

ASX Announcement
26 April 2013



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Tembang Gold-Silver Project Set for Development Following Award of Final Forestry Permit

Construction of Indonesia's newest gold mine poised to begin in 2H2013

Key Points

- Final Forestry Permit or “*Pinjam Pakai*” awarded for the Tembang Gold-Silver Project in Sumatra, Indonesia, clearing the way for construction to proceed.
- Construction to commence in the second half of 2013.
- First production on track for 2014.

Sumatra Copper & Gold plc ('Sumatra' or 'the Company') is pleased to announce that it has achieved the most significant milestone to date at its 100%-owned **Tembang Gold-Silver Project** in southern Sumatra, Indonesia, following the award of the final “Borrow and Use” permit or “*Pinjam Pakai*” for the Project – clearing the way for construction to proceed.

The award of the Final Forestry Permit marks the completion of a rapid and highly successful approvals and permitting process and puts Sumatra on track to join the ranks of leading Indonesian gold producers next year.

Under new Mining Laws in Indonesia, holders of Mining Business Permits (or IUP's) in forested areas must obtain an “*Izin Pinjam Pakai*” (“Borrow and Use” permit) from the Forestry Department before proceeding with any development of a mining project.

The award of this final permit represents one of the final remaining conditions precedent (CP's) required to complete the US\$35 million senior project finance facility with Credit Suisse announced on 21 February 2013, clearing the way for development of the Stage 1 Tembang Project to proceed.

Sumatra has progressed rapidly through the approvals process, receiving an In-principle Forestry Licence from the Minister of Forestry in December 2012, and lodging final documentation for the *Pinjam Pakai* in late February 2013.

Sumatra's Managing Director, Mr Julian Ford, said the Company had established an excellent working relationship with the Indonesian Forestry Department, and the completion of this final regulatory hurdle was a key milestone on the path to production.

“This is an outstanding outcome for Sumatra, with the Tembang Project moving from exploration phase to being fully permitted for development within just 15 months – a fantastic outcome for shareholders. This is testament to the skill, hard work and commitment of our environmental and permitting team, combined with the support and assistance of our Indonesian partners.”

“I would like to take this opportunity to thank everyone who has been involved in helping us to achieve this milestone. With all the necessary approvals now in place, and our funding package secured, we are very much looking forward to getting construction and development underway, and moving the Tembang Project into production in 2014.”



Directors

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Non-Executive Chairman

Julian Ford
Managing Director and CEO

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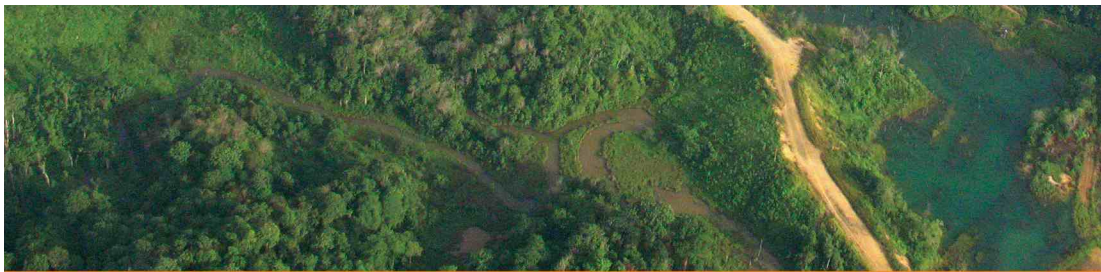
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About Sumatra Copper & Gold

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 covering an area of more than 3,200km² and encompassing a pipeline of projects ranging from greenfields exploration projects to brownfields, near-production opportunities.

Sumatra's flagship asset, the 100%-owned Tembang Gold-Silver Project, is on track for production during 2014. Tembang has Proven Reserves of 2.4Mt at 2.5 g/t Au and 38.7 g/t Ag for a total of 0.2Moz of gold and 3Moz of silver and Probable Reserves of 3.1Mt at 2.1 g/t Au and 25.6 g/t Ag for a total of 0.2Moz of gold and 2.5Moz of silver (total of 0.4Moz of gold and 5.5Moz of 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 (tpa) process capacity to produce 30,000oz per annum of gold and 200,000oz per annum of silver. Sumatra plans to fund the Stage 2 upgrade from cash flow, increasing throughput to 900,000tpa and production to 50,000oz of gold per annum and silver production to 500,000oz 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 identified significant gold mineralisation at Tandai, which has historic high-grade production of 1.4Moz ounces gold.

Sumatra also has the 100%-owned Sontang Project, which is an early-stage high-grade zinc, gold and silver exploration project.

Competent Person's Statement – Mineral Resources

The information relating 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 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.