

31 March 2011

## Sumatra Copper & Gold

Year End	Revenue (£m)	PBT* (£m)	EPS* (p)	DPS (p)	P/E (x)	Yield (%)
12/08	0.0	(2.2)	(4.6)	0.0	N/A	N/A
12/09	0.0	(2.0)	(1.6)	0.0	N/A	N/A
12/10e	0.0	(1.2)	(0.7)	0.0	N/A	N/A
12/11e	0.0	(1.5)	(0.9)	0.0	N/A	N/A

Note: \*PBT and EPS are normalised, excluding goodwill amortisation and exceptional items.

### Investment summary: The golden island

Sumatra Copper & Gold (SUM) has two main brownfield projects, Tembang (100%) and Tandai (30%) held in JV with Newcrest (70% farm-in for US\$12m spent over five years), and one main exploration project, Sontang (100%). SUM has recently stated its intentions to proceed with developing the Tembang project into production by 2013. Based on the current potential production scenario of a 10 year life of mine at annual production of 74koz gold equivalent (AuE), we have derived a dividend discount valuation of £0.58 (A\$0.93) per share, putting the current market price at a 71% discount. Proposed annual production and LOM is supported by the Tembang gold resource of 1.24Moz AuE. Further catalysts to support this valuation will be the release of a definitive feasibility study at Tembang (due H211), as well as initial resource statements for Tandai and SUM's 100% owned greenfield discovery in the north of Sumatra, Sontang.

### Tembang resource – improved and upgraded

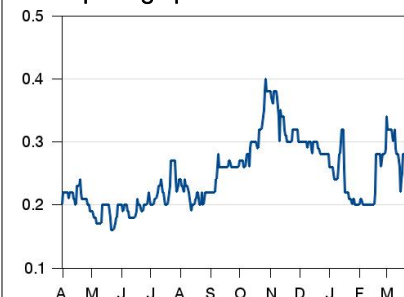
Total JORC-compliant resources at Tembang are 1.24Moz AuE. Measured and indicated ounces (76% of total resource) are 0.95Moz AuE with a further 0.3Moz in the inferred category (vein and halo). While lower than the previous estimate of 2.04Moz AuE, the resource has a higher grade of 1.32g.t Au and 17.3g/t Ag (vs 0.95g/t Au and 11.5g/t Ag previously). The advantages of this revision will come through improved gold recoveries, lower tonnages requiring extraction and lower total mining costs.

### Valuation: Share price at 71% discount

Our valuation is based on Sumatra's initial mining scenario for Tembang. On this basis we forecast annual production of 74koz AuE over a 10 year life-of-mine starting in 2013. Our dividend discount model is therefore potentially worth £0.58 (A\$0.93) per share to investors, in current money terms (at a 10% discount to reflect general equity risk). Alternatively, valuing SUM's entire Tembang resource on an in-situ basis, using derived average values for measured, indicated and inferred ounces (as per our sector report *Gold: Valuation benchmarks are obsolete*, published January 2010), results in a valuation of £1.12 (A\$1.78) per share.

Price 27c  
Market Cap A\$43m

#### Share price graph



#### Share details

Code SUM  
Listings ASX  
Sector Metals & Mining  
Shares in issue 159.9m

#### Price

52 week High Low  
A\$0.40 A\$0.19

#### Balance Sheet as at 31 December 2010

Debt/Equity (%) N/A  
NAV per share (p) 10.0  
Net cash (£m) 4.2

#### Business

Sumatra Copper & Gold is an emerging producer and explorer located on the island of Sumatra in Indonesia. It owns seven mining business permits (IUPs) covering 3,219 km<sup>2</sup>.

#### Valuation

	2009	2010e	2011e
P/E relative	N/A	N/A	N/A
P/CF	N/A	N/A	N/A
EV/Sales	N/A	N/A	N/A
ROE	N/A	N/A	N/A

#### Revenues by geography

UK	Europe	US	Other
0%	0%	0%	100%

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## Investment summary: The golden island

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On completion of a positive definitive feasibility study at Tembang (due H211), Sumatra will have set the foundations to move through the detailed design and tender phases and towards construction and final commissioning of the project during 2013. Though much work is yet to be completed, the current resource and technical studies already in place indicate that Tembang, under Sumatra's management, has the potential to recommence production after a hiatus of more than 10 years.

### Initial production scenario: ~74koz AuE pa over 10 years at Tembang

We have valued Sumatra on the basis that it retains its 100% interest in Tembang, and successfully develops the project to production. Sumatra has stated that Tembang could potentially produce 74koz per annum over a 10 year life of mine with initial production during 2013. We have used unit cost data contained within a 2007 Snowden Scoping Study as well as from Sumatra's own technical staff to create an initial production model for Tembang. We have not valued Tandai or Sontang due to the lack of a JORC compliant resource at either project. Due to the preliminary nature of our model and the lack of current cost input data, Sumatra will have to complete positive feasibility studies at Tembang (DFS due H211) to support our valuation. We see further potential upside from the announcement of initial JORC resources at Tandai and also at Sontang as and when these are released.

### Sensitivities: Execution of Tembang key

As with all exploration and development stage mining companies there is geological risk, financial risk as well as commodity market risk. In addition Sumatra, having now confirmed its intentions to develop Tembang, is exposed to the risks associated with developing its resources into a profitable gold mine (eg metallurgical, construction and execution risks). Though this intention has only recently been expressed to market, the company has already completed a number of positive internal technical studies that indicate the potential for profitable open pit/underground operations at Tembang. These require further revision to produce a definitive feasibility study, which is due H211.

### Sumatra: Relatively untapped

With a number of exploration licences within its portfolio and one greenfield discovery at Sontang, the intention will be to delineate and develop further mineral resources. Furthermore, Newcrest's involvement at Tandai can be viewed as an endorsement of the potential for significant gold mineralisation in Indonesia. Sumatra already has producing gold mines, the most notable being Kingsrose's Way Linggo mine in the south of Sumatra, G-Resources Martabe project (under construction) in the North as well as East Asia Minerals' advanced exploration at its Barisan project also in northern Sumatra.

### Financials

Sumatra's quarterly cash flow report shows cash of £4.2m at 31 December 2010, enough for 11 months at the current cash burn rate. However, as the company pursues development of Tembang we forecast that it will require an initial funding requirement of £27m in 2012. This equates to a gearing (net debt/equity) ratio of 257% or a leverage (debt/debt + equity) of 89%.

## Company description: Sumatran gold

Sumatra Copper & Gold plc (SUM) was established in 2006 as an exploration and development company exploring for gold-silver and copper-gold mineral deposits in Sumatra. Sumatra Copper & Gold listed on the Australian Stock Exchange in late 2009 after successfully raising A\$12m. The company has a 100% economic interest in seven IUPs (which stands for Izin Usaha Pertambangan – an exploration licence convertible to a production licence subject to positive feasibility studies) covering 3,171km<sup>2</sup>.

### Introduction – exploration in Sumatra

The company's main projects are located within the central part of Sumatra, which has historically produced approximately 3Moz gold and 25Moz silver. The island of Sumatra has a long history of gold mining, with most production undertaken by Dutch companies since the early 1900s.

Currently, foreign mining investment in Indonesia comes from Newcrest, which is joint venture partner at Sumatra's Tandai project and operates the Gosowong gold mine on Halmahara Island, Newmont at its Batu Hijau copper-gold mine in West Sumbawa and Freeport McMoRan's Grasberg mine in Papua.

### Project locations

Sumatra Copper & Gold has four major lease blocks on the island of Sumatra. These comprise three gold-silver project areas in Central Sumatra, two of which have been previously mined at Tembang and Tandai with a polymetallic green fields discovery at Sontang in North Sumatra.

Lebong is a separate prospective area that is currently subject to a legal dispute over access rights.

#### Exhibit 1: Map of Sumatra's project areas



Source: Sumatra Copper & Gold

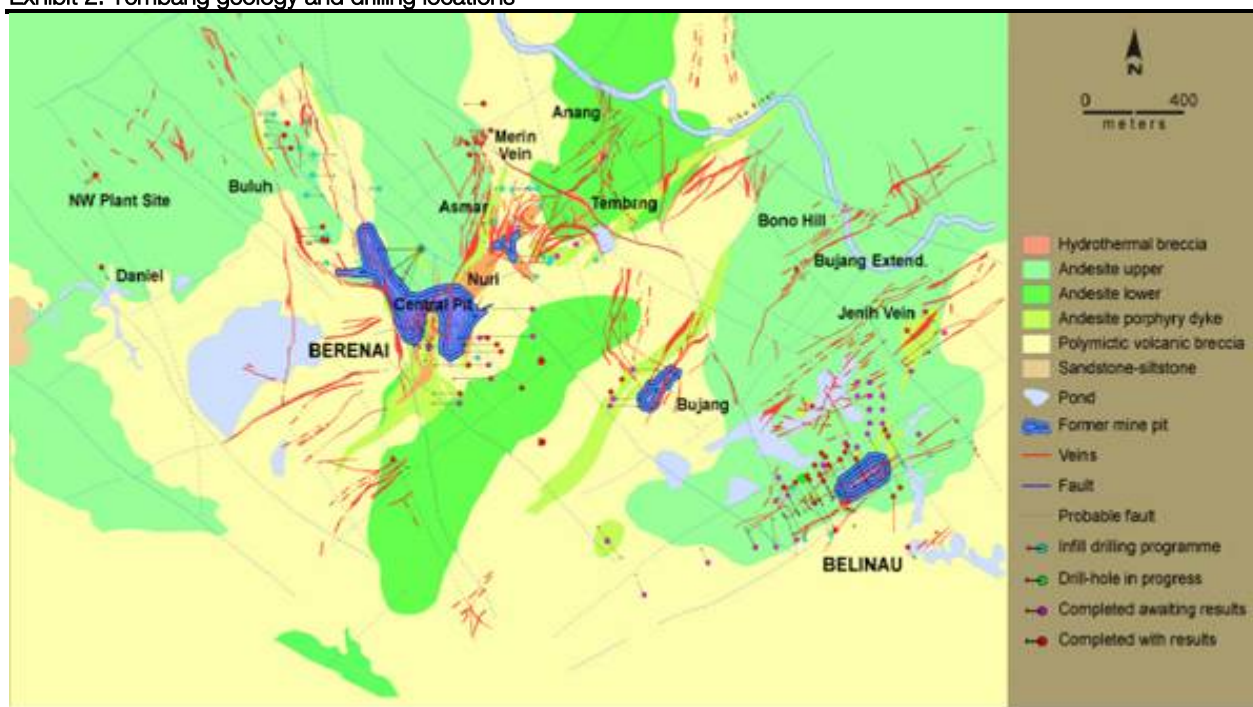
## Tembang – historically economic at >US\$280/oz

Tembang hosts the abandoned Rawas mine, with exploration history dating back to the 1980s when CRA controlled the property. Tembang is located approximately 150km north-northeast of Bengkulu in the Musi Rawas region of South Sumatra. Modern mining at Tembang started in 1997 by Laverton Mining with 155,204oz Au being produced before the gold price declined to c US\$280/oz, forcing mining activities to be suspended.

## Numerous deposits being drilled

Tembang is a large intermediate-sulphidation epithermal deposit comprising gold-silver bearing quartz veins hosted by Tertiary volcanics. Two vein styles are present: a relatively wide and continuous vein set surrounded by irregular narrower veins that occur in both the footwall and hanging-wall, providing a 'halo' of mineralisation peripheral to the main veins. The veins vary from less than 1m to 20m in width and are traceable along strike over distances of up to 1,000m. The vein sets are oriented in several directions, but dominant in a north-west and north-east direction. Deposit/vein names at Tembang include the Berenai vein, Nuri-Sangkut, Buluh vein, Belinau, Bujang, Tembang and Aidit vein as shown in the following exhibit.

**Exhibit 2: Tembang geology and drilling locations**



Source: Sumatra Copper & Gold.

## Still room at Berenai for more

Recent drilling at Berenai was undertaken as part of the option agreement (see page 5) with Newcrest. Wide spaced step-out drilling was performed to try and evaluate the potential and order of magnitude of an operation that might be feasible at Tembang. While these initial drill holes (intersecting the Berenai vein at ~300m below the previous deepest intercept at 50m beneath the surface) did not return significant mineralised intercepts, new drill results have indicated that shoots at the north and south of the deposit remain open. Sumatra's best intercept to date of 17.3m at 9.73g/t Au and 11.0g/t Ag was obtained from Berenai South and extends this shoot 50m below the 2009 Snowden resource envelop and remains open at depth.

## Belinau – economic underground operation possible

Sumatra employed mine consultants Mine Plus to complete a preliminary scoping study based on positive drill results obtained during 2010 and 2011. A resource estimate utilising these drill data identified a resource of 0.49Mt at 8.24g/t Au and 71.8g/t Ag for c 129,800ozs and 1,131,000ozs Ag. This initial scoping study has returned a positive verdict for an economically viable underground operation at Belinau. Further information regarding this study is as yet not available.

## Waste dumps – ready for processing

Situated near to the Belinau pit are the historic Laverton waste dumps. Initial drilling into these dumps has shown the presence of potentially economic amounts of low-grade gold-silver mineralisation, especially at current market prices. While no great significance or value should be placed on these dumps, they will incur no additional mining cost other than transportation to a processing facility. Current assay data indicates broad low-grade gold and silver mineralisation in the range of 0.16-0.52g/t and 2.7-10.2g/t respectively.

## JORC resources

Sumatra's current JORC compliant resources relate to its Tembang project only. Tandai and Sontang are yet to have JORC resource estimates performed. The recent revision to the Tembang resource estimate focused on re-modelling the vein systems so as to maximise the gold grade and therefore minimise waste tonnages. As it stands, this revised resource has achieved these goals with the vein component (main gold bearing structure) now constituting 79% of the resource.

### Exhibit 3: Tembang resources

Note: AuE = Au:Ag ratio of 1:55 with 100% recoveries assumed. Gold price at US\$1,350/oz. Silver at US\$25/oz.

Type	Category	Mt	Au g/t	Ag g/t	AuE/g/t	Au oz	Ag oz	AuE oz
VEIN	Measured	3.42	2.25	36.5	2.92	247,700	4,017,700	320,700
	Indicated	4.38	2.39	29.2	2.92	335,900	4,114,300	410,700
	Inferred	3.55	1.81	19.9	2.18	207,200	2,266,900	248,400
	<b>Sub-Total</b>	<b>11.36</b>	<b>2.17</b>	<b>28.5</b>	<b>2.68</b>	<b>790,800</b>	<b>10,398,900</b>	<b>979,800</b>
HALO	Measured	-	-	-	-	-	-	-
	Indicated	10.27	0.54	7.2	0.67	178,500	2,389,200	221,900
	Inferred	1.91	0.51	5.4	0.61	31,200	333,300	37,300
	<b>Sub-Total</b>	<b>12.18</b>	<b>0.54</b>	<b>7</b>	<b>0.66</b>	<b>209,700</b>	<b>2,722,400</b>	<b>259,200</b>
<b>TOTAL</b>	<b>23.54</b>	<b>1.32</b>	<b>17.3</b>	<b>1.64</b>	<b>1,000,500</b>	<b>13,121,300</b>	<b>1,239,000</b>	

Source: Sumatra Copper & Gold.

Assuming a typical conversion rate of 70% is applied to upgrade the Tembang resource into probable or proven reserves results in a potential minable fraction of 867,300 gold equivalent ounces. This is in line with the company's intention to mine c 80koz gold equivalent ounces at Tembang over 10 years.

## Tandai JV & Tembang option with Newcrest Mining

Sumatra and Newcrest Mining Limited have now formally completed the joint venture agreement first announced in August 2010. The transaction has been fully approved by all necessary authorities in Indonesia allowing for exploration activities, that are already underway, to be expedited. The terms of the agreement are given below:

- An equity investment has been made by Newcrest for 7.1% interest in SUM for A\$2.5m comprising 10m shares at A\$0.25 per share (as per definitive agreement announced August). Further, this has 10m attached options wherein Newcrest can acquire one SUM share for A\$0.38 over the 18 month period to February 2012. If exercised, Newcrest's interest in SUM will increase to 13.2%.
- The right to earn a 70% interest in Tandai project by spending US\$12m over the period of five years, with a minimum commitment of US\$1.75m over the first 18 months.

Further, Newcrest has waived its right to take up the 25% option agreement announced August 2010 on the basis that Tembang did not fulfil its investment requirements. This now allows Sumatra to take full ownership and develop the 1.24Moz Au resource.

### **Tandai – untapped potential**

The Tandai project is located approximately 100km north of Bengkulu and has a long production history including the Dutch at the turn of the nineteenth century. Mining was abandoned during World War Two when the Japanese invaded Sumatra. Most recently Tandai was mined as a joint venture between PT Lusang Mining and CSR, and then Billiton, between 1985 and 1995. Total recorded production from the large Lebong Tandai system was 1.4Moz Au and 15Moz of Ag at grades of 15.4g/t Au and 167g/t Ag respectively. Despite the long production history, geological consultants CSA Global independently estimated the presence of a multi-million ounce exploration target potential based on available data.

### **Tandai – unexplored potential**

Tandai is the least explored and least geologically complex project in Sumatra's portfolio. Analysis of pre and post-World War Two mining identified that only a modest portion of the system was exploited and, further, that residual mineralisation was left in-situ; probably as a result of only visual grade estimation techniques being used during the mining process. Two other historically known vein systems, the Toko Rotan and Glumbuk veins, have been confirmed to exist by the company's geologists and will be subject to further investigation and drilling. The Tandai project is at an early stage of exploration and JORC compliant resource statements are still to be completed.

### **Tandai geology – complexity increases chances of discovery**

Tandai is interpreted to be an intermediate sulphidation epithermal deposit with gold-silver mineralisation hosted by a series of veins and breccias, distributed over a vertical extent exceeding 500m. Three major east-west trending mineralised lineaments have been identified within the Tandai area, with a total vein strike length of more than 5km. These structures include the aforementioned Toko Rotan (North) and Glumbuk (South) structures along with the historically mined Lebong-Tandai vein system which represents a small portion of around 15% of the strike length of known veining.

### **Sontang – in house greenfield discovery**

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The Sontang project is located approximately 160km north of Padang in the province of West Sumatra. Sontang is the company's first greenfield discovery and is held within an exploration IUP to 2015 (extendable upon application to Indonesian authorities). Deposits at Sontang are interpreted to be of manto style polymetallic mineralisation having hydrothermal alteration extending 1.5km along strike.

### **Initial Sontang drill results**

Drilling performed at East Sontang has indicated significant gold rich polymetallic mineralisation as given below:

- The first drill hole at East Sontang assayed mineralization of 2.75m at 3.59g/t Au, 99.7g/t Ag, 0.14% Cu, 0.35% Pb and 9.39% Zn;
- The second drill hole has intersected 2.65m at 3.33g/t Au, 67.3g/t Ag, 0.09% Cu, 0.24% Pb and 7.30% Zn;

- Third drill (30m along strike) has intersected 5.3m at 3.54g/t Au, 124.1g/t Ag, 0.14% Cu, 0.38% Pb and 12.00% Zn;
- Fourth drill has intersected 0.5m at 1.04g/t Au, 26.5g/t Ag, 0.04% Cu, 0.11% Pb, 2.80% Zn; and
- The fifth drill has intersected 1m at 1.72g/t Au, 27.2g/t Ag, 0.07% Cu, 0.18% Pb and 11.40% Zn.

Further, Sumatra's best intercept to date was achieved at East Sontang assaying 11.9m at 6.5g/t Au, 33g/t Ag and 8.0% Zn.

While the above results are only indicative of early-stage exploration, they indicate the presence of economic mineralisation being present at Sontang and have allowed Sumatra to better focus its efforts in targeting subsequent drill programmes. The next stage is to replicate similar assays to such a density that an initial JORC compliant resource can be estimated.

## Central and East Sontang

Central Sontang has both manto-type massive sulphide mineralisation as well as jasperoidal silica. Sampling from Central Sontang returned mineralisation of 10m at 0.14g/t Au, 765g/t Ag, 8.3% Pb and 1.78% Zn in the polymetallic mineralisation and 4m of 2.63g/t Au and 6.75g/t Ag from jasperoid type rocks.

## West Sontang

West Sontang has a strong coherent copper-arsenic anomaly on the margin of a high magnetic feature. Rock chip sampling has yielded results of up to 1.02g/t Au, 1,230g/t Ag, 10.3% Pb and 0.08% Zn from a quartz veined sub crop within the area of the soil anomalies.

## North Sontang

North Sontang gossanous float and outcrop of polymetallic mantos have returned grades up to 14g/t Au. Channel sampling of nearby outcrops have returned 7m at 1.98g/t Au, 9g/t Ag, 0.11% Cu, and >1 % As and 0.98g/t Au, 2.4g/t Ag, 0.18% Cu and 0.4% As. Follow up grid soil sampling has revealed a large coherent gold-copper-soil anomaly hosted by limestone directly above these outcrops.

## Site visit

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We visited the Tembang and Sontang projects during the period from 24 to 28 January 2011. The initial impression of Sumatra Copper & Gold is that the work currently being undertaken in-house to progress the Tembang project towards production is further along than the market may have been previously aware of. Sumatra already has a body of technical work, including a Snowden scoping study, and has advanced its own investigations in to suitable power supplies. Obviously the market has now been made aware of Sumatra's intentions to develop Tembang, but may not understand the amount of technical work that has already been completed.

## Assumptions, 'base case' valuation and sensitivities

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Sumatra intends to produce ~74koz AuE over 10 years at Tembang at cash costs of c A\$500/oz, with initial production in H113. On this basis we assume total capital expenditure of A\$39.7m (£24.7m) with an initial sum of A\$27m (£16.8m) in 2012 to construct the processing plant and prepare the existing open-pits for further mining. For the purposes of our model we assume that



Sumatra funds this entirely with debt. At this stage no indication of actual mine production scheduling is available, however we understand from management that mining will occur initially at Berenai and Belinau with extraction primarily from vein hosted gold with lesser amounts of lower grade halo material. We utilise input parameters from the company's in-house technical studies and where appropriate cost parameters used by Snowden in its 2007 scoping study, as detailed in Exhibit 4.

#### Exhibit 4: Tembang assumptions used in Edison 'base case' valuation

Assumptions	Unit	Value
Gold production start date	Yr	2013
Annual ore tonnes mined	Mtpa	1.0
Annual waste tonnes mined	Mtpa	6.9
Total annual tonnage mined (after ramp up)	Mtpa	7.9
Strip ratio	ratio	6.93 to 1
Gold grade (vein only)	g/t Au	2.1
Silver grade (vein only)	g/t Ag	34.6
Gold recovery	%	90.0
Silver recovery	%	75.0
Gold equivalent annual production	koz	74.0
Total capex	A\$m	75.0
Annual sustaining capex	A\$m	2.7
Gold royalty (paid on gold revenue)	%	3.8
Silver royalty (paid on silver revenue)	%	3.3
Tax	%	28.0

Source: Edison Investment Research, Sumatra Copper & Gold

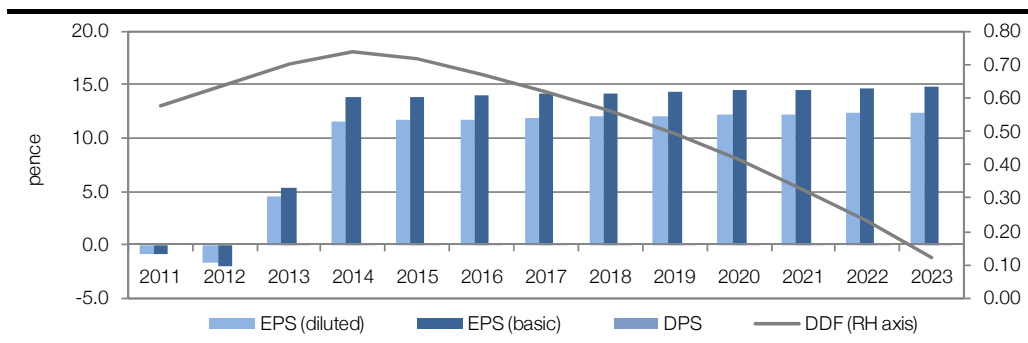
As no resource statement is yet available for either Tandai or Sontang we have not included these in our detailed valuation.

## Valuation

Assuming Sumatra pays out all its spare cash in the form of dividends from the time the Tembang project enters production in 2013 and is fully ramped up by 2014 we estimate that the dividend stream to investors from 2013 to 2023 will be worth or £0.58 (A\$0.93) per share in current money terms (at discount rate of 10% to reflect general equity risk). Further, we estimate that the company could be potentially capable of generating £22.8m to £24.5m of free cash flow per annum over the course of the mine's 10-year life of operations.

#### Exhibit 5: Edison estimate of 'base case' EPS, fully diluted EPS and theoretical DPS FY13-FY23

Note: DDF = Discounted dividend flow.



Source: Edison Investment Research



The total value of the potential dividend stream from 2013 to 2023 is £0.58 or A\$0.93 (as shown by the line in Exhibit 5), which could theoretically be distributed to shareholders via the distribution of a flat dividend of 14p (A23c) per share from 2014 to 2023. Insofar as exploration activity is able to extend the life of the Tembang project indefinitely, and the company pays out its flat dividend of 14p per share from years 2014 onwards applying a (relatively conservative) 5% yield to the distribution implies a share price potentially as high as 280p (451Ac) per share, putting the shares on a theoretical P/E multiple of c 20x FY14 earnings.

## Resource valuation

Alternatively one can value Sumatra's entire Tembang resource on an in-situ basis. Applying industry derived average values for measured, indicated and inferred ounces (as per our sector report *Gold: Valuation benchmarks are obsolete*, published January 2010), of US\$339.9/oz, US\$158.55/oz and US\$33.65/oz respectively, results in a valuation of £1.12 (A\$1.78) per share.

## Sensitivities and risks

Exploration and development stage mining companies experience a multitude of risks relating to the successful execution and commissioning of a new operating mine. Those specific to Sumatra are detailed below.

Empirically, our model has sensitivities to various input parameters, such as the gold price, the discount rate and unit cost, as shown below.

### Exhibit 6: Sensitivity to gold price (US\$/oz)

US\$/oz	1,150	1,250	<b>1,350</b>	1,450	1,550	1,650
NPV (£)	0.42	0.50	<b>0.58</b>	0.66	0.74	0.82

Source: Edison Investment Research

### Exhibit 7: Sensitivity to discount rate

%	5	7.5	<b>10</b>	15	22	30
NPV (£)	0.84	0.69	<b>0.58</b>	0.41	0.27	0.18

Source: Edison Investment Research

### Exhibit 8: Sensitivity to unit cost

US\$/oz	421	474	<b>526</b>	579	632	684
% change	-20	-10	<b>0</b>	10	20	30
NPV (£)	0.70	0.64	<b>0.58</b>	0.52	0.46	0.40

Source: Edison Investment Research

## Revised mining law

The Indonesian government has replaced the old Contract of Work (COW) in 2009 with the new IUP system of administering exploration and mining rights. Significantly, the new IUP system allows for foreign investors to hold IUPs via up to 100% foreign-owned Indonesian companies. This is a stark contrast to the old system of KP licences, which were only granted to Indonesian owned companies, with foreign investment only possible by indirect contractual arrangements. This revision to the mining law clearly de-risks repatriation of profits abroad by foreign mining companies.

## Illegal mining

While illegal mining is present at Tembang, it consists of only local people looking for gold on a very small scale using hand-held tools. This type of artisanal mining should not be considered problematic. Once the project is properly developed and security is upgraded the little impact

artisanal mining has will likely disappear. The site at present is open and it would not take much once Sumatra steps up development activities, to secure the site with upgraded security and fencing.

## Financials

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Sumatra's quarterly cash flow report shows cash of £4.2m at 31 December 2010, enough for 11 months at the current cash burn rate. However, as the company pursues development of Tembang we forecast that it will require an initial funding requirement of £27m in 2012. This equates to a gearing (net debt/equity) ratio of 257% or a leverage (debt/debt + equity) of 89%. However, it should be noted, accounting for 100% debt funding for Tembang in our model, we forecast Sumatra turning free cash-flow positive (potentially £35.4m) in 2014 as gold equivalent production achieves a steady state rate of c 74koz per annum.

**Exhibit 9: Financials**

Year end 31 December	£'000s	2008	2009	2010e	2011e	2012e
		UK GAAP	IFRS	IFRS	IFRS	IFRS
<b>PROFIT &amp; LOSS</b>						
<b>Revenue</b>		0	0	0	0	0
Cost of Sales		0	0	0	0	0
Gross Profit		0	0	0	0	0
<b>EBITDA</b>		(2,254)	(1,885)	(1,319)	(1,639)	(1,639)
<b>Operating Profit (before amort. and except.)</b>		(2,276)	(1,925)	(1,320)	(1,645)	(3,322)
Intangible Amortisation		0	0	0	0	0
Exceptionals		0	127	0	0	0
Other		68.9	748	368	0	0
<b>Operating Profit</b>		(1,588)	(1,049)	(952)	(1,645)	(3,322)
Net Interest		95	(62)	81	127	(16)
<b>Profit Before Tax (norm)</b>		(2,181)	(1,987)	(1,239)	(1,518)	(3,338)
<b>Profit Before Tax (FRS 3)</b>		(1,492)	(1,112)	(871)	(1,518)	(3,338)
Tax		0	0	0	0	0
<b>Profit After Tax (norm)</b>		(1,492)	(1,239)	(871)	(1,518)	(3,338)
<b>Profit After Tax (FRS 3)</b>		(1,492)	(1,112)	(871)	(1,518)	(3,338)
Average Number of Shares Outstanding (m)		32.6	76.8	132.2	159.9	159.9
EPS - normalised (p)		(4.6)	(1.6)	(0.7)	(0.9)	(2.1)
EPS - normalised and fully diluted (p)		(4.6)	(1.6)	(0.5)	(0.8)	(1.8)
EPS - (IFRS) (p)		(4.6)	(1.4)	(0.7)	(0.9)	(2.1)
Dividend per share (p)		0.0	0.0	0.0	0.0	0.0
Gross Margin (%)		N/A	N/A	N/A	N/A	N/A
EBITDA Margin (%)		N/A	N/A	N/A	N/A	N/A
Operating Margin (before GW and except.) (%)		N/A	N/A	N/A	N/A	N/A
<b>BALANCE SHEET</b>						
<b>Fixed Assets</b>		<b>5,848</b>	<b>7,905</b>	<b>11,881</b>	<b>14,943</b>	<b>38,406</b>
Intangible Assets		5,652	7,811	11,757	14,757	14,757
Tangible Assets		112	94	124	186	23,649
Investments		84	0	0	0	0
<b>Current Assets</b>		<b>787</b>	<b>3,721</b>	<b>4,614</b>	<b>366</b>	<b>23,322</b>
Stocks		0	0	0	0	0
Debtors		21	129	0	0	0
Cash		575	3,399	4,248	0	22,955
Other		191	193	366	366	366
<b>Current Liabilities</b>		<b>(1,655)</b>	<b>(465)</b>	<b>(997)</b>	<b>(1,330)</b>	<b>(51,085)</b>
Creditors		(959)	(465)	(997)	(795)	(795)
Short term borrowings		(696)	0	0	(534)	(50,290)
<b>Long Term Liabilities</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Long term borrowings		0	0	0	0	0
Other long term liabilities		0	0	0	0	0
<b>Net Assets</b>		<b>4,981</b>	<b>11,161</b>	<b>15,498</b>	<b>13,980</b>	<b>10,642</b>
<b>CASH FLOW</b>						
<b>Operating Cash Flow</b>		<b>(1,118)</b>	<b>(1,195)</b>	<b>(1,017)</b>	<b>(1,842)</b>	<b>(1,639)</b>
Net Interest		95	(62)	82	127	(16)
Tax		0	0	0	0	0
Capex		(3,346)	(2,190)	(3,107)	(3,068)	(25,145)
Acquisitions/disposals		0	360	0	0	0
Financing		765	6,607	4,891	0	0
Dividends		0	0	0	0	0
Net Cash Flow		(3,604)	3,519	848	(4,782)	(26,800)
<b>Opening net debt/(cash)</b>		<b>(3,484)</b>	<b>120</b>	<b>(3,399)</b>	<b>(4,248)</b>	<b>534</b>
HP finance leases initiated		0	0	0	0	0
Other		0	0	0	0	0
<b>Closing net debt/(cash)</b>		<b>120</b>	<b>(3,399)</b>	<b>(4,248)</b>	<b>534</b>	<b>27,335</b>

Source: Sumatra Copper &amp; Gold accounts/Edison Investment Research

Growth	Profitability	Balance sheet strength	Sensitivities evaluation	
N/A	N/A		Litigation/regulatory	●
			Pensions	○
			Currency	●
			Stock overhang	○
			Interest rates	●
			Oil/commodity prices	●

Growth metrics	%	Profitability metrics	%	Balance sheet metrics	Company details	
EPS CAGR 07-11e	N/A	ROCE 10e	N/A	Gearing 10e	N/A	Address:
EPS CAGR 09-11e	N/A	Avg ROCE 07-11e	N/A	Interest cover 10e	N/A	Level 2, 66 Hunter Street, Sydney NSW 2000 Australia
EBITDA CAGR 07-11e	N/A	ROE 10e	N/A	CA/CL 10e	N/A	Phone
EBITDA CAGR 09-11e	N/A	Gross margin 10e	N/A	Stock turn 10e	N/A	61 2 9300 3377
Sales CAGR 07-11e	N/A	Operating margin 10e	N/A	Debtor days 10e	N/A	Fax
Sales CAGR 09-11e	N/A	Gr mgn / Op mgn 10e	N/A	Creditor days 10e	N/A	61 2 9221 6333
						www.sumatracoppergold.com

Principal shareholders/Nominees	%	Management team
HSBC Custody Nominees	8.66	<p><b>Non-executive Chairman: Warwick George Morris</b></p> <p>Warwick Morris is an Australian national who was appointed to the board of Sumatra Copper &amp; Gold as a non executive director in March 2008. Mr Morris has most recently served as an executive director of Macquarie Bank Ltd, where he has been both chairman of the Metals and Energy Capital Division and head of Metals and Mining. Mr Morris has also held a directorship with Wine Planet Holdings Ltd, and was manager of the Mining Division of Minproc Engineers.</p> <p><b>MD: Jocelyn Waller</b></p> <p>Jocelyn Waller was appointed to the board of Sumatra Copper &amp; Gold in April 2006. His most recent listed company experience was as CEO (until 2005) of Trans Siberian Gold plc, an AIM-listed Russian gold mining business which Mr Waller established in 2000. He currently also serves as a non-executive director of RusAnt Ltd, an unlisted company that is developing an antimony mining project in Siberia.</p> <p><b>Non-executive director: Dr Michael Price</b></p> <p>Michael Price was appointed as a non-executive Director of SUM in July 2007. Dr Price qualified with a PhD from the University of Cardiff and has over 30 years of mining and mining finance experience. Dr Price gained financial institution experience at Rothschild, Societe Generale and Barclays Capital. He is currently a consultant and advisor to Resource Capital Funds, a resource-focused private equity fund. Additionally, Dr Price has extensive Board experience having been a non-executive director of Monterrico Metals plc, Crew Gold Corp. and Tertiary Minerals.</p>
Macquarie Bank Ltd.	8.16	
Newcrest International Pty Ltd	7.11	
National Nominees	6.03	
Citicorp Nominees Pty Ltd	4.41	
Mr Alan Robert Flint	3.43	
ADI Adriansyah Sjoekri	3.00	
Pershing Nominees Ltd.	2.41	
Berrafall Pty Ltd.	2.20	
UBS Nominees	1.91	
Forthcoming announcements/catalysts	Date *	
Interim results	August 2011	
<i>Note: * = estimated</i>		
<b>Companies mentioned:</b>		
Barrick Gold, Newmont Mining, Trans Siberian Gold, Highland Gold Mining, KazakhGold Group		

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