

Initial Equity Raise Under Amended Finance Facility and SPP

Sumatra Copper & Gold plc (“the Company”) is pleased to announce that it has received irrevocable and firm commitments to raise approximately A\$3.46 million (equivalent to US\$2.60 million at an exchange rate of 0.7501) by way of placement of CHESS Depository Interests (“CDIs”) in the Company (“Initial Equity Raise”) to professional and sophisticated investors. The Company has also received irrevocable and firm applications for a total of 410,466,310 CDIs from debt providers and warrant holders to convert an outstanding redemption premium of approximately A\$4.04 million to CDIs and as consideration for the termination of 250,597,351 warrants.

The Company will also, by way of a Share Purchase Plan (“SPP”), provide an opportunity for eligible shareholders to acquire equity in the Company at the same issue price as the Initial Equity Raise up to a maximum of A\$500,000.

Initial Equity Raise

The Initial Equity Raise is required as a condition of the amendment of the US\$45 million senior secured debt facility and warrants (“Amended Facility”) (refer to ASX announcement of 23 December 2016 for details of the Amended Facility). Under the terms of the Initial Equity Raise the Company will issue 150,530,591 CDIs at a price of A\$0.023 per CDI (“Issue Price”) for gross proceeds of approximately A\$3.46 (US\$2.60 million at an exchange rate of 0.7501).

The proceeds of funds raised from the Initial Equity Raise will be used to repay US\$2.5 million of the existing Working Capital Facility with the Company’s major shareholders, Provident Minerals Pte Ltd and PT Saratoga Investama Sedaya Tbk (“Major Shareholders”), with the balance of the net proceeds to be applied to general working capital.

The Major Shareholders contributed A\$3.36 million as sponsors of the Initial Equity Raise under the Amended Facility.

The CDIs are scheduled to be issued on Monday 30 January 2017 (“Settlement Date”).

Argonaut Securities Pty Ltd acted as Lead Manager to the Initial Equity Raise.

Conversion of redemption premium and termination of warrants

In accordance with the terms of the Amended Facility the Company will also, on the Settlement Date, issue a further 410,466,310 CDIs as follows:

- 234,751,309 CDIs to be issued as consideration for the termination of 250,597,351 warrants in the Company (“Consideration CDIs”) at the Issue Price of A\$0.023 per CDI for a value of A\$5.40 million (US\$4.05 million at an exchange rate of 0.7501); and
- 175,715,001 CDIs to be issued as payment for outstanding redemption premium (accrued through a deferral of a portion of the interest rate), under the senior secured debt facility, at the Issue Price of A\$0.023 per CDI for a value of approximately A\$4.04 million (US\$3.03 million at an exchange rate of 0.7501) (“Redemption Premium CDIs”).

A further approximate US\$3.03 million of redemption premium will, in accordance with the Amended Facility, automatically convert on the Settlement Date into a subordinated interest-free debt instrument having a face value equal to US\$3.03 million and repayable on 30 December 2019 but redeemable at any time at the Company’s option.

For a detailed description of the Amended Facility refer to the Notice of Meeting dated 23 November 2016.

Share Purchase Plan

The Directors have resolved to seek to raise up to \$500,000 under a SPP. The SPP is priced at A\$0.023 per CDI, the same as the Issue Price under the Initial Equity Raise.

Under the SPP, existing eligible CDI holders who were registered as holders of CDIs in the Company at 5.00PM (WST) on the record date of 25 January 2017, and whose registered address is in Australia or New Zealand (“Eligible CDI Holders”), can apply for up to A\$15,000 worth of new CDIs (“New CDIs”) in the Company. However, the Directors reserve the right to refuse applications in their sole discretion in whole or in part.

The SPP issue price of A\$0.023 per New CDI represents a discount of approximately:

- A 15% to the closing price of the Company’s CDIs on last day on which a trade was recorded for CDIs prior to this announcement; and
- an 8% discount to the volume average weighted closing market price of the Company’s CDIs traded on ASX in the 5 trading days prior to this announcement.

The Company will apply for quotation of the New CDIs on ASX, which will rank equally in all respects with existing Company CDIs. An indicative timetable for the SPP is included in this ASX announcement.

Directors who are Eligible CDI Holders have indicated that they intend to participate in the SPP.

Indicative SPP Timetable

Date	Details
Wednesday 25 January 2017	Record Date 5.00pm (WST) The date on which the Company determines CDI Holders eligible to participate in the SPP, being CDI Holders registered on that date with an address in Australia or New Zealand.
Friday 3 February 2017	Opening Date The date the SPP opens.
Monday 27 February 2017	Closing Date The date on which the SPP closes. Applications and payments (including BPAY) must be received by 5.00pm (WST).
Monday 6 March 2017	Issue Date The date New CDIs are issued.
Tuesday 7 March 2017	Despatch Date The date on which holding statements are sent to CDI Holders who subscribed for New CDIs under the SPP.
Tuesday 7 March 2017	CDI Trading Date The date on which it is expected that the New CDIs will commence trading on the ASX.

This timetable is indicative only and the Company may, at its discretion, vary any of the above dates except for the Record Date.

Full details of the SPP and the final timetable will be set out in the SPP offer document which will be despatched to Eligible CDI Holders on or around Friday 3 February 2017.

Shareholder approval

The Company has received shareholder approval for the Initial Equity Raise, cancellation of the warrants for consideration payable in CDIs and conversion of US\$3.0 million of the redemption premium to CDIs (refer to ASX Announcement of 13 December 2016). The Company will issue 1,825,143 Redemption Premium CDIs under its existing Listing Rule 7.1 capacity.

For further information please contact:

David Fowler
Managing Director
Sumatra Copper & Gold plc
+61 8 6298 6200
dfowler@scgplc.com

Phil Retter
Investor Relations
NWR Communications
M: +61 407 440 882
phil@nwrcommunications.com.au

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.

Directors

Steve Robinson
Non-Executive Chairman

Jocelyn Waller
Non-Executive Director

Gavin Caudle
Non-Executive Director

David Fowler
Managing Director

Adi Sjoekri
Executive Director

Andrew Robb
Non-Executive Director

Contact

Level 1, 5 Ord Street
West Perth WA 6005
Western Australia
T: + 61 8 6298 6200
E: info@scgplc.com

Registered address
39 Parkside, Cambridge
United Kingdom CB1 1PN
Registered Number 5777015
ASX Code: SUM

Web: www.sumatracoppergold.com