

Tembang Production Update

Sumatra Copper & Gold plc advises the following production update from its Tembang gold-silver operation located in southern Sumatra, Indonesia.

During dewatering of the former Berenai open pit, the pre-2007 survey of the pit surface has been found to be inaccurate and appears to include portions of backfilled and rilled material resulting in a shortfall of ore scheduled to be mined from Berenai during the current quarter. Whilst this issue only affects a small percentage of the overall Ore Reserve at the boundaries of the former pit and planned pit, it has a significant impact (approximately 3,000 oz AuEq¹ in-situ) on open pit production during the current quarter as mine development advances through this material.

To mitigate the open pit shortfall, the Belinau underground mine will commence the stoping panel from Level 9, instead of the planned Level 11, in order to bring forward low cost stope ore. The revised mine plan will require a sill pillar below Level 9 and an extra sublevel to be developed during 2018, and will allow the recovery of approximately 90% of the sill pillar at the end of the Belinau mine life to minimise ore loss.

Production guidance for 2017 remains unchanged at between 45,000 and 55,000 oz AuEq.

A comprehensive production update will be provided in the March 2017 quarterly report.

¹ Note: "AuEq" = Gold equivalent ounces, calculated as: $Au\ production + Ag\ production / [Gold\ price / Silver\ price]$.

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About Sumatra Copper & Gold plc

Sumatra Copper & Gold plc (ASX: SUM) is a gold and silver producer and precious metals explorer in southern Sumatra, Indonesia. The Company's flagship asset is its Tembang gold-silver mine, currently in production. The Company also has an extensive exploration portfolio with projects ranging from brownfield, near-production opportunities to strategically located greenfield holdings.

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