



21st October 2019

Director, Policy and Legislation
Earth Resources Policy and Programs
Department of Jobs, Precincts and Regions
GPO Box 4509
Melbourne VIC 3001

Director, Policy and Legislation

Regulatory Impact Statement (RIS) response in relation to the proposed amendment to the Minerals Resources (Sustainable Development) (Minerals Industry) Regulations 2019 to remove the exemption for gold from royalties.

Whist not opposed to the principles of gold royalties; Stawell Gold Mines writes to lodge objection to the gold royalty model as presented in its current form.

In present form, a gold royalty on Stawell Gold Mines will impose a reduction in investment capital. This will impact minerals discovery (exploration) and operational sustaining capital (organisational health) with further loadings on operating costs - jeopardizing employee and local community benefit.

In simple terms, Gold royalties are appropriate when they can be afforded.

Gold mining companies are subjected to a wide range of factors which determine that affordability and should be carefully considered within policy development. Factors like; phase of operations, geological complexities, mineral discovery rates, gold grades, mining methodology, investment appetite, metallurgical variation, operational cost profiles and so forth.

It is felt that the Gold Royalty policy as presented lacks that consideration.

Stawell Gold Mines encourages State Government to abandon its intent to lift the moratorium on Gold Royalties and work with industry in the development of a smart policy. Policy which encourages both fair and sustainable development of our gold mining sector for longer term Victorian prospectivity.

Policy development is encouraged in the areas of:

- tiered royalties which consider the phase of (start up, established, closure) and scale of operations,
- transitioning timeframes enabling preparation for royalty commitments,
- tailored concessions which invite sustainable industry and local community development.

We thank you for the opportunity to provide comment on the Regulatory Impact Statement (RIS) in relation to the proposed amendment to the Minerals Resources Regulations 2019 to remove the exemption for gold from royalties.

Yours sincerely,

A handwritten signature in blue ink, appearing to read "Troy Cole".

Troy Cole
General Manager