

Tembang : First gold in 9 months

In construction for 169koz gold over 5 years at AISC \$745/oz; plus extensions

Recommendation

BUY
High Risk

Price

5.0c

Valuation

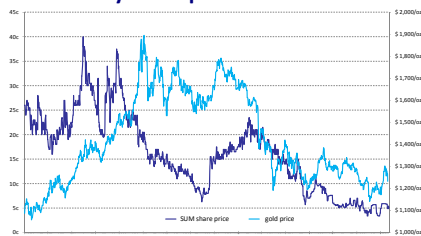
10.3c

- Tembang has 447koz gold plus 5.7Moz of silver in 6.5Mt of Resources, of which 4.2Mt is Measured + Indicated. The DFS is based on mining 2.1Mt over 5 years.
- Of total capital costs of US\$ 53m, \$27m had been invested by Dec. 2014. SUM secured debt finance of US\$ 40m, after \$19m had been invested. First gold is expected during the December quarter 2015.
- All in site cash costs are expected to be US\$ 654/oz.
- Beer & Co's valuation of the DFS case is 4.5c/share. Our base case valuation, of 10.3c, assumes a total of 6.0Mt of ore processed, with a gold price of US\$ 1400/oz.

Snapshot

Last Price	5.0c
Market Cap	\$A 29.2m
Cash on hand (31 Dec. 2014)	\$A 31.8m
Net Debt	\$A 17.1m
Shares on Issue	583.7m
52 Week High	10.0c
52 Week Low	3.4c
1 month / 6 month VWAP	5.3c / 4.8c

SUM : daily share price v. value traded



SUM announced the results of its DFS on the Tembang project on the island of Sumatra in Indonesia on 23 April 2014. Temabng has 447koz of gold plus 5.7Moz Silver in 6.5Mt of Resources, of which the DFS mines 2.1Mt over 5 years to produce 169koz of gold at cash costs of US\$ 654/oz, after US\$ 53m in project capital.,

First gold is expected in 2015 Q4.

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Tembang project under construction for first gold in December quarter

As at 31 Dec. 2014, SUM had invested US\$ 27m of an expected capital cost of \$53m to bring the Tembang gold project into operation. At that time, SUM still had US\$ 26m in cash, plus a potential \$5m more debt available.

All In Site Cash costs \$654/oz

SUM announced the results of its revised Definitive Feasibility Study in April 2014, ensuring that the Tembang project is viable at \$1100/oz gold price.

Assuming \$1,300/oz gold, the all in costs are \$654/oz. The AISC, of \$754/oz, includes \$91/oz of corporate overheads.

Indonesian risks managed

SUM already meets the ultimate requirement for Indonesian ownership, with over 65% of the stock owned by Indonesian based interests. SUM's major shareholders are experienced and successful in in working in Indonesia.

SUM's dorè will be refined in Jakarta, so value adding risk is covered.

DFS valuation is 4.5c/share; Beer & Co base valuation is 10.3c/share

The DFS case is to mine and process 2.1Mt of ore, producing 169koz of gold and 1.8Moz silver over 5 years. It assumes a gold price of \$1,300/oz, silver of \$20/oz and AUD-USD rate of 0.900, with sustaining capital of US\$ 18.3m

Beer & Co's base case valuation is based on \$1,400/oz gold, gold : silver ratio of 65 and AUD-USD of 0.750, with 6.0Mt being processed to produce 462koz gold and 4.5Moz silver, and sustaining capital of US\$ 72.5m over 15 years.

Conclusions

SUM is an emerging, low cost, producer, with significant upside potential. Beer & Co initiates research with a BUY, High Risk, recommendation.

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Sumatra Copper & Gold (SUM)

SUM owns the Tembang project on the island of Sumatra in Indonesia. As shown in Figure 1, SUM has 6.5Mt in Resources, of which 4.2Mt is Measured plus Indicated containing 320koz of gold, at 2.4g/t and 4.3Moz of silver at 32g/t.

SUM has 6.5Mt in Resources for 450koz of contained gold plus 5.7Moz silver

Figure 1 : SUM has 6.5Mt in JORC Resources

Open Cut	Measured	109 kt	4.0 g/t	14 koz	51 g/t	177 koz
	Indicated	3,793 kt	1.8 g/t	223 koz	28 g/t	3,459 koz
	Inferred	2,257 kt	1.5 g/t	112 koz	17 g/t	1,247 koz
	Sub-Total	6,159 kt	1.8 g/t	350 koz	25 g/t	4,884 koz
Under-ground	Measured	132 kt	9.7 g/t	41 koz	70 g/t	298 koz
	Indicated	139 kt	9.0 g/t	40 koz	77 g/t	346 koz
	Inferred	67 kt	7.3 g/t	16 koz	65 g/t	141 koz
	Sub-Total	338 kt	8.9 g/t	97 koz	72 g/t	785 koz
Total Resources		6,497 kt	2.1 g/t	447 koz	27 g/t	5,668 koz

Source : SUM ASX announcements of 4 December 2013 and 19 March 2014

The resources come from 6 open cut and 1 under-ground deposit.

The results of the DFS were announced in April 2014.

The DFS is based on a Reserve estimate of only 2.0Mt for 181koz of contained gold.

Definitive Feasibility Study

On 24 April 2014, SUM announced the results of its revised Definitive Feasibility Study. This DFS updated the results of an earlier DFS, announced on 7 September 2012, to allow for lower gold prices and also for more drilling to update the Resource estimate to be compliant with the 2012 JORC requirements.

As part of the DFS, an Ore Reserve estimate, of 2.0Mt was announced, as shown in Figure 2.

Figure 2 : Tembang Reserves, 2.0Mt

Total, Open Pit	Proved	4 kt	7.8 g/t	1 koz	102.8 g/t	12 koz
	Probable	1,589 kt	2.1 g/t	106 koz	30.0 g/t	1,534 koz
	Sub-Total	1,592 kt	2.1 g/t	107 koz	30 g/t	1,546 koz
Under-ground	Proved	204 kt	6.0 g/t	39 koz	41.5 g/t	272 koz
	Probable	214 kt	5.1 g/t	35 koz	44.4 g/t	306 koz
	Sub-Total	418 kt	5.5 g/t	74 koz	43.0 g/t	578 koz
TOTAL	Proved	208 kt	6.0 g/t	40 koz	42.5 g/t	284 koz
	Probable	1,803 kt	2.4 g/t	141 koz	31.7 g/t	1,839 koz
	TOTAL	2,010 kt	2.8 g/t	181 koz	32.9 g/t	2,124 koz

Source : SUM ASX announcement 25 March 2014

The Reserve allows five years of processing at 400kt/y

The focus of the DFS was to support debt funding, rather than maximising the project NPV, which would have taken more time and cost to get sufficient density in the drilling. As a result the focus was to ensure a 5 year mine life at a throughput rate of 400kt/yr.

The DFS is based on a mining inventory of 2.1Mt, for 187koz of contained gold, as shown in Figure 3.

Figure 3 : Mining inventory in DFS

		Gold		Silver		Strip ratio
		grade	contained	grade	contained	
OPEN CUT						
Buluh / Siamang	88 kt	4.1 g/t	12 koz	42 g/t	120 koz	25.0 : 1
Bujang	56 kt	3.7 g/t	7 koz	57 g/t	102 koz	19.0 : 1
Berenai	722 kt	2.1 g/t	49 koz	31 g/t	710 koz	14.0 : 1
Anang	59 kt	1.6 g/t	3 koz	31 g/t	59 koz	8.0 : 1
Asmar	768 kt	1.6 g/t	40 koz	25 g/t	612 koz	6.0 : 1
	1,693 kt	2.0 g/t	111 koz	29 g/t	1,604 koz	10.9 : 1
UNDER-GROUND						
Belinau	388 kt	6.1 g/t	76 koz	48 g/t	603 koz	
TOTAL	2,081 kt	2.79 g/t	187 koz	33 g/t	2,206 koz	

Source : SUM ASX announcement 23 April 2014

Total project capital cost is US\$ 53.1m, plus \$18.3 in sustaining capital

\$19.5m had been spent before the DFS was completed

SUM has secured \$40m in debt to fund the \$33.6m required for project completion.

SUM needs to raise \$5m more in equity to cover corporate costs, interest, etc.

Figure 4 shows that the expected project capital cost totals US\$ 53.1m, of which \$19.5m had already been invested, leaving \$33.6m still to be spent.

Figure 4 : Expected capital cost : US\$ 33.6m

USD	Pre-production	Sustaining	Total
Surface Mining	5.23 m	0.49 m	5.72 m
Underground Mining	3.88 m	12.85 m	16.73 m
Plant and associated	21.77 m	1.71 m	23.48 m
Other	22.18 m	3.22 m	25.39 m
TOTAL	53.06 m	18.26 m	71.32 m
Already Spent	19.50 m		
To Spend	33.56 m	18.26 m	71.32 m

Source : SUM ASX announcement 23 April 2014

First gold is expected in the December quarter of 2015.

Figure 5 shows other key data from the DFS, including total cash costs, including expected exploration which, while an expense that needs to be covered, is not expected to provide any economic benefit during the DFS period.

On 22 October 2014, SUM announced that it had secured debt of US\$ 40m to fund the remaining \$33.6m of project cap.ex.

SUM is able to draw a further \$5.0m in debt as long as the project is commissioned within 12 months.

While SUM is fully funded, it is required to raise a further US\$ 5m in equity.

Figure 5 : key DFS data

Ore Mined	2,080 kt
Gold produced	168.8 koz
Silver produced	1,786.8 koz
Project Capital	US\$ 53.1m
Sustaining Capital	US\$ 18.3m
Unit Costs	
Mining	US\$ 356/oz
Processing	US\$ 266/oz
Site Admin	US\$ 60/oz
Silver credits	(US\$212/oz)
C1 costs	US\$ 470/oz
Royalties	US\$ 56/oz
Sustaining Capital	US\$ 108/oz
Exploration	US\$ 20/oz
Sub-Total	US\$ 654/oz
Corporate overhead	US\$ 91/oz
A I S C	US\$ 745/oz

Source : Beer & Co estimates

Financial Valuation

The Tembang project has 7 different ore sources, of differing grades and in-situ values. Figure 6 shows Beer & Co's interpretation of the production data given by SUM in Table 1 of Appendix 1 of their 23 April 2014 announcement.

Figure 6 : Expected production from SUM's Tembang project

Total expected production is 169koz gold plus 1.8NMoz silver, for a total of nearly 200koz of gold equivalent, over 5 years.

	2015	2016	2017	2018	2019	2020	2021
TOTAL ORE MINED	35 kt	405 kt	440 kt	674 kt	300 kt	227 kt	0 kt
ORE POCESSED	20 kt	360 kt	400 kt	400 kt	400 kt	400 kt	101 kt
Gold grade	4.1 g/t	3.9 g/t	3.9 g/t	2.8 g/t	2.0 g/t	1.7 g/t	1.7 g/t
Silver grade	42 g/t	41 g/t	37 g/t	33 g/t	29 g/t	26 g/t	27 g/t
gold recovery	81 %	88 %	91 %	91 %	91 %	91 %	91 %
silver recovery	70 %	77 %	82 %	82 %	82 %	82 %	82 %
gold produced	2,136 oz	40,016 oz	45,372 oz	33,176 oz	23,083 oz	20,138 oz	4,910 oz
silver produced	19.0 koz	366.7 koz	392.3 koz	354.2 koz	303.9 koz	279.8 koz	71.2 koz
Gold equivalent	2,429 oz	45,658 oz	51,408 oz	38,626 oz	27,758 oz	24,443 oz	6,006 oz

Source : SUM ASX announcement 23 April 2014, Beer & Co estimates

The leads to some variability in cash costs over the life of the mine, as shown in Figure 7. Note that the Beer & Co model estimates align with the guidance in the DFS, after allowing \$20/oz for exploration.

Figure 7 : Estimated cash costs, USD/oz

All in cash costs include \$20/oz for exploration.

USD/oz	DFS	Life of Mine	2015	2016	2017	2018	2019	2020	2021
Mining	356	356	479	268	320	659	253	290	0
Processing	266	266	257	206	203	218	395	407	472
Site Admin	60	60	70	44	42	57	84	97	101
By-product revenue	(212)	(212)	(178)	(183)	(173)	(214)	(263)	(278)	(290)
Sub-Total, C1 cash costs	470	470	628	335	392	721	468	516	282
Royalties	56	56	54	54	54	55	57	57	58
Further capital	108	108	0	244	124	39	55	16	0
TOTAL COSTS	634	635	682	634	570	814	581	589	340

Source : Beer & Co estimates

Figure 8 shows the expected cashflows for the Tembang project, in USD terms, following from the production given in Figure 6 and the costs in Figure 7.

Figure 8 shows the commodity price assumptions used in the DFS.

Due to the prioritisation of higher grade ores, the project achieves a quick capital return, even in the DFS case, with the total project capital of \$53m paid back within 30 months of the completion of construction after allowing for on-going sustaining capital and exploration expenditures.

Figure 9 shows that Beer & Co's risk based valuation of SUM using the DFS parameters is 4.5c/share.

Figure 8 : SUM's Tembang project, financial outcomes

USD terms	2014	2015	2016	2017	2018	2019	2020	2021
	\$ 1,272/oz	\$ 1,300/oz	\$ 1,300/oz	\$ 1,300/oz	\$ 1,300/oz	\$ 1,300/oz	\$ 1,300/oz	\$ 1,300/oz
	\$ 19/oz	\$ 20.0/oz	\$ 20.0/oz	\$ 20.0/oz	\$ 20.0/oz	\$ 20.0/oz	\$ 20.0/oz	\$ 20.0/oz
	0.903	0.900	0.900	0.900	0.900	0.900	0.900	0.900
Gold sold	0 oz	2,136 oz	40,016 oz	45,372 oz	33,176 oz	23,083 oz	20,138 oz	4,910 oz
Silver sold	0.0 koz	19.0 koz	366.7 koz	392.3 koz	354.2 koz	303.9 koz	279.8 koz	71.2 koz
Gross Revenue	0.0	3.2	59.4	66.8	50.2	36.1	31.8	7.8
Mine site cash costs	0.0	1.3	19.6	24.4	22.2	18.9	18.6	2.8
Royalties	0.0	0.1	2.2	2.4	1.8	1.3	1.2	0.3
E B I T D A	0.0	1.8	37.6	40.0	26.2	15.8	12.0	4.7
Dep'cn & Amort'sn	0.0	0.5	9.2	20.0	15.8	11.5	11.5	2.9
Interest	0.0	2.4	3.5	2.3	0.1	0.0	0.0	0.0
Tax	0.0	(0.2)	5.0	3.6	2.0	0.9	0.1	0.4
N P A T	0.0	(1.0)	20.0	14.2	8.2	3.5	0.4	1.5
Project Capital	(3.4)	(30.2)	0.0	0.0	0.0	0.0	0.0	0.0
Sustaining Capital	0.0	0.0	(1.3)	(1.3)	(1.3)	(1.3)	(0.3)	0.0
u-g mine development	0.0	0.0	(8.5)	(4.4)	0.0	0.0	0.0	0.0
Exploration	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Project Net Cashflow	(3.4)	(30.7)	19.4	28.6	22.7	13.7	11.6	4.3

Source : Beer & Co estimates

Project capital is paid back within 30 months of commissioning

Figure 9 : DFS valuation is 4.5c/share

discount rate = 12.0 %	in AUD	risked :	31-December-2014		12 Feb 2015	
			100%	Product	per share	
	High grade Open Cut	90 %	\$ 11m	\$ 10m	1.0 c	1.1 c
	Berenai Open Cut	90 %	\$ 6m	\$ 5m	0.6 c	0.7 c
	Asmar / Anang O/C	90 %	(\$1m)	(\$1m)	(0.1c)	0.1 c
	Belinau under-ground	90 %	\$ 36m	\$ 32m	3.5 c	3.7 c
	Tandai	nominal	\$ 3m	\$ 3m	0.3 c	0.3 c
	Hedge Book	100 %	(\$8m)	(\$8m)	(0.9c)	(0.9c)
	Corporate	100 %	(\$9m)	(\$9m)	(1.0c)	(1.0c)
	Exploration	100 %	(\$3m)	\$ 0m	0.0 c	0.0 c
	Net Cash	100 %	(\$14m)	(\$14m)	(1.6c)	(1.6c)
	Cash to be raised	100 %	\$ 8m	\$ 8m	0.9 c	0.9 c
	Options exercised	100 %	\$ 10m	\$ 10m	1.1 c	1.1 c
	TOTAL		\$ 39m	\$ 36m	3.9 c	4.5 c
	Shares on issue		583.7m	FPO shares	228.8m	options
			111.1m	to be issued	222.8m	exercised

Source : Beer & Co estimates

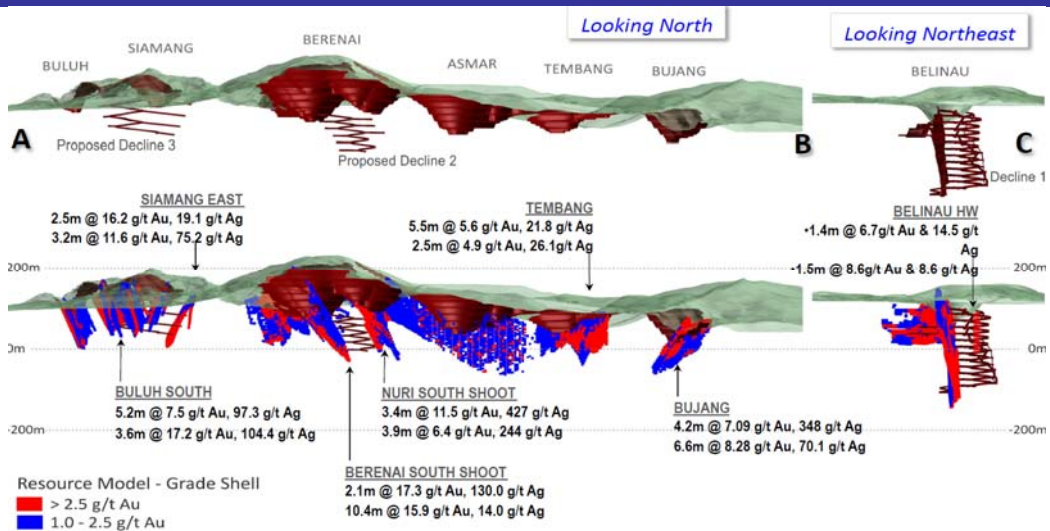
Beer & Co's valuation of SUM using the DFS parameters is 4.5c/share.

Beer & Co's base case parameters

The DFS was designed around the need to ensure debt funding, not for the maximum NPV, which would have taken more time and money to drill sufficient resources into Reserves.

In Beer & Co's view, the Tembang project will produce much more than 2.1Mt of ore. In addition to the Resources not included in Reserves, SUM has had major success with drilling below the open pit shells developed for the Resource estimate, as shown in Figure 10.

Figure 10 : Tembang deposits show depth extensions



Source : SUM presentation, December 2014

Figure 11 shows the total mining inventory assumed in Beer & Co’s base case. The top portion is the detail of the mining inventory used for the DFS, while the blue colour shows Beer & Co’s estimates.

Figure 11 : Beer & Co’s mining inventory

		Gold		Silver		Strip ratio
		grade	contained	grade	contained	
OPEN CUT						
Buluh / Siamang	88 kt	4.1 g/t	12 koz	42 g/t	120 koz	25.0 : 1
Bujang	56 kt	3.7 g/t	7 koz	57 g/t	102 koz	19.0 : 1
Berenai	722 kt	2.1 g/t	49 koz	31 g/t	710 koz	14.0 : 1
Anang	59 kt	1.6 g/t	3 koz	31 g/t	59 koz	8.0 : 1
Asmar	768 kt	1.6 g/t	40 koz	25 g/t	612 koz	6.0 : 1
	1,693 kt	2.03 g/t	111 koz	29 g/t	1,604 koz	10.9 : 1
UNDER-GROUND						
Belinau	388 kt	6.1 g/t	76 koz	48 g/t	603 koz	
TOTAL	2,081 kt	2.79 g/t	187 koz	33 g/t	2,206 koz	
OPEN CUT POTENTIAL						
Buluh / Siamang	500 kt	2.5 g/t	40 koz	33 g/t	531 koz	25.0 : 1
Bujang	200 kt	2.3 g/t	15 koz	28 g/t	180 koz	19.0 : 1
Berenai	1,000 kt	1.9 g/t	61 koz	33 g/t	1,061 koz	14.0 : 1
Anang	150 kt	2.5 g/t	12 koz	28 g/t	135 koz	8.0 : 1
Asmar	1,500 kt	1.3 g/t	63 koz	15 g/t	723 koz	6.0 : 1
SUB-TOTAL	3,350 kt	1.77 g/t	191 koz	24 g/t	2,630 koz	
UNDER-GROUND POTENTIAL						
Belinau	260 kt	6.0 g/t	50 koz	40 g/t	334 koz	
Berenai	200 kt	6.0 g/t	39 koz	13 g/t	84 koz	
Buluh	200 kt	6.0 g/t	39 koz	60 g/t	386 koz	
Bujang	125 kt	6.0 g/t	24 koz	40 g/t	161 koz	
	785 kt	6.0 g/t	151 koz	38 g/t	965 koz	

Source : Beer & Co estimates

Beer & Co’s base case assumes most of the resources are developed, plus some under-ground material, due to good intersections reported.

Our base case assumes 6.0Mt of material is processed

for a 15 year mine life

In the case of the open cut and Belinau under-ground, the volume assumed is near, but less than, the difference between the volume of Resources and the DFS mining inventory, while the grade approximates the grade of the difference.

Our estimated cash cost for the extended mine life is \$871/oz

Due to higher mining and sustaining capital costs

The volume and grade for the under-ground extensions for Berenai, Buluh and Bujang are informed by the data in Figure 10, which shows mineable widths in nearly all cases at grades greater than our assumption.

Figure 12 shows Beer & Co's estimated cash costs for our assumed base case.

Compared with the DFS, note that mining costs are much higher, due to lower grades and greater distances, with sustaining capital also much higher as it covers the development of each ore source.

Processing costs and admin are a little lower due to the long period of steady state operations, as opposed to the cost impact of start up and shut down.

Figure 12 : Beer & Co estimated cash costs, USD/oz

USD/oz	Life of Mine	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
Mining	536	479	251	339	561	266	473	500	506	387	418	434	415	419	558	625	437	0
Processing	228	257	177	215	158	211	285	292	302	220	244	272	268	346	450	497	579	680
Site Admin	54	70	42	44	41	46	76	79	81	46	52	62	73	95	126	139	145	158
By-product revenue	(198)	(178)	(175)	(181)	(165)	(175)	(264)	(269)	(262)	(215)	(193)	(159)	(178)	(204)	(206)	(207)	(208)	(208)
Sub-Total, C1 cash costs	620	628	295	417	595	347	570	602	627	438	521	608	578	657	928	1,054	953	631
Royalties	56	54	54	54	54	54	57	57	57	55	55	53	54	55	55	55	55	55
Further capital	196	0	230	295	211	31	50	51	487	292	257	38	44	57	74	81	49	0
TOTAL COSTS	872	682	579	766	859	432	676	710	1,171	785	833	699	676	769	1,056	1,190	1,057	686

Source : Beer & Co estimates

Figure 13 shows the resulting cashflows from the Tembang project. It shows variability over time, as lower grade open pit material needs to be extracted before the high grade under-ground ore can be extracted.

Figure 13 : Resulting cashflow projections for Tembang

USD terms	2014	2015	2016	2017	2018	2019	2020	2021	2022	2024	2025	2026	2027	2028	2029	2030
	\$ 1,272/oz	\$ 1,400/oz	\$ 1,400/oz	\$ 1,400/oz	\$ 1,400/oz	\$ 1,400/oz	\$ 1,400/oz	\$ 1,400/oz	\$ 1,400/oz	\$ 1,400/oz	\$ 1,400/oz	\$ 1,400/oz	\$ 1,400/oz	\$ 1,400/oz	\$ 1,400/oz	\$ 1,400/oz
	\$ 19/oz	\$ 21.5/oz	\$ 21.5/oz	\$ 21.5/oz	\$ 21.5/oz	\$ 21.5/oz	\$ 21.5/oz	\$ 21.5/oz	\$ 21.5/oz	\$ 21.5/oz	\$ 21.5/oz	\$ 21.5/oz	\$ 21.5/oz	\$ 21.5/oz	\$ 21.5/oz	\$ 21.5/oz
	0.903	0.750	0.750	0.750	0.750	0.750	0.750	0.750	0.750	0.750	0.750	0.750	0.750	0.750	0.750	0.750
Gold sold	0 oz	2,136 oz	42,528 oz	42,743 oz	46,562 oz	41,852 oz	25,686 oz	25,248 oz	24,660 oz	39,825 oz	33,820 oz	28,998 oz	22,541 oz	17,357 oz	15,875 oz	15,455 oz
Silver sold	0.0 koz	19.0 koz	371.4 koz	387.2 koz	384.2 koz	367.1 koz	339.3 koz	339.4 koz	323.6 koz	383.5 koz	268.5 koz	257.8 koz	229.6 koz	179.0 koz	164.6 koz	160.5 koz
Gross Revenue	0.0	3.4	67.5	68.2	73.5	66.5	43.3	42.7	41.5	64.0	53.1	46.2	36.5	28.2	25.8	25.1
Mine site cash costs	0.0	1.3	18.7	24.2	22.8	25.5	21.3	21.9	9.4	11.7	11.2	9.8	9.9	9.9	10.0	11.1
Royalties	0.0	0.1	2.5	2.5	2.7	2.4	1.6	1.5	1.5	2.3	1.9	1.7	1.3	1.0	0.9	0.9
E B I T D A	0.0	2.0	46.4	41.5	48.0	38.6	20.4	19.2	30.6	50.0	40.0	34.6	25.3	17.2	14.8	13.1
Dep'cn & Amort'sn	0.0	0.5	9.2	20.0	21.8	15.6	4.8	3.6	3.0	14.3	11.6	2.7	2.7	2.7	2.7	2.7
Interest	0.0	2.4	3.2	1.9	0.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Tax	0.0	(0.2)	6.8	3.9	5.2	4.6	3.1	3.1	5.5	7.1	5.7	6.4	4.5	2.9	2.4	2.1
N P A T	0.0	(0.8)	27.2	15.6	20.8	18.4	12.4	12.4	22.1	28.5	22.7	25.6	18.1	11.6	9.7	8.3
Project Capital	(3.4)	(30.2)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Sustaining Capital	0.0	0.0	(1.3)	(1.3)	(1.3)	(1.3)	(1.3)	(1.3)	(1.3)	(1.3)	(1.3)	(1.3)	(1.3)	(1.3)	(1.3)	(0.8)
u-g mine development	0.0	0.0	(8.5)	(11.3)	(8.5)	0.0	0.0	0.0	(10.7)	(9.0)	0.0	0.0	0.0	0.0	0.0	0.0
Exploration	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Project Net Cashflow	(3.4)	(30.5)	26.6	23.0	32.8	32.7	16.0	14.8	13.1	32.6	33.0	27.0	19.5	13.0	11.1	10.2

Source : Beer & Co estimates

Figure 13 also shows that the low grade Asmar material is viable, though it adds little, though positive, value.

Figure 14 shows that Beer & Co's base case valuation for SUM is 10.3c/share.

Figure 14 : Beer & Co valuation of SUM is 10c/share

Beer & Co's base case valuation, which is based on a gold price of \$1,400/oz, and AUD-USD of 0.750, is 10.3c/share

in AUD	discount rate = 12.0 %	risked :	31-December-2014		12 Feb 2015	
			100%	Product	per share	
High grade Open Cut	90 %		\$ 15m	\$ 13m	1.5 c	1.5 c
Resources	75 %		\$ 18m	\$ 13m	1.5 c	1.5 c
u/g potential	60 %		\$ 17m	\$ 10m	1.1 c	1.2 c
Berenai Open Cut	90 %		\$ 9m	\$ 8m	0.9 c	1.1 c
Resources	75 %		\$ 11m	\$ 8m	0.9 c	0.9 c
u/g potential	60 %		\$ 11m	\$ 6m	0.7 c	0.7 c
Asmar / Anang O/C	90 %		(\$2m)	(\$1m)	(0.2c)	(0.0c)
Resources	75 %		\$ 2m	\$ 1m	0.1 c	0.2 c
Belinau under-ground	90 %		\$ 39m	\$ 35m	3.9 c	4.1 c
Potential	60 %		\$ 34m	\$ 21m	2.3 c	2.3 c
Tandai	100 %		\$ 3m	\$ 3m	0.3 c	0.3 c
Hedge Book	100 %		(\$14m)	(\$14m)	(1.5c)	(1.6c)
Corporate	100 %		(\$19m)	(\$19m)	(2.1c)	(2.1c)
Exploration	100 %		(\$6m)	\$ 0m	0.0 c	0.0 c
Net Cash	100 %		(\$14m)	(\$14m)	(1.6c)	(1.7c)
Cash to be raised	100 %		\$ 8m	\$ 8m	0.9 c	0.9 c
Options exercised	100 %		\$ 10m	\$ 10m	1.1 c	1.1 c
TOTAL			\$ 122m	\$ 89m	9.7 c	10.3 c
Shares on issue			583.7m	FPO shares	228.8m	options
			111.1m	to be issued	222.8m	exercised

Source : Beer & Co estimates

Risks and Sensitivities

In Beer & Co's view, SUM is an almost unique investment in the way that it is able to manage the political risks of operating in Indonesia.

Beer & Co believes that SUM has shown good management of Indonesian political risk, as it is more than 65% owned by Indonesian interests, was founded by its Indonesian director and its major shareholders have strongly supported it to date.

- SUM was founded by an Indonesian citizen, Adi Sjoekri, who is a geologist by training, and he lives in Jakarta so understands how to operate in Indonesia;
- SUM is already majority owned by Indonesian interests, so does not need to divest any of its operation to meet the 51% indigenous ownership requirement;
- SUM's major shareholders, Saratoga, GoldStar Mining (Adaro) and Provident, have had active roles in Tuju Bukhit and also Finders Mines, and have provided debt funding for SUM that has been converted into equity; if they wished to take direct control of the project, they have had the opportunity to do so.

In addition, SUM's doré will be refined to bullion in Jakarta, so satisfying Indonesian value adding requirements.

Figures 15 and 16 show the sensitivity of Beer & Co's valuation of SUM for changes in gold prices, as well as mine life and discount rates, with a test for the impact on our risking assumptions.

Figure 15a : Base Case sensitivities

	DFS case	Gold Prices		
		\$1,400	\$1,500	\$1,600
DSF case	4.5 c	6.0 c	7.2 c	8.5 c
Base Case	7.4 c	10.3 c	12.3 c	14.3 c

Source : Beer & Co estimates

Figure 15b : Sensitivity, lower risk

Less Risked	DFS case	Gold Prices		
		\$1,400	\$1,500	\$1,600
DSF case	5.4 c	7.2 c	8.5 c	10.0 c
Base Case	8.5 c	11.7 c	13.9 c	16.1 c

Source : Beer & Co estimates

Figure 16a : Base Case, 5% discount rate

	DFS case	Gold Prices		
		\$1,400	\$1,500	\$1,600
DSF case	6.4 c	8.3 c	9.7 c	11.3 c
Base Case	11.0 c	15.3 c	18.2 c	20.7 c

Source : Beer & Co estimates

Figure 16b : 5% discount rate, lower risk

Less Risked	DFS case	Gold Prices		
		\$1,400	\$1,500	\$1,600
DSF case	7.5 c	9.8 c	11.4 c	13.2 c
Base Case	12.4 c	17.1 c	20.2 c	23.0 c

Source : Beer & Co estimates

Conclusions

SUM is developing the Tembang gold project in Sumatra.

In Beer & Co's view, SUM has high geological prospectivity, plus its political risk is well managed.

SUM has undertaken two Definitive Feasibility Studies so, in Beer & Cos view, it understand this project very well.

Beer & Co's analysis shows that the current share price is greater than the value of SUM based on the parameters of the DFS which is a mining inventory of 2.1Mt compared with a JORC resource of 6.4Mt.

Beer & Co's analysis shows that the current share price is about the same as our value, using today's spot prices and the lower risk case (ie. assuming that the project is commissioned as we project, which is 9 months to reach full production).

There is significant upside to the current share price from a range of sources, including gold prices, exploration, and successful project delivery.

Beer & Co initiates research on SUM with a BUY, High Risk, recommendation.

Beer & Co initiates research on SUM with a BUY, High Risk, recommendation

Beer & Co		Sumatra Copper & Gold (SUM.ASX)		DFS Case		February 2015	
Year ended December		2013	2014	2015	2016	2017	2018
Section 1 - P&L							
Sales revenue	\$A m	0	0	3	66	74	56
Interest revenue	\$A m	0	0	0	0	0	0
Other revenue	\$A m	0	0	0	0	0	0
Total Revenue	\$A m	0	0	3	66	74	56
Cash Cost of Goods Sold	\$A m	0	0	(1)	(22)	(27)	(24)
Corporate Costs	\$A m	0	0	(0)	(2)	(3)	(2)
Royalties	\$A m	(14)	0	(0)	(1)	(1)	(1)
Exploration Expense	\$A m	(5)	(2)	(2)	(2)	(2)	(3)
Other Operating Expenses	\$A m	0	0	0	0	0	0
Total Operating Expenses	\$A m	(18)	(2)	(4)	(27)	(33)	(30)
EBITDA	\$A m	(18)	(2)	(0)	38	41	25
Dep'n & Amort'n	\$A m	0	0	(1)	(10)	(22)	(18)
EBIT	\$A m	(18)	(2)	(1)	28	19	8
Interest Expense	\$A m	(1)	0	(3)	(4)	(3)	(0)
Other	\$A m	(1)	0	0	0	0	0
Pre-Tax Profit	\$A m	(21)	(2)	(4)	24	16	8
Tax Expense	\$A m	0	0	0	(6)	(4)	(2)
Outside Equity Interest	\$A m						
NPAT	\$A m	(21)	(2)	(3)	19	12	6
Reported NPAT	\$A m	(21)	(2)	(3)	19	12	6
Section 2 - Key Data							
Ordinary shares - year end	m	414.5	583.7	694.8	694.8	945.4	945.4
Fully diluted shares on issue	m	414.5	583.7	694.8	694.8	945.4	945.4
Weighted # shares	m	385.0	456.8	667.0	694.8	757.5	945.4
Earnings per Share	(\$ c)	(5.5c)	(0.5c)	(0.5c)	2.7 c	1.6 c	0.6 c
Dividends Per Share	0.0 c	0.0 c	0.0 c	0.0 c	0.0 c	0.0 c	0.0 c
Section 3 - Balance Sheet							
Cash	\$A m	5	32	37	40	93	111
Receivables	\$A m	0	0	0	3	4	3
Other	\$A m	2	0	0	2	3	12
CURRENT ASSETS	\$A m	7	32	37	45	100	125
Receivables	\$A m	0	0	0	0	0	0
P, P & E	\$A m	45	53	87	87	71	55
Mining Properties / Exploration	\$A m	0	0	0	1	2	3
Other	\$A m	3	0	0	0	0	0
NON-CURRENT ASSETS	\$A m	48	53	87	88	73	58
TOTAL ASSETS	\$A m	54	85	124	133	174	184
Payables	\$A m	10	0	0	3	4	4
Debt	\$A m	0	0	17	26	7	0
Other	\$A m	3	0	0	0	0	0
CURRENT LIABILITIES	\$A m	13	0	17	29	11	4
Long Term Debt	\$A m	1	46	33	7	0	0
Deferred Tax Liability	\$A m	0	0	0	0	0	0
Other	\$A m	0	0	0	0	0	0
Provisions	\$A m	0	0	0	0	0	0
NON-CURRENT LIABILITIES	\$A m	1	46	33	7	0	0
TOTAL LIABILITIES	\$A m	14	46	50	36	11	4
NET ASSETS	\$A m	40	39	74	97	162	180
Accumulated Profit (Loss)	\$A m	(30)	(32)	(36)	(17)	(5)	1
Reserves	\$A m	2	(5)	27	32	71	83
Contributed Equity	\$A m	69	77	82	82	96	96
Total Equity	\$A m	40	39	74	97	162	180
Section 4 - Cashflow							
Net Cashflow from operations	\$A m	(18)	(2)	(0)	38	41	25
Interest Paid	\$A m	(1)	0	(3)	(4)	(3)	(0)
Taxes Paid	\$A m	0	0	0	(2)	(4)	(1)
Change in Working Capital	\$A m	7	(8)	(0)	(1)	(1)	(8)
Other	\$A m						
OPERATING CASHFLOW	\$A m	(13)	(10)	(3)	31	34	16
Exploration Expenditures	\$A m	0	0	(0)	(1)	(1)	(1)
Expansion Capex	\$A m	0	0	0	(11)	(6)	(1)
Maintenance Capex	\$A m	0	(4)	(34)	0	0	0
PPE Acquisitions (Total Capex)	\$A m	0	(4)	(34)	(12)	(7)	(3)
PPE Divestments	\$A m	0	0	0	0	0	0
INVESTING CASHFLOW	\$A m	0	(4)	(34)	(12)	(7)	(3)
Change in Equity	\$A m	21	8	5	0	14	0
Dividends Paid	\$A m	0	0	0	0	0	0
Change in Debt	\$A m	(4)	45	4	(17)	(26)	(7)
FINANCING CASHFLOW	\$A m	(4)	53	9	(17)	(12)	(7)
Free Cashflow	\$A m	(13)	(14)	(37)	19	26	13
Net Cashflow	\$A m	(17)	39	(28)	2	14	6
Major shareholders							
Provident Minerals Pte Ltd		189.647m	32.5 %				
PT Saratoga Investama Sedaya		146.053m	25.0 %				
Goldstar Mining Asia Resources		44.359m	7.6 %				
YAW Chee Siew		19.592m	3.4 %				
Commodity price assumptions							
Gold	US\$ /oz	2014	2015	2016	2017	2018	2019
Silver	US\$ /oz	19.1	20.0	20.0	20.0	20.0	20.0
AUD/USD		0.903	0.900	0.900	0.900	0.900	0.900
Attributable production							
Gold	'000 oz	0.0	2.1	40.0	45.4	33.2	23.1
Silver	'000 oz	0	19	367	392	354	304
Resources, Resources and Mining Inventory							
Resources, December 2013							
Open Cut	Measured	Gold		Silver		'000 oz	'000 oz
		grade	contained	grade	contained		
Indicated	Sub-Total	g/t		g/t			
		'000 tones	'000 oz	'000 oz	'000 oz		
Under-ground	Measured	g/t		g/t			
		'000 tones	'000 oz	'000 oz	'000 oz		
Indicated	Sub-Total	g/t		g/t			
		'000 tones	'000 oz	'000 oz	'000 oz		
Total Resources		6,497	2.1	447	72	5,668	
Reserves, March 2014							
Total, Open Pit	Proved	Gold		Silver		'000 oz	'000 oz
		grade	contained	grade	contained		
Probable	Sub-Total	g/t		g/t			
		'000 tones	'000 oz	'000 oz	'000 oz		
Under-ground	Proved	g/t		g/t			
		'000 tones	'000 oz	'000 oz	'000 oz		
Probable	Sub-Total	g/t		g/t			
		'000 tones	'000 oz	'000 oz	'000 oz		
TOTAL		2,010	2.8	181	33	2,124	
Mining Inventory							
SUM, 24 April 2014	High grade O/C	Gold		Silver		'000 oz	'000 oz
		grade	contained	grade	contained		
Asmar O/C	Under-ground	g/t		g/t			
		'000 tones	'000 oz	'000 oz	'000 oz		
TOTAL	Sub-Total	g/t		g/t			
		'000 tones	'000 oz	'000 oz	'000 oz		
Beer & Co, extensions		850	2.5	67	31	846	
Asmar O/C		1,500	1.3	63	15	723	
Belinau u/g		260	6.0	50	40	334	
TOTAL		4,135	1.8	241	22	2,965	
Asset based Valuation							
discount rate = 12.0 %							
High grade Open Cut	90 %	31-December-2014		12 Feb. 2015		per share	
		risked :	100%	Product			
Resources + Potential	60 %	\$ 11m	\$ 10m	1.0 c	1.1 c		
Berenal Open Cut	90 %	\$ 0m	\$ 0m	0.0 c	0.0 c		
Resources + Potential	60 %	\$ 6m	\$ 5m	0.6 c	0.7 c		
Belinau under-ground	90 %	\$ 0m	\$ 0m	0.0 c	0.0 c		
Potential	60 %	\$ 36m	\$ 32m	3.5 c	3.7 c		
Tandai	100 %	\$ 0m	\$ 0m	0.0 c	0.0 c		
Hedge Book	100 %	\$ 3m	\$ 3m	0.3 c	0.3 c		
Corporate	100 %	(\$8m)	(\$8m)	(0.9c)	(0.9c)		
Exploration	100 %	(\$9m)	(\$9m)	(1.0c)	(1.0c)		
Net Cash	100 %	(\$3m)	\$ 0m	0.0 c	0.0 c		
Cash to be raised	100 %	(\$14m)	(\$14m)	(1.6c)	(1.6c)		
Options exercised	100 %	\$ 8m	\$ 8m	0.9 c	0.9 c		
TOTAL		\$ 39m	\$ 36m	3.9 c	4.5 c		
Shares on issue		583.7m	FPO shares	228.8m	options		
		111.1m	to be issued	222.8m	exercised		
Estimated Cash Costs, USD/oz							
Mining	356	Life of Mine		2015		2016	
		2015	2016	2017	2018		
Processing	266	479	268	320	659	253	
Site Admin	60	70	44	42	57	84	
By-product revenue	(212)	(178)	(183)	(173)	(214)	(263)	
Sub-Total, C1 cash costs	470	628	335	392	721	468	
Royalties	56	54	54	54	55	57	
Further capital	108	0	244	124	39	55	
TOTAL COSTS	635	682	634	570	814	581	
Financial Ratios							
Year ended December							
Revenue	\$A m	2013	2014	2015	2016	2017	2018
EBITDA	\$A m	0	0	3	66	74	56
EBIT	\$A m	(18)	(2)	(0)	38	41	25
NPAT (reported)	\$A m	(21)	(2)	(3)	19	12	6
Adjusted EPS (cps)	(\$ c)	(5.5c)	(0.5c)	(0.5c)	2.7 c	1.6 c	0.6 c
EPS Growth (%)				(6%)	661 %	(42%)	(63%)
DPS (c)		0.0 c	0.0 c	0.0 c	0.0 c	0.0 c	0.0 c
Dividend Yield (%)		0 %	0 %	0 %	0 %	0 %	0 %
PE adj	(x)	(3.0)	(10.7)	(10.7)	1.9	3.3	8.9
EV / EBITDA	(x)	(3.5)	(19.3)	(136.9)	0.8	(0.9)	(2.4)
EV / EBIT	(x)	(3.5)	(19.3)	(53.4)	1.0	(2.0)	(7.8)
Gearing (%)		2 %	54 %	40 %	25 %	4 %	0 %
Return on Assets		(34%)	(3%)	(1%)	21 %	11 %	4 %
Return on Equity		(52%)	(6%)	(5%)	19 %	8 %	3 %
EBITDA Margin (%)		n/a	n/a	(10%)	58 %	55 %	46 %
Interest Cover	(x)	(17.1)	n/a	(0.3)	7.4	7.4	64.3

Beer & Co		Sumatra Copper & Gold (SUM.ASX)					
		Base Case			February 2015		
Year ended December		2013	2014	2015	2016	2017	2018
Section 1 - P&L							
Sales revenue	SA m	0	0	5	90	90	97
Interest revenue	SA m	0	0	0	0	0	0
Other revenue	SA m	0	0	0	0	0	0
Total Revenue	SA m	0	0	5	90	90	97
Cash Cost of Goods Sold	SA m	0	0	(2)	(25)	(32)	(30)
Corporate Costs	SA m	0	0	(0)	(3)	(3)	(4)
Royalties	SA m	(14)	0	(0)	(1)	(1)	(2)
Exploration Expense	SA m	(5)	(2)	(3)	(3)	(3)	(3)
Other Operating Expenses	SA m	0	0	0	0	0	0
Total Operating Expenses	SA m	(18)	(2)	(5)	(32)	(40)	(39)
EBITDA	SA m	(18)	(2)	(0)	58	51	59
Dep'n & Amort'n	SA m	0	0	(1)	(12)	(27)	(29)
EBIT	SA m	(18)	(2)	(1)	45	24	30
Interest Expense	SA m	(1)	0	(3)	(4)	(3)	(0)
Other	SA m	(1)	0	0	0	0	0
Pre-Tax Profit	SA m	(21)	(2)	(4)	41	22	30
Tax Expense	SA m	0	0	0	(9)	(5)	(7)
Outside Equity Interest	SA m						
NPAT	SA m	(21)	(2)	(4)	32	17	23
Reported NPAT	SA m	(21)	(2)	(4)	32	17	23
Section 2 - Key Data							
Ordinary shares - year end	m	414.5	583.7	694.8	694.8	945.4	945.4
Fully diluted shares on issue	m	414.5	583.7	694.8	694.8	945.4	945.4
Weighted # shares	m	385.0	456.8	667.0	694.8	757.5	945.4
Earnings per Share		(5.5c)	(0.5c)	(0.5c)	4.6 c	2.1 c	2.4 c
Dividends Per Share		0.0 c	0.0 c	0.0 c	0.0 c	0.0 c	0.0 c
Section 3 - Balance Sheet							
Cash	SA m	5	32	37	43	98	134
Receivables	SA m	0	0	0	4	5	5
Other	SA m	2	0	0	2	3	15
CURRENT ASSETS	SA m	7	32	38	49	105	154
Receivables	SA m	0	0	0	0	0	0
P, P & E	SA m	45	53	93	94	84	68
Mining Properties / Exploration	SA m	0	0	0	1	2	4
Other	SA m	3	0	0	0	0	0
NON-CURRENT ASSETS	SA m	48	53	93	95	87	73
TOTAL ASSETS	SA m	54	85	131	144	192	227
Payables	SA m	10	0	0	4	5	5
Debt	SA m	0	0	29	21	10	0
Other	SA m	3	0	0	0	0	0
CURRENT LIABILITIES	SA m	13	0	29	25	15	5
Long Term Debt	SA m	1	46	31	10	0	0
Deferred Tax Liability	SA m	0	0	0	0	0	0
Other	SA m	0	0	0	0	0	0
Provisions	SA m	0	0	0	0	0	0
NON-CURRENT LIABILITIES	SA m	1	46	31	10	0	0
TOTAL LIABILITIES	SA m	14	46	60	35	15	5
NET ASSETS	SA m	40	39	71	109	177	223
Accumulated Profit (Loss)	SA m	(30)	(32)	(36)	(4)	13	36
Reserves	SA m	2	(5)	25	31	68	91
Contributed Equity	SA m	69	77	82	82	96	96
Total Equity	SA m	40	39	71	109	177	223
Section 4 - Cashflow							
Net Cashflow from operations	SA m	(18)	(2)	(0)	58	51	59
Interest Paid	SA m	(1)	0	(3)	(4)	(3)	(0)
Taxes Paid	SA m	0	0	0	(6)	(8)	(9)
Change in Working Capital	SA m	7	(8)	(0)	(2)	(0)	(13)
Other	SA m						
OPERATING CASHFLOW	SA m	(13)	(10)	(4)	45	40	37
Exploration Expenditures	SA m	0	0	(0)	(1)	(1)	(2)
Expansion Capex	SA m	0	0	0	(13)	(17)	(13)
Maintenance Capex	SA m	0	(4)	(40)	0	0	0
PPE Acquisitions (Total Capex)	SA m	0	(4)	(40)	(14)	(18)	(15)
PPE Divestments	SA m	0	0	0	0	0	0
INVESTING CASHFLOW	SA m	0	(4)	(40)	(14)	(18)	(15)
Change in Equity	SA m	21	8	5	0	14	0
Dividends Paid	SA m	0	0	0	0	0	0
Change in Debt	SA m	(4)	45	14	(29)	(21)	(10)
FINANCING CASHFLOW	SA m	(4)	53	19	(29)	(7)	(10)
Free Cashflow	SA m	(13)	(14)	(44)	31	22	22
Net Cashflow	SA m	(17)	39	(25)	2	15	12
Major shareholders							
Provident Minerals Pte Ltd		189.647m	32.5 %				
PT Saratoga Investama Sedaya		146.053m	25.0 %				
Goldstar Mining Asia Resources		44.359m	7.6 %				
YAW Chee Siew		19.592m	3.4 %				
Commodity price assumptions							
Gold	US\$ /oz	1,272	1,400	1,400	1,400	1,400	1,400
Silver	US\$ /oz	19.1	21.5	21.5	21.5	21.5	21.5
AUD/USD		0.903	0.750	0.750	0.750	0.750	0.750
Attributable production							
Gold	'000 oz	0.0	2.1	42.5	42.7	46.6	41.9
Silver	'000 oz	0	19	371	387	384	367
Resources, Resources and Mining Inventory							
Resources, December 2013							
Open Cut	Measured	Gold		Silver		g/t	contained
		'000 tonnes	g/t	'000 oz	g/t		
		109	4.0	14	51		177
	Indicated	3,793	1.8	223	28		3,459
	Sub-Total	6,159	1.8	350	25		4,884
Under-ground	Measured	Gold		Silver		g/t	contained
		'000 tonnes	g/t	'000 oz	g/t		
		132	9.7	41	70		298
	Indicated	139	9.0	40	77		346
	Sub-Total	338	8.9	97	72		785
Total Resources		6,497	2.1	447	27		5,668
Reserves, March 2014							
Total, Open Pit	Proved	Gold		Silver		g/t	contained
		'000 tonnes	g/t	'000 oz	g/t		
		4	7.8	1	103		12
	Probable	1,589	2.1	106	30		1,534
	Sub-Total	1,592	2.1	107	30		1,546
Under-ground	Proved	Gold		Silver		g/t	contained
		'000 tonnes	g/t	'000 oz	g/t		
		204	6.0	39	42		272
	Probable	214	5.1	35	44		306
	Sub-Total	418	5.5	74	43		578
TOTAL	Proved	208	6.0	40	42		284
	Probable	1,803	2.4	141	32		1,839
	TOTAL	2,010	2.8	181	33		2,124
Mining Inventory							
SUM, 24 April 2014	High grade O/C	Gold		Silver		g/t	contained
		'000 tonnes	g/t	'000 oz	g/t		
		866	2.4	68	33		932
	Asmar O/C	827	1.6	43	25		671
	Under-ground	388	6.1	76	48		603
	TOTAL	2,081	2.8	187	33		2,206
Beer & Co, extensions	High grade O/C	Gold		Silver		g/t	contained
		'000 tonnes	g/t	'000 oz	g/t		
		850	2.5	67	31		846
	Asmar O/C	1,500	1.3	63	15		723
	Belinau u/g	260	6.0	50	40		334
	TOTAL	4,135	1.8	241	22		2,965
Asset based Valuation							
discount rate = 12.0 %		31-December-2014			12 Feb. 2015		
	risked :	100%	Product	per share			
High grade Open Cut	90 %	\$ 15m	\$ 13m	1.5 c	1.5 c		
Resources + Potential	60 %	\$ 35m	\$ 24m	2.6 c	2.7 c		
Berenal Open Cut	90 %	\$ 9m	\$ 8m	0.9 c	1.1 c		
Resources + Potential	60 %	\$ 21m	\$ 14m	1.5 c	1.6 c		
Belinau under-ground	90 %	\$ 39m	\$ 35m	3.9 c	4.1 c		
Potential	60 %	\$ 34m	\$ 21m	2.3 c	2.3 c		
Tandai	100 %	\$ 3m	\$ 3m	0.3 c	0.3 c		
Hedge Book	100 %	(\$14m)	(\$14m)	(1.5c)	(1.6c)		
Corporate	100 %	(\$19m)	(\$19m)	(2.1c)	(2.1c)		
Exploration	100 %	(\$6m)	\$ 0m	0.0 c	0.0 c		
Net Cash	100 %	(\$14m)	(\$14m)	(1.6c)	(1.7c)		
Cash to be raised	100 %	\$ 8m	\$ 8m	0.9 c	0.9 c		
Options exercised	100 %	\$ 10m	\$ 10m	1.1 c	1.1 c		
TOTAL		\$ 122m	\$ 89m	9.7 c	10.3 c		
Shares on issue		583.7m	FPO shares	228.8m	options		
		111.1m	to be issued	222.8m	exercised		
Estimated Cash Costs, USD/oz							
	Life of Mine	2015	2016	2017	2018	2019	
Mining	533	469	250	339	559	265	
Processing	227	255	176	214	157	210	
Site Admin	52	67	41	43	40	45	
By-product revenue	(213)	(192)	(188)	(195)	(178)	(189)	
Sub-Total, C1 cash costs	599	599	279	401	579	331	
Royalties	60	58	58	58	58	58	
Further capital	196	0	230	295	211	31	
TOTAL COSTS	855	657	567	754	847	420	
Financial Ratios							
Year ended December	2013	2014	2015	2016	2017	2018	
Revenue	SA m	0	0	5	90	90	97
EBITDA	SA m	(18)	(2)	(0)	58	51	59
EBIT	SA m	(18)	(2)	(1)	45	24	30
NPAT (reported)	SA m	(21)	(2)	(4)	32	17	23
Adjusted EPS (cps)		(5.5c)	(0.5c)	(0.5c)	4.6 c	2.1 c	2.4 c
EPS Growth (%)			92 %	(19%)	95%	(55%)	17 %
DPS (c)		0.0 c	0.0 c	0.0 c	0.0 c	0.0 c	0.0 c
Dividend Yield (%)		0 %	0 %	0 %	0 %	0 %	0 %
PE adj	(x)	(3.0)	(10.7)	(9.6)	1.1	2.5	2.2
EV / EBITDA	(x)	(3.5)	(19.3)	(641.5)	0.4	(0.8)	(1.4)
EV / EBIT	(x)	(3.5)	(19.3)	(76.9)	0.6	(1.6)	(2.8)
Gearing (%)		2 %	54 %	46 %	22 %	5 %	0 %
Return on Assets		(34%)	(3%)	(1%)	32 %	13 %	13 %
Return on Equity		(52%)	(6%)	(5%)	30 %	9 %	10 %
EBITDA Margin (%)		n/a	n/a	(2%)	64 %	56 %	60 %
Interest Cover	(x)	(17.1)	n/a	(0.2)	10.6	9.5	120.2

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