SUMATRA COPPER & GOLD

INDONESIA'S NEXT GOLD AND SILVER PRODUCER

2014 ANNUAL REPORT

SUMATRA COPPER & GOLD plc
Registered Number 5777015 (United Kingdom)
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CHAIRMAN'S LETTER

Dear Fellow Shareholder

A successful year for Sumatra Copper & Gold plc ("the Company") culminated in the recommencement of construction of the Tembang Gold-Silver Project in Sumatra, Indonesia ("the Project" or "Tembang") on 21 November 2014. Development activities at Tembang had been suspended since December 2013 pending the Company updating its Mineral Resources, Ore Reserves and Definitive Feasibility Study (DFS) and sourcing financing.

In April 2014 the Company announced a revised DFS with a 5-year mine plan comprising updated Ore Reserves (JORC Code 2012 Edition). The DFS presented robust economics for Tembang:

- Production of 40,000 to 50,000 gold equivalent ounces (GEO) per year with average annual production of 33,000oz gold and 345,000oz of silver;
- Mill throughput rate of 400,000 – 425,000 tonnes per year;
- All-in-sustaining-costs (AISC) of US$745/oz and C1 cost of US$470/oz (both net of silver credits of US$212/oz);
- Capital cost to completion of US$34m.

During Q1 and Q2 2014 the Company funded its working capital requirements through variations of the Convertible Loan Facility Agreement executed in December 2013 with Provident Minerals Pte Ltd ("Provident Facility"). Negotiations with potential financiers of the Project continued throughout this period. In October 2014 all outstanding principal, interest and fees under the Provident Facility were converted into CDIs of the Company. Later that month the Company announced that its wholly owned subsidiary, PT Dwinad Nusa Sejahtera, had signed a senior secured debt facility of up to US$45 million with Nomura Singapore Limited and Indonesia Eximbank ("Nomura Facility") for the purpose of financing the Tembang Project.

Following drawdown of the first tranche of US$40 million of the Nomura Facility in November 2014 the Company mobilised an experienced project team to Tembang and recommenced construction at site. The Project is currently progressing on schedule for first gold pour in the December 2015 quarter. Our safety and environment track record to date is outstanding and community relations are strong.

In December 2014 Mr Julian Ford resigned as Managing Director (MD) having transitioned the Company from junior explorer to funded project developer. On behalf of the Board, I extend my gratitude to Mr Ford for his significant contribution to the Company in progressing the Project to construction and building a strong in-country team in Indonesia.

Mr David Fowler stepped up from CFO to Acting CEO upon Mr Ford's resignation and in April 2015 was appointed MD of the Company. As an executive Mr Fowler has extensive experience with Tembang and brings significant financial expertise to the Board and is ideally placed to lead the Company into production at Tembang.

The successful milestones of 2014 would not have been achievable without the ongoing support and confidence of our major shareholders, executive team, employees, suppliers and contractors. The Board extends its gratitude to all employees and stakeholders. I also thank my fellow directors for their hard work and support. Collectively we look forward to commissioning Tembang and successfully joining the ranks of the gold producers. The success of the Company will be predicated by ensuring a low cost operation with a skilled Indonesian workforce.

I thank all shareholders for their support over the past year.

Stephen Robinson

S. Robi

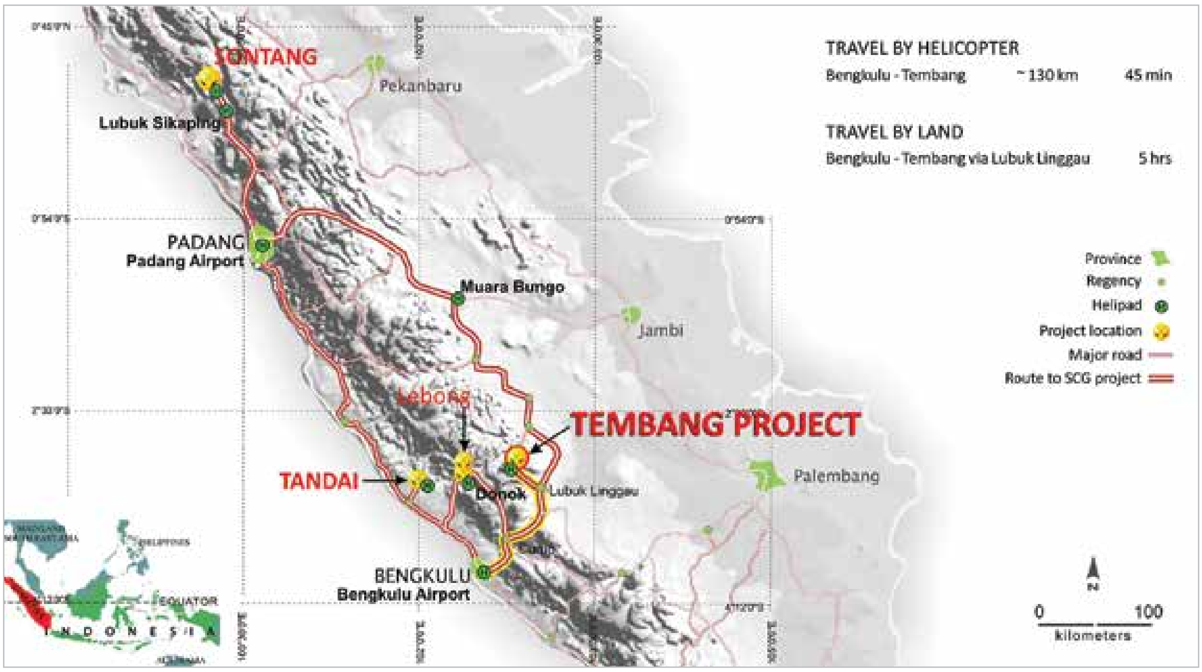
Non-executive Chairman

REVIEW OF OPERATIONS

Sumatra Copper & Gold Plc ('the Company') is an emerging gold and silver producer with projects on the Indonesian island of Sumatra. The Company is currently focused on developing its 100%-owned Tembang Gold-Silver Project ('Tembang' or 'the Project').

Tembang Project

The Tembang Project lies within the Province of South Sumatra in Indonesia. The Project is owned by PT Dwinad Nusa Sejahtera ('PT DNS'), an Indonesian Foreign Direct Investment Company ('PMA') which holds the Mining Business Permits ('IUPs') or mining leases over the Project area. PT DNS is a wholly owned subsidiary of Sumatra Copper & Gold plc, which is listed on the Australian Securities Exchange ('ASX').



Tembang Project Location

The Tembang Project is based on a large low sulfidation epithermal system containing gold and silver-bearing quartz veins hosted within volcanic rocks. The system was discovered in 1986 by CRA and was explored by the operating company PT BTM through to 1995. The Project area was mined in a series of open pits from 1997 to 2000 (the Rawas Gold Mine); a nominal 600,000 tonnes per annum ("tpa") operation produced in total approximately 189,000 ounces of gold but was closed in the year 2000 due to the low prevailing gold price.

Definitive Feasibility Study

On the 23 April 2014 the Company announced the completion of an updated Definitive Feasibility Study ('DFS'). The DFS delivered a 5-year mine plan comprising Proven and Probable Ore Reserves (JORC Code, 2012 Edition). Total production under the DFS was 2.1 Mt ore at a mill process rate of approximately 400,000 tpa at 2.8 g/t gold and 33 g/t silver for a total of 169,000 ounces of recovered gold and 1.8 million ounces of recovered silver. Total ore mined under the DFS was 1.7 million tonnes at 2.0 g/t gold and 30 g/t silver from open pits and 0.4 million tonnes at 6.1 g/t gold and 48 g/t silver from underground operations. Forecast C1 cash operating cost was US$470/oz (net of silver credits of US$212/oz) at an All-In-Sustaining-Cost (AISC) of US$745/oz (net of silver credits of US$212/oz).

REVIEW OF OPERATIONS (CONT)

The financials for the DFS assumed a gold price of US$1,300/oz and a silver price of US$20/oz. The DFS delivered net pre-tax cash flow of US$79M and a Project NPV, pre-tax at a 9% discount rate, of US$52.8M (excluding US$19.5 million sunk capital at the date of the DFS report). The Internal Rate of Return of the Project under the DFS was 65% (pre-tax, excluding sunk capital). The DFS cash flows were based on a capital investment to complete the Project of US$35.3 million (US$33.6 million plus US$1.7 million contingency). A further US$18.3 million of sustaining capital was estimated to be spent over the 5 year mine life.

Permitting

PT DNS converted its exploration IUP into an exploitation licence (IUP-Operation and Production) in April 2012. The IUP permit covers an area of 9,975 hectares ('ha') and is valid for 20 years. The Indonesian Environmental ("AMDAL") permit was received in April 2013. PT DNS was granted a 'Borrow and Use' (Pinjam Pakai) Forestry Permitting on 22 April 2013, under the new Forestry Regulation P/38/Menhut-11/2012 covering an area of 3,623ha. This covers the mining area and buffer (exploration) zone.

The Company requires a final amendment to the AMDAL permit and an explosive import and magazine permit which are expected to be granted in Q2 2015. Final approvals for tailings dam design and B3 hazardous waste permits for the tailings storage facility are expected to be granted in Q3 2015.

Development Plan

Project development activities re-commenced in November 2014 followed by construction in January 2015. Completion of plant commissioning and the first gold pour are scheduled for Q4 2015. The Company has elected to project manage the construction and commissioning of the plant and is using a local engineering company to provide design and procurement services.

The operation is based on five open pit operations at Berenai, Asmar, Tembang-Anang, Buluh-Siamang and Bujang, with an underground mine planned as a decline development from the historic Belinau pit.

It is planned to mine and process approximately 400,000 tonnes per annum. The current life of mine ('LOM') plan extends for five years. The Company has reported that it expects to define additional resources at Tembang which could extend the mine life.

The underground mine plan for Belinau is a relatively standard small mine design typical in Australian mines with access to the vein lenses via a decline from surface. The portal is planned from inside the existing Belinau open pit at approximately 30mRL but well above the pit bottom to deal with high intensity rainfall events, which are common in the region.

The decline is designed in the hanging wall of the quartz vein, which is considered to have better ground conditions. The total length of the decline is approximately 1,360m with a 1-in-7 gradient taking the mine to a depth of around 235m. The planned mining method is long-hole stoping with backfill, retreating from the vein limits back to the access crosscut. The mining method has a slight variation to the typical Avoca or bench stoping method with a 3m bench cut into the ore drive floor on each planned cemented aggregate fill ('CAF') level. The mining method reflects the vertical nature of the wall rock and competent host rock either side of the vein. Approximately 40% of the ore production will be from development and 60% from long-hole stoping. Development and operations will be performed on an owner miner basis. An experienced underground mining team has been recruited and preparations to commence development in Q3 are well advanced.

The mine plan for the open pit deposits involves starting mine production with the higher-grade Siamang and Bujang open pits. The Siamang and Bujang pits will be mined for an estimated six months whereupon the larger Berenai pit will start ore production coupled with lower grade Asmar ore as required to maintain the mill at full capacity. The Berenai pit is scheduled to finish mid-year 4 and the Asmar open pit will then be ramped up to be completed within 12 months of completion of Berenai. The open pit designs were optimised using a gold price of US$1,100 per ounce. Mining operations will be conducted by contractors using hydraulic excavators and articulated all-wheel drive trucks.

The process route has been based upon proven technology and historical data from the previous mining operation. Some improvements to the previous design have been made possible by reviewing the historical plant data and input from the previous plant operators. The plant incorporates the following operations:

- Single stage primary crushing loaded by Front-end loader with emergency feed capability
- The SAG mill is driven by 1.6 MW variable speed drive motor with cyclone clusters
- The Gravity concentration consists of Knelson centrifugal concentrator which report to the intensive cyanidation circuit, which will be a Concep Acacia CS500
- Leaching and carbon adsorption comprise six CIL adsorption tanks with a 7.1 hours nominal residence time for a total of 49 hours. Loaded carbon will gravitate to the acid wash column
- The elution consists of an acid wash, elution and carbon regeneration with 6t capacity columns with an AARL and electro-winning cells operating in parallel
- Regeneration kiln will be a horizontal rotary type unit, diesel fired
- Gold recovery electro-winning cells with pressure filtration followed by a bullion furnace to produce a silver rich gold doré; and
- Tailings thickening will feed to the detoxification circuit.

Total installed power capacity of 5.82MW will be supplied from a contractor-operated power station equipped with six 970kW continuous dual-fuel generators operating with a combination of CNG and diesel. Initially the power station will be operated on 100% diesel until the process plant has been commissioned and the plant is performing consistently. This period is expected to take a maximum of 6 months during which the CNG supplier will complete installation and commissioning of the CNG supply equipment on site. Thereafter, CNG will be introduced into the system and dual fuel operations are planned to commence.

Site accommodation for the operations phase will be provided for around 220 members of the workforce with the remainder being accommodated in villages in the surrounding area. The site accommodation facilities will include a mess, recreational facilities, wet mess, laundry and drying rooms and will be equipped with a package sewage treatment plant.

Site buildings adjacent to the process plant will comprise a process plant warehouse and workshop, administration offices, a medical clinic, ablutions facilities, a crib-room, a control room, a laboratory and a reagent shed.

Critical to the execution of the Company's development plan and operations is the ability to hire, retain and develop talented employees and work with the community and government in a sustainable way. The Company has been able to recruit an experienced expatriate and local management team with most of the key positions filled by the end of Q2 2015.

The Company has actively engaged with the local government and communities. Employees are sourced where possible from communities around the mine and training programs are planned to transition artisanal miners who live in these communities to employees. The Company has encouraged local contractors to provide services and has let many smaller contracts to local suppliers.

Community Relations

The Company has been in the Care and Maintenance position during the period of 2014. Any community relations activities during the period were focused on maintaining relations in the surrounding villages, and the company monitoring the progress of the socialization regarding illegal miner activities in the area, given by local government.

Some of the CSR activities that have been managed and carried out during the slow down period included Health Services on health checks for the elderly and toddlers in surrounding villages of the Tembang Mine areas. Donation of building material as residue to the construction material in the past period has also been delivered to help repair local village infrastructure.

The company continues to maintain a close relationship with the local government of Musi Rawas Utara. A visit by the Bupati Interim of Musi Rawas Utara to the Tembang Project including all Head of Mines and Environmental Office, Head of Forestry Office, and the Assistants of Bupati Offices. This conveyed a positive message to the general public of the government commitments and supports to the success of investment activities on mining in the areas.

Financing

The financing of the Company through to cash flow from operations is anticipated to require funding of approximately US$50 million. The funding strategy is based upon the US$45 million of Senior Secured Debt Facility announced in October 2014 ('Debt Facility') and US$5 million of equity. An initial tranche of US$40 million was drawn down from the Debt Facility in November 2014. The remaining US$5 million of debt is expected to be available for drawdown in Q3 2015. At the date of drawdown the gold price must be above US$1,125 per ounce.

The application of funds for the Company is anticipated to be as summarised in the following table:

	US$ million
Project capital cost to complete including contingency	36.6
Value added taxes	3.4
Fees and expenses of financing	2.6
Interest	3.0
Corporate and exploration expenditure	3.0
Working capital	1.4
Total	**50.0**

The capital cost estimate has increased from US$35.3 million to US$36.6 million and is considered additional contingency.

The use of funds allocated by the Company for the Project capital cost is anticipated to be as summarised in the following table:

	US$ million
EPCM Management	4.9
Process Plant	14.9
Underground mining (1)	3.9
Open Pit mining	5.7
Infrastructure and preproduction	6.8
In-fill Drilling	0.4
Total	**36.6**
Contingency included in above costs	3.3

1. Underground mining capital for mobile plant is shown net of equipment financing.

REVIEW OF OPERATIONS (CONT)

Geology, Exploration and Mineral Resources

Tembang is host to an extensive low-sulphidation epithermal vein system hosted in Miocene intrusive volcanic and volcaniclastic rocks. Tembang is believed to be focused within a zone of dilation created by the Sumatran volcanic arc-normal and arc parallel faults and fractures. Individual vein lodes have strike lengths of between 200 and 500 meters however mineralised trends are observed to be greater than 1 km. The depth extent of the economic mineralisation appears to be approximately 300 meters however vein lodes have not been closed off at depth. Vein widths are typically less than 2 meters however at Berenai vein lodes or complexes are greater than 5 meters and locally up to 10 meters. Potential for resource growth at and around the Tembang Project is considered to be high in that most known deposits remain open at depth and a pipeline of robust near mine exploration prospects exist.

Mineral Resource Definition Drilling (December 2013 - March 2015)

Two separate drilling programs were completed in 2014 (Table 1) for a total of 11,465.8m in 133 drill holes (Figure 1). Phase III drilling program completed 7085.6 meters for 81 holes in March 2014 and led into updates of Mineral Resources and Ore Reserves and completion of the Definitive Feasibility Study (Annual Report 2013). After an approximate 6-month hiatus in field activities a further phase IV drilling program was initiated in December 2014 and completed in March 2015 for a total of 4380.2 meters in 52 holes. The Phase IV program focused on infill drilling (grade control) and resource extension at and around DFS open pit designs scheduled for year-1 production and included some limited exploration drilling at a selection of near mine exploration prospects. Mineral Resource updates were completed on Berenai, Bujang and Siamang deposits (Table 2).

Prospect	Phase 3		Phase 4		Phase 3 + 4	
	Meters	Holes	Meters	Holes	Meters	Holes
Anang	199.2	4			199.2	4
Asmar	593.7	9			593.7	9
Belinau	726.6	3	310.0	2	1036.6	5
Berenai	2971.1	28	1661.3	23	4632.4	51
Bujang	1031.0	10	536.8	6	1567.8	16
Jenih			241.5	2	241.5	2
Kenapa	100.0	2			100.0	2
Plantsite-NW			90.0	1	90.0	1
Racambai			285.0	2	285.0	2
Siamang	270.0	5	1255.6	16	1525.6	21
Tembang	1194.0	20			1194.0	20
Total	**7085.6**	**81**	**4380.2**	**52**	**11465.8**	**133**

Table 1: Summary of drill holes and meters completed in 2014 and through March 2015.

Phase IV Drilling Program (December 2014 - March 2015)

A multi-faceted drilling program was completed between December 2014 and March 2015 for a total of 4380.2 meters in 52 holes. In anticipation of the initiation of operations scheduled for late 2015 infill (grade control) drilling was completed at the Berenai and Siamang deposits. At both Nuri and Bujang Mineral Resource models were considered drill constrained so Resource Extension drilling was completed with an aim to extend the pits. With an aim to add new resources to the Tembang growth pipeline Exploration Drilling was completed at Racambai, Jenih, NW Plant site and Guntor prospects with the objective of adding new resources to the Tembang growth pipeline.

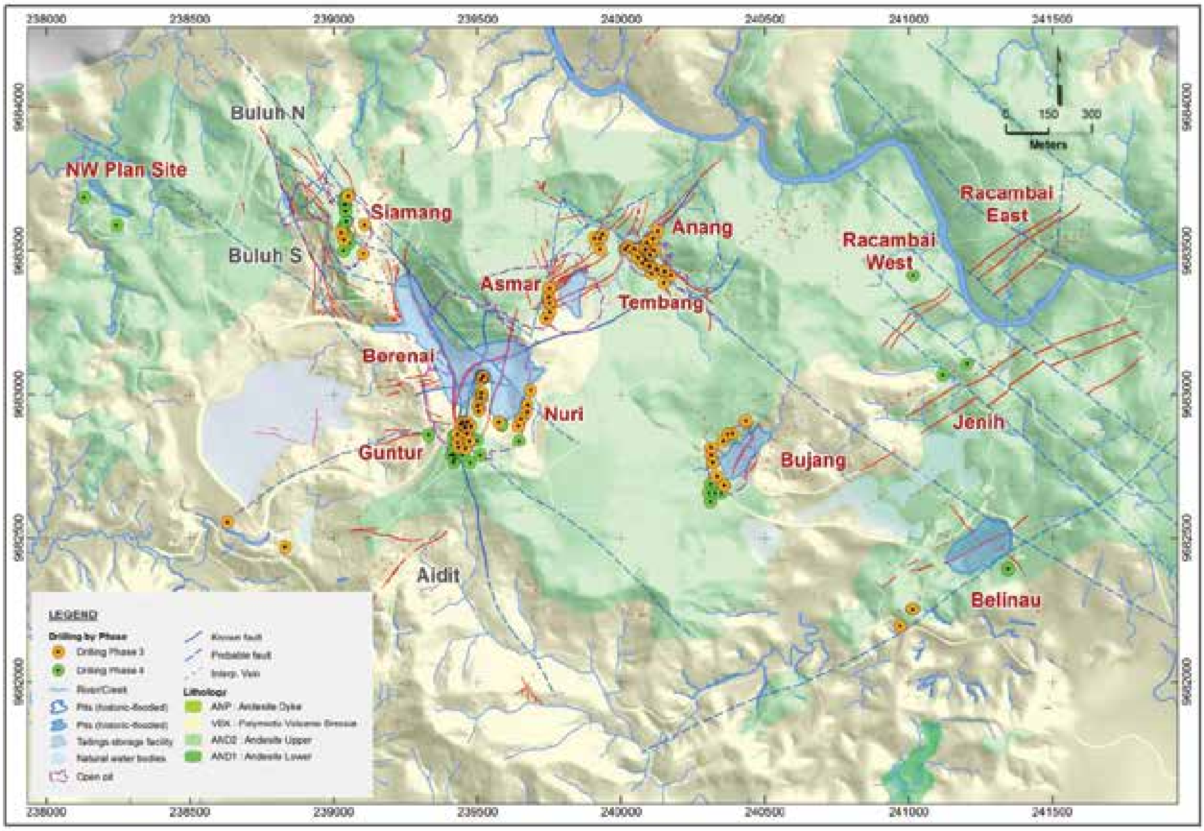


Figure 1: Generalized Geology Map with drilling Targets from Phase 3 and Phase 4

Berenai - Nuri

The Berenai complex (Berenai) is comprised of 3 separate vein lodes; Berenai, Central and Nuri. Berenai and Nuri are sub-parallel lodes that both strike approximately North-South for more than 500m and dip steeply to the east while Central appears to form a NE oriented link structure between the two and dips steeply to the South. As part of Phase III, a significant infill drilling program of 28 holes for 2,971m was completed at Berenai designed to increase confidence within an optimised pit shell based on the 2011 SCG Mineral Resource model.

The Phase IV program was designed to infill drill (grade control) the shallow portions at the south end of the Berenai pit (2014 DFS) planned for production during year-1 operations. Infill drilling was completed between existing 25m spaced sections to 12.5m spacing and the results of the program confirmed the grade and continuity of the Berenai lode and also encountered some additional mineralization in the footwall to the main Berenai lode.

A short drill program of 4 holes was completed at the south end of the Nuri DFS pit aimed at extending mineralization up-dip and along strike where limited historical (BTM) drilling data has indicated the resource model was closed off. The results showed that the Nuri structure is thin but continuous and helped resolve the geometry of the lode in this area. The Berenai and Nuri lodes are modeled and estimated as separate domains but included as a single Berenai Mineral Resource model and estimate by Cube in February 2014 and again in March 2015 (Table 2).

REVIEW OF OPERATIONS (CONT)

Bujang

Bujang hosts a semi-continuous, 2-5m wide vein lode that strikes northeast for over 200m and dips moderately to the northwest. The Phase III drill program completed 10 holes for 1031m testing for both down dip and along strike continuation of mineralization. The program was successful in confirming robust grades and widths and ended with a high-grade intercept open to the southwest. Phase IV followed-up this intercept with 536.8 meters in 6 holes and was successful in intersecting the structure however the mineralization appears to plunge gently to the Southwest as the shallow holes are weakly mineralized and economic grades were encountered at depth. Bujang remains a robust target for potential underground mining in the future. Cube completed the Bujang Mineral Resource model and estimate in February 2014 as part of the Phase III program with the model being further updated in March 2015 as part of the Phase IV program (Table 2).

Siamang (exclusive of Buluh)

Siamang hosts a robust, semi-continuous, 2-3m wide principal vein lode that strikes approximately North-South for over 200m and dips steeply to the west. Siamang also includes Siamang North which is an extension to the north and due to a slight change in strike from North to Northeast is considered a separate lode and the Siamang East lode which is sub-parallel to the main lode and site about 75m to the east of the Siamang main lode. In Phase III, a short drill program of 5 holes for 270m was completed at Siamang which ultimately did not warrant completing a resource update. Phase IV completed an extensive infill drill program within the complete DFS pit design infilling existing 25m spaced drill holes to 12.5m. The Mineral Resource was updated by Cube in March 2015 (Table 2) and resulted in an increase in tonnes and decrease in grade due to the use of the geologic model, which supports wider zones of quartz vein than previously modeled in 2013 by Hellman & Schofield. Buluh and Siamang will now be reported as separate Mineral Resources and Ore Reserves.

Exploration

Much of 2014 was dedicated to consolidating, validating and reviewing historical exploration data including geophysical data, which was reviewed by consulting Geophysics, Kim Frankcombe (ExploreGeo). The Tembang project database now includes more than 180km of drilling data, 85km of trenching and 35,000 surface samples, which is now managed with a commercial database software (GeoSpark). SCG use Micromine software to manage drilling data and ArcGIS software products for surface mapping. An industry standard QAQC program has been implemented during 2014 which now includes full use of standards (CRM), blanks and duplicates. As a result of this detailed and ongoing review a robust pipeline of exploration targets has been generated and as part of the Phase IV drill program a selection of these prospects received first-pass drill testing; Racambai, Jenih, Guntor, and NW Plant Site (Figure 2).

Racambai & Jenih: Racambai and Jenih are located to the immediate northeast of Belinau and display a similar trend with a NE oriented strike. Both prospects have seen historical exploration surface sampling and drilling and have yet to produce an identifiable mineral deposit however they remain highly prospective. During the recent Phase IV drill program two holes were completed at each of Jenih and Racambai, both intersected the targeted structures at depth and both resulted in anomalous gold values. Racambai intersected quartz vein material with relatively abundant sulfides yet lacked the diagnostic low-sulfidation epithermal vein textures. (RDD15480 intersected 5.3m @ 0.46 g/t Au, 27 g/t Ag from 103.5m). Both prospects warrant additional follow-up work.

NW Plant Site: The NW plant site prospect appears to be a single structure oriented NW and dipping steeply to the West. There are two historic elongate pits that, according to historical reports, produced 5000 tonnes @ 7 g/t as part of the previous BTM operation. Two drill holes were completed with a single hole drilling beneath each of the two pits. Both holes intersected structure with minor quartz veinlets, sulfide mineralization and anomalous gold values (RDD15465 intersected 0.6 m @ 0.46 g/t Au, 3 g/t Ag from 68.7m).

Guntor: Adjacent to the west wall of the Berenai pit there are several West-East oriented structures that have seen intermittent attention by local miners. At the locality known as Guntor there are two steep, narrow, sub-parallel structures that had never been drilled. A single hole was completed and intersected what appears to be the continuation of at least one of the structures however the mineralization remains narrow and does not develop into a robust vein system at the depth tested however several anomalous zones were encountered with the highest grade intersect returning 0.5 m @ 2.01 g/t Au, 45 g/t Ag from 48.7m (RDD 15479).

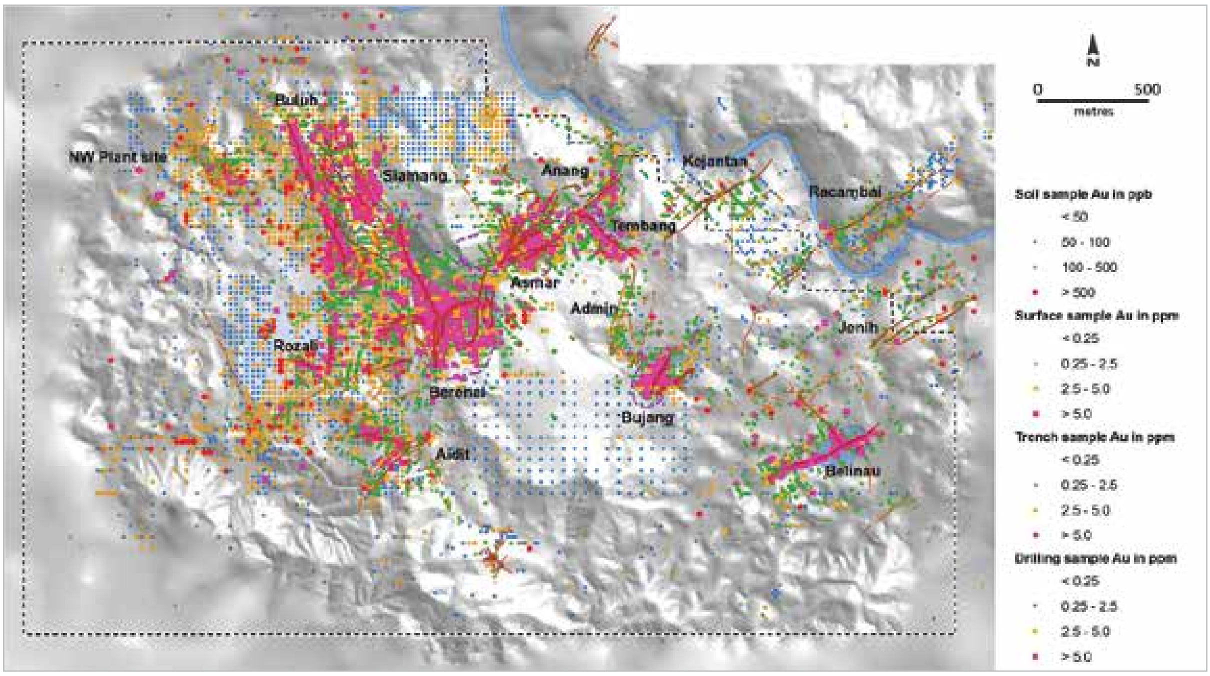


Figure 2: Summary Au Anomaly Map on Digital Terrain Model (DTM)

Tandai

The Tandai project is a high grade vein-vein breccia system that strikes roughly west-east over more than 3km and has been mined intermittently historically; first by the Dutch between about 1900-1940 and again in the 1990's by Lusang Mining. Historical reports indicate a total production of 1.3 million ounces gold. SCG plc holds the Exploration Lease (IUP) over the Tandai project through a local subsidiary company PT Bengkulu Utara Gold (BUG) and plans to advance the project through to feasibility study during 2015 with the objective of obtaining a production permit.

Asa

The Asa prospect is a gold-silver-base metal epithermal vein prospect discovered in 2012 by the SCG Exploration team and is located approximately 75km Southeast of the Tandai Project. Exploration activities to date have outlined a NE-SW corridor of silicification and quartz veining over a 2 km strike length with local zones of high grade mineralization up to 13.5 g/t Au and 1000 g/t Ag. The structural trend appears quite complex with the best zones of mineralisation occurring at intersections with NNW faults and fractures.

The Ore Reserve estimate is in compliance with the JORC Code (2012 Edition) and was published on 25 March 2014. There have been no material changes to these Ore Reserves estimates since the date of this publication.

Table 4: Ore Reserve Estimate (March 2014)

Deposit	Resource Category	Tonnes ('000t)	Grade Au (g/t)	Contained Gold (oz)	Grade Ag (g/t)	Contained Silver (oz)
Open Pit Ore Reserves						
Asmar	Proved	-	-	-	-	-
	Probable	733	1.6	38,000	24.8	585,000
Berenai	Proved	-	-	-	-	-
	Probable	710	2.2	51,000	31.8	726,000
Bujang	Proved	-	-	-	-	-
	Probable	56	3.7	7,000	57.2	102,000
Siamang	Proved	4	7.8	1,000	102.8	12,000
	Probable	31	7.6	8,000	61.6	61,000
Tembang Anang	Proved	-	-	-	-	-
	Probable	59	1.6	3,000	31.1	59,000
Total Open Pit Reserves	Proved	4	7.8	1,000	102.8	12,000
	Probable	1,588	2.1	106,000	30.0	1,534,000
	Total	1,592	2.1	107,000	30.2	1,546,000
Underground Ore Reserves						
Belinau	Proved	204	6.0	39,000	41.5	272,000
	Probable	214	5.1	35,000	44.4	306,000
	Total	418	5.5	74,000	43.0	578,000
Total Ore Reserves 2014						
Tembang	Proved	208	6.0	40,000	42.5	284,000
	Probable	1,802	2.4	141,000	31.7	1,839,000
	Total	2,010	2.8	181,000	32.9	2,123,000

Calculations have been rounded to the nearest 10,000 t, 0.1 g/t grade and 1,000 oz. metal.

Mineral Resource Statement

Mineral Resource Estimates were updated by external consultants to include results of recent drilling programs completed by SCG;

- Phase II (2013) - Mineral Resource updates were completed for Asmar in October 2013 by Cube Consulting and Buluh and Belinau in November 2013 by Hellman & Schofield.
- Phase III (2014)- Mineral Resource updates were completed for Berenai, Bujang and Tembang/Anang in March 2014 by Cube.
- Phase IV (2015)- Mineral Resource updates were completed on Berenai, Bujang and Siamang in March 2015 by Cube.

The total JORC Compliant Mineral Resources as at 31 March 2015 are estimated at 7.148 Mt at 2.1 g/t gold and 27.1 g/t silver, for total metal content of 0.474 Moz of gold and 6.22 Moz of silver. The Mineral Resources are provided in the table below.

REVIEW OF OPERATIONS (CONT)

Mineral Resource Estimate

	Category	Tonnes	Au (g/t)	Ag (g/t)	Au (oz)	Ag (oz)
OPEN PIT (>0.5 g/t Au)						
Asmar (2)	Measured					
	Indicated	1,636,000	1.2	20.6	64,300	1,081,800
	Inferred	1,509,000	1.4	11.9	67,700	577,200
	Total	**3,145,000**	**1.3**	**16.4**	**132,000**	**1,659,000**
Berenai (4)	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
	Total	**2,297,000**	**2.0**	**33.6**	**148,000**	**2,482,000**
Buluh (1)	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
	Total	**428,000**	**2.0**	**28.0**	**28,000**	**388,000**
Siamang (4)	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
	Total	**428,000**	**2.0**	**28.0**	**28,000**	**388,000**
Bujang (4)	Measured					
	Indicated	217,000	2.8	37.0	19,500	260,900
	Inferred	69,000	1.9	20.0	4,100	43,700
	Total	**286,000**	**2.6**	**33.0**	**23,600**	**304,600**
Tembang / Anang (3)	Measured					
	Indicated	170,000	2.5	29.3	13,700	160,400
	Inferred	56,000	2.1	29.9	3,800	53,300
	Total	**226,000**	**2.4**	**29.4**	**17,500**	**213,700**
Total (OP)	Measured	120,000	2.6	48.7	10,000	188,000
	Indicated	4,007,000	1.8	28.1	233,500	3,620,100
	Inferred	2,683,000	1.5	18.9	133,600	1,627,200
	Total	**6,810,000**	**1.7**	**24.8**	**377,100**	**5,435,300**
UNDERGROUND (>2.78 g/t Au)						
Belinau (1)	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
	Total	**338,000**	**8.9**	**72.0**	**97,000**	**785,000**
OPEN PIT & UNDERGROUND						
Grand Total (OP + UG)	Measured	252,000	6.3	60.0	51,000	486,000
	Indicated	4,146,000	2.1	29.8	273,500	3,966,100
	Inferred	2,750,000	1.7	20.0	149,600	1,768,200
	Total	**7,148,000**	**2.1**	**27.1**	**474,100**	**6,220,300**

Notes:

1: Rob Spiers, Hellman & Schofield (November 2013)
2: Chris Black, Cube Consulting (November 2013)
3: Chris Black, Cube Consulting (March 2014)
4: Chris Black, Cube Consulting (March 2015)

Competent Person's Statement - Exploration Results

The information in this report that relates to Exploration Results is based on information compiled by Devin den Boer, who is a full time employee of the company and a Registered Member of the Association of Professional Engineers and Geoscientists of British Columbia (APEGBC). Mr den Boer 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 den Boer consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

Competent Person's Statement - Mineral Resources - Buluh, Belinau

The information in the report to which this statement is attached that relates to the Mineral Resource estimate for Buluh and Belinau, is based on information compiled by Mr Robert Spiers who is a member of AIG and a full time employee of H&S Consultants Pty Ltd. Mr Robert Spiers 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 Robert Spiers consents to the inclusion in the report of the matter based on his information in the form and context in which it appears.

Competent Person's Statement - Mineral Resources - Asmar, Berenai, Tembang/Anang, Bujang and Siamang

The information in the report to which this statement is attached that relates to the Mineral Resource estimate for Asmar, 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.

Competent Person's Statement - Ore Reserves

The information in this report that relates to Open Pit and Underground Ore Reserves is based on information compiled by Mr Shane McLeay of Entech Pty Ltd, who is a Fellow 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.

STRATEGIC REPORT

Sumatra Copper & Gold Plc (the 'Company' the 'Group' or 'Sumatra') is an emerging gold and silver producer with projects on the Indonesian island of Sumatra. The Company is currently focused on developing its 100%-owned Tembang Project ('Tembang' or the 'Project').

The Directors of Sumatra Copper and Gold Plc present their strategic report for the year ended 31 December 2014.

1. Review of the business

Sumatra is a company listed on the Australian Stock Exchange in 2009 and is focused on the development of precious metals projects in Indonesia. The Company's most advanced asset is the Tembang Project. After completing a bankable feasibility study in September 2012 the Company raised US$19.7 million in equity in June 2013 and commenced construction at Tembang. During 2013 the gold price fell from a high of US$1,690 per ounce to US$1,200 per ounce by December 2013. As a result the Company was unable to complete debt funding and construction at Tembang was suspended in December 2013.

In December 2013 the Company secured US$4 million of funding under a convertible loan facility from its largest shareholder, Provident Minerals Pte Ltd to finance additional drilling to convert Inferred Mineral Resources into Measured and Indicated Mineral Resources category and to complete a revised mine plan based on a lower gold price of US$1,300 per ounce. The Company completed and published the revised Definitive Feasibility Study (DFS) on 23 April 2014. The DFS was based on a five-year plan, mining Ore Reserves at a nameplate plant throughput rate of 400,000 tpa to produce a total of 169,000 ounces of gold and 1.8 Million ounces of silver. Forecast C1 cash operating cost was US$470/oz (net of silver credits of US$212/oz) and All-In-Sustaining-Cost (AISC) of US$745/oz (net of silver credits of US$212/oz).

Subsequent to the completion of the DFS the Company received additional funding of US$2.1 million under its Convertible Loan Facility Agreement with Provident Minerals Pte Ltd and PT Saratoga Investama Sedaya Tbk. During October 2014 outstanding principle, interest and fees on the convertible note of A$7,536,361 was converted into 163,833,929 CHESS Depositary Interests (CDIs) in the Company. In October 2014 the Company's wholly owned subsidiary PT Dwinad Nusa Sejahtera ("DNS") entered into a senior secured debt facility ("Facility") with Nomura Singapore Limited and Indonesia Eximbank. The key terms of the Facility are as follows:

- US$45 million Senior Secured Term Debt Facility. An initial tranche ("Tranche 1") of US$40 million was drawn down within 30 days of signing documentation. A second tranche ("Tranche 2") of US$5 million will be available to be drawn on the date of practical completion of the process plant, provided that completion takes place within 12 months of the date of drawdown of Tranche 1. The gold price must be above US$1,125 per ounce at the proposed date of drawdown for Tranche 2 to be drawn and the Company must have raised at least US$5 million in equity within 6 months of the initial drawdown of Tranche 1.
- Hedging arrangements with Nomura Singapore Limited that will allow DNS to hedge up to 65% of its gold and silver production over the term of the Facility. DNS hedged 50% of gold and silver production at drawdown and can increase hedge levels closer to the expected date of commencement of production.
- Interest rate of 7.5% per annum increasing to 10.0% after 18 months. Upon any prepayment or repayment of the loan DNS will be required to pay a redemption premium that will result in the lenders receiving an amount equal to 15% per annum (including interest).
- 250,597,351 warrants each convertible into one CHESS Depositary Interest ("CDI") in the Company. 222,753,201 warrants will be issued on Tranche 1 drawdown and a further 27,844,150 warrants on Tranche 2 drawdown. The exercise price of each warrant will be A$0.057 and the term of the warrants will be 3 years from the respective drawdown date.
- No fixed repayment amounts are established. 85% of cash generated from the Project will be used to repay the loan each quarter and the balance of unpaid funds is due in a bullet payment at the end of the 3-year term.

During November 2014 the Company drew down US$40 million of debt funding and commenced construction on the Tembang Project. The Company is required to raise US$5 million of equity to complete funding of the project. An additional US$5 million of equity will be raised should the conditions precedent for Tranche 2 of the Senior Secured Facility not be met. On 26 March 2015 the Company announced an equity placement of A$5.1 million (approximately US$4.0 million at an exchange rate of 0.78).

2. Review of Strategy and business model

The Company is a junior mining company focused on the development of precious metals projects in Indonesia. The high grade Tembang Project located in Southern Sumatra, currently under construction, is planned to be the first production project for the Company.

At Tembang the Company's strategy has been to define sufficient Ore Reserves to finance construction of the Project with reasonable levels of equity dilution. Cash flow from operations are proposed to then be reinvested to define new resources that would allow for extensions of mine life and increased production. The Musi Rawas tenements surrounding the Tembang Project are owned by the Group, are underexplored and provide further exploration upside for defining new targets close to Tembang. The Directors intend to refinance the Facility on more competitive terms once commercial production is achieved.

Exploration potential at Tembang is significant in terms of the extension of known mineralisation at depth, strike extent of known veins and for new discoveries. The Company anticipates that exploration success is likely to add significant value to the Company as incremental cash flows can be achieved without major new capital expenditure.

During the year 2014, the Group completed the total acquisition of the Tandai project which is expected to provide relevant resources information. The Group expects to resume exploration activities during 2015.

The Group also holds rights in Sontang, Jambi, Madina 1 and Madina 2. No further exploration work is currently planned on these properties.

3. Principal Risks and Uncertainties facing the Company

Risk assessment and management are fundamental components of the business in planning for the Company's future and executing the strategy. The Group identifies, evaluates and manages significant threats and opportunities against business objectives. The Group's risk and tolerance levels are identified by the Board of Directors and are constantly monitored against group strategic goals, targets and performance.

The key areas of risk, uncertainty and material issues facing the Group in executing its strategy and delivering on its targets are described below.

3.1 Funding

As noted above, the Company will be required to raise additional finances, either from its current investors, by raising equity in the market or other sources, to fund its future activities. There can be no assurance that the Company will be able to raise finance on acceptable terms or in a timely manner or at all. Failure to raise additional finance would have a material adverse effect on the Company. Subsequent to year end, on 26 March 2015 the Group announced it had received irrevocable and firm commitment to raise approximately US$4.0 million (A$5.1 million equivalent) by way of CHESS Depositary Interest (CDIs) in the Company to professional and sophisticated investors. The Directors are confident that the required additional US$1 million of equity needed to satisfy the Company's obligations to its lenders will be raised in due course and in a timely manner to satisfy conditions precedent of Tranche 2 of the Debt Facility.

3.2 Commercial viability - early stage exploration projects

With the exception of the Tembang Project, which has Ore Reserves and Mineral Resources, the mineral projects in which the Company has an interest are early stage exploration and are without Ore Reserves. No assurances can be given that these other projects will achieve commercial viability. However, the Company expects to start producing gold during the fourth quarter of 2015 at Tembang and at that point will further assess the commercial viability of its early stage exploration project through a structured process of exploration and evaluation.

3.3 Environment

The mineral project interests are located in Indonesia, a developing nation with a large number of ethnic and indigenous groups, whose fiscal and monetary controls, laws, policies and regulatory processes in many areas are less established than in developed nations, and where there is a wide range of policies, ideologies and attitudes between the numerous different political parties and candidates. The risks attached to exploration in a developing country, which are not necessarily present in a developed country, can impact on a range of factors such as sovereign risk, safety, security costs, ability to operate, country policy, fiscal provisions and laws, and can lead to delays or even the suspension of operations.

The projects in Sumatra are located in areas where there are indigenous communities and villages, and other land users. Any exploration and potential mining activities need to appropriately consider the needs of these communities and land users and suitable land use compensation arrangements have to be entered into. The projects are carried out under Indonesian local legislation, which is subject to change from time to time.

3.4 Metal prices volatility

The Group's main focus is the gold and silver development of the Tembang Project. The market prices for these commodities fluctuate widely. These fluctuations are caused by numerous factors beyond the Company's control. Causes of gold price fluctuations include the following:

a) speculative positions taken by investors or traders in gold;
b) changes in the demand for gold as an investment;
c) changes in the demand for gold used in jewelry and for other industrial uses;
d) changes in the supply of gold from production, disinvestment, scrap and hedging;
e) financial market expectations regarding the rate of inflation;
f) the strength of the dollar (the currency in which the gold price trades internationally) relative to other currencies;
g) changes in interest rates;
h) actual or expected gold sales by central banks and the International Monetary Fund;
i) gold hedging and de-hedging by gold producers; and
j) global or regional political or economic events.

A sustained period of significant gold price volatility may adversely affect the Group's ability to evaluate the feasibility of undertaking new capital projects or continuing existing operations or to make other long-term strategic decisions.

In order to mitigate this risk, the Group entered into hedging instruments equivalent to approximately 50% of gold and silver production during the first 2 years of operation commencing deliveries during November 2015 to October 2017. The hedge program represents approx. 23% and 16% respectively of the gold and silver Ore Reserves. The subsidiary paid a premium of US$300,000 for entering the hedging program.

4. Key Performance Indicators

The Group is currently involved in the development and construction of its Tembang gold/silver Project. The Directors believe that there are no operational key performance indicators that can be used to assess the performance of the last financial year. On an ongoing basis the Directors monitor the operating cash outflows, capital expenditure and cash balances and Joint Ore Reserves Committee (JORC) code compliant status of projects. The operating cash outflow for 2014 was US$3.6 million (2013: US$3.7 million) and year end cash balance was US$26.5 million (2013: US$4.1 million).

5. Financial Review

5.1 Statement of comprehensive income

The Group recorded a net loss for the year ended 31 December 2014 of US$2.4 million, representing (US$0.5) cents per share, in comparison to a net loss for the year ended 31 December 2012 of US$18.9 million representing a loss of (US$5.3) cents per share.

The net loss for the year of US$2.4 million was mainly due to general administrative expenses before share-based payments and impairment (US$3.3 million) and net financing costs (US$1.9 million). This was offset by a net gain from a bargain purchase of the remaining 70% of PT Bengkulu Utara Gold of US$2.5 million; and the derivative gain of US$0.6 million comprising a positive fair value movement of hedging contract between inception to year end. Net financing costs mainly comprise of net interest expense relating to the Convertible Loan Note and the Senior Secured Facility. Foreign exchange gain comprise of realised and unrealised movements on the conversion of non-USD cash held.

General administrative expenses before share-based payments and impairment of US$3.3 million mainly comprised labour costs of US$2.0 million, overheads of US$0.7 million; and consultants and investor relations of US$0.6 million.

5.2 Statement of financial position

Total assets increased by US$44 million to US$92.7 million from 31 December 2013. The increase in total assets was mainly due to a net increase in cash as a result of the execution of US$40 million debt facility offset by borrowing cost incurred and payments to suppliers. A net increase in property plant and equipment (US$8.9 million) as a result of recommencing construction at the Tembang Project including, Berenai drilling, explosives magazine, concrete and steel construction to site recommenced, design of process plant concrete and steel largely completed and underground drill rig and the recognition of asset retirement obligation. Additionally, the valuation of forward contracts designated as hedges of US$7.4 million and the additions in exploration and evaluation assets of Tandai resulting from the acquisition of subsidiary of US$5.8 million.

Total liabilities were US$50 million, an increase of US$35.5 million from 31 December 2013. The movement in total liabilities was mainly as a result of the US$40 million Nomura-Eximbank Senior Secured Facility entered into during the fourth quarter of 2014, offset in part by the conversion of Convertible Loan Notes to shares (US$6.6 million) and decrease in trade and other payables (US$2.6 million). During the year ended 31 December 2014, the Company also recognised a provision for rehabilitation of US$0.6 million and a long term provision of US$7.7 million associated with the valuation of its hedging program.

Total equity of US$44.7 million at 31 December 2014 increased by US$8.6 million from 31 December 2013 primarily as a result of the conversion of the full capitalised value of the Convertible Loan Facility Agreement including interest and facility fee (US$6.6 million) entered into during 2013 with Provident Minerals Pte Ltd and PT Saratoga Investama Sedaya Tbk, and the warrants issued to Nomura Singapore Special Investments (US$5.3 million) offset by the loss of the period of US$2.4 million and hedging reserve associated with the hedging program of US$1.1 million.

5.3 Statement of cash flows

During the year, cash and cash equivalents increased by US$22.4 million.

Cash outflows from operating activities for the period were US$3.6 million, driven primarily by operational cost resulting from development activities and premium paid to entering the hedging program.

Net cash outflows from investing activities for the period were US$12 million. The cash outflow included the development activities undertaken in the Tembang area, feasibility studies and drilling and exploration expenditure incurred by the Tembang Project.

The net cash inflow from financing activities of US$38 million mainly reflects US$40 million Nomura-Eximbank Senior Secured Facility entered into during the fourth quarter of 2014 and a further US$3.6 million resulted from Tranches 2 to 6 from the Convertible Loan Facility Agreement subscribed with Provident Minerals Pte Ltd and PT Saratoga Investama Sedaya Tbk. This was offset by the cash transaction cost incurred to secure the Facility of US$2.6 million and US$3 million transferred to the interest reserve account.

5.4 Financing

As discussed above the Company's wholly owned subsidiary PT Dwinad Nusa Sejahtera ("DNS") entered into a debt facility on 21 October 2014 of up to US$45 million with Nomura Singapore Limited and Indonesia Eximbank for the purpose of developing the Tembang Project. Upon completion of the conditions precedent on 13 November 2014, the subsidiary drew down the first tranche of US$40 million.

Drawdown of the Tranche 2 US$5 million of the Facility is subject to certain conditions and the Company raising US$5 million in further equity within 6 months of initial drawdown. Additionally a total of 222,753,201 unquoted warrants, exercisable at A$0.057 each on or before 12 November 2017, were issued to lenders, in accordance with the terms of the Facility.

During October 2014 Provident Minerals Pte Ltd and PT Saratoga Investama Sedaya Tbk converted the full outstanding US$6.1 million of notes issued under the Convertible Loan Facility Agreement entered into on 4 December 2013. Conversion of the notes included capitalised interest and fees and totalled A$7.5 million (US$6.6 million). A total of 163,833,929 new CDIs were issued to note holders at a conversion price of A$0.046 per CDI.

STRATEGIC REPORT (CONT)

6. Key Management Personnel

Key management personnel (KMP's) are those persons having authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly. For the year ended 31 December 2014 the key management personnel were the Directors, Chief Financial Officer (CFO) and Chief Operating Officer (COO).

The following is the board composition and KMPs as at 31 December 2014:

Executive Directors
Adi Adriansyah Sjoekri
Non-Executive Directors
Stephen Robinson
Jocelyn Waller
Gavin Caudle
Executives
David Fowler (appointed Acting Chief Executive Officer on 15 December 2014)
Donovan Harper

Signed in Perth this 26th day of March 2015
in accordance with a resolution of the Board of Directors:

Stephen Robinson
Non-Executive Chairman

DIRECTORS' REMUNERATION REPORT

The policy of remuneration of Directors is to ensure the remuneration package properly reflects the person's duties and responsibilities, and that remuneration is competitive in attracting, retaining and motivating people of the highest quality.

Remuneration Report - Audited

Details of the nature and amount of each major element of the remuneration of each Director and Key Management Personnel "KMP" of the Group are:

	Year	Primary fees US$	STI Cash Bonus US$	Post-employment Contri-butions US$	Termination Payment US$	Options and Performance Rights US$	Total US$	Options as % of remun-eration
Executive Directors								
Julian Ford (resigned as Managing Director and CEO effective 31 December 2014)	**2014**	288,251	-	28,473	112,535	-	429,259	-
	2013	319,506	-	29,554	-	202,117[a]	551,177	36.7%
Adi Adriansyah Sjoekri	**2014**	216,768	-	-	-	60,025[b]	276,793	21.7%
	2013	213,004	-	-	-	27,523	240,527	11.4%
Non-Executive Directors								
Stephen Robinson (appointed Non-Executive Director on 8 July 2013 and Chairman on 23 August 2013)	**2014**	60,966	-	5,724	-	-	66,690	-
	2013	42,775	-	-	-	-	42,775	-
Jocelyn Waller	**2014**	54,192	-	-	-	-	54,192	-
	2013	44,106	-	-	-	-	44,106	-
Gavin Caudle (appointed on 26 September 2013)	**2014**	54,192	-	-	-	-	54,192	-
	2013	19,364	-	-	-	-	19,364	-
Warwick Morris (resigned from the board of Directors effective 1 October 2013)	**2014**	-	-	-	-	-	-	-
	2013	62,775	-	-	-	-	62,775	-
Executives								
David Fowler (appointed Chief Financial Officer on 23 August 2013 and Acting Chief Executive Officer on 15 December 2014)	**2014**	225,800	-	21,169	-	82,828[b]	329,797	25.1%
	2013	121,025	-	11,195	-	-	132,220	-
Donovan Harper	**2014**	225,800	-	21,169	-	-	246,969	-
	2013	242,050	-	22,390	-	-	264,440	-
Total, all Directors and Key Management Personnel	**2014**	**1,125,969**	**-**	**76,535**	**112,535**	**142,853**	**1,457,892**	**9.8%**
	2013	**1,064,605**	**-**	**63,139**	**-**	**229,640**	**1,357,384**	**16.9%**

(a) The expense includes US$83,534 relating to options that were cancelled during the year ended 31 December 2013.

(b) The expense relates to Performance Rights granted and subsequently cancelled on 31 December 2014 as the performance conditions were not met at vesting date. The KMPs will not receive any benefit from this performance rights.

DIRECTORS' REPORT

The Directors present their report and the audited financial statements of the Group for the year ended 31 December 2014.

Directors

The names and particulars of the Directors of the Company who served at any time during or since the end of the financial year are:

Stephen Daniel Robinson

B.Sc.

Independent Non-Executive Director - appointed 8 July 2013 and Non-Executive Chairman - appointed 23 August 2013, Member of the Audit and Risk Committee & Remuneration and Nomination Committee

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

He was previously a Director of Barrick (Australia Pacific) Limited and Bulletin Resources Ltd, Group Manager Planning with the leading Australian mineral sands producer Iluka Resources Ltd and a senior manager in the gold business unit at WMC Resources Ltd until the divestment of the gold business in 2001.

Adi Adriansyah Sjoekri

BSc, MSc, MBA (Management)

Executive Director - appointed 31 March 2011

Adi Sjoekri is an Indonesian national who graduated with a degree and a Master of Science in Geology from the Colorado School of Mines in the U.S.A. He completed his further education with an MBA in management at Monash University in Jakarta.

Mr Sjoekri has more than 17 years' experience working for major companies such as CSR and Newmont throughout Indonesia and more recently as a successful consultant to the mining industry. He was instrumental in recognising the opportunity to acquire mineral tenements in Indonesia in 2006.

Jocelyn Severyn de Warrenne Waller

MA (Hons) (Cantab)

Non-Executive Director, Chairman of the Audit and Risk Committee & Chairman of the Remuneration and Nomination Committee

Jocelyn Waller is a British national who is a founding shareholder and Director of the Company. Mr Waller graduated from Churchill College, Cambridge with a Master of Arts in History in 1965 and has since spent his entire career in the mining industry. For 22 years he worked for the Anglo American group and was involved variously with tin mining (Malaysia and Thailand), copper/cobalt (Zaire), potash (UK), tungsten (Portugal), exploration and metal sales (London).

In 1989 he set up Avocet Mining plc ('Avocet') and as CEO developed the Penjom gold mine in Malaysia and listed Avocet on the London Stock Exchange. In 2000 he set up Trans-Siberian Gold plc ('TSG') to develop gold projects in Eastern Russia listing TSG on the AIM market of the LSE in 2003.

Gavin Arnold Caudle

B.Com Finance and Law, Chartered Accountant

Non-Executive Director - appointed 26 September 2013

Mr. Caudle is Perth born and educated and has over 20 years' experience in the finance and investment sectors in Australia, Singapore and Indonesia. He joins the Board as the representative of Sumatra's major shareholder and cornerstone investor, Provident Minerals Pte Ltd.

Since 2003, together with his partners, Mr. Caudle has developed numerous successful businesses in Indonesia including Tower Bersama Group (a telecommunications infrastructure business) and Provident Agro (a plantation business) with assets currently valued in excess of $4 billion. Mr. Caudle was previously a partner in Arthur Andersen Jakarta Office and Country Head of the Investment Bank Salomon Smith Barney for Indonesia.

Mr. Caudle is currently a Director of Provident Capital Partners Pte Ltd and a Non-Executive Director of two other ASX-listed resource companies, Finders Resources Limited and Sihayo Gold Limited.

Alison Barr

LLB (Lond)

Joint Company Secretary

Alison Barr is a British national who was appointed as Company Secretary of the Company in December 2006. Mrs Barr graduated from University College, London with a Bachelor of Laws and qualified as a solicitor in 1974. She is head of the Commercial Department at Barr Ellison LLP, Solicitors, who have been legal advisers to the Company since December 2006.

Susan Hunter

BCom; ACA; F Fin; GAICD; ACIS; ACSA

Joint Company Secretary - appointed 1 October 2013

Ms. Hunter has over 19 years' experience in the corporate finance industry. She is founder and Managing Director of consulting firm Hunter Corporate Pty. Ltd., which specialises in the provision of corporate governance and company secretarial advice to ASX listed entities, and previously held senior management roles at Ernst & Young, PricewaterhouseCoopers and Bankwest, both in Perth and Sydney.

Ms. Hunter holds a Bachelor of Commerce degree majoring in accounting and finance, is a Fellow of the Financial Services Institute of Australasia, a Graduate Member of the Australian Institute of Company Directors and a Member of the Australian Institute of Chartered Secretaries and Administrators and Chartered Secretaries Australia.

Julian Peter Ford

BSc(Eng), BCom, Grad Dip (Bus. Mgt)

Managing Director - resigned on 31 December 2014

Directors' Meetings

The number of Directors' meetings held and number of meetings attended by each of the Directors of the Company, while they were a Director, during the year ended 31 December 2014 are:

	Board meetings		Audit and Risk Committee meetings		Remuneration and Nomination Committee meetings	
	Held	Attended	Held	Attended	Held	Attended
Steve Robinson	11	11	2	2	2	3
Julian Ford[1]	11	10	-	-	-	-
Adi Sjoekri	11	11	-	-	-	-
Jocelyn Waller	11	11	2	2	2	3
Gavin Caudle	11	10	-	-	-	-

[1] Julian Ford resigned as Managing Director and CEO effective 31 December 2014.

Directors' Interests

At 31 December 2014, the beneficial interests of each Director of the Company in the issued share capital of the Company are:

Specified Directors	Held at 1 January 2014	Purchased	Sold	Exercise of Options	Held at 31 December 2014
Steve Robinson	220,000	70,000		-	290,000
Adi Sjoekri	5,251,501	-	-	-	5,251,501
Jocelyn Waller	1,866,412	-	-	-	1,866,412
Gavin Caudle	-	-	-	-	-

Option Holdings

Options granted to Directors

At 31 December 2014, the beneficial interests of each Director of the Company in options over the unissued share capital of the Company are:

Specified Directors	Held at 1 January 2014 Number	Granted during the year Number	Lapsed during the year Number	Cancelled during the year Number	Held at 31 December 2014 Number	Exercise price A$	Expiry date
Stephen Robinson	-	-	-	-	-		
Julian Ford[(a)]	2,500,000	-	(2,500,000)	-	-	0.35	26/10/2014
	2,500,000	-	(2,500,000)	-	-	0.50	26/10/2014
	2,000,000	-	-	-	2,000,000	0.25	14/06/2017
	7,000,000	**-**	**(5,000,000)**	**-**	**2,000,000**		
Adi Sjoekri	500,000	-	(500,000)	-	-	0.25	26/10/2014
	1,000,000	-	-	-	1,000,000	0.25	14/06/2017
	1,500,000	**-**	**(500,000)**	**-**	**1,000,000**		
Jocelyn Waller	2,500,000	-	(2,500,000)	-	-	0.20	26/10/2014
	500,000	-	(500,000)	-	-	0.25	26/10/2014
	3,000,000	**-**	**(3,000,000)**	**-**	**-**		
Gavin Caudle	-	-	-	-	-		
Total Options	**11,500,000**	**-**	**(8,500,000)**	**-**	**3,000,000**		

(a) Julian Ford resigned as Managing Director and CEO effective 31 December 2014. The 2,000,000 Options held at 31 December 2014 will lapse on 31 March 2015, the date which is three months after his retirement date, in accordance with the Company's Share Option Scheme.

Unissued shares under option

At the date of this report, unissued ordinary shares of the Company under option are:

Exercise price[(a)]	At the date of this report	Expiry date
A$0.25 (US$0.20)	3,500,000	14 June 2017
	3,500,000	

(a) All options are exercisable in A$ (presented in US$ at 31 December 2014 rate of $0.8156)

Details of options issued by the Company are set out in the capital and reserves note to the financial statements. The names of persons who currently hold options are entered in the register of options kept by the Company pursuant to the Corporations Act 2001. This register may be inspected free of charge.

The persons entitled to exercise the options do not have, by virtue of the options, the right to participate in a share issue of any other body corporate.

Indemnification of Officers

As permitted by the Articles of Association, the Directors have the benefit of an indemnity which is a qualifying third party indemnity provision as defined by Section 234 of the Companies Act 2006. The indemnity was in force throughout the last financial year and is currently in force. The Company also purchased and maintained throughout the financial year Directors' and Officers' liability insurance in respect of itself and its Directors.

During or since the end of the financial year, the Company has not indemnified an officer or auditor of the Company against a liability incurred by such an officer or auditor.

Non-audit Services

During the year, PricewaterhouseCoopers LLP, the Company's auditors, has performed certain other services in addition to their statutory duties.

The Board has considered the non-audit services provided during the year by the auditors and is satisfied that the provision of those non-audit services during the year by the auditors is compatible with, and did not compromise, the auditor independence.

- all non-audit services were subject to the corporate governance procedures adopted by the Company and have been reviewed by the Board to ensure they do not impact the integrity and objectivity of the auditor; and
- the non-audit services provided do not undermine the general principles relating to auditor independence as they did not involve reviewing or auditing the auditor's own work, acting in a management or decision making capacity for the Company, acting as an advocate for the Company or jointly sharing risks and rewards.

Details of the amounts paid to the auditors of the Company, PricewaterhouseCoopers LLP, and its related practices for audit and non-audit services provided during the year are set out below.

		Consolidated
	31 December 2014	31 December 2013
	US$	US$
Statutory audit		
Fees payable to the Company's auditors for the audit of the parent company and consolidated financial statements	82,000	84,500
Audit of financial reports	**82,000**	**84,500**
Fees payable to the Company's auditors and its associates for other services:		
The audit of the Company's subsidiaries	90,000	115,000
The review of half-year consolidated financial statements	51,900	30,500
Other Services	**141,900**	**145,500**
	223,900	**230,000**

Principal Activities

The Group's principal activity is to acquire, explore, develop and, subject to economic viability, mine gold/silver and other metal deposits in Sumatra, Indonesia. The Group's principal assets are the Tembang (formerly Rawas) and Tandai projects. The Company's principal activity is that of a holding company.

Business Review and Future Developments

A review of the business can be found in the Strategic Report on page 13.

Results and Dividends

The Group's loss for the financial year was US$2.3 million (2013: loss of US$18.9 million) The Directors do not propose the payment of a dividend for the year (2013: Nil).

Creditor Payment Policy

The Group's policy is to pay suppliers in accordance with agreed terms and this policy will continue for the year ended 31 December 2014. The Group does not follow a specific code or standard in respect of such creditors. It is usual for suppliers to be paid within 30 days of receipt of a valid invoice.

Employee Policy

The Group is committed to promoting policies aimed at attracting high calibre employees to ensure the ongoing success of the business. The Group does not discriminate on the grounds of sex, age, marital status, creed, colour, race or ethnic origin. Applications for employment by disabled persons are always considered in full, bearing in mind the respective aptitudes and abilities of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment with the Group continues and the appropriate training is arranged. It is the policy of the Group that the training, career development and promotion of a disabled person should, so far as possible, be identical to that of all other employees.

Events since the Balance Sheet Date

On 26 March 2015 the Group announced it had received irrevocable and firm commitment to raise approximately US$4 million (A$5.1 million equivalent) by way of placement CHESS Depositary Interests (CDIs) in the Company to professional and sophisticated investors. Under the terms of the placement the Company will issue 88,521,828 CDIs at A$0.058.

The Company has also made an irrevocable and firm allocation to Investors of 44,260,914 warrants for no consideration. Each warrant giving the holder the right to subscribe for one CDI in the Company ("Warrant Placement"). The Warrant Placement equates to 1 Warrant per 2 CDIs to be issued under the CDI Placement. The warrants have an exercise price of A$0.06 each, a term of two years and are not transferable. The warrants will not be quoted on ASX.

Going Concern

The Group's principal asset is the Tembang Gold-Silver Project in Sumatra, Indonesia, which is expected to be significantly cash generative when it achieves commercial production.

During the year ended 31 December 2014, subsequent to completion of a Bankable Feasibility Study (BFS) during April 2014, the Company received additional funding of US$2.1 million under its convertible loan facility with Provident Minerals Pte Ltd and PT Saratoga Investama Sedaya Tbk ("Convertible Loan"). This completed a total of US$6.1 million under the Convertible Loan which was applied to maintain the Tembang Project and for general working capital purposes. On 2 October 2014, Provident and Saratoga requested conversion of the full capitalised value of the Convertible Loan, in accordance with the terms and conditions of the Convertible Loan, into Chess Depository interests (CDIs) including interest (at 9% per annum) and facility fee (3%). The Group issued 163,833,929 CDIs totaling A$7.54 million (US$6.6 million) at A$0.046 per share in satisfaction of the conversion of the loan.

During November 2014 the Company resumed construction at the Tembang Project after announcing the completion of debt funding for the Project (US$45 million Senior Secured Term Debt Facility) entered into with Nomura Special Investments Singapore and Indonesian Eximbank ("Debt Facility"). The Debt Facility comprises an initial tranche ("Tranche 1") of US$40 million, drawn down during November 2014, and a second tranche ("Tranche 2") of US$5 million available to be drawn on the date of practical completion of the process plant, provided that completion takes place within 12 months of the date of drawdown of Tranche 1, the gold price being above US$1,125 per ounce at the proposed date of drawdown for Tranche 2 and the Group raising additional US$5 million equity.

Going Concern (cont)

Subsequent to year end, on 26 March 2015 the Group announced it had received irrevocable and firm commitment to raise approximately US$4.0 million (A$5.1 million equivalent) by way of CDIs in the Company to professional and sophisticated investors ("CDI Placement"). Under the terms of the CDI Placement the Company will issue 88,521,828 CDIs at A$0.058 each. The Company will also issue 44,260,914 warrants for no consideration ("warrants") to investors in the CDI Placement, each warrant giving the holder the right to subscribe for one CDI in the Company ("Warrant Placement"). The Warrant Placement equates to 1 warrant per 2 CDIs to be issued under the CDI Placement. The warrants have an exercise price of A$0.06 each, a term of two years and are not transferable. The warrants will not be quoted on ASX. The Company intends to use the net proceeds of funds raised to continue to construction and development of the Tembang Project.

Sumatra's four major shareholders have given guarantees to Nomura and Exim Bank to provide up to US$10 million in funding to cover the second tranche of US$5 million of debt funding should the Company not meet the conditions for drawdown of this tranche and US$5 million for cost overrun facility. The Directors are confident that the required additional US$1 million of equity needed to satisfy the Company's obligations to its lenders will be raised in due course and in a timely manner to satisfy conditions precedent of Tranche 2 of the Debt Facility.

At 31 December 2014 the Group had cash of US$26.5 million and net current assets of US$24.1 million. Current liabilities include trade payable obligations for the purchase of construction equipment and services for the Tembang Project.

The Group's detailed cash flow forecasts, which include cash inflows from Tranche 2 debt and the additional equity raise, show that the Group has sufficient working capital for at least a year from the date this annual financial statements is approved.

The Directors believe there to be a reasonable prospect of the Group completing the financing. However, the need to complete the debt and equity funding, indicate the existence of material uncertainties which may cast significant doubt as to the Group's ability to continue as a going concern. In the event that some combination of the above events fails to occur as expected, the Group may be unable to realise its assets and discharge its liabilities in the normal course of business.

The financial statements do not include the adjustments that would result if the Group was unable to continue as a going concern.

Annual General Meeting ('AGM')

This report and financial statements will be presented to shareholders for their approval at the Group's AGM. The Notice of the AGM will be distributed to shareholders with the Annual Financial Statements.

Share Capital and Share Options

Details of changes in share capital and details of share options are given in note 24.

Directors' Remuneration

The Remuneration Committee reviews and establishes the level of remuneration for Directors. The level of remuneration is set so as to attract the best candidates for the Board while maintaining a level commensurate with boards of similar size and type.

For details on the amount of remuneration for each Director, refer to the Key Management Personnel note to the financial statements and the Remuneration Report.

Financial Risk Management

See note 27 for details on financial risk management.

Statement of Directors' Responsibilities

The Directors are responsible for preparing the Annual Financial Statements in accordance with applicable law and regulations.

DIRECTORS' REPORT (CONT)

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the Group financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union, and the parent company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and the Company and of the profit or loss of the Company and Group for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether IFRSs as adopted by the European Union and applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the Group and Company financial statements respectively; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and the Group and enable them to ensure that the financial statements of the Group have been prepared in accordance with those parts of the Companies Act 2006 applicable to companies reporting under IFRS. They are also responsible for safeguarding the assets of the Company and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Disclosure of information to auditors

Each of the persons who are directors at the time when this report is approved, confirm that to their best of their knowledge:

(a) there is no relevant audit information of which the Company's auditors are unaware; and

(b) they have taken all the steps that he ought to have taken as a Director in order to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

On behalf of the Board

Stephen Robinson
Non-Executive Chairman
26 March 2015

Independent auditors' report to the members of Sumatra Copper & Gold Plc

Report on the group financial statements

Our opinion

In our opinion, Sumatra Copper & Gold Plc's group financial statements (the "financial statements"):

- give a true and fair view of the state of the group's affairs as at 31 December 2014 and of its loss and cash flows for the year then ended;
- have been properly prepared in accordance with International Financial Reporting Standards ("IFRSs") as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Emphasis of matter - Going concern

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosure made in note 2 to the financial statements concerning the group's ability to continue as a going concern. The consolidated financial statements have been prepared on a going concern basis and the validity of this depends on the Group successfully obtaining further financing for its major development project. These conditions, along with the other matters explained in note 2 to the financial statements, indicate the existence of a material uncertainty which may cast significant doubt about the group's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the group was unable to continue as a going concern.

What we have audited

Sumatra Copper & Gold Plc's financial statements comprise:

- the consolidated statement of financial position as at 31 December 2014;
- the consolidated statement of comprehensive income for the year then ended;
- the consolidated statement of cash flows for the year then ended;
- the consolidated statement of changes in equity for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and IFRSs as adopted by the European Union.

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion, the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Other matters on which we are required to report by exception

Adequacy of information and explanations received

Under the Companies Act 2006 we are required to report to you if, in our opinion, we have not received all the information and explanations we require for our audit. We have no exceptions to report arising from this responsibility.

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the Statement of Directors' Responsibilities set out on page 14, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

What an audit of financial statements involves

We conducted our audit in accordance with ISAs (UK & Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the group's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the directors; and
- the overall presentation of the financial statements.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual Financial Statements to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Other matter

We have reported separately on the parent company financial statements of Sumatra Copper & Gold Plc for the year ended 31 December 2014. That report includes an emphasis of matter.

Charles Joseland (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Cambridge
27 March 2015

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2014

	Notes	31 December 2014 US$000	31 December 2013 US$000
Continuing operations			
General administrative expenses - before impairment and share-based payments		(3,273)	(4,320)
Share-based payments expense	25(b)	(143)	(301)
Provision for impairment of exploration and evaluation assets	14	(171)	(4,633)
Provision for impairment of property plant and equipment	16	-	(8,568)
General administrative expenses		(3,587)	(17,822)
Net derivative gain	10	634	-
Operating loss		**(2,953)**	**(17,822)**
Financial income	8	25	117
Financial costs	9	(1,910)	(1,038)
Net financing costs		**(1,885)**	**(921)**
Share of profit/(loss) in associate	15	-	(130)
Loss on remeasurement of previously held equity interest in associate held in associate	15	(1,101)	-
Gain from a bargain purchase in subsidiary	11	3,575	-
Loss before income tax	5	**(2,364)**	**(18,873)**
Income tax expense	12	-	-
Loss for the year		**(2,364)**	**(18,873)**
OTHER COMPREHENSIVE INCOME			
Items that may be reclassified subsequently to profit or loss:			
Foreign currency translation differences		(300)	(1,315)
Effective portion of changes in fair value of cash flow hedges		(432)	-
Net change in fair value of cash flow hedges transferred to profit or loss		(634)	-
Other comprehensive loss for the year, net of tax		**(1,366)**	**(1,315)**
Total comprehensive loss for the year attributable to owners of the parent		**(3,730)**	**(20,188)**
LOSS PER SHARE			
Basic loss per share ($ cents per share)	13	(0.5)	(5.3)
Diluted loss per share ($ cents per share)	13	(0.5)	(5.3)
Weighted basic average number of shares outstanding (000's)		455,669	354,813
Weighted diluted average number of shares outstanding (000's)		455,669	354,813

The consolidated statement of comprehensive income is to be read in conjunction with the notes to the consolidated financial statements set out on pages 35 to 71.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2014 REGISTERED NUMBER 5777015

	Notes	31 December 2014 US$000	31 December 2013 US$000
ASSETS			
Non-current assets			
Property, plant and equipment	16	48,929	40,019
Exploration and evaluation assets	14	5,407	-
Investment in equity accounted associate	15	-	2,681
Derivative financial instruments	17	6,693	-
Total non-current assets		**61,029**	**42,700**
Current assets			
Prepayments and other receivables	18	4,465	1,586
Derivative financial instruments	17	673	
Loan to associate		-	114
Cash and cash equivalents	19	26,527	4,127
Total current assets		**31,665**	**5,827**
TOTAL ASSETS		**92,694**	**48,527**
LIABILITIES & EQUITY			
Non-current liabilities			
Borrowings	21	32,457	601
Provisions	23	8,022	-
Total non-current liabilities		**40,479**	**601**
Current liabilities			
Trade and other payables	20	6,372	9,017
Provisions	23	828	-
Borrowings	21	314	314
Convertible loans	22	-	2,500
Total current liabilities		**7,514**	**11,831**
Total liabilities		**47,993**	**12,432**
Equity attributable to owners of the parent			
Ordinary shares	24	9,547	6,800
Share premium account	24	58,772	54,676
Other reserves		3,519	1,417
Accumulated losses		(27,137)	(26,798)
Total equity		**44,701**	**36,095**
TOTAL LIABILITIES AND EQUITY		**92,694**	**48,527**

The consolidated statement of financial position is to be read in conjunction with the notes to the consolidated financial statements set out on pages 35 to 71.

The financial statements on pages 30 to 71 were authorised for issue by the Board of Directors on 26 March 2015 and were signed on its behalf by:

S. Robinson

Stephen Robinson
Non- Executive Chairman

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2014

		Attributable to owners of the Parent							
		Ordinary shares	Share premium account	Trans-lation reserve	Share-based payments reserve	Hedging Reserve	Convertible loan reserve	Accumu-lated losses	Total Equity
	Note	US$000	US$000	US$000	US$000	US$000	US$000	US$000	US$000
Balance as at 1 January 2014		**6,800**	**54,676**	**(1,728)**	**2,130**	**-**	**1,015**	**(26,798)**	**36,095**
TOTAL COMPREHENSIVE INCOME/(EXPENSE) FOR THE YEAR									
Loss for the year		-	-	-	-	-	-	(2,364)	(2,364)
Other comprehensive income/(expense)									
Foreign currency translation differences		-	-	(300)	-	-	-	-	(300)
Effective portion of changes in fair value of cash flow hedges		-	-	-	-	(432)	-	-	(432)
Net change in fair value of cash flow hedges transferred to profit or loss		-	-	-	-	(634)	-	-	(634)
Total other comprehensive (expense)/income		-	-	(300)	-	(1,066)	-	-	(1,366)
Total other comprehensive (expense)/income for the year		-	-	(300)	-	(1,066)	-	(2,364)	(3,730)
TRANSACTIONS WITH EQUITY HOLDERS									
Share issue during the period		2,747	4,096	-	-	-	-	-	6,843
Share option charge during the period		-	-	-	5,493	-	-	-	5,493
Options lapsed during the period		-	-	-	(2,025)	-	-	2,025	-
Total transactions with equity holders		2,747	4,096	-	3,468	-	-	2,025	12,336
Balance at 31 December 2014	24	**9,547**	**58,772**	**(2,028)**	**5,598**	**(1,066)**	**1,015**	**(27,137)**	**44,701**

The consolidated statement of changes in equity is to be read in conjunction with the notes to the consolidated financial statements set out on pages 35 to 71.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
AS AT 31 DECEMBER 2014

	Note	Attributable to owners of the Parent						
		Ordinary shares	Share premium account	Translation reserve	Share based payments reserve	Convertible loan reserve	Accumulated losses	Total Equity
	Note	US$000	US$000	US$000	US$000	US$000	US$000	US$000
Balance as at 1 January 2013		**4,401**	**30,554**	**(413)**	**1,829**	**1,015**	**(7,925)**	**29,461**
TOTAL COMPREHENSIVE INCOME/(EXPENSE) FOR THE YEAR								
Loss for the year		-	-	-	-	-	(18,873)	(18,873)
Other comprehensive income/(expense)								
Foreign currency translation differences		-	-	(1,315)	-	-	-	(1,315)
Total other comprehensive (expense)/income		-	-	(1,315)	-	-	-	(1,315)
Total other comprehensive (expense)/income for the year		-	-	(1,315)	-	-	(18,873)	(20,188)
TRANSACTIONS WITH EQUITY HOLDERS								
Share issue during the period		2,399	25,414	-	-	-	-	27,813
Share issue cost		-	(1,292)	-	-	-	-	(1,292)
Share option charge during the period		-	-	-	301	-	-	301
Total transactions with equity holders		2,399	24,122	-	301	-	-	26,822
Balance at 31 December 2013	24	**6,800**	**54,676**	**(1,728)**	**2,130**	**1,015**	**(26,798)**	**36,095**

The consolidated statement of changes in equity is to be read in conjunction with the notes to the consolidated financial statements set out on pages 35 to 71.

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2014

	Note	31 December 2014 US$000	31 December 2013 US$000
Cash flows from operating activities			
Cash used in operations		(3,303)	(3,708)
Payment to enter the hedging program		(300)	-
Net cash flow used in operating activities	29	**(3,603)**	**(3,708)**
Cash flows from investing activities			
Purchase of property, plant and equipment		(11,891)	(17,282)
Payments for exploration and evaluation	14	(323)	(6,681)
Payment received from Newcrest settlement	11	154	-
Interest received	8	25	117
Net cash flow used in investing activities		**(12,035)**	**(23,846)**
Cash flows from financing activities			
Proceeds from borrowings	21	40,000	1,107
Proceeds from convertible notes	22	3,600	2,500
Borrowing cost paid	21c	(2,619)	-
Funds transferred to interest reserve account	18	(3,000)	-
Payment of interest from reserve account	18	425	-
Proceeds from issue of share capital	24	-	27,813
Share issue costs	24	-	(1,292)
Repayment of convertible notes		-	(5,117)
Repayment of borrowings	21	(314)	(193)
Interest paid		(54)	(553)
Net cash inflow from financing activities		**38,038**	**24,265**
Increase(decrease)/ in cash and cash equivalents		22,400	(3,289)
Cash and cash equivalents at beginning of year		4,127	7,812
Foreign exchange loss on cash and cash equivalents		-	(396)
Cash and cash equivalents at end of year	19	**26,527**	**4,127**

The consolidated statement of flows is to be read in conjunction with the notes to the consolidated financial statements set out on pages 35 to 71.

1. GENERAL INFORMATION

The registered number of Sumatra Copper & Gold plc (the 'Company') is 5777015. The Company was incorporated in England on 11 April 2006 in the form of a company limited by shares and was later changed to a public limited company. It is domiciled in the United Kingdom and is Australian resident for income tax purposes. The Company's shares are traded in the form of CHESS Depositary Interests on the Australian Stock Exchange (ASX). The Company's registered address is 39 Parkside, Cambridge CB1 1PN United Kingdom.

The consolidated financial statements of the Company for the year ended 31 December 2014 comprise the Company and its subsidiaries (together referred to as the "Group"). The Company acts as the parent company of the Group. The Group is a gold and silver emerging producer with a suite of highly prospective tenements in the Indonesian island of Sumatra.

2. BASIS OF PREPARATION

(a) Statement of compliance

The consolidated financial statements of Sumatra Copper and Gold plc have been prepared in accordance with International Financial Reporting Standards (IFRS) and IFRS Interpretations Committee (IRFS IC) as adopted by the European Union and the Companies Act 2006 applicable to companies reporting under IFRS.

The financial statements were approved by the Board of Directors on 26 March 2015.

(b) Basis of measurement

The consolidated financial statements have been prepared on the historical cost basis except for the following:

- convertible notes are measured at fair value;
- derivatives are measured at fair value; and
- property, plant and equipment as it has been subject to impairment using fair value less cost to sell (FCVLCS) methodology.

The methods used to measure fair values are discussed further in note 3.

(c) Functional and presentation currency

The consolidated financial report is presented in US dollars, which is the Group's presentation currency. The functional currency of the Company and the Company's subsidiary in which the Group holds the Tembang assets (PT Dwinad Nusa Sejahtera) is US dollars, and the functional currency of the Company's other foreign subsidiaries is Indonesian rupiah. The functional currency of each of the Group's entities is measured using the currency of the primary economic environment in which that entity operates.

(d) Use of estimates and judgements

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

In particular, information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amount recognised in the financial statements are described in the following notes:

Note 15 - Investment in equity accounted associate - carrying value of investment (BUG)

Note 16 - Provision for impairment of property, plant and equipment

Note 17 - Financial Instruments

Impairment of Property, Plant and Equipment

During the year ended 31 December 2014 the Company identified impairment indicators such as the Company's market capitalisation being lower than the value of the long-term assets and after preparing an impairment analysis the Group is of the opinion that no impairment exists for the year ended 31 December 2014. During the year ended 31 December 2013, the Company recognised an impairment charge of US$8.6 million on its property, plant and equipment (refer note 16).

2. BASIS OF PREPARATION (CONT)

(e) Going Concern

The Group's principal asset is the Tembang Gold-Silver Project in Sumatra, Indonesia, which is expected to be significantly cash generative when it achieves commercial production.

During the year ended 31 December 2014, subsequent to completion of a Bankable Feasibility Study (BFS) during April 2014, the Company received additional funding of US$2.1 million under its convertible loan facility with Provident Minerals Pte Ltd and PT Saratoga Investama Sedaya Tbk ("Convertible Loan"). This completed a total of US$6.1 million under the Convertible Loan which was applied to maintain the Tembang Project and for general working capital purposes. On 2 October 2014, Provident and Saratoga requested conversion of the full capitalised value of the Convertible Loan, in accordance with the terms and conditions of the Convertible Loan, into Chess Depository interests (CDIs) including interest (at 9% per annum) and facility fee (3%). The Group issued 163,833,929 CDIs totaling A$7.54 million (US$6.6 million) at A$0.046 per share in satisfaction of the conversion of the loan.

During November 2014 the Company resumed construction at the Tembang Project after announcing the completion of debt funding for the Project (US$45 million Senior Secured Term Debt Facility) entered into with Nomura Special Investments Singapore and Indonesian Eximbank ("Debt Facility"). The Debt Facility comprises an initial tranche ("Tranche 1") of US$40 million, drawn down during November 2014, and a second tranche ("Tranche 2") of US$5 million available to be drawn on the date of practical completion of the process plant, provided that completion takes place within 12 months of the date of drawdown of Tranche 1, the gold price being above US$1,125 per ounce at the proposed date of drawdown for Tranche 2 and the Group raising additional US$5 million equity.

Subsequent to year end, on 26 March 2015 the Group announced it had received irrevocable and firm commitment to raise approximately US$4.0 million (A$5.1 million equivalent) by way of CDIs in the Company to professional and sophisticated investors ("CDI Placement"). Under the terms of the CDI Placement the Company will issue 88,521,828 CDIs at A$0.058 each. The Company will also issue 44,260,914 warrants for no consideration ("warrants") to investors in the CDI Placement, each Warrant giving the holder the right to subscribe for one CDI in the Company ("Warrant Placement"). The Warrant Placement equates to 1 warrant per 2 CDIs to be issued under the CDI Placement. The warrants have an exercise price of A$0.06 each, a term of two years and are not transferable. The warrants will not be quoted on ASX. The Company intends to use the net proceeds of funds raised to continue to construction and development of the Tembang project.

Sumatra's four major shareholders have given guarantees to Nomura and Exim Bank to provide up to US$10 million in funding to cover the second tranche of US$5 million of debt funding should the Company not meet the conditions for drawdown of this tranche and US$5 million for cost overrun facility. The Directors are confident that the required additional US$1 million of equity needed to satisfy the Company's obligations to its lenders will be raised in due course and in a timely manner to satisfy conditions precedent of Tranche 2 of the Debt Facility.

At 31 December 2014 the Group had cash of US$26.5 million and net current assets of US$24.1 million. Current liabilities include trade payable obligations for the purchase of construction equipment and services for the Tembang project.

The Group's detailed cash flow forecasts, which include cash inflows from Tranche 2 debt and the additional equity raise, show that the Group has sufficient working capital for at least a year from the date this annual financial statements is approved.

The Directors believe there to be a reasonable prospect of the Group completing the financing. However, the need to complete the debt and equity funding, indicate the existence of material uncertainties which may cast significant doubt as to the Group's ability to continue as a going concern. In the event that some combination of the above events fails to occur as expected, the Group may be unable to realise its assets and discharge its liabilities in the normal course of business.

The financial statements do not include the adjustments that would result if the Group was unable to continue as a going concern.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these Consolidated Financial Statements and have been applied consistently by the Group.

(a) Basis of consolidation

The Group consolidated financial statements include the financial statements of Sumatra Copper & Gold plc and each of its subsidiary undertakings.

(i) Subsidiaries

Subsidiaries are entities controlled by the Group. Control exists when the Group has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that presently are exercisable or convertible are taken into account. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

Investments in subsidiaries are carried at their cost of acquisition in the Company's financial statements.

(ii) Transactions eliminated on consolidation

Intra-group balances, and any unrealised gains and losses or income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

(b) Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements of each of the group's entities are measured using the currency of the primary economic environment in which the entity operates.

(ii) Foreign currency transactions

Transactions denominated in foreign currencies are initially recorded at the functional currency rate ruling at the date of the underlying transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rate of exchange ruling at the balance sheet date. All exchange differences are recognised in the statement of comprehensive income. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

(iii) Net investment in foreign operations

Exchange differences arising from the transaction of the net investment in foreign operations are disclosed within the translation reserve and recognised in other comprehensive income and expense.

(iv) Group companies

The financial results and position of foreign operations whose functional currency is different from the Group's presentation currency are translated as follows:

- assets and liabilities are translated at the exchange rates that are prevailing at the balance sheet date; and
- income and expenses are translated at the average exchange rate for the period.

Exchange differences arising on translation of foreign operations are transferred directly to the Group's foreign currency translation reserve in other comprehensive income. These differences are subsequently reclassified to profit or loss within the statement of comprehensive income in the period in which the operation is disposed.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT)

(c) Property, plant and equipment

Property, plant and equipment is stated at cost, less accumulated depreciation and accumulated impairment in value. Depreciation is calculated on a straight line basis over the following expected useful life of the assets. Computer hardware is depreciated at a rate of between 25% and 33.3% per annum, computer software, furniture and fixtures, machinery and equipment, exploration equipment, communication equipment and vehicles at a rate of 25% per annum.

Once the technical feasibility and commercial viability of the extraction of mineral resources in a particular area of interest become demonstrable, the exploration and evaluation assets attributable to that area of interest are reclassified as development assets within property, plant and equipment. All development costs subsequently incurred within that area of interest are capitalised and carried at cost and starts depreciating only when the asset is brought to use. The Group performs impairment testing when facts and circumstances suggest that the carrying amount has been impaired. If it is determined that the asset has been impaired it is immediately written off in the statement of comprehensive income (refer note 16).

(d) Impairment

(i) Financial assets

A financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

An impairment charge in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount, and the present value of the estimated future cash flows discounted at the original effective interest rate. An impairment charge in respect of an available-for-sale financial asset is calculated by reference to its fair value less cost to sell. Fair value less cost to sell is determined as a present value of the estimated real future cash flows expected to arise from the continued use of the asset using assumptions that an independent market participant may consider. These cashflows are discounted using a real after tax discount rate that reflects current market assessments of the time value of money and the risks specific to the cash-generating unit.

Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics.

All impairment charges are recognised in profit or loss. Any cumulative loss in respect of an available-for-sale financial asset recognised previously in other comprehensive income and expense is transferred to profit or loss.

An impairment charge is reversed if the reversal can be related objectively to an event occurring after the impairment charge was recognised. For financial assets measured at amortised cost and available-for-sale financial assets that are debt securities, the reversal is recognised in profit or loss. For available-for-sale financial assets that are equity securities, the reversal is recognised directly in other comprehensive income and expense.

(ii) Non-financial assets

The carrying amounts of the Group's non-financial assets, other than deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less cost to sell. Fair value less cost to sell is determined as a present value of the estimated real future cash flows expected to arise from the continued use of the asset using assumptions that an independent market participant may consider. These cashflows are discounted using a real post tax discount rate that reflects current market assessments of the time value of money and the risks specific to the cash-generating unit. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the cash-generating unit).

3. SIGNIFICANT ACCOUNTING POLICIES (CONT)

An impairment charge is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment charges are recognised in profit or loss. Impairment charges recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit (group of units) on a pro rata basis.

In respect of other assets, impairment charges recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment charge is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment charge is reversed only to the extent that the asset's carrying amount exceeds the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment charge had been recognised.

(e) Exploration and evaluation assets

Exploration and evaluation expenditure related to an area of interest are written off as incurred except when they are carried forward as an asset in the balance sheet where the rights of tenure of an area are current and it is believed that the costs will be recouped through successful development and exploitation of the area of interest, or alternatively by its sale.

Once the technical feasibility and commercial viability of the extraction of mineral resources in a particular area of interest become demonstrable, the exploration and evaluation assets attributable to that area of interest are reclassified as property, plant and equipment.

Capitalised costs include costs directly related to exploration and evaluation activities in the relevant area of interest. General and administrative costs are allocated to an exploration or evaluation asset only to the extent that those costs can be related directly to operational activities in the relevant area of interest. Capitalised exploration and evaluation costs are written off where the above conditions are no longer satisfied and in particular when it has been determined that a commercial discovery has not been made.

The Group performs impairment testing when facts and circumstances suggest that the carrying amount has been impaired. If it is determined that the asset has been impaired it is immediately written off in the statement of comprehensive income. This is consistent with the Successful Efforts method of accounting (IFRS 6).

(f) Investment in associates

The Group recognises its interest in the entity's assets and liabilities using the equity method, the interest in the associate is carried in the balance sheet at costs plus post-acquisition changes in the Group's share of its net assets less distributions received less any impairment in the value of the investment.

The group's share of post-acquisition profits or losses is recognised in the statement of comprehensive income and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income with a corresponding adjustment to the carrying amount of the investment. When the group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.

Profits and losses resulting from upstream and downstream transactions between the group and its associate are recognised in the group's financial statements only to the extent of unrelated investor's interests in the associates. Unrealised losses are eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the group.

Dilution gains and losses arising in investments in associates are recognised in the statement of comprehensive income. See further details on note 15.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT)

(g) Financial instruments

(i) Non-derivative financial instruments

Non-derivative financial instruments comprise investments in equity and debt securities, trade and other receivables, cash and cash equivalents, loans and borrowings, and trade and other payables.

Non-derivative financial instruments are recognised initially at fair value. For instruments not valued at fair value any directly attributable transaction costs will go through profit or loss, except as described below. Subsequent to initial recognition, non-derivative financial instruments are measured as described below.

A financial instrument is recognised if the Group becomes a party to the contractual provisions of the instrument. Financial assets are derecognised if the Group's contractual rights to the cash flows from the financial assets expire or if the Group transfers the financial asset to another party without retaining control or substantially all risks and rewards of the asset. Regular way purchases and sales of financial assets are accounted for at trade date, i.e., the date that the Group commits itself to purchase or sell the asset. Financial liabilities are derecognised if the Group's obligations specified in the contract expire, are discharged or cancelled.

Accounting for finance income and expense is discussed in note 3(o).

(ii) Derivative financial instruments

The Group holds derivative financial instruments to manage its gold and silver price risk exposure. Embedded derivatives are separated from the host contract and accounted for separately if the economic characteristics and risks of the host contract and the embedded derivative are not closely related, a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative, and the combined instrument is not measured at fair value through profit or loss.

Derivatives are recognised initially at fair value; attributable transaction costs are recognised in profit or loss when incurred. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are accounted for as described below.

Hedge accounting

The Group designates certain derivatives as either hedges of highly probable forecast transactions or hedges of foreign currency risk of firm commitments (cash flow hedges).

At the inception of the hedge relationship, the Group documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the group documents whether the hedging instrument that is used in a hedging relationship is effective in offsetting changes in fair values or cash flows of the hedged item.

Cash flow hedges

The effective potion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges are deferred in equity. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss in the statement of comprehensive income.

Amounts deferred in equity are recycled in the statement of comprehensive income in the periods when the hedged item is recognised in profit or loss, in the same line of the statement of comprehensive as the recognised hedged item.

Hedge accounting is discontinued when the group revokes the hedging relationship, the hedging instrument expires or is sold, terminated or exercised, or no longer qualifies for hedge accounting.
Any cumulative gain or loss deferred in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in profit or loss. When a forecasted transaction is no longer expected to occur, the cumulative gain or loss that was deferred in equity is recognised immediately in profit or loss.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT)

Separable embedded derivatives

Changes in the fair value of separable embedded derivatives are recognised immediately in profit or loss.

Other non-trading derivatives

When a derivative financial instrument is not held for trading, and is not designated in a qualifying hedge relationship, all changes in its fair value are recognised immediately in profit or loss.

(h) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less. Bank overdrafts are shown within short-term borrowings in the current liabilities on the balance sheet.

(i) Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method.

Borrowings are removed from the statement of financial position when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in other income or other expenses.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Borrowing costs

Borrowing costs incurred on the establishment of loan facilities are recognised in the statement of financial position and offset against the principal borrowings amount. These costs are amortised over the life of the borrowing using the effective interest rate method.

(j) Convertible loans

A convertible loan that can be converted to share capital at the option of the holder and the number of shares to be issued does not vary with changes in their fair value are classified as a compound financial instrument.

The liability component of a compound financial instrument is recognised initially at the fair value of a similar liability that does not have an equity conversion option. The equity component is recognised initially at the difference between the fair value of the compound financial instrument as a whole and the fair value of the liability component. Any directly attributable transaction costs are allocated to the liability and equity components in proportion to their initial carrying amounts.

Subsequent to initial recognition, the liability component of a compound financial instrument is measured at amortised cost using the effective interest method. The equity component of a compound financial instrument is not re-measured.

Where the conversion option is such that the option will not be settled by the Company exchanging a fixed number of its own equity instruments for a fixed amount of cash, the convertible loan does not meet the definition of a compound financial instrument. In such cases, the convertible loan is a hybrid financial instrument and the option to convert is an embedded derivative. Attached options (options entered into in consideration for entering into the host contract) on similar terms are also embedded derivatives. Provided certain criteria are met, the Company designates such hybrid contracts as financial liabilities and accounts for them at fair value through the profit and loss account.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT)

(k) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, for which it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Rehabilitation

Rehabilitation includes mine closure and restoration costs which include the costs of dismantling and demolition of infrastructure or decommissioning, the removal of residual material and the remediation of disturbed areas specific to the site. Provisions are recognised at the time that the environmental disturbance occurs.

The provision is the best estimate of the present value of the future cash flows required to settle the restoration obligation at the reporting date, based on current legal requirements and technology. Future restoration costs are reviewed annually and any changes are reflected in the present value of the restoration provision at the end of the financial year.

The amount of the provision for future rehabilitation costs is capitalised as an asset and recognised in property, plant and equipment and is depreciated over the useful life of the mineral resource. The unwinding of the effect of discounting on the provision is recognised as a finance cost.

(l) Employee benefits

(i) Share based payment transactions

The Group issues equity-settled share-based payments to its employees. In accordance with IFRS 2, 'Share-based Payments', equity-settled share-based payments are measured at fair value at the date of grant. Fair value is normally measured by use of a Black-Scholes pricing model. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of the number of shares that will eventually vest.

Non-market performance and service conditions are included in assumptions about the number of options that are expected to vest. The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied.

In addition, in some circumstances employees may provide services in advance of the grant date and therefore the grant date fair value is estimated for the purposes of recognising the expense during the period between service commencement period and grant date.

At the end of each reporting period, the Group revises its estimates of the number of options that are expected to vest based on the non-market vesting conditions. It recognises the impact of the revision to original estimates, if any, in the statement of comprehensive income, with a corresponding adjustment to equity.

When the options are exercised, the Company issues new shares. The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium.

(ii) Wages, salaries and annual leave

Liabilities for employee benefits for wages, salaries and annual leave that are expected to be settled within 12 months of the reporting date, which represent present obligations resulting from employees' services provided to the reporting date, are calculated at undiscounted amounts based on remuneration wage and salary rates that the Group expects to pay as at the reporting date including related on-costs, such as pension and superannuation contributions, social security, workers compensation and health insurance, as well as payroll tax.

(iii) Short-term employee benefits

Short term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short term cash incentives if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT)

(iv) Termination benefits

Termination benefits are recognised as an expense when the Group is committed demonstrably, without realistic possibility of withdrawal, to a formal detailed plan to either terminate employment before the normal retirement date, or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. Termination benefits for voluntary redundancies are recognised as an expense if the Group has made an offer of voluntary redundancy, it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably. If benefits are payable more than twelve months after the reporting date, then they are discounted to their present value.

The Group pays contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due.

The Group has post-retirement benefits for its Indonesian employees in accordance with Indonesian labour law. A provision for employee benefits is recognised and includes the present value of the future pension plans for employees to be received on retirement.

(m) Other operating income

Receipts from the income of options to third parties to acquire stakes in subsidiary undertakings are recognised in the statement of comprehensive income once all the Group's obligations in respect of the option have been met. Other operating income representing the management fee received in relation to the group's associate are recognised when the services have been performed.

(n) Revenue recognition

Revenue is recognised to the extent that it is probable that economic benefits will flow to the Group and the revenue can be reliably measured. Interest income is recognised as the interest accrues using the effective interest method.

(o) Finance income and expense

Finance income comprises interest income on funds invested. Interest income is recognised in profit or loss as it accrues, using the effective interest method.

Finance expenses comprise discounting of rehabilitation costs and interest expenses relating to borrowings.

(p) Current and deferred income tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in the statement of comprehensive income, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

(i) Current tax

The current income tax charge is calculated in accordance with taxation regulations in each jurisdiction that have been or are subsequently enacted by the reporting date. Current tax is based on the taxable income and tax allowable expenses reported by the Group. Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities.

(ii) Deferred tax

Deferred income tax is provided using the liability method on temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantively enacted at the balance sheet date.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT)

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Deferred tax assets are only recognised when there is sufficient probability of future taxable profits.

(q) Share capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds.

(r) Warrants

In accordance with IFRS 2, 'Share-based Payments', equity-settled share-based payments are measured at fair value at the date of grant. Fair value is measured by use of a Black-Scholes pricing model which takes into account conditions attached to the vesting and exercise of the equity instrument. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of the number of shares that will eventually vest.

(s) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Project Management Committee comprised by: Non-Executive Chairman (Stephen Robinson), Executive Director (Adi Adriansyah Sjoekri), Project Director (Stuart Gula), Project Sponsor (David Fowler), Project Manager (Warren King) and Project Owner (Donovan Harper) that makes strategic decisions.

(t) Comparatives

Where applicable, comparatives have been adjusted to present them on the same basis as the current period figures.

(u) Changes in accounting policy and disclosures

(i) New standards, amendments and interpretations adopted by the Group

The following standards have been adopted by the Group for the first time for the financial year beginning on or after 1 January 2014:

- IFRS 10, 'Consolidated financial statements' builds on existing principles by identifying the concept of control as the determining factor in whether an entity should be included within the consolidated financial statements of the parent company. The standard provides additional guidance to assist in the determination of control where this is difficult to assess. The amendment did not have a significant effect on the group financial statements.
- Amendment to IAS 32, 'Financial instruments: Presentation' on offsetting financial assets and financial liabilities. This amendment clarifies that the right of set-off must not be contingent on a future event. It must also be legally enforceable for all counterparties in the normal course of business, as well as in the event of default, insolvency or bankruptcy. The amendment also considers settlement mechanisms. The amendment did not have a significant effect on the group financial statements.
- Amendments to IAS 36, 'Impairment of assets', on the recoverable amount disclosures for non-financial assets. This amendment removed certain disclosures of the recoverable amount of CGUs which had been included in IAS 36 by the issue of IFRS 13.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT)

- Amendment to IAS 39, 'Financial instruments: Recognition and measurement' on the novation of derivatives and the continuation of hedge accounting. This amendment considers legislative changes to 'over-the-counter' derivatives and the establishment of central counterparties. Under IAS 39 novation of derivatives to central counterparties would result in discontinuance of hedge accounting. The amendment provides relief from discontinuing hedge accounting when novation of a hedging instrument meets specified criteria. The group has applied the amendment and there has been no significant impact on the group financial statements as a result.

Other standards, amendments and interpretations which are effective for the financial year beginning on 1 January 2014 are not material to the Group.

(ii) New standards, amendments and interpretations not yet adopted

A number of new standards and amendments to standards and interpretations are effective for annual periods beginning after 1 January 2014, and have not been applied in preparing these consolidated financial statements. None of these is expected to have a significant effect on the consolidated financial statements of the Group, except the following set out below:

- IFRS 9, 'Financial instruments', addresses the classification, measurement and recognition of financial assets and financial liabilities. The complete version of IFRS 9 was issued in July 2014. It replaces the guidance in IAS 39 that relates to the classification and measurement of financial instruments. IFRS 9 retains but simplifies the mixed measurement model and establishes three primary measurement categories for financial assets: amortised cost, fair value through Other Comprehensive Income (OCI) and fair value through P&L. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. Investments in equity instruments are required to be measured at fair value through profit or loss with the irrevocable option at inception to present changes in fair value in OCI not recycling. There is now a new expected credit losses model that replaces the incurred loss impairment model used in IAS 39. For financial liabilities there were no changes to classification and measurement except for the recognition of changes in own credit risk in other comprehensive income, for liabilities designated at fair value through profit or loss. IFRS 9 relaxes the requirements for hedge effectiveness by replacing the bright line hedge effectiveness tests. It requires an economic relationship between the hedged item and hedging instrument and for the 'hedged ratio' to be the same as the one management actually use for risk management purposes. Contemporaneous documentation is still required but is different to that currently prepared under IAS 39. The standard is effective for accounting periods beginning on or after 1 January 2018. Early adoption is permitted subject to EU endorsement. The group is yet to assess IFRS 9's full impact.

- IFRS 15, 'Revenue from contracts with customers' deals with revenue recognition and establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. Revenue is recognised when a customer obtains control of a good or service and thus has the ability to direct the use and obtain the benefits from the good or service. The standard replaces IAS 18 'Revenue' and IAS 11 'Construction contracts' and related interpretations. The standard is effective for annual periods beginning on or after 1 January 2017 and earlier application is permitted subject to EU endorsement. The group is assessing the impact of IFRS 15.

There are no other IFRSs or IFRIC interpretations that are not yet effective that would be expected to have a material impact on the Group.

4. SEGMENTAL INFORMATION

IFRS 8 Operating Segments requires a management approach under which segment information is presented on the same basis as that provided to the chief operating decision maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Project Management Committee that makes strategic decisions. For the Group, internal reporting is based on the Group's two geographical markets: Australia and Indonesia. Hence segment information is reported in the same manner. The Group operates in one principal area of activity, that of exploration and development of gold tenements.

Revenue, loss before tax and net assets are all within one activity, that of gold exploration and development.

Segment information on a geographical basis includes Australia where the head office is established and Indonesia where the Tembang and Tandai projects operate. Group revenue for the year to 31 December 2014 was US$ nil (2013: US$ nil). Accordingly no segment revenue has been provided.

31 December 2014	Australia US$000	Indonesia US$000	Consolidated US$000
Operating (loss)/profit	(3,405)	452	**(2,953)**
Net financing costs	(828)	(1,057)	**(1,885)**
Loss on remeasurement of investment held in associate	-	(1,101)	**(1,101)**
Gain from a bargain purchase in subsidiary	-	3,575	**3,575**
Loss before tax	**(4,233)**	**1,869**	**(2,364)**
Non-current assets other than financial instruments[(1)]	778	53,558	54,336
Segment total assets	**8,157**	**84,537**	**92,694**
Segment total liabilities	**931**	**47,062**	**47,993**

(1) Additions during the year ended 31 December 2014 of US$8.4 million mainly relates to development assets, plant and equipment and pre-feasibility cost associated with the Tembang project (See note 16) and US$5.2 million resulted from the acquisition of a subsidiary (See note 14)

31 December 2013	Australia US$000	Indonesia US$000	Consolidated US$000
Operating loss	(5,640)	(12,182)	**(17,822)**
Net financing costs	(665)	(256)	**(921)**
Share of loss in associate	-	(130)	**(130)**
Loss before tax	**(6,305)**	**(12,568)**	**(18,873)**
Non-current assets other than financial instruments	**307**	**39,712**	**40,019**
Segment total assets	**5,860**	**42,667**	**48,527**
Segment liabilities	**3,043**	**9,389**	**12,432**

5. LOSS BEFORE INCOME TAX

	31 December 2014 US$000	31 December 2013 US$000
This has been arrived at after charging the following:		
Auditors' remuneration:		
Fees payable to the Company's auditors for the audit of the parent company and consolidated financial statements	82	85
Fees payable to the Company's auditors and its associates for the audit of financial statements of any subsidiary of the Company	90	115
Fees payable to the Company's auditors and their associates for the review of half-year consolidated financial statements	52	30
Directors' remuneration	821	731
Lease expense	144	132
Provision for impairment of exploration and evaluation assets	-	4,633
Provision for impairment of property plant and equipment	-	8,568
Foreign exchange losses	6	664
Other payroll and related expenses	1,687	1,038
Share option costs	143	301
Legal and professional fees	283	288
Depreciation	51	58
	3,359	**16,643**

6. DIRECTORS' EMOLUMENTS AND INTERESTS

The Directors' remuneration for the years ended 31 December 2014 and 31 December 2013 was as follows:

	31 December 2014 US$000	31 December 2013 US$000
Stephen Robinson	67	43
Julian Ford[(1)]	429	349
Adi Sjoekri[(2)]	217	213
Jocelyn Waller	54	44
Gavin Caudle	54	19
Warwick Morris[(3)]	-	63
	821	**731**

(1) Julian Ford resigned as Managing Director and CEO effective 31 December 2014

(2) The expense includes US$60,025 relating to Performance Rights cancelled on 31 December 2014. Mr Sjoekri will not receive any benefit from this performance rights

(3) Warwick Morris tendered his resignation as Chairman effective 23 August 2013 and ceased to be Non-Executive Director on 1 October 2013

6. DIRECTORS' EMOLUMENTS AND INTERESTS (CONT)

The movement in share option scheme held by Directors was as follows:

Specified Directors	Held at 1 January 2014	Granted during the year	Lapsed during the year	Cancelled during the year	Held at 31 December 2014	Exercise price A$	Expiry date
	Number	Number	Number	Number	Number		
Stephen Robinson	-	-	-	-	-		
Julian Ford[1]	2,500,000	-	(2,500,000)	-	-	0.35	26/10/2014
	2,500,000	-	(2,500,000)	-	-	0.50	26/10/2014
	2,000,000	-	-	-	2,000,000	0.25	14/06/2017
	7,000,000	**-**	**(5,000,000)**	**-**	**2,000,000**		
Adi Sjoekri	500,000	-	(500,000)	-	-	0.25	26/10/2014
	1,000,000	-	-	-	1,000,000	0.25	14/06/2017
	1,500,000	**-**	**(500,000)**	**-**	**1,000,000**		
Jocelyn Waller	2,500,000	-	(2,500,000)	-	-	0.20	26/10/2014
	500,000	-	(500,000)	-	-	0.25	26/10/2014
	3,000,000	**-**	**(3,000,000)**	**-**	**-**		
Gavin Caudle	-	-	-	-	-		
Peter Nightingale[2]	**400,000**	**-**	**(400,000)**	-	-	0.35	26/10/2014
Michael Price[3]	750,000	-	(750,000)	-	-	0.20	26/10/2014
	250,000	-	(250,000)	-	-	0.25	26/10/2014
	1,000,000		**(1,000,000)**	**-**	**-**		
Total Options	**12,900,000**	**-**	**(9,900,000)**	**-**	**3,000,000**		

(1) Julian Ford resigned as Managing Director and CEO effective 31 December 2014. The 2,000,000 Options held at 31 December 2014 will lapse on 31 March 2015, the date with is three months after Julian Ford's retirement date, in accordance with the Company's Share Option Scheme.

(2) Peter Nightingale ceased to be a Non-Executive Director on 15 August 2012. Despite his resignation, the Board resolved to consider Peter Nightingale a qualifying employee for the purpose of the share options scheme and his options remained in force until they lapsed.

(3) Michael Price ceased to be a Non-Executive Director on 30 January 2012. Despite his resignation, the Board resolved to consider Michael Price a qualifying employee for the purpose of the share options scheme and his options remained in force until they lapsed.

6. DIRECTORS' EMOLUMENTS AND INTERESTS (CONT)

The movement in unissued shares under performance rights held by Directors during the year was as follows:

Specified Directors	Held at 1 January 2014	Granted during the year	Forfeited during the year	Cancelled during the year	Held at 31 December 2014	Fair Value at grant date A$	Vesting date
	Number	Number	Number	Number	Number		
Stephen Robinson	-	-	-	-	-		
Julian Ford(1)	-	2,029,412	(2,029,412)	-	-	0.05	31/10/2014
Adi Sjoekri(2)	-	1,294,118	-	(1,294,118)	-	0.05	31/10/2014
Jocelyn Waller	-	-	-	-	-		
Gavin Caudle	-	-	-	-	-		
Total Performance Rights	**-**	**3,323,530**	**(2,029,412))**	**(1,294,118)**	**-**		

(1) Mr Ford resigned as Managing Director and CEO effective 31 December 2014 as a result his Performance Rights were forfeited on 31 December 2014.

(2) The performance conditions attached to the Performance Rights were not met at the vesting date and as a result have been cancelled.

7. EMPLOYEE INFORMATION

The average monthly number of persons employed by the Group during the year was:

	31 December 2014	31 December 2013
	Number	Number
By Activity		
Administration	6	8
Construction	78	44
Exploration and evaluation	27	97
	111	**149**

	31 December 2014	31 December 2013
	US$000	US$000
Wages and Salaries	1,415	1,648
Share option compensation charge	143	301
Social security cost	129	121
	1,687	**2,070**

Key management personnel (KMP's) are those persons having authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly. For the year ended 31 December 2014 the key management personnel were the Directors, Chief Financial Officer (CFO) and Chief Operating Officer (COO).

7. EMPLOYEE INFORMATION (CONT)

Key management costs

	31 December 2014 US$000	31 December 2013 US$000
Wages and salaries (for the above persons)	1,126	1,064
Termination payments	113	-
Social security cost	76	63
Share option compensation charge	143	230
	1,458	**1,357**

8. FINANCIAL INCOME

	31 December 2014 US$000	31 December 2013 US$000
Bank interest income	25	117
	25	**117**

9. FINANCIAL COSTS

	31 December 2014 US$000	31 December 2013 US$000
Foreign exchange loss	6	664
Bank interest expense	4	10
Interest on Senior Secured Facility and other borrowings	840	-
Amortisation of borrowing cost	386	-
Effective interest expense on hedges	178	-
Interests and fees on convertible loan	496	159
Accretion expense on convertible loan	-	205
	1,910	**1,038**

10. NET DERIVATIVE GAIN/(LOSS) THROUGH PROFIT OR LOSS

	31 December 2014 US$000	31 December 2013 US$000
Gold hedges derivative gain	641	-
Silver hedges derivative loss	(7)	-
	634	-

11. GAIN FROM A BARGAIN PURCHASE IN SUBSIDIARY

(a) Description of the transaction

On 30 May 2014, Sumatra entered into a "Deed of Termination and Release" with respect to the Tandai Joint Venture entered into with Newcrest Mining Limited. Under the terms of the Deed of Termination and Release, Newcrest paid Sumatra US$154,000 in settlement of all outstanding expenses. During the third quarter of 2014, the Company completed all regulatory and statutory notices necessary to hold 100% of the Tandai Project.

Prior to the transaction the Group held 30% interest on PT Bengkulu Utara Gold ('PT BUG') the holder of the exploration Mining Business License ("IUP" Izin Usaha Pertambangan) of the Tandai project which was 70% owned by SUM Singapore Tandai Pte Ltd ('SUM Singapore').

On 17 October 2014, SCG Energy Pte Ltd (a wholly owned subsidiary of the Company) purchased all of the shares (1 share nominal value $1) of SUM Singapore for US$100 consideration. Going forward, the Group owns 100% of SUM Singapore, PT BUG and the Tandai Project rights.

(b) Impacts of the acquisition of subsidiary on the consolidated financial statements

At the acquisition date, all the assets and liabilities of SUM Singapore and PT BUG were recorded at fair value. The Group recognised a gain from a bargain purchase of subsidiaries of US$3.58 million and a loss on remeasurement of investment held in associate of US$1.10 million in the statement of comprehensive income.

The accounting for this business combination was completed on 31 October 2014; the table below shows the fair value assigned to the subsidiaries' identifiable assets and liabilities at the acquisition date:

	US$000
Current Assets	73
Exploration and evaluation assets	5,255
Total assets	**5,328**
Trade and other liabilities	217
Other non-current liabilities	4
Total liabilities	**221**
Total net assets 100%	**5,107**
Remeasurement of previously held investment 30% interest	(1,532)
Consideration transferred in respect of 70% equity interest acquired	-
Gain from a bargain purchase in subsidiary	**3,575**

The gain from a bargain purchase in subsidiary of US$3.58 million mainly represents the acquisition of all the shares of SUM Singapore for a consideration of US$100 and the related control extended over PT BUG where the evaluation and evaluation costs of the Tandai project have been incurred.

12. INCOME TAX

(a) Analysis of charges for the year

	31 December 2014 US$000	31 December 2013 US$000
Current tax:	-	-
UK Corporation tax on profits for the year	-	-
Income tax	-	-

(b) Factors affecting the current tax charge for the year

Reconciliation between the actual income tax expense and the product of accounting loss:

	31 December 2014 US$000	31 December 2013 US$000
Loss before income tax:	**(2,364)**	**(18,873)**
Tax calculated at domestic tax rates applicable to profits in the respective countries - Australia 30% (2013 UK: 21%)	(709)	(3,963)
Tax effect of:		
Expenses not deductible for tax purposes	343	871
Movement in temporary differences	(290)	2,773
Difference in Indonesian tax rate	118	(756)
Losses carried forward not recognised	538	1,075
Income tax	-	-

During the year ended 31 December 2014 the Company received the certificate of tax residency of Australia. Being a resident of Australia for income tax purposes within the meaning of the Australia - United Kingdom convention the Company is liable to pay Australian income tax.

(c) Deferred tax

At 31 December 2014, the Group had potential and unrecognised deferred tax assets as follows:

	31 December 2014 US$000	31 December 2013 US$000
Tax effect of temporary differences because of:		
Tax losses carried forward not recognised	5,094	4,556
	5,094	**4,556**

Deferred tax assets in respect of losses are not recognised as there is insufficient evidence that they are recoverable. The deferred tax assets would be recoverable if the Company were to become profitable in the future. Tax losses can be carried forward indefinitely and the future tax rate has been considered at 30%.

13. LOSS PER SHARE

Basic and diluted losses per share

The calculation of basic loss per share of US$0.05 for the year ended 31 December 2014 (31 December 2013: US$0.053 loss per share) was based on the loss attributable to ordinary shareholders of US$2.3 million (31 December 2013: US$18.9 million loss) and a weighted-average number of ordinary shares outstanding during the financial year ended 31 December 2014 of 455,669,483 (31 December 2013: 354,812,516) calculated as follows:

	Basic loss per share		Diluted loss per share	
	31 December 2014	31 December 2013	31 December 2014	31 December 2013
Loss attributable to ordinary shareholders (US$000)	(2,364)	(18,873)	(2,364)	(18,873)
Issued ordinary shares at start of the year	414,467,651	258,621,681	414,467,651	258,621,681
Effect of issue of shares	41,201,832	96,190,835	41,201,832	96,190,835
Weighted average number of shares	**455,669,483**	**354,812,516**	**455,669,483**	**354,812,516**
Loss per share in US$ cents per share	**(0.5)**	**(5.3)**	**(0.5)**	**(5.3)**

For fully diluted loss per share, the weighted average number of ordinary shares in issue is adjusted to assume conversion of dilutive potential ordinary shares. The Group's potentially dilutive securities consist of share options. As the Group is loss-making, none of the potentially dilutive securities are currently dilutive.

14. EXPLORATION AND EVALUATION ASSETS

	31 December 2014	31 December 2013
	US$000	US$000
Balance at the beginning of the period	-	25,704
Expenditure incurred during the period	323	6,681
Additions resulted from acquisition of subsidiary(a)	5,255	-
Provision for impairment of exploration and evaluation assets(b)	(171)	(4,633)
Transferred to property plant and equipment (refer note 16)	-	(27,752)
Balance at the period end	**5,407**	**-**

(a) Additions resulted from acquisition of subsidiary

During the year ended 31 December 2014, the Company acquired 100% of the Tandai project (see further details in note 11). No major exploration activities were undertaken in the area during 2014. It is expected to resume the activities in Tandai during 2015.

(b) Provision for impairment of exploration and evaluation assets

During the year ended 31 December 2014 the Directors wrote off the carrying value of exploration and evaluation costs totaling US$0.171 million (2013: US$4.633 million). These costs were associated with the Company's Sontang, Jambi, Madina 1, Madina 2 and Musi Rawas projects as no further exploration work is currently planned on these properties.

15. INVESTMENT IN EQUITY ACCOUNTED ASSOCIATE

	31 December 2014	31 December 2013
	US$000	US$000
Balance at the beginning of the period	2,681	2,811
Loss on remeasurement of previously held equity interest in associate	(1,101)	-
Remeasurement of previously held investment 30% interest (note 11)	(1,532)	-
Foreign exchange revaluation on investment	(48)	
Share of (loss)/profit in associate	-	(130)
Balance at the period end	-	**2,681**

The group's share of the results of its associate, and its aggregated assets and liabilities, are as follows:

Name	Country of incorporation	Assets	Liabilities	Revenues	(Loss)/ Profit	Interest held
		US$000	US$000	US$000	US$000	%
31 December 2014						
PT Bengkulu Utara Gold	Indonesia	-	-	-	-	-
31 December 2013						
PT Bengkulu Utara Gold	Indonesia	2,788	107	-	**(130)**	30

On 17 October 2014, the Group completed the acquisition of 100% shares of SUM Singapore Tandai Pte Ltd ('SUM Singapore') a company that held 70% participation of PT Bengkulu Utara Gold ('PT BUG'). After the acquisition date the Group holds 100% participation in SUM Singapore, PT BUG and the Tandai Project rights. As a result, PT BUG is no longer considered an associate but a wholly owned subsidiary of the Group (see further details on note 11).

During the years ended 31 December 2014 and 31 December 2013 no major exploration activities were undertaken in the Tandai area. The Group expects to resume activities during 2015.

16. PROPERTY, PLANT AND EQUIPMENT

	31 December 2014 US$000	31 December 2013 US$000
Cost		
Balance at the beginning of the year	49,020	557
Additions	8,362	20,711
Asset Retirement Obligation (see note 23)	599	-
Transferred from exploration and evaluation assets	-	27,752
Balance at the year end	**57,981**	**49,020**
Accumulated Depreciation		
Balance at the beginning of the year	(9,001)	(375)
Depreciation charge for the year	(51)	(58)
Provision for impairment of property plant and equipment[(a)]	-	(8,568)
Balance at the year end	**(9,052)**	**(9,001)**
Net Book Value	**48,929**	**40,019**

Property, Plant and Equipment includes: development assets, plant and equipment, fittings and fixtures and pre-feasibility costs mainly associated with the Tembang project. The majority of the balance of property plant and equipment relates to mining assets which have not been depreciated as they are not in use yet.

During the year ended 31 December 2013 the exploration and evaluation costs associated with the Group's Tembang project were reclassified as development assets following receipt of the final government approvals.

(a) Provision for impairment of property plant and equipment

As the Group identified impairment indicators such as the Company's market capitalisation being lower than the value of the long-term assets, the Group performed an impairment test on the recoverability of its assets.

The Group is a an emerging gold and silver producer focused in the Indonesian island of Sumatra currently dedicated on developing its 100%-owned Tembang Project, its single asset, therefore the Group determined the Tembang project the cash generating unit (CGU) for impairment purposes. The recoverable amount of the CGU was considered based on fair value less cost to sell (FVLCS). FVLCS was determined as the present value of the estimated real future cash flows expected to arise from the Tembang project using assumptions that an independent market participant may consider. These cash flows were discounted using a real after-tax discount rate that reflected current market assessments of the time value of money and the risks specific to the CGU.

The basis for determination of the recoverable amount was:

- Gold price of US$1,300/oz. and Silver price of US$20/oz. - future commodity prices were based on the 2015 consensus views from market participants in the period (2013: based on the 2014 consensus views from market participants;
- 50% of gold and silver hedged at a strike price of US$1,108.50/oz and US$14.47/oz respectively.

16. PROPERTY, PLANT AND EQUIPMENT (CONT)

- Gold and Silver production - future gold and silver production was based on the Definite Feasibility Study (DFS) and Group's Life of Mine Plan (LOM). (2013: updated Group's Life of Mine Plan);
- Current (LOM) is based only on proven and probable reserves as per DFS (2013: measured and indicated resources as per DFS). Inferred material included in the mine plan was treated as waste;
- Operating and capital cost - these costs were based on management's best estimates at the time of the impairment testing;
- Foreign exchange rates - Indonesian Rupiah to US dollar exchange rates were based on the forward curve and consensus views; and
- Discount rate - a post-tax real discount rate of 12.5% (2013:9.0%).

The assumptions above were revised by an Independent Technical Advisor for financing purposes. The cash flows are based on proven and probable reserves only. The Company also believes that, with further drilling and feasibility work, the additional resources will be converted into reserves, mine life will be extended and cash flows will increase at the same rate as the gold price.

Based on the above review, the Group is of the opinion that no impairment exists for the year ended 31 December 2014. (for the year ended 31 December 2013: provision for impairment of US$8.6 million).

17. DERIVATIVE FINANCIAL INSTRUMENTS

	31 December 2014 US$000	31 December 2013 US$000
Gold - forward contracts[(a)]		
Fair Value on initial recognition	6,322	-
Fair Value movement of derivative	(406)	-
Balance at the year end	**5,916**	-
Silver - forward contracts[(b)]		
Fair Value on initial recognition	1,477	-
Fair Value movement of derivative	(27)	-
Balance at the year end	**1,450**	-
	7,366	-
Current portion of derivative financial instrument	6,693	
Non-current portion of derivative financial instrument	673	
	7,366	

17. DERIVATIVE FINANCIAL INSTRUMENTS (CONT)

Forward contracts designated as hedges

On 22 October 2014 the wholly owned subsidiary PT Dwinad Nusa Sejahtera, entered into a Senior Secured Debt Facility with Nomura Singapore Limited and Indonesia Eximbank. The facility required that the Company entered into hedging equivalent to 50% of gold and silver production during the first 2 years of operation commencing deliveries during November 2015 to October 2017. The hedge program represents approx. 23% and 16% respectively of the gold and silver ore reserves. The subsidiary paid a premium of US$300,000 for entering the hedging program which will be amortised over the life of the hedge.

On 31 October 2014 the Company entered into its hedging program using a capped forward structure as follows:

(a) Gold - forward contracts

- 42,000 ounces of gold hedged at a strike price of US$1,108.50/oz. Where the gold price at time of delivery is below US$1,428.50/oz the Subsidiary will receive a gold price of US$1,108.50; where the gold price is above $1,428.50 the Subsidiary will receive a gold price equivalent to the prevailing gold price less $320.00/oz.
- The hedge is of a put option type with a strike price of $1,428.50 with $320 per oz as an additional premium payable. Hedged designation is to protect against gold falling below a price of $1,108.50/oz.
- On average, 51.8% of the Company's monthly gold production from 30 November 2015 to 31 October 2017 has been allocated to the hedge program. This meets the 50% production condition of the hedging facility for the first two years of production. As a result, the gold hedge has been considered an effective hedge.
- As at 31 December 2014, the effective portion of US$1.047 million relating to recognition of the movement in fair value (US$0.405 million) and intrinsic value (US$0.641 million) of outstanding gold hedges was recognised in hedge reserve, which unwinds to profit or loss upon realisation of the underlying hedge transaction. The intrinsic value movement was recognised as a gain in derivatives for the year ended 31 December 2014. A non-current liability of US$6.210 million was recognised in the statement of financial position (see note 23).

(b) Silver - forward contracts

- 343,200 ounces of silver hedged at a strike price of US$14.47/oz. Where the silver price at time of delivery is below US$21.77/oz the Company will receive a silver price of US$14.47; where the silver price is above $21.77 the Company will receive a silver price equivalent to the prevailing silver price less $7.30/oz.
- The hedge is of a put option type with a strike price of $21.77/oz with $7.30 per oz as an additional premium payable. Hedged designation is to protect against silver falling below a price of $14.47/oz.
- On average, 49.3% of the Subsidiary's monthly silver production from 30 November 2015 to 31 October 2017 has been allocated to the hedge program. This meets the approximate 50% production condition of the hedging facility for the first two years of production. As a result the silver hedge has been considered an effective hedge.
- As at 31 December 2014, the effective portion of US$0.020 million relating to recognition of the movement in fair value (US$0.027 million) and intrinsic value (US$0.007 million) of outstanding silver hedges was recognised in hedge reserve, which unwinds to profit or loss upon realisation of the underlying hedge transaction. The intrinsic value movement was recognised as a loss in derivatives for the year ended 31 December 2014. A non-current liability of US$1.465 million was recognised in the statement of financial position (see note 23).

18. PREPAYMENTS AND OTHER RECEIVABLES

	31 December 2014	31 December 2013
	US$000	US$000
Interest reserve account(a)	2,575	-
Prepayments and other receivables	378	45
VAT and withholding tax receivable(b)	1,512	1,541
Balance at the year end	**4,465**	**1,586**

(a) Interest reserve account

As part of the Senior Secured Debt Facility Agreement, the Group is required to maintain a separate interest reserve account ('DSRA') to repay the first year of quarterly interest instalments. The DSRA was funded at initial drawdown from the Debt Facility proceeds (US$3 million). During the year ended 31 December 2014 US$0.425 million was used to pay the first quarterly interest instalment. The balance of US$2.575 million will be used to repay the remaining 2015 quarterly interest.

(b) VAT and withholding tax receivable

VAT and withholding tax receivable include recoverable Indonesian value added taxes arising from the construction of the Tembang project as well as operating expenses payments.

19. CASH AND CASH EQUIVALENTS

	31 December 2014	31 December 2013
	US$000	US$000
Cash at bank and on hand	26,503	4,031
Call deposits	24	96
	26,527	**4,127**

Of the total cash and cash equivalent held as of 31 December 2014 the highest currency value was US$26.1 million (2013: US$3.7 million), other currencies the Company held cash in were Australian dollars, Indonesian rupiah and Pounds sterling.

20. TRADE AND OTHER PAYABLES

	31 December 2014	31 December 2013
	US$000	US$000
Trade payables	1,863	6,892
Other taxes and social security cost	1,771	1,238
Accruals and other payables	2,738	887
	6,372	**9,017**

During the years ended 31 December 2014 and 31 December 2013 Trade and other payables are mainly repayable in US dollars.

Other taxes and social security cost include indirect taxes incurred in the development and construction phase of the Tembang project.

21. BORROWINGS

31 December 2014 US$000	Senior Secured Debt Facility (i)	Atlas Copco Financing Facility (ii)	Total
Loan Term	(36 months) 2014 to 2018	(36 months) 2013 to 2016	
Opening Balance	-	915	915
Proceeds from borrowings	40,000	-	40,000
Repayments of borrowings	-	(314)	(314)
Capitalised Borrowing cost[c]	(8,216)	-	(8,216)
Amortisation of borrowing cost	386	-	386
Closing Balance	**32,170**	**601**	**32,771**

(i) On 22 October 2014, the Company's wholly owned subsidiary, PT Dwinad Nusa Sejahtera ('DNS'), entered into a 3 year Senior Secured Debt Facility of up to US$45 million with Nomura Special Investments Singapore and Indonesia Eximbank repayable at maturity. The Facility is to fund the commercial development of the Tembang Gold Project. The Facility is secured against a number of assets including the shares held by the Company in DNS. All other loans and advances made to DNS, the Company and its subsidiaries will be subordinated to the interests of the lenders under the Facility until all payment obligations of the Facility have been repaid.

The following are the key commercial terms:

(a) One initial tranche ("Tranche 1") of US$40 million, which was drawdown on 13 November 2014 after satisfaction of conditions precedent and a second tranche ("Tranche 2") of US$5 million, which will be available to be drawn on the date of practical completion of the process plant, provided that completion takes place within 12 months of the date of drawdown of Tranche 1. Also, the gold price must be above US$1,125/oz at the proposed date of drawdown for Tranche 2 to be drawn and a further equity raising of US$5 million undertaken by the Company.

21. BORROWINGS (CONT)

(b) Interest rate of 7.5% per annum increasing to 10.0% after 18 months. Upon any prepayment or repayment of the loan DNS will be required to pay a redemption premium that will result in the lenders receiving an amount equal to 15% per annum (including interest). 85% of cash generated from the Project will be repaid each quarter and the balance of unpaid funds is due in a bullet payment at the end of the 3-year term. Interest will be paid quarterly with the redemption premium payable at the end of the loan period.

(c) Borrowing costs of US$8.216 million were incurred to secure this funding and have been offset against the principal borrowings amount. These costs are amortised using the effective interest rate method. Borrowing costs include (US$2.619 million) transaction cost and fees paid in cash; (US$5.350 million) paid in warrants (see note 24c) and (US$0.247 million) paid in shares (see note 24).

(d) The Facility required that the Company entered into hedging equivalent to 50% of gold and silver production during the first 2 years of operation (See further details on note 17).

(e) The Facility also required the grant of an aggregate total of 250,597,351 warrants each convertible into one CHESS Depositary Interest ("CDI") in the Company. On 12 November 2014, 222,753,201 warrants were issued after drawdown of Tranche 1. A further 27,844,150 warrants will be issued upon satisfaction of conditions of Tranche 2 (See further details on note 24c).

(ii) During December 2013 the Indonesian Subsidiary PT Dwinad Nusa Sejahtera, entered into a US$1.107 million 36-month financing facility with Atlas Copco Customer Finance AB, to finance an underground drill rig. A payment of US$0.193 million was made at commencement of the facility, with the remaining principal repayable in monthly equal instalments (plus interest at a fixed rate of 7.5%) commencing 31 December 2013. The outstanding liability as at 31 December 2014 is US$0.601 million (December 2013: US$0.915) of which US$0.314 million is payable within 12 months (2013: US$0.314 million).

22. CONVERTIBLE LOANS

	31 December 2014	31 December 2013
	US$000	US$000
Convertible loan note	-	2,500
	-	**2,500**

Convertible loan - Fair value

On 18 December 2013, the Company entered into a "Convertible Loan Facility Agreement" with Provident Minerals Pte Ltd ("Provident") and PT Saratoga Investama Sedaya Tbk ("Saratoga") to provide an unsecured convertible debt facility of US$4.0 million. The facility was initially drawn down in two tranches; the first tranche of US$2.5 million (draw down during the year ended 2013) and the second tranche of US$1.5 million (draw down during the first quarter of 2014). Since the drawdown of the original amount of US$4 million, the Facility was extended on four occasions (26 May 2014, 3 July 2014, 31 July 2014 and 12 September 2014 achieving an additional US$2.1 million). The principal amount under the Facility was US$6.1 million.

As per the terms and conditions of the convertible loan on 2 October 2014, Provident and Saratoga requested the conversion of the full capitalised value of the Facility into Chess Depository interests (CDIs) including interest (at 9% per annum) and facility fee (3%). The Group issued 163,833,929 CDIs totaling A$7.54 million (US$6.6 million) at A$0.046 per share in satisfaction of the repayment of the convertible loan.

23. PROVISIONS

	31 December 2014 US$000	31 December 2013 US$000
Derivative financial instruments payable current[(a)]		
Balance at the beginning of the period	-	-
Provision made during the financial period	828	-
Balance at period end	**828**	-
Total provision current at period end	**828**	-
Provision for rehabilitation[(b)]		
Balance at the beginning of the period	-	-
Provision made during the financial period	599	-
Balance at period end	**599**	-
Derivative financial instruments payable non-current[(a)]		
Balance at the beginning of the period	-	-
Provision made during the financial period	6,847	-
Balance at period end	**6,847**	**-**
Provision for employee benefits[(c)]		
Balance at the beginning of the period	-	-
Provision made during the financial period	576	-
Balance at period end	**576**	-
Total provisions non-current at period end	**8,022**	-

(a) Derivative financial instruments payable current and non-current

Derivative financial instruments non-current relates to the fair value on initial recognition of gold (US$6.210 million) and silver (US$1.465 million) forward contracts designated as hedges entered into on 31 October 2014. See further details on note 17.

(b) Provision for rehabilitation

The provision for rehabilitation is an estimate of the value of future costs for dismantling, demobilisation, remediation and ongoing treatment and monitoring of the Tembang project. The Group uses third parties to estimate these costs. The estimate will be reviewed over time as the operation develops. The unwinding of the effect of discounting on the provision is recognised as a finance cost. In addition, the rehabilitation obligation has been recognised as an asset and will be amortised over the life of the mine.

(c) Provision for employee benefits

Provision for employee benefits includes the present value of the future pension plans for Indonesian employees to be received on retirement in accordance with Indonesian labour law.

24. ORDINARY SHARES AND SHARE PREMIUM ACCOUNT

Movement in the share capital and premium for the year ended 31 December 2014

		Number of Shares	Ordinary shares US$000	Share Premium account US$000
1 Jan 2014	Opening Balance	414,467,651	6,798,797	54,675,584
2 Oct 2014	Issue of CDIs[(a)]	163,833,929	2,663,214	3,932,609
8 Dec 2014	Issue of CDIs[(b)]	5,407,542	84,208	163,116
31 Dec 2014	**Closing Balance**	**583,709,122**	**9,546,219**	**58,771,309**

(a) The Group issued 163,833,929 CDIs totaling A$7,536,361 (US$6,595,823) at A$0.046 per CDI on conversion of the full capitalised value of the Convertible Loan Facility Agreement, including interest and facility fee entered into on 4 December 2013 with Provident Minerals Pte Ltd and PT Saratoga Investama Sedaya Tbk. The CDIs issued were 82,014,893 and 81,819,036 respectively.

(b) The Group issued, for nil consideration, 5,407,542 CDIs totaling A$297,415 (US$247,324) at A$0.055 per CDI to Juniper Capital Partners Limited for services related to the financing of the Senior Secured Debt Facility.

Movement in the share capital and premium for the year ended 31 December 2013

		Number of Shares	Ordinary shares US$000	Share Premium account US$000
1 Jan 2013	Opening Balance	258,621,681	4,400,549	30,553,787
22 Feb 2013	Issue of CDIs[(a)]	38,000,000	568,938	8,045,524
14 May 2013	Issue of CDIs[(b)]	6	-	1
18 June 2013	Issue of CDIs[(c)]	117,845,964	1,829,310	17,368,081
31 Dec 2013	**Closing Balance**	**414,467,651**	**6,798,797**	**55,967,393**
Less	Share issue cost current period		**-**	**(1,291,809)**
31 Dec 2013	**Closing Balance**	**414,467,651**	**6,798,797**	**54,675,584**

(a) The Group issued 38,000,000 CDIs for cash totaling A$8,360,000 (US$8,614,462) at A$0.22 per share.

(b) The Group issued 6 CDIs for cash totaling A$1 (US$1) at A$0.20 per share.

(c) The Group issued 117,845,964 CDIs for cash totaling A$20,033,814 (US$19,197,391) at A$0.17 per share pursuant to a 2 for 5 non-renounceable rights issue.

25. SHARE BASED PAYMENTS

(a) Options

Under the Group's share option scheme, share options are granted to Directors and to selected employees. The exercise price is the greater of the nominal value of the share, or an amount specified by the Board, which if granted at or around a placing must not be less than the price issued at the time of the placing. Options are conditional on the employee completing two years' service (the vesting period). Fifty per cent of the options granted are exercisable after one year and the remainder after two years. The Group has no legal or constructive obligation to repurchase or settle the options in cash. Options have no voting or dividend rights.

Movement in unissued ordinary shares of the Company under option during the year:

Exercise price[a]	Number of options at 1 January 2014	Lapsed	Number of options at 31 December 2014	Expiry date
A$0.16 (US$0.13)	31,250,000)	(31,250,000)	-	27 March 2014
A$0.20 (US$0.16)	3,530,000	(3,530,000)	-	26 October 2014
A$0.25 (US$0.20)	3,100,000	(3,100,000)	-	26 October 2014
A$0.25 (US$0.20)	3,500,000	-	3,500,000	14 June 2017
A$0.35 (US$0.29)	3,050,000	(3,050,000)	-	26 October 2014
A$0.50 (US$0.41)	2,500,000	(2,500,000)	-	1 June 2016
	46,930,000	**(43,430,000)**	**3,500,000**	

(a) All options are exercisable in AU$ (presented in US$ at 31 December 2014 rate of $0.8156)

As at 31 December 2014, 3,500,000 outstanding options of the Group were exercisable.

The total charge for the year ended 31 December 2014 was Nil (2013: US$300,356).

During the year ended 31 December 2014, 43,430,000 options lapsed, as a result US$2 million was transferred to retained earnings. (2013: Nil)

(b) Performance Rights

Movement in Unissued Shares under Performance Rights during the year

Valuation per right[a]	Number of Performance Rights at 1 January 2014	Granted	Cancelled[b]	Forfeited[c]	Number of Performance Rights at 31 December 2014	Vesting Date
A$0.05 (US$0.46)	-	5,109,244	(3,079,832)	(2,029,412)	-	31 Dec 2014
	-	**5,109,244**	**(3,079,832)**	**(2,029,412)**	-	

(a) All performance rights are exercisable in AU$ (presented in US$ at 31 December 2014 rate of $0.8156)

(b) Performance Rights granted to Adi Sjoekri and David Fowler were cancelled during the year ended 31 December 2014 as performance conditions were not met. The Remuneration Report includes an expense of US$142,853 relating to this cancellation.

(c) Performance Rights granted to Julian Ford were forfeited upon resignation on 31 December 2014.

25. SHARE BASED PAYMENTS (CONT)

On 30 May 2014 the Company granted 5,109,244 in accordance with the rules of the Sumatra Copper & Gold Plc Long Term Incentive Plan (LTI Plan). The vesting condition requires a "performance hurdle" to be satisfied whereby the Company's share price must exceed the performance of the Gold index ("XGD") in respect of the relevant performance period (being the calendar year 2014) by more than 25%, in which case 100% of the granted performance rights will vest. The total charge for the year ended 31 December 2014 was US$142,853 (2013: Nil).

2014 Market performance objectives:

These performance rights are subjected to both service conditions and market vesting conditions. The Group is required to take into consideration the probability of reaching the target share price when estimating the fair value of these equity instruments at grant date. On this basis, the Group will continue to recognise expenses associated with providing this share based payment award to the employee as long as the service condition has been achieved, irrespective of whether the market condition is satisfied.

The fair value of services received in return for these performance rights granted are measured by reference to the fair value of the performance rights. On grant date the estimate of the fair value of the services received is measured based on the spot price at the date of grant. The contractual life of the performance right is used as an input into this model.

The following table summarises the key data in relation to the valuation of market performance rights granted under the LTI Plan are as follows:

Performance condition	Company's share price against group of peer companies for 2015
Underlying spot price	A$0.05
Exercise price	$0.00
Valuation date	30 May 2014
Vesting date	31 December 2014
Vesting period from grant date	7 months
Number of rights	5,109,244
Fair Value per right	A$0.05 (US$0.046)
Valuation per performance condition	A$255,462 (US$236,984)
Entitled number of employees	3

Performance Rights granted during the year to eligible employees were cancelled on 31 December 2014 as performance conditions were not met.

(c) Warrants

Movement in Unissued Warrants during the year

Exercise price per Warrant[(a)]	Number of Warrants at 1 January 2014	Granted	Cancelled	Forfeited	Number of Warrants at 31 December 2014	Exercise Date
A$0.057 (US$0.047)	-	222,753,201	-	-	222,753,201	12 Nov 2017
	-	**222,753,201**	-	-	**222,753,201**	

(a) All warrants are exercisable in AU$ (presented in US$ at 31 December 2014 rate of $0.8156)

25. SHARE BASED PAYMENTS (CONT)

On 21 October 2014, the wholly owned subsidiary PT Dwinad Nusa Sejahtera entered into a Senior Secured Debt Facility with Nomura Special Investments Singapore Pte Ltd and Indonesian Exim Bank. As part of the conditions precedent the Company agreed to grant an aggregate total of 250,597,351 warrants. The warrants will be issued in two tranches:

(i) the first tranche of up to 222,753,201 warrants were issued on 12 November 2014 as conditions precedent were satisfied: (a) Shareholder approval being obtained for the purposes of ASX Listing Rule 7.1; and (b) provision of the first tranche of the Nomura Facility (being US$40 million) to the Company. The total fair value of Tranche 1 was US$5.3 million and has been recognised as part of borrowing cost which will be amortised over the life of the facility using the effective interest rate method.

(ii) the second tranche of up to 27,844,150 warrants will be issued on the day that the second tranche of the Nomura Facility (being US$5.0 million) is advanced to the Company. The issue of the second tranche of warrants is conditional on the provision of the second tranche of the Nomura Facility to the Company.

The following are the main terms and conditions of the warrants issued during the year ended 31 December 2014:

Warrants issued (Tranche 1)	Conditions
Exercise price[(a)]	A$0.057 (US$0.047)
Valuation date	12 November 2014
Option life	3 years
Number of warrants	222,753,201
Fair Value per warrant[(b)]	A$0.028 (US$0.024)
Total fair value of warrants	A$6,237,089 (US$5,349,734)

(a) All warrants are exercisable in AU$ (presented in US$ at 31 December 2014 rate of $0.8156)

(b) Exchange rate at valuation date was US$0.8639 to AU$1.00

26. RELATED PARTY TRANSACTIONS

Key management personnel (KMP), or their related parties, hold positions in other entities that result in them having control or significant influence over the financial or operating policies of those entities. Those entities may enter into transactions with the Company or its subsidiaries. The terms and conditions of such transactions are no more favourable than those available, or which might reasonably be expected to be available, to non-KMP related entities dealing at arm's length with the Company.

During the year ended 31 December 2014 the Company was invoiced US$62,206 (31 December 2013: US$11,672) by Hunter Corporate, for company secretary services. Hunter Corporate is a company associated with Susan Hunter who is the Joint Company Secretary. At 31 December 2014 there was no amount outstanding (31 December 2013: Nil).

During the year ended 31 December 2014 the Company was invoiced US$7,230 (31 December 2013:US$8,960) by Barr Ellison LLP Solicitors, for company secretary services and legal advice in the United Kingdom. Barr Ellison LLP Solicitors is an entity associated with Allison Barr who is the Joint Company Secretary. As at 31 December 2014 there was an amount outstanding of Nil to be paid (31 December 2013: US$2,824).

26. RELATED PARTY TRANSACTIONS (CONT)

During the year ended 31 December 2014 the Company was invoiced US$5,467 (31 December 2013: Nil) by JWMinConsult Limited, for consulting services. JWMinConsult Limited is a company associated with Jocelyn Waller who is a Non-executive director of the Company. As at 31 December 2014 there was an amount outstanding of US$5,467 to be paid (31 December 2013: Nil).

The Company sub-leased office space for its Perth office during the year ended 2013 from Karen Ford, wife of Managing Director Julian Ford. The charge covered rental accommodation, utilities and office expenses. Fees paid to Karen Ford, were in the ordinary course of business and on normal terms and conditions. The sublease agreement was in place until 1 March 2013. During the year ended 31 December 2014 the rental and accommodation charges amounted to Nil (31 December 2013: US$24,381). As at 31 December 2014 there were no outstanding amounts to be paid included within trade and other payables (31 December 2013: Nil).

KMP are those persons having authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly. For the years ended 31 December 2014 and 31 December 2013 the KMP's were the Directors, the Chief Financial Officer and the Chief Operating Officer. KMP's remuneration is disclosed in note 7.

27. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group has exposure to liquidity risk, credit risk, market risk and commodity risk arising from its financial instruments.

The Group's management of financial risk is aimed at ensuring net cash flows are sufficient to meet all of its financial commitments and maintain the capacity to fund the operation and exploration activities. The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework. Management monitors and manages the financial risks relating to the operations of the Group through regular reviews of the risks.

Market, liquidity and credit risks (including foreign exchange, commodity price, interest rate and counterparty risk) arise in the normal course of business. These risks are managed under Board approved treasury processes and transactions.

The principal financial instruments as at the reporting date include receivables, payables, borrowings, derivatives and cash.

This note presents information about exposures to the above risks, the objectives, policies and processes for measuring and managing risk, and the management of capital.

The main risks arising from the Group's financial instruments are liquidity risk, foreign currency risk, credit risk and commodities risk. The Group reviews and agrees policies for managing each of these risks and they are summarised below.

(a) Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation. It is the Group's policy to ensure and maintain a reputable credit profile by adhering to credit terms and ensuring a strong ongoing cash balance.

27. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT)

At 31 December 2014 the Group had cash of US$26.5 million and net current assets of US$24.5 million. Current liabilities of US6.5 million include trade payable obligations for the construction of the Tembang project and short-term borrowings. During the year the Group entered into a Senior Secured Debt Facility of up to US$45 million to fund the commercial development of the Tembang Gold Project. An initial tranche ("Tranche 1") of US$40 million was drawndown during the year 2014 and a further US$5 million ("Tranche 2") will be available to be drawn on the date of practical completion of the process plant, provided that completion takes place within 12 months of the date of drawdown of Tranche 1 and the gold price is above US$1,125/oz at the proposed date.

The Group's detailed cash flow forecasts, which include cash inflows from the Tranche 2 of debt and additional equity raise of US$5 million, show that the Group has sufficient working capital for at least a year from the date this annual report is approved.

The Directors believe there to be a reasonable prospect of the Group completing the Tembang construction and achieving commercial production during the fourth quarter of 2015. However, the need to complete the debt and equity funding, indicate the existence of material uncertainties which may cast significant doubt as to the Group's ability to continue as a going concern. In the event that some combination of the above events fails to occur as expected, the Group may be unable to realise its assets and discharge its liabilities in the normal course of business.

(b) Foreign currency risk

In common with many other businesses in Australia and Indonesia, foreign currencies play a significant role in the underlying economics of the business transactions of the Group.

The following significant exchange rates (US$1.00) applied during the year:

	Average rate		Year-end date spot rate	
	31 December 2014	31 December 2013	31 December 2014	31 December 2013
IDR$	11,870	10,453	12,440	12,195
A$	0.9024	0.9682	0.8156	0.8873
GBP$	1.6476	1.5643	1.5532	1.6153

At 31 December 2014, if the US dollar had strengthened by 10% against the IDR/other currencies with all other variables held constant, the post-tax loss for the year would have been US$0.25 million (2013: US$1.87 million) higher, mainly as a result of foreign exchange losses on translation of foreign currency denominated cash, trade payables, accruals and other liabilities. The directors believe that in the current economic environment a 10% variance is reasonable based on current trends.

(c) Credit risk

With respect to credit risk arising from the other financial assets of the Group, which comprise cash and cash equivalents, and certain receivables, the Group's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments. All deposits are held with financial institutions that have a Standard & Poor's credit rating of AA- or better.

27. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT)

(d) Commodities risk

The Group's main focus is the gold and silver development of the Tembang project. The market prices for these commodities fluctuate widely. These fluctuations are caused by numerous factors beyond the Company's control. Such as: speculative positions taken by investors or gold traders, changes in the demand and supply for gold, actual or expected gold sales by central banks and The International Monetary Fund (IMF), global or regional economical events. A sustained period of significant gold price volatility may adversely affect the Group's ability to evaluate the feasibility of undertaking new capital projects or continuing existing operations or to make other long-term strategic decisions.

In order to mitigate this risk, the Group entered into a hedge program equivalent to approximately 50% of gold and silver production during the first 2 years of operation commencing deliveries during November 2015 to October 2017. The hedge program represents approx. 23% and 16% respectively of the gold and silver ore reserves.

(e) Capital risk management

The Group regards its share capital and reserves as its equity and uses its monthly management accounts to monitor the level of cash available to plan for future fundraisings. Additionally, the Group has prepared detailed cash flow forecasts, which are compared on a monthly basis to actual expenditures.

The Board's policy in managing capital is to ensure that the Group continues as a going concern, and that its capital base is sufficiently strong so as to maintain investor, creditor and market confidence and to sustain future development of the business. The objective is to maintain a level of debt finance, determined according to prevailing commercial conditions, that provides a balance between this policy and optimising shareholder returns through the effect of gearing.

Whilst there are covenants associated with the senior secured debt facility, they are not required to be met until the group declares commercial production expected to be during the fourth quarter of 2015.

(f) Fair value estimation

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).

Level 3: Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

27. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT)

The following table presents the Group's financial assets and liabilities that are measured at fair value at 31 December 2014.

31 December 2014	Level 1 US$000	Level 2 US$000	Level 3 US$000	Total US$000
Fair value less cost to sell method:				
Property, plant and equipment (note 16)	-	-	48,929	48,928
Financial assets at fair value designated as hedges:				
Derivative financial instruments used for hedging (note 17)	-	-	7,366	7,366
Total assets	-	-	**56,295**	**56,295**
Financial liabilities designated as hedges:				
Derivative financial instruments used for hedging (note 23a)	-	-	7.675	7.675
Total liabilities	-	-	**7,675**	**7,675**

The following table presents the Group's financial assets and liabilities that are measured at fair value at 31 December 2013.

31 December 2013	Level 1 US$000	Level 2 US$000	Level 3 US$000	Total US$000
Fair value less cost to sell method:				
Property, plant and equipment (note 16)	-	-	40,019	40,019
Total assets	-	-	**40,019**	**40,019**
Financial liabilities at fair value through profit or loss:				
Convertible loans (note 22)	-	-	2,500	2,500
Total liabilities	-	-	**2,500**	**2,500**

There is no material difference between the carrying value and fair value of financial instruments at year end (2013: nil). There were no financial instruments being held for trading or available for sale at year end (2013: nil).

28. ULTIMATE CONTROLLING PARTY

The Group has no ultimate controlling party.

29. CASH USED IN OPERATIONS

	31 December 2014	31 December 2013
	US$000	US$000
Cash flows from operating activities		
Loss before tax	(2,364)	(18,873)
Adjustments for:		
Depreciation	51	58
Loss on remeasurement of previously held equity interest in associate	1,101	-
Gain from a bargain purchase in subsidiary	(3,575)	-
Share of loss/(profit) in associate	-	130
Share options charge	143	301
Provision for impairment of exploration and evaluation assets	171	4,633
Provision for impairment of property plant and equipment	-	8,568
Financial income	(25)	(117)
Financial cost	1,910	1,038
Operating loss before working capital changes	(2,588)	(4,262)
Increase in prepayments and other receivables	(314)	(815)
(Decrease)/increase in trade payables, accruals and other liabilities	(701)	1,369
Cash used in operations	**(3,603)**	**(3,708)**

30. CONSOLIDATED ENTITIES

Name of entity	Country of incorporation	Class of shares	31 December 2014 %	31 December 2013 %
Parent entity				
Sumatra Copper and Gold Plc	United Kingdom	Chess Depositary Interest (CDIs)		
Subsidiaries				
PT Dwinad Nusa Sejahtera(a)	Indonesia	Ordinary	99.95	99.95
PT Nusa Palapa Minerals(a)	Indonesia	Ordinary	99.95	99.95
PT Bengkulu Utara Gold(b)	Indonesia	Ordinary	100.00	30.00
PT Musi Rawas Gold(c)	Indonesia	Ordinary	100.00	99.95
PT Jambi Gold(c)	Indonesia	Ordinary	100.00	99.95
PT Lebong Gold(c)	Indonesia	Ordinary	100.00	99.95
PT Kotanopan Mining(d)	Indonesia	Ordinary	98.00	98.00
PT Mandaling Mining(d)	Indonesia	Ordinary	98.00	98.00
SCG Energy Pte Ltd(e)	Singapore	Ordinary	100%	100%
SUM Singapore (Tandai) Pte Ltd(f)	Singapore	Ordinary	100%	-

(a) Adi Sjoekri, Director of the Group holds the additional 0.05% interest in this entity.

(b) PT Bengkulu Utara Gold is held 70% by SUM Singapore (Tandai) Pte Ltd; 27.75% by Sumatra Copper and Gold Plc and 2.25% by PT Nusa Palapa Minerals.

(c) PT Nusa Palapa Minerals holds an additional 7.25% interest in this entity.

(d) Adi Sjoekri, Director of the Group holds 98% interest in this entity. The Group exercise control over these subsidiaries.

(e) SCG Energy Pte Ltd is wholly owned by Sumatra Copper and Gold Plc.

(f) On 17 October 2014 SCG Energy Pte Ltd acquired 100% of the shares of SUM Singapore (Tandai) Pte Ltd.

31. PARENT ENTITY DISCLOSURES

As at, and throughout, the financial year ended 31 December 2014 the parent entity of the Group was Sumatra Copper & Gold Plc. See financial statement for the parent entity on from pages 73 to 96.

32. COMMITMENTS & CONTINGENCY

Contingency

The Group has no contingencies as at 31 December 2014 (31 December 2013: Nil).

33. POST BALANCE SHEET EVENTS

On 26 March 2015 the Group announced it had received irrevocable and firm commitment to raise approximately US$4 million (A$5.1 million equivalent) by way of placement CHESS Depositary Interests (CDIs) in the Company to professional and sophisticated investors. Under the terms of the placement the Company will issue 88,521,828 CDIs at A$0.058.

The Company has also made an irrevocable and firm allocation to Investors of 44,260,914 warrants for no consideration. Each warrant giving the holder the right to subscribe for one CDI in the Company ("Warrant Placement"). The Warrant Placement equates to 1 warrant per 2 CDIs to be issued under the CDI Placement. The warrants have an exercise price of A$0.06 each, a term of two years and are not transferable. The warrants will not be quoted on ASX.

PARENT ENTITY
FINANCIAL STATEMENTS

2014

Independent auditors' report to the members of Sumatra Copper & Gold Plc

Report on the parent company financial statements

Our opinion

In our opinion, Sumatra Copper & Gold Plc's parent company financial statements (the "financial statements"):

- give a true and fair view of the state of the parent company's affairs as at 31 December 2014 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Emphasis of matter - Going concern

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosure made in note 1 to the financial statements concerning the parent company's ability to continue as a going concern. The parent entity financial statements have been prepared on a going concern basis and the validity of this depends on the Group successfully obtaining further financing for its major development project. These conditions, along with the other matters explained in note 1 to the financial statements, indicate the existence of a material uncertainty which may cast significant doubt about the parent company's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the parent company was unable to continue as a going concern.

What we have audited

Sumatra Copper & Gold Plc's financial statements comprise:

- the balance sheet as at 31 December 2014;
- the profit and loss account for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

Certain required disclosures have been presented elsewhere in the Annual Report, rather than in the notes to the financial statements. These are cross-referenced from the financial statements and are identified as audited.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion, the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the Statement of Directors' Responsibilities set out on page 14, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

What an audit of financial statements involves

We conducted our audit in accordance with ISAs (UK & Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the parent company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the directors; and
- the overall presentation of the financial statements.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual Financial Statements to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Other matter

We have reported separately on the group financial statements of Sumatra Copper & Gold Plc for the year ended 31 December 2014. That report includes an emphasis of matter.

Charles Joseland (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Cambridge
27 March 2015

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2014

	Notes	Year ended 31 December 2014 US$000	Year ended 31 December 2013 US$000
Administrative expenses before share-based payments		(3,263)	(5,340)
Share-based payments expense		(143)	(301)
Administrative expenses before impairment		(3,406)	(5,641)
Provision for impairment of investment in subsidiaries	9	-	(2,429)
Provision for impairment of loans to subsidiaries	10	(7,683)	(4,334)
Operating loss		**(11,089)**	**(12,404)**
Interest receivable and similar income	3	25	110
Interest payable and similar charges	4	(853)	(775)
Loss on ordinary activities before taxation	2	**(11,917)**	**(13,069)**
Tax on loss on ordinary activities	7	-	-
Loss for the financial year	14-15	**(11,917)**	**(13,069)**

All results relate to continuing operations.

There is no material difference between the loss on ordinary activities before taxation and the loss for the financial year stated above and their historical cost equivalents.

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
FOR THE YEAR ENDED 31 DECEMBER 2014

	Year ended 31 December 2014	Year ended 31 December 2013
	US$000	US$000
Loss for the financial year	(11,917)	(13,069)
Total recognised gains and losses relating to the year	**(11,917)**	**(13,069)**

BALANCE SHEET
AS AT 31 DECEMBER 2014

	Notes	31 December 2014 US$000	31 December 2013 US$000
Fixed assets			
Tangible assets	8	778	307
Investments	9	2,724	2,763
Total fixed assets		**3,502**	**3,070**
Current assets			
Debtors: amounts falling due within one year	10	-	115
Debtors: amounts falling due after one year	10	39,288	38,804
Cash at bank and in hand		133	2,627
Total current assets		**39,421**	**41,546**
TOTAL ASSETS		**42,923**	**44,616**
Current liabilities			
Creditors: amounts falling due within one year	11	931	543
Convertible loan: amounts falling due within one year	12	-	2,500
Total liabilities		**931**	**3,043**
Net current assets		**38,490**	**38,503**
Total assets less current liabilities		**41,992**	**41,573**
Capital and reserves			
Called up share capital	13	9,327	6,580
Share premium account	14	58,615	54,519
Other reserves	14	6,508	1,015
Profit and loss account	14	(32,458)	(20,541)
Total shareholders' funds	14-15	**41,992**	**41,573**

The financial statements on pages 73 to 96 were authorised for issue by the Board of Directors on 26 March 2015 and were signed on its behalf by:

Stephen Robinson
Non-Executive Chairman

1. Principal accounting policies

The financial statements are prepared in accordance with the historical cost convention as modified by the revaluation of certain financial instruments in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom.

A summary of the Company's accounting policies which have been reviewed by the Directors as required under Financial Reporting Standard ('FRS' 18), 'Accounting Policies' and have been consistently applied are set out below:

(a) Going concern

The Group's principal asset is the Tembang Gold-Silver Project in Sumatra, Indonesia, which is expected to be significantly cash generative when it achieves commercial production.

During the year ended 31 December 2014, subsequent to completion of a Bankable Feasibility Study (BFS) during April 2014, the Company received additional funding of US$2.1 million under its Convertible Loan Facility with Provident Minerals Pte Ltd and PT Saratoga Investama Sedaya Tbk ("Convertible Loan"). This completed a total of US$6.1 million under the Convertible Loan which was applied to maintain the Tembang Project and for general working capital purposes. On 2 October 2014, Provident and Saratoga requested conversion of the full capitalised value of the Convertible Loan, in accordance with the terms and conditions of the Convertible Loan, into Chess Depository interests (CDIs) including interest (at 9% per annum) and facility fee (3%). The Group issued 163,833,929 CDIs totaling A$7.54 million (US$6.6 million) at A$0.046 per share in satisfaction of the conversion of the loan.

During November 2014 the Company resumed construction at the Tembang Project after announcing the completion of debt funding for the Project (US$45 million Senior Secured Term Debt Facility) entered into with Nomura Special Investments Singapore and Indonesian Eximbank ("Debt Facility"). The Debt Facility comprises an initial tranche ("Tranche 1") of US$40 million, drawn down during November 2014, and a second tranche ("Tranche 2") of US$5 million available to be drawn on the date of practical completion of the process plant, provided that completion takes place within 12 months of the date of drawdown of Tranche 1, the gold price being above US$1,125 per ounce at the proposed date of drawdown for Tranche 2 and the Group raising additional US$5 million equity.

Subsequent to year end, on 26 March 2015 the Group announced it had received irrevocable and firm commitment to raise approximately US$4.0 million (A$5.1 million equivalent) by way of CDIs in the Company to professional and sophisticated investors ("CDI Placement"). Under the terms of the CDI Placement the Company will issue 88,521,828 CDIs at A$0.058 each. The Company will also issue 44,260,914 warrants for no consideration ("warrants") to investors in the CDI Placement, each warrant giving the holder the right to subscribe for one CDI in the Company ("Warrant Placement"). The Warrant Placement equates to 1 warrant per 2 CDIs to be issued under the CDI Placement. The warrants have an exercise price of A$0.06 each, a term of two years and are not transferable. The warrants will not be quoted on ASX. The Company intends to use the net proceeds of funds raised to continue to construction and development of the Tembang project.

Sumatra's four major shareholders have given guarantees to Nomura and Exim Bank to provide up to US$10 million in funding to cover the second tranche of US$5 million of debt funding should the Company not meet the conditions for drawn down of this tranche and US$5 million for cost overrun facility. The Directors are confident that the required additional US$1 million of equity needed to satisfy the Company's obligations to its lenders will be raised in due course and in a timely manner to satisfy conditions precedent of Tranche 2 of the Debt Facility.

The Group's detailed cash flow forecasts, which include cash inflows from Tranche 2 debt and the additional equity raise, show that the Group has sufficient working capital for at least a year from the date this annual financial statements is approved.

1. Principal accounting policies (CONT)

At 31 December 2014 the Group had cash of US$26.5 million and, net current assets of US$24.1 million. Current liabilities include trade payable obligations for the purchase of construction equipment and services for the Tembang project.

The Directors believe there to be a reasonable prospect of the Group completing the Tembang financing and construction. However, the need to complete the debt and equity funding, indicate the existence of material uncertainties which may cast significant doubt as to the Group's ability to continue as a going concern. In the event that some combination of the above events fails to occur as expected, the Group, and as a result the Company, may be unable to realise its assets and discharge its liabilities in the normal course of business.

The financial statements do not include the adjustments that would result if the Group was unable to continue as a going concern.

(b) Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost, less accumulated depreciation and accumulated impairment in value.

Depreciation is provided at rates calculated to write off the cost less residual value of each asset over its expected useful life, as follows:

Computer equipment and office equipment - 33% straight line.

(c) Deferred taxation

Full provision is made for deferred taxation in accordance with FRS 19 'Deferred tax' on all material timing differences. These are based on tax rates that are expected to apply at the time of reversal, which will be the rates that have either been enacted or substantially enacted, by the balance sheet date. Deferred tax assets are recognised to the extent they are regarded as recoverable. Deferred tax assets and liabilities are not discounted.

(d) Foreign currencies

The financial report is presented in US dollars, which is the Company's presentation and local currency.

The local currency of each company is measured using the currency of the primary economic environment in which that entity operates. The amounts in the financial report have been rounded off to the nearest thousand dollars, unless otherwise stated.

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates (the 'local currency').

Transactions denominated in currencies other than the entity's local currency are translated into the local currency at spot rates. Monetary assets and liabilities denominated in foreign currencies are retranslated at the local currency rate of exchange ruling at the balance sheet date. All exchange differences are recognised in the profit and loss account.

(e) Cash flow statements

The Company has taken advantage of the exemption available to it under Financial Reporting Standard 1 (revised 1996), which provides that where a company is a member of a group and a consolidated cash flow statement is publicly available, the company does not have to prepare a cash flow statement.

(f) Convertible loans

A convertible loan that can be converted to share capital at the option of the holder and the number of shares to be issued does not vary with changes in their fair value are classified as compound financial instruments.

The liability component of a compound financial instrument is recognised initially at the fair value of a similar liability that does not have an equity conversion option. The equity component is recognised initially at the difference between the fair value of the compound financial instrument as a whole and the fair value of the liability component. Any directly attributable transaction costs are allocated to the liability and equity components in proportion to their initial carrying amounts.

Subsequent to initial recognition, the liability component of a compound financial instrument is measured at amortised cost using the effective interest method. The equity component of a compound financial instrument is not re-measured.

Where the conversion option is such that the option will not be settled by the Company exchanging a fixed number of its own equity instruments for a fixed amount of cash, the convertible loan does not meet the definition of a compound financial instrument. In such cases, the convertible loan is a hybrid financial instrument and the option to convert is an embedded derivative. Attached options (options entered into in consideration for entering into the host contract) on similar terms are also embedded derivatives. Provided certain criteria are met, the Company designates such hybrid contracts as financial liabilities and accounts for them at fair value through the profit and loss account.

(g) Financial instruments

The Company has taken advantage of the exemption available to it under Financial Reporting Standard 29, which provides that where a company is a member of a group and the ultimate parent company produces consolidated financial statements that are publicly available, the company does not have to provide disclosures in relation to financial instruments.

Loans and other receivables

Loans and other receivables are recorded initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

Borrowing costs

Borrowing costs incurred on the establishment of loan facilities are recognised in the balance sheet and offset against the principal borrowings amount. These costs are amortised over the life of the borrowing using the effective interest rate method.

Investments

Fixed asset investments are shown at cost less provision for impairment. The carrying value of the investments is reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

Trade and other creditors

Trade and other creditors are initially stated at fair value and subsequently measured at amortised cost using the effective interest method.

Share capital

Ordinary shares are classified as equity and are recorded at the nominal value of proceeds received. Where shares are issued above nominal value, the proceeds in excess of the nominal value are recorded in the share premium account. Any costs of share issue are netted off the share premium account.

Warrants

In accordance with UK GAAP (FRS 20), 'Share-based Payments', equity-settled share-based payments are measured at fair value at the date of grant. Fair value is measured by use of a Black-Scholes pricing model which takes into account conditions attached to the vesting and exercise of the equity instrument. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of the number of shares that will eventually vest.

2. Loss on ordinary activities before taxation

	Year ended 31 December 2014	Year ended 31 December 2013
	US$000	US$000
This has been arrived at after (crediting)/charging the following:		
Auditors' remuneration:	67	
Fees payable to the company's auditors for the audit of the parent company		85
Fees payable to the company's auditors for other services pursuant to legislation	30	31
Net foreign exchange (gain)/loss	(6)	411
Depreciation of tangible assets	1	6
Provision for impairment of investment in subsidiaries	-	2,429
Provision for impairment of loans to subsidiaries	-	4,334

3. Interest receivable and similar income

	Year ended 31 December 2014	Year ended 31 December 2013
	US$000	US$000
Bank interest income	19	110
Exchange gain	6	-
	25	**110**

4. Interest payable and similar charges

	Year ended 31 December 2014	Year ended 31 December 2013
	US$000	US$000
Exchange losses	-	410
Bank interest expense	1	1
Amortisation of borrowing cost	356	-
Interests and fees on convertible loan	496	159
Accretion expense on convertible loan	-	205
	853	**775**

5. Employee information

The monthly average number of persons employed by the company during the year was:

	Year ended 31 December 2014 Number	Year ended 31 December 2013 Number
By activity		
Administration	6	8
	6	**8**

	Year ended 31 December 2014 US$000	Year ended 31 December 2013 US$000
Staff costs (for the above persons)		
Wages and salaries	1,415	1,648
Share option compensation charge (refer to consolidated financial statements note 25)	143	301
Social security costs	129	121
	1,687	**2,070**

6. Directors' emoluments

	Year ended 31 December 2014 US$000	Year ended 31 December 2013 US$000
Aggregate emoluments	787	702
Social security costs	34	29
	821	**731**
Number of Directors to whom retirement benefits are accruing under a money purchase scheme	-	-

The emoluments of the highest paid Director are as follows:

	Year ended 31 December 2014 US$000	Year ended 31 December 2013 US$000
Aggregate emoluments	288	319
Termination payment	113	
Social security costs	28	30
	429	**349**

The highest paid director did not exercise any options during the financial year ended 31 December 2014 (2013: Nil).

7. Tax on loss on ordinary activities

a) Analysis of charges for the year

	Year ended 31 December 2014 US$000	Year ended 31 December 2013 US$000
Current tax:	-	-
UK corporation tax on profits for the year	-	-
Total current tax	-	-

b) The tax assessed for the year is higher than (2013: higher than) the small company rate of corporation tax in Australia 30%. (2013: UK 21%) The differences are explained below:

	Year ended 31 December 2014 US$000	Year ended 31 December 2013 US$000
Loss on ordinary activities before taxation	(11,917)	(13,069)
Loss on ordinary activities multiplied by standard rate of corporation tax in Australia of 30% (2013 UK: 21%)	(3,575)	(2,745)
Effects of:		
Expenses not deductible for tax purposes	1,718	1,607
Losses carried forward not recognised	1,857	1,138
	-	-

During the year ended 31 December 2014 the Company received the certificate of tax residency of Australia. Being a resident of Australia for income tax purposes within the meaning of the Australia - United Kingdom convention the Company is liable to pay Australian income tax.

c) Deferred tax

At 31 December, the Company had potential unrecognised deferred tax assets as follows:

	Amount Unrecognised 2014 US$000	Amount Unrecognised 2013 US$000
Tax effect of timing differences because of:		
Tax losses carried forward not recognised	5,884	4,027
	5,884	**4,027**

Deferred tax assets in respect of losses are not recognised as there is insufficient evidence that they are recoverable. The deferred tax assets would be recoverable if the Company were to become profitable in the future.

8. Tangible assets

	US$000
Cost:	
As at 1 January 2014	335
Additions	472
As at 31 December 2014	**807**
Accumulated Depreciation:	
As at 1 January 2014	(28)
Charge for the year	(1)
As at 31 December 2014	**(29)**
Net Book Value:	
As at 31 December 2014	**778**
As at 31 December 2013	307

Additions during the year ended 31 December 2014 relate to expenses on pre-feasibility studies mainly associated with the Tembang project incurred on behalf of the subsidiary.

9. Investments

	Subsidiary undertakings US$000	Associate undertakings US$000	Total Investments US$000
As at 1 January 2013	4,846	346	5,192
Provision for impairment	(2,429)	-	(2,429)
As at 31 December 2013	**2,417**	**346**	**2,763**
Repayment of investment	-	(39)	(39)
Acquisition of associate	307	(307)	-
As at 31 December 2014	**2,724**	**-**	**2,724**

During the year ended 31 December 2014, the company entered into a "Deed of Termination and Release" with respect to Tandai Joint Venture entered into with Newcrest Mining Limited. Under the terms of the Deed of Termination and Release, Newcrest paid Sumatra US$154,000 (US$39,000 as investment repayment and US$115,000 as repayment of loan) in settlement of all outstanding expenses. During the third quarter of 2014, the Company completed all regulatory and statutory notices necessary to hold 100% of the Tandai Project.

On 17 October 2014, SCG Energy Pte Ltd (a wholly owned subsidiary of the Company) purchased all of the shares (1 share nominal value $1) of SUM Singapore Tandai Pte Ltd ('SUM Singapore') for US$100 consideration. SUM Singapore held 70% of PT Bengkulu Utara Gold ('PT BUG') the holder of the exploration IUP of the Tandai project. Going forward, the Group owns 100% of the Tandai Project.

During the year ended 31 December 2013, the company considered a provision for impairment of US$2.4 million associated with PT Nusa Palapa Minerals as no further exploration work is planned in relation to the Sontang project.

The directors believe that the carrying value of all other investments is supported by their future cash flows.

9. Investments (CONT)

Particulars of the Company's subsidiaries and associates are as follows:

	31 December 2014 %	31 December 2013 %
PT Dwinad Nusa Sejahtera[a]	99.95	99.95
PT Nusa Palapa Minerals[a]	99.95	99.95
PT Bengkulu Utara Gold[b]	100%	27.75
PT Musi Rawas Gold[a]	99.95	99.95
PT Jambi Gold[a]	99.95	99.95
PT Lebong Gold[a]	99.95	99.95
PT Kotanopan Mining[c]	98.00	98.00
PT Mandaling Mining[c]	98.00	98.00
SCG Energy Pte Ltd[d]	100.00	100.00
SUM Singapore (Tandai) Pte Ltd[e]	100.00	-

(a) Mr Adi Sjoekri, Director of the Group holds the additional 0.05% interest in this entity.

(b) PT Bengkulu Utara is held 70% by SUM Singapore (Tandai) Pte Ltd; 27.75% by Sumatra Copper and Gold Plc and 2.25% by PT Nusa Palapa Minerals

(c) Mr Adi Sjoekri, Director of the Group holds 98% interest in this entity.

(d) SCG Energy Pte Ltd is wholly owned by Sumatra Copper and Gold Plc

(e) On 17 October 2014 SCG Energy Pte Ltd acquired 100% of the shares of SUM Singapore (Tandai) Pte Ltd.

All of the above Indonesian operating entities principal activities is that of minerals exploration, except for SCG Energy Pte Ltd and SUM Singapore (Tandai) Pte Ltd which are investment companies registered in Singapore.

10. Debtors

	31 December 2014 US$000	31 December 2013 US$000
Amounts falling due after more than one year:		
Amounts owed by group undertakings(a)	47,883	46,964
Provision for impairment of loans to subsidiaries(a)	(15,843)	(8,160)
Borrowing costs incurred on behalf of subsidiary(b)	7,248	-
	39,288	**38,804**
Amounts falling due within one year:		
Amounts owed by group undertakings	-	114
Prepayments and accrued income	-	1
	-	115
Total debtors	**39,288**	**38,919**

(a) Amounts owed by group undertakings

Amounts owed by group undertakings represent intercompany loans to Indonesian subsidiaries. Repayment of these loans will not be received within the next 12 months.

During the year ended 31 December 2013, the company had a provision for impairment of US$8.1 million associated with the Indonesian subsidiaries where no further exploration work was planned. During the year ended 31 December 2014 the Company recognised an additional provision of US$7.7 million associated with the Sontang, Jambi, Madina 1, Madina 2 and Musi Rawas areas as no further exploration be performed on these properties.

(b) Borrowing cost incurred on behalf of the subsidiary

On 22 October 2014, the Company's wholly owned subsidiary, PT Dwinad Nusa Sejahtera ('DNS'), entered into a 3 year Senior Secured Debt Facility of up to US$45 million with Nomura Singapore Limited and Indonesia Eximbank. The Facility is to fund the commercial development of the Tembang Gold Project. The Facility is secured against a number of assets including the shares held by the Company in DNS.

The Company incurred Borrowing costs of US$7.6 million on behalf of its subsidiary for services related to the approval of financing of the Senior Secured Debt Facility. This costs include (US$2 million) transaction cost and fees paid in cash; (US$5.35 million) paid in warrants (see note 14a) and (US$0.25 million) paid in shares (see note 13b). These costs are amortised using the effective interest rate method. Effective interest for the year ended 31 December 2014 was US$0.36 million. The Company does not expect to recover these costs within the next 12 months.

11. Creditors: amounts falling due within one year

	31 December 2014	31 December 2013
	US$000	US$000
Trade creditors	393	301
Taxation and social security costs	285	83
Accruals and deferred income	253	159
	931	**543**

12. Convertible loan

	31 December 2014	31 December 2013
	US$000	US$000
Convertible loan note Provident Capital Partners	-	2,500
	-	**2,500**

Convertible loan note

On 18 December 2013, the Company entered into a "Convertible Loan Facility Agreement" with Provident Capital Partners ("Provident") and PT Saratoga Investama Sedaya Tbk ("Saratoga") to provide an unsecured convertible debt facility of US$4.0 million. The facility was initially drawn down in two tranches; the first tranche of US$2.5 million (draw down during the year ended 2013) and the second tranche of US$1.5 million (draw down during the first quarter of 2014). Since the drawdown of the original amount of US$4 million, the Facility was extended on four occasions (26 May 2014, 3 July 2014, 31 July 2014 and 12 September 2014 achieving an additional US$2.1 million). The principal amount under the Facility was US$6.1 million.

As per the terms and conditions of the convertible loan on 2 October 2014, Provident and Saratoga requested the conversion of the full capitalised value of the Facility into Chess Depository interests (CDIs) including interest (at 9% per annum) and facility fee (3%). The Group issued 163,833,929 CDIs totaling A$7.54 (US$6.6 million) at A$0.046 per share in satisfaction of the repayment of the convertible loan.

13. Called up share capital

	31 December 2014 US$000	31 December 2013 US$000
Allocated, called up and fully paid		
583,709,122 CDIs of US$0.015 - £0.01 each (2013: 414,467,651 CDIs of US$0.016 - £0.01 each)	**9,327**	**6,580**

During the year ended 31 December 2014 the company issued the following:

a) 163,833,929 CDIs totaling A$7,536,361 (US$6,595,823) at A$0.046 per CDI conversion of the full capitalised value of the Convertible Loan Facility Agreement including interest and facility fee entered into on 4 December 2013 with Provident Minerals Pte Ltd and PT Saratoga Investama Sedaya Tbk. The CDIs issued were 82,014,893 and 81,819,036 respectively.

b) 5,407,542 CDIs totaling A$297,415 (US$247,324) at A$0.055 per share to Juniper Capital Partners Limited for services related to the financing of the Senior Secured Debt Facility.

14. Share premium and other reserves

	Share premium account US$000	Other Reserves US$000	Profit & loss account US$000
As at 1 January 2014	**54,519**	**1,015**	**(20,541)**
Premium on issue of shares	4,096	-	-
Share option and warrants charge[(a)]	-	5,493	-
Loss for the financial year	-	-	(11,917)
As at 31 December 2014	**58,615**	**6,508**	**(32,458)**

(a) Share Option and warrants charge

On 21 October 2014 the wholly owned subsidiary PT Dwinad Nusa Sejahtera entered into a Senior Secured Facility with Nomura Special Investments Singapore Pte Ltd and Indonesian Exim Bank. As part of the conditions precedent the Company agreed to grant an aggregate total of 250,597,351 warrants. The warrants will be issued in two tranches:

(i) the first tranche of up to 222,753,201 warrants were issued on 12 November 2014 as conditions precedent were satisfied: (a) Shareholder approval being obtained for the purposes of ASX Listing Rule 7.1; and (b) provision of the first tranche of the Nomura Facility (being US$40 million) to the Company. The warrants were valued at A$6,237,089 (US$5,349,734) using a fair value per warrant of A$0.028 (US$0.24).

(ii) the second tranche of up to 27,844,150 warrants will be issued on the day that the second tranche of the Nomura Facility (being US$5.0 million) is advanced to the Company. The issue of the second tranche of warrants is conditional on the provision of the second tranche of the Nomura Facility to the Company.

15. Reconciliation of movements in shareholders' funds

	31 December 2014	31 December 2013
	US$000	US$000
Opening shareholders' funds	41,573	27,820
Net proceeds on issue of shares	6,843	26,521
Share option charge	5,493	301
Loss for the financial year	(11,917)	(13,069)
Closing shareholders' funds	**41,992**	**41,573**

16. Related party transactions

During the year ended 31 December 2014 the Company was invoiced US$62,206 (31 December 2013: US$11,672) by Hunter Corporate, for company secretary services. Hunter Corporate is a company associated with Susan Hunter who is the Joint Company Secretary. At 31 December 2014 there was no amount outstanding (31 December 2013: Nil).

During the year ended 31 December 2014 the Company was invoiced US$7,230 (31 December 2013: US$8,960) by Barr Ellison LLP Solicitors, for company secretary services and legal advice in the United Kingdom. Barr Ellison LLP Solicitors is an entity associated with Allison Barr who is the Joint Company Secretary. As at 31 December 2014 there was an amount outstanding of Nil to be paid (31 December 2013: US$2,824).

During the year ended 31 December 2014 the Company was invoiced US$5,467 (31 December 2013: Nil) by JWMinConsult Limited, for consulting services. JWMinConsult Limited is a company associated with Jocelyn Waller who is a Non-executive director of the Company. As at 31 December 2014 there was an amount outstanding of US$5,467 to be paid (31 December 2013: Nil).

The Company sub-leased office space for its Perth office during the year ended 2013 from Karen Ford, wife of Managing Director Julian Ford. The charge covered rental accommodation, utilities and office expenses. Fees paid to Karen Ford, which were in the ordinary course of business and on normal terms and conditions. The sublease agreement was in place until 1 March 2013. During the year ended 31 December 2014 amounted to Nil (31 December 2013: US$24,381). As at 31 December 2014 there were no outstanding amounts to be paid included within trade and other payables (31 December 2013: Nil).

17. Post balance sheet events

On 26 March 2015 the Group announced it had received irrevocable and firm commitment to raise approximately US$4 million (A$5.1 million equivalent) by way of placement CHESS Depositary Interests (CDIs) in the Company to professional and sophisticated investors. Under the terms of the placement the Company will issue 88,521,828 CDIs at A$0.058.

The Company has also made an irrevocable and firm allocation to Investors of 44,260,914 warrants for no consideration. Each warrant giving the holder the right to subscribe for one CDI in the Company ("Warrant Placement"). The Warrant Placement equates to 1 Warrant per 2 CDIs to be issued under the CDI Placement. The warrants have an exercise price of A$0.06 each, a term of two years and are not transferable. The warrants will not be quoted on ASX.

ADDITIONAL ASX INFORMATION

The following additional information is required by the Australian Securities Exchange. The information is current as at 14 April 2015.

(a) Distribution schedule and number of holders of equity securities as at 14 April 2015

	1 – 1,000	1,001 – 5,000	5,001 – 10,000	10,001 – 100,000	100,001 – and over	Total
Chess Depository Interests (CDIs) (SUM)	73	111	168	514	184	1,050
Fully Paid Ordinary Shares	6	-	-	7	4	17
Unlisted Options – $0.25 14/6/17	-	-	-	-	2	2
Warrants – $0.06 7/4/17	-	-	-	-	10	10
Warrants – $0.057 12/11/17	-	-	-	-	2	2

The number of holders holding less than a marketable parcel of fully paid ordinary shares as at 14 April 2015 is 264.

ADDITIONAL ASX INFORMATION (CONT)

(b) 20 Largest holders of quoted equity securities as at 14 April 2015

The names of the twenty largest holders of Chess Depository Interests (CDIs) (ASX code: SUM) as at 14 April 2015 are:

Rank	Name	CDIs	% of Total CDIs
1	PROVIDENT MINERALS PTE LTD	213,736,923	31.88
2	PT SARATOGA INVESTAMA SEDAYA	170,143,352	25.38
3	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	46,765,715	6.98
4	GOLDSTAR MINING ASIA RESOURCES (L) BHD/C	44,356,656	6.62
5	MR YAW CHEE SIEW	24,972,309	3.72
6	MRS JULIETTE M BUCHANAN	22,298,732	3.33
7	CITICORP NOMINEES PTY LIMITED	18,423,723	2.75
8	UOB KAY HIAN PRIVATE LIMITED <CLIENT A/C>	9,020,980	1.35
9	ABN AMRO CLEARING SYDNEY NOMINEES PTY LTD <CUSTODIAN A/C>	8,556,502	1.28
10	BERRAFALL PTY LTD <MORRIS HARDWICK S/F A/C>	7,500,000	1.12
11	NATIONAL NOMINEES LIMITED	6,826,700	1.02
12	JUNIPER CAPITAL PARTNERS LTD	5,407,542	0.81
13	ADI ADRIANSYAH SJOEKRI	5,251,500	0.78
14	DBS VICKERS SECURITIES (SINGAPORE) PTE LTD <CLIENT ACCOUNT>	4,214,563	0.63
15	JP MORGAN NOMINEES AUSTRALIA LIMITED	4,067,830	0.61
16	MR MATTHEW HODGSON	2,229,874	0.33
17	ST SWITHINS TRADING LTD	1,724,138	0.26
18	MR MATTHEW CHARLES FARMER <FARMER FAMILY A/C>	1,685,540	0.25
19	MRS ISABELLE NIBELLE	1,672,404	0.25
20	BNP PARIBAS NOMS PTY LTD <DRP>	1,653,378	0.25
	TOTAL	**600,508,361**	**89.60**

Stock Exchange Listing – Listing has been granted for 670,303,944 CDIs of the Company on issue on the Australian Securities Exchange.

The unquoted securities on issue as at 14 April 2015 are detailed below in part (d).

ADDITIONAL ASX INFORMATION (CONT)

(c) Substantial holders

Substantial holders in Sumatra Copper & Gold plc and the number of equity securities and percentage of issued capital held over which the substantial holder has a relevant interest as disclosed in substantial holding notices given to the Company are listed below:

Substantial Shareholder	No. CDIs Held	%
Provident Minerals Pte Ltd	218,875,543	32.65
PT Saratoga Investama Sedaya	159,658,135	27.61
Mr Garibaldi Thohir	44,356,656	10.8
Yaw Chee Siew	24,972,309	6.1

(d) Unquoted securities and the names of persons holding more than 20% of a given class of unquoted securities (other than employee options) as at 14 April 2015

The number of unquoted securities on issue as at 14 April 2015:

Security	Number on issue
Employee unlisted Options – exercisable at $0.25, on or before 14/6/17.	1,500,000
Warrants – exercisable at $0.06, on or before 7/4/17.	44,260,914
Warrants – exercisable at $0.057, on or before 12/11/17.	222,753,201

(e) The names of persons holding more than 20% of a given class of unquoted securities (other than employee options) as at 14 April 2015

Security and holder details	Number held	%
Warrants – exercisable at $0.06, on or before 7/4/17.		
- Mrs Juliette M Buchanan	11,149,366	25.2
- Provident Minerals Pte Ltd	12,045,000	27.2
- PT Saratoga Investama Sedaya	12,045,000	27.2
Warrants – exercisable at $0.057, on or before 12/11/17.		
- Nomura Special Investments Singapore Pte. Ltd.	111,376,601	50.0
- Nokota Capital Master Fund, L.P.	111,376,600	50.0

ADDITIONAL ASX INFORMATION (CONT)

(f) Restricted Securities as at 14 April 2015

There are no restricted securities on issue as at 14 April 2015.

(g) Voting Rights

All fully paid ordinary shares carry one vote per ordinary share without restriction.

The Company's ordinary shares traded on the Australian Securities Exchange are traded as Chess Depositary Interests ('CDIs'). Each CDI is a beneficial interest in a share.

Unquoted options and warrants have no voting rights.

(h) Company Secretary

The Joint Company Secretaries are Ms Susan Hunter and Ms Alison Barr.

(i) Registered Office

The Company's Registered Office 39 Parkside, Cambridge, CB1 1PN, United Kingdom.

(j) Share Registry

The Company's Share Registry is Computershare Investor Services Pty Ltd of Level 2, 45 St Georges Terrace, Perth WA 6000. Telephone 1300 557 010.

(k) On-Market Buy-back

The Company is not currently performing an on-market buy-back.

(l) Corporate Governance Statement

The Company has determined to early adopt the recommendations of the ASX Corporate Governance Council's Principles and Recommendations (Third Edition) in regard to the Corporate Governance Disclosures and provides disclosure of the Company's Corporate Governance Statement on the Company's website at http://www.sumatracoppergold.com/corporate-governance-statement.

ADDITIONAL ASX INFORMATION (CONT)

(m) Schedule of interests in Mining Tenements

Category	Details
Company:	PT Bengkulu Utara Gold
Ownership:	70.00% SUM Singapore (Tandai) Pte Ltd 27.75% Sumatra Copper & Gold plc 2.25% PT Nusa Palapa Minerals
Type of Permit:	Mining Business Permit – IUP for Exploration
Permit Number:	Decree of Bengkulu Utara Regent Nr. 390 of 2012
Total Area:	16,688 Ha
Location:	Subdistrict: Napal Putih, Padang Jaya, and Arga Makmur Regency: Bengkulu Utara Province: Bengkulu
Date Issued:	29 December 2012
Permit Period:	3 years to 22 December 2015

Note 1: 97.75% Sumatra Copper and Gold ownership assumes completion of Deed of Termination and Release as announced to the ASX on 30 May 2014

Category	Details
Company:	PT Dwinad Nusa Sejahtera
Ownership:	99.95% Sumatra Copper & Gold 00.05% Adi Adriansyah Sjoekri
Type of Permit:	Mining Business Permit – IUP for Operation Production
Permit Number:	Decree of Musi Rawas Regent Nr. 263/KPTS/DISTAMBEN/2012
Total Area:	9,979 Ha
Location:	Village: Suka Menang Subdistrict: Karang Jaya Regency: Musi Rawas (Now is Musi Rawas Utara) Province: Sumatera Selatan
Date Issued:	04 April 2012
Permit Period:	20 years to 03 April 2032

Category	Details
Company:	PT Musi Rawas Gold
Ownership:	92.50% Sumatra Copper & Gold 07.50% PT Nusa Palapa Minerals
Type of Permit:	Mining Business Permit – IUP for Exploration
Permit Number:	Decree of Musi Rawas Regent Nr. 657/KPTS/DISTAMBEN/2012
Total Area:	9,848 Ha
Location:	Subdistrict: Karang Jaya Regency: Musi Rawas (Now is Musi Rawas Utara) Province: Sumatera Selatan
Date Issued:	28 December 2012
Permit Period:	5 years to 27 December 2017

ADDITIONAL ASX INFORMATION (CONT)

Category	Details
Company:	PT Nusa Palapa Minerals
Ownership:	99.95% Sumatra Copper & Gold 00.05% Adi Adriansyah Sjoekri
Type of Permit:	Mining Business Permit – IUP for Exploration
Permit Number:	Decree of Pasaman Regent Nr. 188.45/933/BUP-PAS/2012
Total Area:	24,850 Ha
Location:	Subdistrict: Duo Koto, Rao, and Rao Selatan Regency: Pasaman Province: Sumatera Barat
Date Issued:	13 November 2012
Permit Period:	3 years to 24 March 2015

On 24 March 2014 the Company relinquished an area comprising 17,350 Ha belonging to PT Nusa Palapa Minerals, the retained area to become 7,500 Ha.

Tenement status for PT Lebong Gold is currently being discussed with the Department of Energy and Mines and also with BKPM (Investment Board).

CORPORATE DIRECTORY

Directors

Stephen Daniel Robinson (Non-Executive Chairman)
David Fowler (Managing Director appointed 14 April 2015)
Julian Peter Ford (Resigned as Managing Director and CEO effective 31 Dec 2014)
Adi Adriansyah Sjoekri (Executive Director)
Jocelyn Severyn de Warrenne Waller (Non-Executive Director)
Gavin Arnold Caudle (Non-Executive Director)

Company Secretary

Alison Barr (United Kingdom)
Susan Hunter (Australia)

Registered Office

39 Parkside
Cambridge CB1 1PN
United Kingdom

Australian Office

Level 1, 5 Ord Street
West Perth WA 6005
Australia
Phone: +61 8 6298 6200

Bankers

HSBC Bank plc
69 Pall Mall
London SW17 5EY
United Kingdom

National Australia Bank
1238 Hay Street
West Perth WA 6005
Australia

Independent Auditors

PricewaterhouseCoopers LLP
Abacus House
Castle Park
Cambridge CB3 0AN
United Kingdom

Share Registry

Computershare Investor Services Pty Limited
Level 2, 45 St. George's Terrace
Perth Western Australia 6000
Australia
Phone: 1300 552 270 (within Australia)
Phone: +61 8 9323 2000 (outside Australia)

Website

www.sumatracoppergold.com

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