

ASX Announcement

10 October 2014



Finance Facility for Tembang Gold Project of up to US\$45M

Further to Sumatra Copper & Gold plc's (ASX: SUM) ("the Company") announcement on 12 September 2014, the Company is pleased to announce that its wholly owned subsidiary, PT Dwinad Nusa Sejahtera, has achieved credit approval with lead arrangers Nomura Singapore Limited ("Nomura") and Indonesia Exim Bank for a senior secured debt facility of up to US\$45 million ("the Facility") to fund the commercial development of its Tembang Gold Project, located in southern Sumatra, Indonesia ("the Project"). The Facility will have a three-year term.

The key terms of the Facility are as follows:

- Up to US\$45 million Senior Secured Term Debt Facility.
- Hedging agreements to be entered into between Nomura and the Company for gold hedge after drawdown.
- Interest rate of 7.5% increasing to 10% after 18 months with a redemption premium at the end of the loan period.
- Up to 250,597,351 warrants each convertible into one CHES Depositary Interest ("CDI") in the Company. The exercise price of each warrant will be A\$0.057 and the term of the warrants will be 3 years from the drawdown date. The issue of the warrants will be subject to approval of the shareholders of the Company and provision of the loan under the Facility. If the warrants are not exercised during the term of the warrants, the Company will be obliged to pay warrant holders up to US\$4.05 million in cash or shares for the percentage of the warrants, which have not been exercised, which can be settled through the issue of CDIs in the Company. The Company has today mailed a Notice of Meeting for a General Meeting of Shareholders to be held on 27 October 2014 at which shareholder approval will be sought for the issue of the warrants.
- The Facility will be drawn down in a lump sum. 85% of cash generated from the Project will be utilised for payment of the Facility each quarter and the balance of unpaid loan amount under the Facility is due in a bullet repayment at the end of the 3-year term. Interest will be paid quarterly with a redemption premium at the end of the loan period.

Drawdown under the Facility is subject to shareholder approval for the issue of the warrants and registration of security. The Facility is subject to completion of documentation.

The Company is required to raise US\$5 million in equity within 6 months of drawdown.

Further details of the financing are provided in the Notice of Meeting.

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

The Company anticipates completion of the Facility during October 2014 with construction expected to restart during October 2014.

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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.

About Nomura

Nomura is an Asia-based financial services group with an integrated global network spanning over 30 countries. By connecting markets East & West, Nomura services the needs of individuals, institutions, corporates and governments through its three business divisions: Retail, Asset Management, and Wholesale (Global Markets and Investment Banking). Founded in 1925, the firm is built on a tradition of disciplined entrepreneurship, serving clients with creative solutions and considered thought leadership.