

ASX ANNOUNCEMENT

10 April 2012

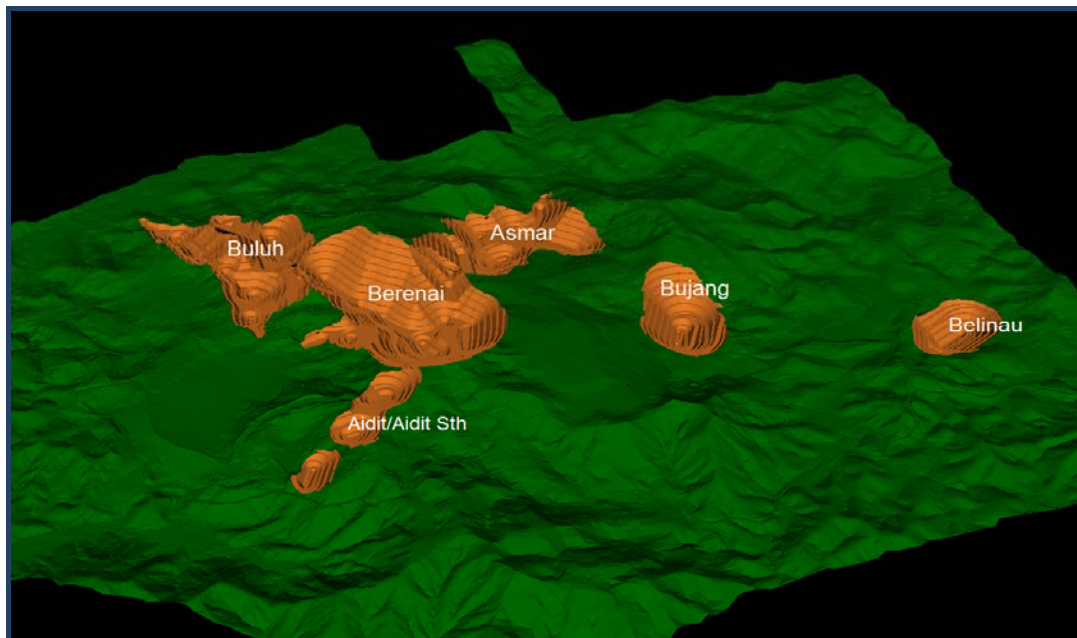
(5 pages by email)

**ORE RESERVE FOR TEMBANG PROJECT**  
*HIGH-GRADE RESERVE OF 0.5 MILLION OUNCES OF GOLD EQUIVALENT*

**Highlights**

- Tembang Reserve of **5.5 million tonnes ore at 2.3 g/t gold and 31.4 g/t silver for a total of 513,000 ounces gold equivalent**
- Open pit Ore Reserve 5.1Mt @ 2.0 g/t gold and 30.4 g/t silver
- Underground Ore Reserve of 0.4 Mt @ 5.5 g/t gold and 43.5 g/t silver
- 73% of the Measured and Indicated vein Mineral Resource converted into the Reserve category, further strengthening the Tembang project's robust economics
- Further upside remains through an additional 73,000 ounces of gold and 890,000 ounces of silver of Peripheral Sheeted Vein ('PSV') Indicated Resources excluded from contributing to the Ore Reserve

Emerging gold producer Sumatra Copper & Gold plc ('Sumatra' or 'the Company') is pleased to announce a JORC compliant Ore Reserve of **513,000 ounces gold equivalent** for its 100% owned Tembang gold and silver project, located in southern Sumatra, Indonesia. The Ore Reserve is based on the Tembang Mineral Resource published in August 2011. The Ore Reserve includes the Asmar, Berenai, Buluh, Aidit, Bujang and Belinau deposits (Figure 1).



**Figure 1: Plan view of the Tembang project open pit deposits**

**Table 1: Tembang project April 2012 Ore Reserve statement summary**

Deposit	Reserve Category	Tonnes (kt)	Grade Au (g/t)	Contained Gold (oz)	Grade Ag (g/t)	Contained Silver (oz)
Asmar	Proved	650	1.7	35,000	24.0	498,000
	Probable	1,230	1.3	49,000	20.5	808,000
Berenai	Proved	910	2.0	60,000	40.8	1,195,000
	Probable	980	2.1	67,000	23.6	740,000
Buluh	Proved	560	2.5	45,000	40.9	735,000
	Probable	400	2.0	26,000	29.0	374,000
Aidit	Proved	-	-	-	-	-
	Probable	20	3.1	2,000	44.6	30,000
Bujang	Proved	140	4.2	19,000	52.1	238,000
	Probable	50	2.3	4,000	26.0	40,000
Belinau open pit	Proved	90	5.5	16,000	68.4	196,000
	Probable	60	3.4	6,000	53.2	97,000
Belinau underground	Proved	50	8.7	15,000	74.1	130,000
	Probable	360	5.0	59,000	39.3	458,000
<b>Total</b>	Proved	2,400	2.5	190,000	38.7	2,991,000
	Probable	3,090	2.1	213,000	25.6	2,547,000
	<b>Total</b>	<b>5,490</b>	<b>2.3</b>	<b>403,000</b>	<b>31.4</b>	<b>5,539,000</b>

Sumatra Managing Director Julian Ford said an Ore Reserve of this magnitude was a significant milestone for the Company.

"Although we have taken a conservative approach, it is pleasing that we have further upside from the PSV mineralisation and from exploration upside," said Mr Ford.

"The conversion to reserve of 73% of the vein Mineral Resource demonstrates the robustness of the Tembang project and the relative high grade of the reserve at a 2.9 g/t gold equivalent is very encouraging - confirming our expectation for relatively low cash production costs from this brownfield development."

"We have an experienced and capable team in place and we remain on track to commence production next year as we progress through permitting and the Definitive Feasibility Study," said Mr Ford. "We will recommence exploration drilling at Tembang once we are in production and can fund this from cashflow. There obviously remains significant exploration upside at Tembang."

#### **Information relating to the Ore Reserve:**

The modifying factors used for Tembang Ore Reserve were based on pre-feasibility studies ('PFS') completed by Snowden Mining Consultants ('Snowden') in 2009 and Runge International ('Runge') in 2011. The Snowden's report used a gold price of US\$1,000 per ounce; while the Runge report used a gold price of US\$1,500 per ounce gold and a 1Mtpa Carbon in Leach processing plant. The underground mining modifying factors were based on the recently announced PFS.

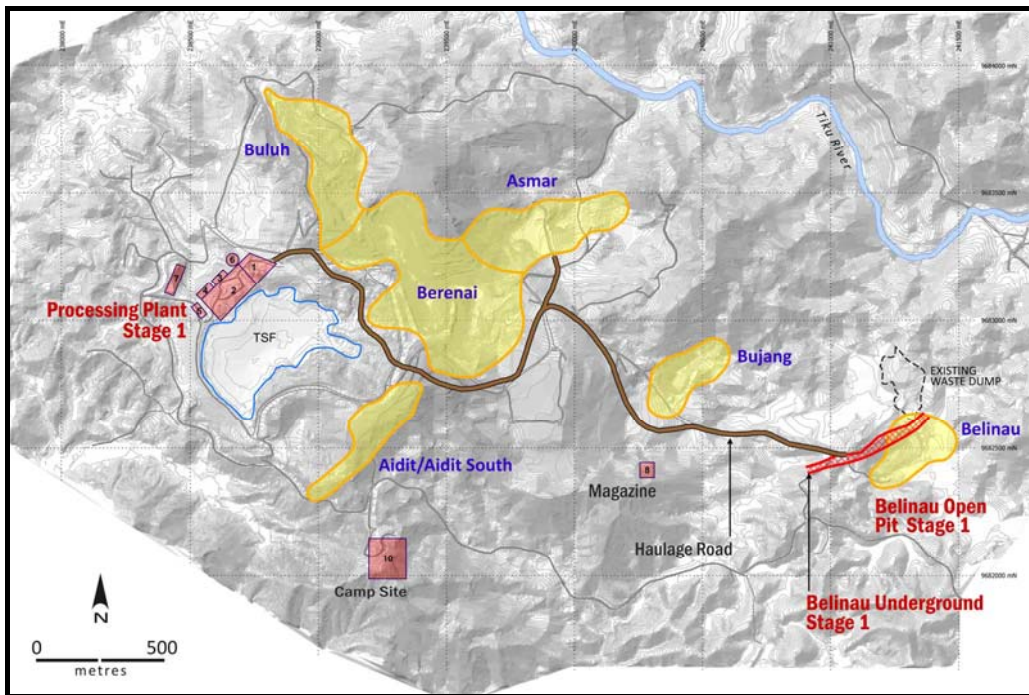
- Ore Reserves are the economically mineable part of Measured and/or Indicated Resources and include diluting materials and allowances for losses which may occur. Ore Reserves are quoted as a subset of Mineral Resources.
- Metal price assumptions for ore reserves are US\$1,500 per ounce of gold and US\$30 per ounce of silver at a processing rate of 1.0 Mtpa.
- The economic cut-off grade for reporting the open pit Ore Reserves is 0.7 g/t gold.
- The economic cut-off grade for reporting the underground Ore Reserves is 3.4 g/t gold.

- There are no known environmental, permitting, legal, taxation, political or other relevant issues that would materially affect the estimates of the Ore Reserves.
- Resources at Berenai, Asmar, Bujang, Buluh and Belinau are extensions to the existing open pits. Aidit is an unmined resource. Underground resources are at Belinau only.
- Due to rounding of figures small discrepancies may exist.

**Exclusion of Peripheral Sheeted Veins from Reserve**

The Peripheral Sheeted Veins are found primarily within the central core of the Tembang ore field. They are, as their name suggests, peripheral and sub-parallel to the main veins within central Tembang. These narrow veins, generally in the order of 5 to 20 centimetres in width, persist over short strike lengths of 20 to 30 metres.

The PSV has a total indicated mineral resource of 11.3 Mt @ 0.54 g/t Au and 6.9 g/t Ag for 198,000 ounces gold and 2,523,000 ounces silver. The Company has excluded the PSV from current mine plans and thus the Reserve; but recognises that these indicated resources will be better defined from grade control drilling during open pit mining. The PSV is also expected to provide a significant improvement on potential dilution during mining; some 73,000 ounces of gold and 890,000 ounces of silver (above a 0.4g/t Au cut-off) fall within the pit designs.



**Figure 2: Plan view of the Tembang project**

**Competent Person’s Statement – Mineral Resources**

The information in this report that relates to Mineral Resources is based on information compiled by Mr David Stock MAusIMM who is an independent Geological Consultant to the Company and is a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' and has consented to the inclusion in this report of the matters based on his information in the form and context in which they appear. In addition, the Mineral Resource estimates were reviewed by Mr Robert Spiers who is a member of AIG and a full time employee of Hellman & Schofield Pty Ltd. Mr Spiers 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'.

## **Competent Person's Statement – Ore Reserves**

The information in this report that relates to Open Pit and Underground Ore Reserves is based on information compiled by Mr Shane McLeay of Entech Pty Ltd, who is a Member of the Australasian Institute of Mining and Metallurgy. Mr McLeay 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'. Mr McLeay consents to the inclusion in this report of the matters based on his information in the form and context in which it appears

### **Gold Equivalent reporting**

Gold Equivalent = gold assay + (silver assay / 50) where the number 50 represents the ratio where 50 g/t Ag = 1 g/t Au. This ratio was calculated from the average of the 12 months of Financial Year 2011 from July 2010 to June 2011 taken from published World Bank Commodity Price Data and rounded up from 47 to 50. (<http://econ.worldbank.org/WBSITE/EXTERNAL/EXTDEC/EXTDECPROSPECTS/0,,contentMDK:21574907~menuPK:7859231~pagePK:64165401~piPK:64165026~theSitePK:476883,00.html>).

The metal prices thus used in the calculation are the average gold price of US\$1,500 per ounce and average silver price of US\$30 per ounce. Metal recoveries assumptions are 90% for gold and 80% recovery for silver for Belinau.

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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 compliant 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 Ltd, 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 also continues work at its wholly owned Sontang Project, which is a high grade greenfields exploration project.

### Appendix 1 – Tembang Project Mineral Resource Statement

<b>Tembang Mineral Resource August 2011 Reported to JORC Code Standards</b>						
<b>Belinau Vein Above 2.78g/t Au Underground Cut-Off</b>						
	<b>Category</b>	<b>Ktonnes</b>	<b>Au g/t</b>	<b>Ag g/t</b>	<b>Au koz</b>	<b>Ag koz</b>
<b>BELINAU VEIN</b>	Measured	149	7.22	75.5	35	361
	Indicated	266	8.02	67.9	69	580
	Inferred	72	10.50	81.4	24	188
	<b>Sub-Total</b>	<b>487</b>	<b>8.14</b>	<b>72.2</b>	<b>127</b>	<b>1,130</b>
<b>All Veins Excluding Belinau Above 0.5g/t Au Open Pit Cut-Off</b>						
	<b>Category</b>	<b>Ktonnes</b>	<b>Au g/t</b>	<b>Ag g/t</b>	<b>Au koz</b>	<b>Ag koz</b>
<b>OTHER VEINS</b>	Measured	2,598	2.27	37.8	190	3,156
	Indicated	4,423	1.80	25.6	256	3,637
	Inferred	3,554	1.80	20.3	202	2,319
	<b>Sub-Total</b>	<b>10,575</b>	<b>1.91</b>	<b>26.8</b>	<b>648</b>	<b>9,112</b>
<b>PSV Material Above 0.3g/t Au Open Pit Cut-Off</b>						
	<b>Category</b>	<b>Ktonnes</b>	<b>Au g/t</b>	<b>Ag g/t</b>	<b>Au koz</b>	<b>Ag koz</b>
<b>PSV</b>	Measured	-	-	-	-	-
	Indicated	11,323	0.54	6.9	198	2,523
	Inferred	194	0.50	4.6	3	29
	<b>Sub-Total</b>	<b>11,517</b>	<b>0.54</b>	<b>6.9</b>	<b>201</b>	<b>2,552</b>
<b>Combined Total Resource Open Pit + Underground</b>						
	<b>Category</b>	<b>Ktonnes</b>	<b>Au g/t</b>	<b>Ag g/t</b>	<b>Au koz</b>	<b>Ag koz</b>
<b>ALL</b>	Measured	2,747	2.54	39.9	224	3,517
	Indicated	16,012	1.02	13.1	522	6,741
	Inferred	3,820	1.90	20.7	229	2,536
	<b>Total</b>	<b>22,579</b>	<b>1.35</b>	<b>17.6</b>	<b>976</b>	<b>12,794</b>
<b>Note: Rounding errors may occur, reporting cut-offs as indicated, significant figures do not imply any added level of precision.</b>						