

14 December 2015

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

Ferensola Gold – Batch 1 Assay Results

Sula (AIM: SULA), a multi-commodity exploration company focused on Sierra Leone, is pleased to announce that the assay results from Batch 1, representing four drill holes, of the recent drilling campaign on the Company's flagship Ferensola Gold Project have been received. In addition, Sula has received the full logging database from SRK Consulting (UK) Ltd ("SRK") with the drill campaign having been supervised by Senior Structural Geologist, Dr Paul Stenhouse of SRK and Mr Howard Baker, Sula's Non Executive Technical Director.

Highlights:

- **High grade gold mineralisation was intersected within all four drillholes;**
- **FDD001 returned assay results of up to 13.25 g/t Au from four separate mineralised zones with estimated true thicknesses varying from 0.45 m to 2.01 m;**
- **FDD002 returned assay results of up to 16.18 g/t Au from two separate mineralised zones with estimated true thicknesses varying from 0.5 m to 3.22 m;**
- **FDD003 returned assay results of up to 3.81 g/t Au from three separate mineralised zones with estimated true thicknesses varying from 0.35 m to 1.91 m;**
 - **Note - FDD003 was abandoned early due to drill related issues and did not reach its planned target depth, therefore potentially missing the up-dip high grade intersections noted from FDD001**
- **FDD004 returned assay results of up to 11.95 g/t Au from three separate mineralised zones with estimated true thicknesses varying from 0.55 m to 3.25 m;**
- **Logging of the drill core confirmed that the mineralisation dips to the west-northwest and that the historic drilling was sub optimal in orientation;**
- **The total length weighted grade of the significant intersections equates to 3.72 g/t Au, and**
- **Mineralisation is related to shear zone hosted massive pyrite.**

Further to SRK defining an independent JORC compliant gold exploration target (the "Exploration Target") for the Ferensola Gold Project, Sula instigated an extended 1,500 m diamond drilling campaign to test the grade and continuity of the mineralisation and to assess the most appropriate drilling orientation for the project. To achieve this, detailed structural logging was undertaken as the drilling progressed so that the true orientations to the mineralisation could be assessed and allowing the accurate placement of the follow on drill holes. All logging was independently supervised by Dr Paul Stenhouse of SRK.

In total, Sula completed 10 diamond drillholes for a total of 1,556.2 m. The collar coordinates and collar dip and azimuth are shown in Table 1 with the locations of the drillholes shown in Figure 1 where they are set against the regional interpretation and magnetic anomaly data that has been previously described as part of the Exploration Target. The results described here relate to Batch 1 which is comprised of drillholes FDD001, FDD002, FDD003 and FDD004 and targeted the historic intersections and tested the up and down-dip continuity to the mineralisation. All samples are half diamond core and have been analysed by fire assay at ALS Laboratories in Ireland.

Table 1: Drillhole Collar Information

Batch	Hole ID	Easting	Northing	Elevation	Collar Dip	Collar Azimuth	Depth (m)
1	FDD001	221342	1017710	566	50	114	191.5
1	FDD002	221429	1017824	624	55	115	98.65
1	FDD003	221393	1017676	581	60	114	101.2
1	FDD004	221421	1017829	624	65	115	143.75
2 (Pending)	FDD005	221344	1017647	562	60	120	165
2 (Pending)	FDD006	221449	1017876	623	55	120	146.8
2 (Pending)	FDD007	221471	1017389	540	50	120	230.55
2 (Pending)	FDD008	221406	1017779	604	50	115	125.7
2 (Pending)	FDD009	221284	1017579	551	50	115	176.4
2 (Pending)	FDD010	221459	1018019	637	50	115	176.65
TOTAL							1,556.2

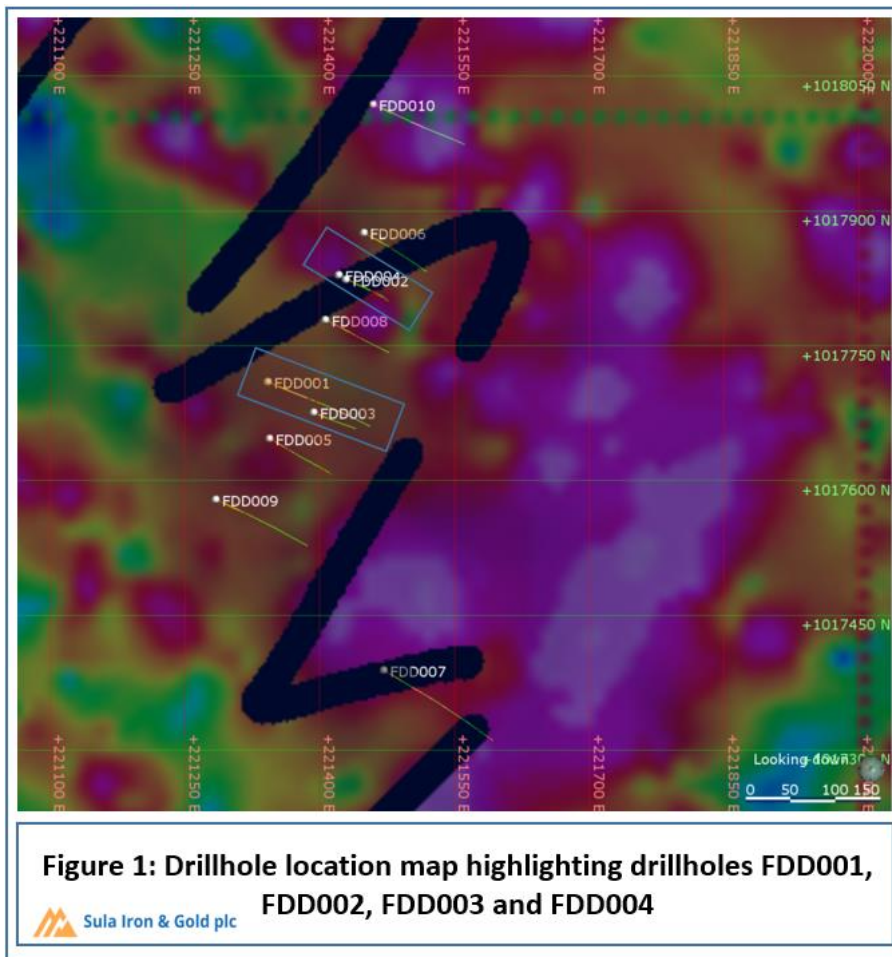


Figure 2 and Figure 3 show the assay intervals returned from Batch 1 with a 0.5 g/t cut off applied to filter the data. Table 2 shows the assay intervals and total length weighted grade of the significant intersections when applying a 0.5 g/t cut off to the upper and lower contacts (internal dilution below the cut-off grade of up to 1.9 m has been allowed to achieve continuity downhole). As shown, the length weighted average grade equates to 3.72 g/t Au. The true thickness has been calculated using the drilling angle and dips of the mineralised structures measured with the true thickness being approximately 72% of the apparent thickness across the four drillholes.

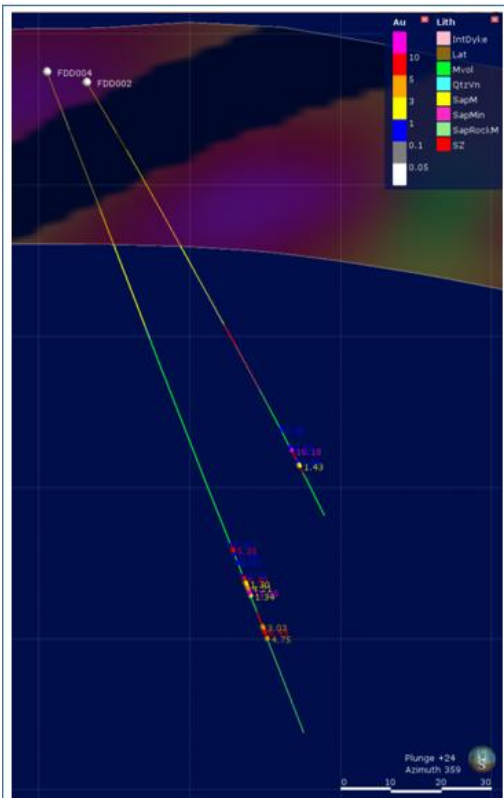


Figure 2: FDD002 and FDD004

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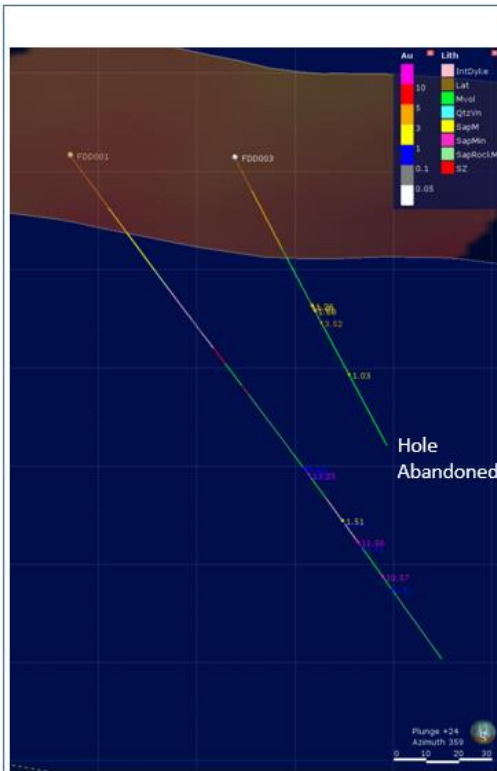


Figure 3: FDD001 and FDD003

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Table 2: Significant intersections from holes FDD001, FDD002, FDD003 and FDD004

Hole ID	From	To	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
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
Total Length Weighted Grade					3.72

Mineralisation is hosted by a complex, north-northeast striking and steeply west-northwest dipping 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. Upon receipt of all assay data, a 3D geological model for the project will be constructed. Figure 4 shows an example of the massive pyrite breccias within a shear zone.



Figure 4: Massive Pyrite breccia within shear zone



In summary, the Batch 1 assays confirm the significant potential for high grade gold mineralisation and confirm dip continuity within the shear zones. Mineralisation is open at depth and the current logging indicates that multiple high grade mineralised shear zones exist. The logging completed was conducted to the highest standards with precise structural data being collected that greatly enhanced the geological understanding of the mineralisation controls and allowed the drill meters available to be optimised.

The scout drilling programme was concentrated on the Sanama Hill target. This is the first of multiple targets identified by Sula and SRK, located along the 10 km regional anomaly as described in the Exploration Target. The results of our drilling programme have confirmed that work undertaken at the Sanama Hill, by its previous owners, was sub optimal in relation to the geological structures observed. This gives Sula increased confidence in targeting mineralisation beyond the limits of the Exploration Target area.

Batch 2 assays, which are due before the end of the month, include drillholes that test the along strike continuity to the mineralisation. Additionally, eight goldstone samples from mapped zones within the licence area have been submitted for assay with Batch 2. The colloquially termed "goldstone" is believed to represent weathered sulphide mineralisation and is one of the target material types of local artisanal miners in the area. The samples submitted for assay were collected from a zone located

approximately 2 km south of the current Exploration Target area. In addition, and as shown in Figure 5, goldstones with a core of massive sulphide mineralisation were observed within a river outcrop located within the Exploration Target area, further supporting the interpretation that the goldstones are derived from the fresh massive sulphides observed within the shear zones.



Figure 5: Goldstone with a pyritic core



Sula's CEO, Nick Warrell, commented:

"I am delighted with the results of the first batch of samples from the extended scout drilling programme at our Ferensola Gold Project. The high grades reported with an average total length weighted grade of 3.72 g/t Au currently support Howard Baker's reinterpretation of the geology and the Exploration Target produced by SRK. The average length weighted grades in Batch 1 are considered by the industry to be above average for open pit mining. The results represent a significant milestone in our understanding of the geology and gold mineralisation of our gold asset and augurs well for future planned exploration of the deposit and the licence as a whole. We look forward with confidence to updating the market with the results of the second and last batch of samples in due course".

****ENDS****

For further information please contact:

Sula Iron & Gold plc

Nick Warrell / Matt Wood / Howard Baker

+44 (0) 20 7583 8304

Strand Hanson Limited (Financial and Nominated Adviser)

James Harris / Mathew Chandler / James Dance

+44 (0)20 7409 3494

VSA Capital Limited (Broker)

Andrew Raca / Richard Buckle

+44 (0) 20 3005 5000

Yellow Jersey PR (Financial PR)

Dominic Barretto / Harriet Jackson

+44 (0) 7544 275 882

Notes:

Sula Iron & Gold plc is a multi-commodity exploration company focused in 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 the 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.