



# BENDIGO MINING N.L.

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*Re: Expl.*

25 September 2002

Ms Beverley Forbes  
Committee Secretary  
Standing Committee on Industry & Resources  
House of Representatives  
Parliament House  
Canberra ACT 2600

HOUSE OF REPRESENTATIVES  
STANDING COMMITTEE ON INDUSTRY,  
SCIENCE AND RESOURCES  
  
30 SEP 2002  
  
RECEIVED

House of Representatives Standing Committee  
on Industry and Resources  
  
Submission No: 90  
Date Received: 30 SEPT 2002  
Secretary: *S. Forbes*

Dear Ms Forbes,

Bendigo Mining NL is exploring the historic Bendigo goldfield with a view to developing the New Bendigo mine. The focus of our exploration effort is beneath the historically mined areas, which lie beneath the city of Bendigo. The exploration is not the conventional "drilling from surface" model but involves the very much more capital-intensive activity of excavating underground access tunnels.

The exploration program commenced in 1994 and to date has "absorbed" \$64M. The investment has all been through equity funding involving at various stages venture capitalists, equity shareholders and international mining companies. In dealing with this cross section of investors there is one common area of concern, which is Sovereign risk.

Australia is correctly seen as having a stable political environment, which attracts resource investors to have a closer look. As with many things however the devil lies in the detail and on closer examination local sovereign risk issues can and do give them cause for concern.

State legislators and regulators must have clear rules which investors can have confidence will be fairly administered. If there is any hint of uncertainty the cost of the investment goes up.

State governments should be encouraged to work together to present an attractive political climate for resource investment as our natural resources do not necessarily respect state borders and the benefits of successful resource projects accrue to the nation as a whole.

I would also urge your committee to encourage State governments to invest in "grassroots" geological, geophysical and geochemical survey work, the absence of this work is a serious impediment to exploration. The returns on this "infrastructure" investment are the recognition of exploration hotspots followed by industry investment and eventually new mines. The emerging Murray basin heavy minerals province, which was recognised from geophysical data provided by the Victorian State government, is a classic example.

Finally I wish to thank you for receiving this late submission and invite you and your committee to visit Bendigo Mining's operation in Bendigo to witness first hand the development of a modern mine in the city of Bendigo.

Yours sincerely

**A D BUERGER**  
**MANAGING DIRECTOR**