

[1] June 2016

Sula Iron & Gold plc
(“Sula” or the “Company”)

Ferensola Gold Project - Initial IP Survey Results

Sula (AIM: SULA), a multi-commodity exploration company focused on Sierra Leone, is pleased to announce the initial results from the Induced Polarisation (“IP”) survey that is currently being completed over a portion of the Company’s 100% owned, flagship, Ferensola Gold Project. In summary, the ongoing IP survey being completed highlights the larger scale gold prospectivity in the group’s Ferensola licence area, outside of the current Exploration Target, with results received to date verifying the mineralisation potential within areas previously sampled by Sula and which are further supported by the regional magnetic anomaly data previously used to define the mineralised fold belt. The IP survey will provide invaluable information to assist in the next phase of exploration, being a planned large scale drill programme in conjunction with an extension of the IP survey across the wider licence area.

Highlights:

- **Ongoing IP survey highlights the larger scale potential of the Ferensola Gold Project outside of the Company’s currently defined Exploration Target.**
- **IP signature over the Sanama Hill drill site confirmed with recorded IP chargeability values of between ~20 and ~30 millivolts per volt (“mV/V”).**
- **The Sanama Hill IP signature corresponds with the known sulphide mineralisation from the Company’s November 2015 drilling campaign.**
- **Multiple additional targets are now being identified with IP chargeability values of up to 3 times the values recorded over Sanama Hill.**
- **An “Eastern Target”, corresponding with the regional magnetic anomaly data and regional samples collected by Sula, shows IP chargeability values to date of up to ~100 mV/V with a potential strike length in excess of 4km.**
- **The IP survey is being extended to incorporate the potential northeast extension of the “Eastern Target”.**
- **A review of all existing geophysical data highlights multiple additional targets to be tested by future IP surveys. This includes a magnetic anomaly supported by regional sampling that displays a strike length of approximately 6km and is currently termed the “Western Target”.**

Sula completed a maiden drilling campaign in November 2015 (as announced previously on 30 November 2015), which targeted historic high grade intersections on the Sanama Hill prospect within the 153km² Ferensola licence. Sula’s drilling campaign, which totalled 10 drillholes for 1,556 metres of diamond core, resulted in multiple strands of sub parallel mineralisation that averaged 4.21 grammes per tonne (“g/t”) gold (“Au”) over a strike length of 480 metres. Eight out of ten drillholes intersected mineralisation which, along with regional sample results, is believed to be related to a 10km long fold belt identified through the interpretation of the regional ground magnetic survey.

Gold mineralisation is predominantly hosted by shear zone related brecciated quartz-pyrite that has resulted in magnetite alteration of the host rock and which provides the source of the regional magnetic anomaly. The IP survey was commissioned to test the chargeability of the sulphide mineralisation over the Sanama Hill prospect, with a total of 80 line kilometres planned over select regions of the licence, enabling a comparison of results to the known area of mineralisation. To date, SEMS Exploration Services Limited (“SEMS”) has completed approximately 40 line kilometres of the planned 80 line kilometres, with the results corroborating the potential for a significant mineralised

system within the licence, well beyond the limits of the Sanama Hill prospect and the previously defined SRK Consulting (UK) Ltd ("SRK") independent JORC compliant Exploration Target (the "Exploration Target"). The Exploration Target centres on Sanama Hill, with a tonnage range of between 5 and 7 million tonnes ("Mt"), grading at between 4 and 8 g/t Au, which equates to between 0.8 and 1.5 million ounces ("Moz") Au. The Exploration Target was restricted to a 2km strike length segment of the regional fold belt.

Sula's CEO, Nick Warrell, commented:

"I am delighted with these initial IP survey results which continue to support our belief that the Ferensola Gold Project could host a significant resource. The IP survey further highlights the growing confidence in respect of our activities completed to date, with every new phase of work corroborating our technical understanding of the project. The latest results observed, particularly in the identification of significantly stronger IP anomalies to those recorded over the November 2015 drill programme, will provide the framework for a major drilling campaign, whilst additional IP survey work is ongoing over the larger licence area."

"Sula is entering a truly exciting phase in its short history and we look forward with increased anticipation in updating the market as the project progresses towards the implementation of a major drilling campaign".

Initial IP Survey Results

To date, Sula has been provided with seven interpreted cross sections showing the IP chargeability results. These lines targeted the November 2015 drilling location at Sanama Hill, the eastern magnetic anomaly and the previously reported corresponding high grade goldstone / sulphide stone samples. Figure 1 shows the regional fold belt and the locations of the IP survey lines processed to date. The sections show a strong anomaly on Line 38, being associated with the Sanama Hill drill site. Line 38 is shown in more detail in Figure 2 where the IP anomaly appears stronger to the east of the current conceptual interpretation, as based on the November 2015 drilling, with an associated IP chargeability of between approximately 16 and 30 mV/V. It should be noted that, at present, all sections use independent chargeability legends and therefore the strength of the signal cannot be compared on a colour gradient alone.

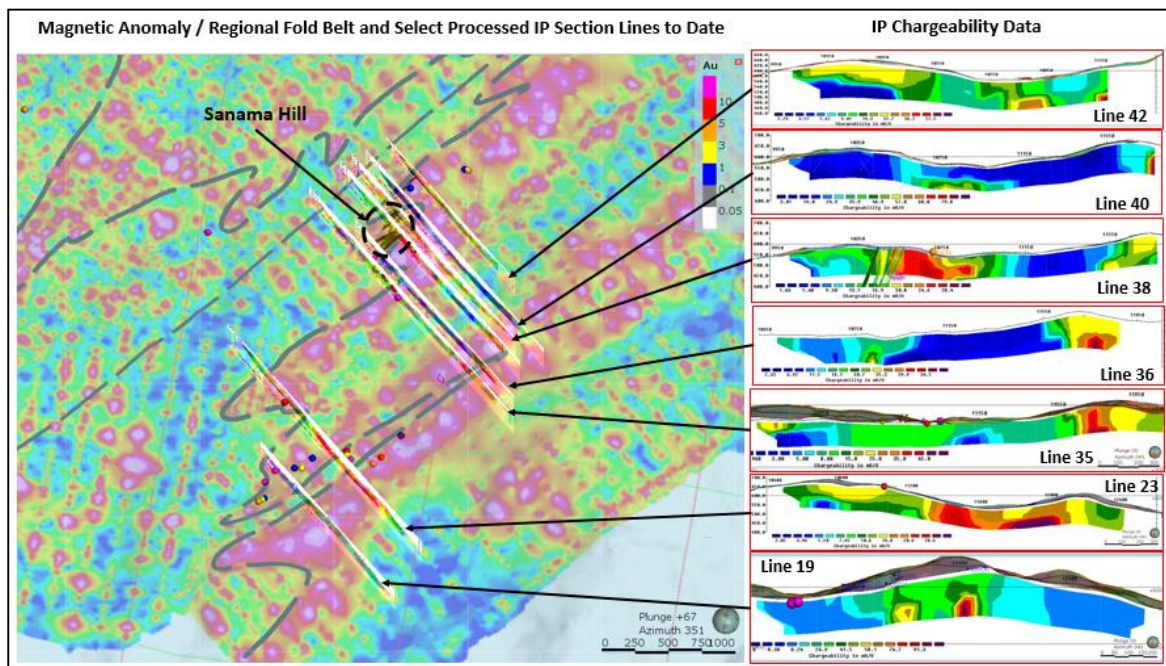


Figure 1: Selected IP Section lines processed to date

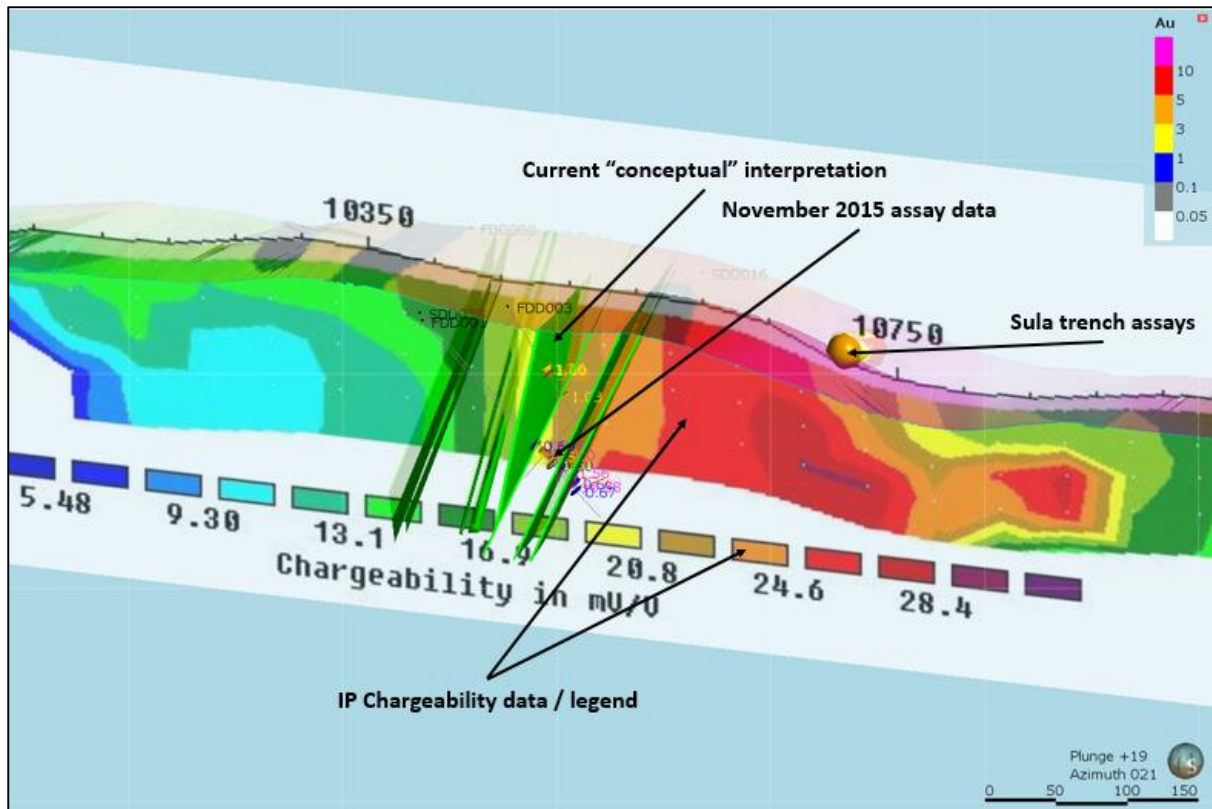


Figure 2: IP section line number 38 corresponding with the Sanama Hill, November 2015 drill site

When aligning the various IP sections to the local grid which is being used to coordinate the survey, it is clear that additional and significant anomalies are being identified. Figure 3 shows the aligned sections where it is apparent that additional anomalies are present to the east of the Sanama Hill prospect. The “Eastern Target” currently shows a potential strike length of over 2km, with the corresponding magnetic anomaly data indicating that the strike length of the Eastern Target could extend to over 4km in total. The extent of the Eastern Target will be tested during the remainder of the survey.

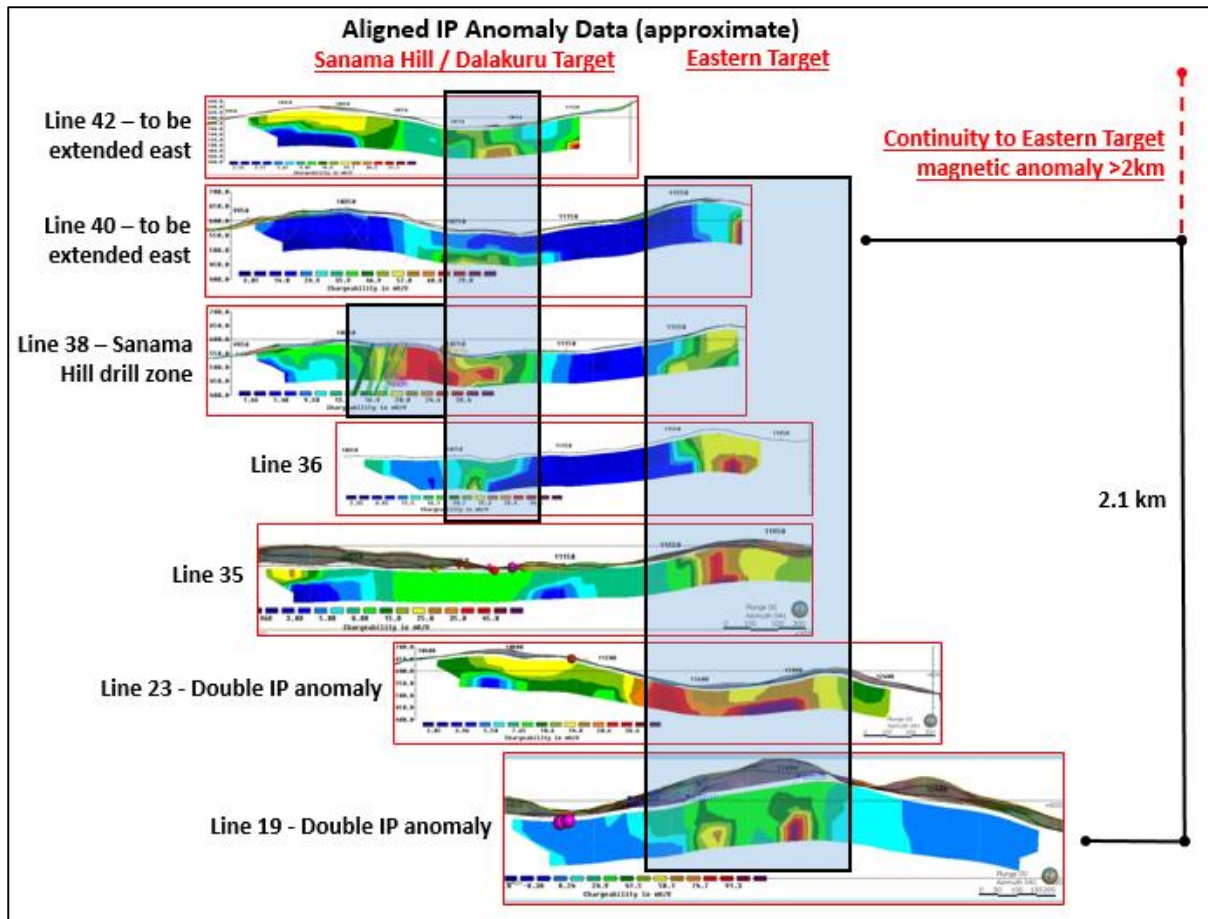


Figure 3: Aligned IP chargeability data

Figure 4 shows the Eastern Target IP anomalies for section lines 19 and 23. Here, a double anomaly is shown with IP chargeability values on line 19 being up to ~100 mV/V. Sula acknowledges that the presence of an IP anomaly does not confirm the presence of gold mineralisation, however, the strength of the IP chargeability values being recorded does indicate the likely presence of massive sulphide material with the associated grab samples, being up to 69.2 g/t Au in this part of the licence, and the concentrated artisanal mining activity in the area, clearly suggesting the likelihood of associated gold mineralisation from the anomaly being recorded. This is further corroborated by the known high grade gold mineralisation associated with the sulphides now confirmed by the November 2015 drilling campaign. Similar anomalies are observed for the Eastern Target on completed section lines 35 to 40.

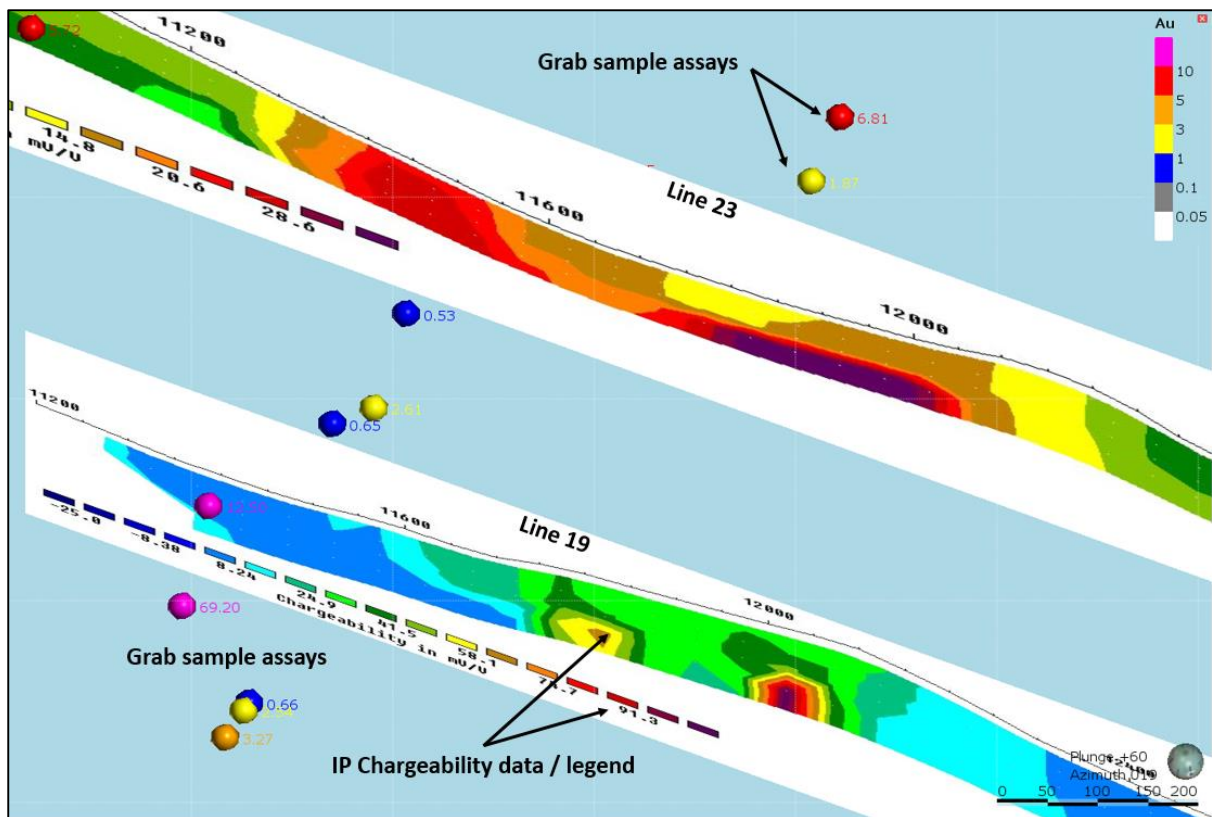


Figure 4: Line 19 and line 23 IP data with chargeability values up to 100 mV/V on line 19 with grab sample locations and grades shown

In reviewing the geophysical data available for the project, and through discussions with SEMS, it is now believed that the regional Total Magnetic Intensity (“TMI”) data correlates most accurately with the IP anomalies being observed and gives a clear indication of existing and potential targets on the Ferensola licence. Figure 5 shows the various anomalies identified that all form part of the regional fold belt. Eastern Target 1 and Eastern Target 2 are currently being confirmed through the ongoing IP survey, along with the Sanama Hill and Dalakuru Targets. Of significance, a “Western Target” TMI anomaly is observed that coincides with grab sample results of 1.0, 2.56 and 4.9 g/t Au that has an apparent strike length of approximately 6km. This Western Target, along with other TMI anomalies observed are expected to form part of future IP surveys, covering a greater area of the licence. The Sanama Hill / Dalakuru and the Eastern Target anomalies, as supported by drilling, sampling, magnetic and IP data, currently form significant “drill ready” targets.

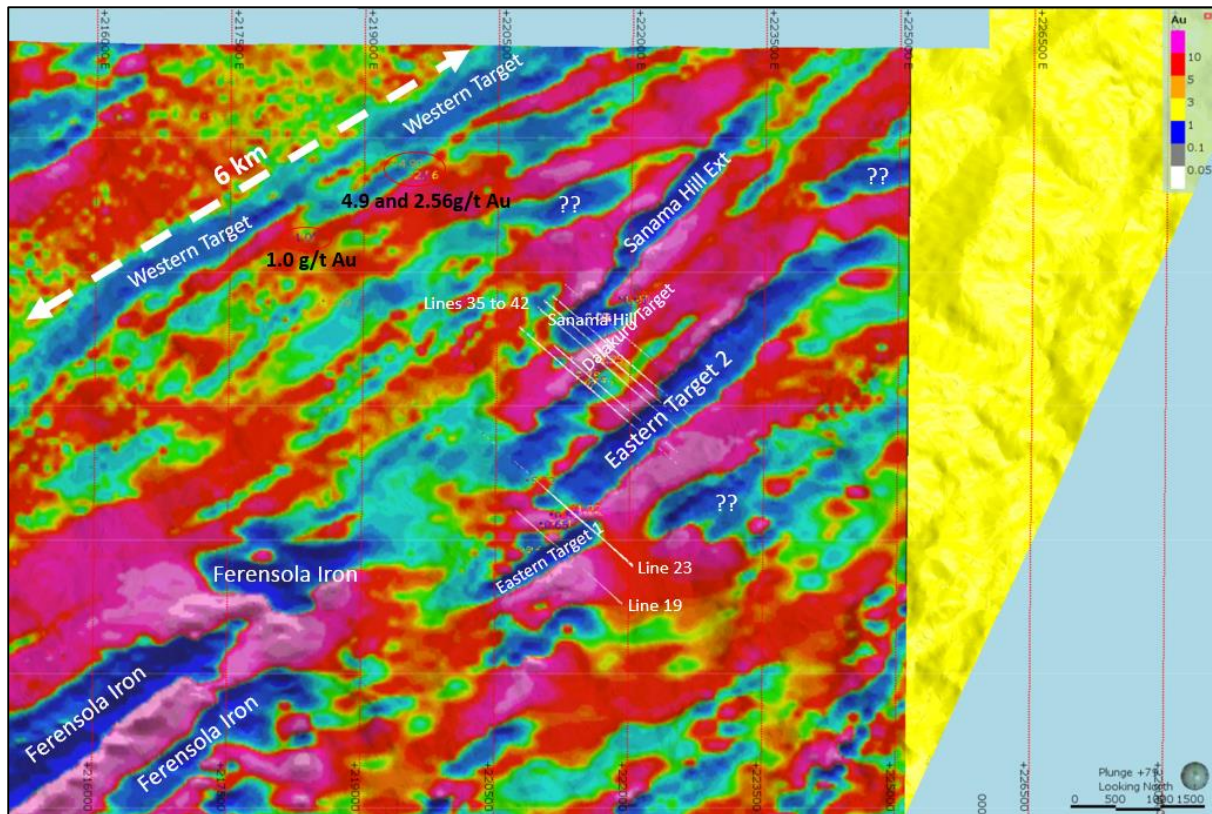


Figure 5: Regional TMI imagery with current targets identified

During a recent site visit by Sula's Non-Executive Technical Director, Mr Howard Baker, the scale of the targets being identified were observed, along with a review of the IP process being completed by SEMS. Figure 6 shows a view, looking north, from Eastern Target 1 as shown in Figure 5 and identified through the IP survey to date on lines 19 and 23. Whilst the IP survey is no measure of the exploration potential of the targets, it is apparent that the Sanama Hill prospect is far smaller than both Eastern Target 1 and Eastern Target 2 and, in collaboration with the results being observed from the IP survey, confirms Sula's belief that the Sanama Hill prospect was simply the most logical part of the licence to drill first, rather than it being the most prospective part of the licence to drill first. Sanama Hill was chosen as the primary drill site in an attempt to confirm the geometry of the mineralisation in terms of dip and strike, as well as confirming the nature of the mineralisation and the geological controls at play, all of which were achieved through the ability to target the known zones of mineralisation from the historical drilling.

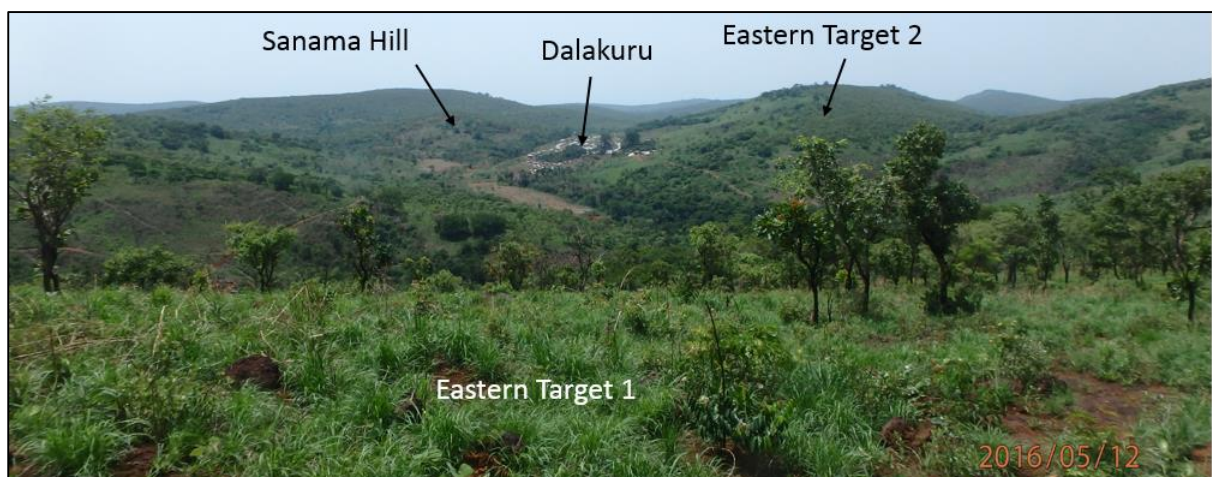


Figure 6: View from Eastern Anomaly 1, looking north at Sanama Hill and Eastern Anomaly 2

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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. 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 the announcement of the matters based on his information in the form and context in which they appear.