



ASX ANNOUNCEMENT

16 December 2011

## SUMATRA'S BELINAU CONTINUES TO ADVANCE

### Highlights

- **Belinau shows further underground mining potential**
- **Testing indicates good ground conditions, which has positive indications for future project economics**
- **Sumatra to continue development plan at Tembang**

Emerging gold producer Sumatra Copper & Gold plc (ASX: SUM) ('Sumatra' or the 'Company') advises that recent geotechnical testing has provided further support for the development of an underground mine at its Belinau deposit.

The high grade Belinau deposit lies within the Company's wholly-owned, flagship Tembang gold and silver project in central Sumatra.

Sumatra said recent geotechnical analysis at Belinau indicated 'fair to good' ground conditions, which would support conventional, low cost underground mining methods and further improved the project's economics.

The geotechnical assessment was completed by AMC Consultants Pty Ltd. The analysis was based on the geotechnical logging of 39 diamond holes (7,475 metres), plus five oriented geotechnical holes and a recent site visit.

Based on the analysis, favourable ground conditions near the mine entry means that minimal capital works will be required to enable safe underground access.

Further, the depth of the Belinau deposit is relatively shallow, which improves the project's economics and safety.

Sumatra Chief Executive Officer Julian Ford said, "The testwork to date confirms the proposed Belinau underground mine will be able to support conventional mechanised mining methods, which significantly de-risks the project both in terms of projected operating and capital costs."

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The geotechnical diamond drill program at Belinau comprising five holes for 1,033 metres was completed in September 2011. Selected cores will be sent to AMMTEC for detailed formal assessment.

Full results of this program are expected in February 2012.

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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. It has a significant greenfields to brownfields project portfolio covering 3,200 km<sup>2</sup>.

Sumatra is currently fast tracking its 100% owned Tembang project and first production is expected by 2013. Tembang has a JORC resource of 976,000 ounces gold and 12.8 million ounces silver. Initial stage 1 production plan is low cost, high-grade operation, targeting 200,000 to 400,000 tonnes per annum. Under a joint venture with Newcrest Mining Limited, Sumatra is currently drilling the Tandai project (30% Sumatra and 70% Newcrest). Newcrest have already met their minimum expenditure position of US\$1.75 million and have an option to earn a 70% interest by spending US\$12 million over 5 years. The budget for 2011/12 is US\$4.2 million. Sumatra has reported encouraging drill results at Tandai, which has historic high grade production of 1.4 million ounces gold. Sumatra continues work at its wholly-owned Sontang project, which is a high grade greenfields exploration project.

The Company has offices in Jakarta, London, Perth, Sumatra and Sydney.

**Other**

The information in this report that relates to Exploration Results or Mineral Resources is based on information compiled by Matthew Farmer, geologist, who is a Member of the Australasian Institute of Mining and Metallurgy. Matthew Farmer is an employee of the Company who 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 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Matthew Farmer has consented to the inclusion in this report of the matters based on his information in the form and context in which they appear.

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