

Business

High hopes for Dingee goldfield

ELISE SNASHALL-WOODHAMS

A CENTRAL Victorian minerals company is hoping to unearth another Bendigo goldfield near Dingee.

Navarre Minerals is set to start a \$4.2 million geophysical and mining exploration west of the town.

Managing director Geoff McDermott said expectations for the project were high, despite the fact that no large goldfields had been found in the area for more than a century.

"Victoria was famous for its gold rush in the 1850s... and since that time there's been no goldfields discovered in over 100 years," Mr McDermott said.

"But the new breakthrough in technology is allowing

us to find deposits under cover. We're pretty confident that some of the geophysics will help us detect the quartz deposits under the clay.

"Then we'll come in and do 50,000 metres of air core, reverse circulation and diamond drilling and we'll be probing these (quartz) reefs where we've detected them."

Mr McDermott said the drilling would be used to work out an idea of the mineral resource near Dingee and the feasibility of a mine in the area.

"We think it's another Bendigo goldfield just buried," he said.

"Even if it's a 10th the size of Bendigo you'd be pretty happy."

The exploration will involve three drill rigs with three people each, plus geologists and offsidiers

working on land owned by a combination of farmers and the local council.

Mr McDermott said the region would see some flow-on benefits from the project.

"It will be generating jobs for people through accommodation and meals... and we will be using local contractors for rehabilitation of the land," he said.

"We hope down the track it will turn into a mine and we'll be looking to source the workforce from the Bendigo area."

Mr McDermott said the process from discovery to mine took five to 10 years.

"There's a lot of regulatory and community discussions that have to take place before you can mine," he said.



EXPLORATION: Chief geologist Steve Harper and contract geologist Steve Vincent check soil samples for Navarre Minerals. The company is set to start a mining project west of Dingee.

Financial Update

Brought to you by **The Australian Financial Review**

In brief

Road to completion

BrisConnections, the owner of Brisbane's Airport Link road, said the project was 84.2 per cent complete and that it was "well on its way" to opening the road in mid-2012. So far \$3.5 million has been spent on the road, which is being built by a Leighton joint venture, Thiess John Holland. **Jenny Wiggins**

Musical chairs

Former Kellogg's Australia and Kellogg Co chief executive David Mackay has been appointed non-executive chairman of Beam Inc, the global spirits business of Fortune Brands. Fortune, which is spinning off its home security business to become a pure play drinks business, said yesterday that current chairman and CEO Bruce Carbonari would retire at the end of the year. Former Cadbury plc executive Matt Shattock will replace him. **Sue Mitchell**

Saracen output shines

Saracen Mineral Holdings produced 111,163 ounces of gold at a cash cost of \$738 an ounce excluding royalties last financial year. The company has forecast an increase in production to 120,000-130,000 ounces of gold this financial year. **Luke Forrestal**

Glitch for Beach Energy

Beach Energy advises of a delay in flow testing of a second shale gas well in the Cooper Basin, which it hopes will mirror the successful results from an initial well earlier this month. The test will be deferred until the year-end because of a mechanical issue. Beach recorded a 13 per cent drop in fourth-quarter revenues to \$108.9 million after sales volumes fell 21 per cent to 1.84 million barrels of oil equivalent. **Angela Macdonald-Smith**

On the skids at four-week low

Your Shares

John McDuling

Shares sank to their lowest point in four weeks and are on track to book their worst month in more than a year as investors ponder downbeat updates from some of the nation's biggest companies, the prospect of higher interest rates and the continued gridlock over the US government's borrowing limit.

The S&P/ASX 200 tumbled 73.6 points, or 1.62 per cent, while the broader All Ordinaries Index fell 73.4 points to 4539.20 points.

All sectors closed in the red, with materials, energy and industrials leading the way down.

With one trading session left, shares are down 3.13 per cent in July – the worst month since May 2010, when the index fell 7.86 per cent.

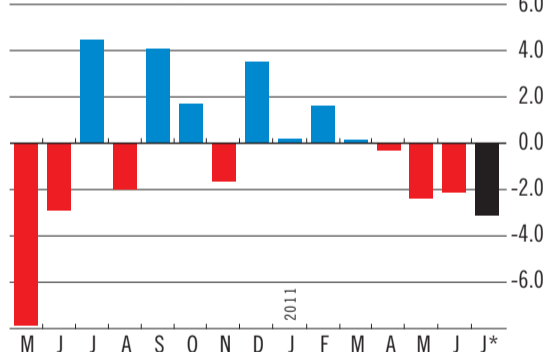
"There are not too many green patches across the market," RBS head of domestic sales trading and execution Justin Gallagher said. "It's probably not quite panic yet, but not too many people are stepping up to take on the market at these levels."

Time is running out for US politicians to agree on a deal to raise the US's debt ceiling, making the likelihood of a default or credit ratings downgrade increasingly possible.

"It is obviously weighing on investors' minds at this point and I'm actually quite amazed that governments around the world are playing politics rather than acting for the betterment of their economies," Ausbil Dexia's head of equities, Paul

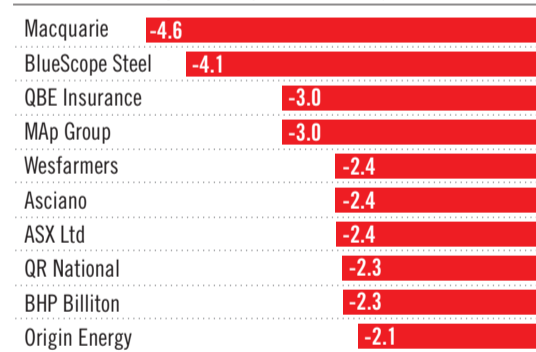
Prices are down

S&P/ASX 200 monthly returns since May 2010 (%)



*To date

S&P/ASX 50 worst performing stocks Intraday (%)



SOURCE: BLOOMBERG

Xiradis, said. "I think an agreement will be reached, but the angst we have to go through is really sapping confidence and it's unfortunate that we have to go through this."

Elsewhere in the region, China's Shanghai Composite Index slipped 0.54 per cent, Hong Kong's Hang Seng rose 0.13 per cent and Japan's Nikkei 225 Index fell 1.45 per cent.

Trading updates from conglomerate Wesfarmers, which owns Coles supermarkets, and investment bank Macquarie Group left investors underwhelmed heading into the reporting season.

Meanwhile, analysts at ANZ Banking Group expect the Reserve Bank of Australia to raise interest rates by 25 basis points next Tuesday, following higher than expected consumer prices.

Wesfarmers said sales at its Coles unit increased 6.7 per cent to \$31.8 billion in the recently ended financial year, up 6.7 per cent on the

prior corresponding period. But the result was weaker than many expected and shares fell 72¢ to \$29.37.

"There were aspects of the result that were worse than expected and the market clearly doesn't have an appetite for disappointment at the moment," Mr Gallagher said.

Macquarie Group shares tumbled \$1.34, or 4.6 per cent, to \$27.99 after it issued a trading update that left many investors confused. The company said it continued to expect an "improved result" for the current financial year, provided conditions were no worse than last year.

Other financials were weak. The big four banks wiped more than 12 points off the index between them.

Commonwealth Bank declined 38¢ to \$49.44, Westpac slipped 37¢ to \$20.65, ANZ Banking Group fell 29¢ to \$20.99 and National Australia Bank eased 27¢ to \$24.18. QBE Insurance fell 51¢ to \$16.51, Suncorp

slipped 12¢ to \$7.53 and Insurance Australia Group dipped 6¢ to \$3.30.

BHP Billiton led the index lower, falling 97¢ to \$42.03, while Rio Tinto slid \$1.39 to \$81.20 and Newcrest Mining declined 33¢ to \$40.17.

In the energy sector, Woodside Petroleum eased 63¢ to \$38.92, Santos fell 24¢ to \$12.85, Oil Search dropped 10¢ to \$6.84 and Origin Energy dipped 32¢ to \$14.77.

There were few bright spots for investors. Commonwealth Property Office Fund was the strongest performer on the S&P/ASX 200, rising 3.5¢, or 3.8 per cent, to 95¢ after announcing the sale of 259 George Street in Sydney to a group of private investors for \$395 million, a 15 per cent premium to a recent independent valuation.

One of the beneficiaries of the strong SA, Flight Centre, rose 25¢ to \$22. Downer EDI gained 3¢ to \$3.90 after delivering the second Waratah train to the NSW government.

SHAREMARKET: Local Sales

FIRM	VOLUME	CHANGE +/-	LAST SALE	FIRM	VOLUME	CHANGE +/-	LAST SALE	FIRM	VOLUME	CHANGE +/-	LAST SALE
Unity Mining Ltd	2,603,432	-\$0.005	\$0.125	Bendigo and Adelaide	777,908	-\$0.14	\$8.86	GBM Resources Ltd	1,120,362	-\$0.01	\$0.105
Nagambie Mining Ltd	0	\$-	\$0.022	Reset Preference	500	\$1.49	\$92.99	Bendigo Community Telco	0	\$-	\$1.00
Alliance Resources	183,157	\$-	\$0.205	Castlemaine	2,352,068	-\$0.001	\$0.045				

* Supplied by E.L. and C. Baillieu Stockbroking.