

SEPON MINE TODAY

THE NEWSLETTER OF LXML SEPON



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万象矿业有限公司
CHIFENG LXML SEPON

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LXML receives ASEAN Minerals Award for the second year

On 13 December 2019, Lanexang Minerals Limited (LXML) Sepon Mine was announced as the winner of the ASEAN Mineral Awards for Best Practices in Metallic Minerals Mining. The ASEAN Mineral Awards aims to recognise Best Practices in Environmentally and Socially Sustainable Minerals Development, and is one of the major strategies under the ASEAN Minerals Cooperation Action Plan (AMCAP) for promoting environmentally and socially sustainable minerals development.

The announcement was made during the Award Ceremony held in conjunction with the Gala Dinner of the Seventh ASEAN Ministerial Meeting on Minerals (7th AMMin)

in Bangkok, Thailand. The awards were presented by HE Mr Deerayut Varnitshang, Thailand Minister of Industry, and witnessed by members of the shortlisted companies, and ministerial representatives from all the ASEAN member states.

"The Awards honoured ASEAN mining companies that have made outstanding contributions towards the promotion of sustainable minerals development in the region" said **HE Mr Sinava Souphanouvong, Vice Minister of Energy and Mines of Lao PDR**. "This award re-emphasises the Lao PDR's ambitions in promoting quality investments in the resources sector."

2019 marks the second ASEAN Mineral Awards and the second

time that LXML is being recognised for its outstanding performance and contribution to community development, contribution to ASEAN minerals supply, human resource development, productivity and resource efficiency, health and safety performance and environmental performance. At the 1st ASEAN Mineral Awards in 2017, LXML was runner-up in the Best Practices in Metallic Minerals Processing award.

"This prestigious award is the result of the commitment and hard work of everyone at LXML over the last decade that has paved the way for the results and performance that is our success today. It is a great example of how we model 'mining excellence to create prosperity for

all" said **Paul Harris, LXML General Manager**. "It recognises the success of our commitment to developing our people and the community, our commitment to developing and maintaining international standards in environmental management, and our commitment to continuously improve our operational performance. This award also reflects the strong support of our stakeholders and the Government of Lao PDR."

LXML was among sixteen companies who were shortlisted for Best Practices in Mining, Processing, and Distribution under metallic and non-metallic categories. The awardees included one from Brunei Darussalam, five from Indonesia, two from Lao PDR, two from Malaysia, five from Philippines, and one from Thailand. Against some stiff competition, LXML was successful in taking out the Best Practices in Metallic Minerals Mining award.

The shortlisted companies were evaluated by a Board of Judges (BOJ), with a judge from each of the ASEAN member states. The BOJ evaluated each company on four major criteria: impact, sustainability, replicability and originality, and overall presentation and impression.

Since operations commenced in 2002, the company has contributed over US\$1.5 billion dollars in direct revenue to the Lao Government through taxes, royalties and dividends, while almost US\$50 million has been invested in developing national and local

(Cont'd page 2)



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infrastructure, US\$48 million in UXO clearance, and millions in cultural heritage preservation and other social support programs.

More than 14,000 people in Vilabouly, where the Sepon mine is located, have benefitted from the company's community development programs totalling US\$13 million worth of projects and investment; while community income through local business groups has accumulated to US\$33 million.

LXML Sepon has invested millions of dollars in employee development and training. This investment has developed skills and created employment for over 10,000 Lao

nationals. At its peak, the company employed over 5,000 employees and still directly employs over 2,500 employees today.

LXML puts safety at the heart of its operation. Nothing is more important than ensuring employees can return home safely at the end of each day. In 2019, LXML has continued to make good progress in reducing injury rates with a total recordable injury frequency rate (TRIFR) of 0.38, which is well below the year's target of 0.6, and a 39% improvement on the previous year's performance. Compared to its peers in the industry, this safety performance is exceptional and considered one of the best in the world.

LXML's plan to transition from a copper operation to a gold operation in 2020 brings a positive outlook for all stakeholders. The gold operation will continue to provide jobs for employees, and will continue to provide incomes and improved livelihoods for its host communities.

LXML will continue to contribute to the socio-economic development of the Lao PDR for at least another ten years through projected production of around more than 230,000 ounces of gold doré annually. LXML is also increasing investment in exploration and looking to extend the life of mine even further, for at least another ten years.

LXML attends Chifeng Gold Annual Meeting



15-16 January 2020 – LXML General Manager Mr Paul Harris (5th from left) and LXML President Mr Fu Xuesheng (3rd from right) attended the Annual Meeting in Beijing, China. The Annual Meeting gathers the leadership team to review the 2019 performance and set the goals and targets for 2020 in safety, environment, production and financial performance. The meeting further announced its three-year plan which sets to 'develop Chifeng as an internationally listed gold mining company that is renowned worldwide'.

LXML welcomes new Director to the Board



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 Souvannachoum (2nd left).

August 2019 - LXML welcomed to the LXML Board the new Director representing the Lao Government as a 10% shareholder. Mr Soulivath Souvannachoum, 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 Souvannachoum – Director, Director General of External Finance and Debt Management of the Lao Ministry of Finance.



LXML Community Development Trust Fund prioritises education, health, and



28 January 2020 – The LXML Community Development Trust Fund Committee convened their annual meeting to reflect on 2019 and plan for 2020. The meeting was co-chaired by Mr Thonekeo Phouthakayalath, Vice Governor of Savannakhet; Mr Khamphouy Sibounheuang, Vilabouly Governor; and Mr Paul Harris, LXML General Manager.

“Since 2003, the Community Development Trust Fund has

continuously delivered significant benefits to the local community and 2019 was no exception” said **Mr Paul Harris, LXML General Manager.**

“In 2015, Vilabouly succeeded from the list of poorest district of Laos thanks to the strong leadership of the State, Party, and Government” said **Mr Khamphouy Sibounheuang.**

“More specifically, LXML has provided significant funding contributing to development of our district

and supporting the successful implementation of our District Socio-Economic Development Plan throughout the years.”

From 2019 onwards, the Community Development Trust Fund has been re-focused on education, health, and food security accounting for 70% of the granted annual Community Development Trust Fund.

A number of the significant projects completed in 2019 included (i)

construction of a double bituminous road with project drainages in the main part of Vilabouly costing around US\$300,000; (ii) repair of Vilabouly Hospital roof (US\$17,000); (iii) expansion of electricity grid to Ban Paphai Quarter (US\$19,000); and (iv) installation of ancient artefacts display platform (US\$10,000). The Fund has also initiated provisions of scholarships to support the best students in secondary and vocational education.

LXML will continue to contribute US\$750,000 annually to the Community Development Trust Fund, aimed to improve livelihoods through access to better education, health, food security, and income-generating activities. To date, US\$9.5 million has been invested in the Community Development Trust Fund to build schools, roads, latrines, fish ponds, potable water, electricity, and other infrastructure development benefitting more than 14,000 people in Vilabouly District.

Sepon employees receive ‘Long Service Award’

In 2019, LXML celebrated 140 employees who have worked with us for more than five years. Congratulations!

LXML has successfully developed local employees, 95% are Lao and 20% women; of which 75% of our Lao national employees are from the local area. We have invested millions of dollars in employee development and training.

This investment has developed skills and created employment for over 10,000 Lao nationals. At its peak production capacity in 2003, LXML employed over 5,000 employees and still directly

employs over 2,500 employees today. Over 180 Lao nationals are in superintendent and supervisory positions.



LXML supports Lao traditional music

28 January 2020 – LXML represented by Mr Saman Aneka, Managing Director and Community and Stakeholder Relations Manager (*pictured left*) handed sets of Lao traditional music instruments to Vilabouly District, represented by Mr Khamphouy Sibounheuang, Vilabouly Governor (*pictured right*).

These traditional Lao

instruments were funded by LXML’s Community Development Trust Fund, with the aim of supporting the district’s effort in preserving Lao traditional music.

In 2020, the Trust Fund will support a local student to undertake Lao traditional music study so that the local skills and traditions could be handed down from generation to generation.



Chifeng celebrates one year in Lao PDR



Photo © LXML

About one year ago, on 30 November 2018, Chifeng assumed full control of LXML from its former shareholder MMG Limited. Driven by Chifeng's goal of 'developing an internationally listed gold mining company that is renowned worldwide', Chifeng invested in its first overseas operation – the Sepon Copper-Gold Mine in Vilabouly, Savannakhet province.

What brought us to Lao PDR?

China and Laos are neighbours and the friendship between our two peoples is extensive, just as the Mekong River is extensive and links us together. In China, we have an old proverb, "although you live at the head of the river and I live at the tail, we both drink the same water". We're neighbours, bound together like a family.

With our shared historical, political, and economic ties, coupled with our leader Xi Jinping's One Belt One Road Initiative, Chifeng is confident that our foothold in Laos will contribute to promoting the country's socio-economic growth, which will prove a blessing for the people of both countries.

One year ago, we committed ourselves to building on LXML's legacies. Today, marking our one year anniversary in Laos, we'd like to celebrate some of the achievements and progress made over the year.

First, we put safety at the heart of our operation. Nothing is more important than ensuring our employees can return home safely at the end of each day. In 2019, we made good progress in reducing injury rates. Our operation has recorded a total recordable injury frequency rate (TRIFR) of 0.38, which is well below our target of 0.6, and a 39% improvement on our previous year's performance.

Compared to our peers in the industry, this safety performance is exceptional and considered one of the best in the world.

Safety is our business. To make this happen, we believe that involving our people in their own and their colleagues' safety is instrumental. In 2019, we launched the 'Safety Improvement Initiative' program, which empowers employees and contractors to take the lead in identifying opportunities to improve safety at Sepon, and to take the initiative to implement these improvements. Our employees have been rewarded each month and quarter for initiatives that have resulted in significant and visible improvement to safety.

On the safety front, we proudly applaud our employees for their exceptional effort in keeping themselves and others safe.

Second, our plan to transition from a copper operation to a gold operation brings a positive outlook for all stakeholders.

Chifeng assumed ownership of the Sepon operation during a challenging time with rapidly reducing copper reserves, declining ore grades, and with increasingly more complex ores to process. At that time, the mine was expected to cease production in 2020. Yet, with Chifeng's expertise, technological innovation and know-how, a plan to continue operations by transitioning from a copper operation to a gold operation has been successfully developed, bringing a brighter future for Sepon and all its stakeholders. The gold operation will continue to provide jobs for employees, and incomes and improved livelihoods for our host communities. LXML will continue to contribute to the socio-economic development of Laos for at least another ten years through projected

production of around 230,000 ounces in gold doré annually, and increasing our investment in exploration to extend the life of mine even further for at least another ten years. Currently, we continue to conduct the required studies and ground work to fast-track approvals for the gold operation, and to enter the next phase of life for Sepon.

In 2019, we've taken on a two-pronged approach to our operation. While laying the ground work for our gold operation to kick-off in the third quarter of 2020; we have ensured continuity of our copper operation, achieved copper production over 72,000 tonnes (4% above target) and plant throughput over three million tonnes with new records in mining (over 25 million tonnes total movement), and copper mill throughput (over 2.2 million tonnes milled) — all KPI's exceeding set targets.

This performance can be attributed to the continuous improvement mindset that has been adopted by our operational teams, always looking for opportunities to improve and do better. Significant cost savings have also been introduced with cash production costs forecast to be almost \$50 million below budget. This new cost base provides the foundation for ongoing cost minimisation and will support a more profitable gold future.

Third, benefits continue to flow to our employees, local communities and local business groups. Since operations commenced in 2002, Sepon mine has generated direct benefits of over US\$1.5 billion to Laos in taxes, royalties, and dividends. The mine created jobs for over 5,000 employees at its peak in 2003, and invested millions of dollars in employee development and training.

More than 14,000 people in Vilabouly have benefitted from Sepon's Village Development Fund and Community Trust Fund, totalling US\$13 million worth of projects and investment, and community income through local business groups has accumulated to US\$33 million. Under Chifeng's leadership, LXML has ensured that these benefits continue to flow and continue to establish a strong socio-economic foundation throughout the life of the mine, and for life beyond mine closure. Our commitment has translated into notable outcomes:

- Any organisational changes that take place at Sepon take into consideration our commitment to minimise and manage the impacts for our local employees.

Wherever possible, LXML continues to offer preferential treatment in retaining our local workforce via our Local Employment Management Plan. This plan together with our continued focus on training and development has enabled us to establish a workforce with over 95% Lao nationals. 75% of our Lao nationals are from the local area, and 20% are female. With the planned transition to a future gold operation, employees will continue to have jobs, earn an income, and progress their careers. Even more, they can continue to develop skills and experience at Sepon that they can transfer and use wherever they work in the future.

- Communities continue to benefit from our community development programs, which in 2019 have been, refocused on improving education, health, and food security of the disadvantaged families directly impacted by Sepon operations.

This means that 70% of LXML's annual granted Community Trust Fund is channelled into these three pillars for the direct benefit of over 14,000 community members, while investment in infrastructure development has gradually reduced.

Moving forward, we will maintain our investment in community development programs, which will be more targeted to meet community needs, and we will implement these programs in a transparent, open, and inclusive manner.

- Thirty local business groups continue to receive income from providing services and supplies to Sepon, generating a combined income of over US\$33 million



and more than 500 jobs for local people since 2006. In 2019, two new businesses join the group, one supplying chicken eggs and another supplying vermicelli to LXML. LXML purchases US\$3 million worth of goods and services from these local businesses groups annually, 75% of which is fruits, vegetables, and local produce. In the long-term, these local business groups will have gained international experience in servicing an international company, and will have established a network that will enable them to navigate local, regional, and international markets in the future.

Fourth, we continue to forge partnerships with our key stakeholders on various fronts. In March 2019, we extended an MoU with the Ministry of Defence's Engineering Department to support cooperation and coordination on UXO removal and disposal in the Sepon mine area. This partnership also enhances technical capacity of the Department's technicians and improves clearance practices for future generations in Laos. To date, LXML have invested US\$48 million in UXO clearance, destroyed 58,000 UXO items, and cleared 2,900 hectares of land.

In September 2019, we handed over more than 7,800 artefacts to the Lao Government (read page 16). These artefacts have been discovered at Sepon mine, and are an outcome from LXML's decade- long support to the Lao Government in archaeological research and cultural heritage preservation. Very recently, we uncovered five copper bars that had been preserved in good condition. This find, along with previous discoveries, signifies Vilabouly district as one of the first mining and metallurgy areas in Southeast Asia. Since 2008, LXML has invested over US\$1.3 million in supporting 3,000 years of Lao history and heritage through our local research programs with the Ministry of Information, Culture and Tourism, the National University of Laos, and James Cook University of Australia. In December 2019, we facilitated and supported the Lao Cultural Heritage and Yunnan's Archaeological Institute with their site archaeological research in Sepon mine.

Throughout 2019, we stood ready to provide support to our host country. In 2019, LXML has provided financial and in-kind support to our host community at central, provincial, and local level, amounting up to nearly US\$200,000 including support to flood recovery in Attapeu, Savannakhet, and Vilabouly; the donation of two ambulances and medical supplies to Savannakhet and Vilabouly hospitals; and support to

local official and traditional events of Vilabouly – the renovation of That Nang Lao Stupa, and support to the 5th Extraordinary Party Member Meeting of Vilabouly.

More importantly, LXML maintains open dialogue and information sharing with our government counterparts through a number of platforms including:

- A Bi-Annual Meeting where all stakeholders discuss issues, progress and future plans of Sepon operation;
- Two public consultations on our future transition to gold operations;
- In June 2019, we were honoured to host a three-day workshop on 'risk assessment' in Brisbane, Australia (read page 14), attended by twelve key officials from the Ministry of Energy and Mines (MEM) and Ministry of Natural Resources and Environment (MoNRE), led by Vice Minister of Natural Resources and Environment Ms Bounkham Vorachit and Savannakhet Vice Governor Mr Thonekeo Phoutthakayalath. This workshop provided a joint venue for involved stakeholders to determine, assess, and develop mitigating strategies of anticipated environmental and social impacts associated with the future gold operation;
- In August 2019, delegates from MoNRE and MEM, again led by Ms Bounkham Vorachit, Vice Minister of Natural Resources and Environment visited Sepon mine to gain a better understanding of Sepon's existing operations and plans to transition from copper to gold operation in 2020 (read page 10).

Finally, we stand committed to complying with international standards. LXML maintains international environmental standards in our operation. No significant environmental incidents have occurred at LXML in 2019 or 2018. We continue to build on our investment of US\$18 million in environmental management, rehabilitation, and monitoring activities. At the same time, while mine closure is projected to be a long time into the future, preparing for mine closure is an ongoing work in progress, and is being conducted in accordance with international standards. The Sepon Mine Closure Plan has evolved over the life of mine and continues to be refined to incorporate new understanding and contemporary practices.

All in all, under the leadership of Chifeng, LXML stands firmly confident and committed to "creating mining excellence and prosperity for all" well into the future.

LXML supports Lao PDR in flood relief

In 2019, LXML continued to provide support to our host country - through financial and in-kind contribution – at central, provincial, and local level amounting up to nearly US\$200,000 including support to flood recovery efforts. In addition, LXML is also supporting the Vilabouly Disaster Relief Fund to aid natural disaster victims should Vilabouly District – where Sepon Mine is located – is announced a disaster-hit area.





PROFILE

SOUKNILANH OUCHALEUN

Superintendent – Accounts Payable and Payroll

Souknilanh or 'Kham' as everyone knows her, has been working with LXML for over sixteen 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 People Services Superintendent and experienced

firsthand the maturing of the 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 policies and procedures.



Tell us about yourself.

I graduated from the National University of Laos, Bachelors in English and Masters in International Financial Management. I've been working with Sepon Mine since 2003, which is now over sixteen 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 some transitions within the payroll team.

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 district, 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 got 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.





INTERVIEW UP CLOSE AND PERSONAL

Bill Tan, Commercial Manager



Bill Tan, LXML Commercial Manager, has a strong background with extensive experience in the mining industry. In the past fourteen years, prior to joining LXML, Bill has worked across regions in the Americas and East Asia Pacific. Having worked in different working environment, Bill upholds working with professionalism and treating everyone with respect, and looking and solving problems from different lenses.

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

I hold a bachelor degree in engineering and a MBA in finance. Prior to joining LXML this May 2019, I had been working in the mining industry for fourteen years with three different mining companies in USA, Canada and Fiji.

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

I think the biggest challenge in the mining industry is unpredictable commodity prices, and there are always good times and bad times for mining companies. The key for a mine to survive in tough times is to strive to be a low-cost miner, in particular for a mine like future Sepon Mine. This is so that the company can be in a better position to compete with other miners.

Another challenge in my career is working in foreign countries with people from different cultures. I think it is important to accept the differences, respect their cultures and look at issues from a different perspective with different solutions.

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

I will pose strong work ethic with a high standard of professionalism, respect for every one and act in the best interest of LXML and its shareholders.

What are you hoping to achieve in this role in the short or long-term?

In the short- term, I hope to develop a better and winning commercial team to assist in cost savings and in gold project development.

In the long term, I hope to assist in implementing the company's three-year strategic business plan; and making LXML one of the best miners in the world for another twenty years.

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

Laos is a relaxed and peaceful country, similar to Fiji where I stayed in the last four years. People here in Laos are very friendly and are always smiling. Sepon mine offers safe working environment, good benefits and good site facilities for its employees, which is the reason why the company is able to attract the best people in Laos and around the world to work here.

What is the work and life philosophy you live by?

My philosophy in life and in work is to treat others with respect at all times.

Any final words?

2020 will be a challenging year for all LXML employees since we are going to turn copper operations into gold operations. It is up to all of us whether we can make 2020 the most remarkable year in LXML history.



LIFE IN SEPON

Phonesavanh KHAMVONGSA

Mining Manager - 15 years at Sepon

Phonesavanh Khamvongsa has worked at LXML for fifteen years. He progressed through various mining roles since joining the company in 2004 as Mining Supervisor, Mining Engineer, Mining Superintendent and promoted to Mining Manager in 2014. Phonesavanh worked in many civil work projects from 1999-2004 prior to joining Sepon. The mining industry was new for him at the time he joined Sepon, and this was one of the challenge he had to grasp with. However, with acquired interest in mining and by believing in himself, continuously taking on opportunities and developing himself; Phonesavanh has led a strong mining team and achieved new record in mining production over and over again.

Phonesavanh's career development in Sepon reaffirms LXML's ongoing commitment under the Mineral Exploration and Production Agreement to enhance the Lao leadership capacity across the business.



I have worked at Sepon for 15 years. Over the years, I have worked as Mining Supervisor, Drill and Blast Engineer, Mine Planning Engineer, Mining Superintendent, and promoted to Mining Manager in 2014. **My current roster is** 5/2 and 4/3 (work/day-off). **A typical day for me would be** to make sure mining employees are happy on their job, work safely and productively. **The biggest change I have witnessed during my time in Sepon** is the localisation initiative in which managerial roles that were exclusively held by expatriates were opened up to Lao nationals. This was a big opportunity for me to take on the role of Mining Manager. **One of the best things about working at the site is** a big achievement by our mining fleet team in 2019 that have created a new record of 26.4 million tons of mine production, above our previous record of 25.7 million tonnes in 2017. **One thing I am very proud of is** to be part of the Sepon team, having witnessed notable development in the community and seeing more employees from the local area. **I originally grew up at** Nonghai Village, Hathsayfong District, Vientiane Capital. **In my leisure time I enjoy** sports, exercising, playing soccer, and taking my kids out for ice cream. **My personal motto is** don't give up and believe in yourself (you can do it). I also highly value teamwork, which I believe is key to any success. Do not think everything will be perfect; rather think about opportunities that you 'can do', develop yourselves, and continue to improve and fill your gaps that will lead you to the goal.



Sepon celebrates 44th Lao National Day

3 December 2019 - More than 500 employees at Sepon mine enjoyed the 44th Lao National Day celebration at Hinsom Sport Complex. This celebration also coincided with the 1st anniversary of Chifeng Gold taking ownership of Sepon mine in Laos.

Paul Harris, General Manager and Fu Xuesheng, LXML President highlighted the achievements in 2019, and future Sepon development commitment.

“Despite the evolving changes and challenges we face, one thing that will remain central to Sepon’s success is our employees, our most valued resource.” said, **Paul Harris, General Manager LXML**. “I would like to thanks all Sepon employees for your outstanding effort and contribution to this year’s success.” In celebrating Chifeng’s one year anniversary in Laos, Mr Fu Xuesheng on behalf of Chifeng



Gold’s management reiterated Chifeng’s commitment to the crowd. “One year ago, we committed ourselves to building on Sepon’s legacies” said **Mr Fu Xuesheng, LXML President**. “We have ensured that these benefits

continue to flow to our employees, local communities and local business group, and continue to establish a strong socio-economic foundation for the life of the mine, and for life beyond mine closure.” The celebration was also attended by Vilabouly Governor Mr

Khamphoui Sibouheuang along with representatives from district offices and villages. The event concluded with a two-hours performance from three famous singers, Bounyoo Loukmekong, Khomsana and Siriphone Sipaseuth.

LXML Progress Award 2019

For five years, the LXML Progress Award has been celebrated to acknowledge exceptional performance in areas critical for our success. This year, we received fifteen nominations for four awards in the categories of values always and outstanding achievements. The winners were announced on Lao National Day celebration in Sepon on 3 December 2019.

Thank you to our panellists: Paul Harris – General Manager, Saman Aneka – Managing Director and Community and Stakeholder Relations Manager; and Kevin Chen – Vice General Manager. Congratulations to the winners for the outstanding achievements and for always living our values.

Values Always Award recognises individuals or teams who consistently live by LXML’s values, all day, every day. Employees take home this award because they always demonstrated leadership and commitment to all our values, being: We think safety first, We respect each other, We work together, We do what we say, We want to be better.



Outstanding Achievement Award recognises exceptional work performance towards the achievement of LXML’s strategic business goals including organizational growth, enhancing LXML’s reputation, improving outcomes, and delivering significant improvements.





Delegates from central, provincial and district of natural resources and environment along with LXML Gold Project team observed copper processing at the copper plant at Sepon site.

Gold operation to soon kick-off

5-7 August 2019 - 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 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 and the Nalou Market. The delegates also visited the processing plant and tailing facility to understand how the copper plant will be modified to process primary gold, and how the existing gold plant will be refurbished to process oxide gold ore at the same time.

"This visit will helps to facilitate a faster approval process, which is critical for the project because it is already behind schedule by four to six 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 ten years or potentially beyond.





LXML pays US\$2 million advanced profit tax for 2019 to Lao Government

31 December 2019 - LXML handed over a cheque for US\$2 million to Mr Kongkham Sitthivolada, Deputy Director General of Tax Department, Ministry of Finance, for LXML's advance profit tax in respect of 2019 earnings. The remaining actual profit tax for the year will be announced and handed over in full in March 2020.

In 2019, LXML produced over 72,000 tonnes of copper above target. Since operations commenced in 2002, LXML has paid over US\$1.5 billion total direct revenue to the Lao Government via royalties, taxes, fuel excise and dividends.

"LXML stands committed to being a supportive partner to the Lao Government and is proud of our contribution to socio-economic development in the Lao PDR" said

Mr Saman Aneka, Managing Director and Community and Stakeholder Relations Manager of LXML. "In addition to contributing through direct

revenue, LXML in close partnership with the Government and local community has contributed significantly to development in Laos through employment

and training, infrastructure development, local business development and community development."



Deputy Director General of Tax Department, Mr Kongkham Sitthivolada receives a cheque for LXML's 2019 advanced profit tax from LXML Managing Director and Community and Stakeholder Relations Manager, Mr Saman Aneka.

Sepon celebrates Vilabouly Boat Festival

4 November 2019 – For the sixteenth year, Sepon has celebrated and supported Vilabouly Boat Racing Festival. Guided by our value 'we respect each other', we therefore respect and celebrate our host community's traditions and culture.

This year, Sepon contributed 20,000,000 kip in prizes to the winners, out of 28 teams racing in three categories: 12 male rowers, 5 male rowers, and 5 female rowers. Congratulations to all winners, supporters, and contributors to the festive celebration!





LXML EMPLOYEES CREATIVELY IMPROVING SAFETY

To improve safety on site, LXML launched the Safety Improvement Initiative (SSI) in March 2019. This initiative enables LXML employees and contractors to take the lead in identifying opportunities to improve safety at Sepon mine, and to take this initiative to implement these improvements. Employees individually or in groups were invited to submit a safety improvement initiative they have actually implemented and have resulted in visible improvements. Submissions are selected and voted monthly and quarterly by a panel. Winners win a monetary award and are featured in our company's newsletters.

In our last issue, we featured March and April 2019 winner. In this issue, we share with you the subsequent winners and how their ideas have improved safety on site.

May 2019 Winner – Maintenance Fixed Plant Team

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 with no interaction of vehicles travelling in different directions. This has minimised the chance of vehicle accidents.



June 2019 Winner – Processing Laboratory Team

The team was able to reduce dust at sample preparation area by using a vaccum to clean up dust samples pulverizer instead of the usual air gun. Eventually, this reduced diffusion of dust that pollute the workplace and eliminated the high risks from metal dusts that can impact on the health of employees working in this area.



July 2019 & 2019 Q₂ Winner – Mine Civil Operation Team

The team installed LED lights on the boom gate (entrance to the mine site) reducing the number of incidents involving local motorbikes, vehicles hitting the boom gate, and potential interaction with haul trucks.



August 2019 & 2019 Q₃ Winner – Houmpheng Thongdy, Engineering Improvement and Project

Mr Thongdy introduced a brilliant idea of installing earth ground rods and tools. By shifting from a sledge hammer to a jackhammer with a for-purpose modified attachment, the team is now able to install the rods effortlessly saving more time and with reduced injury risks of muscles, elbow, hand and arm.



September & October 2019 Winner – Fixed Plant Maintenance Team

The team took home the prize for two consecutive months. The team were acknowledged for installing columns that allow safe removal of the copper mill chute in the processing plant. This reduced the likelihood of people working in line of fire and improved mill access during mill reline. In addition, the team installed new stairways creating better access to the copper mill deck along with a dedicated emergency entry/exit point to/from the copper mill deck. Another brilliant initiative by the team was the use of a lifting jig for sharp edge pump impellers instead of using a sling. With a lifting capacity of 300kg, this tool makes the work safer and cuts out the chance of the impeller from moving or falling.

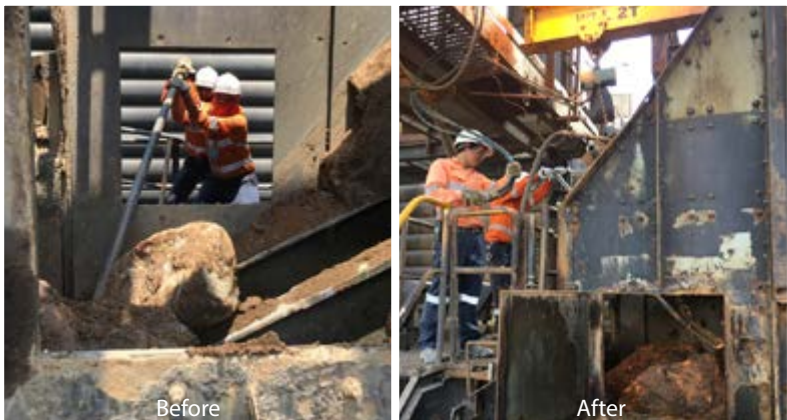




November 2019 and 2019 Q₄ Winner –
Copper Processing Team

The team invented a new approach to removing oversized rocks from the grizzly and reducing hand injuries and increasing job efficiency, using less people and time required in the making.

The team installed air hoist with a hook as opposed to the previous practice of manually using metal bars to remove the giant rocks from the grizzly to the oversize bunker. While this old approach could cause the mill to stop, the improved approach allowed material on the feeder to be seen clearly as the operators work from the front.



December 2019 Winner – Project
Engineer Team

The team introduced the idea of ‘Stair Nosing’ by installing a fit-for-purpose aluminium stair nosing to ensure better traction for pedestrians, and reduce the potential of slip trips and falls when using the stairs in the new office building onsite.



January 2020 Winner – Heavy
Equipment Team

As part of their work in repairing heavy equipment, the team improved the work bench by clamping the boom to prevent its movement or slippage off the table causing injury to people or damaging equipment. Along with this, the table is fully adjustable and universally fit all our excavator booms.

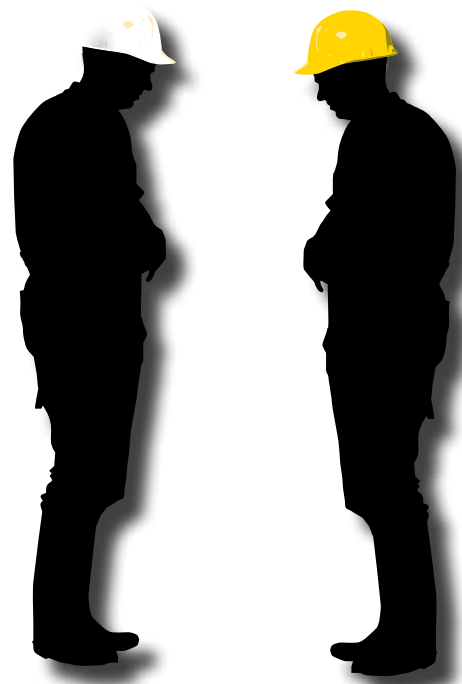


NEW ? COMER ■ Wear the Yellow Hard Hat

To ensure safer operations and reduce personnel risk and injury at Sepon mine site, LXML launched a new ‘Yellow Hard Hat’ policy in 2019.

Under this policy, new employees, apprentice, trainees, day labour, consultant, contractor and sub-contractor who has worked on site for less than three months are to wear yellow hard hats, which helps existing personnel to identify new employees so that they can be helped to become familiar with their work environment, site standards, procedures, and safe work practices.

After three months, these new employees and contractors will be able to transfer and issued a normal white hard hat.





Government officials from MonRe, Energy and Mine, Savannakhet vice governor along with SSG and LXML Sapon Gold Project team attended a three-day workshop on Risk Assessment in Brisbane, Australia.

Sepon 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 Phoutthakayalath, 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.



Savannakhet Governor visits LXML- funded project



Mr Santiphab Phomvihane, Savannakhet governor along with Vilabouly and LXML officials inspected Nakasin dam site on 31 January 2020.

31 January 2020 – Savannakhet Governor Mr Santiphab Phomevihane and his delegation, including representatives from the Savannakhet Provincial Irrigation Division, paid a site visit to the Nakasin Dam Renovation Project, in Nakasin Village of Vilabouly District.

The Nakasin Dam, funded by LXML's Community Development Trust Fund of over US\$71,000, has been undergoing construction

and renovation since mid-January 2020. Upon completion in March 2020, more than 200 families from Nakasin Village and Meuang Louang Village will benefit from this improved dam, improving agricultural productivity and food security year-round.

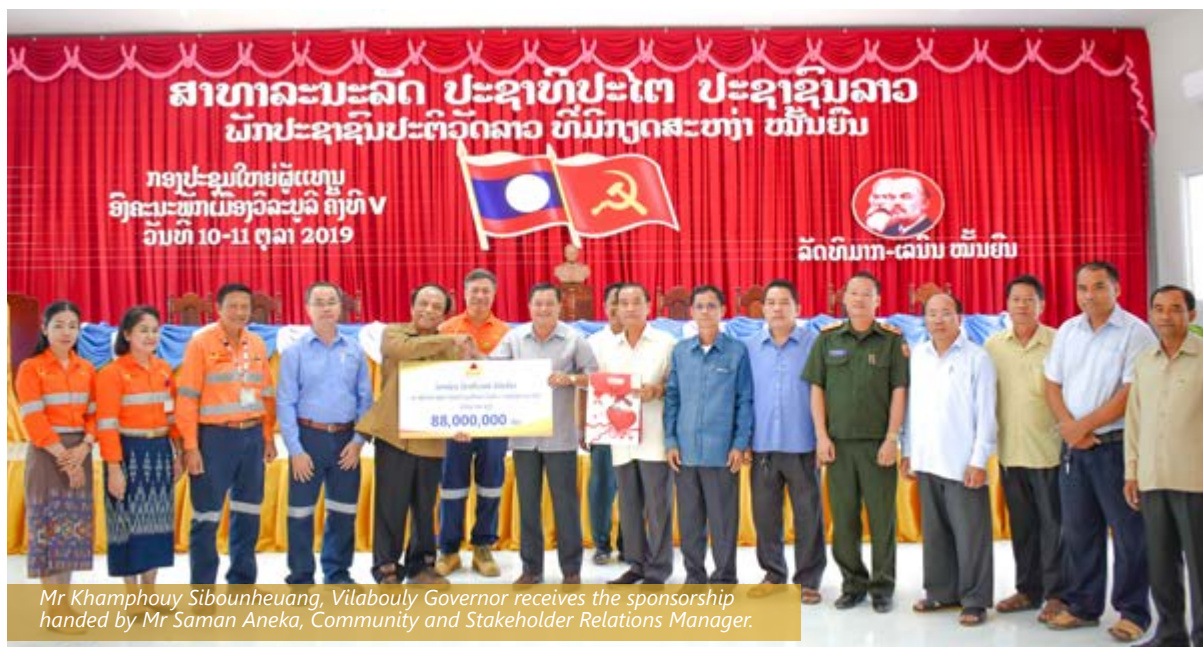
"I applaud the Company for supporting agricultural promotion" said **Mr Santiphab Phomevihane**.

LXML supports 5th Extraordinary Party Member Meeting of Vilabouly

8 October 2019 – At the Vilabouly Conference Hall, LXML Management represented by Managing Director and Community and Stakeholder Relations Manager Mr Saman Aneka, handed over a contribution package of 88,000,000 kip to Vilabouly District in support to the 5th Extraordinary District Party Meeting Session held on 10 to 11 October 2019. The package includes 25,000,000 kip and a refurbished van.

Vilabouly Governor Mr Khamphouy Sibounheuang expressed his appreciation to LXML and acknowledged LXML's great contribution to the authority and people of Vilabouly, extended for over a decade.

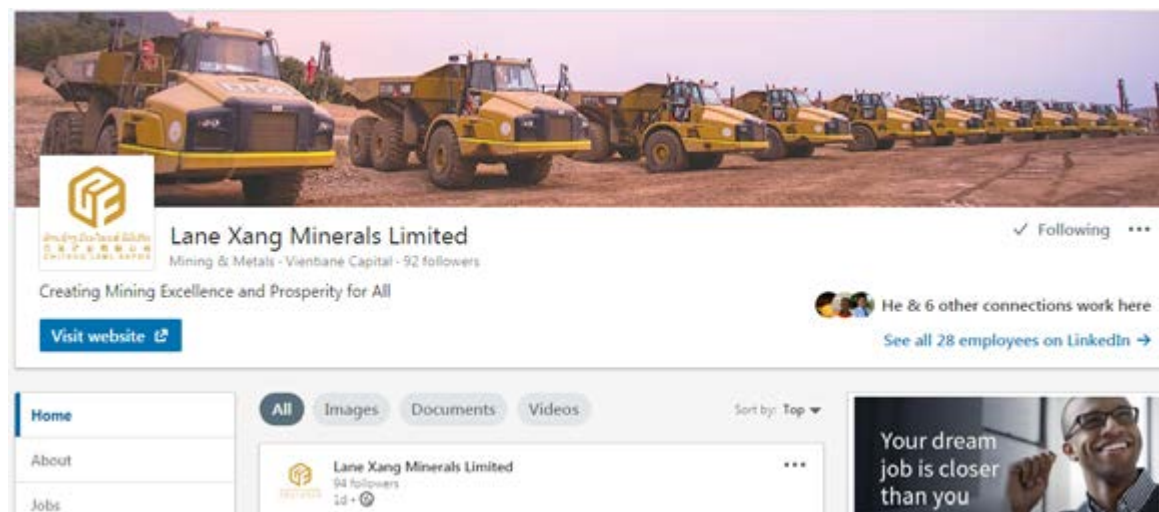
On behalf of LXML, Mr Saman expressed his gratitude for LXML's opportunity to partake in this significant event in Vilabouly. Mr Saman wished the five-year meeting to be a great success for the benefit of the people in Vilabouly, and expressed his thanks to the district authority for the continuous support to Sepon mine.



Mr Khamphouy Sibounheuang, Vilabouly Governor receives the sponsorship handed by Mr Saman Aneka, Community and Stakeholder Relations Manager.

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<https://www.linkedin.com/company/lane-xang-minerals-limited/>





LXML handover artefacts found in Sepon to Government



Artifacts found at Sepon mine displayed at the handover function on 24 September 2019.

24 September 2019 - LXML handed over more than 7,800 artefacts to the Lao Government. These artefacts – made up from copper, bronze, chalcedony (regular gems), ceramic, wood among others – have been discovered on site at Sepon mine. This is an outcome from LXML’s decade-long support to the Lao Government in archaeological research and cultural heritage preservation.

On behalf of LXML, Mr Saman Aneka, Managing Director and Community and Stakeholder Relations Manager handed the artefacts to Ms Vanpheng Keopanya – Director of the Lao National Museum; Mr Nalathiveth Ammalathithada – Director of Savannakhet Museum and Ms Touythong Keovongsa – Head of Vilabouly Information, Culture and Tourism Office under the honourable witness of Mr Bouageun Saphouvong – Vice Minister of Information, Culture and Tourism; Mr Khamphoune Touphaythoune – Vice Governor of Savannakhet Province and concerned officials from central, provincial, and district level.

These artefacts will be showcased at the Lao National Museum (828 items handed), the Savannakhet Museum (409 items handed), and the Vilabouly Cultural Hall (6,644

items handed).

“Implementation of the MoU has led to a remarkable outcome reflecting the extensive effort and ownership of all those involved” said **Mr Bouageun Saphouvong, Vice Minister of Information, Culture and Tourism**. “Apart from the ancient artefacts discovered throughout the technical processes, compliance to related laws and regulations, and procedures of LXML; we’ve also gained significant scientific historical and cultural evidence that reflects ancient political and socio-economic governance especially how the industrial and commerce sector was governed back then at a local, national and regional level.”

Since 2008, LXML has invested over US\$1.3 million in supporting 3,000 years of Lao history and heritage through our archaeological research with the Department of Heritage (DoH) of the Ministry of Information, Culture and Tourism, the National University of Laos, and James Cook University of Australia. The program sponsors fieldwork that unites a unique community at local, national and international levels. Volunteers from Vientiane, local villagers, Australian and Lao students, archaeologists and Lao

officials from the DoH stationed at Sepon mine cooperate closely together to conduct research.

Remarkable discoveries of artefacts and heritage sites have been made at the Sepon mine in the Vilabouly District, Savannakhet Province. In March 2018, the team of archaeologist discovered evidence of more than 200 antic mine shafts dating back over 3,000 years ago. This means Vilabouly district is considered one of the first mining and metallurgy areas in Southeast Asia. We believe ancient mining around Sepon mine continued to about 1,300 years ago (700 AD) where people have excavated the rich copper ore then refined it in the so-called Peun Baolo and Thong Na-Gneuak (Dragon Field) locations and exchanged

minerals and metals since then. These dates have been confirmed from the examination of bamboo matting found in the mentioned well-preserved ancient mine-shaft support structures laid in the compacted wet clay just below the surface (10 to 40 meters deep).

Other artefacts unearthed include mining equipment such as wooden ladders, pulleys, mallets, painted bamboo baskets, and rope made from lianas; a large ‘Dong Son’ bronze era drum currently on display at the National Museum in Vientiane; and crucibles, copper ingots, jewellery, ceremonial items and other artefacts highlighting Laos’ pivotal place in regional history.

“While the handover today marks a significant milestone of our partnership in historical and cultural heritage preservation, it is not the end.” said **Mr Saman Aneka, Managing Director and Community and Stakeholder Relations Manager**. “LXML stands committed to continue providing support and to work hand in hand with our Government counterpart and academia for at least another ten years until mine closure.”

Mining has been essential in the development of civilisation and society throughout history. Excavations will continue and we look forward to reveal more exciting discoveries about Lao culture and history.





Voice from our stakeholders



"Cultural preservation is like 'child-rearing'...this demonstrates how much attention, details, and processes the company has put into this partnership."

Bouageun Saphouvong, Vice Minister of Information, Culture and Tourism



"Minerals will deplete one day, but artefacts remain from generation to generation. In the same sense, Sepon mine can be an important tourist attraction for Savannakhet in the future."

"Today [the handover] is a historical event that marks an important – one of a kind - partnership between the Government and private sector in cultural preservation. Sepon serves as a role model for other projects to follow."

Khamphoune Touphaythoune, Vice Governor of Savannakhet



"Sepon Mine is the 'Golden Land' and this partnership is of historical significance. Sepon mine could become one of Laos' heritages just like the 100-year coal mine in Baku of Indonesia that was recently declared as a Heritage Site."

Viengkeo Souksavatdy – Deputy Director General, Heritage Department



"I've worked with five owners of Sepon mine, but the commitment in cultural preservation has never changed."

Thonglith Luangkhoth, Head of Archaeology Unit, Heritage Department

Sepon uncovers new evidence of ancient copper mining

In 2019, LXML unearthed new ancient artefacts within the Sepon mine area that signifies evidence of copper mining thousands of years back around Sepon mine of Vilabouly District. This means Vilabouly district is considered a one of the first mining and metallurgy areas in Southeast Asia.

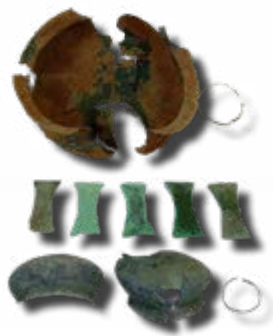
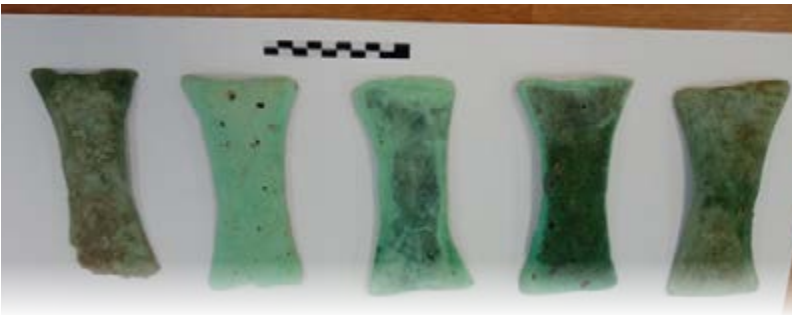


Photo essay



October 2019 – Our Cultural Heritage team unearthed five copper bars, two separate parts of a bronze pot, and one bracelet on site.



November to December 2019 – LXML facilitated and supported the Lao Cultural Heritage and Yunnan's Archaeological Institute in their site archaeological research at Sepon mine. The team discovered thirty ancient items signifying ancient mining equipment, techniques, and inhabitants and their traditional ceremonies and practices in this area 2000-2500 years back. Some items unearthed included vases, axes, and copper ingots.



19 December 2019 – Ancient copper pot, steel axe and knife found at Discovery East Pit of Sepon mine.



Photo © LXML Sepon

Mr Fu Xuesheng, LXML President (left) Mr Khamphouy Sibounheuang (center), Vilabouly Governor and Mr Paul Harris, LXML General Manager (right).

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 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, Vilabouly District, Savannakhet Province.

“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\$50 million in national infrastructure including US\$34 million to improve national power grid in Laos.

LXML and Phubia Mining meet in friendly football machs

30 January 2020 – LXML welcomed the Phubia Mining team to Sepon mine in a friendly football match. The home team, LXML, won both the men and women’s match. The women team kicked off the first match, with LXML winning 1 - 0 while the men’s team closed off the second match taking home 8 - 0. Kudos to all players!





Mr Daovone Phachanthavong, Executive Vice President of the Lao National Chamber of Commerce and Industry (4th from left) receives the VVIP Membership contribution from Mr Saman Aneka, Managing Director and Stakeholder Relations Manager of LXML (3rd from left) on 7 January 2020

LXML Sepon extends support to LNCCI

7 January 2020 - LXML Managing Director and Community and Stakeholder Relations Manager Mr Saman Aneka handed 80,000,000 kip to the Executive Vice President of the Lao National Chamber of Commerce and Industry (LNCCI) Mr Daovone Phachanthavong.

“This executive honorary membership contribution from LXML is very valuable to our Chamber and will further support to the capacity building and promote the business sector in the Lao PDR” said **Mr Daovone Phachanthavong, Executive Vice President of**

the Lao National Chamber of Commerce and Industry (LNCCI).

This year is the seventh year that LXML contributes to the LNCCI as a VVIP member.

“LXML’s contribution to the private sector in Laos demonstrates how we model ‘mining excellence to create prosperity for all’. We also hope to be a model and attract other international and local companies to support the LNCCI and private sector in Laos” said **Mr Saman Aneka, LXML Managing Director and Community and Stakeholder**

Relations Manager. “In December 2019, LXML also handed over US\$2 million in advance profit tax for 2019 to

the Government. The remaining actual profit tax for the year will be announced and handed over in full in March 2020.”



Quick Facts – Malachite

Malachite, chemical composition $\text{Cu}_2(\text{CO}_3)(\text{OH})_2$, 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



SEPON SCORECARD- A snapshot of our 2019 performance

In 2019, LXML again demonstrated “how we mine for excellence and prosperity for all”. LXML has achieved over and above results in our safety and operational performance—thanks for the concerned hard work of our employees, strong leadership of our management and continuous support from our stakeholders.

In 2019, LXML made a good progress in reducing injury rates by half and recording a total recordable injury frequency rate (TRIFR) of 0.38, which is well below the target of 0.6. This number is translated into less than one recordable injury per million hours worked. It is also the second best safety performance achieved at LXML, and compared to its peers in the industry it is exceptional and considered as one of the best in the world.

Despite reduced lower grade copper ore in 2019, LXML achieved copper production of 72,006 tonnes (3% above target) and plant throughput over 3 million tonnes with new records in mining and processing. LXML achieved a total mining of 8% above target with new record in total ore movement of 26.4 million tonnes and a new world class record in its fleet utilisation of 95% (for excavators). In processing, LXML set a new record in copper mill throughput of over 2.2 million tonnes supported by the best recovery at 84.51% in four years for Sepon. Relating to this is a new record that LXML achieved, by producing 99.9% LME Grade A copper in 2019.

To fast track and ensure the gold operation commences as set, all groundwork and required studies and trials have started in 2019. Gold exploration has resumed and hit above targets, delivering copper and gold resources of 27,800 tonnes and 1.15 tonnes respectively. In the coming years, LXML plans to increase investment in exploration in order to extend mine life for at least another ten years.

2020 production guidance for Sepon is 45,000 tonnes of copper cathode and 1.5 tonnes of gold doré, with projected gold exploration target of over 4.25 million ounces (130 tonnes). The projected production of gold doré for the next ten years at least is around 230,000 ounces (6 tonnes) annually.

LXML SEPON
QUICK FACTS
& FIGURES

SKILLS

- 1,843,580 Training hours (2012-May 2019)
- 83,741 Classroom training hours (2014- May 2019)
- 65,358 On-the-job training hours (2014-May 2019)

COMMUNITY

- US\$48 million – UXO clearance (58,500 items and 2,900 hectares cleared)*
- US\$33 million – Community income from local business development*
- US\$10.7 million – Community Trust Fund*
- US\$3.2 million – Village Development Fund*
- US\$2.9 million – Government of Laos, UNICEF, LXML 1000 Day Project (2012- present)

TAX PROFIT TO LAOS

- US\$1.5 billion – Revenue (taxes, royalties, dividend)*

DONATIONS

- US\$3.1 million – hospital equipment, flood relief, emergency rescue, preservation of cultural heritage*

EMPLOYEES

- 1,567 Employees (95% Lao)
- 1,496 Lao Employees
- 71 Expatriates
- 1,520 Lao Contractors

(as of January 2020)

DIRECT BENEFITS TO THE LAO GOVERNMENT

TYPE OF PAYMENT	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Profit Tax	-	-	7,085	49,597	90,416	77,982	57,519	92,273	145,250	120,200	91,045	71,339	36,151	-	-	-	2,000
Royalty (Gold)	1,407	1,669	3,112	4,376	3,347	3,549	4,732	5,800	5,024	5,491	2,538	29	-	-	-	-	-
Royalty (Copper)	-	-	4,055	16,994	19,295	18,570	14,565	20,734	31,365	30,378	30,607	27,579	22,093	17,226	17,533	20,989	19,061
Income Tax	1,101	1,538	1,943	1,947	2,727	3,893	3,377	5,053	5,055	5,877	5,728	4,404	3,767	2,644	2,511	2,562	2,332
Tenement Rental Fee	5	33	33	33	-	-	113	-	90	-	145	50	50	49	49	49	61
Fuel Tax	-	-	2,000	2,000	2,000	4,200	2,000	2,500	4,835	4,822	4,152	3,863	4,360	2,686	3,920	3,786	4,695
Dividend	-	-	-	-	9,303	11,300	2,000	32,900	15,000	28,500	10,000	10,000	6,500	-	-	27,170	-
Total Revenue Paid to Government	2,508	3,207	18,228	74,947	127,087	122,994	84,306	159,259	205,639	189,133	144,215	117,265	72,871	26,122	24,014	54,559	28,597
Cumulative Total	-	-	-	-	-	-	433,278	592,536	798,176	987,309	1,131,525	1,248,789	1,328,966	1,364,449	1,388,463	1,443,022	1,471,619

All Figures in US\$ Thousand ('000)

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