**ASX Announcement** 

9 June 2015



# Tembang Gold-Silver Project Development Update

Sumatra Copper & Gold plc ("the Company") is pleased to announce that open pit mining has commenced at the Company's 100%-owned Tembang Gold-Silver Project located in Sumatra, Indonesia ("Tembang" or "the Project"). Construction of the carbon-in-leach ("CIL") process plant and infrastructure remain on track for first gold pour during the fourth quarter of 2015.

David Fowler, Managing Director, commented; "The overall Project plan remains on schedule and a significant milestone has been achieved with the start-up of open pit mine development. Our safety record is outstanding and the Project and Operations team on site are performing to a high standard. We are fortunate to have a strong Indonesian workforce and excellent support from local contracting services."

# Key points

## **Operations**

- The open pit mining contractor has mobilised to site and commenced open pit pre-strip mining and clearing for tailings dam earthworks.
- Lime dosing and dewatering of the Belinau open pit has progressed to the point where the portal (underground entrance) location is accessible. Ground conditions for the portal location appear significantly better than previously anticipated. 50% of the pit has been dewatered, sufficient to allow underground mining to commence on schedule.
- Infrastructure works for the dewatering of the Belinau, Bujang and Berenai open pits have been completed with the dewatering pumps for Berenai scheduled for mobilisation in July 2015.
- The Jumbo for underground development has arrived in Indonesia and is scheduled to be at site to commence portal construction in July 2015.
- The first of two underground loaders is on site with the second loader and contractor equipment maintenance teams arriving in July 2015.
- Explosives supply contracts have been finalised.
- All key open pit, underground, geological and safety personnel appointments have been made.
- Mining office and workshop construction almost complete.
- Generators for Belinau underground mine power are on site.
- Nursery infrastructure for rehabilitation activities has been completed.
- Explosives magazine has been completed.
- 170 artisanal miners and local land owners have been inducted into the Company's Pre-Employment Training Program (PETP) during May 2015. The Company expects that artisanal

## **Directors**

Steve Robinson Non-Executive Chairman

David Fowler Managing Director

Adi Sjoekri Executive Director Jocelyn Waller Non-Executive Director

Gavin Caudle Non-Executive Directo

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mining within the active mining areas to soon cease. Sterilisation of illegal activities within the active mining areas is being carried out by the Government led Integrated Team.

The Company continues to receive strong support from the local and regional governments. It is
intended that upon completion of the PETP, the successful candidates will be deployed into the
mining, processing, maintenance and environmental operations. 20 PETP candidates already
have been placed into operations.

#### CIL Plant

- All concrete works have been completed.
- All steel has been fabricated and delivered to site and installation is 91% complete.
- Mechanical installation of equipment is 65% complete.
- SAG mill shell and heads have been installed, bearing installation completed, and girth gear installation and drive train alignment scheduled for completion during June 2015.
- Electrical and instrumentation installation is 16% complete.
- Piping installation has commenced.

#### Infrastructure

- Power station equipment is scheduled to arrive on site during June with the power station planned to be operational by the end of July 2015.
- Camp capacity expanded to house 430 persons (over 400 operations and construction personnel are now housed in the camp).



Figure 1. Open pit mining activities commence at Tembang

# SUMATRA



Figure 2. View of both segments of girth installed on the SAG mill

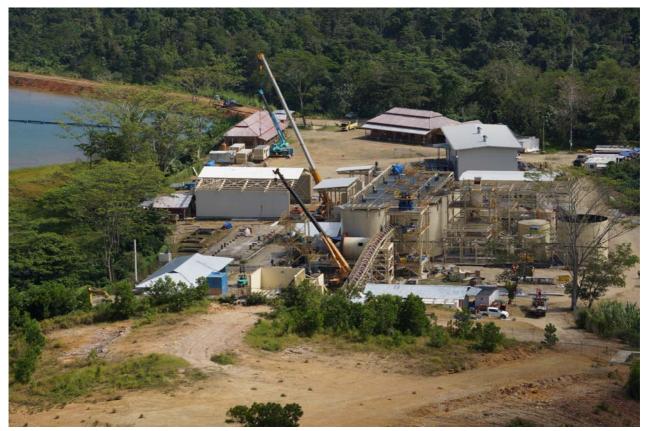


Figure 3. CIL Process Plant and existing tailings storage facility



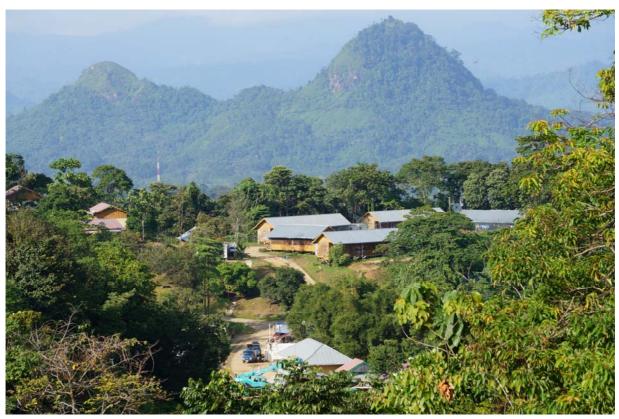


Figure 4. Accommodation village: Camp Kotamus



Figure 5. Dewatering activities at the Belinau open pit



#### 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 and the pre-eminent precious metals explorer in southern Sumatra, Indonesia. The Company has a significant project portfolio encompassing projects ranging from greenfields exploration projects to brownfields, near-production opportunities.