



SIENG BOR KHAM SEPON

NEWSLETTER FOR EMPLOYEES AND SUBCONTRACTORS

SEPTEMBER 2019

IN THIS ISSUE

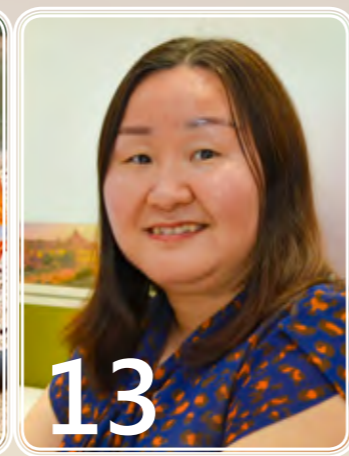
GOLD PROJECT APPROVAL IS GETTING CLOSER

SEPON CELEBRATES WORLD ENVIRONMENT

LXML POWERS UP BAN NAMKHEUN COMMUNITIES



ລ້ານຊ້າງ ມິເນໂຣນສ໌ ລິມິເຕັດ
万象矿业有限公司
CHIFENG LXML SEPON



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The Sieng Bor Kham Sepon always welcomes your story and photo submissions. In addition to this, we invite you to submit any upcoming events or key dates that you think would be useful to our readers—your colleagues across divisions. Events may include those you are organising, participating in, or a 'newsworthy' day.

"ອະນາຄົດຂອງບໍ່ຄໍາ ເຊໂປນ ໃນ 10ປີ ຕໍ່ໜ້າ ຍັງກ້າວໄກ-ໄປໄດ້ດົນ-ຢູ່ເດີ-ພີ່ນອງເອີຍ!"



ມາຈັກ-ໃຂຂ່າວຂໍ້ ຍັງເລົ່າມີອະນາຄົດ!! ປີຊິມາພາຍໜ້າ ອີກສິບປີຂ້າງໜ້າ

ເລື່ອງບໍ່ແຮ່-ເຊໂປນ ຕື່ມຍາວໄປເລື້ອຍ! ຊິຂຸດຄຳເຄົ້າ-ຕໍ່ ຊິຂຸດຄົນຢູ່ທີ່ເດີມ!

ໃນປີນຶ່ງໆ ນັ້ນ! ຄຳກວ່າແສນອອນສ໌!! ສັ່ງອອກຂາຍໄປກຳ!! ລາຍໄດ້ປັນແບ່ງໃຫ້!!

ເພິ່ນຄາດຄ່າການຜະລິດ ເພິ່ນເງິນແຖມພ້ອມ ແດນໄກປະເທດຕ່າງ ລາວໄດ້ຮ່ວມກັນ.

ກ່ອນໜ້ານີ້! ປີ! ສອງພັນຊາວເອັດ ດີແຕ່!! ດີຖີ-ຂຶ້ນ!! MMG ເລີກແລ້ວ

ເພິ່ນຄາດວ່າ: ຊິປົດລົງ ບໍ່ທອງ!! ຊິປົດແລ້ວ! "ຊິເຟີງ" ມາຊື້ຕໍ່ "ຊິເຟີງ" ສ້າງສິບສາມ!!

ກອງທຶນຊຸມຊົນນັ້ນ! ໂດລາຍັງຄົງເດີມ ທຶນແຖມເພີ່ມ ສົ່ງເສີມຜູ້ຍາກໄຮ້

ບໍ່ລົດລ່ອຍຖອຍລົງ ຢູ່ທີ່ເຈັດແສນຫ້າ ບໍລິສັດໃຫ້ຕື່ມ ໃຫ້ມີຂຶ້ນລິ້ນຫຼັງ!! (ຊອບແລ້ວ).

ດຽວນີ້! ເພິ່ນເລັ່ງຈ້ອນ! ເລັ່ງໃສ່ການສຶກສາ ເປັນຂະບວນຫັນຫ້າວ! ສຶກສາສິ່ງແວດລ້ອມ

ແຜນພັດທະນາເໝືອງ!! ດ່ວນໄວພະລັງຈ້າວ!!! ຫຼາຍອົງກອນປະກອບສ່ວນ!!! ສັ່ງຄົມພ້ອມພ້າກັນ!!

ດັ່ງທີ່ເພິ່ນວ່າໄວ້ ຈະມີການພັດທະນາ ຄອບຄົວຄົນພຽງພ້ອມ ທຶນເພິ່ນໃຫ້ຊຸກຍູ້

ໃນພາກຊຸມຊົນ ສູ່ການເປັນເຈົ້າ ແຮງງານປະກອບສ່ວນ ຖະແນມເຈົ້າຢາຊິຖອຍ!!

ຍັງຕ້ອງໄດ້ປ່ຽນເບື້ອງ ແລວຖະໜົນຫົນທາງ ຕະຫຼາດຊຸມຊົນຍ້າຍ ລົດຈັກ-ລົດໃຫຍ່ພ້ອມ

ແລວສົ່ງສາຍໄຟ!! ແລະ ປ່ຽນຜັ່ນແລວນ້ຳ!! ສະຖານເຊົາພັກຈອດ!!! ຊິຕຽມຍ້າຍຊູ່ອັນ (ຫັນແລ້ວ!).

ສິ່ງແວດລ້ອມ! ມາດຕະຖານສາກົນ!!! ເພິ່ນຍັງຈັດສວນເພີ່ມ!! ເປັນແບບຢ່າງໄວ້ໃຫ້

ເພິ່ນສືບຕໍ່ກະທຳດີ ບໍ່ປ່ອຍໄລວາງເວັ້ນ ຄຳຂຽວເຂດຊຸມຊົນ ຄົນຊົນຮົ່ມເຢັນ (ທ່ານເອີຍ!).

ທັງເລັ່ງຈ້ອນ! ເອົາ "ຈລິນຊີ" ກັດ "ຈລິນຊີ" ກັບ ນ້ຳ ສິດ-ໝັກ-ໄປມ-ເຊາະລ້າງ

ວຽກຝ່າຍໂລຫະກິດ ແຮ່ຄຳກາງແຈ້ງ!! ຊະໂລມປົນແຮ່ບົດຫຍາບ ດັກເອົານ້ຳແຮ່ຄຳ.

ນອກນີ້, ບໍລິສັດຍັງຕັ້ງ! ຕໍ່ໃຫ້ໄດ້ພົບພໍ້ ເງິນ-ທອງ-ພ້ອມ ເພື່ອໄວ້ເລີຍສິບປີ

ກົບປະມານການສຳຫຼວດ ບໍ່ຄຳເພີ່ມຕື່ມແຖມ ຢູ່ໃນເຂດສຳປະທານ ສືບຕໍ່ໄປພາຍໜ້າ

ນ້ຳແຮ່ຂຶ້ນ ກ່ອນການຈັດດ້ວຍຄຳບ່ອນ* ໃຊ້ຂັ້ວຂອງໄຟຟ້າ ໄດ້ແລ້ວ-ກູ້-ຕາກແຫ້ງ

ເພິ່ນຕິຝອດຟຸລອຍ!! ເຊາະເອົາຄຳຂຶ້ນ!!! ຈັບຄຳເຂົ້າໃສ່ແຜ່ນ!! ແລະ ນຳເຂົ້າຫຼໍ່ໃສ່ເຕົາ.

ພໍໃຫ້ລາວຊາວເຊື້ອ-ອະນຸຊົນໄດ້ມີວຽກ-ປະກອບອາຊີບສ້າງ- ໃຫ້ເມືອງບ້ານຮຸ່ງຈະເລີນ! (ແທ້ແລ້ວ)

*ຂະບວນການ CIL

LXML support flood victims in Vilabouly district and Savannakhet province

11 September 2019 – Lane Xang Minerals Limited (LXML) handed over rice at 140,000,000 kip to flood victims in its host community, Vilabouly district and Savannakhet province.



Mr Khamphouy Sibounheuang – Vilabouly Governor receives 10 tonnes in donated rice of 90,000,000 kip handed by LXML President Mr Fu Xuesheng. The handover was witnessed by Savannakhet Governor Mr Santiphab Phomevihane in Vilabouly District.



Dr Phoxay Xayyasone – Vice Governor of Savannakhet province receives 100 donated sacks of rice at 50,000,000 kip handed by LXML Government Relations Superintendent Ms Ladsany Sisane in Savannakhet province. The handover was witnessed by Savannakhet Governor, vice governors, directors of provincial departments and offices as well as companies in Savannakhet province.

SEPON SCORECARD

for 2019 Q2



LXML achieved 166 days injury-free and is well below the TRIFR target of 0.6 at 0.26 for the quarter. Compared to the same period last year, this is considered exceptional performance. Total injuries have reduced four-fold compared to the first half of 2018, from 12 to 3 injuries.

We should all give ourselves a pat on the back for these achievements. Yet, we should not let down our guard. For the remaining half of 2019, we should continue to focus on Stop and Think, identify and manage risks and hazards, and manage safe tasks by ensuring clarity on the roles and accountabilities of supervisors and team members in Creating Safe Work.

Employees are also encouraged to improve safety by participating in the Sapon Safety Improvement Initiative Program. You have less than six more months to go, so make it count.



Copper production for Q2 was 18,076t, which is 1.5% above target of 17,801 tonnes. This good result was driven by above target throughput and total plant recovery of 85.4%, 0.53% above target. Mining faced some challenges involving slightly lower fleet availability and a reduced number of mining areas resulting in mining slightly below target, achieving a total movement of 6.1 million tonnes (99.3 thousand tonnes, or 1.6% below target). Despite this, our year to date copper production is 1,684 tonnes above target and mining is 714,000 tonnes above target.



Cash production costs for Q2 were US\$64.9 Million, which were 4.9% above target, or around US\$3 Million over budget. This cost over-run was largely attributed to higher acid consumption and higher acid costs. Year to date, our cash production cost is US\$4.1 million below target.



With copper currently forecast to finish around September 2020, it is critical for the Gold Project to be ready for gold production before the completion of copper. A start up strategy has been developed for gold production that is targeting the commencement of gold production using oxide gold through the existing gold plant in May or June 2020, and gold production using primary gold through the modified copper plant in September 2020.

Priorities for LXML are to fast-track approvals of the Gold Project and continue to try and increase copper resources to boost copper production in 2020 and extend the life of copper.

Additional technical studies and lab test work are also in progress. These studies include assessment of potential 'heap leaching' of both low grade copper ore and low grade gold ore; assessment of potential ways to optimise flotation process for the primary and partially oxidised gold ore; and assessment of potential for re-processing copper and gold tailings. We expect to receive these results by December 2019.

KEY DATES AND EVENT

08
SEPTEMBER



INTERNATIONAL LITERACY DAY

13
SEPTEMBER



ANCESTOR FESTIVAL

15-19
SEPTEMBER



LXML MANAGEMENT VISIT MINES IN CHINA

24
SEPTEMBER



LXML HANDOVER CULTURAL HERITAGE TO LAO GOVERNMENT

07
OCTOBER



NATIONAL TEACHER'S DAY

13
OCTOBER



END OF BUDDHIST LENT

26-27
OCTOBER



VILABOULY BOAT RACING FESTIVAL

11
NOVEMBER



THATLUANG FESTIVAL

30
NOVEMBER



1 ANNIVERSARY OF CHIFENG LXML SEPON



Savannakhet Vice Governor pays visit to Sepon

30 July 2019 – Savannakhet Vice Governor Mr Thonekeo Phouthakayalath along with Vilabouly Governor Mr Khamphoui Sibounheuang made a visit to Sepon. They took this occasion to discuss with LXML a proposal to upgrade Road 28A. The proposal involves building a double layered asphalt road on a 41.6 kilometre stretch along Road 28A from Vilabouly District to Ban Nabo on Road 9, and has an estimated cost of around US\$14 million. Leading the discussion on behalf of LXML were Mr Fu Xuesheng, President of LXML; Mr Paul Harris, LXML General Manager; and Mr Saman Aneka, LXML Community and Stakeholder Relations Manager.

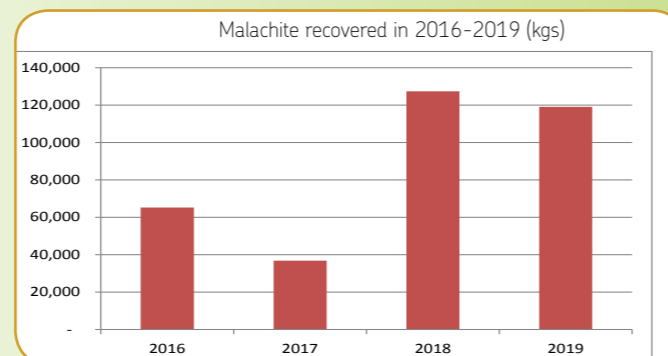
On the same day, Mr Khamphoui Sibounheuang, Lieutenant Colonel Phomma Daovongsouly and Lieutenant Colonel Bounleua Manila from the Vilabouly Police Office handed 33,348 kilograms of confiscated malachite, more than 3,000 litres of diesel, and other items back to LXML. The handover ceremony was witnessed by Savannakhet



Vice Governor Mr Thonekeo Phouthakayalath, Mr Fu Xuesheng, Mr Paul Harris, Mr Saman Aneka, and officials from all concerned parties.

Since 2016, nearly 350,000kg of malachite has been recovered. Malachite theft has increased over the years, with a significant increase in 2018. LXML in cooperation with authorities

of Savannakhet province, Vilabouly district and Police have set up a special taskforce to progressively tackle this social drawback.

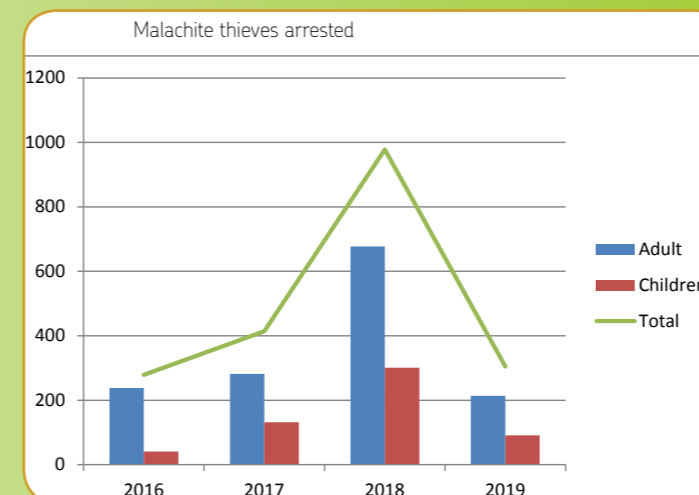


Food for thoughts – beyond unauthorized entry

In the first half of 2019, the number of unauthorized entries and the amount of malachite theft has decreased, but the issue still exists and the theft of items other than malachite has increased. All unauthorized entrants are putting themselves at risk.

Hundreds of modified motorbikes are being used to steal malachite, diesel, and other items from LXML. Young children, accounting for nearly half of the unauthorized entrants, are also being used to steal malachite and other items. This is not only putting the children in extreme safety risk, but keeping them from school and depriving them from a good education, and is instead teaching them to be criminals.

Of greatest concern is not in the loss of company assets, but the loss to the development of Laos' future generations – the human capital – the lost opportunity in education, and the healthy development of a productive member of society.



WORK-LIFE

Want to read books more? Read your phone less

Maybe you think you don't have enough time to read books. But consider how many texts, emails, and tweets you read each day –and how much time you'd get back by cutting some of that out of your life. Making your phone less addictive can help. Move all apps off the main screen so that your phone is blank when you open it. Use 'Do Not Disturb' to quiet your notification. If your screen is cracked, leave it that way. And for a real challenge, keep your charger anywhere hard to reach. Next, change your reading habits. Instead of using an iPad or reading off your screen, try paper books. They immerse you in the story, they show off what you're reading to others –and best of all, they don't interrupt you with text messages. To motivate yourself, remember: Research has shown that reading makes us more empathetic, compassionate, and understanding.

Source: [8 ways to read the books you wish you had time for, Neil Pasricha](#)

Quick Facts – Malachite

Malachite, chemical composition $\text{Cu}_2(\text{CO}_3)_2$, is a carbonate mineral which forms in the oxidised zones of copper deposits. Though there are some large deposits of malachite that are mined for copper, the popular mineral and gemstone is also used in jewellery and sculpted ornaments.



Source: MMG, 2019

Senior government officials and LXML discuss about rehabilitation and mine closure plans



Mr Khammany Inthirath, Minister of Energy and Mines (centered left) and Mr Sommath Pholsena, Minister of Natural Resources and Environment (centered right) along with the Vice Ministers and staff from both ministries and representatives from LXML and Phubia mining.

17 May 2019 – In response to questions posed by senior Lao government entities and the Lao National Assembly, as well as to ensure interests of the local people are addressed; Minister of Natural Resources and Environment (MoNRE) and Minister of Energy and Mines (MEM) together with their Vice Ministers called on the management of LXML and Phubia Mining to update them on their progressive rehabilitation practices and the current status of their mine closure plans.

In the meeting, the Minister of MoNRE expressed his concerns about the companies’ processes for releasing tailings water into the natural

environment, the processes for involving Government entities, and concerns about compliance with international environmental standards.

LXML represented by Mr Saman Aneka – Managing Director and Community and Stakeholder Relations Manager, Mr Chanthone Naovalath – Government Relations Superintendent, and Mr Manotham Phonseya – Compliance and Approval Superintendent provided an overview about the progressive rehabilitation of Sepon. LXML received appreciation from the Government representatives and the Ministers for the company’s ongoing efforts in maintaining

good environmental rehabilitation standards.

The Minister of Energy and Mines praised LXML as a good example in environmental management and mitigation practices and acknowledged LXML’s commitment to a good working relationship with the Government.

In updating about Sepon mine closure plan, LXML informed the meeting that under the new ownership of Chifeng, the life of Sepon mine will be extended for at least another six years through the primary gold project. The company is currently conducting the relevant Environment and Social Impact Assessment (ESIA), and developing a revised Social Management and Monitoring Plan (SMMP), and a revised Environmental Management and Monitoring Plan (EMMP), for the Gold Project. At the same time, LXML is conducting regional exploration to identify additional resources and extend the mine life to 2030.

In concluding the meeting, the leadership of both ministries reinforced the amicable cooperation between the companies and Government and acknowledged LXML’s commitment in providing support to requests by the Government.

LXML management refreshes Sepon’s vision, missions, values



24-25 June 2019 – LXML management and representatives from various departments attended a ‘Vision and Values Workshop’ at the Crowne Plaza Hotel to discuss the new vision for LXML under Chifeng ownership and to review our values.

Since Chifeng assumed ownership of LXML in December 2018, this two-day workshop is the first large gathering with 45 employees from three distinctive cultural backgrounds – Lao,

Western, and Chinese – and from across different operational and support functions.

Day 1 focused on ‘Working across cultures’. The whole day was aimed at creating awareness about different cultures and solutions to manage conflict in the workplace as a result to different working styles. Tony Campbell facilitated the session. Tony, from 4Ms Consulting, specialises in helping people and organisations succeed in working with different cultures, and has more than 13 years working experience in Australia, Thailand and Hong Kong.

the world, especially the communication culture, the importance of interaction between leaders and teams, especially in decision-making, and in providing feedback. Participants also had the opportunity to share and learn more about each other’s personal lives over a dinner reception.

On the second day, a participatory forum to re-position LXML branding under Chifeng’s leadership was organised and facilitated by Paul Harris, LXML General Manager. At the beginning, participants reviewed and agreed that the existing MMG values were still applicable to LXML and were good values that all employees already adhered to. Therefore, it was decided to maintain the existing values with some minor re-branding to suit Chifeng LXML. Setting up the new vision and mission for LXML was more challenging as it involved the on-going and emerging development of the Gold Project and with the ongoing development of Chifeng Jilong Gold’s strategy and vision.

“Chifeng wants to grow bigger and better” said Kevin Chen, LXML Vice General Manager. “We are currently reviewing our international business strategy and LXML is the core asset to deliver growth and expansion.”

The two-days of intense brainstorming and consultation concluded on a positive note. Key messages and statements were summarised and submitted to management for consideration. Further review sessions will be held later in the year to finalise LXML’s vision and strategy for growth. This process will help to provide direction to our business plans for 2020 and beyond.

LXML welcomes new Director to the Board

In August 2019, LXML welcomed to the LXML Board the new Director representing the Lao Government as a 10% shareholder. Mr Soulivath Souvannachoumklam, Director General of External Finance and Debt Management Department from the Ministry of Finance has replaced Mme Vannida Savaddy who has served the LXML Board for more than a decade.

The Board convenes at least once annually to discuss and make strategic

decisions of LXML. The Board comprises Mr Fu Xuesheng – Director and LXML President; Mr Saman Aneka – Director, Managing Director, and Community and Stakeholder Relations Manager; Mr Paul Harris – Director and LXML General Manager; Mr Chen Zhiyong – Director, LXML Vice General Manager; and Mr Soulivath Souvannachoumklam – Director, Director General of External Finance and Debt Management of the Lao Ministry of Finance.



Mme Vannida Savaddy (2nd left) receives a token of appreciation handed by Mr Fu Xuesheng, LXML President (3rd right)



LXML hosts a welcoming dinner for new Director to the LXML Board, Mr Soulivath Souvannachoumklam (2nd left).



Ms Bounkham Vorachit, Vice Minister of MoNRE (3rd right); Mr Thonekeo Phouthakayalath, Vice Savannakhet Governor (4th left); Ms Phakkavanh Phissamay, Acting Director General of Natural Resources and Environment Department (2nd left); Mr Khamtanh Vongphansayseuth, Director General of Mining Management Department, MEM (3rd left); Ms Thipthida Sisoulath, Head of ESIA Division on Mining and Industry, MoNRE (1st left); Ms Geraldine McGuire, SSG Managing Director and workshop facilitator; along with LXML Sepon Gold team and international experts.

Gold Project Risk Assessment Workshop

3-5 June 2019 – Key officials from LXML, Ministry of Natural Resources and Environment (MoNRE), and Ministry of Energy and Mines (MEM) attended a ‘Risk Assessment Workshop’ in Brisbane, Australia. The workshop was attended by twelve participants led by Vice Minister of Natural Resources and Environment Ms Bounkham Vorachit, Vice Savannakhet Governor Mr Thonekeo Phouthakayalath, and LXML General Manager Mr Paul Harris along with officials from MoNRE, MEM, and LXML Gold Project team.

The three-day workshop, facilitated by experts from Sustainable Solutions Global (SSG), provided a joint platform

to involve key officials and stakeholders to determine, assess, and develop mitigating strategies of anticipated environmental and social impacts associated with the Gold Project. The workshop also benefited from a vast pool of knowledge and experience from multi-disciplined specialists and consultants (water, air, noise and vibration, blasting, geochemistry, etc.) who also participated as key subject matter experts.

Government delegates extended their appreciation for the opportunity of being involved in the risk assessment process and to learn and contribute to the outcomes of this process alongside

the diverse expertise of people present. This inclusive arrangement can serve as a good model for other project developers in the same or other industries in Laos.

Risk assessment forms part of the Environmental and Social Impact Assessment (ESIA) process. The ESIA and other technical studies are central to the approval of the Gold project. Environmental, social, and health impacts, among other risks, are assessed and related mitigation and management measures are proposed throughout the cycle of the Gold Project from pre-construction, operation, to post closure.

WHAT is the Gold Project?

Since its discovery and exploration in the 1990s, Sepon mine has been the largest copper-gold mine of Lao PDR, generating significant benefits to the people of Laos, Savannakhet province, and Vilabouly district.

The Gold Project will extend on existing mining operations and facilities at the

Sepon mine. Hence, no major changes are anticipated.

Up to around 160,000 ounces (5 tonnes) of gold doré will be produced each year for the next five to six years, with an estimated capital of around US\$120 million (cost still to be confirmed).

Gold Project approval is getting closer

5-7 August 2018 - Led by Ms Bounkham Vorachit, Vice Minister of Natural Resource and Environment, delegates from Ministry of Natural Resources and Environment (MoNRE), Savannakhet’s Department of Natural Resources and Environment, and Vilabouly’s Natural Resources and Environment office, alongside with delegates from the Mine Management Department, Ministry of Energy and Mines (MEM) visited the Sepon mine to gain better understanding of Sepon’s existing operation and our plans to transition from copper to gold in 2020.

The visit, initiated by LXML, allowed the delegates to have a first-hand look into the physical locations of the future primary gold pits (gold oxide gold pits) including, Discovery West, Discovery Main, Nalou, and Namkok West pits, and Discovery Deep’s potential underground mine. The delegates also had the opportunity to discuss the environment and social impacts and proposed mitigation plans especially on river re-alignments, blasting and vibration management, and the relocation of some infrastructures, such as Road 28A, Nalou Market, etc...

The delegates also visited the processing plant and tailing facility to understand how the copper plant will be modified to process primary gold,



Ms Bounkham Vorachit, Vice Minister of MoNRE (left); Mr Paul Harris, LXML General Manager (right) inspect Hinsom water management system

and how the existing gold plant will be refurbished to process oxide gold ore at the same time.

“This visit will help to facilitate a faster approval process, which is critical for the project because it is already behind schedule by 4-6 months” said Paul Harris, LXML General Manager. “We are following up on this closely to mitigate the production gap between finishing copper production and starting gold production, to ensure we maintain

business continuity and cashflow in 2020.”

The gold project and the transition from copper to gold is significant for Sepon mine and its stakeholders. The transition back to gold production will extend the mine life to continue generating revenue and profits to the Lao government, employees and local community for at least another 5 to 6 years, with potential to extend beyond ten years.



Delegates from Ministry of Natural Resources and Environment and Ministry of Energy and Mines along with LXML Sepon Gold project team observe mining activity at Thengkhom South Pit.



INTERVIEW UP CLOSE AND PERSONAL

This year, we will be running a series of interviews with new members of our management and expert teams. In this issue we introduce you to Adrian Pratt, Project Manager – Gold Project who's steering the crucial initial stages of our primary gold project.

Adrian has extensive expertise in the mining industry in the region, values team work through respect and trust, and finds communication to be one of the greatest challenges but one that could be worked on through time. He upholds to making positive contributions in whatever he does in life; whether at work, home, or in the society.

Tell us about your background and experience prior to joining LXML Sepon.

Hi (sabaidee) to all those I may not have had a chance to meet, my name is Adrian Pratt. I have been lucky enough to enjoy more than thirty years working in the mining industry. This has given me a diverse background that spans across mining project design, evaluation, implementation and the operation of mining projects.

In 2014 I established my own consulting business, which focuses on mineral project development in Australia and other regions. As a consultant I have been part of a start-up team for one Indonesian mine, led a study for second, and completed reviews of mining project in Australia and Africa.

Prior to 2014, I held senior technical and operational support roles with Australian mining companies, Ivanhoe Australia, Newcrest, BHP and Normandy Mining. Many of these roles were associated with new projects. Some of these experiences I have covered in a variety of technical papers written for conferences and publications. This is my way of giving something back to the minerals industry, which has so far, provided me rewarding and interesting work, a career if you like.

I hold a Bachelor of Engineering (Mining) from the

UP CLOSE AND ADRIAN PRATT, Project Manager - Gold Project

University of New South Wales and a Masters of Minerals & Energy Economics from Macquarie University, and Certificates of Competency as a Mine Manager in three Australian states. I am a Fellow of the Australasian Institute for Mining and Metallurgy with Certified Professional (CP) accreditation, Member of the Institute of Engineers Australia with registration as a Certified Practicing Engineer and a Registered Professional Engineer of Queensland (RPEQ).

Last and no means least, I am married with one daughter and live in Melbourne, Australia.

What are some of the challenges you have faced throughout your career and how have you overcome these?

A challenge that I have both experienced and observed during my career is communication; listening to others and also being clear about my own message. Good communication really takes time and effort. It is particularly important in a multidisciplinary role, where you are not likely to be expert in all areas, or in my case the smartest person in the room. In a multicultural environment like Sepon, I have found that everyone needs to take a little more time to think about what people are saying and why someone may have expressed their views a certain way.

Another common challenge I have experienced working on new projects, is finding and addressing the important questions; this is the key to good work as part of any study. This requires curiosity and discipline; one to be open

to possibilities and other to lessen the likelihood of becoming side tracked on the less important matters. For example, at Sepon the strategy of how the operation will change over from copper production to gold is an important question.

What are the fundamental principles you bring to your role as Gold Project Manager?

Something that I have come to understand, 'a fundamental principle' if you like, is that there are very few things of any importance that only one person creates, most of these are done by groups of people working together. As I see it, the Sepon Gold Project is no exception to this principle, whatever is going to be achieved will be the result of the contribution of many.

For me personally to work successfully with people, trust and respect are important work values. This is the basis of good teamwork. I like and enjoy working with good teams.

What are you hoping to achieve in this role during your terms with LXML Sepon?

The challenge for the role I have at Sepon is to help people contribute to the project based on their strengths and find ways to support them in areas where they are not strong. This is so that overall we are all part of the successful development of the next phase of the Sepon operation, mining and processing the primary gold ore. The first part of this is to successfully complete a practical and useful study, the Sepon Gold Project Study, which defines all of the work needed to establish this next phase of the Sepon

Story.

What is your impression having been in Sepon mine or Laos in general, for the past few month?

During my time at Sepon mine I have very quickly come to understand that it's something, which has so far, been an important contributor to Laos. This comment is not just directed at its contribution to the Lao economy, it applies also to skills and capability of many who work at, or have worked at Sepon. They now have the capacity to apply them at Sepon but also in other areas of Lao society. This is an important advantage for Sepon's future but also Laos' future generally.

What is the work and life philosophy you live by?

Overall, I would say it is to think about how you can make a positive contribution to the things you are involved in; you can lead, you can follow and support people leading work, or just get out of the way and let others have a go. This does not mean you need to be a leader all the time or a follower all of the time or get out of the way all the time. In any situation though, you can work out what role you can play to be a contributor and help get things done.

Any final words?

I would like to finish this interview by encouraging everyone at Sepon to think about how they can make a positive contribution to the things they are involved in at work and elsewhere in their life and to be a contributor who makes a difference.

5 MINUTES WITH SOUKNILANH OUNCHALEUN



Souknilanh or 'Kham' as everyone knows her, has been working with LXML for over 16 years, where she joined as Payroll Officer at Sepon site. Over the years, her career has grown within LXML and she has seen many changes in Sepon. In 2007, the localisation of support roles enabled Souknilanh to step up to a Supervisor role and from there her career progressed over many years through various support functions including finance, accounts payable, and payroll. In 2012, she was promoted to Superintendent People Services and experienced firsthand the maturing of the shared services function within LXML and improved approaches and services. She has a keen eye for detail and an absolute commitment for ensuring the work is completed on time and in adherence to agreed policies and procedures.

Tell us about yourself .

I have two sisters, me being the youngest. I'm married but no children yet. I graduated from the National University of Laos, Bachelors in English and Masters in International Financial Management. I've been working with Sepon Gold Mine since 2003, which is now over 16 years with this company.

What roles have you taken on during your time with Sepon?

First, I started as Payroll Officer (2003-2007) then over time got promoted to Payroll Supervisor (2007-2010), then as Superintendent since 2012 to my current role as Accounts Payable and Payroll Superintendent following the transition of payroll team to Vientiane Office.

Superintendent – Accounts Payable and Payroll

What's an interesting project you've worked on during your time at Sepon?

I was part of the LXML team to bring the first bank and ATMs to Vilabouly, with the aim of facilitating salary payments and other financial services to our employees and local community. After close coordination with various parties, including the district and banks, installation of the banks and ATMs were completed in 2012. I am very proud of this contribution as everyone could transfer salary into the bank instead of handling cash. Local people can save their money through the bank and benefit from many services the bank provided.

What do you like most about your job?

What I like the most about my job is calculating numbers, dealing with people if they have any issue with payment, providing explanation and seeking ways to finding out the root causes and getting a good outcome. I am especially lucky to have received the support, encouragement, and advice in my intention. I love this company as it is the first and only company I have been working with.

What do you like about working at Sepon?

I like working in a family environment in Sepon. For instance at Namkok camp, we get to gather in our accommodation block (T-Block) to chat and have small functions. We also had a jogging event once per week, to let everyone know each other as we have so many departments. This can be a good opportunity to build up our relationship, practise speaking and learn English with our expat colleagues.

Do you have a motto or personal mantra?

I greatly value punctuality and teamwork. Given that our function is to work on schedule, we have to do what we say and ensure payments are accurately made on time. We want to keep those we serve satisfied. In addition, working together is very important, by building relationship and sharing experiences with colleagues.



IMPROVE SAFETY AND WIN PRIZES

PLEASE WORK WITH US TO IMPROVE HEALTH AND SAFETY FOR ALL

RULES ARE EASY!

Improve safety, health and environment in the workplace; and win prizes monthly and quarterly.

First have your initiative reviewed and approved by your Manager. Then submit your Safety Improvement Initiative to: LXMLSafetyTeam@xml.la.

STARTS NOW UNTIL 31/12/2019



To improve safety on site, the Sepon Safety Improvement Initiative was launched in March and will run until December 2019. This initiative enables employees and contractors to take the lead in identifying opportunities to improve safety at Sepon, and to take the initiative to implement these improvements.

Submissions will be voted by the Site Safety Committee at its Monthly Safety Meeting each month and each quarter.

Requirements for your submission:

- ☑ Your safety improvement is implemented. It must be something you have changed or done, and physically implemented – it can't just be an idea!
- ☑ Submissions can be from individuals or groups.
- ☑ You must provide a brief description of what you have implemented, including what benefits the initiative will provide and how it will improve safety.
- ☑ You must provide a photo or picture of your initiative, so it can be clearly seen and understood by the Site Safety Committee. 'Before and After' photos may help to demonstrate the improvement.
- ☑ You will need approval and support from your manager where site resources are required to implement your safety improvement initiative.
- ☑ Your submissions must be emailed to the SHE department prior to the Site Monthly Safety Meeting, which is held on the third Wednesday of every month. Late submissions will be reviewed and voted on in the following month.

We have been assured that the awards will be significant and worth your efforts, and the quarterly awards would be even more.

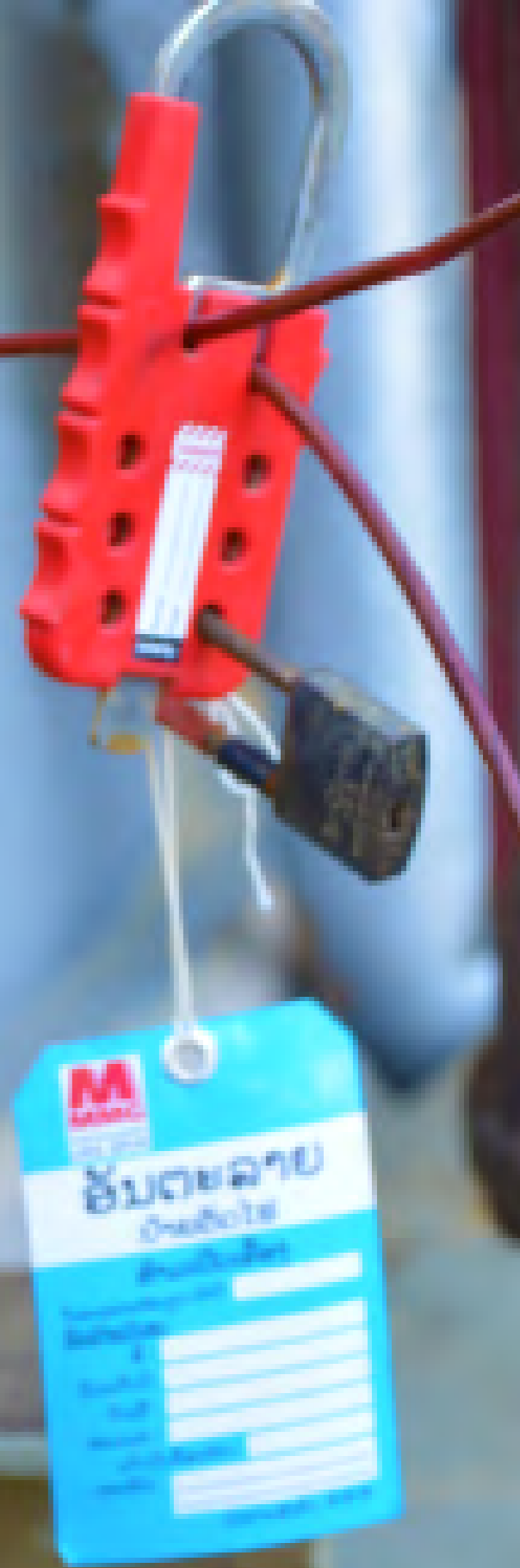
So, please start taking the initiative to implement safety improvements at Sepon, with a chance to win an award and featured in the "Sieng Borkham Sepon" newsletter.

Worried about lacking support and resources? Ask your superintendent or manager, they will be more than happy to support your initiative.

Remember – We think Safety First, and Always. Start your safety initiative now.



For more information:
Tel: 020 2221 3512
Email: LXMLSafetyTeam@xml.la



MAY - JUNE - JULY

Safety Improvement Initiative Winner

May Winner - Maintenance Fixed Plant Team



Out of sixteen submissions received, the Maintenance Fixed Plant Team was voted as winner for May.

The team came up with the idea of 'improving the safety traffic flow' in front of the maintenance workshop. They have made it a one-way traffic flow, meaning there is no interaction of vehicles travelling in different directions. This will minimise the chance of vehicle accidents.



June Winner - Processing Laboratory Team



Out of seven submissions received, the Processing Laboratory Team from the Processing Department was voted as winner for June.

The team came up with the idea of 'reducing dust at sample preparation area'. They have made a change by using a vacuum to clean up dust samples pulverizer instead of an air gun. This can reduce diffusion of dust that pollute the workplace, and eliminate the high risk from metals dust that impacts the health of employees who work in this area.



July Winner - Mine Civil Operation Team



Out of three submissions received, the Mine Civil Operation Team from the Mining Department was voted as winner for July.

The team came up with the idea of 'installing LED lights on boom gate'. This can reduce the numbers of incidents involving local motorbikes, vehicles hitting the boom gate, and potential interaction with haul trucks.



More exploration for Sepon future

To extend Sepon's mine life and keep the benefits flowing to employees and communities of Vilabouly District, part of LXML's plan is to increase copper and gold resources by focusing on more exploration.

We now have a five-year exploration plan that aims to increase copper resources by 200,000 tonnes and gold resource by 10 million ounces.

To support these significant targets, a dedicated exploration team is being established to coordinate and deliver on this plan.



Guanghui Zhao has been appointed Superintendent – Exploration, and will assume leadership of the exploration department reporting directly to LXML General Manager. Mr Zhao has extensive exploration

experience working for international Chinese companies such as Sino Gold and Eldorado Gold prior to joining LXML Sepon.



Vandone Phothisane has been appointed as Senior Geologist - Exploration. Mr Phothisane has worked with LXML Sepon for more than thirteen years and has extensive experience and knowledge of Sepon's

geology and exploration potentials.

Over the coming months, as exploration ramps up, we will progress to resource the remainder of the exploration department.

Several job vacancies will become available. These vacancies will be advertised both internally and externally. All interested applicants are encouraged to apply.



Sepon celebrates World Environment Day

World Environment Day is an annual event celebrated on the 5th of June every year, and it is the United Nation's principal vehicle to encourage awareness and action for environmental protection across the world. It is a day for people to do something positive for the environment.

This year the theme is "Beat Air Pollution". We can't stop breathing, but we can do something about improving the quality of the air we breathe. If we understand the different types of pollution, and how it affects our health and the environment, it will help us take positive steps towards improving the air we breathe.

At *Sepon*, we monitor air quality within and throughout our operation to ensure our employees and surrounding community members breathe safe and clean air. We undertake routine dust suppression on mine and village roads impacted by mine activities. We incinerate hazardous waste in a multiple chamber, low emissions, high temperature incinerator. Both of these activities are management actions used to mitigate mine-related effects on our workforce and surrounding communities.

The World Environment Day has been celebrated at Sepon since 2013 to emphasise global environmental issues along with issues specific to our site and community. It also provides us with the platform to further discuss our commitments to the protection of health, safety and well-being of our people; minimise our environmental impacts; and ensuring communities receive sustainable benefits from our activities.

This year SHEC day was held on 27 June 2019 with a series of activities including, clean up session, tree plantation, fashion show, and recycling competition (*winners pictured*) and exhibition.



- Winner - Snake Trap**
- Mr Houmpheng Thongdy
 - Project Delivery
 - **Materials:** rest plywood, empty can, old hacksaw blades, old aircon foam, rest chopstick, old straw, old mason line rope.



- 1st Runner up - Chair**
- Mr Vongphet Xiong
 - Infrastructure and site services
 - **Materials:** old wood



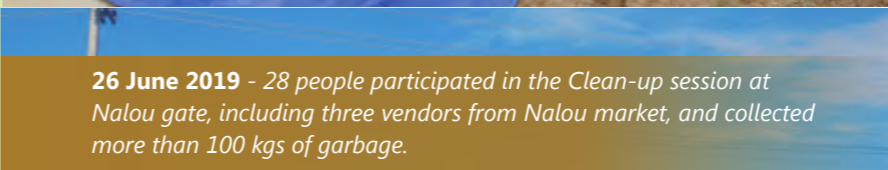
- 2nd Runner up - Handbag**
- Ms Phonemany Khammavong
 - Sodexo
 - **Materials:** old carton wire



- Popular vote - Handbag**
- Ms Jimmy Kongthongma
 - Human Resources
 - **Materials:** old cardex film, pastic rope, and sewing materials



14 June 2019 – Sepon's Community Engagement Team, Vilabouly authority and surrounding communities planted 5,000 trees and released 5,000 fingerlings to commemorate this year's Arbor Day.



26 June 2019 - 28 people participated in the Clean-up session at Nalou gate, including three vendors from Nalou market, and collected more than 100 kgs of garbage.



27 June 2019 - 63 participants, including twelve representatives from Vilabouly district and surrounding village, planted 251 trees at Meungluang gold pit's rehabilitation trial number 2, opposite the limestone crusher.



27 June 2019 - Ms Chounla Phomachanh, HR officer, Boart Long Year, showcase her recycling dress.





LXML supports road B3 upgrade in Vilabouly

29 May 2019 - LXML handed over the fully upgraded Road B3 in Vilabouly district town centre. Through LXML's funding of over US\$213,701 from the company's 2018 Trust Fund, the 1km concrete road is set to provide better road access to more than 14,000 community members from Vilabouly District.

Road B3 will connect Vilabouly community members to Route 28A intersecting with Route 9, which is an important economic corridor for freight and development, connecting Laos with neighbouring Vietnam and Thailand.

The newly upgraded road was handed over by Mr Fu Xuesheng - LXML President to Mr Mountha Xaiyalith, Vice Governor of Vilabouly District and witnessed by Mr Paul Harris – LXML General Manager, Mr Saman Aneka - Stakeholder Relations Manager,

heads of related government offices, representatives of mass organisations, Vilabouly authorities, community members, and LXML employees.

"On behalf of the people of Vilabouly district, I extend my appreciation to LXML for their contribution to progress and development in the Lao PDR, and their investment to upgrade Road B3" said Mr Mountha Xaiyalith, Vice Governor of Vilabouly district.

This new investment builds on approximately US\$20 million already spent by LXML to construct and maintain local roads in the district, including Route 28A which connects Vilabouly with Savannakhet.

In addition, LXML provides US\$750,000 each year to Vilabouly district through a Trust Fund, part of which is used to build and improve local roads.

Sepon mine commenced operations in 2002 and at that time Vilabouly district was considered a remote area. Travel there required a long arduous journey along roads, rivers, and dirt tracks, which often took several days. All villages in Vilabouly district are now accessible by road.

LXML has provided over US\$1.4 billion in direct revenue to the Lao Government since operations commenced. The company has also invested about US\$34 million in building and maintaining the national electricity grid in cooperation with Electricite Du Laos.

Indirect benefits including local employment, training, and engagement of Lao contractors has contributed hundreds of millions of dollars to the local economy, transforming Vilabouly from one of Laos' poorest districts.

"This cooperation will ensure villagers can continue to travel safely and get their goods to market" said Mr Fu Xuesheng, LXML President. "This will ensure local livelihoods from agriculture, tourism, and other economic activities beyond mine closure."



LXML powers up Ban Namkheun communities

4 July 2019 – Reading in a lighted room may be a norm in urban Vientiane, but this may be a far-fetched dream for many in some rural remote areas of Lao PDR. While Laos is ahead in access to electricity compared to many of its ASEAN counterparts, with an estimated 80% of rural population and 97% of urban population accessing electricity in 2018, the Lao government has a goal to provide access to electricity for at least 98% of the population by the end of 2030.

In line with the Government's plan and call for the private sector to get more involved in rural development and poverty reduction, LXML this year through its Community Trust Fund invested a further US\$81,000 in the installation of a medium and low power line voltage for communities of Ban Namkheun.

"Our support aims to provide better electricity and therefore better livelihood of people in the village" said Mr Fu Xuesheng, LXML President. "We hope this small contribution will light up the houses as well as the lives of our host communities, and will allow children to have lights to read and study in the evening."



The Community Development Trust Fund aims to improve livelihood through access to basic services and empowering villagers to set and achieve their own development priorities. The power lines handed were indeed identified as a need and proposed by the communities of Ban Namkheun. The villagers led by the village authorities will maintain these power lines to ensure they effectively serve the users in the long-term period.

To date, over US\$9.5 million has been invested in the Community Trust Fund to build schools, roads, latrines, fish ponds, potable water, electricity, and other infrastructure development benefiting more than 14,000 people around Sepon mine. Since operations, LXML has invested over US\$46 million in national infrastructure including US\$34 million to improve national power grid in Laos.





Concerted efforts keep Nonsomboun communities safe from disposal of 750lb M117 Aircraft Bomb

On 16 January 2019 a large 750lb (340kg) M117 aircraft bomb was discovered next to a very populated village near the Nonsomboun Gas station, which if detonated had potential to impact everything within a 1,500 metres radius, covering the entire Nonsomboun village, up to LXML airport and Nalou gate.

After several rounds of consultations between LXML, Halo Trust, UXO Lao, NRA representatives, and district authorities to discuss the safest demolition options, the demolition took place on 15th March.

This was an important activity and well-coordinated between the District and the Village authorities, LXML Management, PSD UXO, site Safety and Security department, site services, and the Halo Trust.

LXML supported the safe evacuation of the village on the morning of the 15th March, and the site service provided three buses to transport villagers from Nonesomboun to the Nongkadeng



Protective work: Venting system – 2 poly-pipes connected to the bomb chamber and exhaust to a safe direction

area and back to the village after the disposal was completed.

Sentry positions were manned by UXO, Lao Guard and Halo personnel on LXML roads and road 28A. This ensured good communication and safe closure of the 1,000 metres of safety radius requested for the demolition.

The bomb was destroyed safely without major damage to nearby houses, and most importantly without

injuries. The huge protective works and the approach taken were all efficient in stopping the destructive affects this bomb would have had if it was detonated directly on the surface and foregoing the detailed, comprehensive, professional, and well-coordinated effort that was put into demolishing this bomb.

Well done to Halo trust and all LXML people that supported the bomb disposal.

Copper demand and the future of electronic vehicles



Copper has an important role to play in creating a more sustainable and energy efficient future. As a key component of the growing market for electric vehicles (EVs), experts predict copper demand to grow.

Copper is a base metal, valued for its outstanding ability to efficiently conduct electricity. It is used in the charging stations needed for electric vehicles and in engines and rechargeable lithium-ion batteries that power them. It is found in batteries, windings and copper rotors used in electric motors, wiring, busbars and charging infrastructure.

The 'red metal' is also used in storage, transmission and to increase the efficiency of numerous electrical technologies –from motors and transformers to solar and wind energy systems.

Today, less than 1% of the world's vehicles are electric and research from industry analysts, Wood Mackenzie,



suggests that EVs will account for 34% of global passenger vehicle sales by 2035. The growth to date has largely been supported by changing attitudes and government subsidies.

China has had the most recent surge in EV sales, following program of government initiatives to support the industry. The Wood Mackenzie research suggests that the EV market is expected to continue to develop through sustained growth in the European, United States and developed Asian markets over the next decade.

As technological advancement and the global trend of decarbonisation accelerates, there be will growing demand for base metals. With strong efficiency benefits and diverse applications, copper is widely regarded as having amongst the best long-term supply-demand fundamentals.

Source: MMG

Laos launches pilot project for electric vehicle charging system

In April 2019, Laos joined the global decarbonisation effort and launched a pilot project of vehicle battery charging stations under a public-private partnership between the Lao Ministry of Energy and Mines and EV Lao Co Ltd. The move is part of an effort of the Lao Government to promote use of electric vehicles and support the government's move to minimise the use of fossil fuels.

'Laos has abundant potential for the use of natural resources such as water, solar and wind power, and waste. These could be used to generate 26,000 MW, of which only 20% of this potential has been developed' said Minister of Energy and Mines.

EDL and EV Lao Co Ltd are currently testing the installation of charging stations, and they hope to install 20 stations in Vientiane this year while electric vehicles can be in use earliest next year.

Source: Vientiane Times, 3 April 2019 and 22 August 2019



What you should know about battery storage?

Around the world, we've harnessed the sun and wind to power our lives. Renewable sources now deliver cheaper, cleaner, more flexible and reliable electricity than ever before. But solar and wind power fluctuate so we need a way to store the power at scale; to use when needed most that would make electricity grids resilient in developing countries and help more people access energy.

Batteries can be the solution. But batteries are not being used at scale where they are most needed. Batteries need to be: cost-effective; longer lasting supported by robust policies and regulations; resilient to heat and harsh conditions; safe for people and the environment; simple to operate and maintain.

The challenges are huge but so are the opportunities. Global demand for battery storage is expected to reach 2,800 gigawatt hours by 2040. That is the equivalent of storing almost half of all the renewable energy generated today around the entire world in a day. With the best ideas, bold policies and smart investments we can deliver clean energy for all.

Source: World Bank 2019

20 June 2019 – The 26th Quarterly Meeting between the Lao Government Steering Committee and LXML took place to review Sepon's progress in 2019. The meeting was chaired by Mr Thongphath Inthavong, Vice Minister of Energy and Mines; Mr Thonekeo Phouthakayalath, Vice Governor of Savannakhet Province; and Mr Paul Harris, General Manager of LXML. The meeting provided an excellent opportunity for participants from Vilabouly District, Savannakhet Province and Vientiane to discuss project milestones, key concerns, and progress on Sepon operations including operational, community, and environmental issues.

On the same day, participants witnessed the handover ceremony of US\$4.4 million in royalty for first quarter production of 2019.

31 July 2019 – The Community and Stakeholder Relations team, led by Mr Saman Aneka, held a consultation meeting on the Fund of the Assistance to the Disadvantaged Group (FADG), formerly known as the Village Development Fund. The meeting, chaired by Mr Thonglay Vilayphone – Chairperson of the Vilabouly District Party and Government Inspection Office, agreed to continue disseminating related policy and procedures of the Fund to the target villages as well as to conduct surveys of target families eligible for the fund. The FADG has been refocused to improve the livelihoods of impacted target communities through improved and increased investment in food security

8 August 2019 – LXML handed over royalty payment for the second quarter royalty of US\$5.2 million. Mrs Kaseumsy Phommavongsa, Director General of State Assets Management Department received the royalty payment from Community and Stakeholder Relations Manager Mr Saman Aneka at the Ministry of Finance.



3 June 2019 - Our team in Savannakhet office led by Mr Saman Aneka, Stakeholder Relations Manager (2nd from left) and Ms Ladsany Sisane, Government Relations Superintendent (3rd from left) planted more trees along the Mekong River Banks of Savannakhet town on the occasion of Arbour Day. Over 100 trees have been planted by the team over the past five years and some have already grown to four metres high. Through small steps and contributions, everyone can make a difference and make the air we breathe cleaner.

Mr Phetsamone Khouanthanoh, Ministry of Defence provides knowledge to students as part of LXML's UXO awareness trainings that started in April 2019.

To date, the program reached over 1400 students and 45 teachers from eight schools in fifteen villages of Vilabouly district.



7 June 2019 – In celebration of this WED, the Community Engagement Team together with Vilabouly District campaigned to raise awareness about the danger and how to prevent dengue and malaria.



Mr Paul Harris, LXML General Manager and Mr Fu Xuesheng, LXML President assist local community in the traditional process of rice husking using wooden jar and mortar.

Table Tennis Competition

- Men's Singles**
Winner: Phophane Upphay
2nd: Viengkham Khamvene
3rd: Thavisay Khamphichit
- Women's Singles**
Winner: Kongsamy Charlet
2nd: Keomanivone Phommachan
3rd: Nellie He
- Mixed Doubles**
Winner: Paul Bottrill + Kongsamay Charlet
2nd: Khamsay Mounthilath + Chindavone Phaxaysombath
3rd: Vanlay Douangsavanh + Keomanivone Phommachan





ລ້ານຊ້າງ ມີເນໂຮນສ໌ ລິມິເຕັດ
万象矿业有限公司
CHIFENG LXML SEPON

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