

Mining Improvements Result in Record October Production

Sumatra Copper & Gold plc ("the Company") is pleased to provide an update on its Tembang gold-silver operation located in southern Sumatra, Indonesia.

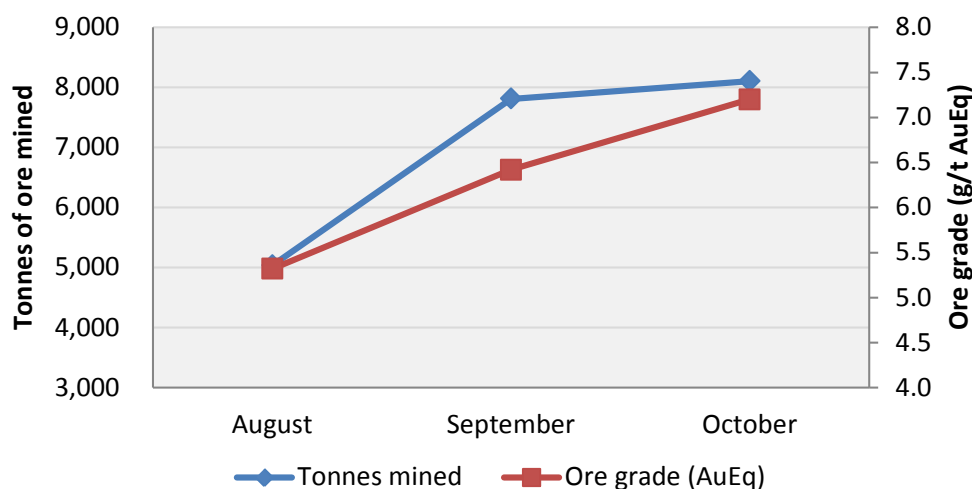
As a result of operational improvements following the appointment of Chief Operating Officer Mr Rob Gregory in July 2016, the Company achieved a record 3,379 ounces AuEq¹ production during October 2016, comprising 2,924 ounces of gold and 32,296 ounces of silver. On an annualised basis, the October gold equivalent production rate is approximately 40,000 oz AuEq.

The higher production rate is principally the result of increased productivity and reduced dilution in the Belinau underground mine, which is the main driver of operational profitability.

In July 2016, following problems associated with long hole stoping in the upper levels of the mine, the Company announced the adoption of an interim bench cut and fill mining method. This method was expected to produce lower tonnes at a higher grade due to better control of dilution (refer June 2016 Quarterly Activities Report).

Underground production for October, as shown in the following chart, demonstrates that the revised mining method has been implemented successfully with a 7.2 g/t AuEq mined head grade achieved for the month. Belinau provided 56% of the total recovered ounces for October.

Belinau underground mine production August – October 2016



Underground development productivity was also high during the month, with a total 426 metres of development during October compared to a monthly average over the prior 6 months of 273 metres. The decline has passed Level 7 on its way to Level 8 and remains on schedule to facilitate the resumption of stoping from Level 12 upwards by the end of the first quarter of 2017, at which point production from Belinau will substantially increase.

Mill recoveries improved significantly during October with 92.4% for gold and 78.4% for silver. The increased mill recoveries were the result of optimised feed blend and batch scheduling allowing longer residence times within the process plant. This result validates the proposed upgrade of the leach adsorption circuit prior to the planned process plant utilisation rate increasing to 100% during the first quarter of 2017.

¹ "AuEq" = Gold equivalent ounces, calculated on the basis of the relative gold price to silver price to convert silver ounces to equivalent gold production and added to the gold production for the month. The conversion factor for October 2016 was 71 oz Ag equivalent to 1 oz of Au.

Managing Director David Fowler commented: "The progress made by Rob Gregory, our new Chief Operating Officer, and his team at Tembang since July has been outstanding in what has been a challenging period for the Company. I would therefore like to thank the operations team for all their efforts and dedication in achieving this significant production milestone."

2016 guidance remains unchanged at 30,000 - 33,000 oz AuEq, increasing to 45,000 – 55,000 oz AuEq in 2017.

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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.

Directors

Steve Robinson	Jocelyn Waller	Gavin Caudle
Non-Executive Chairman	Non-Executive Director	Non-Executive Director
David Fowler	Adi Sjoekri	
Managing Director	Executive Director	

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