SEPON MINE TODAY

THE NEWSLETTER OF LXML SEPON

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

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Mr Santiphab Phomvihane (5th from right), Mr Fu Xuesheng (4th from right), and Mr Paul Harris (6th from right) at the ceremony.

Dr Xaysomphone Phomvihane (4th from left) holds a gold doré with Mr Fu Xuesheng (5th from left) along with Mr Santiphab Phomvihane (6th from left), delegates from National Assembly, Savannakhet province and LXML management.

Mr Fu pays respect to Former President Kaysone Phomevihane Monument, unveiled at Vilabouly District on 15 June 2021.

NA President Unveils Kaysone Phomvihane Monument in Vilabouly District

15 June 2021 - National Assembly President, HE Dr Xaysomphone Phomvihane, unveiled a monument in Vilabouly District, Savannakhet Province, dedicated to former Lao President and father of the Lao nation, HE Kaysone Phomvihane.

Accompanied by a large delegation, including Savannakhet Governor Mr Santiphab Phomvihane, Dr Xaysomphone also visited Lane Xang Minerals Limited's (LXML) Sepon Mine to review progress in gold production and LXML's environment, safety, and community development achievements. LXML is a model enterprise in Lao PDR and is consistently awarded an A+ rating by the Ministry of Energy and Mines for maintaining international mining, environmental protection, community development, and safety standards.

The monument to President Kaysone Phomvihane was supported by LXML's Community Trust Fund *(more on p 10)* which has also established a Cultural Heritage Centre in Vilabouly District to encourage tourism to the region.

"At LXML we always strive so support the development of our employees and host communities" said **Mr Saman Aneka, LXML Managing Director.** "We are very proud to support this monument in Vilabouly District, in the heart of Savannakhet Province, home to the founder of the Party and the Lao Peoples' Democratic Republic, dedicated to former President Kaysone Phomvihane."

The ground-breaking ceremony took place at Vilabouly District Office. Under the leadership of Vilabouly District, in collaboration with LXML, construction commenced in February 2021.

Since 2003, LXML's Community Trust Fund has invested US$10 million to support Vilabouly District and Savannakhet Province to improve livelihoods in alignment with the Lao Government's National Socio-Economic Development Plan.

As a significant development partner in Lao PDR, LXML is committed to mining for excellence and prosperity for all.

President of Party Inspection Committee Visits Sepon Mine

16 July 2021 - HE Khamphanh Phommathat, member of the Politburo and Secretariat of the Party Central Committee, President of the Party Inspection Committee, Chair of the State Inspection Authority, and Head of the Anti-Corruption Authority and a large delegation, visited Sepon Mine to review progress in increasing gold production, environmental compliance, safety standards, COVID-19 compliance measures, community development achievements, and cooperation with the local authority.

"LXML is committed to cooperation and open communication as a development partner with the Lao Government" said **Mr Saman Aneka, LXML Managing Director.** "LXML is proud of our contribution to socio-economic development in Lao PDR."

LXML wins ASEAN Business Award

13 November 2020 – LXML has received an ASEAN Business Award for 'Combating COVID-19.' The award announcement was made during a ceremony at the ASEAN Business and Investment Summit (ABIS) 2020 in Hanoi, Vietnam.

The award acknowledges outstanding businesses in the region supporting COVID-19 prevention. LXML was shortlisted from hundreds of businesses and entrepreneurs in the region and among five awardees from Laos.

"This prestigious award is the result of the commitment and exceptional hard work of the Lao Government and LXML employees in containing COVID-19 and preventing spread of the virus" said **Paul Harris, LXML General Manager**. "At LXML we treated the pandemic like a crisis before it actually became one. Through proactive and early implementation of preventive controls and measures, we were able to keep over 3,500 employees and 40,000 community members safe and free of COVID-19. We must continue to remain vigilant until the pandemic is over."

LXML introduced robust initiatives in January 2020, well before COVID-19 reached Lao PDR. These included procedural controls, communication and awareness, physical barriers, and a focus on cultural and behavioural changes to align with the constantly shifting 'new normal.' As a result of these efforts and initiatives, LXML was privileged to be one of only five companies in Lao PDR permitted to continue operations during the national lockdown in 2020. In partnership with the Lao Government, LXML provided support amounting to US$370,000 for COVID-19 prevention.

LXML remains committed to supporting the Government's effort in combating COVID-19, and in keeping employees and community safe from COVID-19.

Of 58 awardees of the ABA 2020, five are from Laos:

1. Angsana Maison Souvannaphoum for Skills Development
2. LXML for Combating COVID-19
3. Lomakham Drinking Water and Ice Factory for Inclusive Business
4. Pakxong Development Export-Import Co., Ltd for Country Star of the Year
5. Savan Pacifica Development Co., Ltd for Country Star of the Year

LXML honoured at Lao Business Leader Awards 2019

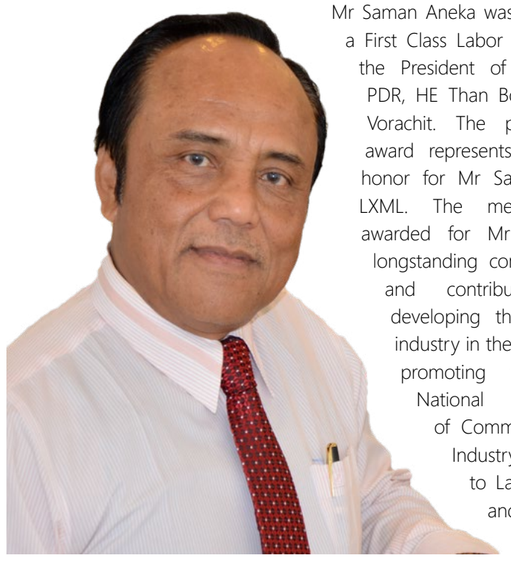
14 February 2020 - LXML was among 55 companies to have received the Lao Business Leader Awards 2019 for social and economic contribution to the sustainable development of the Lao PDR at the 2019 Lao Business Award Ceremony in Vientiane, chaired by Deputy Prime Minister and Minister of Finance. Mr Saman Aneka, LXML Managing Director received this prestigious award on behalf of LXML.

This is the third time that LXML receives such award. 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 two consecutive years in 2018 and 2019, LXML was awarded for outstanding contribution to the business sector in Lao PDR.

"LXML is committed to creating mining excellence and prosperity for all" said **Mr Saman Aneka**. "We are a proud partner in development, and I am very honoured to accept this award on behalf of all LXML employees as acknowledgement of our contribution to the Lao PDR."

On an international level, LXML won the ASEAN Mineral Awards for Best Practices in Metallic Minerals Mining on December 2019, aimed to recognise companies with best practices in environmentally and socially sustainable minerals development.

30 YEARS OF COMMITMENT TO DEVELOPMENT IN LAOS



We are proud to announce that Managing Director LXML Mr Saman Aneka was awarded a First Class Labor Medal by the President of the Lao PDR, HE Than Bounnhang Vorachit. The prestigious award represents a great honor for Mr Saman and LXML. The medal was awarded for Mr Saman's longstanding commitment and contribution to developing the mining industry in the Lao PDR, promoting the Lao National Chamber of Commerce and Industry (LNCCI), to Lao society, and in the development of a robust legal framework and competitive environment for the private business sector in Lao PDR.

The award is the highest level of government recognition. Mr Saman Aneka joins only six recipients whose service to the nation was acknowledged with a First Class Labor Medal in 2020.

In parallel with his role at LXML, Mr Saman Aneka has represented the company in senior leadership positions in LNCCI for ten years, as former Vice President of LNCCI for five years, and as Vice President to the Advisory Council of LNCCI since 2015.

Mr Saman Aneka has over thirty years of experience in the mining industry locally in Laos and internationally including the discovery of Sepon gold - copper mineralization in early 1989. He has extensive field experience in Indonesia, PNG, Philippines, China, Thailand, and Australia. With his expertise, Mr Saman Aneka was involved in the early days and inception of LXML holding extensive institutional knowledge of the company and industry in Lao PDR. Mr Saman Aneka holds a Master of Science in hard rock geo-mineral exploration.

Please join us to congratulate Mr Saman Aneka, this recognition of his contribution to the growth of LXML, LNCCI, the private sector, and development in Lao PDR.

LXML Managing Director Mr Saman Aneka and Government Relations Technical Advisor Mr Osoth Insixiengmai received a special trophy to acknowledge their 30 years of dedicated work with LXML. The ceremony was held during the Lao National Day celebration on site at Sepon mine on 2 December 2020.

LXML SUPPORTS GOVERNMENT IN COVID-19 RESPONSE

Since the COVID-19 hit Lao PDR, LXML has closely worked with the Government, Savannakhet province and Vilabouly district to ensure our employees and local community are safe from COVID-19.

To date, in partnership with the Lao Government, LXML has donated US$370,000 for COVID-19 prevention and response in Lao PDR. These contributions enhance the Government's ability to effectively issue vaccinations and introduce other preventive measures.

LXML donates US$100,000 to the Lao Government to purchase COVID-19 vaccines

, received by Prime Minister Phankham Viphavanh handed by LXML General Manager Paul Harris on on 26 April 2021.

"I am proud to confirm our donation to purchase vaccines to prevent the spread of COVID-19 in Lao PDR," said **Paul Harris, LXML General Manager.** "LXML stands strongly committed to the Lao Government's COVID-19 restrictions and lockdown procedures to ensure the safety of employees and communities."

LXML donates 116,115,000 kip to Savannakhet Health Division

to build a hygiene facility that will ensure adequate hygiene for people undergoing COVID-19 treatment at a field hospital at Savannakhet Health Science College in May 2021. Dr Sengdao Sidalay, Director of the Savannakhet Health Division received the donation from Ms Ladsany Sisane, Government Relations Superintendent of LXML.

"We recognise hygiene as a fundamental measure in preventing COVID-19," said **Mr Saman Aneka, LXML Managing Director**. "We hope our assistance will offer clean facilities for people being treated for COVID-19. LXML is continuing to cooperate with Savannakhet Province and Vilabouly District in responding to this second wave of the pandemic."

LXML donates US$15,000 to Savannakhet Province

to support COVID-19 response, received by Ms Lingthong Sengtavanh, Vice Governor of Savannakhet Province and Head of the Savannakhet COVID-19 Taskforce handed by Ms Ladsany Sisane, Government Relations Superintendent on 8 June 2021.

"Savannakhet province has done a tremendous job in containing the second wave of the COVID-19 pandemic, with majority being imported cases" said **Mr Saman Aneka, LXML Managing Director.** "We are pleased our contribution will build on this notable effort of the province in further keeping the community safe, and reviving the local economy."

LXML donates 60,000,000 kip to rescue teams

in Vientiane and Savannakhet to support emergency response capacity in May 2021. The Foundation for Assisting Poor People of Laos (aka Vientiane Rescue 1623), Society Volunteer Rescue (aka Vientiane Rescue 1624), and Savannakhet Rescue were provided with a donation of 20,000,000 kip each to support emergency operations during the COVID-19 outbreak in Laos.

"During this critical time we must not forget frontline workers, especially rescue teams and responders" said **Mr Saman Aneka, LXML Managing Director**. "We are pleased to support these volunteers. They are heroes working night and day in difficult conditions to protect the community from COVID-19."

Vilabouly and Savannakhet officials visit Sepon in lockdown

In May 2021, district and provincial authorities visited Sepon mine to check compliance with COVID-19 control measures. Sepon mine entered lockdown in late April 2021 in accordance to the Lao Government's instructions to contain the second wave of the pandemic.

The delegation, led by Vilabouly District Governor Mr Khamphouy Sibounheuang and COVID-19 taskforce representatives from Savannakhet Province, inspected LXML's quarantine area, clinic, mess, and other work areas. The delegation witnessed physical distancing and hygiene measures, including hand-washing stations, foot-door paddles, visible markings, and uniform mask-wearing of all employees and contractors on site.

LXML receives a Congratulatory Certificate and Development Medal

, from Deputy Prime Minister and Minister of Planning and Investment, acknowledging LXML's contribution to MPI's work including in reviving the economy from the impacts of the first wave of COVID-19 in Laos.

LXML & MINISTRY OF DEFENCE SIGN 2 PACTS

Partnership for Safe UXO Clearance

26 February 2021 - At Sepon mine UXO clearance is an integral part of mining operations. The bombing of Laos delivered a deadly legacy and Sepon mine is located in one of the most bombed areas in the country.

LXML recently extended a Memorandum of Understanding (MoU) with the Lao Ministry of Defence. This long-term partnership supports UXO clearance around Sepon mine and enhances technical capacity for the benefit of future generations.

The MoU was signed by Colonel Viengxay Xaiysamone, Director General of the Engineering Department and Mr Songlin Zhang, LXML Mine Technical Service Manager; and witnessed by Lieutenant Colonel Patthana Boutichack, Cabinet Deputy Chief of the General Staff Department and Mr Saman Aneka, LXML Managing Director.

"This partnership supports safe UXO clearance in accordance with National Regulatory Authority standards" said **Mr Viengxay Xaisamone, Director General of the Engineering Department, Ministry of Defence.** "We are building on decades of cooperation with LXML to achieve best practice in UXO clearance and disposal."

LXML, the Lao Ministry of Defence, the National Regulatory Authority (NRA), and the Lao National Unexploded Ordnance Programme (UXO Lao) have worked together for a decade to improve standards.

In 2015, LXML and NRA developed accredited explosive ordnance disposal (EOD) training to build capacity for Lao technicians with internationally recognised qualifications. Since 1996, LXML has invested over US$51 million, cleared 5,700 hectares and destroyed 58,500 UXO items.

LXML and NRA are continuing to invest in innovative technologies to improve UXO detection. The Ultra-TEM II Deep Bomb Detection System, for example, can locate UXO buried up to 3.5 metres underground. LXML continues to enhance the Gap EOD Fixed Loop Electromagnetic (FLEM) detection method, and recently purchased handheld Vallon VMX-10 detectors.

"We are removing dangerous obstacles that hinder development in Laos," said **Mr Saman Aneka, LXML Managing Director.** "We are keeping communities safe by enhancing capacity, investing in equipment, improving techniques, and raising awareness with our partners and communities. LXML is very grateful for the ongoing cooperation of the Lao Ministry of Defence, NRA, and UXO Lao in carrying out this hazardous activity."

Partnership for Safe Handling of Industrial Explosives

12 February 2021 - LXML extended our longstanding cooperation with the Industrial Defence Department of the Lao Ministry of Defence to ensure safe import, production, and transportation of industrial explosives for our operation.

Sepon mine operation uses explosives in our blasting process to mine gold and copper ores.

Last year, we achieved a mining record of 32 million tons and produced 2 tonnes of gold. This year, our gold production target is 8 tonnes. This means we will be mining more, and blasting is an integral part of this process.

Colonel Nikone Keophantaiy, Director of the Industrial Defence Department, Ministry of Defence *(pictured left)* and Mr Chanthone Naovalath, Government Relations Superintendent *(pictured right)* signed the three-year agreement to build on two decades of cooperation between LXML and the Ministry of Defence.

LXML Pays 2020 Tax to Lao Government

7 April 2021 – LXML handed a cheque for US$17,229,742 to Mr Thammaloth Rasphone, Deputy Director General of Tax Department, Ministry of Finance, in profit tax in respect of 2020 earnings. In 2020, LXML paid over US$32 million to the Lao Government in royalties and taxes. LXML produced over 2 tonnes of gold in 2020. Since operations commenced in 2003, LXML has paid more than US$1.5 billion total direct revenue to the Lao Government in royalties, taxes, and dividends. These direct contributions will continue to support implementation of the Government's National Socio-Economic Development Plan,

Mr Thammalot Rasphone, Deputy Director of Tax Department, Ministry of Finance (right) receives a cheque for LXML's 2020 profit tax from LXML Managing Director, Mr Saman Aneka (left).

"LXML is proud of our contribution to socio-economic development in Lao PDR" said ***Mr Saman Aneka, LXML Managing Director***. "In addition to direct revenue, LXML has contributed hundreds of millions of dollars in employment and training, infrastructure, and local business and community investment. LXML is committed to safety, international standards, and respect for host communities. LXML's social and environmental standards are regularly cited as an example to other operations. LXML is the only mine in Lao PDR to consistently achieve an A+ rating from the Ministry of Energy and Mines."

Sepon mine employs thousands of Lao people and has invested millions of dollars in development and training. More than 40,000 people in Vilabouly have benefitted from over US$13 million in development projects. Local income through business groups has reached US$37 million since operations commenced.

***29 March 2021** – Mr Phoudong Soukhavong, Director General of State Assets Management Department, Ministry of Finance (right) received royalty payment for 4th Quarter of 2020 Copper-Gold Production of US$3,438,220.28 from Mr Paul Harris, LXML General Manager (left). To date, LXML has paid US$172 million in royalties.*

LXML Extends 80 Million Kip Support to the LNCCI

2 January 2021 – LXML sponsored the activities of the Lao National Chamber of Commerce and Industry (LNCCI) with support of 80 million kip. LXML has contributed as an active LNCCI member in support of the private sector in Lao PDR for over eight years.

LXML acknowledges LNCCI's important work supporting Lao businesses through the global COVID-19 crisis.

"LXML's contribution to the private sector demonstrates how mining excellence creates prosperity for all," said **Mr Chanthone Naovalath, LXML Government Relations Superintendent**. "We work together to be a good example to attract international investors and local companies to support LNCCI, SMEs, and the broad private sector in Laos."

Mr Chanthone Naovalath, Government Relations Superintendent (left) hands VVIP Membership contribution to Mr Daovone Phachanthavong, Executive Vice President of the LNCCI (right).

LNCCI was established in 1989 as an independent social body to represent the Lao business community. The LNCCI is driven by 4,000 members representing the diverse private sector, SMEs and industries in Laos with the goal 'to strengthen the capacity of businesses to build the nation'.

6,000 Years Old Artefacts Uncovered Near Sepon Mine

Recently, we unearthed hundreds of ancient artefacts backdated 6,000 years at Nampakhen Village, Vilabouly District, Savannkahet province. These artefacts comprised tools and axes from the Paleolithic era (Stone Age) – a period when humans began making and using tools for their daily life and agricultural activities before transitioning to the Metals Age and the rise of mining and trading in this region.

These new discoveries build on two decades-long partnership between LXML, 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.

This recent discovery was a result from the field work held between 9 and 25 January 2021, and is part of four field missions held every year under this partnership.

Since 2008, LXML invested over US$1.5 million to support the Lao PDR in archaeological research and cultural heritage preservation for future generations.

Remarkable discoveries of artefacts and heritage sites have been made at the Sepon mine. 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).

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

LXML uncovers 2000 years old artefacts in Sepon mine

July 2021 - LXML unearthed several artefacts dated to approximately 2,000 years ago within the Sepon mine area. The artefacts included axes and a large vase used in burial rituals during the transition from the Bronze to the Iron Age.

A similar pot was found in 2008 in the Thong Na-Gneuak (Dragon Field) – a heritage site that is being proposed as a Savannakhet Heritage Site.

LXML's cultural heritage and archaeological team discovered another vase with iron axes, copper jewellery, and pearls believed to originate from the 12th century, and modern tools from the Lanexang Era between the 17th and 19th century.

ລາວ "ສູ້ສູ້" ຕ້ານໂຄວິດ-19

ໂດຍ: ສ. ອະເນກາ

ຈິງທີ່!!
ຊາດໃດບໍ່ຕໍ່ສູ້!!
ນອນນັ່ງ ດູດງວດາຍ!
ໝາ-ແມວ! ຫວງແຫນໄວ້!
ໝາ ເປັນຄົນແປກໜ້າ

ເປັດ-ໄກ່ລ້ຽງ!!
ຈອນພອນ-ແຫຼວ ຊອມລັກ
ເກີດເປັນຄົນ-ຄວນ
ເກີດໂຣຄາ-ພະຍາດຮ້າຍ!

ໂລກ! ເຮັ່ງຮ້ອນ!
ຄວນທີ່! ຄົນລາວ-ຮັກ!
ໂຮມແຮງກາຍ-ໃຈພ້ອມ!
ຊ່ວຍກັນ ຕ້ານພະຍາດຮ້າຍ!

ໜຶ່ງນັ້ນ!
ຢ່າໄດ້! ເກເລເວົ້າ!!
ວ່າຜູ້ນັ້ນ-ດ່າຜູ້ນີ້!!
ຢ່າໄດ້! ຫຼົບ-ຫຼີກລີ້!
ເອົາແຕ່ຕາມໃຈຕົນ!

ດີທໍ່:
ຂໍຜ່ານເຂົ້າ
ພັກ-ລັດ ຊົມເຊີຍດອມ!
ແມ່ນແຕ່ເປັນເຈັບໄຂ້!
ເພີ່ນກໍຍັງ ຊ່ວຍເຈົ້າ!

ສະນັ້ນ!
ຢ່າໄດ້ສັກລອບເຂົ້າ
ມັນຊີ້ຜິດກົດໝາຍ!
ຊີອັບອາຍ-ຂາຍໜ້າ!
ຄັນວ່າ ຕິດພະຍາດຮ້າຍ

ອີກໜຶ່ງ!
ຄັນທ່ານ ເປັນເຈັບໄຂ້!
ກໍໃຫ້ບອກ-ກ່າວແຈ້ງ
ລັກປິດບັງ-ອຳພາງ!
ຊີຕິດໄກ-ໄປໜ້າ

ພອຍແต่-ຊີຈິບຫາຍ (ແທ້ດາຍ!)
ກໍເທົ່າຕົນຕາຍແລ້ວ!
ເຮືອນຮ້ຽ ບ່ອນນັ່ງ!
ພະລັນເຕັ້ນ-ເທົ່າຫອນ!

ລູກອ່ອນ-ຂອນໂຕ!!
ແມ່ນນັ້ນພະລັນສູ້!
ສັກສີຂອງປະເທດ!
ກໍໂຮມສູ້-ຊ່ວຍກັນ!!

ລຸມລະບາດ-ໄພພິບັດ!
ເຕົ້າພັນ-ພົງເຊື້ອ!!!
ສາມັກຄີ-ຮັກທໍ່!!!
ໃຫ້ໜີເວັ້ນຫຼີກໄກ

ກະທຳທາງບໍ່ເຂົ້າທ່າ!
ຜູ້ດີໄດ້ ແມ່ນແต่ໂຕ!
ໜີພ່າຍ-ເຂົ້າມາລາວ
ບໍ່ຮ່ວມໂຮມ-ແຮງສູ້!!!

ຕາມດ່ານສາກົນ!
ຊ່ວຍຕົວຕົນເຈົ້າ!
ໂຄວິດ-ຕິດພະຍາດ!
ປ້ວໃຫ້-ຢູ່ສະເໝີ!

ປາຍດ່ານ-ຊາຍເຂົາ! (ແທ້ແລ)
ເພີ່ນຈ່ອງຈຳ-ຕົນເຈົ້າ!!
ເພາະທຳທີ-ທາງບໍ່ແມ່ນ!
ຊີຢາຍໃຫ້-ພໍ່ແມ່ຕົນ!(ຕົ້ມແລ)

ຄັນທ່ານ ເປັນເຈັບໄຂ້!
ກໍໃຫ້ບອກ-ກ່າວແຈ້ງ
ລັກປິດບັງ-ອຳພາງ!
ຊີຕິດໄກ-ໄປໜ້າ

ສົງສັຍຕົນ-ຕິດພະຍາດ!
ລາຍງານພ້ອມ-ດ່ວນພະລັນ!
ຍິ່ງຊີມີ-ຫົນຮ້າຍ!
ກະຈາຍໄປ-ໃສ່ຜູ້ອື່ນ!

((ແກ້ບ່ອນນັ້ນ! ຍັງບ່ອນນີ້ ບໍ່ມີມີ້ ວ່າຊີຫາຍ ທ່ານ ເອີຍ.....))

Interview Up Close and Personal with CARL BAKER DULY, Vice General Manager - Operations

In this issue we introduce you to Carl Baker Duly, who joined LXML as Operations Vice General Manager since September 2020. Carl has over 30 years' operational experience focused across several commodities and has led many large open pit mining operations across many regions. Carl upholds good communication, perseverance, teamwork, and continuous improvement central to success and excellence. An important life principle we can all embrace is 'time', making every second of the day meaningful.

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

I am originally from Sweden but grew up in South Africa. I graduated as a Mining Engineer. I have worked over my career in many African countries, India, USA and Papua New Guinea before joining Sepon. My experience is mostly based on open pit metalliferous mines as well as being involved in the development of two new mines.

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

During my career I have had to resolve many major challenges ranging from gaps in safety, environment, social, quality and productivity. The approach is similar in all cases in turning performance around. This involves understanding the issue through analysis and listening from others, devising a plan with participation from one's team, ensuring adequate resources at hand, and executing through strong coordinated effort and flowing communication. Finally, is having shared perseverance with the team to see it through to the end.

What are the fundamental principles you bring to your role?

Zero harm is possible, focus on what is critical, be disciplined, and success can only be achieved through effective teamwork and communication. Finally, one can always do better, which is not an event but a journey, towards the quest for excellence!

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

Instilling a strong sense of quality outcomes in whatever we do. Getting it right first time and every time means no waste (inefficiency) is generated!

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

My introduction to Laos and its culture has been such a wonderful experience, with so much more to learn and experience. Most rewarding indeed! At Sepon mine I was struck by the high safety culture and the excitement generated by the aggressive growth strategy towards becoming a major gold producer.

What is the work and life philosophy you live by?

Work hard, play hard (and in that order!). Be precious about time, it's finite, make it count!

Flying High: Meet LXML's Drone Pilots

The first modern drone – unmanned aerial vehicle – was developed in 1935 to train pilots. Since then, drones have been used by various industries from the military to agriculture, entertainment, and mining.

At LXML we use drones to help us to meet mining goals and keep our employees and communities safe. Drones are excellent tools to accomplish mine planning, operational, environmental, and community management work. Drones give us an expansive aerial view of a large footprint and enable us to access remote areas.

24 LXML employees from our mining, environment, and community relations teams – three of which are female – pilot our drones for day to day work.

Drill and blasting operations routinely take place at Sepon before we can mine ore. Our pilots fly drones every day to ensure people and animals are not within the exclusive zone (500m radius) before blasting. We also use post-blasting footage to analyse and monitor safety aspects, especially when the blast is near communities.

In mining activities, drones are used to explore terrain, plan pits, capture mining progress, assess vehicle traffic, and verify operational conditions. In environment, drones help us review rehabilitation and water management activities. In our community work, drones support grievance resolution and land access work.

Let's meet three of LXML's female drone captains and acknowledge their skills.

Chanthavy Inthasouk, Drill and Blast Engineer, a Vientiane Capital resident

Chanthavy is the only female among five members in the Drill and Blasting Team who can operate a drone. She joined LXML in April 2020.

"I trained how to operate a drone for a week and have now been flying for a year. I find it particularly challenging flying a drone in the rainy season, flying over steep mountains, and when the signal cuts off between the drone and controller!"

5 Minutes with VIMEIPHA VILAYPHONE, Processing Engineer

As a fresh graduate in engineering from Australia, Vimeipha landed her first career with LXML as Process Engineer in 2019. At LXML, she likes the challenges presented to her each day where she can put her creativity and problem-solving skills to practice. Being proactive and prioritizing well is her key to success at work. Vimeipha believes everything happens for a reason, growth, and cherishes 'the journey' more than 'the outcome' as only there that 'learning' happens.

Tell us about your background and experiences prior to joining LXML.

Before joining LXML in 2019, I pursued my Bachelor of Engineering (chemical process) in Brisbane Australia. I've acquired an all-rounded lifetime experience during my study abroad. I travelled during my breaks, actively joined engineering trips, and worked part-time both inside and outside of uni. Prior to my journey in Australia, I was a teacher assistant at an English institute in Vientiane.

What do you like most about your job?

LXML offered me my very first career where I get to put my theoretical knowledge from university into practice. I enjoy solving problems and it is never a dull day onsite. As we all see, the work spectrum here has widened as we transitioned from a copper to gold-oriented production. I like it most when I have the chance to exercise creativity, when we, as a team, undergo processes of problem-solving at the plant that has now become a daily undertaking. I like it because I get to share as well as learn different skills from my colleagues – we learn from each other. I believe we can grow when we're surrounded by experienced people. And although we need to be out of our comfort zone at times, it is good fun.

What are the fundamental principles you bring to your role to help LXML achieve success?

Some of the fundamental principles I always stick to are being proactive and prioritizing well in all areas of work, whether technical, communication, or planning. This helps me to focus and align to goals, especially at work where we can get overwhelmed by so many tasks on hand. As you consistently do this, your focus circle can expand.

As a woman working in a male-dominated industry like mining, what are the challenges and how do you overcome them?

Mining is a diversified industry that pools many disciplines, expertise, and culture. While we may be working towards the same goal, communication can be very challenging as everyone can have different views about accomplishments. The best way to overcome this is communicating simply and constructively, which requires extensive listening, data gathering, brainstorming and delivering on action plans.

What is your take on LXML's workforce diversity and inclusion?

While there are comparatively few of us women holding technical roles in the mining industry, I hope I could inspire other women to work in a male-dominated industry like mining. With the will and opportunity, we can all do it. I think the mining industries in Laos can benefit from attracting young talents, male and female alike.

Do you have any advice for anyone, especially women, looking to get into the mining industry?

My advice to everyone is being adaptable and open-minded. Mining involves various types of tasks and consistent technology innovation, which requires the ability to multitask and efficiently manage time. The mining industry provides the opportunity for professional development. I can say that all the skills and experiences gained from this industry are transferable to other different industries as well as everyday life.

Do you have a motto or personal mantra you live by?

I believe whatever happens to you is for your growth. We learn from success and failure. What is more important is to enjoy the process, rather than overly focus on the outcome. That way, we learn the most. While it is easy to pause and lose focus, it is very motivational to look back at how far we have travelled to becoming what we are today.

Bouaphanh Phienasa, Engineer – Mining Continuous Improvement, a Vientiane Capital resident

Bouaphanh is the only female among five members in the Mining Team who can operate a drone.

"I trained for two weeks and started flying in early May. I find the best time to fly a drone is after 10.00am when there is good lighting with little wind. Our department uses drones for several tasks; to review drill and blast activities, capture mining progress on different pits and plot the evolution in time of various development activities, among other things. Drones let us have great views of the operation to have better insights."

Bountone Sitthideth, Grievance and Cultural Heritage Officer, a Vilabouly District resident

Bountone is the only female among four members of the Community Relations team who can operate a drone.

"I trained to operate a drone for one month and have been flying for six months. I fly drones to get a clear view of areas that may have potential impacts from our operations, such as community ponds, or rice paddies. Drone images help us to assess community grievances. I think it is very important for drone operators to focus and concentrate when flying in difficult landscapes like steep mountains."

Sepon Trust Fund strikes for sustainable improved livelihood

5 Dec 2020 - LXML handed nine projects under the company's Community Trust Fund Program with a combined value of US$831,982 to Vilabouly District. This is part of the commitment enshrined in the Environmental and Social Management and Monitoring Plan (ESMMP) to communities impacted by development of Sepon mine. The purpose of the Trust Fund is to ensure local people benefit from improved and safer roads access, food security, education, and healthcare. The nine projects comprise six roads improvement projects including Route 28A in Vilabouly (US$668,982), solar power-generated lights for a main road ($63,000), rice paddy field expansion for villagers near the mine ($15,000), and a new X-Ray machine for Vilabouly Hospital (US$85,000).

"I'm proud of this contribution to the development of Vilabouly Distric," said **Mr Saman Aneka, LXML Managing Director.** "This ongoing commitment will help to ensure that the livelihood and wellbeing of our host community will be secured beyond the life of mine."

Since 2003, more than US$10 million has been invested in the Community Development Trust Fund focused on improving the basic infrastructure, community health, education for future generations, and food security. The Trust Fund assists Vilabouly District Government to manage social and other impacts from the mine and supports local communities by improving living conditions.

"Through LXML's support in the Trust Fund and other community development, access to clean water and sanitation, infrastructure, healthcare, electricity, education, agriculture, and the preservation of cultural heritage in Vilabouly District are making progress" said **Mr Khamphouy Sibounheuang, Vilabouly District Governor**. "On behalf of Vilabouly District and the local community, I would like to express my sincere thanks to LXML for its generous support to the development of Vilabouly District."

LXML's Community Development Trust Fund has increased significantly over the years that the mine has been in operation from US$96,000 to US$750,000 per annum in recognition of the expansion of the mining area and associated impact. This contribution will continue for at least another ten years, laying a solid basis for sustainable development in the area following the eventual closure of the mine.

Chair of the National Assembly Economic, Technology and Environment Committee HE Bounpone Sisoulath, Vilabouly District Governor Mr Khamphouy Sibounheuang, LXML President Mr Fu Xuesheng, LXML Managing Director Mr Saman Aneka, Operations Mr Carl Baker Duly, and LXML Executive Advisor Mr Khamsay Vilayvong (former Vilabouly District Governor) presided over the handover of the new road and other projects in the presence of district and village representatives, land owners and surrounding villagers.

Villagers around Sepon Mine Declared 'Open Defecation Free'

2 March 2021 - 22 villages in Vilabouly were declared 'Open Defecation Free'.

This significant outcome is built on the strong leadership of the local government, and the robust effort and partnership between Vilabouly, UNICEF and LXML in improving access to basic water, sanitation and hygiene services.

From 2018 to 2019, LXML in partnership with UNICEF funded the Water, Sanitation, and Hygiene (WASH) program aimed at improving equitable access to and use of sustainable water sources, sanitation facilities and practice of proper hygienic behaviors at school and at home for the most disadvantaged, children and their families in fourteen mine affected communities of Vilabouly.

To date, LXML has invested US$1.3 million through our development programs to improve access to basic sanitations, water facilities, and related trainings.

At least 8,000 community members and 1,500 school children in primary schools of the target villages now have better access to clean water, toilets, improved hygiene practice, health and livelihood.

'FROG CONDOS' Built in Vilabouly

Five families of our community development project built impressive 'frog condos' that will allow them to raise and house at least fifty frogs per unit.

In 2020, the community development fund introduced 'frog condos' to participating families who wish to raise frogs as alternatives for creating better livelihoods and incomes.

Five families from Ban Namlaeb, Namalou, and Namkeun Nork were trained on this frog-raising method that uses retired car wheels to make frog houses. Banana leaves mixed with water are left in the wheels for three to five nights to disinfect the wheels, then washed and refilled with water. Each condo is then ready to welcome at least fifty frogs.

Routine maintenance, like changing the water, takes place every seven to ten days. Within three to five months, the frogs will be ready for sale or cooked and eaten as a Lao delicacy!

Frog breeding season is from February to May, and a female frog can breed four times.

On the occasion of Arbor Day 2021, LXML handed over 200 local tree saplings to Savannakhet Province and Vilabouly District. Our Community Relations team together with community in five villages near Sepon mine released 16,000 fingerlings.

2020 IN REVIEW

LXML NEW GOLD ERA

2020 witnessed achievements of significant milestones for LXML. We transitioned from copper to a gold-focussed operation at an auspicious time when gold prices increased globally.

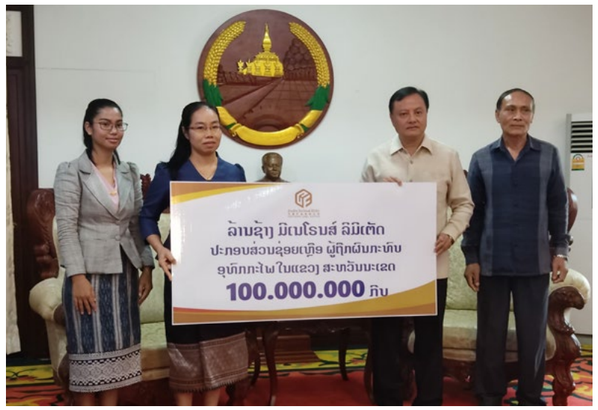
LXML successfully achieved milestones ahead of schedule, despite challenges during the COVID-19 pandemic. LXML mined its first gold ore, commissioned the refurbished gold plant to process oxide gold ore, introduced a pilot heap leach facility to process low grade copper ore, and opened a new flotation plant to process primary gold ore.

LXML receives 2019 Lao Business Leader Awards. LXML was among 55 companies to have received the Lao Business Leader Awards 2019 for its social and economic contribution to the sustainable development of the Lao PDR. Mr Saman Aneka, LXML Managing Director received this prestigious award on behalf of LXML. This is the third time that LXML receives such award. *(February 2020)*

LXML hands scholarship to fourteen students in Vilabouly District. This US$12,600 financial injection will give the students the opportunity to further gain better education in institutes and universities, and eventually receive optimal outcomes in their living, well-being and livelihood in the years to come.

"I believe that by providing scholarship funds for further education and promoting and rewarding excellent students, we will develop the best capacity for the next generations to come, and will provide long-term sustainable outcomes for the community" **said Paul Harris, LXML General Manager**. *(February 2020)*

The Lao Government approved LXML Sepon's Gold Project. The Environment and Social Impact Assessment captures social, environmental, and health impacts as well as mitigation and management plans. Pictured is an example of re-vegetation, part of our ongoing rehabilitation activity at an old pit in Sepon mine. *(July 2020)*



LXML provides 100,000,000 kip in support for flood relief in Savannakhet province. The financial assistance was handed, to Savannakhet Governor Mr Santiphab Phomvihane, by Ms Ladsany Sisane, LXML Government Relations Superintendent. *(October 2020)*

Chair of the NA Economic, Technology and Environment Committee visits Sepon mine, to review watercourse realignment for the Sepon Gold Project. "Congratulations to LXML for continuing to maintain the highest international environmental standards as an example for other projects in Lao PDR" said **HE Bounpone Sisoulath**. "I sincerely wish LXML ongoing success as a partner in the development of Laos." *(December 2020)*

Health Impact Management and Monitoring Plan for the Sepon Gold Project receives approval. The Environment and Social Impact Assessment (ESIA) and Health Impact Assessment (HIA) is central to the approval of the Gold Project. It provides an overview of the project; assesses the current environmental, social, and health status before development of the project; assesses the environmental, social, and health impacts and propose mitigation and management control measures throughout the entire life cycle of the Gold Project from pre-construction, through operations, to post-closure. *(December 2020)*

LXML mined first gold ore *(March 2020)*.

NA approves watercourse realignment for Sepon Gold Project. This watercourse realignment is significant to the Sepon Gold Project to ensure access to primary gold ore. Access to the ore located under the riverbed will extend Sepon Mine's life and continue to generate benefits to Sepon's Stakeholders for at least another ten years *(October 2020)*.

LXML commissions a pilot heap leach facility to continue copper production. Heap leach is a low cost method that will allow us to process the significant low-grade primary copper resource at Sepon. The facility has a total capacity of around 900,000 tonnes and will operate up to 2022. *(July 2020)*

LXML opens new gold flotation plant. Minister of Energy and Mines Dr Khammany Inthirath and Minister to the Prime Minister's Office Dr Chaleun Yiapaoher opened the plant on 24/9/2020.

LXML extends support to cultural heritage preservation in Laos by handing over artefacts exhibition stands valued over US$25,000 to the Lao National Museum, Savannakhet Museum, and Vilabouly Cultural Hall in a bid to preserve and further promote ancient artefacts discovered at Sepon Mine, Vilabouly district, Savannakhet province. This is an outcome from LXML's decade-long support to the Lao Government in archaeological research and cultural heritage preservation. Since 2008, LXML has invested over US$1.5 million in supporting 3,000 years of Lao history and heritage through our archaeological research. *(March 2020)*

Friendship match between LXML and the Ministry of Defence's Industrial Defence Department on 19 February 2021. LXML team won the match 7-2.

Lao New Year Baci at Vientiane Office on 8 April 2021.

This year's World Environment Day focuse on 'Ecosystem Restoration'. At LXML, we do our part in restoring the ecosystem by complying to environmental standards in our operation. We revegetate on land impacted during mining, we plant trees on disturbed land, and we also monitor and ensure water quality for communities.

SEPON SCORECARD - A snapshot of our 2020 performance

2020 witnessed great achievements for LXML. Everyone played an important part in making this outcome possible.

2021 will be a challenging year. Sepon operation will continue to grow. We are planning to increase our target of 8 to 10 tonnes of gold in 2023. SEPON 2.5 and other programs will drive LXML's future growth.

Safety – Our TRIFR stood at 1,2 in 2020. This can be attributed to challenges in managing contractors in building new plant. Safety performance in Q4 was positive.

In 2021, we need to 'stop and think' and 'take five' to achieve our goal of zero injuries. There were no major environmental incidents during the year.

Production – We did not achieve our copper production target by 18%, but achieved gold production over and above target. We produced 2,015.799 kgs of gold in 2020.

This year copper will be important as we seek to take advantage of higher prices. Our target for copper is 6,699 tonnes and gold production target of 8 tonnes.

Mining – We achieved a total mining movement of 32 million tonnes compared to a target of 28.5 million tonnes, 13% above target. Drill and blasting performance increased significantly in December 2020, while drill mechanical availability and utilization improved in Q4. To support our production target, we need to increase productivity in mining.

Finance – We achieved a net profit of US$47 million, 14.5% higher than the target of US$40 million. This is another great achievement considering the impact of COVID-19. In 2021, we will increase production to increase revenue, and maintain costs at US$780/oz/Au.

SEPON 2.5 is a project to increase design throughput capacity of primary ore through our processing plant from the initial 1.5Mtpa to 2.5Mtpa. We will introduce an additional mill ball, oxygen facility, POX, flotation, and new steps in leaching and the CCD circuit.

Exploration - We are actively exploring to increase gold resources to extend Sepon's mine life.

LXML achieves A+

28 February 2021 – LXML again upheld the A+ Rating from the Ministry of Energy and Mines. LXML has maintained the highest rating since 2016, when the Lao Government initiated this mechanism to acknowledge performance and standards. LXML is the only mining company in Laos to have achieved this prestigious rank.

The Ministry of Energy and Mines ranks mining companies based on development goals and principles. LXML achieved this rank because it has contributed to national economic development in partnership with communities and maintained strong environmental protection standards.

LXML is recognized for improving livelihoods; deploying modern methods and technology; supporting local products and services; for continued expansion and growth; and for supporting growth in other sectors.

LXML satisfied the seven principles for achievement of the rating: (i) legal compliance; (ii) complete, timely, and auditable contribution to obligations; (iii) respect to host country and community; (iv) promote domestic labor and active skills development; (v) safety and occupational health standards; (vi) productive and transparent operation with no adverse social and environmental impacts; (vii) environmental management plan and mine closure plan.

"At LXML, we stand committed to complying with national and international standards" said **Mr Saman Aneka, LXML Managing Director**. "This ongoing recognition reminds us to be a responsible investor and good corporate citizen to create mining excellence and prosperity for all into the future."

Since operations commenced in 2003, Sepon mine has produced over 1.2 million ounces of gold and 1 million tonnes of copper cathode; contributing over US$1.5 billion in direct revenue to the Lao PDR in taxes, royalties, and dividends

Indirect benefits through employment, training, community development, and payments to local contract partners and suppliers have also had a significant positive impact on social and economic development in Laos. The mine created jobs for over 5,000 employees at its peak in 2003, and has invested millions of dollars in development and training. More than 40,000 people in Vilabouly benefit from community development programs totalling US$13 million worth of projects and investment, and community income through local business groups has accumulated to US$37 million.

LXML Sepon suspended Gold Operations in December 2013, due to declining gold reserves and a low gold price.The resumption of gold operations in 2020 will ensure that these benefits continue to flow to Laos. Sepon mine produced over two tonnes of gold in 2020.

LXML SEPON QUICK FACTS & FIGURES

SKILLS

- **US$4** in tertiary scholarships fro Lao employees
- **US$0.68** support training resources to Savannakhet Vocational School
- **40,000** training hours/year
- **Competency-based onsite training program** (Coaching, formal training and on-the-job training)

COMMUNITY

- **US$51** million – UXO clearance (58,500 items and 5,700 hectares cleared)*
- **US$37,8** million – Community income from local business development*
- **US$10.4** million – Community Trust Fund*
- **US$3.2** million – Village Development Fund (2010 -2018)
- **US$0.54** million – Fund for Assistance to the Disadvantaged Groups (2019 - present)

COMMUNITY

- **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)*

(as of May 2021)

EMPLOYEES

- **2,304** Employees (95% Lao)
- **2,227** Lao Employees
- **77** Expatriates
- **2,661** Lao Contractors

DONATIONS

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

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
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
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
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
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
Tenement Rental Fee	5	33	33	33	-	-	113	-	90	-	145	50	50	49	49	49	61	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	6,932
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	26,838
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

All Figures in US$ Thousand ('000)

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