



**September 2016**

**Investor Presentation**

ASX:SUM - [www.sumatracoppergold.com](http://www.sumatracoppergold.com)

# Disclaimer

## Disclaimers, Competent Person's Statement and Gold Equivalent Reporting



- This document is prepared as a presenter's aid and support. It is not a stand alone document. Best efforts have been taken to ensure the accuracy of information contained at the time of presentation. In some instances forward targets and/or assumptions have been included. All such instances are indicative only and subject to alteration and/or cancellation as and when the management of Sumatra Copper & Gold plc (ABN 14 136 694 267) sees fit. All information contained herein is general in nature.
- Potential investors are cautioned against using the content of this presentation in isolation for making investment decisions.
- Research and the counsel of a qualified financial adviser or accountant are strongly recommended to anyone considering investing in listed company securities, including Sumatra Copper & Gold plc.
- 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 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr. Spiers has consented to the inclusion in this report of the matters based on their information in the form and context in which it appears.
- The information in the report to which this statement is attached that relates to the Mineral Resource estimates for Asmar, Berenai, Siamang, Tembang-Anang & Bujang is based on information compiled by Mr Chris Black who is a member of AIG and a full time employee of Cube Consulting. Mr Chris Black has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australian code for reporting of Exploration Results, Mineral Resource and Ore Reserves'. Mr Chris Black consents to the inclusion in the report of the matter based on his information in the form and context in which it appears.
- The information in this report that relates to Tembang 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 2012 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/65) where the number 65 g/t Ag = 1 g/t Au. The prices thus used in the calculation are the average gold price of US\$1,200 per ounce and average silver price of US\$20 per ounce. Metal recovery assumptions are 86.7% for gold and 80% for silver.

### AuEq = Gold Equivalent Ounces



# Profile

- Focus on precious metals in Sumatra, Indonesia
- Production from Tembang mine, cash flow positive during Q4 2016
- Targeting sustainable production of 40,000 to 50,000 gold equivalent ounces (AuEq) per annum
- Mine life extension from resources and in-mine targets.
- Under-explored epithermal vein district with potential for further significant discoveries



# Corporate Snapshot

## Capital Structure

Shares / CDI's on issue	710,952,182
Warrants (A\$0.057 to \$A0.06)	339,776,586
Share price (16 Sep 2016)	A\$0.033
52 week high/low	A\$0.073 - A\$0.032
Market capitalisation (US\$ million)	US\$17 million
Cash at 30 June 2016	US\$1 million

## Major Shareholders

<b>PT Saratoga Investama Sedaya (33%)</b>	<i>IDX: SRTG - A leading listed Indonesian investment company. Major Shareholder Edwin Soeryadjaya</i>
<b>Provident Minerals Pte Ltd (26%)</b>	<i>Private investment house with substantial interests in leading Indonesian businesses.</i>
<b>Goldstar Mining Asia Resources (6%)</b>	<i>Mr Garibaldi Thohir, founder, President and Director of leading Indonesian coal company Pt Adaro Energy Tbk.</i>

## Debt

- US\$45 million + US\$5 million accrued PIK
- Exim Bank Indonesia, Nomura major lenders
- 10% interest & 5.0% PIK
- 85% cash sweep, balloon payment Nov 2017
- 24,500oz gold and 200,200 silver ounces hedged
  - Gold 1,750 ounces per month at US\$1,108.50/oz with participation above US\$1,428.50 at gold price less US\$320/oz
  - Silver 14,300 ounces per month at US\$14.47/oz with participation above US\$21.77 at silver price less US\$7.30/oz
- Convertible notes: US\$ 7 million
- Working capital: US\$ 1.7 million

# Tembang Project - Location

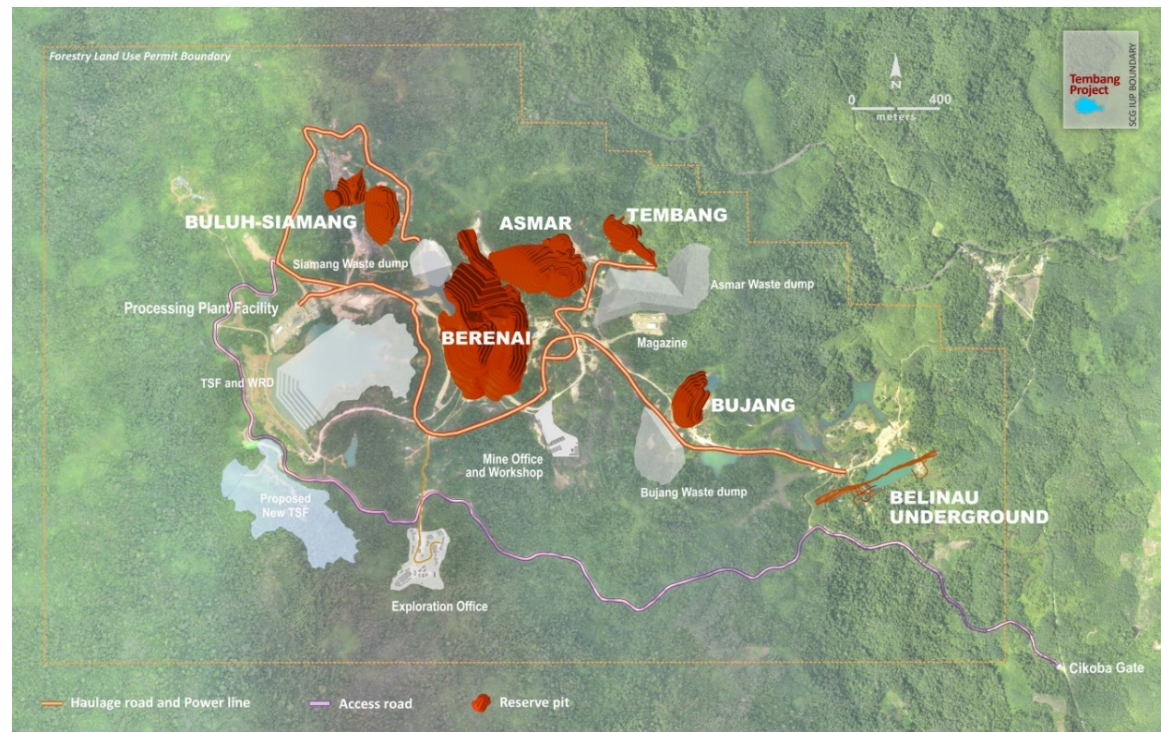
- Close to established infrastructure.
- Covers portion of historically significant, high grade epithermal mineral field which reportedly has produced over 3 million ounces of gold
- Daily access to the project is by air from Jakarta to Lubuk Linggau





# Tembang Project – Overview

- 100%-owned by SUM via Indonesian subsidiary company PT DNS.
- Fully permitted
- Previously mined in series of shallow open pits between 1997 and 2000 producing 220,000oz AuEq
- Multiple ore feed sources provide operational flexibility
- Conventional CIP process flow sheet with mill throughput of 440,000 tpa
- Reserves and Resources
  - Underground Ore Reserve: 0.4 Mt at 6.1g/t Au & 48g/t Ag
  - Open Pit Ore Reserve: 1.7 Mt at 2.0g/t Au and 30g/t Ag
  - Measured & Indicated Resource: 4.1 Mt at 1.85g/t Au and 28.4g/t Ag. Inferred Resource: 2.7 Mt at 1.6g/t Au g/t and 19.2 g/t Ag
- Life of mine AISC cost of US\$800/oz (net of silver credit of US\$160 based on US\$15/oz Ag)
- Open pit contract mining, underground owner mining



# Operational Highlights

## H1 2016

- Open pit mining rates consistently achieved
- 440,000 tpa mill throughput rate consistently achieved
- Recoveries close to target, improvement initiatives identified
- Costs in line with expectation
- Underground ramp-up slower than planned

## H2 2016

- Changes made to strengthen mining operations team
- Open pit plan rescheduled to provide better strip ratios and accelerate ore production
- Interim mining method underground due to stope failure. Decline advance accelerated
- Cash flow positive Q4 2016
- Set operation up for significant cashflow generation in 2017

H1 2016 KPIs	Unit	June 2016
Ore mined	dmt	216,984
Ore milled	dmt	210,100
Head grade Au	g/t	1.98
Head grade Ag	g/t	43.81
Recovery Au	%	88
Recovery Ag	%	72
Gold poured	ounces	11,793
Silver poured	ounces	212,581
<b>Cash cost</b>	<b>US\$/oz</b>	<b>1,066</b>
All-in sustaining cost (AISC)	US\$/oz	1,291
Gold sold	ounces	10,416
Silver sold	ounces	202,550

**Target Production 2016 = 30,000 to 33,000 AuEq**

# Updated Life of Mine Schedule

Guidance for 2017 and 2018

	Q3 - 2016	Q4 - 2016	Q1 - 2017	Q2 - 2017	Q3 - 2017	Q4 - 2017	Q1 - 2018	Q2 - 2018	Q3 - 2018	Q4 - 2018
Siamang										
Berenai										
Asmar										
Tembang Anang										
Buluh										
Belinau UG										
Decline										
BCF										
Stoping										
Pillars										
Milling										

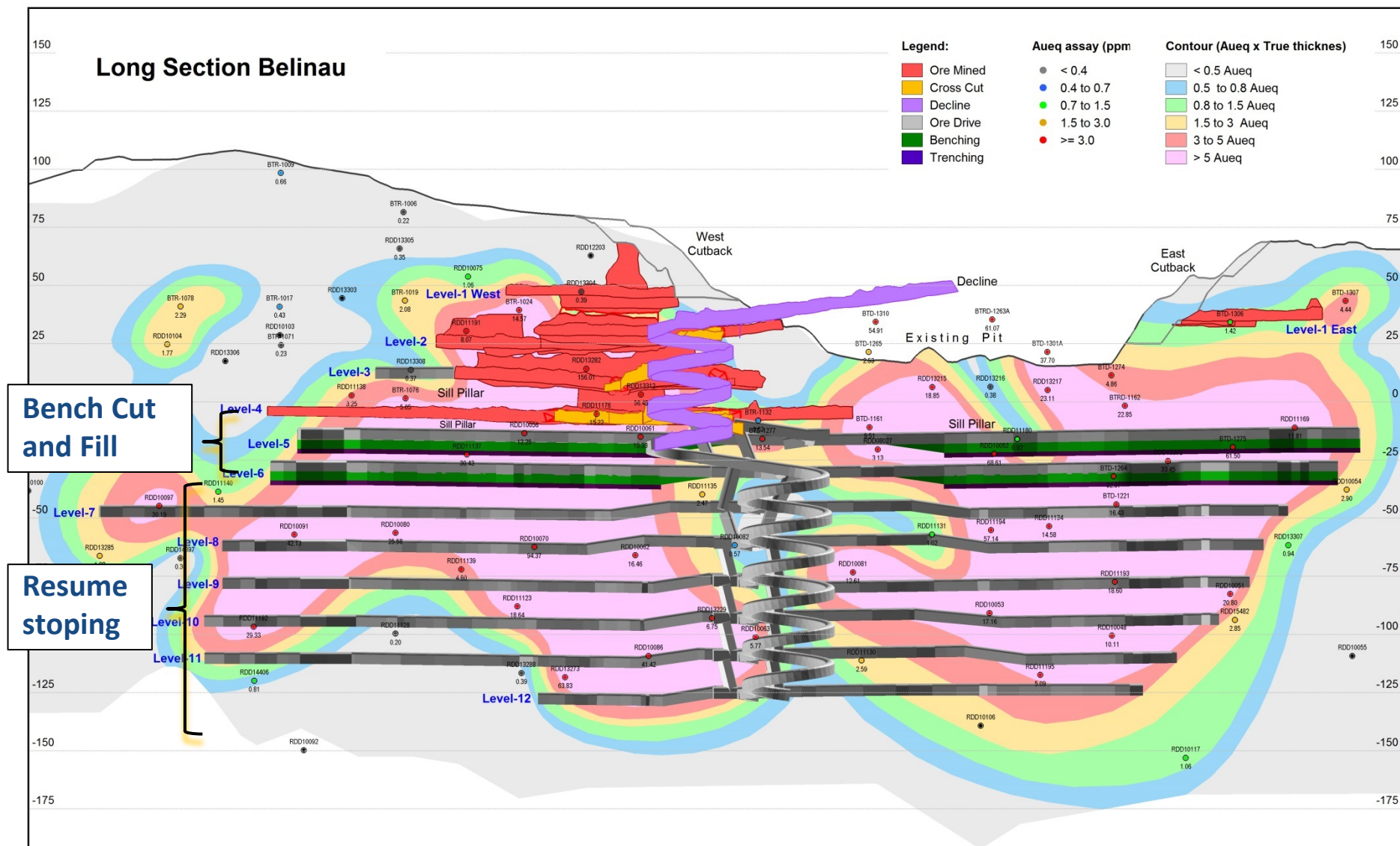
Guidance	2016	2017	2018
Lower Oz	30,000	45,000	40,000
Hi	33,000	55,000	50,000

- 2017 Open pit production from higher grade Berenai open pit
- Underground stoping recommences at Belinau end of Q1 2017



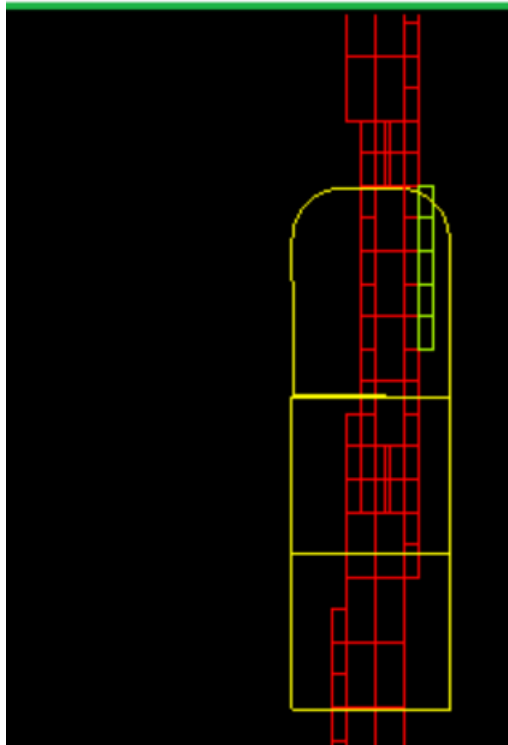
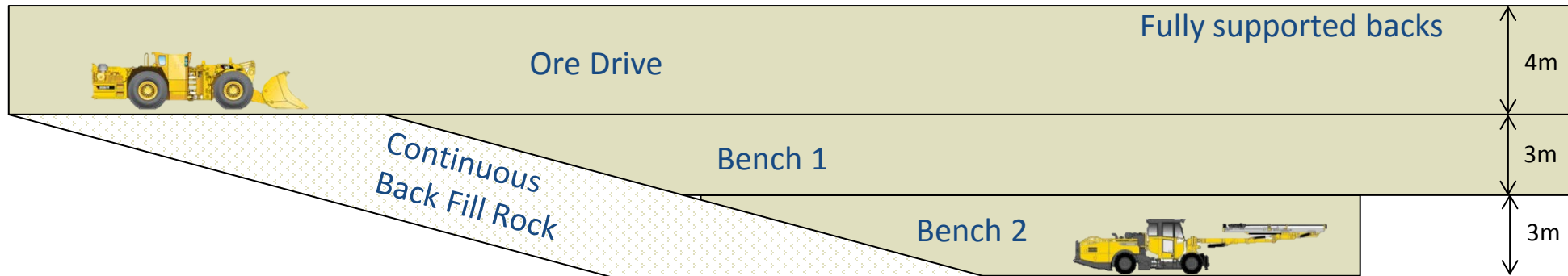
# Belinau Underground - Interim Mine Method

Bench Cut and Fill - low risk ore extraction allowing the decline to reach level 12 rapidly



# Interim Ore Extraction Method

## Bench Cut & Fill



- Working under fully supported backs
- Reduced mining width 3.8m to 3m as no need for remote bogging. Potential to reduce to 2.5m with smaller loader and current equipment
- Airleg side wall bolting, Jumbo meshing backs
- All waste left underground
- Cycle times considerably faster due to less volumes and less face time
- Frees up twin boom to full time decline and waste development. Decline will reach Level 11 by Jan 2017

# Longer Term Stoping Method

To be finalised over coming months

- Minimise dilution, through appropriate development drive dimensions and method
- Enable rock fill to be placed. Sourced from capital development, but backfilling from surface may be required as decline finishes early
- Allow ongoing access to orebody extremities.

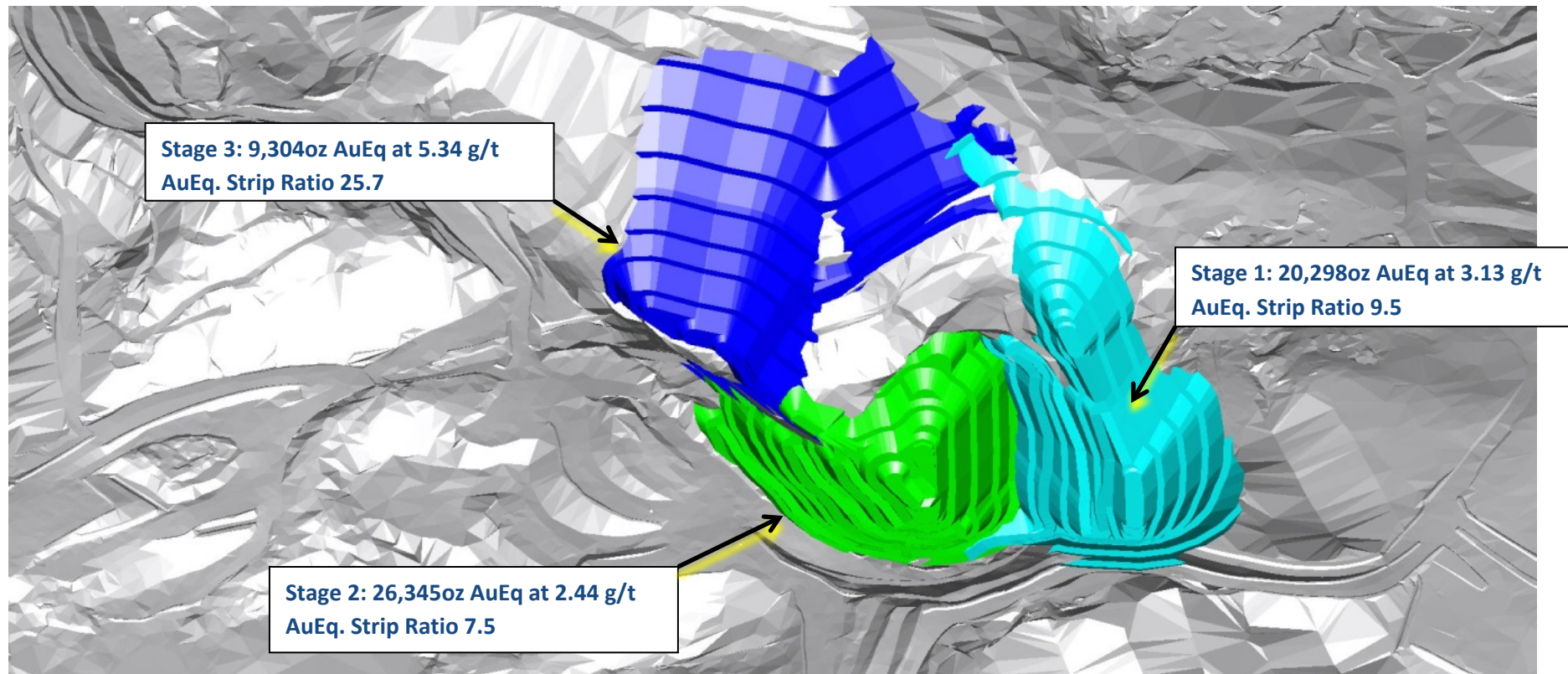
## Methods to be considered (but not limited to):

- Long Hole Stoping (with backfill and smaller drives)
- Modified Avoca (BFS selected this method)
- Continuing Bench Cut and Fill (this could prove to be very efficient)
- Shrink Stoping
- Cut & Fill
- Airleg benching and derivities



# New Berenai Staged Design

Bringing forward ounces, deferring waste



	Previous	New
Stage 1	Ore - 157,445 t at 2.13 g/t AuEq, 10,807 oz AuEq - Strip Ratio 26.8	Ore – 201,826 t at 3.13 g/t AuEq, 20,298 oz AuEq - Strip Ratio 9.5
Stage 2	Ore - 242,820 t at 3.24 g/t AuEq, 25,293 oz AuEq - Strip Ratio 2.5	Ore – 335,507 t at 2.44 g/t AuEq, 25,293 oz AuEq - Strip Ratio 7.5
Stage 3	Ore - 186,798 t at 3.25 g/t AuEq, 19,202 oz AuEq - Strip Ratio 4.7	Ore – 54,186 t at 5.34 g/t AuEq, 9,304 oz AuEq - Strip Ratio 25.7
Total	Ore - 587,063 at 2.95 g/t AuEq, 55,947 oz AuEq - Strip Ratio 9.7	Ore - 587,063 at 2.95 g/t AuEq, 55,947 oz AuEq - Strip Ratio 9.7

# Mill Optimisation Program

Potential to increase gold recovery by 2-3% and silver recovery by 9-10%

- Additional oxygen to Tank 4 (currently only to Tank 2)
- Introducing a cyanide recovery circuit
- Recommission gravity circuit.
- Upgrade elution heat exchangers
- Additional electrowinning capacity
- Optimise grind circuit



# Drivers for Growth - 2017



## RESOURCE DEVELOPMENT

- Expansion of Siamang / Buluh and Berenai pits
- Definition of additional veins and strike / depth extent of Belinau
- Definition of depth and strike potential at Bujang and Siamang
- New underground targets along strike and parallel to Belinau

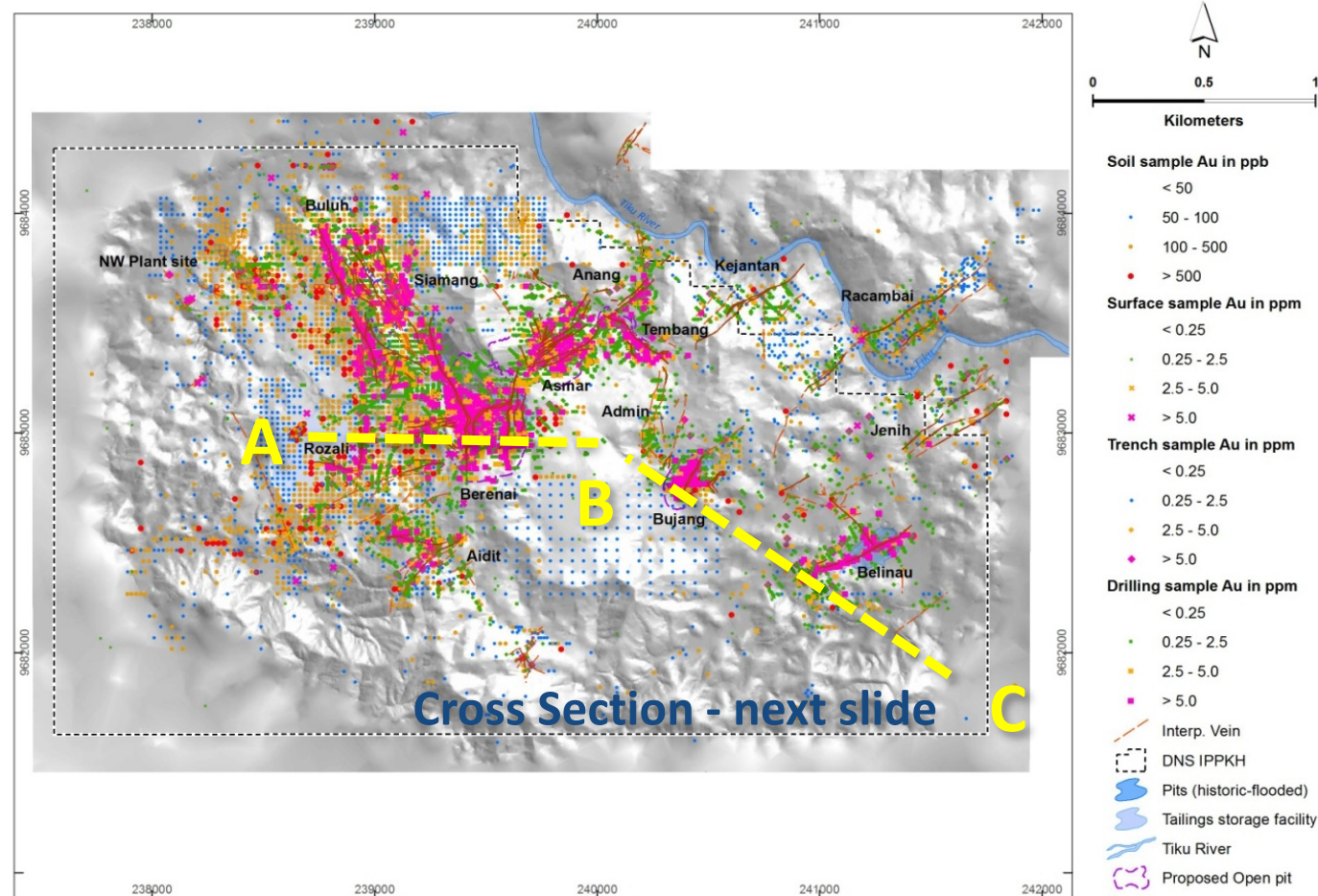
## EXPLORATION

- Drill targets to define resources
- Advance significant district anomalies



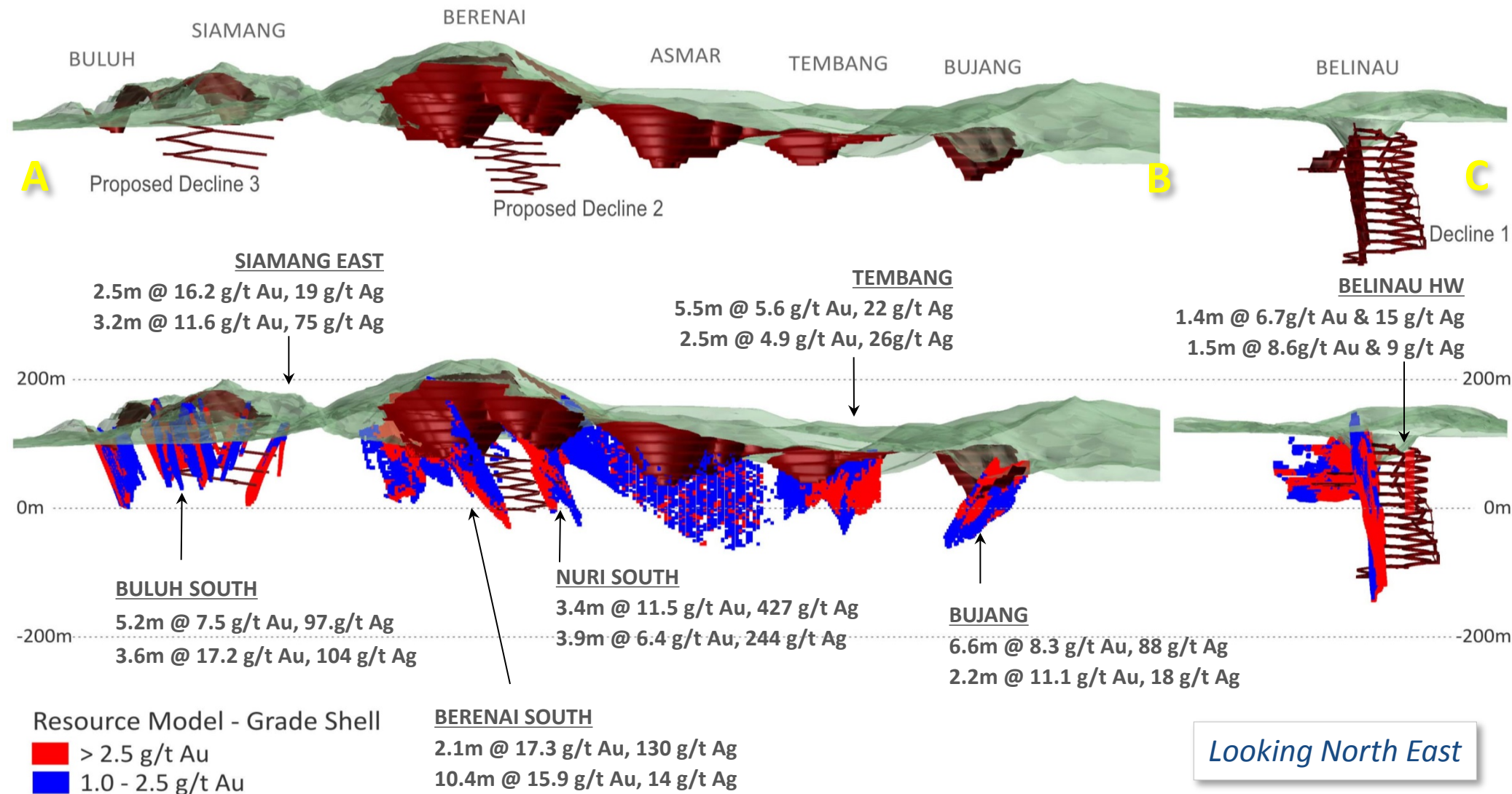
# Tembang - Near Mine Exploration Potential

- Significant database
  - ~188 km drilling (105km RC & 83km diamond)
  - ~35,000 surface samples
- Limited drill testing of high-grade veins at depth below open pit resources
- Limited evaluation of NE-trending structural corridors for repetitions of Belinau
- Drill testing planned for Q4 2016 / Q1 2017



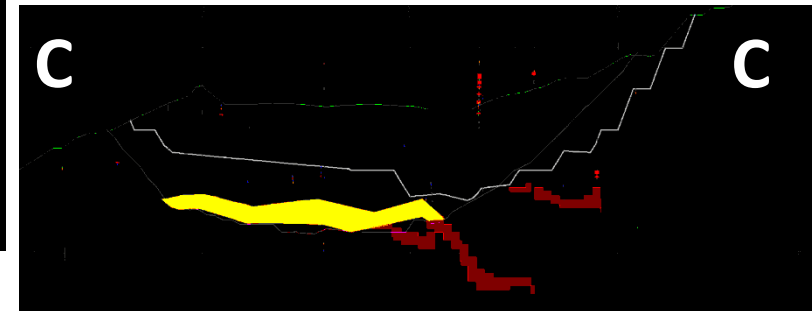
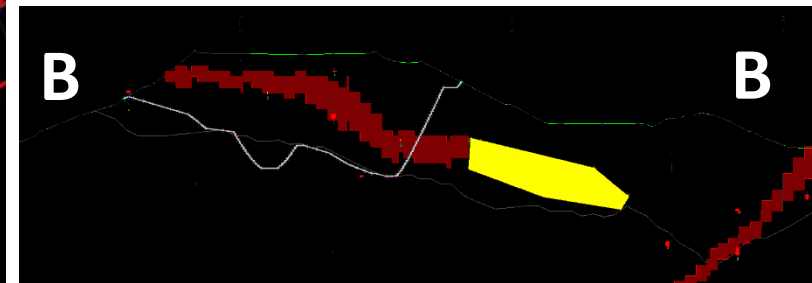
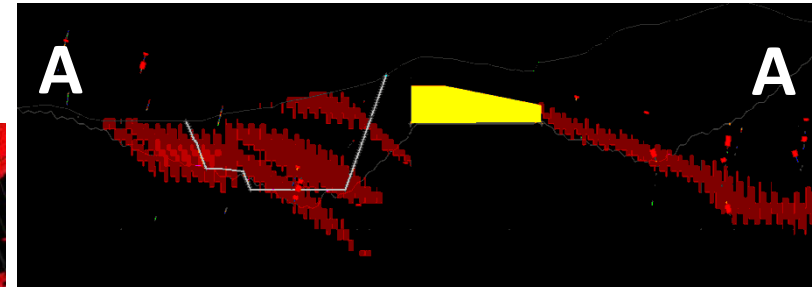
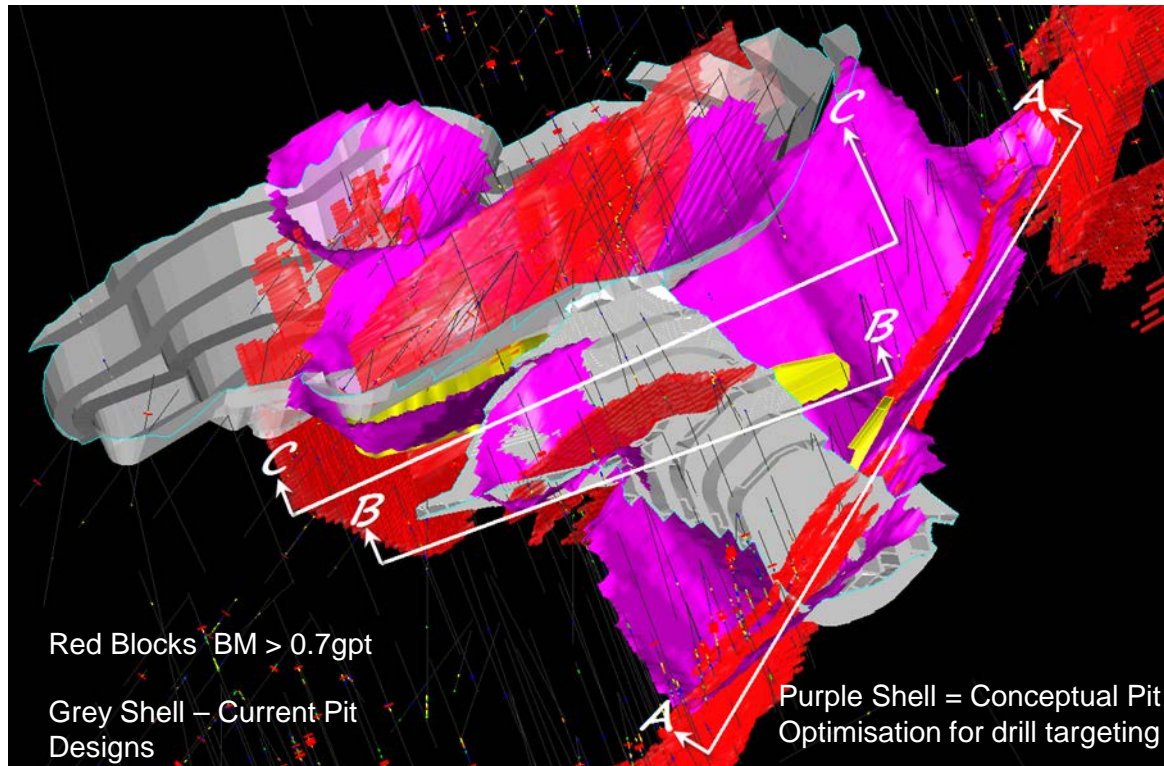
# Tembang - Near Mine Exploration Potential

Cross section through planned mines highlighting significant potential outside of open pits



# Siamang/Buluh Drill Targets

Positive reconciliation to resource model

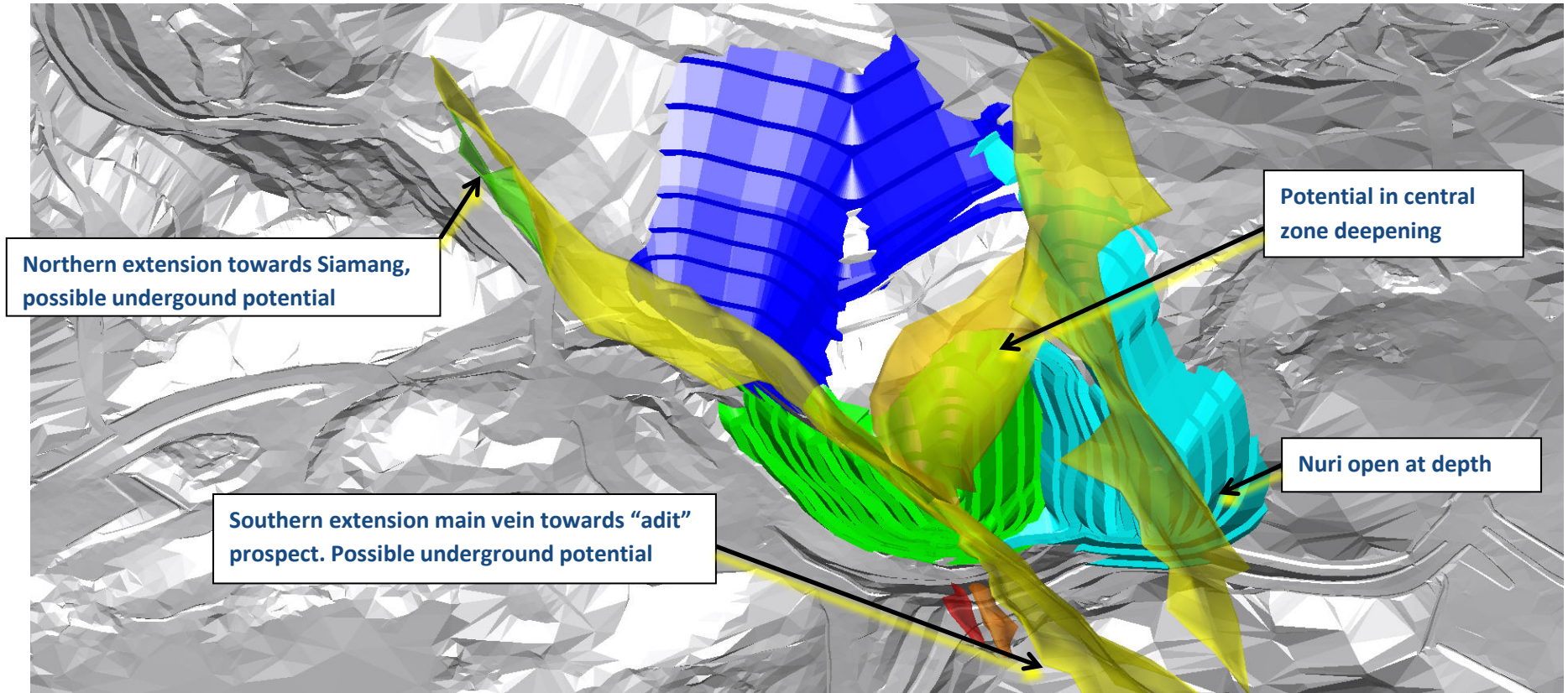


- New veins discovered
- Significant cumulative potential to expand pits
- Potential for underground

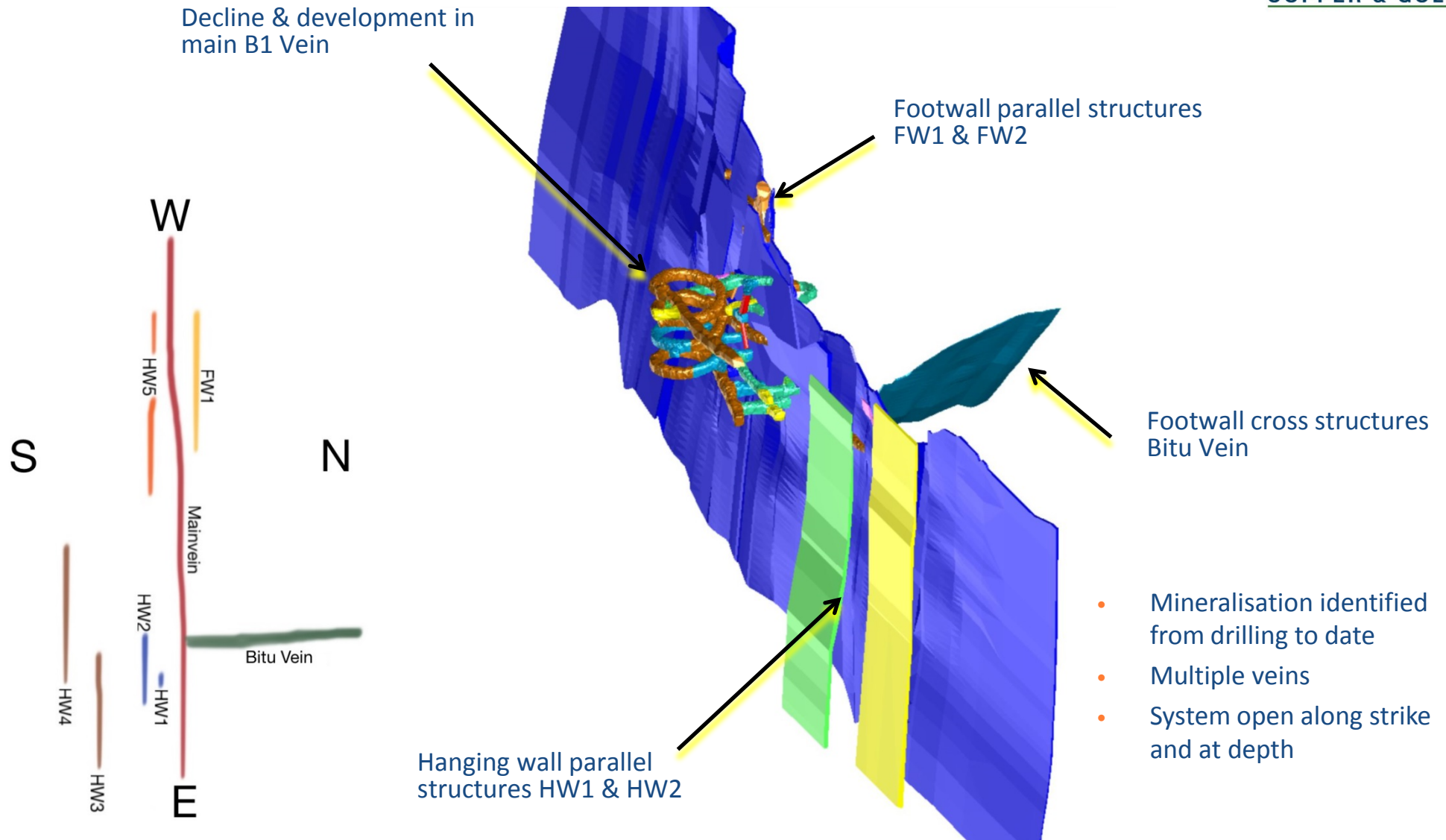


# Berenai Nuri Drill Extension Targets

Potential to expand pits and develop underground deposits



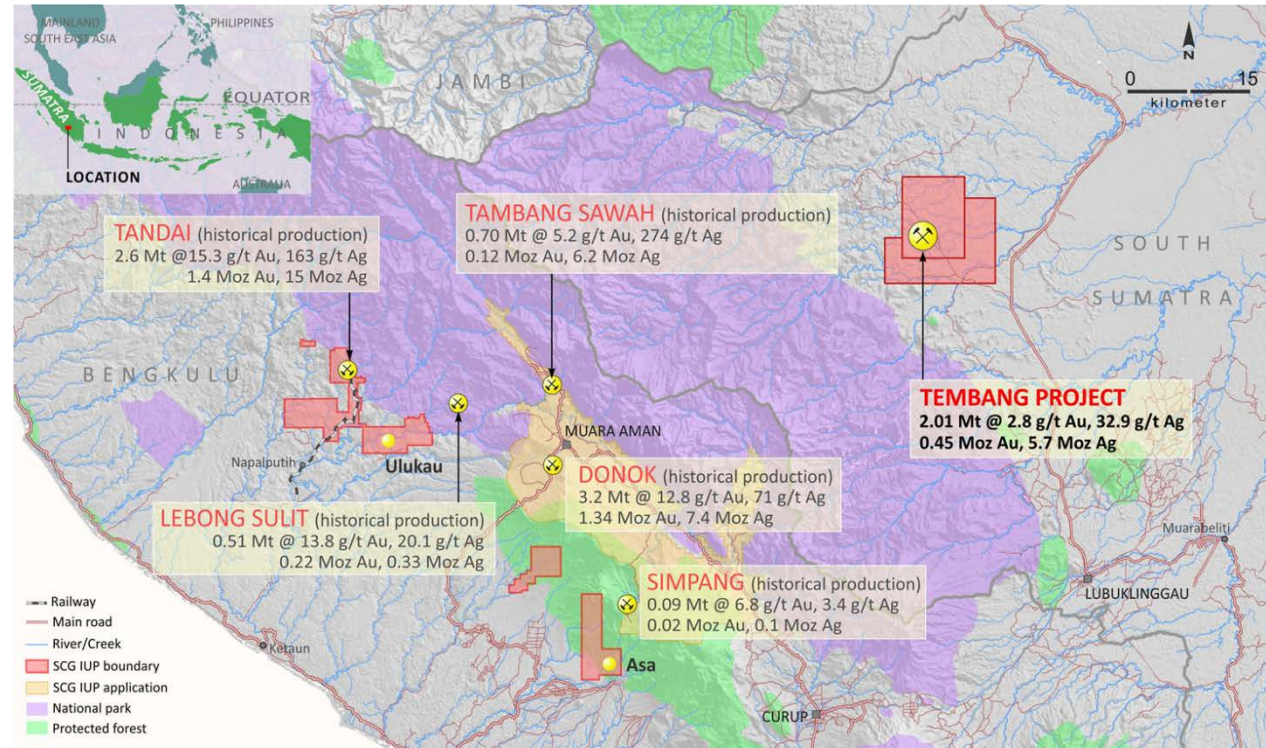
# Belinau Underground Extensions





# Epithermal District

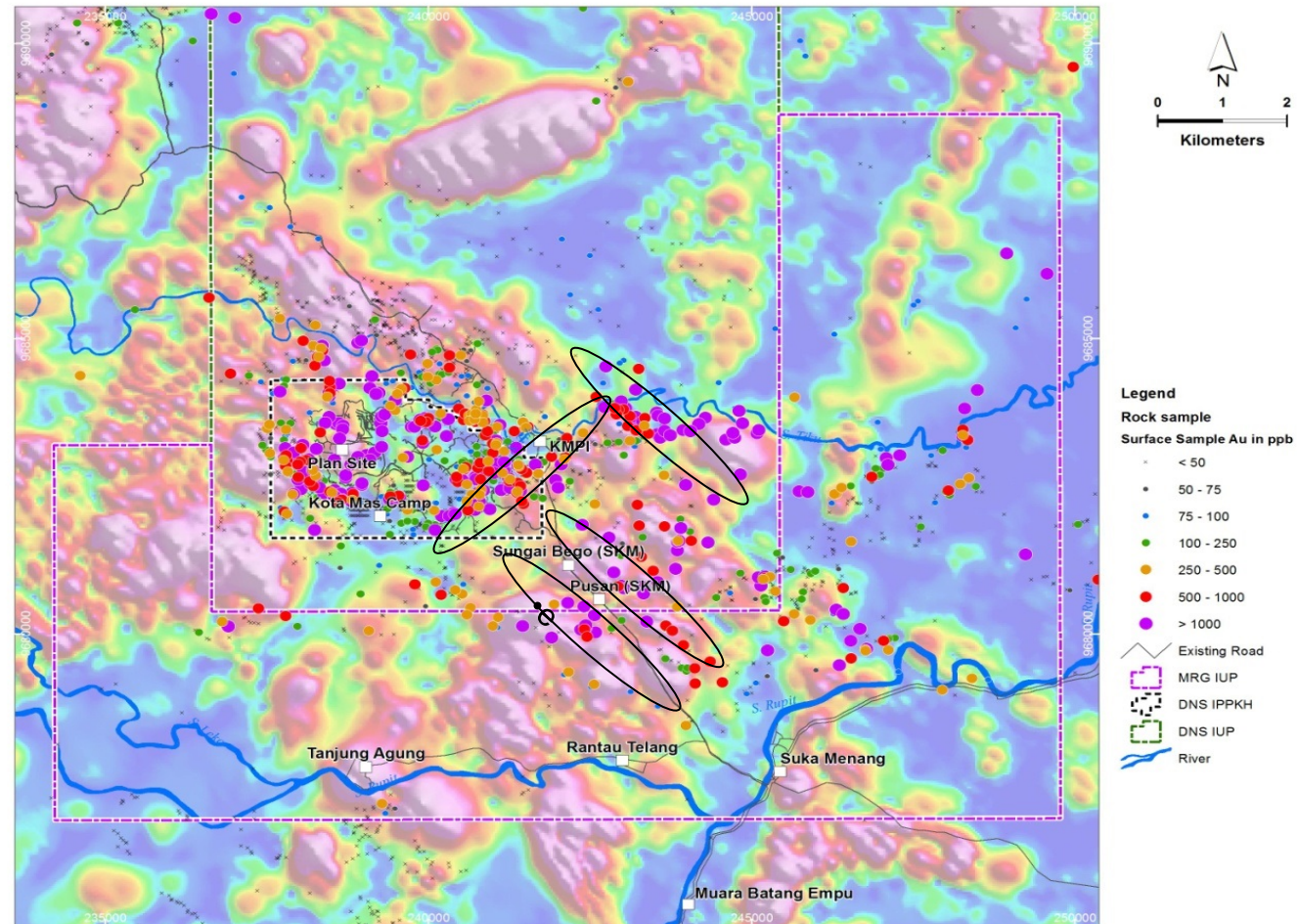
- World-class, high grade epithermal vein district along trans-Sumatran fault zone, host to a number of other significant gold deposits
- Historical production reported at over 3 million ounces
- Tembang is the only operating processing facility in the region
- Start to use more advanced tools to collect new datasets (spectral analysis, fluid inclusions and vein textures etc) to compliment traditional datasets (geochemistry and geophysics) and allow selection of the next generation of targets
- Once a fertile low sulphidation epithermal system is discovered, perseverance is required. The rewards can be significant
  - Gosowong example – 0.85Moz Gosowong Lode found in 1995 & 3.6Moz Kencana Lode found in 2002
  - Pajingo example – 0.3Moz Scott Lode found in 1985 & 3.0Moz Vera-Nancy Lode found in 1995





# Near Mine Exploration Potential

- Numerous surface geochemical anomalies outside of immediate mine environs remain lightly tested
- Anomalies to immediate E and SE of mine site in proximity to existing road infrastructure will form focus of regional exploration in H1 2017
- Airborne magnetics highlight both NE and NW prospective trends present in this area



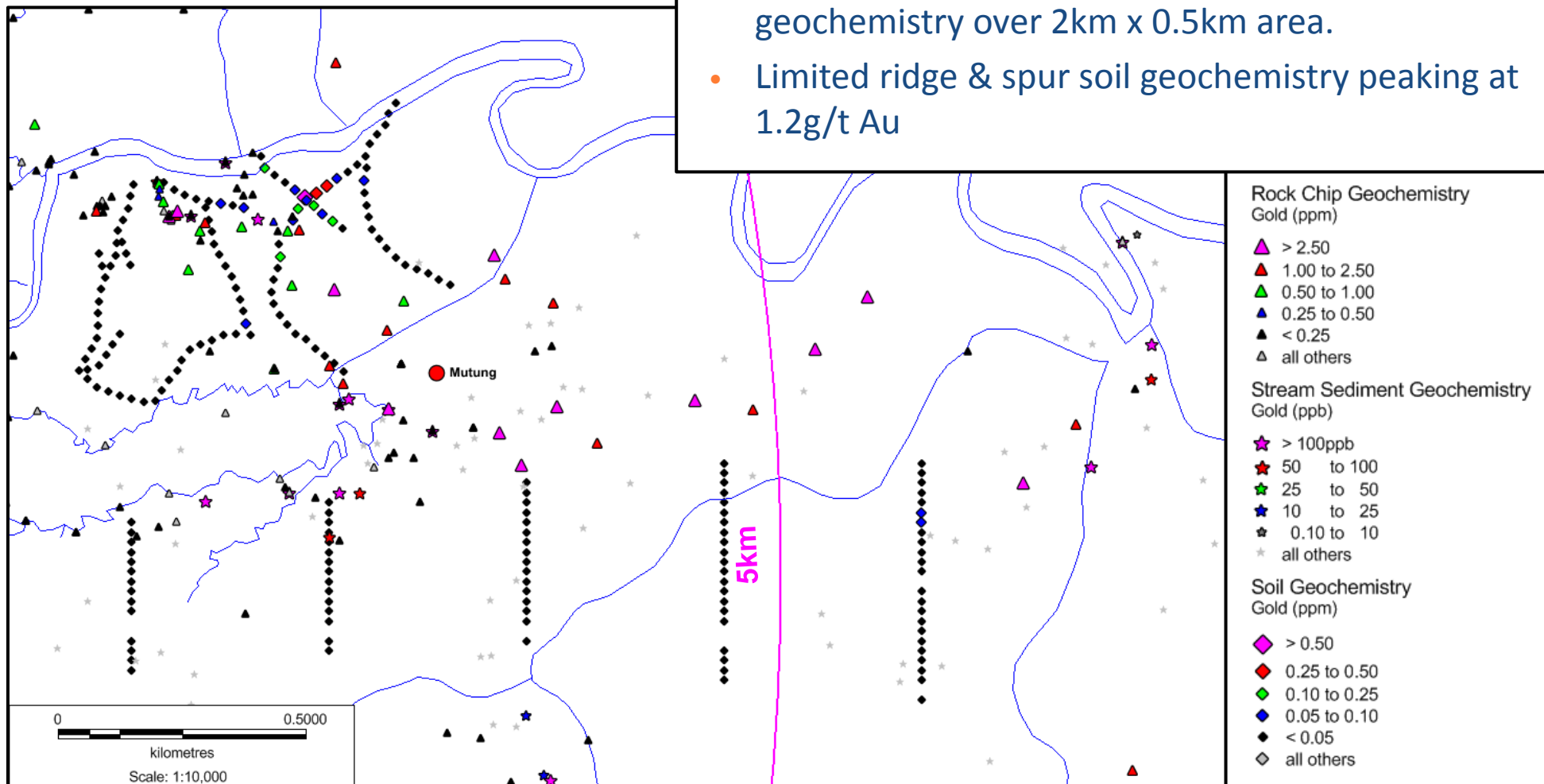
Surface geochemistry overlain on airborne magnetics – RTP analytical signal

# Regional Target

Multiple targets within 5 km of Tembang project

Anomalies identified, no work in 20 years

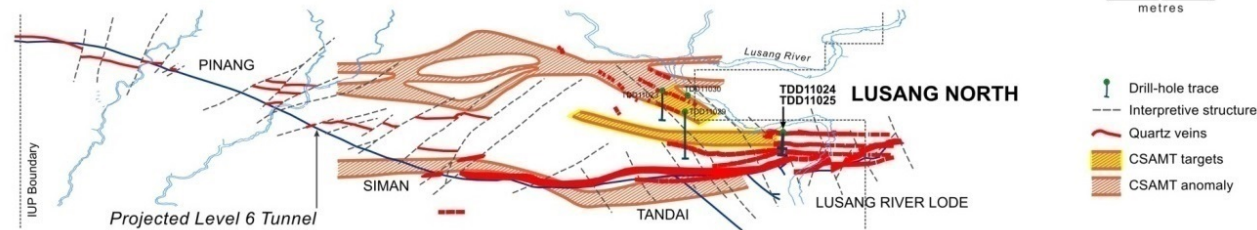
- Extensive highly anomalous stream sediment (peak 1.47g/t Au) and rock chip (peak 14g/t Au) geochemistry over 2km x 0.5km area.
- Limited ridge & spur soil geochemistry peaking at 1.2g/t Au



# Tandai Project

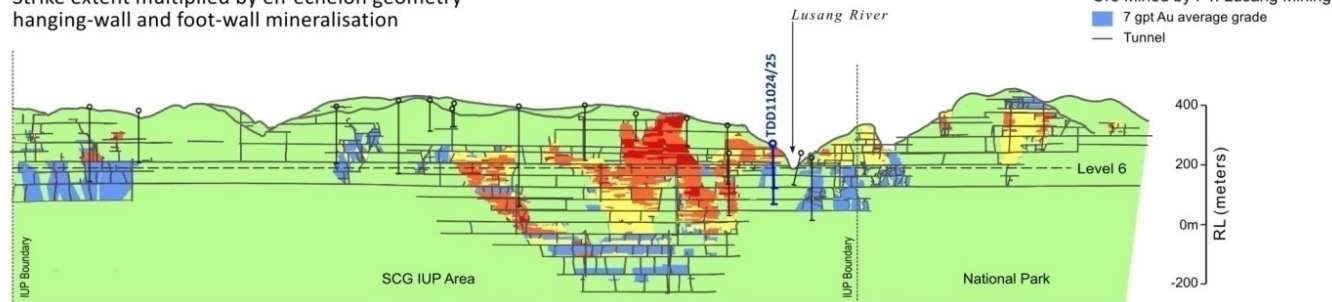
- SUM's Tandai Project is located ~100km NW of Bengkulu with an area of some 1,000km<sup>2</sup>
- Covers historic Lebong Tandai mine with previous underground production of 1.4Moz at 15g/t Au by Dutch (pre-1940s) and Lusang Mining (1984-1995)
- High grade epithermal vein and vein-breccia mineralisation
- Drilling by former JV partner intersected narrow zones of high grade mineralisation in veins and wider zone of moderate grade in breccias
- Asa Prospect (separate block) returned rock samples up to 15g/t Au along 2km structural trend

Mine Underground Workings and CSAMT Targets



Long Section Former Underground Mine

Strike extent multiplied by en-echelon geometry hanging-wall and foot-wall mineralisation



- SUM drilled 3,207m in 17 holes (2007). Newcrest (JV) drilled 8,915m in 26 holes (2011-2012)
- Significant drill results include;
  - 19.4m at 4.2 g/t Au and 19 g/t Ag from 36m in hole TDD07009A
  - 21m at 4.8 g/t Au and 36 g/t Ag from 87m in hole TDD11024
  - 17m at 5.4 Au g/t and 7 g/t Ag from 21m in hole TDD11025
  - 4.1 m at 8.84 g/t Au, 17.9 g/t Ag from 60m in hole TDD11025



# Summary - Investment Case

A compelling investment opportunity



## Corporate

- Emerging gold producer in Indonesia - 100% project ownership under 2009 Mining Laws
- Supportive Indonesian institutional investors
- Experienced Board and management team with track record of development and production

## Mining Operation at Tembang

- Production underway
- Strong project economics – relatively low cash cost
- Permitting complete

## Upside

- Significant near mine potential to grow resource base and mine life
- High grade discovery has the potential to deliver significant cash flow enhancement
- Regional exploration upside at Tandai
- Potential future deal flow with Indonesian partners



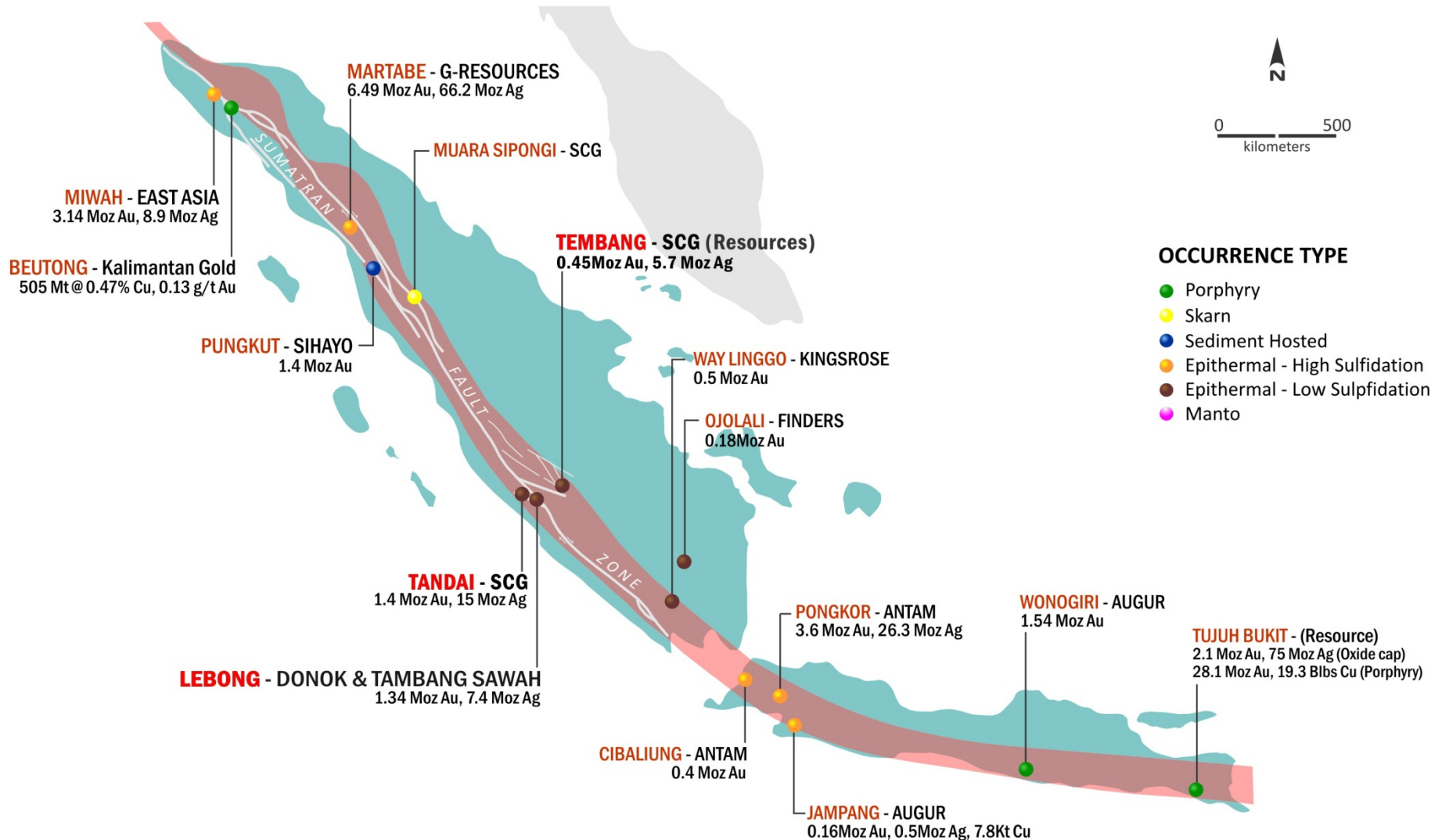
# Appendices





# Sumatra & West Java : Mineral Deposits

An emerging world class gold province





# Board and Management

Strong Indonesian experience and extensive project development expertise



## Steve Robinson

*Economics Cum Laude, B.Sc. Agricultural Economics, Rhodes Scholar – Non-Executive Chairman*

Mr Robinson is an experienced Australian mining executive, Rhodes Scholar and the founding Director of independent corporate advisory firm Lincoln Capital and has extensive international experience at senior executive levels within the mining industry.



## Gavin Caudle

*Bcom, Finance & Law, Chartered Accountant – Non-Executive Director*

Founder of Provident Capital Partners Pte Ltd. 20 years experience in finance and investment sectors in Australia, Singapore and Indonesia



## Adi Sjoekri

*BSc, MSc, MBA (Management) – Director (Government Liaison, Permitting, Forestry)*

Founder of Sumatra Copper & Gold in 2006. +17 years corporate mining experience, working for major companies such as CSR and Newmont;



## Jocelyn Waller

*MA (Hons) (Cantab) – Non-Executive Director*

Co-founder of Sumatra Copper & Gold with Adi Sjoekri – in 2006; founded Avocet Mines in 1995 which operated in Malaysia and Indonesia. Currently Non-Executive Director – RusAnt Ltd.



## David Fowler

*B. Bus, Post Grad Dip Finance & Investment – Managing Director*

Mr Fowler is an experience corporate finance executive with over 25 years of experience working in the mining industry in Asia, Australia and South America, Australia and Asia. Director Of Merdeka Copper Gold.



## Rob Gregory

*Mining Engineer – Chief Operating Officer*

Mr Gregory is a highly experienced mining executive with over 25 years of experience working in the mining industry in South East Asia and Australia. Previously Managing Director of EMK Plc.

# Ore Reserve Statement

Ore Reserve as at March 2014

Deposit	Category	Tonnes ('000t)	Grade Au (g/t)	Contained Gold (oz)	Grade Ag (g/t)	Contained Silver (oz)
<b>Open Pit</b>						
<b>Asmar</b>	Proved	-	-	-	-	-
	Probable	733	1.6	38,000	24.8	585,000
<b>Berenai</b>	Proved	-	-	-	-	-
	Probable	710	2.2	51,000	31.8	726,000
<b>Bujang</b>	Proved	-	-	-	-	-
	Probable	56	3.7	7,000	57.2	102,000
<b>Siamang</b>	Proved	4	7.8	1,000	102.8	12,000
	Probable	31	7.6	8,000	61.6	61,000
<b>Tembang Anang</b>	Proved	-	-	-	-	-
	Probable	59	1.6	3,000	31.1	59,000
<b>Total Open Pit</b>	Proved	4	7.8	1,000	102.8	12,000
	Probable	1,588	2.1	106,000	30.0	1,534,000
	<b>Total</b>	<b>1,592</b>	<b>2.1</b>	<b>107,000</b>	<b>30.2</b>	<b>1,546,000</b>
<b>Underground</b>						
<b>Belinau</b>	Proved	204	6.0	39,000	41.5	272,000
	Probable	214	5.1	35,000	44.4	306,000
	<b>Total</b>	<b>418</b>	<b>5.5</b>	<b>74,000</b>	<b>43.0</b>	<b>578,000</b>
<b>Total</b>						
<b>Tembang</b>	<b>Proved</b>	<b>208</b>	<b>6.0</b>	<b>40,000</b>	<b>42.5</b>	<b>284,000</b>
	<b>Probable</b>	<b>1,802</b>	<b>2.4</b>	<b>141,000</b>	<b>31.7</b>	<b>1,839,000</b>
	<b>Total</b>	<b>2,010</b>	<b>2.8</b>	<b>181,000</b>	<b>32.9</b>	<b>2,123,000</b>

*Estimates have been rounded to the nearest 1,000 t, 0.1 g/t grade and 1,000 oz metal*

# Mineral Resource Statement

Mineral Resource as at May 2015

Deposit	OPEN PIT (>0.5 g/t Au)					
	Category	Tonnes	Au (g/t)	Ag (g/t)	Au (oz)	Ag (oz)
Asmar <sup>(2)</sup>	Measured					
	Indicated	1,636,000	1.2	20.6	64,000	1,082,000
	Inferred	1,509,000	1.4	11.9	68,000	577,000
	<b>Total</b>	<b>3,145,000</b>	<b>1.3</b>	<b>16.4</b>	<b>132,000</b>	<b>1,659,000</b>
Berenai <sup>(4)</sup>	Measured					
	Indicated	1,628,000	2.1	34.3	112,000	1,797,000
	Inferred	669,000	1.7	31.8	36,000	685,000
	<b>Total</b>	<b>2,297,000</b>	<b>2.0</b>	<b>33.6</b>	<b>148,000</b>	<b>2,482,000</b>
Buluh <sup>(1)</sup>	Measured	69,000	3.4	38.3	8,000	85,000
	Indicated	186,000	2.0	24.2	12,000	145,000
	Inferred	212,000	1.8	25.7	12,000	175,000
	<b>Total</b>	<b>467,000</b>	<b>2.1</b>	<b>27.0</b>	<b>32,000</b>	<b>405,000</b>
Siamang <sup>(4)</sup>	Measured	60,000	2.5	48.3	5,000	94,000
	Indicated	178,000	2.1	28.0	12,000	160,000
	Inferred	190,000	1.8	22.0	11,000	134,000
	<b>Total</b>	<b>428,000</b>	<b>2.0</b>	<b>28.0</b>	<b>28,000</b>	<b>388,000</b>
Bujang <sup>(4)</sup>	Measured					
	Indicated	217,000	2.8	37.0	19,500	260,900
	Inferred	69,000	1.9	20.0	4,100	43,700
	<b>Total</b>	<b>286,000</b>	<b>2.6</b>	<b>33.0</b>	<b>23,600</b>	<b>304,600</b>
Tembang / Anang <sup>(3)</sup>	Measured					
	Indicated	170,000	2.5	29.3	13,500	160,000
	Inferred	55,000	2.1	29.9	4,000	53,000
	<b>Total</b>	<b>226,000</b>	<b>2.4</b>	<b>29.4</b>	<b>17,500</b>	<b>214,000</b>
Total (OP)	Measured	129,000	3.1	43.2	13,000	179,000
	Indicated	4,015,000	1.8	27.9	234,000	3,606,000
	Inferred	2,704,000	1.6	19.2	135,000	1,669,000
	<b>Total</b>	<b>6,850,000</b>	<b>1.7</b>	<b>25.0</b>	<b>381,000</b>	<b>5,453,000</b>



# Mineral Resource (cont'd)

Mineral Resource as at May 2015

	UNDERGROUND (>2.78 g/t Au)					
	Category	Tonnes	Au (g/t)	Ag (g/t)	Au (oz)	Ag (oz)
Belinau <sup>(1)</sup>	Measured	132,000	9.7	70.0	41,000	298,000
	Indicated	139,000	9.0	77.0	40,000	346,000
	Inferred	67,000	7.3	65.0	16,000	141,000
	<b>Total</b>	<b>338,000</b>	<b>8.9</b>	<b>72.0</b>	<b>97,000</b>	<b>785,000</b>
Grand Total (OP + UG)	<b>Measured</b>	<b>261,000</b>	<b>6.4</b>	<b>56.7</b>	<b>54,000</b>	<b>477,000</b>
	<b>Indicated</b>	<b>4,172,000</b>	<b>2.1</b>	<b>29.7</b>	<b>274,000</b>	<b>3,952,000</b>
	<b>Inferred</b>	<b>2,771,000</b>	<b>1.7</b>	<b>20.2</b>	<b>151,000</b>	<b>1,810,000</b>
	<b>Total</b>	<b>7,204,000</b>	<b>2.1</b>	<b>27.0</b>	<b>478,000</b>	<b>6,257,000</b>

1: Rob Spiers, Hellman & Schofield (Nov, 2013)

2: Chris Black, Cube Consulting (Nov, 2013)

3: Chris Black, Cube Consulting (March, 2014)

4: Chris Black, Cube Consulting (March, 2015)

# Community Relations

SUM's community relations activities include:

- Maintaining relationships with surrounding villages. Priority recruitment with 150 people in training programs to join as employees.
- Supplier development program and community development projects to provide goods and services and develop longer term skills.
- Providing health checks and health services for children and elderly in neighboring villages.
- Providing materials and equipment to repair road infrastructure.
- Development of fresh water bores.

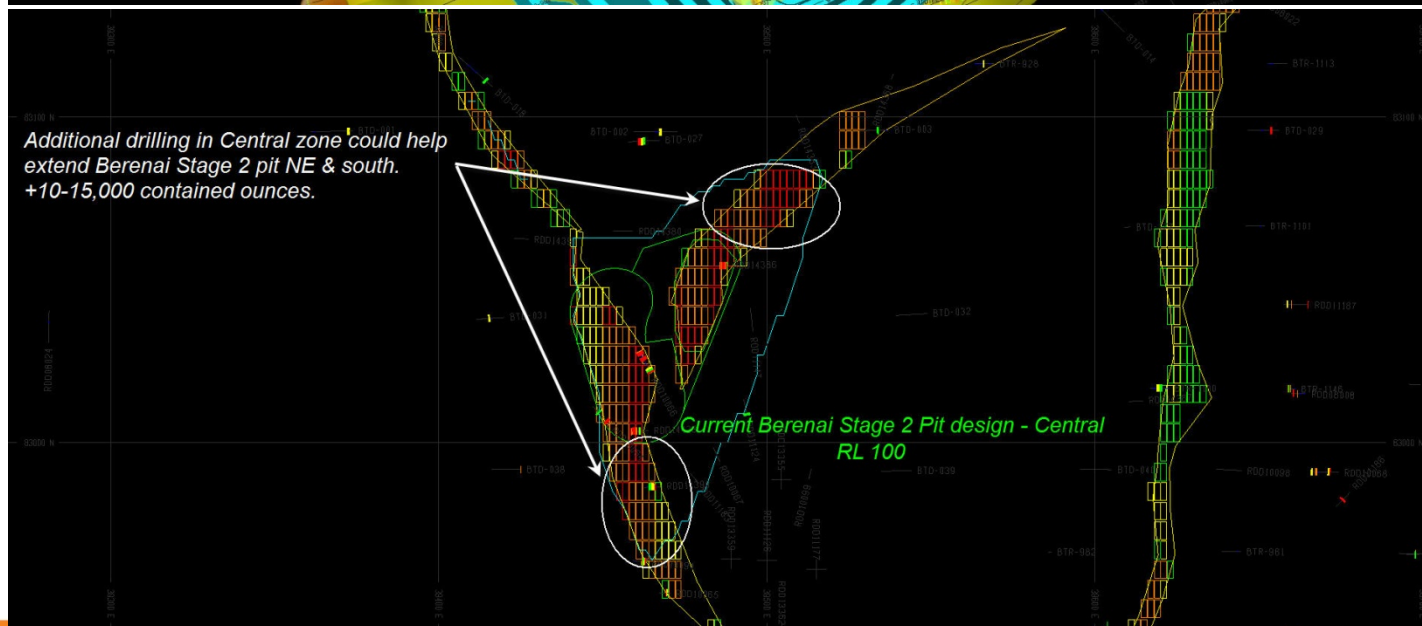
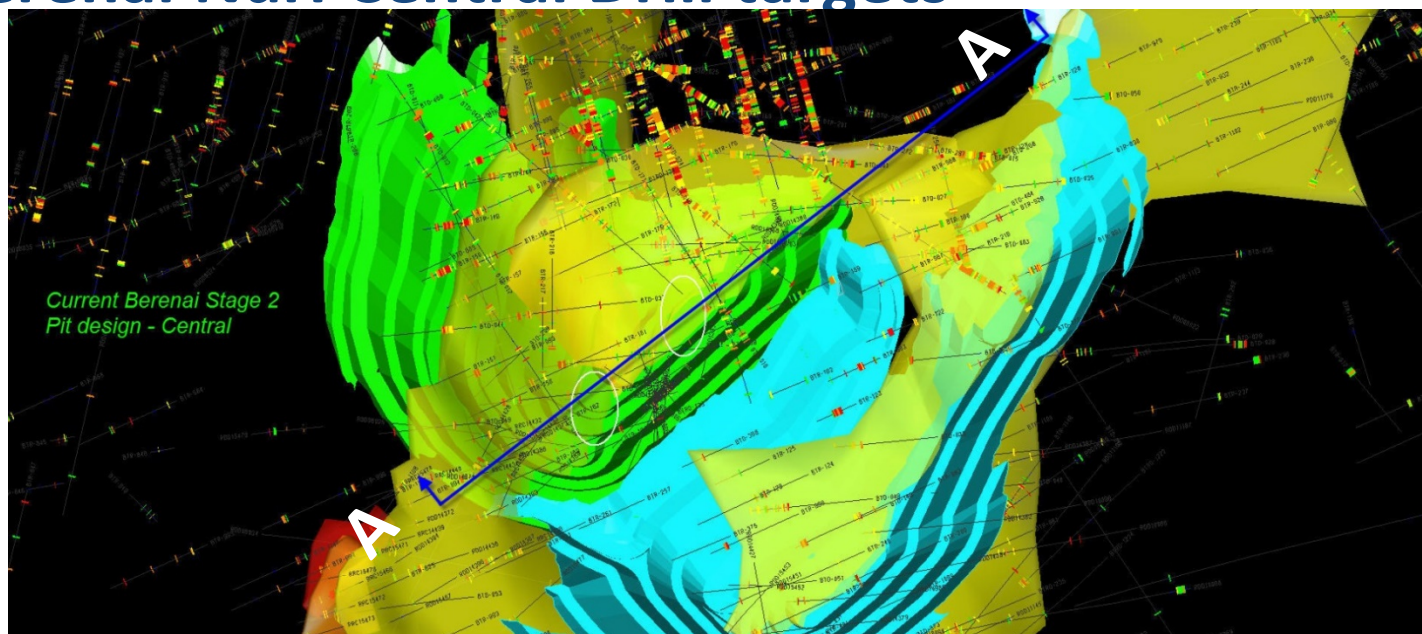


*Donation of building products*



*Health services*

# Berenai Nuri Central Drill targets

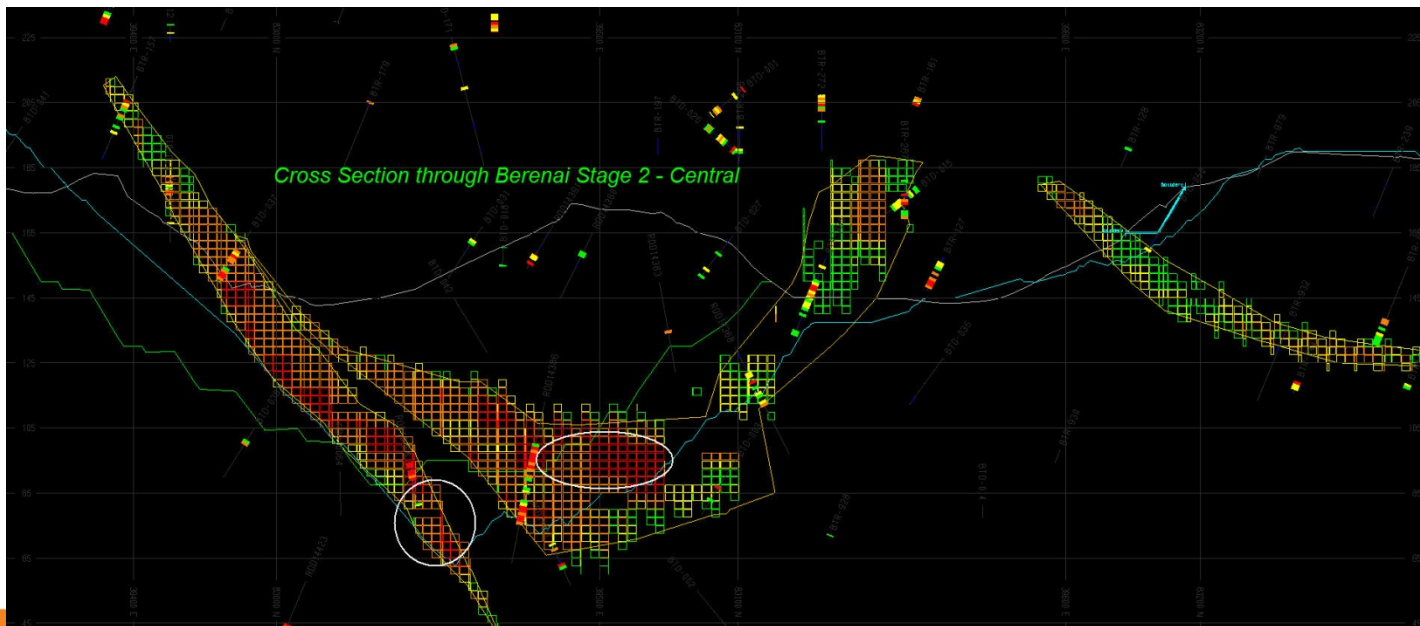
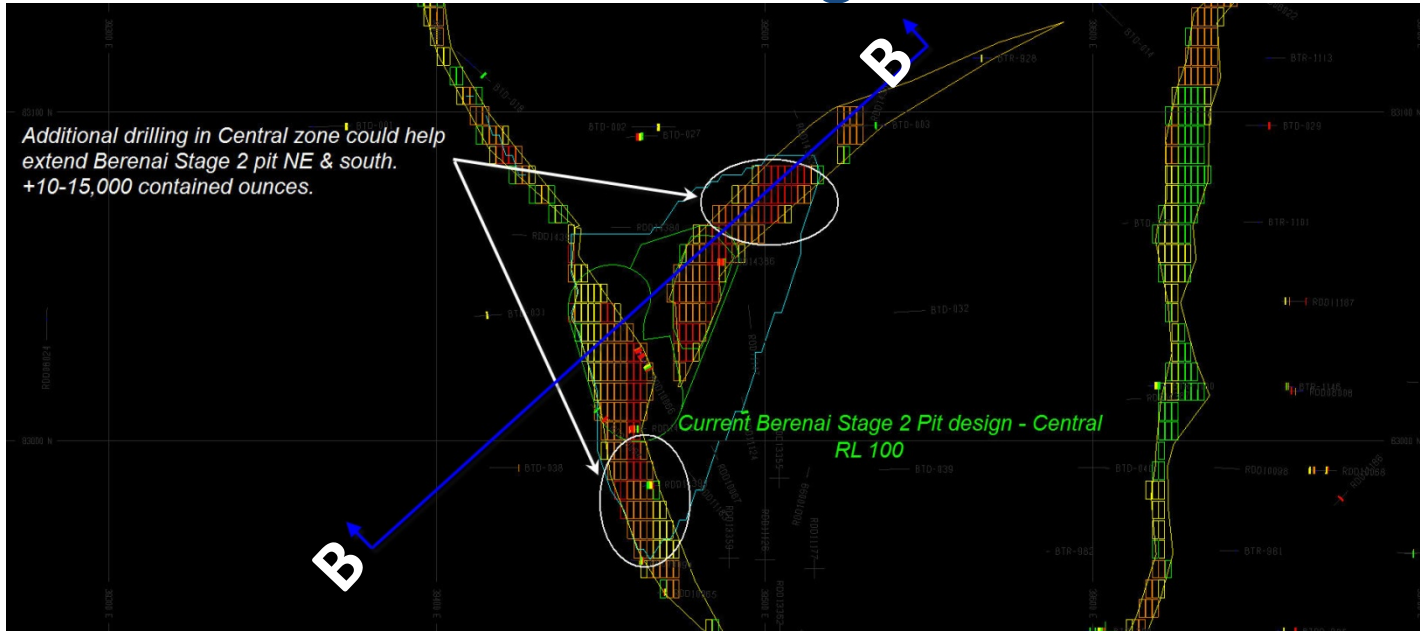


A

A



# Berenai Nuri Central Drill targets



B

B