

QUARTERLY ACTIVITIES REPORT

For the 3 months ended 31 December 2014

Key points

- Construction recommenced at Tembang Gold-Silver Project in Sumatra, Indonesia
- Drilling activities recommenced at Berenai, Nuri, Bujang and Siamang completing 18 holes for 1,336 metres during the period
- Conversion of US\$6.1 million of notes, plus capitalised interest and fees, into CDIs
- Execution of debt facility of up to US\$45 million and drawdown of Tranche 1 of US\$40 million
- Hedge program completed for 50% of gold and silver production for the first two years of scheduled production from Tembang Project
- Retirement of Julian Ford as Managing Director and appointment of David Fowler as Acting CEO

Tembang Gold-Silver Project

Sumatra Copper & Gold plc (“the Company”) recommenced construction at its Tembang Gold-Silver Project located in southern Sumatra, Indonesia (“Tembang” or “the Project”) on 21 November 2014 (ASX Announcement 9 December 2014).

Construction at Tembang had originally commenced in June 2013 and was suspended in December 2013 while the Company undertook additional drilling to redefine the Company’s Mineral Resource and Ore Reserve base to enable the completion of an updated Definitive Feasibility Study and secure financing to complete the construction of the Project. Significant infrastructure, including camp, administration buildings, leach tanks, concrete foundations, warehouse, security fencing and command posts had been completed, and major equipment items purchased and warehoused with major suppliers, prior to Project suspension.

Since Project recommencement the following key milestones and activities have occurred:

- Tender of open pit mining contracts (award expected in Q1 2015);
- Tender of power supply (award expected in Q1 2015);
- Design of process plant concrete and steel largely completed;
- Majority of orders placed for key remaining infrastructure and equipment placed;
- Commencement of shipping of major components of the plant;
- Concrete for plant concrete and steel construction delivered to site and construction commenced;
- Explosives magazine and mess hall construction re-commenced.

Infill and grade control drilling has started at the open pits scheduled for commencement of mining during Q2 2015.

The Company anticipates commissioning in Q4 of 2015.

Directors

Steve Robinson
Non-Executive Chairman

David Fowler
Acting CEO

Adi Sjoekri
Executive Director

Jocelyn Waller
Non-Executive Director

Gavin Caudle
Non-Executive Director

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Figure 1: Construction at Tembang processing facility: January 2015

Exploration

Resource drilling and surface exploration activities commenced during the Quarter, completing 18 holes for 1,336 metres along with collection of 53 rock samples. The drilling program, "Phase 4", has a planned program of 3,675 metres in 46 holes and will focus on infill drilling at Berenai and Siamang, extension drilling at Nuri and Bujang and exploration drilling at Racambai-Jenih. Key points for the quarter:

- Infill drilling along 12.5m infill sections in shallow-south Berenai pit is aimed at increasing confidence in first year of production. Results support the resource model and may add some incremental ounces to the south end of the pit, highlights include 6m @ 4.9 g/t Au from 23m (RRC14434) and 6m @ 3.65/t Au 45m (RRC14436).
- Infill drilling to 12.5m infill sections within the complete strike length of the Siamang pit is aimed at increasing confidence in the first year of production. Visual results (presence of quartz vein) are consistent with the Resource Model along the Siamang main lode. Assay results are pending.
- Extension drilling to the south-west at Bujang is aimed at extending resources and ultimately the reserve pit in this direction. Shallow holes confirmed that the Bujang structure is weakly mineralized near surface, however typical epithermal vein textures with banded chalcedony and associated high grade mineralization encountered in deeper drilling indicate that mineralization at Bujang has a shallow plunge to the Southwest. Highlights include 2.4m @ 3.65g/t Au from 82.6m (RDD14441) and 2.2m @ 11.10g/t Au from 100.9m (RDD14445).
- Extension drilling at shallow-south Nuri aimed at confirming geometry of up-dip edge of the resource model where mineralization is observed to "pinch out" abruptly. Drilling confirms that narrow structure exists where predicted. Highlights include 1m @ 4.47 /t Au from 32.5m (RDD15451) and 1m @ 7.1g/t Au from 29m (RDD15452)
- Surface mapping and sampling was completed at and around the Racambai and Jenih prospects with 53 rock samples collected with an aim to refine drilling targets. Assay results are pending.
- QAQC program ongoing with use of fields duplicates, field blanks, and standards with no issues reported for the period.
- The Geospark database management system is nearing completion and scheduled for roll out in January 2015, which will include implementing digital drill core logging.

Finance

During the Quarter the Company's wholly owned subsidiary PT Dwinad Nusa Sejahtera ("DNS") entered into a debt facility of up to US\$45 million for the purpose of developing the Tembang Project and subsequently drew down the first tranche of US\$40 million:

- DNS signed a senior secured debt facility of up to US\$45 million ("Facility") with Nomura Singapore Limited ("Nomura") and Indonesia Eximbank (ASX Announcement 22 October 2014);
- Drawdown of the Tranche 1 US\$40 million of the Facility was completed (ASX Announcement 13 November 2014);
- 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 (ASX Announcement 22 October 2014);
- 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 (as approved by shareholders of the Company on 27 October 2014 and as per Appendix 3B 13 November 2014).

During the Quarter Provident Minerals Pte Ltd ("Provident") and PT Saratoga Investama Sedaya Tbk ("Saratoga") converted the full outstanding US\$6.1 million of notes issued under the convertible loan facility agreement entered into with Provident on 4 December 2013 ("Provident Facility Agreement") into CHESS Depository Interests (CDIs) of the Company (ASX Announcement 2 October 2014):

- Conversion of the notes included capitalised interest and fees and totalled A\$7,536,361;
- A total of 163,833,929 new CDIs were issued to Provident and Saratoga, to which Provident had assigned US\$2,000,000 of the Provident Facility (ASX Announcement 13 March 2014). The conversion price was A\$0.046 per CDI.

Hedging

During the Quarter, in accordance with the terms and conditions of the finance Facility, a hedge program was completed for 50% of gold and silver production for the first two years of scheduled production from the Tembang Project (ASX Announcement 3 November 2014):

- 42,000 ounces of gold were hedged at a strike price of US\$1,108.50 per ounce. Where the gold price at the time of delivery is below US\$1,428.50 per ounce the Company will receive a gold price of US\$1,108.50 per ounce. Where the gold price is above US\$1,428.50 per ounce the Company will receive a gold price equivalent to the prevailing gold price less US\$320.00 per ounce.

343,200 ounces of silver were hedged at a strike price of US\$14.47 per ounce. Where the silver price at the time of delivery is below US\$21.77 per ounce the Company will receive a silver price of US\$14.47 per ounce. Where the silver price is above US\$21.77 per ounce the Company will receive a silver price equivalent to the prevailing price less US\$7.30 per ounce.

Deliveries under the hedge program will commence in November 2015 with equal monthly deliveries of gold and silver. The hedge program represents approximately 23% and 16% respectively of the Company's gold and silver Ore Reserves.

Capital structure

During the Quarter a total of 169,241,471 CDIs in the Company were issued:

- Conversion of US\$6.1 million of notes, plus capitalised interest and fees, into 163,833,929 CDIs, at a deemed issue price of A\$0.046 each, under the Provident Facility Agreement (Appendix 3B 6 October 2014);
- 5,407,542 CDIs issued to Juniper Capital Partners Limited, at a deemed issue price of A\$0.055 each, for services related to the Facility (as noted in 27 October 2014 Notice of General Meeting lodged on ASX on 10 October 2014 and as per Appendix 3B 9 December 2014).
- On 31 December 2014 a total of 5,109,244 performance rights lapsed.

CDI Capital structure at 31 December 2014:

CDI Holder	No. of CDIs	%
Provident Minerals Pte Ltd	101,483,658	17.44
PT Saratoga Investama Sedaya	90,543,148	15.56
Provident Minerals Pte Ltfd	88,163,265	15.15
PT Saratoga Investama Sedaya	55,510,204	9.54
HSBC Custody Nominees (Australia) Limited	33,577,151	5.77
Goldstar Mining Asia Resources (L) BHD/C	32,653,061	5.61
Yaw Chee Siew	19,591,837	3.37
Citicorp Nominees Pty Limited	18,351,723	3.15
Goldstar Mining Asia Resources (L) BHD/C	11,703,595	2.01
UOB Kay Hian Private Limited <Clients A/C>	9,020,980	1.55
Total Top 10 CDI Holders	460,598,622	79.17
Others	121,183,494	20.83
Total CDI's on Issue as at 31 December 2014	581,782,116	100.00

Management Changes

Julian Ford provided notice of his resignation as Managing Director (MD) of the Company during December 2014 and David Fowler, previously CFO of the Company, was appointed Acting CEO (ASX Announcement 16 December 2014).

Mr Ford completed his contract with the Company on 31 December 2014. Having been appointed MD in June 2011, Mr Ford was instrumental in successfully transitioning the Company from junior explorer to funded project-development status.

Mr Fowler has significant experience, both in a CEO capacity and also in major project development.

Tenement Status (January 2015)

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

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

The Company is recommending relinquishing 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).

END

For further information please contact:

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Sumatra Copper & Gold plc
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About Sumatra Copper & Gold

Sumatra Copper & Gold Plc (ASX:SUM) is an emerging gold and silver producer in southern Sumatra, Indonesia. The Company has a significant project portfolio encompassing greenfields exploration projects to brownfields, near-production opportunities. The Company's Tembang Gold Project is currently under construction and targeting production in Q4 of 2015. The 5-year LOM Project will ramp up to average annual production of 30,000oz gold and 345,000oz of silver with C1 cash costs of US\$470/oz and AISC of US\$745/oz net of silver credits.

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.

Appendix 1: Drill-hole Information Summary

Table 1 – Tembang Resource Drilling

Significant Intercepts (>0.5g/t) for holes completed between Dec 6, 2014 and Jan 6, 2015

Hole ID	Prospect /Deposit	Drill type	Easting (mE)	Northing (mN)	RL (m)	Az	Incl	From	To	Interval	Au (ppm)	Ag (ppm)
RRC14432	Berenai	RC	239449	9682903	223	270	-55	17.00	21.00	4.00	1.39	3.3
RRC14432	Berenai	RC	239449	9682903	223	270	-55	25.00	28.00	3.00	0.56	5.3
RRC14432	Berenai	RC	239449	9682903	223	270	-55	34.00	35.00	1.00	4.83	36.0
RRC14433	Berenai	RC	239463	9682901	222	270	-75	51.00	54.00	3.00	3.98	62.7
RRC14434	Berenai	RC	239447	9682877	222	270	-55	13.00	14.00	1.00	0.79	3.0
RRC14434	Berenai	RC	239447	9682877	222	270	-55	18.00	19.00	1.00	1.27	3.0
RRC14434	Berenai	RC	239447	9682877	222	270	-55	23.00	29.00	6.00	4.90	135.0
RRC14435	Berenai	RC	239459	9682878	222	270	-80	33.00	37.00	4.00	1.17	3.5
RRC14435	Berenai	RC	239459	9682878	222	270	-80	44.00	45.00	1.00	0.58	37.0
RRC14436	Berenai	RC	239481	9682853	220	270	-60	40.00	51.00	11.00	2.34	78.0
RRC14437	Bujang	RC	240359	9682685	99	90	-60	50.00	51.00	1.00	0.50	2.0
RRC14437	Bujang	RC	240359	9682685	99	90	-60	58.00	60.00	2.00	0.66	2.0
RRC14438	Berenai	RC	239458	9682827	237	270	-55	36.00	37.00	1.00	0.56	4.0
RRC14438	Berenai	RC	239458	9682827	237	270	-55	39.00	45.00	6.00	3.38	11.3
RRC14438	Berenai	RC	239458	9682827	237	270	-55	47.00	50.00	3.00	0.57	5.3
RRC14438	Berenai	RC	239458	9682827	237	270	-55	53.00	54.00	1.00	1.29	6.0
RRC14439	Berenai	RC	239431	9682824	242	270	-55	18.00	20.00	2.00	3.34	19.0
RRC14439	Berenai	RC	239431	9682824	242	270	-55	55.00	62.00	7.00	1.22	71.3
RRC14440	Bujang	RC	239425	9682860	232	270	-55	0.00	1.00	1.00	3.10	32.0
RRC14440	Bujang	RC	239425	9682860	232	270	-55	5.00	6.00	1.00	0.53	13.0
RDD14446	Siamang	RC	239054	9683527	209	90	-65	38.00	45.00	7.00	3.73	14.0
RDD14447	Siamang	RC	239050	9683549	210	80	-76	37.00	38.00	1.00	0.64	1.0
RRC14448	Siamang	RC	239050	9683549	210	80	-76	48.00	50.00	2.00	0.89	44.5
RRC14448	Siamang	RC	239050	9683549	210	80	-76	75.30	76.00	0.70	3.06	27.0
RDD14449	Siamang	RC	239033	9683580	210	90	-52	56.00	60.00	4.00	2.60	26.2
RDD14449	Siamang	RC	239033	9683580	210	90	-52	83.00	85.00	2.00	3.64	54.0
RDD14441	Bujang	DC	240312	9682689	104	90	-65	82.60	85.00	2.40	3.65	54.1
RDD14441	Bujang	RC	240312	9682689	104	90	-65	10.00	12.00	2.00	0.82	4.0
RDD14444	Bujang	DD	240313	9682626	106	90	-65	101.60	102.80	1.20	0.54	3.0
RDD14445	Bujang	DD	240305	9682658	106	90	-65	100.90	103.10	2.20	11.10	18.0
RDD14446	Siamang	DD	239054	9683527	209	90	-65	52.30	53.70	1.40	7.59	pending
RDD14446	Siamang	DD	239054	9683527	209	90	-65	76.40	83.60	7.20	2.10	pending
RDD14447	Siamang	DD	239050	9683549	210	80	-76	66.00	75.10	9.10	1.45	pending
RDD14449	Siamang	DD	239033	9683580	210	90	-52	92.00	93.00	1.00	2.54	pending
RDD15450	Siamang	DD	239032	9683579	210	90	-70	84.35	87.90	3.55	6.79	pending
RDD15451	Nuri	DD	239587	9682895	174	270	-60	32.50	33.45	0.95	4.47	pending
RDD15452	Nuri	DD	239587	9682895	174	295	-55	29.00	30.00	1.00	7.10	pending

Appendix 2:

JORC Code, 2012 Edition - TABLE 1: The information in this table is relevant to all exploration and drilling activities currently taking place at taking place at the Tembang Project

Section 1: Sampling Techniques and Data

Criteria	JORC Code explanation	Commentary
Sampling techniques	<i>Nature and quality of sampling (e.g. cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.</i>	<ul style="list-style-type: none"> • Drill hole samples of Reverse Circulation (RC), Diamond Core (DC) and surface rock chip samples have been collected • Recently, magnetic susceptibility measurements have been collected with a hand held <i>KT-6 Portable Kappameter</i>
	<i>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.</i>	<ul style="list-style-type: none"> • Diamond core samples are split with diamond saw and 50% collected for sampling • Reverse Circulation samples are collected and split at the drill with triple tiered sample splitter resulting in a 12.5% or 1/8 split with an approximate sample weight of 2-3 kg • Drilling samples are collected continuously with minimum/maximum sample size of 0.5m and 2.0m respectively • All visual mineralization is sampled including sampling past the perceived zone of mineralization and into fresh rock • Surface samples are collected to best represent the trend of perceived mineralization ie. across the vein
	<i>Aspects of the determination of mineralisation that are Material to the Public Report. In cases where 'industry standard' work has been done this would be relatively simple (e.g. 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (e.g. submarine nodules) may warrant disclosure of detailed information.</i>	<ul style="list-style-type: none"> • Mineralization is associated to quartz vein lodes and 1m average sample size is collected (min/max sample sizes are 0.5m/2.0m) • All drill samples are analysed for gold and silver with 50g fire assay for Au and 2-acid digestion with AAS finish for Ag • Gold samples >50g/t Au are reanalysed with gravimetric method • Silver samples >100g/t Ag are reanalysed with 4-acid digestion with AAS finish • Surface samples are being collected for Au and a standard multi-element ICP OES package that includes silver and common pathfinder minerals in epithermal systems
Drilling techniques	<i>Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (e.g. core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).</i>	<ul style="list-style-type: none"> • Diamond drilling uses HQ3 sized diamond drill core, triple-tube and 1.5m core barrels where required to improve recoveries • Digital core orientation techniques are used (Reflex-ACT and Pathfinder-Ori-Fnder) • Reverse Circulation drilling uses standard double walled drill pipe and face sampling hammer
Drill sample recovery	<i>Method of recording and assessing core and chip sample recoveries and results assessed.</i>	<ul style="list-style-type: none"> • For diamond drilling, standard core recovery and RQD data is collected at the drill rig and based on drill runs (meter blocks)

Criteria	JORC Code explanation	Commentary
		<ul style="list-style-type: none"> For Reverse Circulation drilling, complete samples are weighed at the drill with a conventional balance
	<i>Measures taken to maximise sample recovery and ensure representative nature of the samples.</i>	<ul style="list-style-type: none"> Triple/Split tubes are used along with 1.5m (short) drill runs with diamond drilling to improve sample recoveries Drilling mud and additives professionals have been to site to plan suitable mud mixes and recommend techniques and materials to improve recoveries in low recovery zones
	<i>Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.</i>	<ul style="list-style-type: none"> Diamond core recoveries of quartz vein lodes is lower than in fresh rocks but generally the recoveries have been acceptable at >90% on average and no evidence of a grade bias due to variation in core recovery has been detected
Logging	<i>Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.</i>	<ul style="list-style-type: none"> Geotechnical and recovery data is collected at the drill with whole core and prior to transporting core to logging facility Reverse circulation chips samples are collected and logged at the drill by a geologist Logging is of a suitable standard to allow for detailed geological and resource modelling
	<i>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.</i>	<ul style="list-style-type: none"> Core logging is completed at a suitable facility (on waist high inclined benches, in dry conditions and with sufficient natural light) Drill core is logged for Lithology, alteration, oxide, structure, veining and mineralization Standard nomenclature is used for logging and codes or abbreviations are used to input into a database Historically, core logging has been collected manually on A3 paper sheets and is currently transitioning to digital data collection with a commercially available software, GeoSpark
	<i>The total length and percentage of the relevant intersections logged.</i>	<ul style="list-style-type: none"> 100% of drill holes are logged Selective sampling is utilized based on geological descriptions and presence or lack of visual mineralization All mineralized intervals are sampled Complete mineralized / hydrothermally altered zone is sampled both before and after (start and finish sample run in "fresh" rock)
Sub-sampling techniques and sample preparation	<i>If core, whether cut or sawn and whether quarter, half or all core taken.</i>	<ul style="list-style-type: none"> HQ diameter diamond drill core is sawn and 50% collected for sampling. The remaining 50% is stored on site in a core storage facility
	<i>If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.</i>	<ul style="list-style-type: none"> Reverse circulation samples are collected on a per meter basis and split at the drill with a manual triple tired sample splitter resulting in a 12.5% or 1/8 split (2-3 kg sample)
	<i>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</i>	<ul style="list-style-type: none"> Sample size aims at a 2-3kg representative sample Samples are sent to Intertek Labs (Jakarta) where the sample prep package includes; drying at 105°C'

Criteria	JORC Code explanation	Commentary
		<ul style="list-style-type: none"> • crushing (jaw crusher to 95% <5mm), • Pulverising (LM2 pulveriser to 95% <75um)
	<i>Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</i>	<ul style="list-style-type: none"> • Standard industry practice Quality Assurance-Quality Control procedure includes insertion of; • Field Blanks (1/30) • Field Duplicates (1/30) • Standards (1/30)
	<i>Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.</i>	<ul style="list-style-type: none"> • Lab results include analyses for replicates and duplicates • Historically, procedure included re-analysis of sample pulps at primary Lab (~5%) • Future procedure will include re-analysis of sample pulps at an Umpire Lab (~5%)
	<i>Whether sample sizes are appropriate to the grain size of the material being sampled.</i>	<ul style="list-style-type: none"> • Gold mineralization in low sulfidation deposits is typically erratic (high grade - narrow vein) • Tembang mineralization is not considered to have a high nugget effect
Quality of assay data and laboratory tests	<i>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</i>	<ul style="list-style-type: none"> • Sample analysis is completed at a commercial analytical laboratory; Intertek Testing Services laboratory (Jakarta) • Au is analysed by 50g fire assay technique and considered total • Ag is analysed by 2-acid digestion with AAS finish and considered total
	<i>For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.</i>	<ul style="list-style-type: none"> • Not Applicable
	<i>Nature of quality control procedures adopted (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established.</i>	<ul style="list-style-type: none"> • Standard industry practice Quality Assurance-Quality Control procedure includes insertion of; • Field Blanks (1/30) • Field Duplicates (1/30) • Standards (1/30) • Results of certified reference material "standards" indicate no lab bias
Verification of sampling and assaying	<i>The verification of significant intersections by either independent or alternative company personnel.</i>	<ul style="list-style-type: none"> • Calculations of significant intersections are carried out by qualified geology professional and reviewed by Competent Person Devin den Boer (P.Geo.) Geology Manager and full time employee of Sumatra Copper and Gold plc
	<i>The use of twinned holes.</i>	<ul style="list-style-type: none"> • 18 twin holes were completed in 2008 to compare historical RC data with recent diamond drilling
	<i>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</i>	<ul style="list-style-type: none"> • Historically, data has been collected via MS excel tables and MS Access database • More recently, a commercially available data collection and management software; GeoSpark has been purchased and is in process of being deployed • Data is backed-up on hard discs at the project and the Jakarta head office • A Server has been installed on site and is in process of being implemented

Criteria	JORC Code explanation	Commentary
	<p><i>Discuss any adjustment to assay data.</i></p>	<ul style="list-style-type: none"> • <i>Dropbox</i> has been used extensively at the project but is not considered a central data storage system • Physical Drill Logs and Assay Certificates are stored on site • To date, there have been no adjustments made to assay data. • Some historical RC drill holes are considered in-valid due to suspected downhole smearing, likely caused by RC drilling in wet conditions. These holes may have manual adjustments made to the assays to better reflect an interpreted interval of representative of mineralization and still allow the drill hole to be included as inferred resources. • Current JORC 2012 compliant Mineral Resources are reported without RC data
Location of data points	<p><i>Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.</i></p>	<ul style="list-style-type: none"> • In 2007 SCG commissioned PT Geoservices to complete a topographic survey of the Tembang post-mining surface. A set of survey beacons was established tied to the Indonesian UTM national grid. From the pick-up of old drill collar markers and infrastructure a correction factor was established to adjust the existing BTM data to true UTM coordinates. • All drill collars are surveyed (picked up) by company surveyors using NIKON TOTAL STATION, DTM-352 equipment and tied to control points set out in 2007 survey. • All drill holes collect down hole survey data with a single shot camera. Drill holes are not considered to be very deep and ground conditions relatively uncomplicated, as a result drill hole deviation has not been a problem • Historically, all drill holes were surveyed down hole every 50m • Currently, down hole surveys are collected every 25m with an aim to collect at least 3 points per hole in shorter holes
	<p><i>Specification of the grid system used.</i></p>	<ul style="list-style-type: none"> • All coordinates are quoted in WGS 84 UTM-UTS Zone 48 South
	<p><i>Quality and adequacy of topographic control.</i></p>	<ul style="list-style-type: none"> • Day to Day topography is completed with total station equipment for surveying of project surface data including drill collars • A drone (UAV) survey is planned to improve accuracy of topography inside pits/pit walls
Data spacing and distribution	<p><i>Data spacing for reporting of Exploration Results.</i></p>	<ul style="list-style-type: none"> • Drill spacing has generally aimed at; • 50m x 50m for inferred resources, • 25m x 25m for indicated resources and • <25m x <25m spacing for measured resources
	<p><i>Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied</i></p>	<ul style="list-style-type: none"> • The mineralisation and geology show good continuity from hole to hole and is sufficient to support the definition of a Mineral Resource or Ore Reserve and the classifications contained in the JORC Code (2012 Edition).

Criteria	JORC Code explanation	Commentary
	<i>Whether sample compositing has been applied.</i>	<ul style="list-style-type: none"> Sample compositing is only applied during the resource estimation process and is typically done on 1m intervals to reflect the average samples interval size and relatively narrow nature of the mineralized lodes
Orientation of data in relation to geological structure	<i>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</i>	<ul style="list-style-type: none"> Drill holes are planned to intersect quartz vein lodes as close to perpendicular as logistically possible An attempt has been made to orient diamond drill core however broken core or "bad ground" prohibits orientation process
	<i>If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.</i>	<ul style="list-style-type: none"> No material sampling bias is considered to have been introduced by the drilling direction.
Sample Security	<i>The measures taken to ensure sample security.</i>	<ul style="list-style-type: none"> Drill core and chip samples are transported from the drill sites to the drill core and sample processing facility at Tembang Exploration Camp. Geology professionals complete logging and select sample intervals and supervise photography and sample preparation procedures All samples for assay are bagged in numbered calico sample bags which are then sewn in to polyweave bags for transport. Samples are dispatched to the assay lab in Jakarta in a private vehicle (local contractor) Samples are driven to Jakarta (~2 days by road/ferry) Samples are received by Intertek personnel and custody of samples is handed over by signing and a sample receipt form Intertek advises by electronic mail that the samples have been delivered/received and a physical copy of receipt is returned to project for filing
Audits or reviews	<i>The results of any audits or reviews of sampling techniques and data.</i>	<ul style="list-style-type: none"> External Resource consultants , H&S Consultants and Cube Consulting visited the project in 2013 as part of JORC compliancy for reporting of mineral resources Behre Dolbear Australia (BDA) reviewed the drilling data in 2014 as part of external audit of definitive feasibility study (2014)