

China's Chifeng Jilong restarts gold production at Laos mine after 6 yrs

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Sepon gold project in Laos. (Image courtesy of Ausenco)

China's Chifeng Jilong Gold Mining Co said it had started processing gold ore from its Sepon mine in Laos, marking the first time the project has produced gold in almost six and a half years.

The restart of gold production at the mine, scrapped in part because it wasn't profitable enough, comes after gold prices hit a seven-year high last month. The covid-19 pandemic has prompted investors to pile into the safe-haven precious metal.

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Chifeng Jilong said on Saturday the launch was three months ahead of schedule, despite the novel coronavirus outbreak. "It is estimated that finished gold can be

THE PREVIOUS OWNER OF THE COPPER AND GOLD MINE, MMG LTD, HAD CEASED GOLD PRODUCTION AT

produced in early June," the company said in a statement on its website.

THE PROJECT IN DECEMBER 2013, CITING DEPLETING ORE RESERVES

The previous owner of the copper and gold mine, MMG Ltd, had ceased gold production at the project in December 2013, citing depleting ore reserves and lower margins, choosing to focus on copper.

Chifeng Jilong bought a 90% stake in the mine's operator, Lane Xang Minerals, from MMG in 2018 for \$275 million.

The Chinese firm plans to produce 1-1.6 tonnes of gold from Sepon this year and possibly 7 tonnes in 2021, once the plant ramps up to full capacity, Kevin Chen, the company's vice general manager, told Reuters on Sunday.

It also plans to produce around 45,000 tonnes of copper this year, down from 72,000 tonnes in 2019, he said.

(By Tom Daly; Editing by William Mallard)

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