

Changes to Executive Management Team

Sumatra Copper & Gold plc (ASX:SUM) (“Sumatra” or “the Company”) is pleased to advise that Mr Robert Gregory has been appointed to the position of Chief Executive Officer, replacing Mr David Fowler. Mr Gregory has been the Company’s Chief Operating Officer since July 2016. Mr Fowler will be appointed a Non-Executive Director of the Company. Mr Gregory is a Mining Engineer with more than 25 years of experience in South East Asia. He previously worked as the Chief Operating Officer of Medusa Mining Ltd and Managing Director of ENK Plc.

Mr Joe Dymott has been appointed to the position of General Manager Development to focus on extending the reserve base at Tembang and evaluating development options for the Company’s satellite Tandai Project. He has been the Manager of the Technical Division (Mining and Processing Operations) at Tembang since August 2016. Mr Dymott holds a honours degree in Mining Engineering from the Royal School of Mines, London and has 28 years of professional experience including senior management roles focused on developing new projects and implementing operational change.

The Company also anticipates that it will appoint a Chief Financial Officer during the March 2018 quarter. Mr Fowler will act as the Company’s CFO during this transitional period.

In welcoming the new appointments, Sumatra’s Chairman, Mr Jocelyn Waller, commented: “We welcome the appointments of Rob and Joe. After a challenging start, our Tembang mine is now producing strongly and this is in large due to the dedication of the technical team at site, particularly during the latter part of 2017. The contributions of both Rob and Joe have been outstanding. Both appointments are well deserved and the Company and its shareholders will benefit from their elevation to the new roles.

I would also like to thank David for the massive contribution he has made during his 3 years as Managing Director. The disappointing production in 2016 and in most of 2017 put a great strain on the financial resources of the Company. It's to David's great credit that he never lost faith in the production team and steered the Company through choppy waters with great skill and patience culminating in a difficult but vital restructuring of third party debt. That David will take up an appointment as a Non-Executive Director means that his counsel and experience will still be available to the Board and Management.”

Key terms of Mr Robert Gregory’s remuneration package are attached as Annexure A to this announcement.

ANNEXURE A

**Executive Service Agreement between Mr Robert Gregory and Sumatra Copper and Gold Plc
Summary of Key Terms**

Term

The contract is effective from 1 January 2018 until terminated by either party in accordance with its terms.

Total Fixed Remuneration

\$330,000 per annum plus superannuation.

Short Term Incentive

Opportunity to earn an incentive, paid in cash, to a value equal to a percentage of base salary in respect of each financial year subject to performance against key objectives set by the remuneration committee. Target bonus is 50% of salary with a maximum of 100% paid for considerable value-added in addition to consistently exceeding expected Company performance relative to Company objectives.

Long Term Incentive

Grant of Performance Rights over 33,000,000 CDIs under the terms of the existing Performance Rights Plan approved at the Company's 2015 Annual General Meeting. The CDIs will be issued in one tranche and have the following performance and vesting conditions:

- 50% will vest on 31 January 2019 with the remaining 50% vesting on 31 January 2020, subject to employment on the respective dates.
- Performance criteria are to define a minimum of 150,000 gold equivalent ounces and to repay US\$30 million of debt.

The Performance Rights will expire on 31 January 2021 if the performance criteria are not met.

Payments on termination

The contract can be terminated by either party with three months' notice. The Company may make a payment in lieu of notice based on the salary at the date of termination plus statutory entitlements. The Company may terminate for cause without prior notice. Termination in the event of a material diminution or redundancy requires the payment of 6 months' notice plus superannuation and statutory entitlements.

For further information please contact:

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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

Andy Robb
Non-Executive Director

Gavin Cudle
Non-Executive Director

David Fowler
Non-Executive Director

Adi Sjoekri
Executive Director

Rob Gregory
Managing Director

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