

Commencement of Exploration Strategic Alliance and Variation of Finance Terms

Highlights

- **Onsite exploration work by Merdeka Copper Gold underway with drilling to commence in March 2018 quarter**
- **Financing terms scheduled to be completed by 30 November 2017 varied**

Commencement of Exploration Activities

Further to the announcement of 9 October 2017, Sumatra Copper & Gold plc (“the Company”) is pleased to report that exploration work under the strategic alliance with Merdeka Copper Gold Tbk (“Merdeka”) commenced during October 2017.

Work is currently focused on finalising drill definition plans for Belinau South West and other priority targets. Drilling is expected to commence during the March 2018 quarter with an initial programme of 5,000 metres approved. Experienced epithermal and structural consultants are also scheduled to arrive on site in early 2018 to assist in the target generation process for new discoveries within the Tembang district.

Given the limited expenditure under the strategic alliance to date, the first issue of shares to Merdeka is expected to occur during the March 2018 quarter.

Variation of Financing Terms

The Company and its wholly owned subsidiary PT Dwinad Nusa Sejahtera have agreed terms with its lenders and major shareholders to vary the amended US\$45 million senior secured debt facility (“Amended Facility”)¹.

Under the terms of the variation to the Amended Facility, the lenders and major shareholders have agreed, subject to completion of documentation, to:

- Defer the timeline to complete the US\$7.5 million remaining to be raised under the Major Equity Raise from 30 November 2017 to 5 December 2017 to allow court approval of the reduction in the par value of the Company’s shares to be completed;
- Pay down \$US6.7 million of debt (\$US4.7 to Senior Lenders and \$US2.0 million in Subordinated Debt) and US\$0.8 million to replenish the debt service reserve account for interest to 31 December 2017 from the US\$7.5 million raised by no later than 5 December 2017;
- Make two fixed debt repayments of US\$1.4 million on 31 March 2018 and 30 June 2018 respectively. The remaining debt repayment schedule remains unchanged; and
- Defer the date for an equity raise to the value of unredeemed convertible notes until no later than 5 December 2017.

¹ For a detailed description of the Amended Facility refer to ASX announcement of 23 December 2016.

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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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