

Belinau Underground Mine Update

Sumatra Copper & Gold plc (“the Company”) is pleased to provide the following update on the Belinau underground mine at its Tembang gold-silver operation located in southern Sumatra, Indonesia.

During October the Company commenced a geological review of the ore body interpretations for the Belinau, Siamang and Berenai deposits. This review focussed on determining the potential for resource extensions, incorporating the most recent mapping and grade control data from the current mining operations. Significant findings to date from the review of the Belinau underground mine are summarised as follows.

Belinau Depth Extensions

The high grade gold mineralisation currently being exploited from underground at Belinau is from the main Belinau vein which has averaged, from the start of August to the end of October 2016, between 1.0 to 1.5 metres in width at a grade of 7 to 8 g/t gold and 70 to 80 g/t silver¹ (8 to 9 g/t AuEq²).

Underground face mapping and sampling have enabled the mine geologists to develop a better understanding of the controls to the mineralisation using vein textures and structures encountered during mining.

A recent review of the diamond drill core from the various drilling programs carried out between 2010 and 2015 determined that two of the deepest drill holes (RDD10092 & RDD10113) did not intersect the Belinau vein or host structure. Wireframing of the Belinau vein from drilling and underground mapping information indicates that these two deep holes stopped short of intersecting the vein by as little as 10 metres (Figure 1).

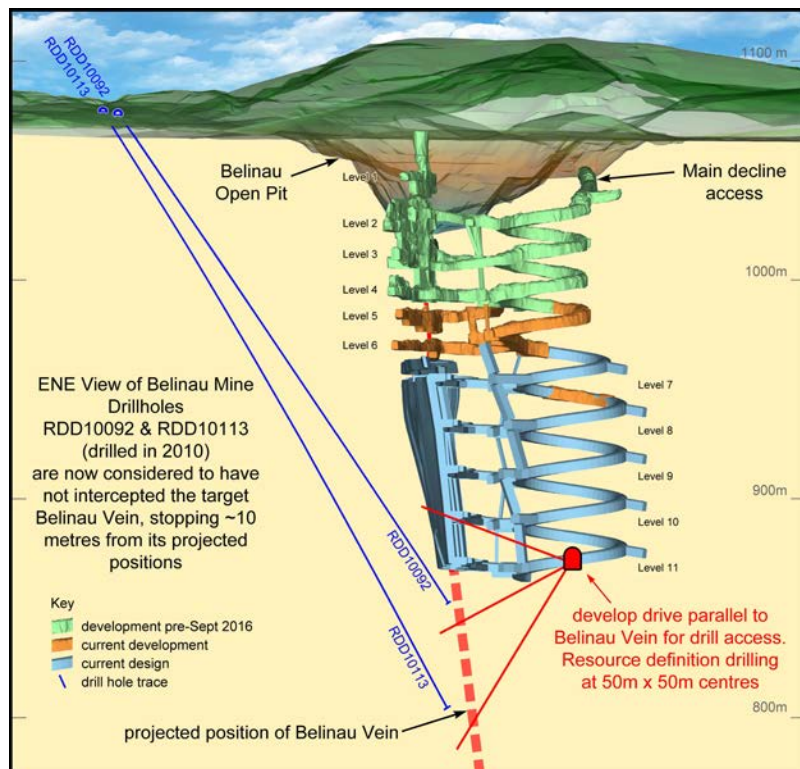


Figure 1: End view (looking ENE) of the Belinau underground mine showing ‘near misses’ for holes RDD10092 and RDD10113 and the proposed resource definition drilling program

A program of resource definition drilling is currently being planned to drill the projected positions of the Belinau vein at 50 metre centres from a strike parallel drive on Level 11. The drilling will test for potential depth extensions below Level 11 over almost the entire strike length of the deposit as it is currently known (Figures 1 and 2).

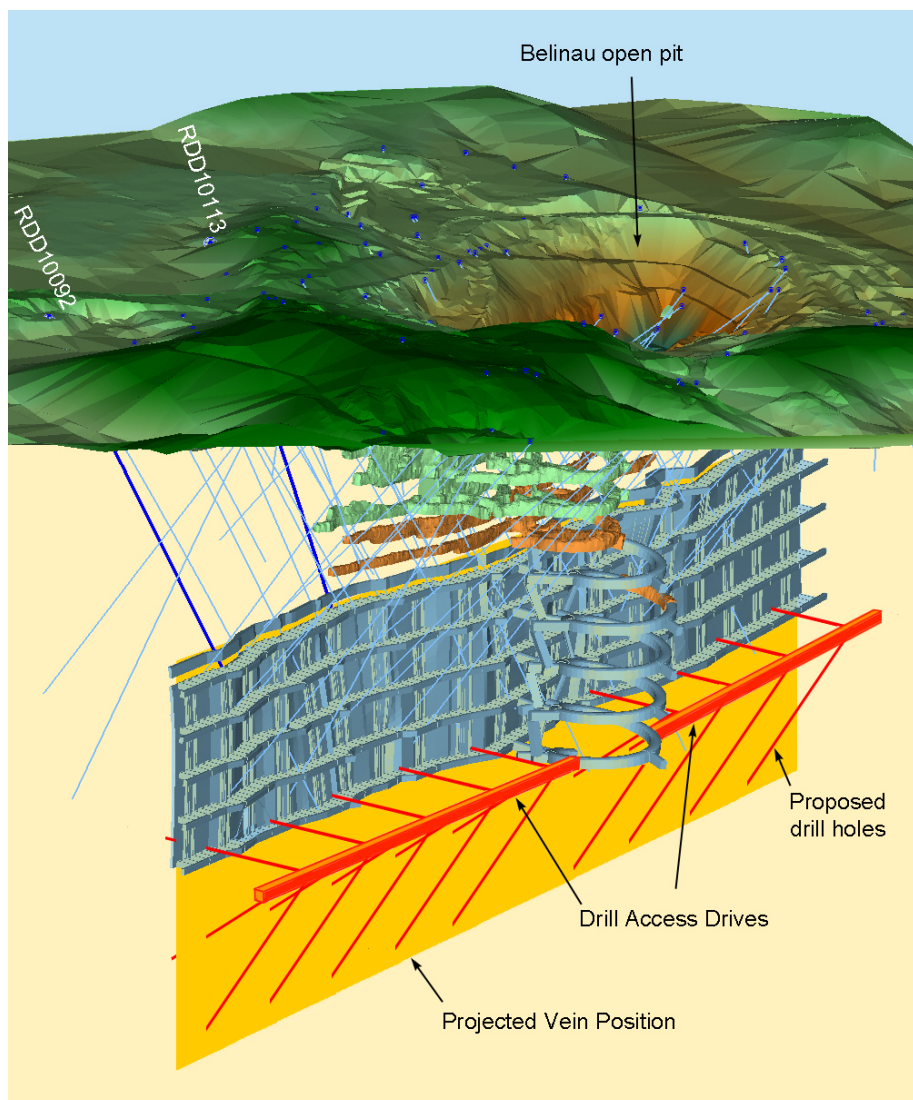


Figure 2: Oblique view of the Belinau open pit and underground mine showing the location of the proposed drill access drives and resource definition drilling program to test the projected extensions of the Belinau vein

Belinau Mine Reconciliations

There has been a positive reconciliation between the Belinau resource block model to that mined from August to the end of October 2016, with an increase in tonnes (12%), gold grade (23%), silver grade (119%), and gold equivalent grade¹ (35%), resulting in an increase in contained gold ounces by 37% and silver ounces by 145%.

The above reconciliations only compared that part of the resource model that has been mined from Levels 5 and 6, and may not necessarily be reflective of the total resource model. The Company currently is updating the Belinau underground resource model, using the increased geological knowledge and mining grade control data, as part of the annual update of the Company's Mineral Resources and Ore Reserves.

¹ Note: Based upon actual mined for Levels 5 and 6 in the Belinau underground mine for the period August 2016 to October 2016 inclusive.

² Note: "AuEq" = Gold equivalent ounces, calculated each month as: Au production + Ag production / [Gold price / Silver price]. AuEq production for September quarter = Au production + (Ag production / 68).

For further information please contact:

David Fowler
 Managing Director
 Sumatra Copper & Gold plc
 +61 8 6298 6200
 dfowler@scgplc.com

Phil Retter
 Investor Relations
 NWR Communications
 M: +61 407 440 882
 phil@nwrcommunications.com.au

About Sumatra Copper & Gold plc

Sumatra Copper & Gold plc (ASX: SUM) is a gold and silver producer and precious metals explorer in southern Sumatra, Indonesia. The Company's flagship asset is its Tembang gold-silver mine, currently in production. The Company also has an extensive exploration portfolio with projects ranging from brownfield, near-production opportunities to strategically located greenfield holdings.

Directors

Steve Robinson Non-Executive Chairman	Jocelyn Waller Non-Executive Director	Gavin Caudle Non-Executive Director
David Fowler Managing Director	Adi Sjoekri Executive Director	

Contact

Level 1, 5 Ord Street West Perth WA 6005 Western Australia T: + 61 8 6298 6200 E: info@scgplc.com Web: www.sumatracoppergold.com	Registered address 39 Parkside, Cambridge United Kingdom CB1 1PN Registered Number 5777015 ASX Code: SUM
---	--

JORC CODE 2012 COMPLIANCE - CONSENT OF COMPETENT PERSONS

Information in this report relating to Exploration Results has been compiled by Mr Gary Powell and is based on information presented by Sumatra Copper & Gold's technical personnel. Mr Powell is a member of the Australian Institute of Geoscientists and the Australasian Institute of Mining and Metallurgy. Mr Powell is an independent consultant to Sumatra Copper & Gold and has sufficient experience which is relevant to the styles of mineralisation and type of deposits under consideration and to the activities for which he is undertaking to qualify as a "Competent Person" as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Powell consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

DISCLAIMER

This report includes forward-looking statements. Forward-looking statements inherently involve subjective judgement and analysis and are subject to a number of risks, uncertainties, contingencies and other factors, many of which are outside the control of, and may be unknown to, the Company. As such, actual results or performance may vary materially from those expressed or implied by forward-looking statements. The types of factors that could cause such variation in actual results or performance include (without limitation) commodity prices, operational problems and general economic conditions. Given these factors, undue

reliance should not be placed on forward-looking statements, which speak only as at the date of this report. Subject to any continuing obligations under applicable law or any relevant stock exchange listing rules, the Company does not undertake any obligation to publicly update or revise any forward-looking statements contained in this report, including (without limitation) where the Company's expectations change in relation to such statements and where there is a change in events, conditions or circumstances providing the basis for any such statement.

No representation or warranty, express or implied, is made as to the accuracy, completeness, reliability, fairness or correctness of the information contained in this report. To the maximum extent permitted by law, the Company and its related bodies corporate and affiliates, and each of their respective directors, officers, employees, agents and representatives, disclaim any liability or responsibility for loss or damage arising from or in connection with the use of the information contained in this report.