

## **Tembang Operations Update**

### **Highlights**

- **Shrink stoping commences at the Belinau underground mine**
- **Decline advance close to the base of the mine with two exploration drives to be developed to drill for depth extensions to Belinau commencing in the December 2017 quarter**
- **Open pit mining accelerates at Berenai following mud removal**

Sumatra Copper & Gold plc (“the Company”) is pleased to provide the following update on operations at its Tembang gold-silver operation located in southern Sumatra, Indonesia.

As foreshadowed in June 2017 Quarterly Report, shrink stoping has commenced at the Belinau underground mine from Level 9 upwards. Shrink stoping is a highly selective mining method that minimises dilution and provides high value ore to the mill.

A broken rock inventory will be built over coming months and drawn once the stope reaches the next level. It is planned to have 4 stopes operating by year end and 8 stopes operating simultaneously by the end of the March 2018 quarter.

Decline development has advanced through Level 10 and is currently half way to Level 11 with all necessary dewatering infrastructure in place. Two exploration drill drives will be established between Levels 11 and 12 (the current base of planned development) to drill for depth extensions to the orebody. Two specialised diamond drill rigs have been ordered for this program.

Open pit mining at Berenai is now progressing satisfactorily following the mud removal, although waste stripping is slightly behind schedule. Approximately 16,000 ounces AuEq is forecast to be mined from Belinau up to the June 2018 quarter.

Open pit preparatory work has commenced at Buluh, located adjacent to the recently completed Siamang pit, which will be developed by year end when waste movements from Berenai reduce.

The process plant continues to perform well, with the recent addition of air to the leach tanks resulting in gold recoveries of ~95% versus a budget of 91% and silver recoveries of 90% versus a budget of 77%.

The Company’s current production guidance of 30,000 - 40,000 oz AuEq for calendar year 2017 as disclosed in the June 2017 Quarterly Report was dependant on the commencement of stoping at Belinau. The Company now anticipates full year production to be at the lower end of this range with December 2017 quarter production expected to reach 10,000 oz AuEq. Full year production guidance for 2018 is anticipated to be 40,000 - 50,000 oz AuEq.

*Note: AuEq = Gold Equivalent Ounces, calculated as oz Au + oz Ag / 72*

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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.

### Directors

Jocelyn Waller Non-Executive Chairman	Gavin Caudle Non-Executive Director	Andy Robb Non-Executive Director
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