

ASX Announcement

2 March 2015



SUMATRA
COPPER & GOLD

Tembang Development on Track

Tembang Gold Project Construction and Development Update

Sumatra Copper & Gold plc (“the Company”) is pleased to provide an update on the construction of the Carbon in Leach (“CIL”) plant, infrastructure and mining activities at the Company’s 100%-owned Tembang Gold-Silver Project (“Tembang” or “the Project”) located in Sumatra, Indonesia.

David Fowler, Acting CEO, commented “We are pleased with the significant progress achieved to date. We are on track to start commissioning the 400,000 tonnes per annum process plant during the fourth quarter of 2015. Initiation of mining activities to support this plan is scheduled to commence in the dry season which provides increased confidence in the overall production schedule.”

Key points

Process Plant

- Concrete, steel and mechanical design complete;
- Orders for the MCC’s and variable speed drives have been placed and are being manufactured;
- All major mechanical equipment has been ordered;
- SAG mill, CIL agitators, slurry and reagent pumps, inter-stage screens, gravity circuit equipment and oxygen plant are all due to be delivered to Tembang during March 2015;
- Steel fabrication is advanced with steelwork for crushing, CIL platform, gravity circuit, and cyclone tower complete and delivered to site; steelwork is currently being delivered for the elution circuit;
- Contractor for concrete and steel (supply and erect) established on site;
- Concrete and steel site works 30% complete (in addition to the CIL, crushing, laboratory, reagents and power station foundations that are already existing);
- Mechanical installation contract placed (with steelworks contractor) with installation scheduled to commence 2nd March 2015;
- Electrical contract awarded, with contractor site establishment scheduled for 15th May 2015;
- Piping supply and install contract yet to be awarded.

Infrastructure

- Kitchen and mess completed February 2015;
- Explosives magazine buildings completed in January 2015, installation of guard tower, lightning protection and hydrants, required for Indonesian permitting due to be complete early March 2015;
- Tender for hire of power station equipment completed and contract expected to be signed in quarter 1 2015 with mobilisation and construction of the power generation facility in quarter 3 2015;

Directors

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Non-Executive Chairman

David Fowler
Acting CEO

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- Submissions made for B3 hazardous waste permit required for tailings deposition; construction of tailings dam expected to commence in quarter 2 2015.

Mining

- Orders placed for underground mining equipment with expected delivery during quarter 2 2015; Belinau decline development scheduled to commence quarter 2 2015;
- Tender for open pit mining contractor completed with selected contractor to mobilise and commence mining during quarter 2 2015;
- Significant reduction in diesel fuel costs expected to have a positive effect on mine operating costs;
- Dewatering and lime dosing of the Belinau and Bujang pits commenced in accordance with schedule;
- Infill drilling of the Siamang, Bujang and Berenai deposits completed. Re-optimisation of open pits expected to be completed in April 2015;
- Infill drilling program has confirmed the mine plan and underpinned final mine design and grade control for the proposed mining schedule;
- Recruitment of expatriate and local mining teams advancing as expected. The Company has developed an on-site Pre-Employment Training Program (PETP) to provide basic training and skills development of the artisanal miners. The Company has received excellent support from local government via the provision of trainers and the use of government-operated training facilities for those artisanal miners wishing to achieve a trade certification. On completion of the PETP the successful candidates will be deployed into the open pit and underground mines, processing and environmental areas as the project ramps up to full production.



Figure 1 Tembang Gold-Silver Project Processing Plant Site



Figure 2 Existing MMC foundation and Gravity area



Figure 3 Explosives Magazine



Figure 4 Crushing area, gallery and conveyor



Figure 5 Grinding area

For further information please contact:

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About Sumatra Copper & Gold

Sumatra Copper & Gold Plc (ASX:SUM) is an emerging gold and silver producer in southern Sumatra, Indonesia. The Company has a significant project portfolio encompassing greenfields exploration projects to brownfields, near-production opportunities. The Company's Tembang Gold Project is currently under construction and targeting production in Q4 of 2015. The 5-year LOM Project will ramp up to average annual production of 30,000oz gold and 345,000oz of silver with C1 cash costs of US\$470/oz and AISC of US\$745/oz net of silver credits.