

ASX Announcement

3 November 2014



Hedging Program Completed for Tembang Gold Project

On 22 October 2014 Sumatra Copper & Gold plc (ASX: SUM) ("the Company") announced that its wholly owned subsidiary, PT Dwinad Nusa Sejahtera, had signed a senior secured debt facility of up to US\$45 million ("Facility") with Nomura Singapore Limited ("Nomura") and Indonesia Eximbank for the purpose of developing the Tembang Gold Project. The Facility required that the Company enter into hedging equivalent to 50% of gold and silver production during the first two years of operation.

On 31 October 2014 the Company completed this hedging program. The program was arranged using a capped forward structure as follows:

- 42,000 ounces of gold were hedged at a strike price of US\$1,108.50 per ounce. Where the gold price at the time of delivery is below US\$1,428.50 per ounce the Company will receive a gold price of US\$1,108.50 per ounce. Where the gold price is above US\$1,428.50 per ounce the Company will receive a gold price equivalent to the prevailing gold price less US\$320.00 per ounce.
- 343,200 ounces of silver were hedged at a strike price of US\$14.47 per ounce. Where the silver price at the time of delivery is below US\$21.77 per ounce the Company will receive a silver price of US\$14.47 per ounce. Where the silver price is above US\$21.77 per ounce the Company will receive a silver price equivalent to the prevailing price less US\$7.30 per ounce.

Deliveries under the hedge program will commence in November 2015 with equal monthly deliveries of gold and silver. The Company will pay a premium of US\$300,000 for entering into the hedging program.

The hedge program represents approximately 23% and 16% respectively of the Company's gold and silver Ore Reserves. The Tembang Gold Project has low cash costs and considerable potential for expansion of mine life.

The Company expects that the remaining conditions precedent to drawdown of the Facility will be completed in the near term and drawdown of the initial US\$40 million of financing will occur during the first half of November 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.

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.sumatracopperegold.com