

Sumatra Copper & Gold plc

("the Company")

ASX Code: SUM

Capital structure

At 26.7.2017

1,941,893,608 listed CDIs

17,074,171 warrants

7,000,000 convertible notes

Market capitalisation

At 26.7.2017

CDI price: A\$0.010

Market capitalisation: A\$19.4m

Cash & bullion, debt

At 30.6.2017

Cash and bullion: US\$5.1m

Loan facilities: US\$43.5m

Bond: US\$3m

Working capital facility:

US\$5.7m

Convertible notes: US\$7m

Board of Directors

Chairman

Jocelyn Waller

Managing Director

David Fowler

Executive Director

Adi Sjoekri

Non-Executive Directors

Gavin Caudle

Andy Robb

Registered Office

39 Parkside, Cambridge

United Kingdom CB1 1PN

Amberley Business Centre

Level 3, 1060 Hay Street

West Perth WA 6005

T: +61 8 9480 0620

Highlights

The Company is pleased to present its June 2017 quarterly activities report for the Tembang Gold-Silver Project, located in southern Sumatra, Indonesia ("Tembang").

Production

- Gold production for the quarter of 6,104 oz and silver production of 30,220 oz (total of 6,525 AuEq* oz).
- All-in sustaining cost (AISC) of US\$1,453/oz.
- Gold recovery of 94.3% and silver recovery of 81.7%.
- Finished product stocks of 2,900 oz gold and 19,686 oz silver at quarter end.
- Continued positive reconciliation of mined ounces versus resource model for Belinau underground.
- Removal of mud now complete at Berenai open pit with mining of high value ore to recommence in the coming quarter.

Sales

- Gold sales of 5,208 oz and silver sales of 36,973 oz.
- Gold and silver revenue of US\$6.53 million and US\$0.63 million respectively for total revenue of US\$7.67 million.
- Average realised sales price for gold of US\$1,253/oz and silver of US\$17.25/oz.

Safety

- No Lost Time Injuries (LTIs) during the quarter.

Financial

- Cash & cash equivalents at 30 June 2017 of US\$1.4 million and bullion of US\$3.7 million.
- Equity raise of US\$5.0 million completed with \$US2.5 million used to repay senior debt and \$US1.5 million used to pay interest and deferred hedge obligations.
- Repayment of VAT Facility of \$US 3.5 million with a further \$US 1.0 million drawn down. Facility term expired.
- \$US 2 million drawn under working capital facility.

Exploration

- Near mine exploration activities remained focussed on advancing priority targets in the Tembang Exploration Target Pipeline towards drill testing.

Outlook

- Guidance for 2017 reduced to 30,000 – 40,000 oz AuEq due to delays in commencing stoping at Belinau.

Note: all data above is for the quarter ended 30.6.2017 unless stated.

** AuEq = Gold Equivalent Ounces, calculated as oz Au + oz Ag / 72*

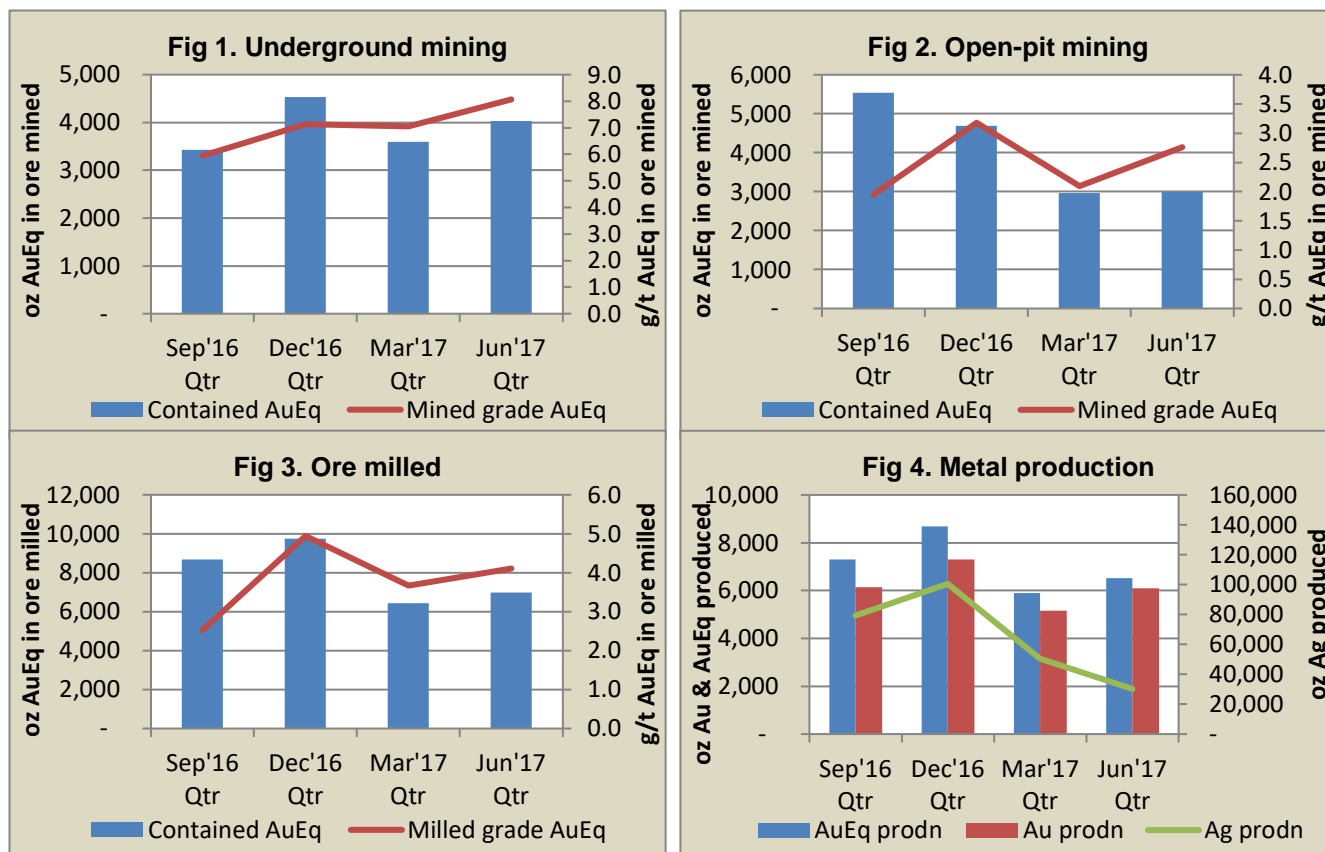
Summary

Table 1: Tembang Operations – Key Production Statistics

Tembang Operations	Unit	September Quarter 2016	December Quarter 2016	March Quarter 2017	June Quarter 2017	YTD 2017
Underground mining						
Ore mined	tonnes	17,896	19,743	15,942	16,050	31,992
Mined grade	g/t Au	4.60	6.19	6.04	7.41	6.79
	g/t Ag	91.55	68.33	69.89	47.25	60.97
Contained metal	oz Au	2,651	3,941	3,054	3,700	6,755
	oz Ag	52,791	43,470	37,078	23,587	60,665
Open pit mining						
Ore mined	tonnes	88,429	45,708	43,797	34,858	78,655
Mined grade	g/t Au	1.59	2.45	1.81	2.53	2.16
	g/t Ag	24.41	53.21	19.79	16.39	18.66
Contained metal	oz Au	4,519	3,615	2,553	2,740	5,293
	oz Ag	69,563	78,368	27,871	17,775	45,646
Mill production						
Ore milled	tonnes	106,771	61,153	54,558	53,060	107,617
Mill grade	g/t Au	2.04	4.05	3.15	3.80	3.47
	g/t Ag	33.03	65.15	36.09	21.67	28.98
Contained metal	oz Au	7,004	7,985	5,524	6,475	11,998
	oz Ag	113,619	128,374	63,304	36,967	100,271
Recovery	% Au	87.73%	91.51%	93.40%	94.28%	93.87%
	% Ag	69.84%	78.27%	79.86%	81.75%	80.56%
Recovered gold	oz Au	6,145	7,307	5,159	6,104	11,263
Recovered silver	oz Ag	79,354	100,482	50,555	30,220	80,775
Gold & silver sales						
Gold sold	oz Au	7,233	7,394	4,533	5,208	9,741
Silver sold	oz Ag	79,573	100,150	58,193	36,973	95,166
Inventory at end of quarter						
Ore stocks	oz Au	63	56	250	140	140
	oz Ag	1,166	1,031	1,337	667	667
Metal in circuit	oz Au	681	468	538	582	582
	oz Ag	9,833	10,957	3,657	2,882	2,882
Finished product	oz Au	1,501	1,501	1,243	2,900	2,900
	oz Ag	28,283	27,297	19,886	19,686	19,686

Quarterly Production Data

Figures 1 – 4: Key Quarterly Production Data



AuEq conversion is based upon the relative gold/silver price for the respective quarter: 68,73,69,72 for Sept 2016, Dec 2016, Mar 2017, Jun 2017 quarters respectively

All-in Sustaining Cost (AISC)

Table 2: Tembang Operations – All-in Sustaining Cost (AISC)

Tembang	Unit	June Qtr 2017	YTD 2017	Unit	June Qtr 2017	YTD 2017
Mining costs	US\$m	4,915	8,886	US\$/oz	805	789
Processing costs	US\$m	2,200	4,233	US\$/oz	360	376
General & admin	US\$m	1,407	2,695	US\$/oz	231	239
Technical services	US\$m	438	588	US\$/oz	72	52
Silver credits	US\$m	(527)	(1,387)	US\$/oz	(86)	(123)
Inventory movements	US\$m	(768)	(1,130)	US\$/oz	(126)	(100)
Cash costs	US\$m	7,665	13,885	US\$/oz	1,256	1,233
Royalties	US\$m	216	505	US\$/oz	35	45
Capital works	US\$m	992	2,265	US\$/oz	162	201
All-in Sustaining Cost	US\$m	8,873	16,655	US\$/oz	1,453	1,479
Production	oz Au	6,104	11,263			

Tembang Operations

Underground Mining

As reported in prior quarters, the Company planned to produce ore from bench cut and fill on Levels 5 and 6 and the development of ore drives on Levels 7, 8 and 9 during the first half in anticipation of stoping. Ore production from bench cut and fill and ore drive development progressed as planned, with improved productivity and higher grades from narrower mining widths. During the June quarter 16,050 tonnes of ore at a grade of 7.41 g/t Au and 47.25 g/t Ag was mined.

The Company had planned to commence stoping and restart decline development during June. This has, however been delayed due to new import regulations on steel components necessary for the final sign off on standard operating procedures for stoping and the decline. The new import regulations regarding steel components delayed the importation of 1000v submersible pumps, airleg spares and parts which are required to progress stope development and the decline. The issues involving these imports (amongst other parts caught up in these regulations) have now been resolved with sufficient inventory arriving on site during July to allow the decline to proceed normally. The delay in the decline development has meant that the second stoping panel from Level 12 to Level 10 has been deferred until the March 2018 quarter.

The first stoping panel from Level 9 to Level 7 will commence in the September quarter with production from 8 stopes now expected to occur during the December quarter. The level development is largely complete and the first stope rises has been constructed. The mine has undertaken a thorough stoping readiness process involving external consultants to ensure all SOP's and resources are in place, and that miners are trained and accredited to begin stoping.

All 3 of the small loaders have now arrived on site. The small loaders are required to "muck" the stope draw points. Their small size will also allow the ore drives to be reduced in width, reducing dilution and associated costs. The larger loaders will continue on the decline and access drives. The jumbo drill rig damaged from water inundation in December 2016 has now been recommissioned.



Figure 5. Airleg miner operating in hanging wall drive on Level 8.

Open Pit Mining

As previously announced on 27 February 2017, the Berenai open pit surface as defined in the original feasibility study was found to be inaccurate and included portions of backfilled and rilled material. Open pit mining during the current quarter was dominated by the requirement to remove all of the backfill and rilled material from the Berenai pit. This muddy material was unscheduled and unquantified and proved very difficult to remove, with a specialised mud pump discharging over 6,000m³ of soup consistency mud. A further 30,000m³ of more viscous mud needed to be mixed with over 50,000m³ of fresh waste rock for removal by truck. All this took place during the wettest time of the year.



Figure 6. Berenai pit after mud removal. The white dashed line depicts the mud level from March quarterly report photo.

With the mud material now removed, normal mining operations resumed during June with an estimated 17,691 ounces AuEq scheduled to be mined from the Berenai pit.

Mine Geology

Geological Review

Resource drilling is planned to recommence during the September quarter, initially targeting the continuation of the Central vein within and below the Berenai open pit. Further drilling will also be conducted within the Nuri vein that is parallel with the Berenai pit. This drilling is aimed at confirming resources and the assumed historical base of the Nuri pit. Mapping of the Asmar pit has commenced to update the Asmar resource model during the second half of 2017 in anticipation of mining during 2018.

Mine Reconciliation

There has been a positive reconciliation between the Belinau underground resource block model during the June 2017 quarter, with an 11% increase in gold ounces and 131% increase in silver ounces to that predicted by the new block model.

The Berenai open pit reconciliations for the June quarter were not considered representative due to the mud removal. In general, grade control drilling is showing slightly higher grades and reduced tonnages. Formal bench reconciliations will recommence now that the mud layer has been removed.

Processing

Mill feed for the quarter totalled 53,060 tonnes at a grade of 3.80 g/t Au and 21.7 g/t Ag for total contained metal of 6,475 oz Au and 36,967oz Ag. The ore blend was 70% from Berenai and 30% from Belinau.

Gold recovery averaged 94.3% and silver recovery 81.8%, which was again an improvement from the previous quarter (gold 93.4% and silver 79.9%) due to the increased residency time. Additional air was added to the circuit using a hire compressor.

Recovered product for the quarter was 6,104 oz of gold and 30,220 oz of silver.

Mill availability was above target at 98%. Mill utilization was low (44%), but did provide the opportunity to carry out preventive maintenance in lieu of planned shutdowns.

Run-of-mine stocks at the end of the quarter were 1,806 tonnes at an average grade of 1.69 g/t Au and 8.61 g/t Ag for total contained 98 oz Au and 500 oz Ag. Metal in circuit stocks at the end of the quarter totalled 107.926 kilograms for total contained 588 oz Au and 2,882 oz Ag.

Site Administration

A new General Manager with over 25 year's experience in Indonesia and South East Asia was recruited during the quarter.

Health & Safety

There were 46 recorded incidents (4 directly related to safety) during the June quarter, consisting of 2 restricted work injuries (RWI), 2 medical treatment injuries (MTI), 16 for property damage, 4 for production loss, 4 environmental, 11 security and 7 near misses.

A summary of the RWIs and MTIs are listed below:

- 08 April 2017 – RWI, a rise miner was placed on alternative duties for three days after injuring the right foot when a rock fell whilst scaling underground. The miner received several stitches to the foot.
- The RWI incident was reported to the Mining Inspector, as this was considered a minor injury and dangerous occurrence.
- 24 May 2017 – RWI, an underground miner received a contusion on the head after a rock fell from the roof hitting the helmet and back of head. The miner was placed on alternative duties for one day.
- The RWI incident was reported to the Mining Inspector, as this was considered a minor injury and dangerous occurrence.
- 17 June 2017 – MTI, an air leg operator received two stitches when a rock pinched the webbing on the left hand thumb against a rock bolt.
- 21 June 2017 – MTI, an underground employee slipped and struck their knee when lifting a 8 kW pump with four stitches received to the right knee.

The Company's main focus continues with improving safety systems and management to increase awareness, improve safety behaviour and reduce the number of incidents. A significant improvement has been made in the emergency response team readiness through the purchase of critical equipment, in particular for underground emergency rescue and the provision of external emergency response training in May and June 2017.

The site at the end of the quarter had a total of 177 Lost Time Injury (LTI) free days or 960,008 man hours without LTI. The 12 month rolling average frequency rates at quarter end were LTIFR 1.05, RWIFR 1.05, MTIFR 3.68 and TRIFR 5.78.

Environment

There have been no significant known breaches of PT DNS's licence conditions or of the relevant Acts and Regulations, or reportable incidents. The operation has had no prosecutions or fines from the regulatory authorities. No high or critical environmental incidents occurred that could have medium to long-term impacts.

It was confirmed by the local Government that recent media claims of pollution in the Tiku River was caused by local miners sluicing machines upstream of DNS's operations.

There were 4 environmental incidents during the quarter as summarised below:

- 06 April 2017 – a small bushfire occurred near the underground operations, which was extinguished immediately.
- 10 April 2017 - approximately 25l of oil was spilt due to a leaking drum in the oil storage facility at the processing plant.
- 17 April 2017 – the tailings discharge line had a small leak between the flange and the valve at the southern end of Tailings Storage Facility 1.
- 19 May 2017 - the oil trap at the Belinau fuel storage tank overflowed due to rain water entering the oily water separator compartments.

SRK Consulting completed its review on the stability of Tailings Storage Facility 1, as part of the staged study for the closure of the facility. The review report is expected to be received in early July.

The total site average rainfall year to date is 1,823mm. The rainfall received is higher than the site's 9 year total average rainfall for the same period of 1,466mm.

Land Access

Total land compensated at 30 June 2017 is 416.87 ha, 84.86% of the total target area of 491.24 ha.

Security

There were no security issues reported at the mine site during the quarter.

Operating and Development Outlook

The loss of ore from within the Stage 1 Berenai pit was to be mitigated by bringing on stoping earlier from the Belinau underground mine. The pressure on cashflow from the lack of open pit ore, combined with the dewatering issues caused by changed customs regulations delayed the commencement of stoping to the September quarter.

The delay in development of the decline has also meant the second lower stoping panel has been delayed until early 2018.

Full year production guidance for 2017 is now reduced to 30,000 – 40,000 oz AuEq.

Exploration

Tembang Near Mine Exploration Activities

Near mine exploration activities during the June quarter remained focussed on advancing priority targets towards drill testing. Drill proposals were prepared for Belinau SW, Asmar North, Anang East, Merin and Adit targets. An initial 2,000m drilling program is planned at an estimated cost of US\$300,000.

Target locations and priorities are shown on Figures 7 & 8.

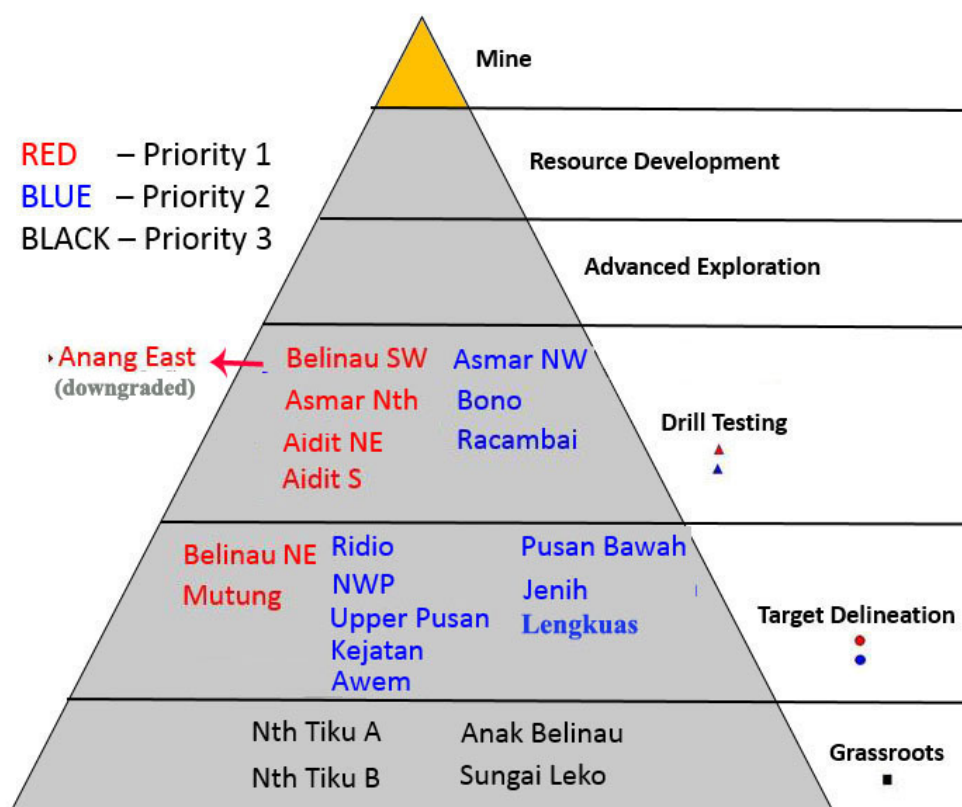


Figure 7. Tembang Exploration Target Pipeline at 30 June 2017

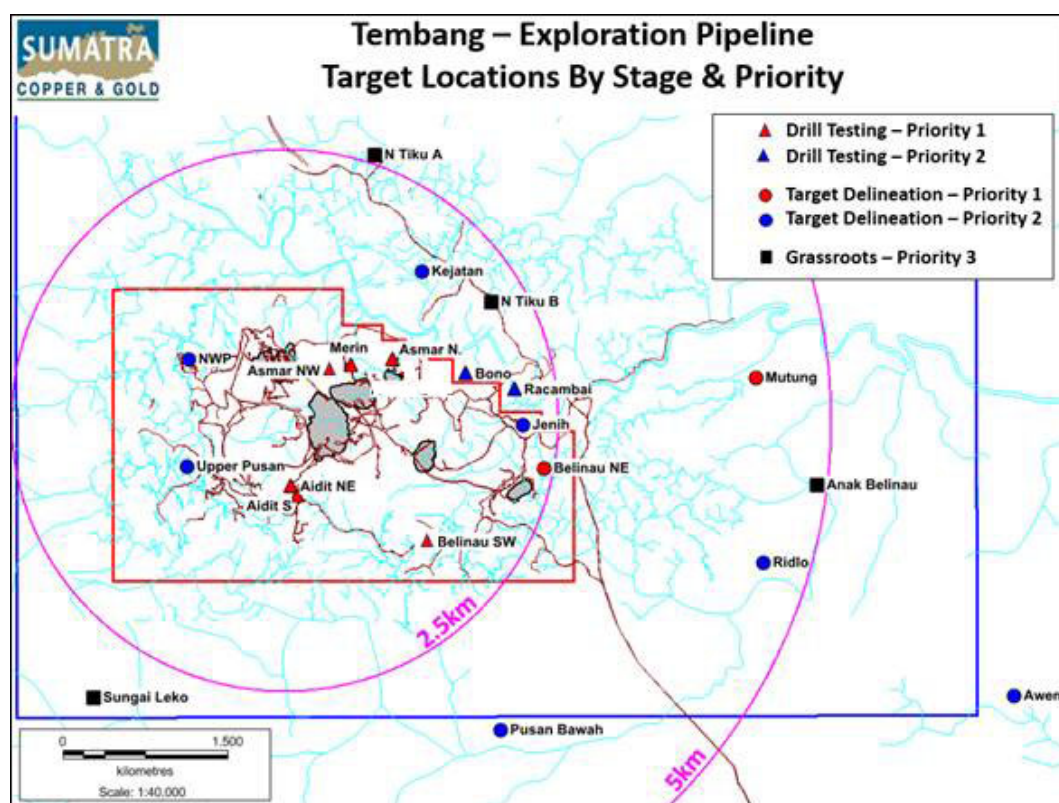


Figure 8. Tembang Exploration Target Pipeline – target locations relative to resource areas

Belinau SW Target

As previously reported, the completed soil geochemical program to the southwest of the Belinau underground mine defined a 500m long, narrow, gold-silver-lead anomaly along the interpreted position of the "Belinau vein corridor". Trenching across the soil anomaly was undertaken during 2016, successfully exposing a 2.5m - 3m wide haematitic silicified structure with minor fine grained, milky quartz veinlets / stockworks in moderately to strongly argillic altered volcanic breccia rock, with weakly anomalous gold results being returned.

An initial drill program of approximately 500m has been designed to test this target.

Asmar North Target

The Asmar North Target comprises a 300m x 150 m corridor of NE-trending gold anomalism and epithermal veining defined by soil and rock chip geochemistry. While there is some historical trenching in the area, the target is considered under-explored, particularly when its proximity to the Asmar open pit is considered.

As previously reported, trenching to date has exposed a NE-trending epithermal vein system with best results including 1.20m at 7.5 g/t Au & 7.0 g/t Ag (RTR16014), 0.70m at 3.83 g/t Au & 2.5 g/t Ag (RTR16022) and 1m at 5.81 g/t Au & 4.3 g/t Ag (RTR16012). These results are considered encouraging.

An initial drill program of approximately 750m has been designed to test this target.

Aidit Target

Aidit is an exploration target with significant historical artisanal workings along strike from the Berenai open pit. New mapping and trenching has highlighted the potential for more northerly orientated veining associated with structures controlling the andesite porphyry intrusives at Berenai, rather than the previously interpreted and drill targeted east-west oriented veining. The targeted area has a coincident gradient array IP anomaly which has not previously been explained.

The completed trenches have confirmed that a mineralised northerly orientated vein set exists in the target area, which would not have been tested by the historic N-S oriented drilling. Approximately 500m of initial drilling has been designed to test this potentially high grade vein set and historic IP anomaly.

Lengkuas

Lengkuas is an area to the south east of the Buluh-Siamang area. Mapping and prospecting during the quarter has identified a number of quartz veins as detailed in Figure 9. Follow-up trenching is planned to test the strike extent of these veins.

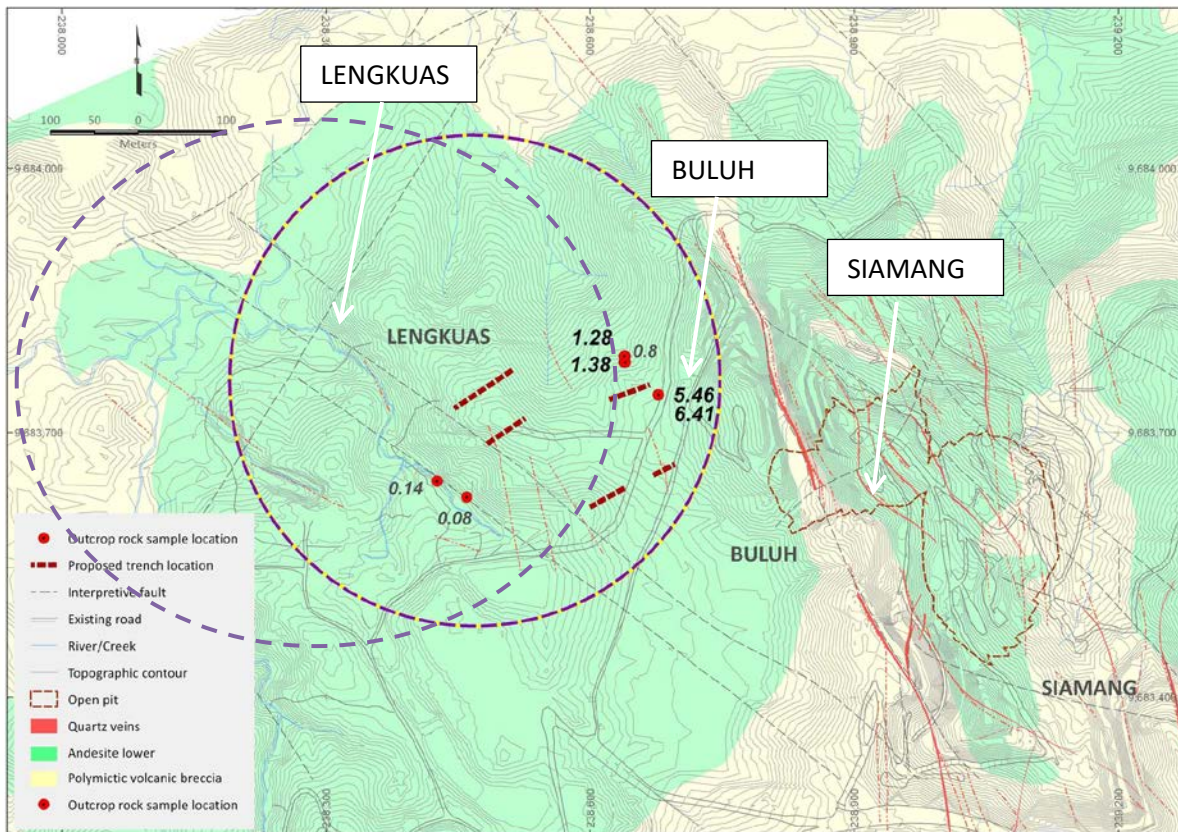


Figure 9 - Lengkuas location map showing recently sampled outcrop (red) and proposed trench positions.

Regional Targets

Assessment of a number of “regional” targets continued during the quarter with follow-up field visits conducted to both the Mutung and Pusan Bawah targets. Both of these targets are located within 5km of the Tembang processing plant (Figure 10).

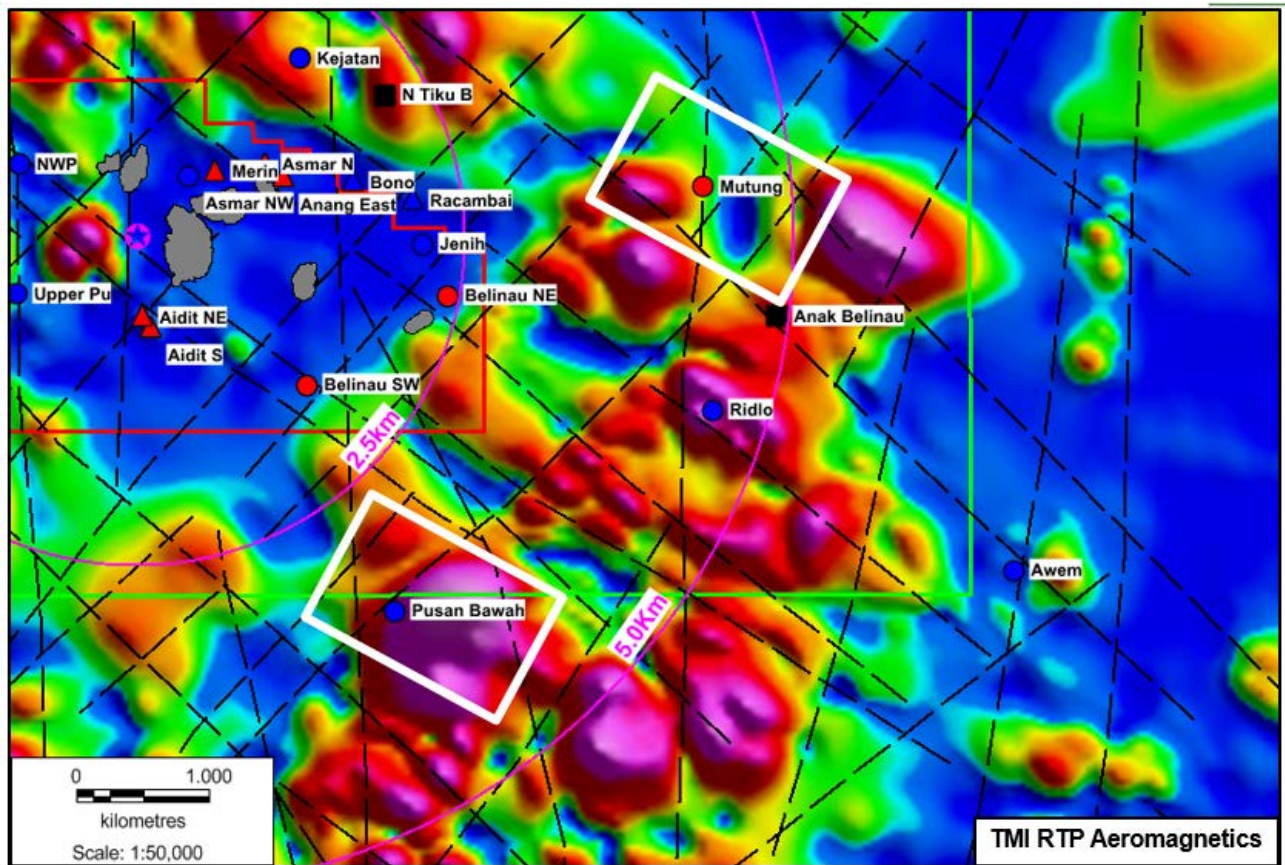


Figure 10. Location of regional targets highlighting Mutung and Pusan Bawah on TMI RTP aeromagnetics

The Mutung and Pusan Bawah targets comprise extensive areas of stream sediment, rock chip and soil gold geochemistry that have not previously been followed up in any detail.

At Mutung, previously reported exploration has identified epithermal quartz vein float in a number of areas with 3 of the 5 rock chip samples taken returning assay results greater than 1 g/t Au and with a best result of 2.52 g/t Au & 16.5 g/t Ag. Further creek mapping is planned in the second half of 2017 to identify the source of quartz vein float.

At Pusan Bawah, very limited prospecting to date has identified epithermal quartz veining returning anomalous gold results. A soil and geophysics survey covering an area of 500 x 600m is planned for the second half of 2017.

Tandai Project

The Tandai Project is located 90km north of the city of Bengkulu in southern Sumatra and comprises a 14,000 hectare area which includes the historic Tandai gold mine which produced 1.4Moz Au and 15Moz Ag predominantly during the Dutch occupation period prior to World War II. As with Tembang, mineralisation comprises low to intermediate sulphidation epithermal veins and breccias associated with Tertiary volcanic centres. Exploration at the Tandai mining centre by the Company, and between 2010-2013 with JV partner Newcrest Mining, has defined new gold mineralised shoots, including Lusang North.

During the quarter exploration activities were initiated to extend known mineralisation in the Lusang North prospect as well as CSAMT anomalies at the western end of Tandai.

Lusang North Area

Prospecting in the Lusang North area has resulted in three additional vein systems being identified parallel to the main Tandai lode including the LB Parmin Vein, Ketapang Vein, and LB Kip Vein.

LB Parmin Vein ("LBP Vein")

The LBP Vein has been exposed by a number of artisanal workings and comprises a 50 –160cm wide quartz vein breccia body with 2% – 3% sulphides as fine disseminated pyrite in the matrix of silicified andesite breccias, and visible pyrite + chalcopyrite/galena patches/rimming surrounding breccia fragments. Sulphide rich (4%- 5%) patches with black thin fine sulphide have returned the highest gold grades and are the target of the artisanal miners.



Figure 11. LB Parmin Vein at surface with artisanal workings down to 15m

Ketapang Vein ("KTP Vein")

The KTP Vein is exposed in surface outcrop and locally worked by artisanal miners. This quartz vein breccia is characterized in surface outcrops as a 30cm – 60cm wide vein breccia system.

Lobang Kip Vein ("LBK Vein")

The LBK Vein is exposed in surface outcrops from near the Lusang River to the top of Lusang North hill. This vein system has similar characteristic to the KTP Vein, but has more extensive artisanal workings.

Rock Chip Results

A total of 44 rock chip samples were collected from all three of the LPB, KTP & LBK Veins during the quarter with some encouraging gold and silver results returned as shown on Figure 12 and detailed in Table 3.

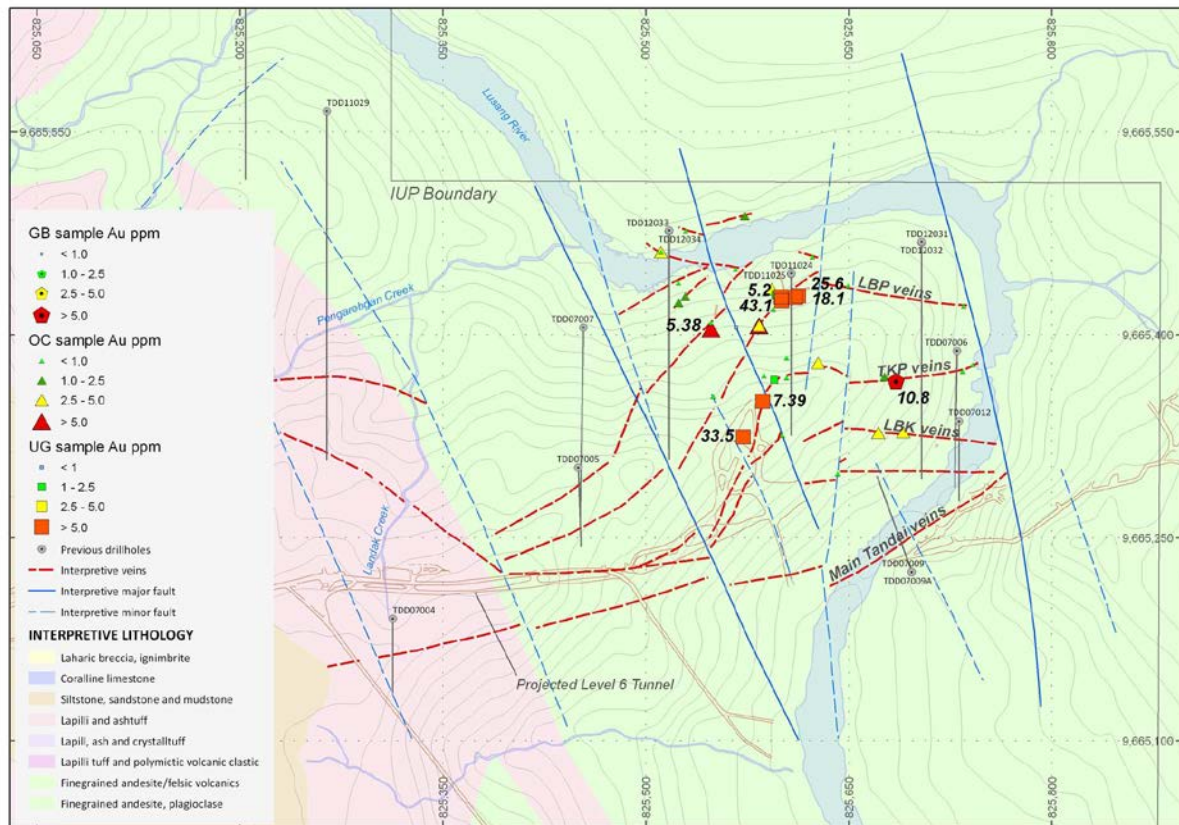


Figure 12. Lusang North Area - rock sampling locations during the period.

Table 3. Details of rock chip samples with significant assay results from Lusang North prospect collected during the June quarter

Sample	Type	East	North	RL	Width m	Strike	Dip	Rock Type	Description	Au ppm	Ag ppm	As ppm	Cu ppm	Pb ppm	Sb ppm	Zn ppm	Sample site
120551	OC	825511	9665461	212	0.30	335	68	STW	Stockwork, white-milky Qz, bended in argillic And, 30 cm sampling	2.77	5.7	7.0	131.0	300.0	<5	982.0	OC Tasrif
120552	OC	825511	9665461	212	0.20	335	55	QVN	grey-gmlky Qz vein, spotty argillic, 30 cm sampling	0.22	2.5	14.0	52.0	125.0	<5	93.0	OC Tasrif
120553	OC	825530	9665477	213	0.10	83	68	QVN	Fgr, grey-milky Qz in argillic And, 20 cm sampling	0.02	1.2	43.0	22.0	17.0	<5	249.0	Seberang pemandian2
120554	OC	825573	9665488	212	0.40	285	72	QVN	Fgr, white-brownish, 40 cm sampling	1.12	0.7	8.0	11.0	25.0	<5	24.0	Seberang sungai Lusang
120555	OC	825594	9665419	239	0.50	55	75	QVN	Massive, fgr, milky Qz vein, hanging wall part 50 cm sampling in Qz vein	0.45	1.5	24.0	18.0	68.0	<5	85.0	Sebelum Lb ujung drajat
120556	OC	825594	9665419	239	0.50	55	75	QVN	Massive, fgr, milky Qz vein, hanging wall part 50 cm sampling in Qz vein	0.24	1.5	23.0	17.0	17.0	<5	90.0	Sebelum Lb ujung drajat
120557	OC	825584	9665407	248	0.75	21	72	QVN	Massive, milky Qz vein, spotty brecciated, hanging wall part 75 cm sampling in Qz vein	3.33	7.2	25.0	60.0	71.0	<5	128.0	Lb Ujang Drajat
120558	OC	825584	9665407	248	0.75	21	72	QVN	Massive, fgr, milky Qz vein, hanging wall part 75 cm sampling in Qz vein	8.50	22.7	19.0	64.0	168.0	<5	123.0	Lb Ujang Drajat
120559	OC	825548	9665409	255	0.20	25	77	QVN	Fgr, milky chloritic, 7 2% py, center of width Qz + Silica zone 20 cm sampling	0.45	4.1	20.0	141.0	198.0	<5	248.0	Lb Belanda
120561	OC	825593	9665434	228	0.10	20	48	QVN	5-10 cm Qz vein, Fgr, white-milky Qz chloritic	3.68	8.0	14.0	119.0	109.0	<5	154.0	Diatas Lb parmin
120562	OC	825604	9665383	272	0.60	80	67	QVN	Massive, fgr, grey- milky Qz vein, compact, spotty brecciated, 40 cm? sampling	0.64	4.7	32.0	110.0	98.0	<5	177.0	Lb Yatik
120563	OC	825587	9665370	298	0.75	55	77	QVN	Massive, fgr, milky-white Qz vein, py (1%) diss, 75 cm sampling with rectangular fractured	0.03	2.4	22.0	20.0	18.0	<5	44.0	Diatas Lb yatik
120564	OC	825650	9665436	257	0.50	110	70	QVN	Massive, fgr, white-milky Qz vein, oxd, 50 cm Qz vein body with 20 cm sampling	0.06	0.0	9.0	7.0	7.0	<5	10.0	OC Alex

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Sample	Type	East	North	RL	Width m	Strike	Dip	Rock Type	Description	Au ppm	Ag ppm	As ppm	Cu ppm	Pb ppm	Sb ppm	Zn ppm	Sample site
120565	UG	825611	9665428	202	0.40	45	60	QVN	grey, chloritic, py (2%) diss, compact	18.10	23.5	19.0	2290.0	3520.0	<5	4620.0	Lb Parmin
120566	UG	825601	9665425	209	0.30	255	75	QVN	grey, chloritic, py (3-4%) diss, compact	43.10	110.0	22.0	4810.0	5990.0	<5	4350.0	Lb Parmin
120567	UG	825613	9665429	211	0.50	226	80	QVN	grey, chloritic, py+sulphide diss, spotty brecciated	25.60	29.5	18.0	3340.0	4270.0	<5	6470.0	Lb Parmin
120568	UG	825604	9665427	218	2.00	50	79	QVN	Milky Qz vein, brecciated, compact, chloritic??	2.96	29.0	13.0	554.0	513.0	<5	699.0	Lb Parmin
120569	UG	825600	9665428	218	0.30	65	75	QVN	Fgr, milky Qz vein, 1-2 % py, spotty brecciated, 30 cm sampling	5.20	9.7	11.0	753.0	1040.0	<5	1310.0	Lb Parmin
120571	UG	825599	9665428	218	0.35	269	60	QVN	white-milky Qz vein, fgr, py (2%) diss, bended text	0.61	3.5	12.0	233.0	530.0	<5	548.0	Lb Parmin
120572	UG	825596	9665430	218	0.35	269	60	QVN	white-milky Qz vein, fgr, py (2%) diss.	1.76	38.6	16.0	188.0	325.0	<5	389.0	Lb Parmin
120573	GB	825685	9665366	250		60	75	QVN	Fgr, grey-milky Qz vein, compact, with 2% fine py, chloritic	10.80	9.2	14.0	232.0	622.0	<5	742.0	Lb Ketapang 1
120574	OC	825677	9665369	270	0.40	70	80	QVN	Massive, fgr, grey-milky, with fine py (2%), local mining	1.47	3.0	22.0	28.0	1330.0	<5	291.0	Lb Ketapang 2
120575	OC	825628	9665379	276	0.40	96	70	QVN	Fgr, grey-milky Qz vein, 2-3 % py locally as veinlets, ex local mining	3.00	6.7	16.0	249.0	1560.0	<5	1980.0	Lb Ketapang 3
120576	OC	825742	9665378	204	0.30	71	80	QVN	Massive, fgr, white, with parallel veinlts in 1m zone	0.08	0.6	28.0	18.0	21.0	<5	47.0	Pemandian1
120577	OC	825734	9665373	208	0.15	68	82	QVN	Fgr, grey-milky Qz vein, chloritic, minor string, 10-15 cm in footwall part of ketapang vein	0.01	0.6	31.0	7.0	13.0	<5	40.0	Jalan Pemandian1
120578	OC	825734	9665373	208	0.20	68	82	QVN	Subchoidal, brownish-reddish Qz vein, 10-20 cm in hangingwall part, spotty argillic	0.02	0.0	25.0	8.0	6.0	<5	58.0	Jalan Pemandian1
120579	OC	825623	9665458	221	0.20	115	61	QVN	Fgr, brownish- milky Qz vein, med argillic	0.02	0.6	16.0	9.0	17.0	<5	22.0	Lb Herry (dekat TDD12024)
120581	OC	825567	9665449	211	0.20	315	64	QVN	Fgr, white- milky, Qz vein 7 fine py, oxd	0.02	3.7	17.0	17.0	9.0	<5	16.0	Depan Lb Dynamit
120582	OC	825524	9665438	212	0.35	80	78	QVN	Fgr, grey- milky Qz vein, Qvn&String, compact	0.98	4.0	12.0	201.0	205.0	<5	80.0	Pemandian2

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Sample	Type	East	North	RL	Width m	Strike	Dip	Rock Type	Description	Au ppm	Ag ppm	As ppm	Cu ppm	Pb ppm	Sb ppm	Zn ppm	Sample site
120583	UG	825595	9665367	225	0.40	20	68	QVN	Fgr, milky-white Qz vein breccia, minor py (<1%), with string in hangingwall, 40 cm sampling	2.20	4.8	16.0	229.0	746.0	<5	903.0	Lb Gudang Dynamit
120584	UG	825587	9665351	227	1.50	70	80	QVN	Qz vein breccia, grey, py (1-2%) diss, 1.5 m Qz vein zone with 1m sampling	7.39	16.6	9.0	497.0	4090.0	<5	5390.0	Lb Gudang Dynamit
120585	UG	825572	9665325	226	0.30	245	70	QVN	Fgr, grey, with bended fine black sulphide+py	33.50	136.0	14.0	604.0	2390.0	<5	5270.0	Lb Gudang Dynamit
120586	UG	825567	9665405	218	0.20	150	72	QVN	Massive, compact, brownish milky Qz vein, bended text, with similar sulphide in footwall And	0.08	0.6	10.0	11.0	15.0	<5	53.0	Lb Gudang Dynamit
120587	OC	825691	9665328	231	0.40	81	80	QVN	Fgr, grey-milky Qz vein, py (1-2%) diss	2.60	11.8	21.0	177.0	738.0	<5	768.0	Lb KIP 2
120588	OC	825672	9665328	245	0.35	95	84	QVN	Fgr, massive, grey-milky Qz vein, with sulphide veining, ex local mining, brecciated	3.90	29.0	31.0	384.0	1190.0	<5	1850.0	Lb KIP 3
120589	OC	825735	9665421	212	0.50	55	65	QVN	Massive, milky-white Qz vein, argillic, oxd.	0.05	7.5	21.0	29.0	19.0	<5	27.0	Jalan Dekat Pipa/Gudang handak
120591	OC	825604	9665368	284	0.20	98	87	QVN	Fgr, white-milky Qz vein, showing py+sulphide veinlets, compact	0.78	6.4	17.0	40.0	190.0	<5	123.0	Lb Yatik
120592	OC	825550	9665354	291	0.20	95	85	QVN	White-brownish Qz vein, spotty brecciated, ox.	0.03	1.5	16.0	11.0	15.0	<5	49.0	Gawir
120593	OC	825550	9665354	291	0.20	95	85	QVN	Fgr, white-milky Qz vein, spotty brecciated, compact.	0.03	1.9	12.0	10.0	18.0	<5	58.0	Gawir
120594	OC	825549	9665404	259	0.20	75	82	QVN	Brownish-white, oxi, argillic, minor py (<1%)	5.38	14.0	33.0	447.0	582.0	<5	311.0	Lb Masyarakat dekat Lb Belanda
120595	OC	825524	9665424	240	0.30	290	55	QVN	Grey, compact, chloritic, string+py (1%) diss	2.08	5.8	27.0	55.0	533.0	<5	829.0	Lb Masyarakat(martil jatuh)
120596	OC	825529	9665429	238	0.30	48	82	QVN	Brownish-milky Qz vein, showing bended text, locally brecciated, py (1-2%) diss	1.52	3.2	17.0	38.0	114.0	<5	66.0	OC Masyarakat(martil jatuh)
120597	OC	825642	9665297	239	0.10	51	77	QVN	Fgr, 5-10 cm white-milky Qz vein, sampling 40 cm	0.25	0.0	12.0	10.0	28.0	<5	59.0	Tanjakan jalur menuju lb crown
120598	OC	825601	9665326	290	0.40	220	80	QVN	white-grey, py (1-2%) diss, compact,	0.45	4.1	13.0	501.0	725.0	<5	501.0	Lb Crown (East Side)

Lusang North – Planned Drilling

A drilling program of 4,000m has been designed to further test the Lusang North area which includes an initial phase of 11 drill holes totalling 2,800m to infill the existing drilling at Lusang North.

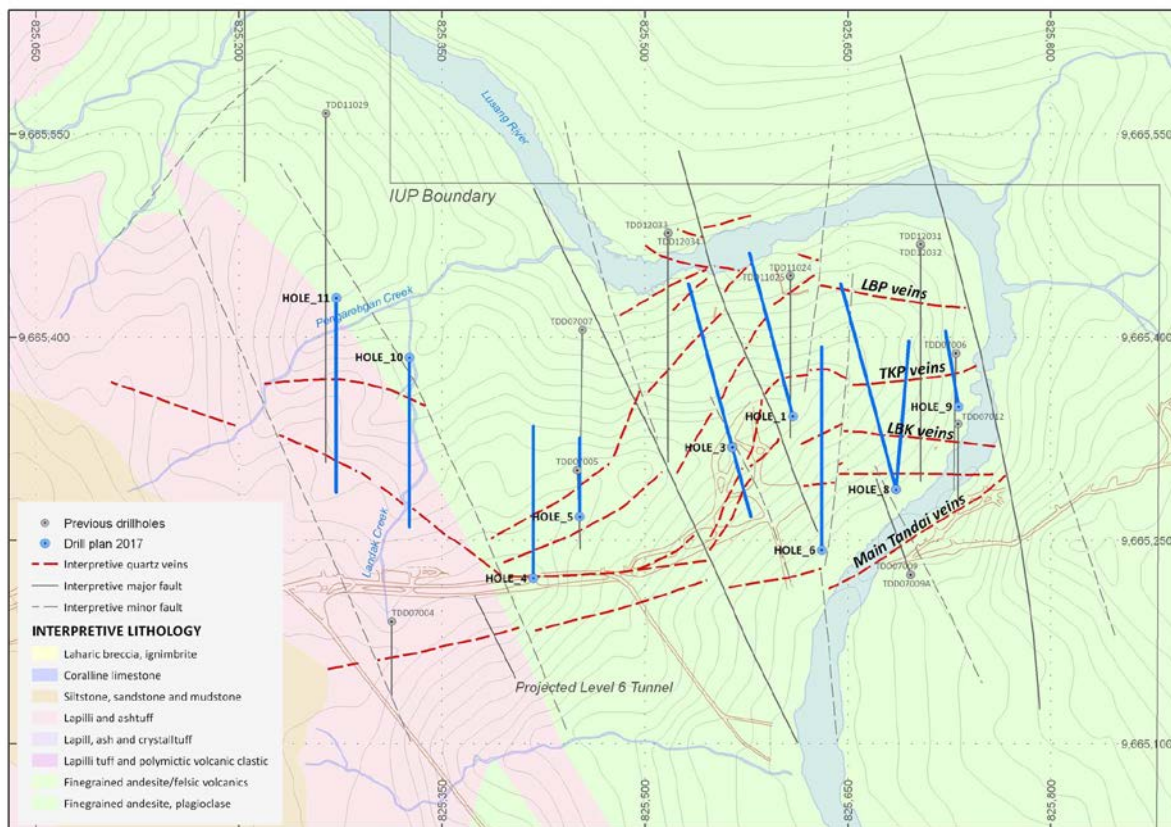


Figure 13: Initial Lusang North infill drilling program – 11 holes for 2800m

Pengarengan Creek Area

Surface prospecting and mapping to explore for possible western extensions of the Lusang North veins was completed in the Pengarengan and Landak Creek areas.

This work resulted in a significant 3m steeply dipping SE trending corridor of quartz stockworking being observed and sampled. This veining is hosted in moderately argillic, fine grained andesite and comprises fine grained milky quartz veins within silicified envelopes. Sampling of this zone has been completed with assays pending.

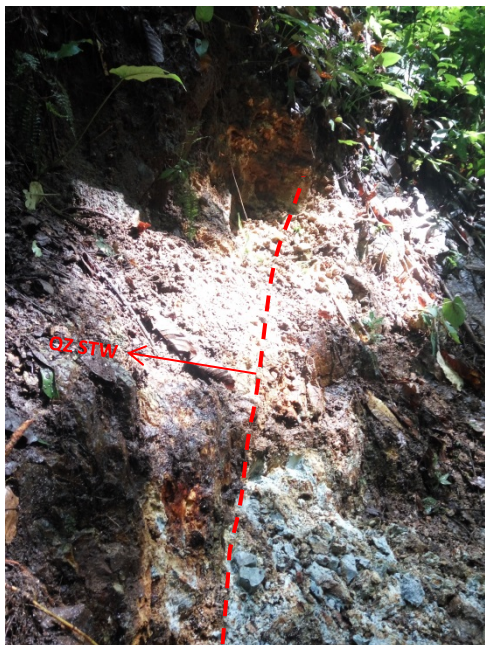


Figure 14. A 3m quartz stockwork zone including a 20cm oxidized fine grained milky qz vein sampled in Landak creek (LEFT), and one of steps/waterfalls in fine grained propylitic andesite along Pengarengan Creek (RIGHT).

Finance

Cash and cash equivalents

Cash and cash equivalents at 30 June 2017 were US\$1.4 million with bullion on hand at the end of the quarter with a value of US\$3.7 million.

Gold Sales and Hedging

A total of 5,208 oz of gold and 36,973 oz of silver were sold at an average price of US\$1,254/oz and US\$17.25/oz respectively for total revenue of US\$7.167 million as follows:

- 5,250 oz of gold were delivered into hedges at a price of US\$1,108.50/oz and 42,900 oz of silver were delivered into hedges at a price of US\$14.47/oz.
- Loss on hedging for the quarter totalled US\$0.891 million.

There were no new gold or silver hedges entered into during the quarter.

Table 4: Gold Sales for June 2017 Quarter

Sales	Gold sold (Au)			Silver sold (Ag)			Total US\$m
	oz Au	US\$/oz	US\$m	oz Ag	US\$/oz	US\$m	
Total sales	5,208	1,254	6,529	36,973	17.25	0.638	7,167

VAT Financing Facility

During the June 2017 quarter, the Company drew down US\$1.0m in VAT funding, and repaid a total of US\$3.6m from VAT refunds received during the first half of 2017.

Variation to the Amended Senior Secured Finance Facility

Sumatra Copper & Gold advised during the quarter that the Company and its wholly owned subsidiary PT Dwinad Nusa Sejahtera (“DNS”) agreed terms with its lenders and major shareholders to vary the amended US\$45 million senior secured debt facility (“Amended Facility”) (refer ASX Announcement 23 December 2016).

Under the terms of the Amended Facility, the following was required to be completed by 30 June 2017:

- Completion of an equity raise of a minimum of US\$12.5 million by the Company (“Major Equity Raise”);
- Application of US\$10 million, using proceeds of the Major Equity Raise, towards repayment of the senior secured debt facility;
- Conversion by the major shareholders of US\$7 million in convertible notes, plus accrued interest, into CDIs or, in the event of the convertible notes being redeemed prior to 30 June 2017, subscription for a placement of CDIs to the value of the convertible notes; and
- Repayment by DNS of deferred out-of-the-money hedges.

Under the terms of the variation to the Amended Facility (refer ASX Announcement 27 June 2017), the lenders and major shareholders have agreed, subject to completion of documentation, to:

- Defer US\$7.5 million of the Major Equity Raise to a date no later than 30 November 2017, with US\$5 million to be raised by 30 June 2017 (refer to Capital Structure section below);
- Defer US\$7.5 million of the repayment of the senior secured debt facility to a date no later than 30 November 2017;
- Apply US\$2.5 million of the US\$5 million proceeds from the Major Equity Raise to the repayment of the senior secured debt facility before 30 June 2017;
- Defer any further funding of the Debt Service Reserve Account, under the senior secured debt facility, until 30 November 2017; and
- Defer the date for the conversion of convertible notes, or placement of CDIs to the value of any redeemed convertible notes, until 30 November 2017.

Working Capital Facility

The Company has a Working Capital Facility Agreement with its major shareholders, Provident Minerals Pte Ltd and PT Saratoga Investama Sedaya Tbk (refer to ASX Announcement 16 June 2016).

During the Quarter US\$2.0 was drawn down under the working capital facility bringing the total drawn to US\$5.7 at 30 June 2017.

Capital structure

During the quarter, a total of 656,857,593 CDIs were issued at a price of A\$0.010 per CDI to raise gross proceeds of approximately A\$6.569 million (equivalent to US\$5.0 million at an exchange rate of 0.7612) from its major shareholders Provident Minerals Pte Ltd and PT Saratoga Investama Sedaya Tbk (“Placement”).

The Placement satisfied the Major Equity Raise under the variation to the Amended Facility and was undertaken using the Company’s placement capacity as approved by Shareholders at the Annual General Meeting held on 31 May 2017.

Table 5: CDI capital structure at 28 July 2017

CDI Holder	No. of CDIs	%
PROVIDENT MINERALS PTE LTD	658,985,058	33.94
PT SARATOGA INVESTAMA SEDAYA	562,083,917	28.95
NOMURA SPECIAL INVESTMENTS SINGAPORE PTE LTD	210,950,798	10.86
NOKOTA CAPITAL MASTER FUND LP	182,958,163	9.42
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	48,956,003	2.52
GOLDSTAR MINING ASIA RESOURCES (L) BHD	44,356,656	2.28
CITICORP NOMINEES PTY LIMITED	32,453,299	1.67
YAW CHEE SIEW	24,972,309	1.29
MRS JULIETTE M BUCHANAN	22,298,732	1.15
BERRAFALL PTY LTD <MORRIS HARDWICK S/F A/C>	7,500,000	0.39
Total Top 10 CDI Holders	1,795,514,935	92.47
Others	146,378,673	7.53
Total CDI's on issue	1,941,893,608	100.00

Tenement Status (June 2017)

Category	Details
Company:	PT Bengkulu Utara Gold
Ownership:	70.00% SUM Singapore (Tandai) Pte Ltd 27.75% Sumatra Copper & Gold plc 2.25% PT Nusa Palapa Minerals
Type of Permit:	Mining Business Permit – IUP for Exploration
Permit Number:	Decree of the Chairman of Indonesia Investment Board (BKPM) No. 5 / 1 / IUP / PMA / 2016
Total Area:	14,044 Ha
Location:	Sub-district: Napal Putih, Padang Jaya, and Arga Makmur Regency : Bengkulu Utara Province : Bengkulu
Date Issued:	23 March 2016
Permit Period:	8 years to 21 December 2017

Category	Details
Company:	PT Dwinad Nusa Sejahtera
Ownership:	99.95% Sumatra Copper & Gold 00.05% Adi Adriansyah Sjoekri
Type of Permit:	Mining Business Permit – IUP for Operation Production
Permit Number:	Decree of Musi Rawas Regent Nr. 263/KPTS/DISTAMBEN/2012
Total Area:	9,979 Ha
Location:	Village : Suka Menang Sub-district: Karang Jaya Regency : Musi Rawas (Now is Musi Rawas Utara) Province : Sumatera Selatan
Date Issued:	04 April 2012
Permit Period:	20 years to 03 April 2032

Category	Details
Company:	PT Musi Rawas Gold
Ownership:	92.50% Sumatra Copper & Gold 07.50% PT Nusa Palapa Minerals
Type of Permit:	Mining Business Permit – IUP for Exploration
Permit Number:	Decree of Musi Rawas Regent Nr. 657/KPTS/DISTAMBEN/2012
Total Area:	9,848 Ha
Location:	Sub-district: Karang Jaya Regency : Musi Rawas (Now is Musi Rawas Utara) Province : Sumatera Selatan
Date Issued:	28 December 2012
Permit Period:	5 years to 27 December 2017

Tenure relinquished during the quarter

There was no tenure relinquished during the quarter.

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
+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.

Competent Person's Statement – Exploration Results

The information in this report that relates to exploration results is based on information compiled by Mr Simon Rigby, who is a part time consultant to the Company and a Member of the Australian Institute of Geoscientists. Mr Rigby has sufficient experience, which is relevant to the style of mineralisation and type of deposit under consideration and to the activity 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 Rigby consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

Appendix 1

JORC Code, 2012 Edition

JORC TABLE 1: THE INFORMATION IN THIS TABLE REFERS TO THE FOLLOWING PROJECTS: BERENAI AND BELINAU

Section 1: Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections)

Criteria	JORC Code explanation	Commentary
Sampling techniques	<i>Nature and quality of sampling (e.g. cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.</i>	<ul style="list-style-type: none"> Diamond (DH) core and reverse circulation (RC) chips samples are the two main sample types for Berenai. Diamond (DH) core; reverse circulation (RC) chips and Underground face channel samples are the three main sample types for Belinau.
	<i>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.</i>	<ul style="list-style-type: none"> Drilling is typically completed along 25m spaced, regular sections at 25-50m drill hole spacing to ensure that the deposits have representative samples collected. Underground face channel samples are taken every cut (+/- 3meters), the underground samples were taken at right angles to mineralisation (i.e. horizontal face channel samples) and the location, thickness and tenor outlined is representative of the mineralisation.
	<i>Aspects of the determination of mineralisation that are Material to the Public Report. In cases where 'industry standard' work has been done this would be relatively simple (e.g. 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (e.g. submarine nodules) may warrant disclosure of detailed information.</i>	<ul style="list-style-type: none"> The diamond drill core is sampled on selective, regular intervals based on observed geological parameters. RC chip samples were taken at one metre intervals across the mineralised zones. The samples were split to produce a 3kg subsample that was pulverised to produce a 30 g charge for fire assay. Historic RC sampling practices prior to DNS (PT Dwinad Nusa Sejahtera) are assumed to have been collected using standard industry practice for the time. Underground face channel samples are taken every cut (+/- 3meters). The underground face channel samples are 3 – 5kg taken at right angles to mineralisation.

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Criteria	JORC Code explanation	Commentary
<p>Drilling techniques</p>	<p><i>Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (e.g. core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).</i></p>	<ul style="list-style-type: none"> • PQ/PQ3/HQ/HQ3 sized diamond drill core is used. • Standard wireline triple-tube (split sets) are used. • Core is oriented wherever possible using the spear technique. • Most of the holes were angled grid west on the main vein, except where steep topography did not allow this, to get close to true thickness intersections of the quartz veining. • RC drilling for infill and grade control has been used in Berenai.
<p>Drill sample recovery</p>	<p><i>Method of recording and assessing core and chip sample recoveries and results assessed.</i></p>	<ul style="list-style-type: none"> • A geotechnician is present at each drill rig on a 24hr /7 day basis. • The geotechnician records recovery and RQD at the drill rig before core is moved. • All core is laid out at the rig in ½ PVC pipe for inspection. • The driller marks zones of core loss with wooden block. • Recovered core is measured and compared to each drilling interval. • RC sample recovery is recorded by weighing the complete sample recovered and comparing this to the theoretical volume from the hole multiplied by the estimated bulk density. No RC recovery data is recorded prior to DNS.
	<p><i>Measures taken to maximise sample recovery and ensure representative nature of the samples.</i></p>	<ul style="list-style-type: none"> • HQ3 triple tube (split sets) are used to maximize core recovery. • Drillers are informed prior to start of hole where zones of interest are expected. • Once the quartz vein lodes are intersected, drillers use short (1.5m) core runs to maximise recovery.
	<p><i>Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.</i></p>	<ul style="list-style-type: none"> • No consistent relationship between grade and core recovery and therefore no evidence that indicates a systematic sample bias. • Sample recoveries on historic RC samples are unknown, however the RC drilling practices prior to DNS are assumed to have been standard industry practice for the time.
<p>Logging</p>	<p><i>Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.</i></p>	<ul style="list-style-type: none"> • Drill core is logged for geotechnical and structural geology, lithology, alteration, mineralization and mineralogy, presence and type of quartz veining, and presence/intensity of Fe-oxides. • Structural data including veins, shears, fractures are recorded relative to the core axis. • Where core has been oriented measurements are collected using a "rocket launcher" and recorded as normal strike / dip (as opposed to alpha/beta). • The RC chip samples were logged descriptively and codes are used to describe lithology and alteration type / intensity, as well as various percentages of minerals.
	<p><i>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.</i></p>	<ul style="list-style-type: none"> • Core logging is both qualitative and quantitative. • Core is logged descriptively and codes are used to describe all alteration type/ intensity, quartz type and intensity as well as various percentages of minerals. • Whole drill core is photographed at the drill rig and half core is photographed again after sampling.

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Criteria	JORC Code explanation	Commentary
	<i>The total length and percentage of the relevant intersections logged.</i>	<ul style="list-style-type: none"> All diamond drill holes are logged for geotechnical and geological information. All RC drill chips are logged to a level of detail to support appropriate mineral resource estimation.
Sub-sampling techniques and sample preparation	<i>If core, whether cut or sawn and whether quarter, half or all core taken.</i>	<ul style="list-style-type: none"> Diamond drill core is sawn lengthwise into two equal parts (halves). Samples of half core are taken on approximately one metre intervals. Efforts are made to ensure core samples are greater than 0.5m and no more than 2.0m. Continuous sampling is completed through mineralized vein lodes and selective sampling is used outside of these mineralised intervals.
	<i>If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.</i>	<ul style="list-style-type: none"> A triple tier splitter was utilised at the RC rig to collect the 1m samples into calico bags for assay. The splitter was cleaned between each samples, whilst the cyclone was cleaned after each 6m rod change. Wet samples are dried prior to splitting to get a representative sample. Development and stope samples are taken as rock chips by face channel sampling of the mining face according to geological boundaries.
	<i>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</i>	<ul style="list-style-type: none"> Diamond core sample size is considered to be appropriate for this style of deposit. Sampling of half core is minerals industry standard practice. Sample preparation involves drying, weighing, crushing (95% <5mm) and pulverising (95% <75um) the entire sample using a LM2 pulveriser.
	<i>Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</i>	<ul style="list-style-type: none"> Duplicate samples are collected and assayed. Certified reference material or "standards" are utilised.
	<i>Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.</i>	<ul style="list-style-type: none"> Duplicates of half-core samples have been taken and demonstrate variability expected in a narrow vein, high grade gold deposit. Regular and systematic insertion of blanks (1 in 20 samples) and standards (1 in 20 samples) have been carried out since the start of the drilling programs in 2007. The current practice by SCG, for grade control underground face sample is to take a field duplicate every fifty samples.
	<i>Whether sample sizes are appropriate to the grain size of the material being sampled.</i>	<ul style="list-style-type: none"> Samples of half diamond drill core is appropriate for the grain size of mineralization being sampled.

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Criteria	JORC Code explanation	Commentary
Quality of assay data and laboratory tests	<i>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</i>	<ul style="list-style-type: none"> • Exploration drilling samples are crushed, pulverized and assayed at Intertek Testing Services laboratory http://www.intertek.com/minerals/global-services. The following elements and ITS techniques are used: • Triple acid digestion (HCL/HNO3 /HClO4). • Au by 50 gram Fire Assay with lower/upper detection limits of 0.005/50 ppm Au. • Ag by 30 g AAS with accurate volumetric finish with lower/upper detection limits of 5/10,000ppm Ag. • Grade control and Underground Face samples are analysed on site by PT. Geoservices http://www.geoservices.co.id/mineral-analysis. Sub-sample of 30 gram pulps are analysed by Aqua Regia methods for Au and Ag.
	<i>For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.</i>	<ul style="list-style-type: none"> • Not Applicable
	<i>Nature of quality control procedures adopted (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established.</i>	<ul style="list-style-type: none"> • Duplicates that have been collected and analysed recently demonstrate a level variability expected from a narrow vein, high grade precious metal deposit. • Blanks have not been inserted in the sample stream. • Certified Reference Material (CRM) or "standards" have been inserted into the sample stream at regular interval (1/20) with results showing that Lab performance is well within industry standard. • Umpire Lab analysis of duplicates of coarse rejects and pulps have been completed at SGS Indo Assay, Jakarta every six months on average with results demonstrating that the primary Lab, Intertek is within industry standards.
Verification of sampling and assaying	<i>The verification of significant intersections by either independent or alternative company personnel.</i>	<ul style="list-style-type: none"> • No independent sampling has been undertaken by Cube.
	<i>The use of twinned holes.</i>	<ul style="list-style-type: none"> • No specific twin holes have been drilled. Based on the close spaced drilling, the mineralisation intersections show high grade variability between the holes.

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Criteria	JORC Code explanation	Commentary
	<p><i>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</i></p>	<ul style="list-style-type: none"> • Drilling data is collected on hard copies (example A3 geological log sheet) and MS Excel files (example sample consignment). • Geologists manually enter drill logs, sample consignments, etc. • Drilling data is stored and managed using MS Access. • Database Administrator receives drilling, geological and assay data and loads directly into MS Access.
	<p><i>Discuss any adjustment to assay data.</i></p>	<ul style="list-style-type: none"> • No adjustments have been made to assay data, all assays in database are based on original assay results.
<p>Location of data points</p>	<p><i>Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.</i></p>	<ul style="list-style-type: none"> • In 2007 SCG commissioned PT GeoServices to complete a topographic survey of the Tembang post-mining surface. A set of survey beacons was established tied to the Indonesian UTM national grid. From the pick-up of old drill collar markers and infrastructure a correction factor was established to adjust the existing BTM data to true UTM coordinates. • All drill collars are surveyed by company surveyors using total station survey equipment and tied in to the independently verified system of triangulation benchmarks as outlined above. • All drill holes were surveyed at 50m intervals downhole either with a single shot camera or as with the recent drilling using a digital orientation device. Readings indicate that deviation is minimal.
	<p><i>Specification of the grid system used.</i></p>	<ul style="list-style-type: none"> • All coordinates are quoted in UTM-UTS Zone 48 South.
	<p><i>Quality and adequacy of topographic control.</i></p>	<ul style="list-style-type: none"> • Since 2007 the definition of the surface topography has been improved with more detailed survey work. The approximate depths of the flooded pits have been established from raft borne plumb-line surveys. The topographic data used in the reported data was updated in 2014 and includes more than 125,000 individual survey points, and is kept updated during the mining process. • Since backfill was encountered after dewatering Berenai pit in later part of 2016, amendments to the 2014 surface topography have been estimated for the Berenai, Bujang and Belinau historical open-pits using projections to current pit wall slopes.

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Criteria	JORC Code explanation	Commentary
Data spacing and distribution	<i>Data spacing for reporting of Exploration Results.</i>	<ul style="list-style-type: none"> • Exploration data spacing is variable with collar spacing varying from 25m x 25m to 50m x 50m. Grade control data spacing is 12.5m x 5m. Underground face channel samples are taken every cut (+/- 3meters).
	<i>Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied</i>	<ul style="list-style-type: none"> • The data spacing and distribution is sufficient to establish the geological and grade continuity appropriate for the mineral resource estimation. Data spacing has been taken into account when determining the mineral resource classification to be applied to the estimate.
	<i>Whether sample compositing has been applied.</i>	<ul style="list-style-type: none"> • No compositing has been applied to reporting of drilling results. • Downhole composite has used for Berenai • Compositing of assay data for the Belinau Mineral Resource estimation has used mineralised intercept intervals.
Orientation of data in relation to geological structure	<i>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</i>	<ul style="list-style-type: none"> • Most of the drilling is planned and drilled normal (right) angles to the target vein lodes except in areas where natural or man-made topography can't be avoided.
	<i>If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.</i>	<ul style="list-style-type: none"> • No material sampling bias caused by drilling direction has been recognized.
Sample Security	<i>The measures taken to ensure sample security.</i>	<ul style="list-style-type: none"> • Drill core samples are moved by vehicle in covered core trays from the drill site to the core processing facility at Tembang Camp. • Company personnel log, photograph and split the core. Half of the core is retained in the core shed as a geological reference and further test work if required. • All samples for assay are bagged in numbered calico sample bags which are then sewn in to polyweave bags for transport and secured with cable wire and labelled security tags. • Samples are dispatched by a regular door to door courier service from the Tembang Site straight to the ITS laboratory in Jakarta. • This is considered to be a secure and reasonable procedure and no instances of tampering with samples have been observed since commencement of drilling activities in 2007.
Audits or reviews	<i>The results of any audits or reviews of sampling techniques and data.</i>	<ul style="list-style-type: none"> • Representatives of H&S Consultants visited the project site in 2013 to review core handling and sampling procedures and found these procedures to industry best practices. • Representatives of Cube Consulting visited the project site in 2013 and December 2016 to review core handling and sampling procedures and found these procedures to be industry best practices.

Section 2: Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	Explanation
<p>Mineral tenement and land tenure status</p>	<ul style="list-style-type: none"> • Sumatra’s tenure is under the Indonesian national Izin Usaha Pertambangan or Mining Business License (IUP) system. The Tembang project is held by PT Dwinad Nusa Sejahtera (DNS), a 100% owned subsidiary of SCG, within IUP licence 22/KPTS/DISAMBEN/2009 that covers both the old Rawas Mine site and surrounding area covering a total of approximately 100km². • Sumatra’s tenure is in “production forest” and as such requires a “borrow and use” permit from the Indonesian department of forestry. Sumatra was granted a borrow and use permit for its Dwinad IUP in April 2013 (ASX release 26/04/2013).
<p>Exploration done by other parties</p>	<ul style="list-style-type: none"> • CRA (now Rio Tinto) started exploring in the area in 1986 and negotiated a Contract of Work agreement with the government under the name of a PMA company, PT Barisan Tropical Mining (PT BTM). The Rawas deposit was outlined, and regional sampling was carried out elsewhere within the then Contract of Work (COW) boundaries. By 1991, CRA had drilled 81 diamond drill holes for 11,747 metres, and completed over 9,000 metres of trenching mainly focussed on the Berenai and associated vein systems. CRA conducted feasibility at the time and concluded that the deposit did not have the potential to meet CRA’s Mineral Resource size criteria. • Laverton took over the BTM CoW and entered the Feasibility Study period in 1991. A move to the Construction period was approved in November 1995. Laverton completed a further 17,148 metres of diamond drilling and 101,388 metres of RC drilling for the feasibility and construction.
<p>Geology</p>	<ul style="list-style-type: none"> • The mineralisation at Tembang is considered to be an intermediate sulphidation epithermal style. • Gold-silver bearing quartz sulphide veins are hosted by mostly brittle andesitic rocks of the Miocene Hulusimpang Formation. • Base metals are generally low except at depth in some of the vein systems.
<p>Drill hole information</p>	<ul style="list-style-type: none"> • This current report is not disclosing specific drilling results. All recent drill hole intersections have been separately reported. • List of drill holes forming the basis of the Mineral Resource estimates is in the report Appendix 5.
<p>Data aggregation methods</p>	<ul style="list-style-type: none"> • Economic intercepts of gold and silver are calculated and reported using the length-weighted averages of individual samples at a nominal cut-off value of 0.5 g/t Au for Berenai Mineral Resource. This resource is intended to be mined by an open pit.
<p>Relationship between mineralisation widths and intercept lengths</p>	<ul style="list-style-type: none"> • The majority of drilling is oriented approximately orthogonal to the known orientation of mineralization. However, the intersection width is measured down the drillhole trace and may not be the true width. • Drilling results are reported as intercept lengths due to the anastomosing nature of mineralized lodes. • Mineral Resource model/estimation wireframes are considered to be true widths.

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Criteria	Explanation
Diagrams	<ul style="list-style-type: none"> Horizontal plan and vertical section views are included in this report where relevant.
Balanced reporting	<ul style="list-style-type: none"> All mineralised intercepts used in this mineral resource estimate are presented in Appendix 5 of the report.
Other substantive exploration data	<ul style="list-style-type: none"> Not applicable to this report.
Further work	<ul style="list-style-type: none"> The Company is continuing to infill the resource with the intention to convert Mineral Resources to Ore Reserves in a phased manner.