some obligation by way of a Treaty, FTA or other commitment to a foreign state or international authority to allow the activity or industry to proceed.

Any mining plan for uranium, including the environment impact studies and report, transport and export procedures and handling, mine waste management, mine rehabilitation plans, waste water disposal and management throughout mine life and rehabilitation, air quality and the effect on any flora and fauna of all these activities must be submitted to both the State Mine and Resources department, the State Environmental Authority, local Shire, Department of State Development, as well as the Federal Environmental Authority and the Chief Scientist in Canberra.

The proposal is then subject to an extensive period of public scrutiny and comment from any interested parties, whether or not they are directly impacted by any part or phase of the proposal.

This entire process, from commencement of collection of the required environmental data to approval, is lengthy and takes a minimum of two years to complete. At least a year to 18 months is required to collect the required flora, fauna and climate data from site, 6 months to compile the data along with the mine data and then the time for pubic comment allowed. None of this work can commence until there is a high degree of certainty that, should all the guidelines be met, the mine will be granted an ML.

The current regulatory environment essentially does not allow the situation to proceed with that reasonable assurance as it can't be given.

Whilst the special nature of uranium mining is recognised, and appropriate mine management systems are essential for the health and safety of all involved, uranium has been mined successfully in Australia for over 30 years without any serious loss of life or health associated issues.

In contrast, coal mining world wide causes the deaths of 12,000 to 15,000 miners a year with China alone reporting (and there are probably more) 6,027 coal miner's deaths in 2004 and 6,200 in 2003.

World wide uranium oxide, the enriched products from its processing, power plant fuels rods and waste products from these plants are transported, including through highly urbanised and populated regions in over thirty countries, including Australia, on a regular daily basis without incident or any associated health risks. Similarly waste storage is managed and accounted for as part of this process and compliance with the NNPA.

In Australia, no other mine or energy development is subject to such stringent, complex, detailed and lengthy approval process with a large degree of political risk as well.

This situation, along with the unacceptable "political risk" outline above, has until the recent price rise for uranium fuel, all but stifled investment in uranium exploration in Australia and has deterred foreign investment in the industry on a large scale.

There are two beneficiaries of Australia's regulatory system for uranium mines. These are the three existing producers in the Northern Territory and South Australia and the Canadian uranium mining and processing industry.

Apart from the environmental considerations and soaring demand, the cost to Australia is the loss of uranium exploration investment and expenditure, regional development and employment opportunities, royalties and tax receipts, both State and Federal, export income and contributions to the balance of payments.

Further, Australia was at the forefront of the establishment of the NNPA and a senior participant in the monitoring of compliance with the Agreement by uranium producers, buyers and end users as well as monitoring waste management. Australia's withdrawal from the industry over the last 20 years has meant its status and influence in this regard, as well as scientifically, is diminished and we are seen as a nation that is turning its back on the industry and, as a consequence, consulted less and less on these issues and the future management of the nuclear cycle and the establishment of appropriate safeguards to it's management and use.

The effect of the Labor stand in Australia on uranium mining is globally irrelevant as there are other suppliers, principally Canada, which operate under the same international safeguards as set down in Australia and are willing to, and do, take up the shortfall. The Labor policy therefore has no effect on controlling the global supply and only reduces competition and serves to boost the uranium price.

The regulatory environment in Australia for uranium mines needs to be simplified and streamlined. The process must encourage investment in uranium exploration, associated technology and the development of new mines.

It must also deliver certainty to the approval process where large investments are required over several years for new mines to be brought on stream.