

High-grade hits point to new zones at Tembang Gold-Silver Project

HIGHLIGHTS:

- Assay results of up to 13gpt gold provide strong evidence that Sumatra has discovered a new zone of high-grade mineralisation at its Tembang Gold-Silver Project in Southern Sumatra, Indonesia
- The mineralisation would be easily and economically accessed from the planned decline at Tembang's Belinau deposit
- Results include:
 - Exploration Hole RDD13218:
Intersected 13.3 metres @ 4.4 g/t Au, 8.8 g/t Ag from 70.7 to 84 metres, including 3.30 metres @ 13.4 g/t Au, 21.1 g/t Ag from 72.2 to 75.5m downhole.
 - Metallurgical Hole RDD 11180:
Intersected 2 metres @ 13.02 g/t Au and 71.5 g/t Ag from 39.2 to 41.2 metres downhole...peripheral hanging wall vein to the main Belinau vein.
 - Geotechnical Hole RDD 11193:
Intersected 2.4 metres @ 4.19 g/t Au and 9.3 g/t Ag from 101.1 to 103.50 metres downhole...peripheral footwall vein to the main Belinau vein.
- Drilling to resume next month to further test the potential of the RDD13218 high grade zone which remains both open along strike and depth.

Sumatra Copper & Gold plc (ASX: SUM) is pleased to advise that fresh high-grade gold and silver assays point to the possible discovery of a new zone of mineralisation at its Tembang Gold-Silver Project in South Sumatra, Indonesia.

The results are considered significant because any additional resources which stemmed from this zone would be easily and economically accessed via the planned Belinau underground decline development. Mining at Belinau is expected start during the December 2013 quarter.

Two exploration holes, RDD 13218 and RDD 1319, were completed in April 2013 to test a potential northerly vein intersection or flat lying splay of the main lode. Assays have been received for the first of these holes.



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Hole RDD 13218 (Figures 1 & 2) was drilled to a depth of 125 metres and intersected a zone of typical high grade banded epithermal quartz veining from 71.2 metres to 72.64 metres down-hole. A wide interval of quartz-calcite stockworks was also intersected from 72.64 metres to 105 metres. **The hole has ended in mineralisation** (quartz veined polymictic breccia). Significant assay results were returned from the following intervals:

- **13.3 metres @ 4.4 g/t Au, 8.8 g/t Ag** from 70.7 to 84 metres
...including **3.30 metres @ 13.4 g/t Au, 21.1 g/t Ag** from 72.2 to 75.5m.

Hole RDD 13219 (Figure 1) was drilled approximately 50 metres to the north-west of RDD13218 to a depth of 143.8 metres and intersected two narrow zones of quartz-calcite stockworks from 84.25 to 84.70 metres and from 88.75 to 89.35 metres (assays pending). This indicates mineralisation is possibly decreasing to the north, however, this requires further validation through additional drilling.

With the recognition of potential splits or hanging wall zones peripheral to the main vein system, further infill sampling of previous geotechnical/metallurgical drill holes in 2011/2012 have been completed with the following intervals:

- Hole RDD 11180, a metallurgical hole, intersected **2 metres @ 13.02 g/t Au and 71.5 g/t Ag from 39.2 to 41.2 metres** and RDD 11193 a geotechnical hole intersected **2.4 metres @ 4.19 g/t Au and 9.3 g/t Ag** from 101.1 to 103.50 metres downhole.

While the geometry of this recent intersection in hole RDD 13218, as well as the recent re-sampling of previous holes, is not fully understood, the results highlight the continued high-grade exploration potential around the Belinau vein system. The company plans a review of the structural controls of gold mineralisation followed by further diamond drilling in June 2013.

Sumatra Managing Director Julian Ford said the results highlighted the strong potential to increase the resource inventory at Tembang.

“These results suggest we may have a new zone of mineralisation at Tembang which could not only supply additional ounces but would also be economically attractive given its close location to the planned decline at Belinau. The mineralisation remains open at depth and along strike.”

“We will undertake another round of drilling in this area in June to establish its full potential and then we can determine how or whether to accommodate it in the decline plan.”

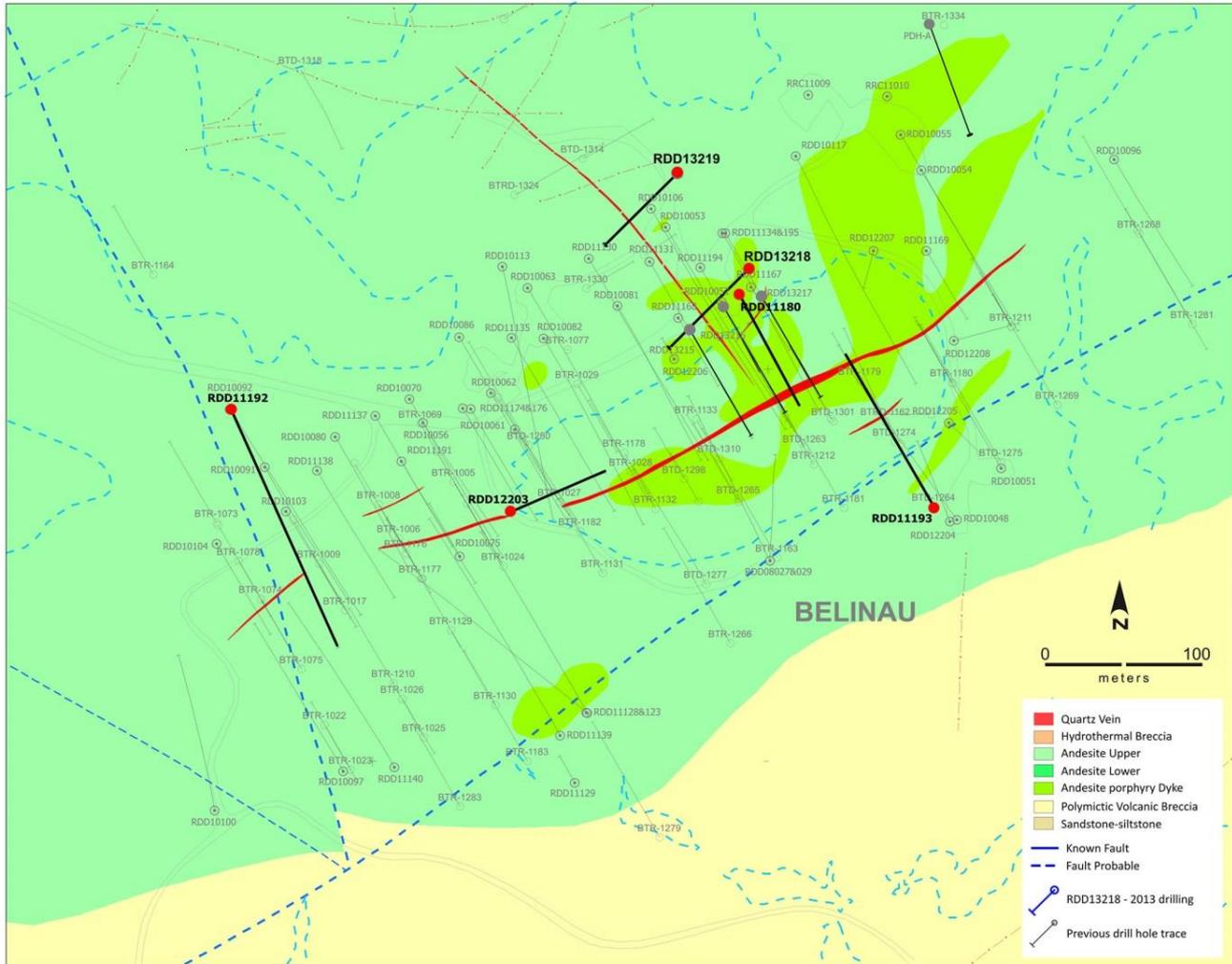


Figure 1 – Belinau Drilling Plan

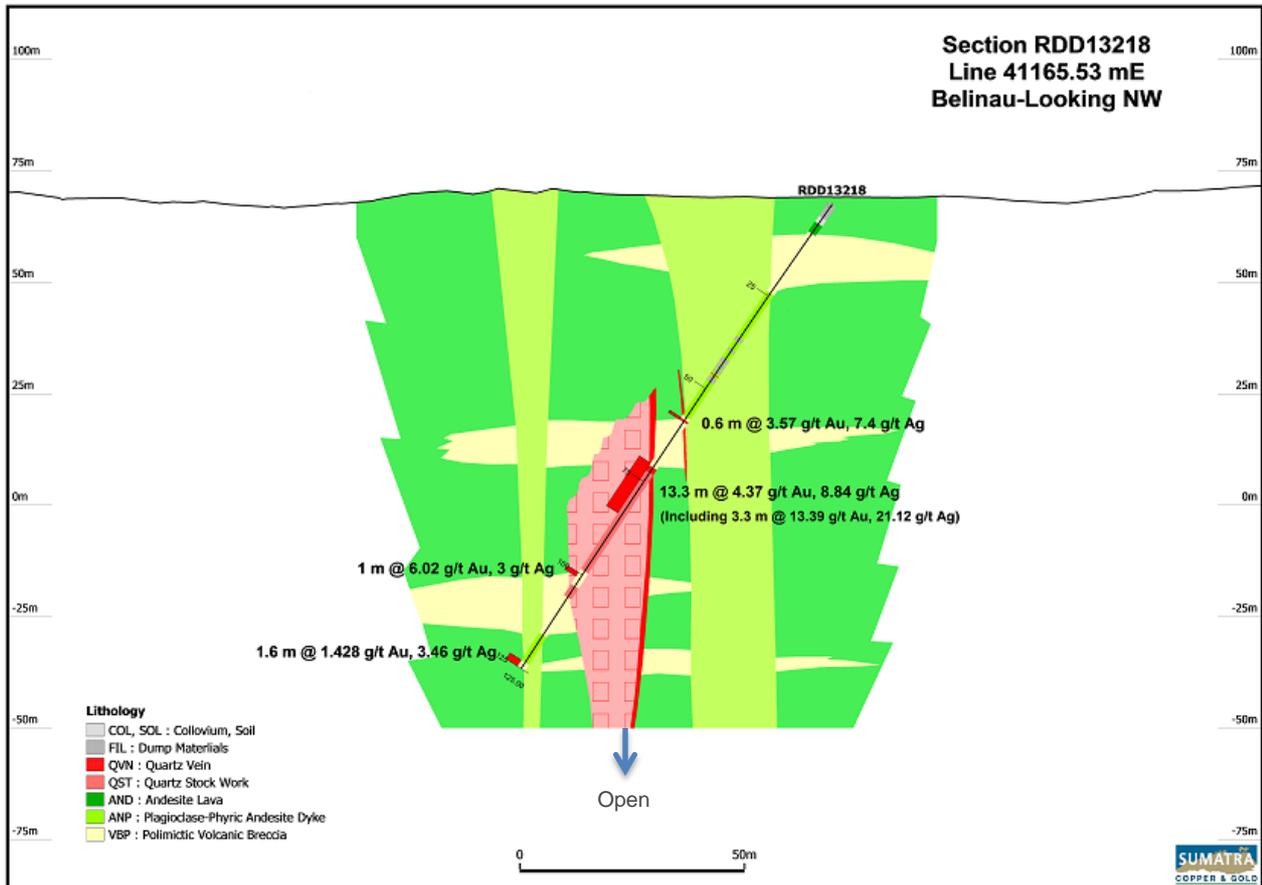


Figure 2 – RDD13218 intersection looking North West

Appendix 1: Belinau Drilling- Significant Intersections (Au >0.5g/t).

Hole No	Location	Type	From	To	Length	Au g/t	Ag g/t	Comments
RDD 13218	Belinau	Vein	70.70	84.00	13.30	4.37	8.8	Includes 3.3m @ 13.39 g/t Au, 21.1 g/t Ag
RDD 13218	Belinau	Vein	94.00	95.00	1.00	0.68	1.5	
RDD 13218	Belinau	Vein	100.00	101.00	1.00	6.02	3.0	
RDD 13218	Belinau	Vein	123.40	125.00	1.60	1.43	2.1	Hole ended in mineralisation
RDD 11193	Belinau	Vein	94.70	94.95	0.25	2.44	4.6	Infill sampling of geotechnical hole
RDD 11193	Belinau	Vein	101.10	103.50	2.40	4.19	9.3	Footwall vein, Includes 1.4m @ 6.77 g/t Au, 14.5 g/t Ag
RDD 11180	Belinau	Vein	39.20	41.20	2.00	13.02	71.5	Hanging wall vein, metallurgical hole
RDD 11180	Belinau	Vein	109.50	110.10	0.60	2.59	1.5	
RDD 11192	Belinau	Vein	82.70	83.10	0.40	6.42	10.5	Infill sampling of geotechnical hole (peripheral to main vein)
RDD 12203	Belinau	Vein	17.90	18.10	0.20	3.39	72.8	Infill sampling of geotechnical hole (peripheral to main vein)
RDD 12203	Belinau	Vein	61.60	62.50	0.90	2.71	3.4	Infill sampling of geotechnical hole (peripheral to main vein)

Hole ID	Fasting	Northing	Elevation [m]	Azimuth	Dip	Final Depth
RDD11180	241232	9682548	67	150	-50	123
RDD11192	240910	9682474	79	156	-50	261.9
RDD11193	241355	9682412	65	330	-56	200
RDD12203	241087	9682409	80	68	-60	130.6
RDD 13218	241238	9682564	67	225	-55	125

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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 in Appendix 1 is based on information compiled by Mr Matthew Farmer MAusIMM who is a full time employee of 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.

The information relating to Mineral Resources is based on information compiled by Mr David Stock MAusIMM who was 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.