



# SEPON MINE TODAY

## THE NEWSLETTER OF LXML SEPON

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## LXML Sepon Mine Rated A<sup>+</sup> Credential by the Ministry of Energy and Mines

**January 2023** - The Ministry of Energy and Mines awarded Lane Xang Minerals Limited (LXML) with an A+ rating for setting a leading example to other mining operations in compliance with international environmental

standards, contributing to sustainable community development, generating over 5000 local jobs, and for its significant contribution to national socio-economic development in Lao PDR.

LXML has maintained A+ the highest rating for six consecutive years since 2016, when the Lao Government initiated such assessments to acknowledge performance standards. LXML is the only mining company in Lao PDR to have consistently achieved this prestigious rating.

The Ministry of Energy and Mines praised LXML for improving livelihoods; modern mining methods and technology; safety standards; supporting local products, businesses, and services; continuing expansion and growth; and for supporting growth in other sectors.

LXML is developing the first modern underground mine in Laos at Sepon Mine in Vilabouly district, Savannakhet province.

LXML secured the A+ rating by meeting certain standards, including: (i) legal compliance; (ii) meeting obligations; (iii) respect for host country and community; (iv) promotion of domestic labour and skills development; (v) safety and occupational health standards; (vi) productive and transparent operation with no adverse social and environmental impacts; and (vii) environmental management and mine closure planning.

"At LXML, we are committed to operating in compliance with national and international standards, especially with regard to safety and environmental performance," said **Mr Saman Aneka, LXML Managing Director**.

"Recognition inspires us to strive for continuous improvement as a responsible investor and good corporate citizen to maintain strict standards, and ensure benefits are shared with all stakeholders."

Since operations commenced in 2003, Sepon Mine has produced over 1.5 million ounces of gold and 1.1 million tonnes of copper, contributing over US\$1.7 billion in direct revenue to the Lao PDR in taxes, royalties, and dividends, and hundreds of millions of dollars in indirect benefits through employment, training, community development, and payments to local business partners and suppliers.

More than 40,000 people in Vilabouly benefit from community development programs, totalling US\$20 million worth of projects and investment, and community income through local business groups, which has accumulated to US\$50 million.



# LXML Sepon Mine honoured at 2022 Lao Business Leader Awards



**January 2023** - Lane Xang Minerals Limited (LXML) Sepon Mine was among 80 companies to have received the Lao Business Leader Awards 2022 for its social and economic contribution to the sustainable development of the Lao PDR at the 2022 Lao Business Award Ceremony in Vientiane, chaired by the Prime Minister of Laos. Mr Saman Aneka, LXML Managing Director received this prestigious award on behalf of LXML. In 2016, LXML received three awards: (i) '40 Years Award' for LXML's social and economic contributions, employment and environmental performance; (ii) ASEAN Award for Mining Excellence; and (iii) ASEAN Award for Corporate Social Responsibility and community development. For five consecutive years since 2018, LXML was awarded for outstanding contribution to the business sector in Lao PDR. "I am very honoured to accept this award

on behalf of all LXML employees as acknowledgement of our contribution to the Lao PDR" said **Mr Saman Aneka, LXML Managing Director**. "This recognition inspires us to strive for continuous improvement as a responsible investor and proud partner in development." Since operations commenced in 2003, LXML Sepon has produced over 1.5 million ounces of gold and 1.1 million tonnes of copper, contributing over US\$1.6 billion in direct revenue to the Lao PDR in taxes, royalties, and dividends. In addition, LXML has provided hundreds of millions of dollars in indirect benefits through employment, training, community development, and payments to local business partners and suppliers. LXML invested approximately US\$50 million in national and local infrastructure, US\$56 million in UXO clearance, and millions of dollars in cultural heritage preservation and other programs.



# MoNRE Minister and Savannakhet Governor Open New Bridge over Namkok River



**28 June 2022** – Ms Governor of Savannakhet Province, visited Sepon Mine on 28 June. The senior officials were accompanied by delegates from

the Ministry of Energy and Mines and Ministry of Planning and Investment, and provincial authorities as part of their inspection of mining projects in Savannakhet and Khammouane Provinces. During their visit, the dignitaries officially opened a bridge over Namkok River and reviewed work on realignment to facilitate mining activity. The visitors commented that Sepon's river realignment

would be a model and serve as a benchmark for other similar projects in Laos. The purpose of the realignment is to allow mining of gold ore while maintaining continuous flow and mitigating downstream environmental and social impacts from mining. The rainy season has presented challenges, including flash floods, but work is continuing smoothly on the project. The delegates also visited the Discovery

Deep Exploration Decline, the first modern underground mine in Lao PDR. Sepon's project team showed the visitors state of the art underground mining equipment and advanced mining techniques that will also ensure safe operations at the site. As new development progresses, Sepon is set to receive many more delegations on site to review operations.

# Meet our President, Mr Bo Gao



“**BEHIND COMPLEX THINGS ARE ALWAYS EXTREMELY SIMPLE, AND THE ANSWERS OF PROBLEMS OFTEN INCLUDE CARE FOR HUMAN NATURE, LOVE FOR ENVIRONMENT, AND LONGING FOR GOODNESS**”

In this issue, we introduce you to our new President. Although relatively new to LXML Sepon, Mr Gao has over forty years of experience in the mining industry and is profoundly passionate about his work. Mr Gao upholds the spirit of openness and inclusiveness as fundamental in his work and personal life, and breaking through ourselves as the greatest challenge. Mr Gao believes that Sepon mine has a bright future ahead, through the hard effort and solid foundation of the Sepon team.

## Tell us about your background and experiences prior to joining Chifeng Gold

Most of my career has been spent in mines. I have worked at China Gold and later at Chifeng Gold, serving as the general manager of Wulong Gold Mine, Hanfeng Mining, Jilong Mining, and Huatai Mining. At Chifeng Gold, I have served as the director, general manager, and executive president, and participated in Chifeng Gold's listing on the Chinese stock market. In January 2023, I became the director, vice president of Chifeng Gold, and the president of LXML.

I have a deep affection for mines, and I am very passionate about

working in them.

## How do you see LXML in 5-years' time?

LXML is launching a comprehensive reform that will shift from open-pit mining to underground mining, from focusing mainly on gold production to combining gold and copper, and from mining ores that are difficult to process to expanding the mining of ores that are easy to process. The research work on cost reduction and efficiency and future development projects that we are pushing forward, will lay a solid foundation for the glory of LXML in the next 5 years. I believe that in 5 years, LXML will be a mine with higher operational efficiency, abundant cash flow, and

better profitability. We will also continue to practice social responsibility, create more welfare for local communities, and benefit more people through the development of Chifeng Gold.

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

I have encountered many challenges in my career. Mines operation are a complex system that brings challenges from both internal and external sources, including resource endowments such as acquiring licenses, cyclical fluctuations in gold prices, community relationships, etc. But I think the biggest challenge is myself. At

Chifeng Gold, actively embracing challenges, and even taking the initiative to challenge higher goals has become the corporate culture. We always grow together with the company through continuous challenges, and we are grateful for all the opportunities that challenges have provided us for growth.

## What are the fundamental principles you bring to your role as LXML President?

As the President of LXML, I believe that the most fundamental principle is the spirit of openness and inclusiveness. LXML is a family of employees from over 20 countries. We have different cultural backgrounds, life experiences, and habits, but we all have the same

inclusiveness, shared goal, and the belief in developing LXML into a better place through our own efforts. I can feel everyone's effort at LXML, and I can see an environment where everyone learns from each other, and helps each other, which makes me very happy.

## What is the work and life philosophy you live by?

I believe that there is a simpler answer to any complex problem, as long as we are willing to explore. Because the first principles behind complex things are always extremely simple, and the answers of problems often include care for human nature, love for environment, and longing for goodness.



# New LXML President Meets MEM and MONRE Leadership



Mr Paul Harris, Chifeng Gold Chief Operating Officer (left), Minister of Energy and Mine, Mr Phoxay Sayasone (right), met at ministry of energy and mine on 1st March 2023.

Mr Paul Harris, Chifeng Gold Chief Operating Officer (4th left), Minister of Natural Resource and Environment Ms Bounkham Vorachit (5th left), Mr Gao Bo, LXML President (6th right), and Mr Saman Aneka, LXML Managing Director (3rd right).

**1 March 2023** - During introductory calls on several senior Lao Government officials, LXML President, Mr Gao Bo, reaffirmed the company's commitment to international standards, and to ensuring that benefits are shared with the

Lao Government, communities close to Sepon mine, and other stakeholders.

Mr Paul Harris, former LXML President and Chifeng Gold Chief Operating Officer (COO), extended gratitude to the Lao Government for

strong support during his assignment.

**Mr Phoxay Sayasone, Minister of Energy and Mines**, said "mining companies must prioritize community development, so local people have access to basic services like roads

and electricity, as well as sustainable development and livelihoods."

Ms Bounkham Vorachit, Minister of Natural Resources and Environment, expressed confidence that Chifeng LXML Sepon would continue to build on its

experience to maintain environmental standards and set a strong example for the mining industry in Lao PDR.

LXML is committed to cooperating with the Lao Government as a valued development partner in Lao PDR.

## Chifeng Gold reaffirms growth commitments in Chairman's visit to Lao PDR



Mr Wang Jianhua, Chairman of Chifeng Jilong Gold, called on high level officials in Vientiane to highlight the company's significant investment and contribution to economic

and social development in Lao PDR, and reaffirm plans for future growth in partnership with the Lao Government. Chifeng Jilong Gold Company Limited owns a 90 per cent share in Lane

Xang Minerals Limited (LXML), which owns and operates the Sepon mine in Savannakhet Province. During warm meetings with Dr Xaysomphone Phomvihane, President of the National Assembly,

Dr Sonexay Siphandone, Deputy Prime Minister, Ms Bounkham Vorachit, Minister of Natural Resources and Environment, Mr Bounchom Oubonpaseuth, Minister

of Finance, Dr Daovong Phonekeo, Minister of Energy and Mines, and Mr Santiphab Phomvihane, Savannakhet Governor, Mr Wang Jianhua confirmed Chifeng's commitment to strengthen cooperation and investment in Lao PDR to develop gold, copper, and rare earth projects.

"Our investment in new mining projects will positively benefit Lao people and the government," said **Mr Wang Jianhua**. "I am very proud of our company's success in Lao PDR, especially on employment, training, community development, and revenue contributions to the Lao Government."

# LXML Delivers US\$14 Million in 2022 Profit Tax to Lao Government

**2 May 2023** - Chifeng Lane Xang Minerals Limited (LXML) Sepon Mine, represented by LXML President Mr Bo Gao and LXML Managing Director Mr Saman Aneka, handed a profit tax payment of US\$14,682,267.86 million with respect to 2022 copper and gold production and sale, bringing total revenue (including profit tax, royalty, and dividend) paid to the Lao Government in 2022 to US\$50million. These contributions will continue to support the socio-economic development of Lao PDR.

Mr Bounpaseuth Sikounlabouth, Director General of the Tax Department, Ministry



Tax Department Director General Mr Bounpaseuth Sikounlabouth (5th from right) receives the 2022 profit tax from LXML President Mr Bo Gao (5th from left) on 2 May 2023. The handover was witnessed by LXML Vice President Mr Zhou Xinbing (4th from left), and LXML Managing Director Mr Saman Aneka (3rd from left), and delegates from both sides.

of Finance received the tax payment from LXML President Mr Bo Gao. The handover was witnessed by Mr Vangyai Xaynalar of the Tax Revenue Management

Division and Ms Chanthala Liemmailtry of the Organization, Administration and Finance Division of the Tax Department; LXML Vice President Mr Zhou Xinbing; LXML Managing Director Saman Aneka, and senior LXML management.

"LXML is recognised among the top taxpayer in Laos" said Mr **Bounpaseuth**

**Sikounlabouth, Director General, Tax Department**. "A ceremony to hand certificate of recognition to good performing taxpayers including LXML, was held on 5 April 2023."

"We are proud to make this strong financial contribution to the Government while financial difficulties are experienced globally"

said **Mr Bo Gao, LXML President**.

Mr Gao further provided update that in 2022, LXML Sepon mine produced more than 6.7 tonnes of gold and 6,600 tonnes of copper. In the same year, LXML opened the first modern underground mine in Lao PDR at Sepon, setting the standard for other mining operations, extending the life of the mine to at least 2033.



750lbs bomb – MK82 – was found at Nalou Pit about 3.9m from surface. It was relocated in a safe place for demolition



Emergency response and safety team completed the underground rescue training in 2022



# Chifeng Gold Partners with Lao Mining Development State Enterprise



Mr Boungnong Sidavong, Managing Director of LMD (2nd from left) and Mr Paul Harris, Executive President of Chifeng and General Manager of LXML (3rd from left) signed the agreement, witnessed by Mr Amphon Soudthiphon, Deputy Managing Director of LMD (1st from left) and Mr Saman Aneka, Managing Director of LXML (1st from right) at Crown Plaza, Vientiane Capital, Lao PDR on 11 July 2022

**11 July 2022** - Chifeng Jilong Gold entered into an historical cooperation agreement with Lao Mining Development State Enterprise (LMD). The agreement will enable the parties to focus on exploration and development of mineral resources to develop large-scale future production in Lao PDR.

"This agreement highlights Chifeng's enduring commitment to growth and the development of the mining sector in Lao PDR," said **Mr Paul Harris, Executive President Chifeng Jilong Gold.**

"We are working with the Lao Government to develop more successful projects like Sepon. Chifeng and LMD will conduct exploration to start another world class mining operation to bring mutual benefit to all our stakeholders, especially the Lao people."

"Together with LMD and the Lao Government, we are building a solid foundation to grow Chifeng's significant investment in Lao PDR. We will maintain the same international standards we are renowned for, particularly regarding safety, environment, community development, and developing Lao employees."

"LMD is confident that Chifeng's expertise, evident in the strong performance of the Sepon Gold-Copper Project, will ensure success. Identifying mineral potential is critical, and support from government, technical professionals, and local communities will be essential in developing the mining sector in Lao PDR."

"The agreement encourages exploration of areas with mineral potential, before entering into concession agreements," said **Mr Boungnong Sidavong, Managing Director of Lao Mining Development State Enterprise.**



# Lane Xang Minerals Limited Hands Livestock to Villagers around Sepon Mine



Mr Vilagna Sichanthongthip, Vilabouly Governor and Mr Saman Aneka, LXML Managing Director, district and village administrative authorities, LXML employees, and villagers at the ceremony to handover livestock to disadvantaged families

In the morning of 6 June 2023, Lane Xang Minerals Limited (Sepon Mine) together with Vilabouly administrative authorities held a handover ceremony of livestock to disadvantaged families around Sepon Mine. Eighteen families received 45 cattle and 40 goats valued at 471,000,000 kip.

**Mr Saman Aneka, LXML Managing Director** said "Based on the directives of the 8th National Socio-Economic Development Plan, Lao PDR has prioritised green growth economy in its long-term agriculture and forestry strategy focusing on improving agricultural productivity, food security, and safe products. LXML's support is an important step in implementing this strategy, which the provided livestock is aimed at improving the livelihood of the community through agricultural subsistence and towards commercial agricultural production."

The handed livestock received support from LXML's Fund for Assistance of Disadvantaged Group. The Fund promotes community agricultural activities namely raising poultry, frog, goat, and cattle which has generated tremendous benefits to communities around Sepon Mine.

From 2019 to 2023, the Fund has assisted at total of 1,200,000,000 kip to disadvantaged families, benefitting 54 families.

The Fund for Assistance of Disadvantaged Group (FADG) provides grants ranging from US\$8,000 to US\$16,000, depending on household size. To date, the Fund has supported implementation of 260 projects in 47 communities accounting for US\$3.4 million. Villagers will choose their own projects and provide in-kind support such as their time, labor, and inputs to enhance beneficiary ownership in the projects.







## LXML Sepon Mine Supports UXO Clearance in Lao PDR

**26 January 2023** - Lane Xang Minerals Limited (LXML) Sepon signed a Memorandum of Understanding (MoU) with the Lao Ministry of Defence to support UXO clearance in Lao PDR.

Sepon mine is located in one of the most heavily bombed areas in Savannakhet Province, and UXO clearance is an integral part of mining operations and community development. Since 1996, LXML has invested US\$56 million in UXO operations, clearing 6,400 hectares of land, destroying 60,000 UXO items, supporting local communities to develop agricultural and other development projects.

LXML, Ministry of Defence, the National Regulatory Authority (NRA), and the National Unexploded Ordnance Programme (UXO Lao) are working closely together to improve UXO clearance standards. In 2015, LXML and NRA introduced accredited explosive ordnance disposal (EOD)

training to provide Lao UXO technicians with internationally recognised qualifications.

“This partnership supports safe UXO clearance in accordance with NRA standards,” said **Major Brigadier Viengxay Xaisamone, Director General, Engineering Department, Ministry of Defence.** “We are building on decades of cooperation with LXML to achieve best practice in UXO clearance and disposal.”

LXML and NRA invest in innovative technologies to enhance UXO detection capabilities. The Gap EOD Ultra-TEM II Deep Bomb Detection System (Fixed Loop Electromagnetic Method – FLEM), for example, can locate UXO buried up to 3.5 metres underground. In 2020, LXML deployed a Moving Loop Electromagnetic (MLEM) detection method that is versatile, portable, and can be used on high slopes and in any conditions, particularly in the harsh mining

environment at Sepon mine. These innovations increased the accuracy, speed, and quality of UXO operations.

Major Brigadier Viengxay Xaisamone, Director General, Engineering Department, and Mr Michael Stott, LXML Mine Technical Services Manager, signed the MoU, witnessed by Lieutenant Colonel Othong Khambanxay, Deputy Director General of the Training-Combat Department and Mr Palivath Inthavong, LXML Project and Service Delivery Superintendent.

“We are removing dangerous obstacles that hinder development in Laos,” said **Mr Saman Aneka, LXML Managing Director.** “We are working closely with local communities and Lao Government authorities to detect and destroy UXO to make everyone safer. LXML is grateful for the cooperation of the Ministry of Defence, NRA, and UXO Lao in carrying out this hazardous activity.”

## LXML Sepon Holds 29<sup>th</sup> Consultative Meeting with Lao Government



LXML highlighted achievements on Sepon mine operations, business plans, and progress on community development to government and community stakeholders.

The meeting was co-chaired by the Deputy Minister of Energy and Mines, Mr Thongphat Inthavong, Vice Chairman of the National Assembly Economic, Technology, and Environment Committee



Mr Khammouane Somsipanya, Savannakhet Vice Governor Dr Senesack Soulisack, and Chifeng Gold Chief Operating Officer Mr Paul Harris.

Multiple government agencies, including the Ministry of Energy and Mines, Ministry of Planning and Investment, Ministry of Finance, Labour

Ministry, community representatives and grass roots organisations also attended the meeting.

Participants addressed safety and environmental performance, economic benefits to the Lao PDR, infrastructure, workplace issues, plans for mine closure, and community development programs.

Remarkably, Chairman of the bi-annual meeting and senior government leaders from Savannakhet

province have expressed great support to LXML for the extension of mining investment in Laos as required by LXML. The company's reputation was well recognized by the participants as well.

LXML is committed to cooperating with the Lao Government as a valued development partner in Lao PDR.



## LXML Sepon Mine Produces 6.7 Tonnes Gold in 2022

In 2022, Lane Xang Minerals Limited (LXML) Sepon Mine in Savannakhet Province, owned and operated by Chifeng Gold, produced more than 6.7 tonnes of gold and 6,600 tonnes of copper, supporting export revenue and socio-economic development in Lao PDR.

Planned production for 2023 is over 6 tonnes of gold and 7 tonnes of copper.

Since operations

commenced in 2003, LXML has contributed over US\$1.7 billion to the Lao Government in direct revenue through taxes, royalties, and dividends, in addition to hundreds of millions of dollars in employment, training, community, and local business development.

In 2022 LXML opened the first modern underground mine in Lao PDR at Sepon, setting the standard for other mining operations, extending the life of the

mine to at least 2033.

Since 2016, LXML has consistently achieved an A+ rating from the Ministry of Energy and Mines for maintaining environmental and community development standards.

LXML has achieved positive community development outcomes over twenty years of operations in partnership with the Lao Government and host communities, resulting in Vilabouly

District's removal from the list of poorest districts in 2015.

LXML procures US\$3 million (75% of fruits, vegetables, and local produce) through local businesses - a combined income over US\$50 million - creating important income opportunities.

Our community programs focus on health, education, food security, and livelihoods, including support

for disadvantaged communities. We continue to engage cooperatively and consult local communities and other partners on development priorities.

In April 2022, LXML donated US\$5 million to Savannakhet Province to upgrade Road 28A, a 41.56km bitumen road from Nabor to Vilabouly District, providing better access to markets for more than 40,000 people. Road 28A is an important link in the 'East-West' growth corridor, connecting Lao PDR with Vietnam and Thailand.

LXML has invested approximately US\$34 million in infrastructure to extend the national energy grid from Thakhek to Maxahay in cooperation with Electricite Du Laos (EDL), extending economic opportunities to rural communities.





## Sepon Catering Team Brings Hygiene and Safety to the Forefront of their Service



Each month, our catering team works around the clock to prepare 110,000 meals for our employees! The team of 115 people works in a fast-paced environment, 24-hours a day, to bring clean, healthy,

and delicious food to more than 2,000 employees and contractors.

Our catering team upholds hygiene and safety as a top priority. However, maintaining

safety is not always easy given the busy working environment. Constant reminder and training are crucial indeed.

In the second half of 2022, the catering team underwent

several trainings and refreshers on top of their monthly trainings including on safe food handling, creating safe work, and hand safety. These trainings highlighted the safety procedures, risk and hazard identification and mitigation, and real-life impacts.

In each training, team members have the chance to earn safety cards in recognition for their contribution to the learning discussion.

And to start 2023, The Catering team conducted their Stop and Think Campaign. Safety card awardees for February 4th 2023 were: Ms. Penjai- Attendant, Ms. Boualoy- Attendant, Ms. Phomma- Assistant cook, Ms. Yingjongsern – Attendant, Ms. Kam – Assistant cook, Ms. Champathong- Assistant cook, Mr. Jounmy- Attendant. Good job everyone!

## LXML Sepon Trains Lao Trade Apprentices

**18 August 2022** - Lane Xang Minerals Limited (LXML), and Lao German Technical College (LGTC) signed a Memorandum of Understanding (MoU), to provide technical scholarships for communities in Vilabouly District near Sepon mine.



Mr Saman Aneka, LXML Managing Director (left), signed the MoU with Mr Khamsavay Yommilavong, Director of Lao-German Technical College (right).

Apprentices selected for the program will receive vocational training in electrical, mechanical, fabrication, crane operations, automotive, and auto-electrical trades.

The program will continue from 2022 until 2026. Between 2015 and 2018, eighteen Lao apprentices completed a five-year Australian Certificate III Trade qualification and a Lao Diploma of Technical Training. The graduates received valuable skills to contribute to the development of the Lao PDR.

Mr Saman Aneka, LXML Managing Director, signed the MoU with Mr Khamsavay

Yommilavong, Director of Lao-German Technical College. Mr Noupnan Oudsa, Director General of Vocational Education Department, Ministry of Education and Sports was also present at the important events.

"I'm proud of LXML's contribution to training and development to build better livelihoods for future generations" said **Mr Aneka** "The skills and experience gained

by participants will contribute to Sepon's operations and to the Lao PDR."

Since operations commenced in 2003, LXML has invested millions of dollars in training, scholarships, apprentices, traineeship, and internships. More than 105 Lao participants graduated from the apprenticeship program, and 36 professionals graduated from overseas higher education scholarships.

Up to June 2022, LXML has provided 23,000 training hours to Lao employees through internal, external, on-the-job training, and overseas study. In the second half of 2022, LXML will reinstate its popular Supervisor and Leadership Development programs to support the next generation Lao mining professionals.

and economic development, health and safety, environmental protection, and maintaining international standards.

## LXML Sepon mine congratulates 434 employees for long service

To commemorate Lao National Day on 2 December 2022, Lane Xang Minerals Limited (LXML) Sepon Mine acknowledged 434 employees for long service from five to over twenty years. 132 of these employees have worked with LXML for five years, 238 for ten years, 55 for 15 years, eight for 20 years, and one for 25 years.

In 2023, LXML will celebrate 20 years since operations commenced. Over the life of Sepon mine, more than 10,000 employees have contributed to the growth of LXML Sepon, learning professional skills and creating livelihoods.

Of a total workforce of approximately 5,000 employees and contractors, 95% of LXML employees are Lao, 75% are from local communities, and 20% of these are women. Over several decades, LXML has invested millions of dollars in human resource development, including scholarships, internships, on-the-job training, and apprenticeship programs. LXML is continuing to support career growth and employee aspirations to develop Lao professionals for the benefit



Group photo of 20 + 25 year award recipients and certificate taken on Lao National Day

of the Lao PDR.

"The skills and experience employees have attained throughout the years are invaluable" said **Paul Harris, Chifeng Exceutive Director and COO**. "These employees are an important asset for LXML, and the skills that each of you have gained will stay with you wherever your work in Lao PDR. LXML will

continue to invest in the human capital of Lao PDR through ongoing training, coaching, and career advancement."

In August, LXML entered a partnership with the Lao German Technical College to provide technical scholarships for communities in Vilabouly District near Sepon mine. Apprentices will receive vocational training in

electrical-electronic, mechanical, fabrication, heavy equipment and automotive technology trades. Upon graduation, they will be offered the opportunity to secure a job with LXML. This program will run until 2027.

Since operations commenced in 2003, LXML has invested millions of dollars in training, scholarships, apprentices, traineeship, and internships. More than 105 Lao participants graduated from the apprenticeship program, and 36 professionals graduated from overseas higher education scholarships.

To date, LXML has provided 959,744 training hours to Lao employees through internal, external, on-the-job training, and overseas study. Since June, LXML has reinstated its popular Supervisor and Leadership Development programs to support the next generation Lao mining professionals.

Since operations commenced, LXML Sepon has contributed over US\$1.6 billion in direct revenue through taxes and royalties to the Lao Government, and hundreds of millions in indirect benefits through community development, employment, and training.





# Welcoming Chifeng Gold IMT to Sepon

In September, Sepon welcomed International Mining Talent (IMT) members – who are part of the Chifeng management team – to Sepon. Donna Du – Financial Manager, Elvis Qui – Deputy Processing Manager, Henry Su – Corporate M a n a g e m e n t Manager, and Sophia Qu – HR Manager will spend a three-month secondment in Sepon as part of their training aimed at enhancing professional and industry-related English language skills.

This visit in Sepon will allow the IMT to learn about the different aspects of the operation, spend time with each department



and teams, as well as exchange ideas and experience. The teams' stay will be enriched by the diverse culture that Sepon has to offer, as well as have a taste of

the Lao culture, food, and people. "While we are in Sepon, our days are always in a hurry" said Sophia Qu, Chifeng HR Manager.

"However, we have our weeks here planned out and each day has been fulfilling and fun." Prior to this visit, the IMT have achieved an

average sixty hours of online self-study and comprehensive English language courses delivered by relevant departments and external resources.

# Improved Nakasin Irrigation System promotes Agriculture and Food Security

**15 August 2022** – LXML handed upgraded and repaired Nakasin irrigation system to promote agriculture and food security to Nakasin and Meungluang villagers valued USD\$73,230.



Mr Saman Aneka, LXML Managing Director (center right) Mr Variya Sichanthongthip, Vilabouly District Chief (center left) at the Project hand over ceremony on 15 August 2022.

Mr Saman Aneka, LXML Managing Director handed the repaired project to Nakasin and Meungluang village authorities witness by Mr Variya Sichanthongthip, newly appointed Vilabouly District Chief.

Initially, Nakasin weir was built and handed to community on 12 August 2020, under community Trust Fund program (TF) valued USD\$95,249. However, due to heavy rainfall, the embankment was damaged and eroded.

Upgrade also required to support further agriculture production areas. Hence, on 7 Mar 2022, repair and upgrade project was established.

The TF aims to improve livelihood through access to basic services and empowered district

and villagers to set and achieve their own development priorities through a participatory and community-led approach. This irrigation repair project set an example of participatory from host villagers, and local authority by actively providing extensive

labours and contribution of 1000 cubic metres of rock from a local business, Hommala.

At the event, participants also release 10,000 fishes to the conservation zone.

"I hope that district authorities, village organizations, villagers

and relevant partners will jointly maintain the projects – the dams, weirs, and conservation zone" said **Mr Saman Aneka, LXML Managing Director.** "Community ownership of these projects will extend its use and provide optimal and lasting benefits through increased agricultural productivity and improved food security."

The TF's support has built on three pillars – improving food security, health, and education for future generation. To date, US\$11 million has been invested in the TF to build schools, roads, latrines, fishponds, potable water, electricity, and other infrastructure development benefiting more than 40,000 people in Vilabouly.

# LXML Sepon Invests in Vilabouly's Next Generation



Vilabouly Governor, Mr Valiya Sichanthongthip and students post for group photo at Vilabouly administration office on 22 September 2022.

**22 September 2022** – Lane Xang Minerals Limited (LXML), in cooperation with Vilabouly District Education Office, dedicated three new classrooms and sanitary facilities valued at US\$36,950 to Phoukam Secondary School in Boungkham Village, Vilabouly District, Savannakhet Province where Sepon Mine is located. Vilabouly Vice Governor, Mr Bounneuang Chanhom, LXML representatives,

teachers, and students, witnessed a modest handover ceremony for the new buildings at the school.

On the same day, Vilabouly Information, Culture and Tourism Office and LXML, in the presence of Vilabouly Governor, Mr Valiya Sichanthongthip, celebrated a traditional music promotion project. LXML provided financial support and equipment for students in Vilabouly District to learn Lao

traditional musical instruments to preserve valuable cultural heritage. To date, LXML has contributed US\$10,000 for this project, creating opportunities for 30 aspiring young Lao musicians.

LXML's Community Development Fund supports communities around Sepon Mine with \$750,000 every year, focusing on three development pillars: food security and commercial agricultural

production (30%); education, scholarships, and incentives for outstanding and vulnerable students; and community primary health projects (20%). The remainder is allocated to other development projects in consultation with local communities, including US\$25,000 for a Disaster Rehabilitation and Response Fund, which provided support during the COVID-19 pandemic and floods.

To date, LXML has

invested over US\$11 million in Vilabouly through the Community Development Fund and other community development projects, benefitting over 40,000 community members and their families with key infrastructure, support, and services. Decades ago, Vilabouly was classified as a 'very poor' district, but due to employment, commerce, and community development, it is emerging as a thriving and busy district.



Handover of Phoukam Secondary School, Boungkham Village, Vilabouly District, Savannakhet Province on 22 September 2022.



# Community Visits Sepon's Underground Exploration Project

**4 May 2022** - Four village leaders from Meung Luang Village and Vilabouly District authority visited Sepon's Underground Exploration Project to review how underground mining will proceed and assess any potential impact. Meuang Luang Village is located approximately two kilometers from Sepon's Discovery East pit where the access of Sepon's underground tunnel is located. Visitors witnessed blasting and entered the tunnel after clearance to review progress.

"Currently, there are minimal noise and vibration in my village"



Local authorities at the entrance of the tunnel.

said Mr Phonexay Voneviman, Meuang Luang Village Chief.

"Having witnessed the blast and entering the tunnel opening, I can now appreciate the

underground mining process better, and can constructively address any concerns raised by my community. We will visit again once the tunnel progresses to the next stages."

The visit was hosted by Chifeng LXML President, Mr Fu Xuesheng, and Underground Mining Manager, Mr Jason Keily.

"We are implementing best practice to

minimize impact on host communities," said Jason. "We are continuing to work closely with host communities and district authorities to address concerns, raise awareness, and ensure we are sharing the benefits from mining activities."

Underground exploration will support the future of Sepon mine to contribute to the socio-economic growth of the Lao PDR beyond 2033. Chifeng LXML Sepon is planning to build the first modern underground mine in Lao PDR, bringing transferrable expertise and special techniques to the country.



LXML OHH and CR visit VLB local business groups



LXML Gym clean three time a week



First aid training



LXML managements and advisors



On 31 August 2022, Minister of Finance Mr Bounchom Oubonpaseuth and delegates from central and Savannakhet province paid official visit to Sepon mine to see our operation and understand more about our contributions to socio-economic and financial development of the Lao PDR



Planting trees with community on National Arbor Day and International Children's Day. Over 500 trees was planted with the community while LXML plans to plant over 8,500 trees around Sepon as part of its rehabilitation activities



Mr Wang Jianhua, Chairman of Chifeng Gold visited Sepon's underground decline exploration project which drilled approximately 265 metres.



Vice Minister of Energy and Mines Mr Thongphat Inthavong and delegation visit LXML booth during the ministry's annual meeting at the National Convention Hall on 3 February 2023.



LXML Deputy Director Mr Chanthone Naovalath hands LXML's sponsorship contribution to the Annual MEM Meeting to MEM Chief of Cabinet Mr Khamso Kouphokham



30 July 2022 - Thirty Lao Women's Union representatives from Ministry of Energy and Mines study tour at Sepon



Emergency response and safety personnel has competed Underground Rescue Training on 27-28 Aug 2022



LXML donated 500kg of sticky rice to the Lao Disabled People's Association



LXML hands two computer laptop to Mine management department



Supervisor Development Training



LXML supports fire burn victim



International Women Day celebration



# Sepon Holds Public Consultation on Gold Expansion

14-15 March 2023

– In partnership with representatives of the Ministry of Natural Resources and Environment (MONRE), and Earth Systems Lao, LXML coordinated community consultations for several expansion projects for Sepon mine.

Participants reviewed potential impact for new projects, including an underground exploration tunnel, an extension to the railing facility, and revised mining areas.

Community leaders highlighted concerns about projects in an open forum in Vilabouly District.

Key issues included water quality and access to clean water, upgrades to existing infrastructure, such as Route 28A, and safety concerns.

LXML appreciates the importance of close engagement with communities surrounding the mine regarding benefits and impacts.



Government officials and LXML employees gathering for group photo in front of the gold plant.

**US\$1.7B**  
Revenue to Laos

**US\$56M**  
UXO clearance

**US\$55M**  
Infrastructure development

**US\$50M**  
Community income

**US\$20M**  
Community development

**US\$20M**  
Environmental management

**US\$1.8M**  
Cultural preservation

**US\$5M**  
Health outreach & maternal and child health

**US\$4M**  
Oversea tertiary scholarships for Lao employees

**US\$1M**  
Biodiversity mapping

**95%**  
of workforce are Lao nationals

**25%**  
of workforce are female

**20**  
Nationalities in the workforce

**33,000**  
Trainees

**46,139**  
Training hours/year for workforce

**100%**  
Compliance with planned water quality monitoring

**452HC**  
of land revegetated

**ZERO**  
Fatalities & significant improvement in TRIFR

## 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      | 2020      | 2021      | 2022      |
|----------------------------------|-------|-------|--------|--------|---------|---------|---------|---------|---------|---------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| 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     | 2,200     | 13,348    | 14,682    |
| 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        | -         | -         | -         | -         | -         | 3,500     | 14,819    | 17,400    |
| 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    | 11,007    | 2,367     | 2,627     |
| 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     | 2,549     | 2,967     | 3,397     |
| Tenement Rental Fee              | 5     | 33    | 33     | 33     | -       | -       | 113     | -       | 90      | -       | 145       | 50        | 50        | 49        | 49        | 49        | 61        | 61        | 61        | 61        |
| Fuel+Lubricant 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     | 6,932     | 6,683     | 10,946    |
| Dividend                         | -     | -     | -      | -      | 9,303   | 11,300  | 2,000   | 32,900  | 15,000  | 28,500  | 10,000    | 10,000    | 6,500     | -         | -         | 27,170    | -         | -         | -         | 5,917     |
| 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    | 26,838    | 40,843    | 55,033    |
| 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 | 1,498,457 | 1,553,035 | 1,613,723 |

All Figures in US\$ Thousand ('000)

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CHIFENG  
GOLD

SEPON