

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

Ferensola Gold Project Update

2016 Field Season to Commence

Sula (AIM: SULA), a multi-commodity exploration company focused on Sierra Leone, is pleased to announce details of its planned upcoming exploration activities on its 100% owned, flagship Ferensola Gold Project.

Highlights:

- **SEMS Exploration ("SEMS") commissioned to undertake a combined Gamma-Ray Spectrometry and Resistivity and Induced Polarisation ("ResIP") survey over the regional fold structure identified, commencing in April 2016.**
- **Additional goldstone, sulphide stone and quartz-pyrite samples collected from across the licence area.**
- **Additional samples identified from the 2015 drill campaign.**
- **Objective of the survey and regional sampling is to define drill targets from across the 10km mineralised fold belt and beyond the extent of the defined SRK Exploration Target.**

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. As previously reported, a portion of the Exploration Target was tested through a 1,556m diamond drill programme in November 2015. A complex shear zone with multiple mineralised strands was identified with an average grade of 4.48g/t Au and an average true thickness of 1.5m across the multiple strands. The drilling covered approximately 25% of SRK's defined Exploration Target. A number of surficial goldstone and quartz-pyrite samples were also collected from outside of the Exploration Target, returning an average grade of 8.4g/t Au with one sample returning a grade of 69.2g/t Au.

To assess the licence-scale potential, outside of the previously defined Exploration Target, Sula has commissioned SEMS to undertake a combined Gamma-Ray Spectrometry and ResIP survey over the regional fold structure identified. The survey will commence in early April 2016 and SEMS will initially focus its efforts on the area drilled in November 2015. This will allow the geophysical signal to be calibrated over an area of known mineralisation, which will assist greatly in the identification and ranking of additional drill targets based on the relative size and intensity of their geophysical signal. The survey is anticipated to take approximately 6 weeks to complete with the eastern half of the fold structure currently under commission. This represents approximately 80km of survey lines over a strike length of approximately 5km.

Since completion of the previous drilling and regional sampling programme, Sula has also continued to locate additional goldstone, sulphide stone and quartz-pyrite stones from across the licence area, further highlighting the licence-scale potential of the Ferensola Gold Project. In addition, Sula has identified new samples from the November 2015 drilling campaign, including in-situ oxide goldstone

material that may represent new mineralised targets. All samples collected to date will be submitted for analysis in the coming weeks.

The results of the scheduled work programmes will enable Sula to define drill targets beyond the boundaries of the defined SRK Exploration Target.

Figure 1 shows the location of the geophysical survey lines to be completed along with the locations of the recent goldstone, sulphide stone and quartz-pyrite samples collected.

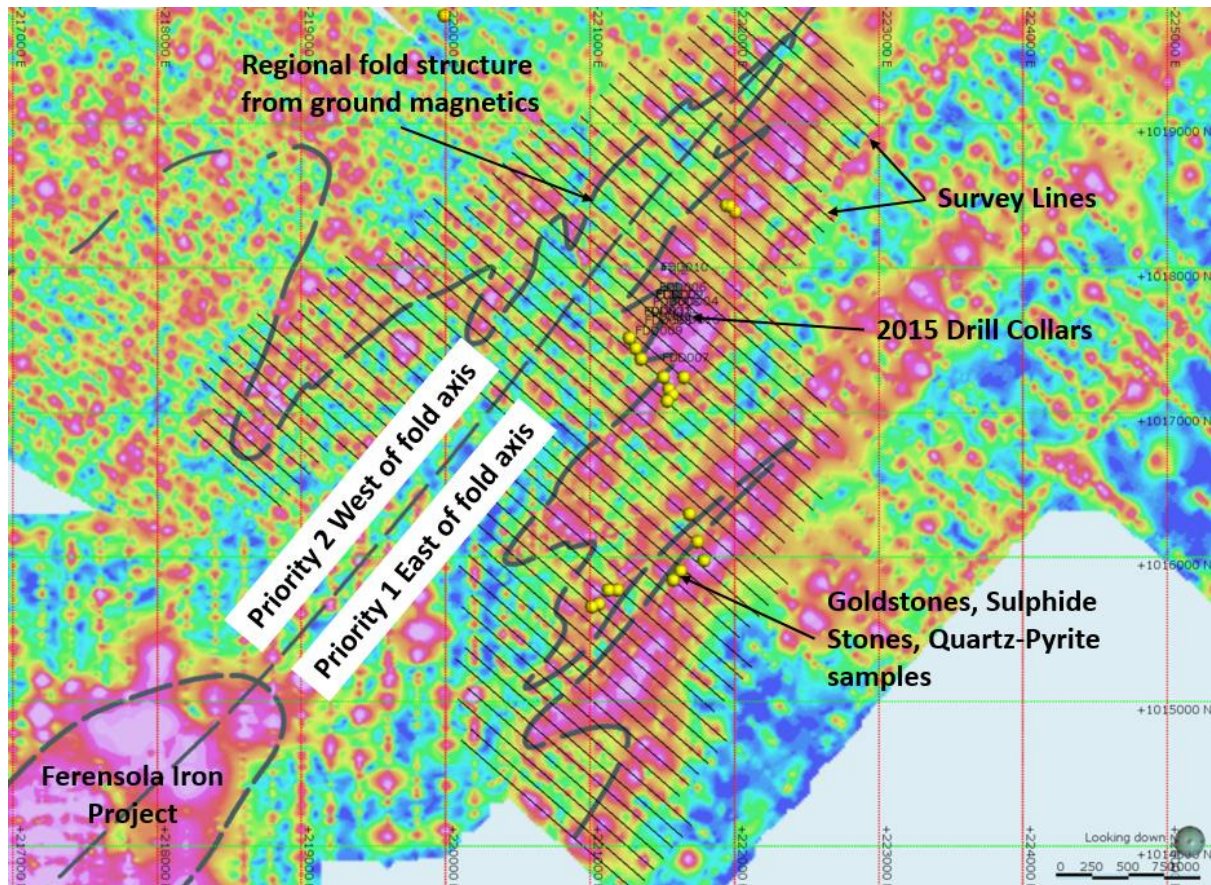


Figure 1: SEMS survey lines and regional sample locations

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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 a 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 this announcement of the matters based on his information in the form and context in which it appears.