

Tembang Development Milestone - In-Principle Forestry License Granted

Sumatra Copper & Gold plc ('Sumatra' or 'the Company') is pleased to announce the granting of the In-principle Forestry License for its 100%-owned Tembang Project, located in southern Sumatra, Indonesia. The granting of the In-Principle Permit outlines the key conditions that need to be met prior to the approval of the final "borrow and use" permit or "*Pinjam Pakai*" and is a crucial milestone for the development of the Tembang Project.

The In-Principle Pinjam Pakai letter signed by the Minister of Forestry outlines the following steps to be taken by the Company prior to the granting of the final Pinjam Pakai, namely:

- The completion of the baseline survey for the *Borrow and Use* area;
- The payment to the Forestry Department for any trees that may be used during the Borrow and Use period;
- The adjustment and finalisation of the Forestry Rehabilitation Work Plan which is dependent on the base line survey;
- The appointment of a Forestry Policy Advisor, and
- The notarization of all formal documents for the Pinjam Pakai Permit.

The base line survey will include the delineation of the Pinjam Pakai boundary and an inventory of forestry contained therein. This work survey and the inventory compilation for forestry under the supervision of a technical inspection of Forestry Planning is already underway." The Company expects to complete all activities for the submission of the final Borrow and Use Permit or Pinjam Pakai in early 2013, and is targeting late first quarter 2013 for the granting of the final Pinjam Pakai.

The Managing Director of Sumatra Julian Ford commented, "*The conditions precedent for the granting of the final Pinjam Pakai are in line with our expectations and we are already a long way down the track to completing these. As we announced to the market on the 3rd December, the Company has established a very good working relationship with the Department of Forestry and we are confident of meeting our remaining forestry permitting Milestones under the new permitting guidelines.*"

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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. The Company has a significant greenfield to brownfield project portfolio covering more than 3,200 km².

Sumatra's 100%-owned Tembang project is on track for production during 2014. The Company has Proven Reserves of 2.4 million tonnes at 2.5 g/t Au and 38.7 g/t Ag for a total of 0.2 million ounces of gold and 3 million ounces silver and Probable Reserves of 3.1 million tonnes at 2.1 g/t Au and 25.6 g/t Ag for a total of 0.2 million ounces of gold and 2.5 million ounces silver (total of 0.4 million ounces of gold and 5.5 million ounces silver) which are compliant with the 2004 JORC Code. The Stage 1 production plan is a low cost, high-grade operation, targeting 400,000 tonnes per annum process capacity to produce 30,000 ounces per annum gold and 200,000 ounces per annum silver. Sumatra plans to fund the Stage 2 upgrade from cashflow which will see throughput increased to 900,000 tpa and production increased to 50,000 ounce gold per annum and silver production increased to 500,000 ounce per annum. The ramp-up is expected to take place over a one year period. The current life of mine plan is for 7.5 years based on the current resource inventory.

Under a joint venture with Newcrest Mining Ltd, Sumatra is currently exploring the Tandai project (30% Sumatra; 70% Newcrest). Newcrest has already met its minimum expenditure position of US\$1.75 million and has an option to earn a 70% interest by spending US\$12 million over 5 years. Sumatra has found significant gold mineralisation at Tandai which has historic high-grade production of 1.4 million ounces gold.

Sumatra also has a wholly-owned Sontang project, which is a high grade zinc, gold and silver, greenfields exploration project.

Competent Person's Statement – Mineral Resources

The information relating to Mineral Resources in Table 9 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 Fellow 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.