

The proposed introduction of a gold royalty is simply an added cost to any mining company and it compounds the financial burden and effectively increases the cut-off grade of a mine.

That said it is not unreasonable to expect the State to gain some benefit from the mining of gold.

It would be a better outcome if the royalty impost could be structured say to be 1.25% in the first three years of a new mine operation and rising to the proposed 2.75% after that time. This would be an incentive to establish a mine and provide a cushion when the the production would be lower. It is very difficult to get a mine established. Permitting is expensive and time consuming.

The prospectivity in Victoria is very high with new exploration models emerging to create opportunities.

It is vital that the correct balance is struck here so an not to deter exploration and mine development.

Thank you for the opportunity to comment.

Bob Johnson for

Dunolly Gold Developments Pty Ltd