

15 April 2016

Sula Iron & Gold plc
("Sula" or the "Company")

Ferensola Gold Project – Assay Results and Project Update

Sula (AIM: SULA), a multi-commodity exploration company focused on Sierra Leone, is pleased to announce the results of a recent sampling campaign in which goldstone and sulphide stone samples were collected from across the Company's 100% owned, flagship, Ferensola Gold Project, together with the results of previously un-sampled zones from the Company's November 2015 drilling campaign.

SRK Consulting (UK) Ltd ("SRK") previously defined an independent JORC compliant gold Exploration Target (the "Exploration Target") for the Ferensola Gold Project with a tonnage range of between 5 and 7 million tonnes ("Mt") at a grade range of between 4 and 8 grammes per tonne ("g/t") of gold ("Au"), which equates to between 0.8 and 1.5 million ounces ("Moz") Au. The Exploration Target has been restricted to a 2km strike length segment of a regional fold belt that has a potential overall strike length in excess of 10km.

The drilling and sampling results outlined below include diamond drill core assays and artisanal goldstone and sulphide stone float samples. All drill samples are half diamond core and all samples have been analysed by fire assay at ALS Laboratories in Ireland.

Highlights:

- **New oxide zone drill sample results indicate that the drilling completed in November 2015 intersected mineralisation in 80% of the drillholes completed, compared to 70% as previously reported;**
- **Shear zone hosted mineralisation within multiple sub-parallel strands can now be traced along strike for approximately 480m, compared with the 350m strike length that was reported previously;**
- **From 21 goldstone and sulphide stones submitted for assay, 10 new samples returned results in excess of 0.5 g/t Au, with a weighted average of 5.2 g/t Au and a maximum of 11.75 g/t Au; and**
- **The regional sampling continues to confirm the high-grade nature of mineralisation beyond the limits of the Exploration Target. An IP survey which will further test the licence-scale potential of the fold belt is due to commence shortly.**

Sula's CEO, Nick Warrell, commented:

"I am delighted with these results from the recent sampling campaign. The additional drill samples confirm mineralisation in new zones and extend the area of known mineralisation to a strike length of approximately 480m. To achieve an intersection success rate of 80% from a maiden drilling campaign is a significant achievement and demonstrates the potential quantum of mineralisation at our Ferensola Gold Project. It is also testament to the progressive understanding of the geology and mineralisation controls of the project by Sula and its Independent Consultants, SRK. This is further exemplified by the results of the regional sampling completed to date, the results of which continue to impress, with the high grade assays aligning with the previously identified regional fold belt. This confirms that gold mineralisation extends far beyond the current limits of the JORC compliant Exploration Target defined by SRK".

"The work completed to date continues to confirm my belief that our Ferensola Gold Project hosts a major deposit of significant tonnage and high grade and we look forward to progressing the project further in due course. Imminently, an Induced Polarisation ("IP") survey will commence across the

regional fold belt to provide further confidence and technical knowledge to enable Sula to advance the Ferensola Gold Project towards a Bankable Feasibility Study”.

Drilling Results and Mineralised Strike Increase

In November 2015, Sula completed 10 diamond drillholes for a campaign total of 1,556.2m. At the time, the drilling resulted in a length weighted average grade of 4.48 g/t Au across multiple mineralised strands, with an average estimated true thickness of 1.5m.

In reviewing the drill core, Sula identified additional zones of potential mineralisation from within the oxide zone. These zones comprised material which appears similar to the typical artisanal goldstone samples observed from across the licence area. Table 1 shows the assay intervals and total length-weighted grade of the significant intersections when applying a 0.5 g/t Au cut-off to the upper and lower contacts (internal dilution below the cut-off grade of up to 1.9m has been allowed to achieve continuity downhole). Table 1 includes the new results from the additional sampling of holes FDD002 and FDD010 where FDD002 returned grades of 1.72 g/t Au over a true thickness of 3.83m and FDD010 returned 1.13 g/t Au over a true thickness of 0.82m. Figure 1 shows the location of the new assays and the interpreted planes of mineralisation.

All drill results collated to date now result in a weighted average grade of 4.21 g/t Au across multiple mineralised strands, with an average estimated true thickness of 1.58m, being a slight decrease in grade with an associated increase in true thickness across the mineralised strands. Of greater significance however is that the area drilled shows that the shear zone extends over a strike length of approximately 480m compared to 350m previously reported.

Figure 2 shows the sampled drill core intervals from holes FDD002 and FDD010, where it can be observed that mineralisation is associated with iron oxides and quartz veining and that the zones sampled represent in-situ saprolite-hosted mineralisation rather than transported surface material.

A further review of the existing drill core will be undertaken in due course to assess the opportunity for additional mineralised zones from within the oxide zone.

Table 1: Significant intersections from holes FDD001 to FDD010 and historic drillholes SDD004, SDD016 and SDD033 (0.5 g/t Au cut-off grade applied)

Hole ID	From (m)	To (m)	Apparent Thickness (m)	True Thickness (m)	Au (g/t)
FDD001	120	122.45	2.45	2.01	3.25
Including*	121.9	122.45	0.55	0.45	13.25
FDD001	139	140.7	1.7	1.39	1.03
FDD001	147.15	148.05	0.9	0.74	11.56
FDD001	160	161	1	0.82	10.58
FDD001	165	166	1	0.82	0.67
<u>FDD002</u>	<u>19</u>	<u>24</u>	<u>5</u>	<u>3.83</u>	<u>1.72</u>
<u>Including*</u>	<u>21</u>	<u>22</u>	<u>1</u>	<u>0.77</u>	<u>3.21</u>
FDD002	83.8	88	4.2	3.22	3.05
Including*	83.8	84.45	0.65	0.50	16.18
FDD003	51.3	54	2.7	1.91	2.29
Including*	52.3	53.3	1	0.71	3.81
FDD003	57.47	58.1	0.63	0.45	3.52
FDD003	75.9	76.4	0.5	0.35	1.03
FDD004	102.5	105.2	2.7	1.74	2.26
Including*	103.55	104.5	0.95	0.61	5.35
FDD004	109.2	114.25	5.05	3.25	4.93
Including*	112.7	113.7	1	0.64	11.95
FDD004	120.2	123.6	3.4	2.19	3.98
Including*	121.2	122.2	1	0.64	6.43
Including*	122.75	123.6	0.85	0.55	4.75
FDD005	60.4	61.4	1	0.71	0.85
FDD005	97.4	98.1	0.7	0.49	0.55
FDD005	120	120.5	0.5	0.35	12.05
FDD005	129	130	1	0.71	0.84
FDD005	131.8	132.5	0.7	0.49	3.88
FDD005	136	138	2	1.41	0.80
FDD005	155.3	156.3	1	0.71	3.54
FDD005	158.65	159.65	1	0.71	1.30
FDD006					
FDD007					
FDD008	21	23.4	2.4	1.97	5.66
FDD008	29.4	30.1	0.7	0.57	1.60
FDD008	55.3	56	0.7	0.57	1.24
FDD008	70	72	2	1.64	0.86
FDD009	96	97.5	1.5	1.23	0.64
FDD009	133.9	134.8	0.9	0.74	1.28
<u>FDD010</u>	<u>27</u>	<u>28</u>	<u>1</u>	<u>0.82</u>	<u>1.13</u>
SDD004	82.9	99.66	16.76	7.08	10.72
Including*	86.29	92.36	6.07	2.57	14.75
Including*	94.67	99.66	4.99	2.11	17.40
SDD016	169.8	174.1	4.3	1.82	5.25
Including*	171.9	172.45	0.55	0.23	21
SDD033	164.8	170.1	5.3	4.34	3.42
Including*	165.8	166.9	1.1	0.90	12.30
Total Length-Weighted Grade					4.21

*Not included in length-weighted grade calculation

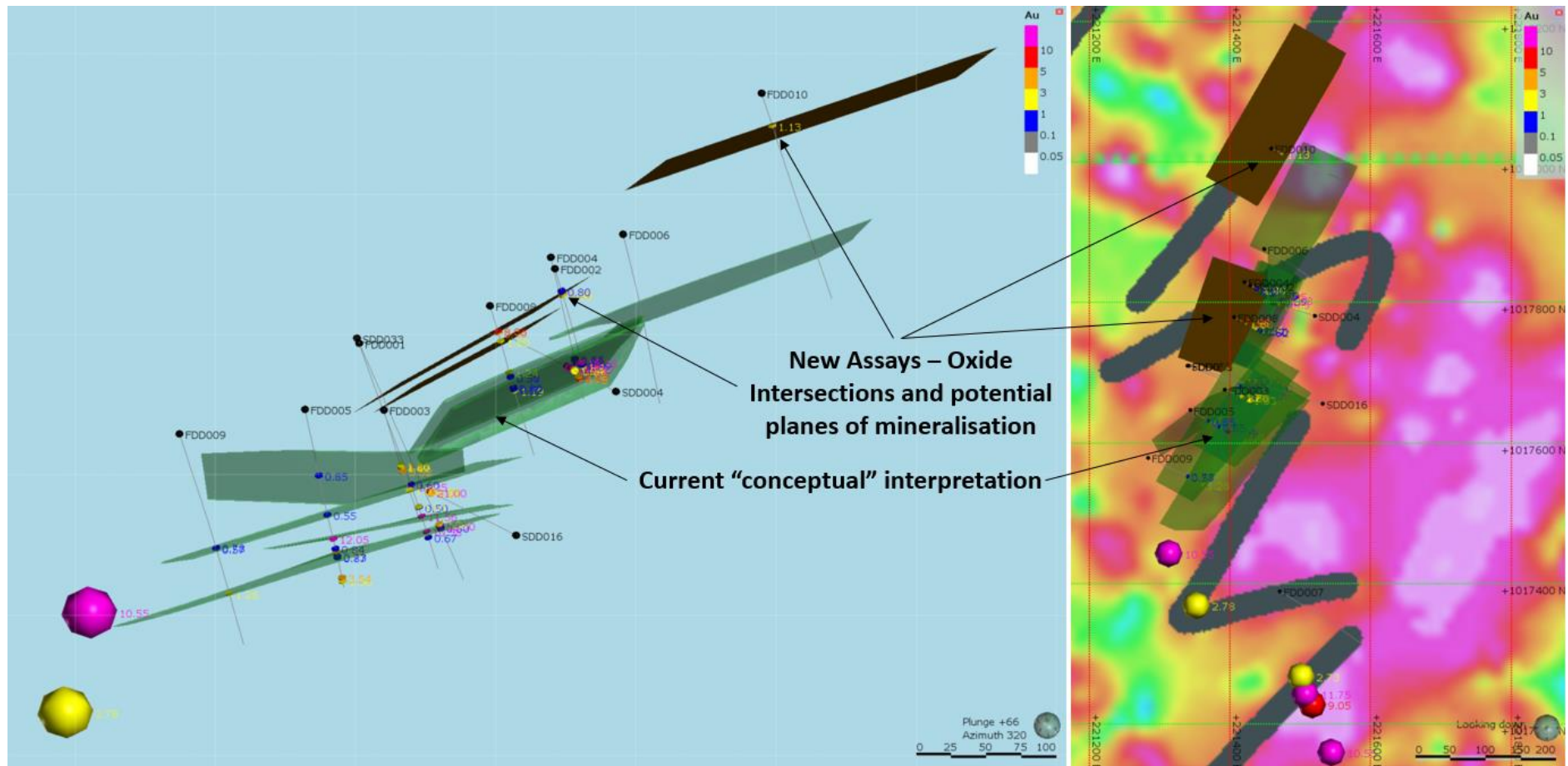


Figure 1: Significant intersections from holes FDD002 and FDD010 with the potential planes of mineralisation shown set against the current "conceptual" interpretation



Figure 2: Drill core and mineralised intersections from holes FDD002 and FDD010

Preliminary Interpretation of Drilling Results

Mineralisation is hosted by a complex, north-northeast striking shear zone within mafic volcanics. The shear zone consists of multiple, discrete, biotite-altered shears and a peripheral zone of veining, with several phases of overprinting deformation and sulphide deposition. Gold is primarily associated with late-stage, massive pyrite breccias that form within the highly sheared intervals and to a lesser extent with distributed veining in the adjacent wall rock.

A preliminary interpretation of the logging and assay data, utilising the structural measurements recorded by SRK, shows that the overall shear zone, now extends over a strike length of approximately 480m and comprises multiple sub-parallel strands that dip at an average of 75° to the west-northwest

and display individual continuity over distances in the order of 100 to 200m. Mineralisation is currently open at depth. Figure 3 shows the preliminary interpretation of the mineralised structures from the current data, which highlights that mineralisation is **not** limited to a single, steeply dipping, sub-planar zone.

Grab Sampling Results

In addition to the new drill samples, sulphide stone and goldstone samples were collected during an on-going regional sampling programme. Twenty one (21) samples were collected in total, with ten of the samples returning grades in excess of 0.5 g/t Au. The samples were collected from river outcrops to the south of drillholes FDD007 and FDD009 with further samples being collected from approximately 1.5 to 2km south of the Exploration Target area. All reported samples are interpreted by Sula to be from, or close to, their primary source and were collected from areas that coincide with the regional fold interpretation that covers an approximate 10km strike length. Table 3 shows the results of the ten samples returning grades in excess of 0.5 g/t Au. The weighted average grade of these ten samples is 5.2 g/t Au. Previously collected sample results are also shown but are not included in the weighted grade calculation quoted. Figure 4 and Figure 5 demonstrate the spatial relationship between the location of the mineralised samples and the regional fold belt identified within the licence.

Table 3: Goldstone and Sulphide stone sample assay results

Sample No.	X	Y	Z	Weight (kg)	Sample Type	Au (g/t)
6028	221374	1015847	515	2.26	Goldstone	1.2
6029	221370	1015874	520	2.1	Goldstone	7.2
6030	221409	1015817	514	3.01	Goldstone	16.9
6031	221517	1017228	511	2.87	Goldstone	9.1
6032	221501	1017268	528	3.67	Goldstone	2.7
6034	220869	1015621	543	3.16	Goldstone	12.5
6035	220807	1015518	548	3.1	Quartz - Pyrite	69.2
6290*	221313	1017443	515	2.7	Goldstone	10.55
6291*	221352	1017369	524	6.3	Goldstone	2.78
6293*	221010	1015654	574	4.1	Sulphide Stone	0.65
6294*	221060	1015674	545	4.3	Goldstone	2.61
6295*	221126	1015770	538	4.8	Sulphide Stone	0.53
6299*	221574	1015840	439	2.5	Goldstone	1.87
6300*	221625	1015902	436	5.1	Goldstone	6.81
6302*	221742	1016105	421	4.9	Goldstone	0.87
6305*	221507	1017243	522	6.05	Sulphide Stone	11.75
6306*	221544	1017160	522	6.6	Sulphide Stone	10.55
Weighted Average Grade of New Assays						5.21

*new assays

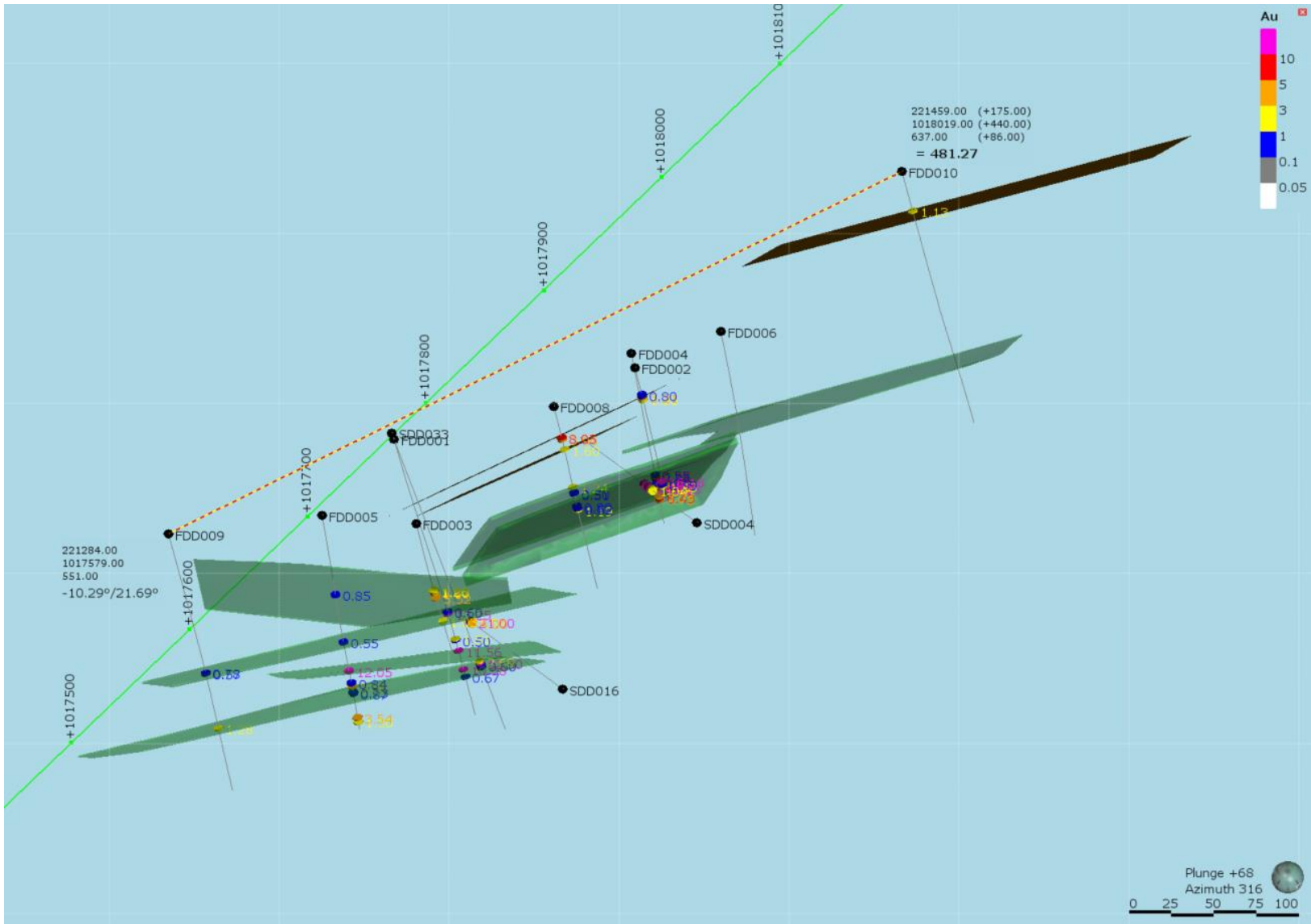


Figure 3: Preliminary interpretation using the SRK structural data showing a strike extent of 480m between drillholes FDD009 and FDD010

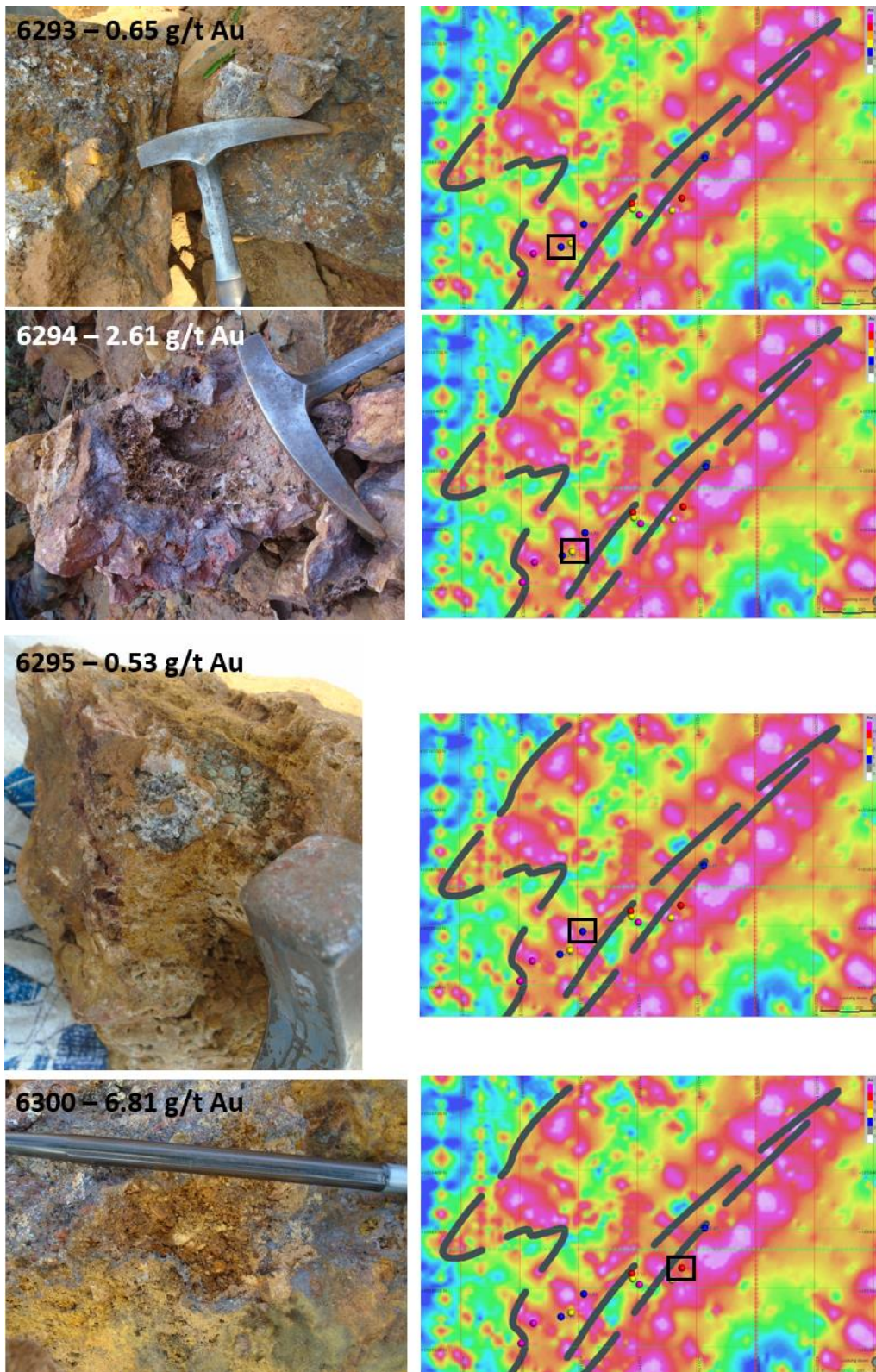


Figure 4: Location of samples 6293, 6294, 6295 and 6300

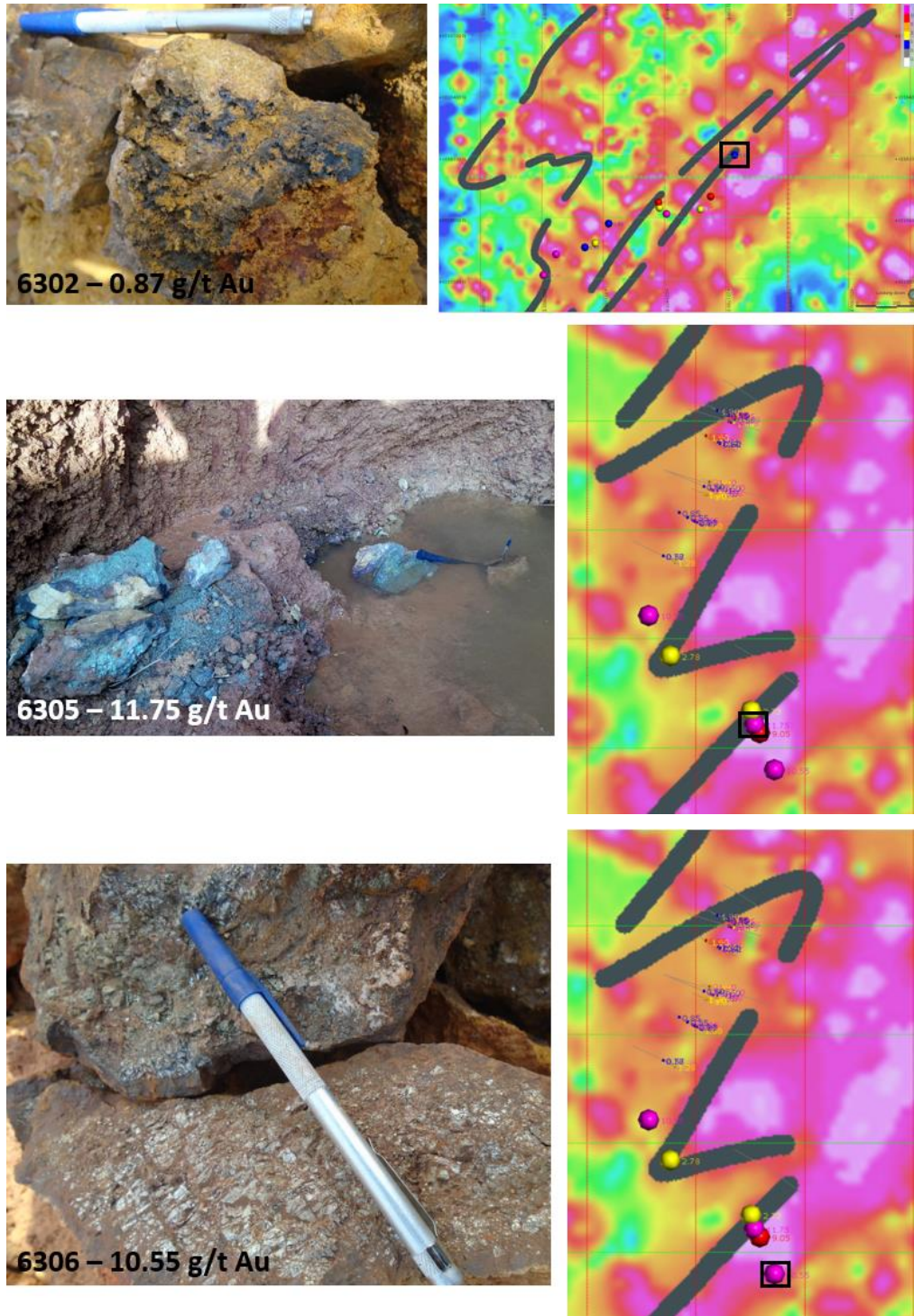


Figure 5: Location of samples 6302, 6305 and 6306

High Grade massive Sulphide Grab Samples

Sula continues to identify high grade massive sulphide samples, termed sulphide stones by Sula, in a section of river terrace outcrops that lie to the south of the area drilled in November 2015. This area was targeted by drillhole FDD007 during the drilling campaign with the drillhole being placed approximately 80m to the north of the outcrops identified. FDD007 did not return any significant results although it was associated with a broad interval of hydrothermal alteration. Figure 6 shows a long section through the drilled area and the location of the sulphide stones collected to date that

report a weighted average grade of 7.9g/t Au. As shown, the samples are sourced from an elevation in line with the massive sulphides intersected in drillholes FDD002, FDD004 and historical drillhole SDD004. It is believed by Sula that the massive sulphide samples, as opposed to the more commonly observed and strongly oxidised 'goldstone', occur in this location due to relatively recent fluvial (river) erosion of the oxide profile; thus exposing sulphides preserved at the oxide / fresh contact. Given that all mineralisation is currently open at depth, it is Sula's belief that this area represents a down-dip mineralisation target.

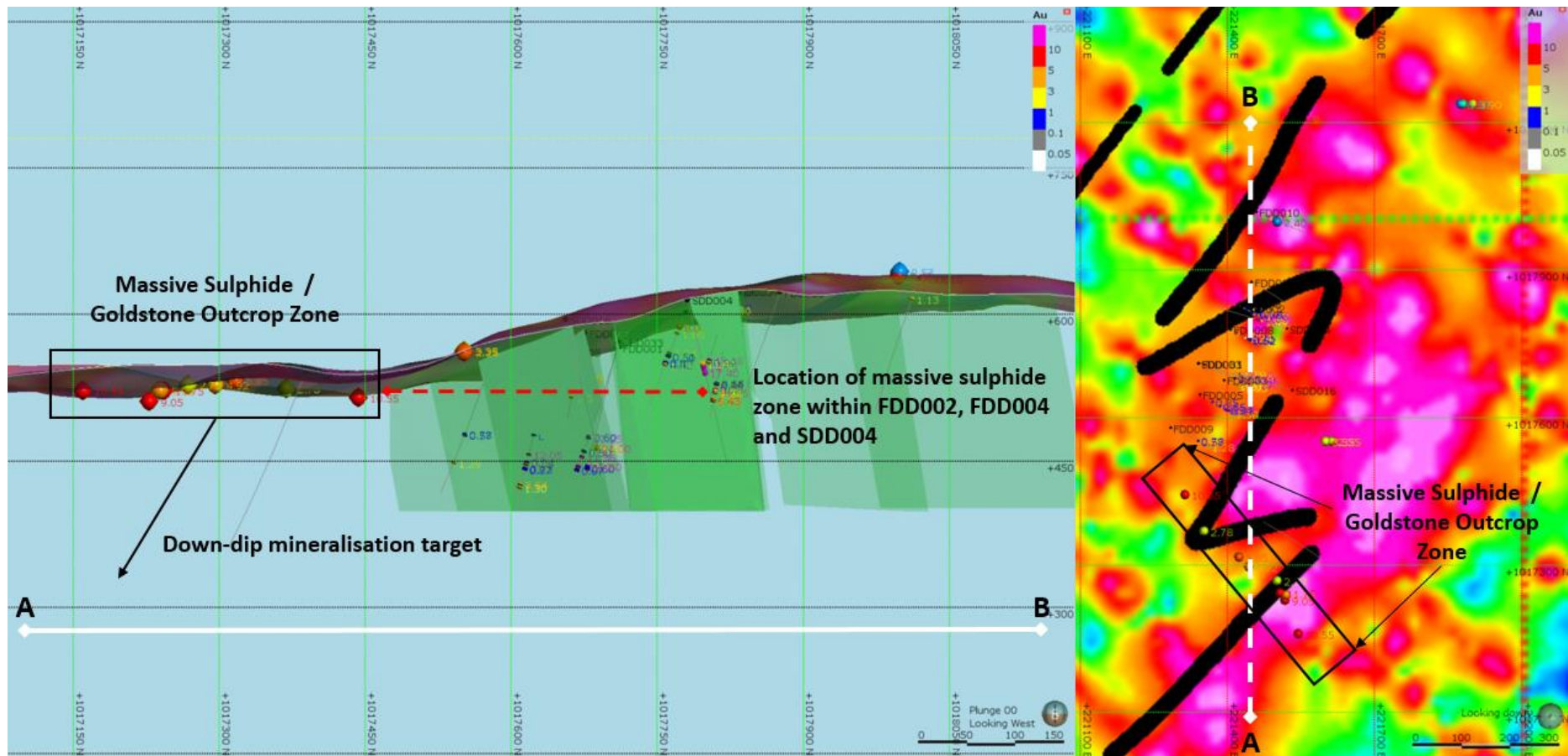


Figure 6: Location of massive sulphide samples and goldstones in relation to the November 2015 drilling area

On-going Exploration

To assess the licence-scale potential, outside of the previously defined Exploration Target, Sula has commissioned SEMS Exploration (“SEMS”) to undertake an IP survey over the regional fold structure. The survey will commence in mid to late April 2016, with the initial focus being on the area drilled in November 2015. This will allow Sula to assess the geophysical signature of an area of known mineralisation, which will in turn assist in the interpretation of data from elsewhere in the licence.

Summary

In summary, the additional sampling undertaken continues to support Sula’s belief that the Ferensola Gold Project is of a potentially significant size and grade. The recently returned assays are consistent with previous exploration phases and support the interpretation of a regional mineralised system. On-going exploration, via the IP survey, will enhance our technical understanding of the project with the key aim being to identify additional drill targets from across the Ferensola Gold Project area.

****ENDS****

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Notes:

Sula Iron & Gold plc is a multi-commodity exploration company focused on West Africa. The Company's main objective is to explore and advance its 153 sq. km. Ferensola Project in Northern Sierra Leone, which is highly prospective for coltan, gold and iron ore. In December 2014, the Company achieved a corporate milestone in delivering its JORC MRE for the BIF 1 iron ore project in which total resource of 514.5Mt @ 31.8% Fe was identified and total oxide resource of 55.5Mt @ 45.39% Fe.

The information in this release that relates to Exploration Results is based on information collected by or under the supervision of Dr Paul Stenhouse (Senior Consultant, Structural Geology) of SRK, a Chartered Professional Geologist of the Australasian Institute of Mining and Metallurgy (Membership Number 312576) and a Competent Person as defined by the rules of International Reporting Codes that are aligned with the Committee for Mineral Reserves International Reporting Standards

("CRIRSCO") who promote international best practise in the reporting of mineral exploration results, mineral resources and mineral reserves.

In addition, the information in this release that relates to Exploration Results has been reviewed by Mr Howard Baker, Non-Executive Technical Director of Sula Iron and Gold plc. Mr Baker is a Chartered Professional Fellow of the Australasian Institute of Mining and Metallurgy (Membership Number 224239) and a Competent Person as defined by the rules of International Reporting Codes that are aligned with CRIRSCO.

Paul Stenhouse and Howard Baker have sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as Competent Persons as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration targets, Exploration Results, Mineral Resources and Ore Reserves', also known as the JORC Code. The JORC code is a national reporting organisation that is aligned with CRIRSCO. Paul Stenhouse consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.