

SULA IRON & GOLD PLC
("Sula" or the "Company")

Operational and Corporate Update:
Phase 3 drilling samples dispatched for Assay

Sula (AIM: SULA), the gold exploration company focused on Sierra Leone, is pleased to announce that:

- Samples from the first three holes completed in its Phase 3 drill campaign have left Sierra Leone bound for assaying at ALS Laboratories in Ireland;
- Excellent drilling progress with six holes completed at Sanama Hill for a total of over 2,000 metres ("m"), with the rigs routinely achieving 100m per day;
- Logging of the first six holes drilled at Sanama Hill is now complete with a second batch of samples being planned for dispatch in the coming weeks; and
- One rig has been moved from Sanama Hill and has already commenced drilling at the Southern Target TZ4, which is a new discovery area made in the Phase 2 programme, where 5.2 grammes per tonne ("g/t") of gold ("Au") over 1.22m was intersected in drillhole FDD021.

Roger Murphy, Sula's CEO commented:

"I am delighted with the rapid progress we are making in this Phase 3 drilling campaign which is ahead of schedule and I am encouraged by the quartz –pyrite mineralisation that we are seeing in the holes we have drilled so far. Results from the first batch of assay are expected towards the end of July and we will update the market at that time."

Detail of the Phase Three Drill Programme

362 samples from the first three holes of this third phase have now left Sierra Leone and are due to arrive in Ireland for assaying in the coming days. These samples have been taken from drillholes FDD025, FDD026 and FDD027 that are located on the Sanama Hill target within the Ferensola Gold Project. Figure 1 below shows the location of the three drillholes which are collared to the west of the existing drillholes and which target potential mineralisation to the west and at depth extensions to the existing mineralisation. Shear zone related quartz-pyrite mineralisation has been intersected in all three drillholes with example mineralised core shown in Figures 2, 3 and 4 below.

Sula anticipates that the assay results from these three drillholes will be received towards the end of July 2017, depending on the current laboratory turnaround time. In the meantime, logging and sampling is being completed on drillholes FDD028, FDD029 and FDD030 from Sanama Hill, with FDD031 currently being drilled at the Southern Target, TZ4. FDD031 is targeting an extension to the mineralisation previously identified in the 3,789m Phase 2 drilling campaign completed in early May 2017 that returned an assay result of 5.2 g/t Au over 1.22m. Subsequent batches of samples will be dispatched to Ireland for assay over the coming weeks.

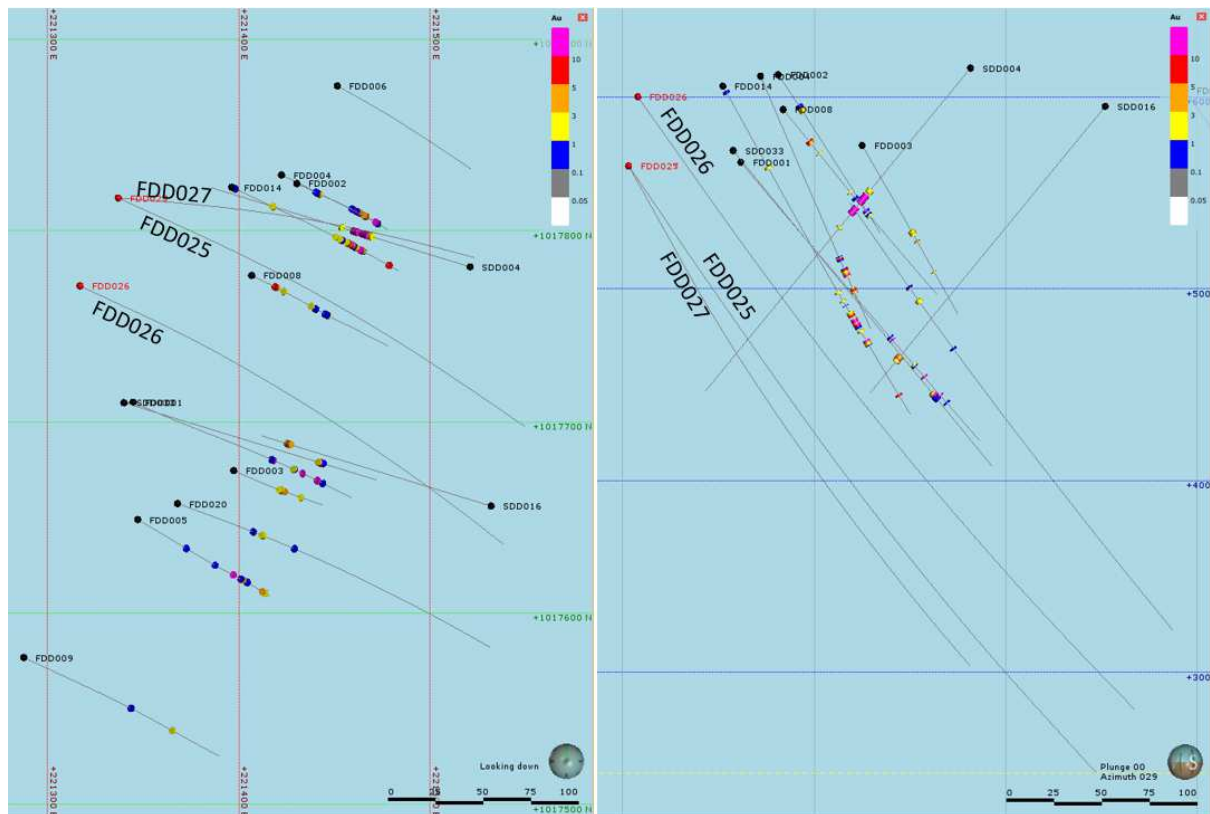


Figure 1: Location of drillholes FDD025, FDD026 and FDD027 at Sanama Hill (left image: looking down, right image: looking north)



Figure 2: Shear zone and quartz-pyrite mineralisation from FDD025



Figure 3: Shear zone with haematite alteration and quartz-pyrite mineralisation from FDD026



Figure 4: Shear zone with massive quartz-pyrite mineralisation from FDD027

Issue of Equity

Sula further announces that it has issued 7,920,000 new ordinary shares of 0.1p each in the Company ("**Ordinary Shares**") in settlement of fees incurred over the last 6 months from a number of its advisers. The Ordinary Shares were issued at price of 0.25p, being the closing mid-market price on 30 June 2017.

Accordingly, application has been made for the new Ordinary Shares to be admitted to trading on AIM ("Admission") and it is expected that Admission will become effective and that dealings in the New Ordinary Shares will commence at 8.00 a.m. on 7 July 2017. The new Ordinary Shares will represent approximately 0.3 per cent. of the Company's share capital as enlarged by the new Ordinary Shares (the "Enlarged Share Capital"). The new Ordinary Shares will rank *pari passu* in all respects with the Company's existing Ordinary Shares and will be issued fully paid.

Following Admission, the Company's Enlarged Share Capital will comprise 2,435,040,672 Ordinary Shares. This figure may be used by shareholders as the denominator for the calculations by which they may determine if they are required to notify their interest in, or a change to their interest in, the Company under the Financial Conduct Authority's Disclosure and Transparency Rules.

The information contained within this announcement is deemed by the Company to constitute inside information under the Market Abuse Regulation (EU) No. 596/2014.

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