

Execution of VAT Financing Facility

Further to the announcement of 21 September 2016, Sumatra Copper & Gold plc (“the Company”) is pleased to announce that its wholly-owned subsidiary PT Dwinad Nusa Sejahtera (“DNS”) has executed a VAT Financing Facility (“VAT Facility”) with PT Bank UOB Indonesia (“UOB”).

Under the VAT Facility, DNS will be advanced up to 60 billion Rupiah or its equivalent in US dollars (approximately US\$4.6 million at an assumed exchange rate of 13,011 IDR:USD). The VAT Facility provides a prepayment of VAT claims lodged by DNS with the Indonesian tax authorities.

The key terms of the VAT Facility are:

- Availability Period of 6 months from the date of execution;
- Final maturity date 18 months after the Availability Period;
- Repayment upon receipt of the respective VAT refund payment from the Indonesian tax authorities or the maturity date of the VAT Facility, whichever is the earlier;
- 2% Facility Fee;
- Interest rate equal to LIBOR + up to 4% for US dollars or JIBOR + 5% for Indonesian Rupiah.

The VAT Facility is secured by way of corporate guarantee from the Company, a pledge of DNS’ VAT account to UOB and assignment of DNS’ VAT claims and all proceeds from VAT refunds received from the Indonesian tax authorities to the order of UOB. In addition, the Company’s major shareholder, PT Provident Capital Indonesia, has provided a corporate guarantee for the VAT Facility. There is no security over Company assets other than VAT receivables.

Initial drawdown of approximately US\$2.0 - \$2.5 million of the VAT Facility is expected within the next week. The funds are proposed to be applied to general working capital.

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About Sumatra Copper & Gold plc

Sumatra Copper & Gold plc (ASX: SUM) is a gold and silver producer and precious metals explorer in southern Sumatra, Indonesia. The Company's flagship asset is its Tembang gold-silver mine, currently in production. The Company also has an extensive exploration portfolio with projects ranging from brownfield, near-production opportunities to strategically located greenfield holdings.

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