

ASX Announcement

31 March 2014

SUMATRA
COPPER & GOLD

Company Annual Accounts and Project Update

Release of Annual Financial Statements and Project Update

Sumatra Copper & Gold Plc (the “Company”, the “Group” or “Sumatra”) is pleased to provide an update on its activities at the Tembang Project (“Tembang” or “the Project”) in conjunction with the release of its annual financial statements for the year ended 31 December 2013.

Progress on Updated Mine Plan for Tembang

In December 2013 the Company halted construction activities at Tembang and commenced a three-month ‘Phase 3’ drill program with the objective of defining additional Measured and Indicated Resources at the Project in accordance with the JORC Code 2012 which became mandatory for all ASX-listed companies on 1 December 2013. The Company announced the completion of the Phase 3 drill program on 10 March 2014.

On 19 March 2014 the Company announced a Mineral Resource estimate update and on 25 March 2014 published an updated Ore Reserve estimate. Following the completion of these activities the Company is finalising its updated Feasibility Study for Tembang which it plans to release in early April 2014.

Funding

The Company has appointed an Independent Technical Advisor to review the Company’s updated Feasibility Study (“Independent Review”). The Independent Review is well advanced and is expected to be completed in mid-April 2014. It will provide the basis for final credit committee approval to be sought for debt funding for Tembang. The Company is in advanced negotiations to secure debt funding of up to US\$30 million and anticipates obtaining credit approval and recommencing construction in Quarter 2, 2014.

The Tembang Project is fully permitted with the final material permit, the Pinjam Pakai or “Borrow and Use” Forestry permit, being granted on the 27th April 2013. The Tembang Project was granted a 20 year mining lease to the Company’s 100% Indonesian subsidiary, PT Dwinad Nusa Sejahtera, in early 2012. Tembang will produce a gold silver doré which will be refined to LBMA certified gold and silver at the Logan Mulia Refinery in Jakarta. The three largest shareholders of the Company, who collectively own in excess of 51% of the shares in the Company, are all Indonesian owned entities. Sumatra Copper and Gold plc is therefore well positioned to avoid both major issues that have been affecting Indonesian mining companies, namely the *value-add* of products in Indonesia” and the *51% Indonesian ownership* issue.

Directors

Steve Robinson
Non-Executive Chairman

Julian Ford
Managing Director & CEO

AdiSjoekri
Executive Director

Jocelyn Waller
Non-Executive Director

Gavin Caudle
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The Company has appointed Patersons Securities Limited to act as Lead Manager on a “best endeavours” basis to assist the Company to raise equity as part of the total Project funding package. The quantum, price and timing of the proposed equity raise are yet to be determined. The Company’s major shareholders are expected to support the equity raise.

Further updates in regards to the Project funding will be provided in due course.

Financial Results

Due to the substantial decline in gold and silver prices during calendar year 2013, and the Company’s subsequent decision to use a significantly lower gold price to optimize its mine plan, the Company has booked a non-cash impairment charge of US\$8.6 million relating to historical exploration expenditure at Tembang. The Company considers the decision to charge an impairment to be prudent in the context of the current market environment and believes that significant additional longer term value will be derived from both the development of Tembang and exploration upside.

For further information please contact:

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About Sumatra Copper & Gold

Sumatra Copper & Gold plc (ASX: SUM) is an emerging gold and silver producer and the pre-eminent precious metals explorer in southern Sumatra, Indonesia. The Company has a significant project portfolio encompassing projects ranging from greenfields exploration projects to brownfields, near-production opportunities.