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Media release:

MMG LXML unveils its exploration plan and budget nearly triples for 2010

MMG LXML will spend approximately US\$10.8 million on its exploration work looking for more copper and gold deposits on its exploration tenement area in 2010, compared to US\$4 million spent last year. This budget is in addition to the work undertaken close to the mine for resource definition worth approximately US\$9.1 million.

Exploration work will focus on continuing drilling on the exciting oxide gold results some of which are expected to be handed over to the Resource development department to extend the life of the current gold plant. MMG will also continue to explore for oxide copper deposits, particularly around the Thengkhamb System. Additionally, some funds will be dedicated for exploring primary gold and copper targets.

In 2009 the company spent US\$4 million on exploration and drilled 118 holes at 11,657 metres on 15 different prospects. At present the Exploration Department has 6 drill rigs operating.

Since the start of the operations, the company has focused its mining operations on about 10% of the total tenement area and is looking for more gold and copper prospects outside these areas. With a healthy budget in 2010, the company is trying to determine whether Sepon has the potential for large bulk – tonnage copper/gold deposits – Porphyry/skarn type deposits with intrusive centres. Intrusive centres have been mapped at Padan, Kaban and Thengkhamb.

James Patterson, Exploration Manager of MMG LXML, said skarn type deposits are formed when fluids generated by the intrusive rocks come into contact with carbonate rich rocks such as limestone. Many of these then get enriched to form the chalcocite and malachite deposits that we are mining at Khanong and plan to mine at Thengkhamb. Exploration aims to find the larger, deeper source rocks for all of this surface copper.

In addition to oxide gold and copper, the company plans to continue to look for more primary gold mineralisation. Four million ounces of primary gold for a decision to invest in the construction of a different type of gold plant to process this kind of gold. The company now has a resource of approximately more than 2 million ounces of primary gold. Continuation of research programs and training and mentoring of local staff are also planned in 2010.

Exploration at Sepon is still in its infancy and there is great potential for the Exploration Department to find more gold and copper.



An employee from the Exploration Department studying rock samples.

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