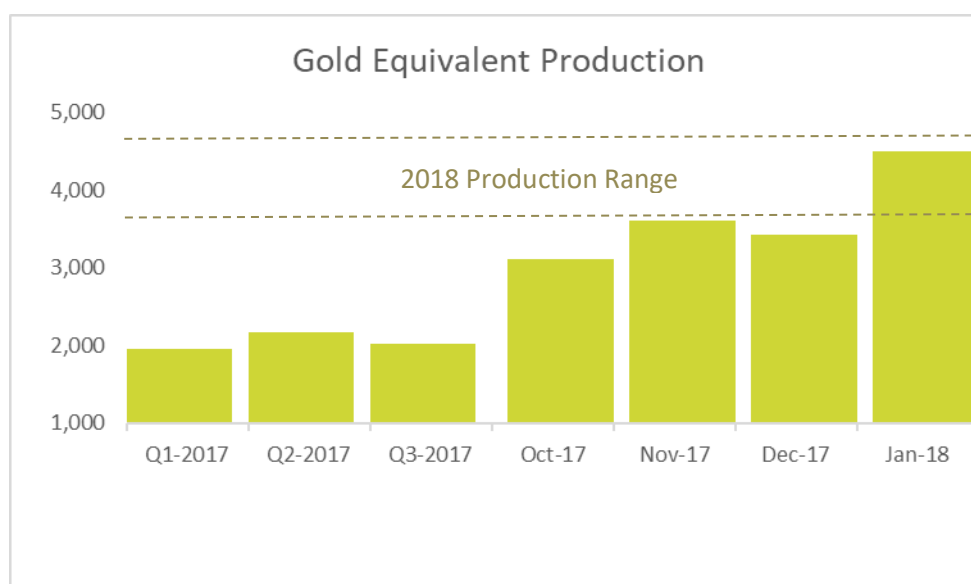


Monthly Production Record and Commencement of Drilling

Record Production

Sumatra Copper & Gold plc (“the Company”) is pleased to announce another monthly production record at its Tembang gold-silver operation located in southern Sumatra, Indonesia.

Following the record December 2017 quarterly production result and previous monthly record of 3,650 AuEq oz in November 2017, the Tembang operation produced 4,470 AuEq oz for the month of January and is on track to produce between 3750 - 4580 AuEq oz per month throughout 2018.¹



Extending Mine Life

With significant progress being made on improving production, the Company is increasingly focusing on extending mine life with two key strategies:

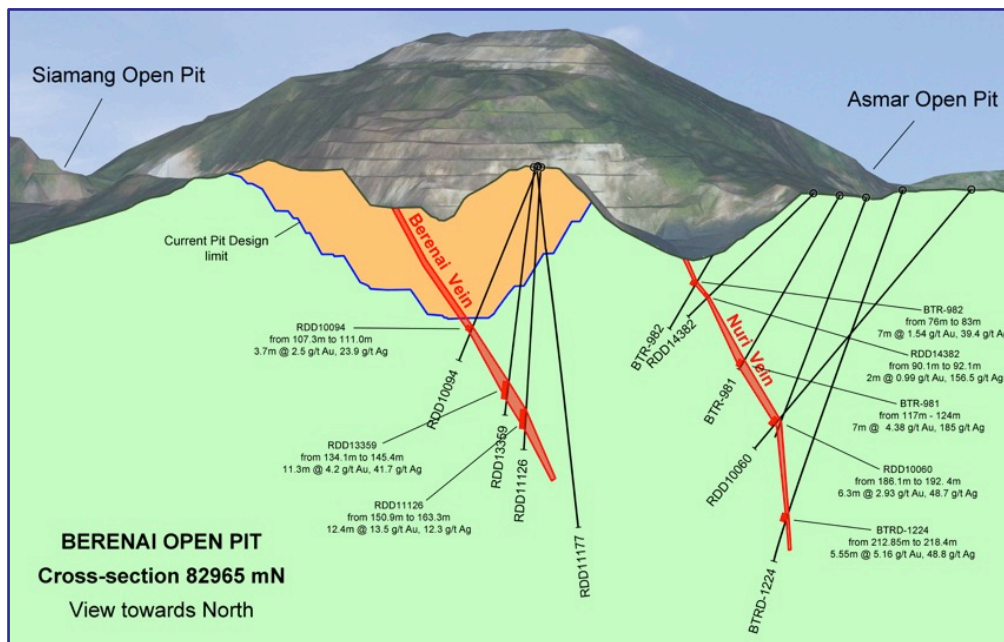
- A strategic alliance signed with Merdeka Copper Gold (Merdeka) to provide additional funding and expertise to define new resources; and
- Developing exploration tunnels to exploit known resources that extend beneath existing open pits largely self-funded from cashflow.

The recently announced appointment of Joe Dymott as General Manager Development is key to accelerating the Company’s plans to advance the new deposits towards production. The experience gained from the development of the Belinau underground mine over the past two years is providing confidence that the operation’s team will be able to develop small exploration drives into the known deposits that are either too deep for open pit mining or too difficult to drill from surface due to the topography.

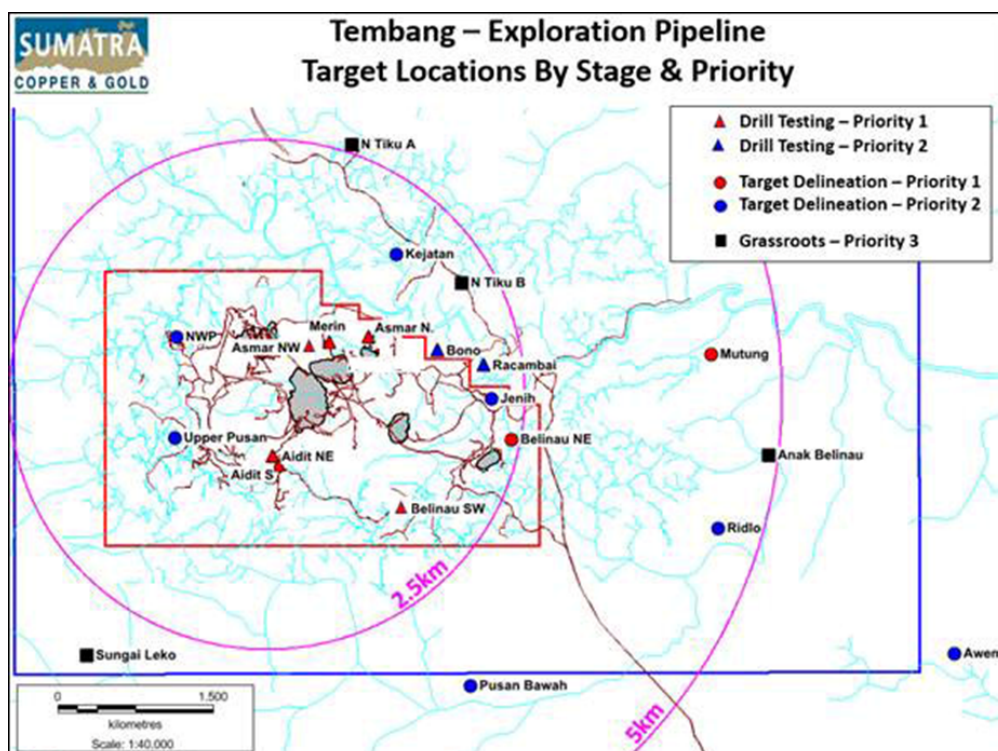
The operation currently has all the required resources to execute these drives, with spare compressors, micro loaders, fans and a trained team of airleg miners. These small drives can be developed economically to intersect the veins and create underground cuddies to drill the veins at depth. One such

¹ AuEq = Gold Equivalent Ounces, calculated as oz Au + oz Ag / 75.8

example is the Berenai vein with the expectation that the deposit trends towards Siamang, with known intersections at depth below the current pit.



The Company is also pleased to announce that drilling as part of the Merdeka strategic alliance will commence in mid-February using the track mounted diamond rig currently onsite. Future drilling will use a man portable rig for greater flexibility. The program is targeting near mine extensions that can be quickly exploited to feed the Tembang processing facility. A total of 12 targets have been identified with the initial drilling expected to target Belinau SW.



Chief Executive Officer Rob Gregory commented: “The Tembang operation has now reached the steady state production rate for 2018 even with a planned 3-day mill shutdown during January for a reline. We are excited that the Merdeka exploration program will commence this month and that the development team is well advanced in planning the bespoke exploration tunnels.”

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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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