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Media release:

Sepon mine reports on gold and copper production

MMG LXML updated stakeholders on its Sepon Mine production for the second quarter of 2010 ending 30 June. In the first 6 months, Sepon achieved production of 34,282 tonnes of copper and 54,631 ounces of gold.

Production for the full year 2010 remains on track for 95,000 – 100,000 ounces of gold and 67,000 – 70,000 tonnes of copper cathode.

Gold production increased 15 per cent to 29,258 ounces during the second quarter compared to 25,373 ounces of gold at the same time last year. However, copper production during the quarter remained steady due to the onset of the wet season and complex Unexploded Ordinance clearance requirements in the mine area.

The Sepon Copper Expansion Project is making solid progress with 84 per cent of works completed. The expansion is expected to be fully commissioned by early next year. The second high voltage power line project which links the project into the national grid has also recently been completed. The US\$60.4 million copper expansion is set to increase copper production capacity at the Sepon Project from around 65,000 to 80,500 tonnes per annum.

“MMG’s Sepon operation has performed well in 2010. We have met our milestones and remained focussed on our safety, community and environmental responsibilities. The mining sector has been criticised this year, but there are positive stories about the mining sector’s contribution to national economic development that should be highlighted” said Richard Taylor, Group Manager Corporate Affairs for Asia.

Metal prices in the world market softened considerably during the second quarter, driven by negative macroeconomic sentiment and concern over financial difficulties in several European nations as well the softening of the Chinese economic stimulus. 3-month prices at London Metal Exchange (LME) were also down for the second quarter by between 16 and 26 per cent depending on the metal. The copper price today was trading higher at US\$7355 dollars a tonne.



Sepon mining activity



Sepon copper cathode

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