

ASX Announcement

3 July 2014



SUMATRA
COPPER & GOLD

Funding Plans for Tembang Project

Sumatra Copper & Gold Limited (ASX: SUM) (“Sumatra” or the “Company”) is pleased to announce its funding plans for the Tembang Gold Project located in southern Sumatra, Indonesia (“Tembang” or “the Project”). The Company has completed the Independent Technical Expert report and is in the process of seeking credit committee approval with an internationally recognised bank for approximately US\$21 million of senior secured debt facilities with a US\$2.5 million cost overrun facility (“Facility”). The Facility would require mandatory hedge cover equivalent to 50% of gold and 80% of silver production over an anticipated 4-year loan life.

Provision of the Facility will be subject to bank credit committee approval, completion of project finance documentation, equity funding and conditions precedent typical for such a financing. Interest rates and other commercial terms are expected to be standard for a project financing of this nature.

The total funding package for the development of the Project is US\$45 million of which US\$21 million is expected to be funded with the Facility and US\$24 million is expected to be funded with equity. The project cost to complete component as announced in the DFS Study has increased to US\$35.8 million, reflecting a \$US2.2 million increase in contingency. In addition to this increase in contingency the funding requirement includes an equity contribution to the cost overrun facility, corporate and exploration costs during construction and financing and interest costs during construction. The Company is also seeking credit approval for a VAT finance facility of approximately IDR 50 billion from an Indonesia based bank.

Sumatra anticipates that credit committee approval for debt facilities and the equity raise to complete Project funding will occur in July 2014. To facilitate the equity raising the company will hold an Extraordinary General Meeting in late July 2014 to seek shareholder approval for the placement of A\$27 million in equity. The Company’s major shareholders have expressed their support to participate in the equity financing component of the total funding package and are expected to convert their existing convertible note to equity as part of this funding package.

The Company also advises that it has signed a variation of the Convertible Loan Facility Agreement dated 4 December 2013 with major shareholder Provident Minerals Pte Ltd to increase the facility by US\$500,000 to US\$5,100,000. The additional US\$500,000 has been fully drawn for the purpose of providing the Company with working capital through to the anticipated funding of the Tembang Project.

END

Directors

Steve Robinson
Non-Executive Chairman

Julian Ford
Managing Director & CEO

Adi Sjoekri
Executive Director

Jocelyn Waller
Non-Executive Director

Gavin Caudle
Non-Executive Director

Contact

Level 1, 5 Ord Street
West Perth 6005
Western Australia

T: +61 8 6298 6200
E: info@scgplc.com

Registered Address
39 Parkside, Cambridge
United Kingdom CB1 1PN

Registered No. 5777015

ASX Code: **SUM**
www.sumatracoppergold.com

For further information please contact:

Julian Ford
Managing Director
Sumatra Copper & Gold plc
+61 8 6298 6200

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.