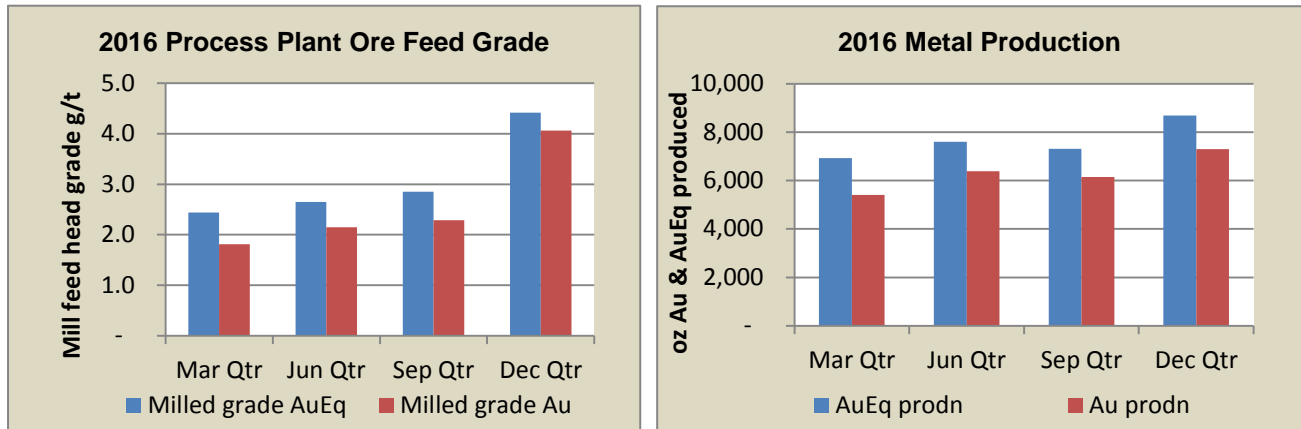


2016 Production Guidance Achieved

Sumatra Copper & Gold plc (“the Company”) is pleased to announce that it achieved production guidance for calendar year 2016, with a total of 30,509 AuEq¹ oz produced from its Tembang gold-silver operation located in southern Sumatra, Indonesia (“Tembang”). Production during the December 2016 quarter also continued to improve as highlighted below:



Plant recoveries increased during the December quarter with gold and silver recoveries averaging 91.5% and 78.3% respectively (the prior three quarters averaged 84.2% and 68.4% respectively).

Further to the announcement of 5 December 2016 regarding damage to an underground drill from an influx of water at the Belinau underground mine, the rig has now been repaired and is expected to be operational by the end of January. In addition, the Company has procured a third jumbo drill rig which has arrived in Indonesia and is expected to be operational by mid-January.

The structure related to the perched water table has now been identified and is believed to be a shallow-dipping dilational zone within the orebody associated with abundant vugs and voids. Strategies have been developed in the mine plan to mitigate the risk of any further uncontrolled water ingress.

Decline development during December 2016 progressed to Level 8 with ore development now underway on Level 7. The additional drill rig will assist in further accelerating development such that stoping can recommence as early as possible in the March quarter of 2017.

Managing Director David Fowler commented: “Despite the considerable challenges experienced during 2016, meeting production guidance for our first full year of operations at Tembang was an excellent outcome. Our focus during the second half of the year was on bolstering the mining expertise on site and included the appointment of experienced mining engineers Rob Gregory, as COO, and more recently Andy Robb, as a Non-Executive Director. The Company is now well positioned to deliver a step-change in production during the March 2017 quarter once conventional stoping recommences in Belinau, replacing the current interim bench cut-and-fill ore drives.”

Comprehensive production and cost information will be provided in the December 2016 Quarterly Report to be released later this month. Guidance for 2017 remains unchanged at between 45,000 and 55,000 oz AuEq.

¹ Note: “AuEq” = Gold equivalent ounces, calculated as: Au production + Ag production / [Gold price / Silver price].
 AuEq production for December 2016 quarter = Au production + (Ag production / 72.9).
 AuEq production for full year 2016 = Au production + (Ag production / 74.6).

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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

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Non-Executive Chairman

Jocelyn Waller
Non-Executive Director

Gavin Caudle
Non-Executive Director

David Fowler
Managing Director

Adi Sjoekri
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Non-Executive Director

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