

6 January 2016

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

Ferensola Gold – Batch 2 Assay Results and Project Update

Sula (AIM: SULA), a multi-commodity exploration company focused on Sierra Leone, is pleased to announce that, further to the Batch 1 assay results announced on 14 December 2015, all remaining assay results ("Batch 2") from the recent drilling campaign on the Company's 100% owned, flagship Ferensola Gold Project have now been received.

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 2 km strike length segment of a regional fold belt that has a potential overall strike length in excess of 10 km. The drilling and sampling results tabulated below include the Batch 2 diamond drill core assays, artisanal goldstone and quartz-pyrite float samples and the previously announced Batch 1 assay results.

Highlights:

- **Drillhole FDD005 returned assay results of up to 12.05 g/t Au from eight separate mineralised zones with estimated true thicknesses varying from 0.4 m to 1.4 m;**
- **Drillhole FDD008 returned assay results of up to 5.66 g/t Au from four separate mineralised zones with estimated true thicknesses varying from 0.6 m to 2.0 m;**
- **Drillhole FDD009 returned assay results of up to 1.28 g/t Au from two separate mineralised zones with estimated true thicknesses varying from 0.7 m to 1.2 m;**
- **Gold mineralisation greater than 0.5 g/t Au was intersected within seven of the ten drillholes completed;**
- **Drilling targeted known historical mineralisation and covered an area representing approximately 25% of the Ferensola Exploration Target;**
- **Resampled historic drillhole intersections are confirmed as forming part of the newly identified shear zone, with true thickness calculations ranging from 1.8 m (SDD016) to 7.1 m (SDD004);**
- **Overall, drilling has identified multiple sub-parallel mineralised shears over a strike length of approximately 350 m;**
- **The total length-weighted grade of all significant drill intersections, including the resampled historic drillholes, equates to 4.48 g/t Au with estimated true thicknesses ranging from 0.4 m to 7.1 m and averaging 1.5 m; and**
- **Six goldstone samples and one quartz-pyrite float sample from up to 2 km outside of the Exploration Target returned average grades of 8.4 g/t Au and 69.2 g/t Au respectively and highlights additional licence scale mineralisation potential.**

Sula's CEO, Nick Warrell, commented:

"I am excited by the results of the second batch of drill core samples from the extended scout drilling programme at our Ferensola Gold Project, together with the samples of "goldstones" as they exceed my best case expectations.

The highlights of the exploration programme include gold mineralisation encountered in 70% of the drillholes, in an area measuring approximately 25% of the defined Exploration Target by SRK. Total length-weighted grade equates to 4.48 g/t Au at a thickness of 0.35 m to 7.1 m. A multiplicity of mineralised shear zones is highly significant for potential open cast and selective underground mining. Goldstones and a quartz-pyrite sample with exceptionally high grade gold have been identified up to two kilometres outside of the Exploration Target. These samples are believed to be part of the same geological setting and derived from high grade basement structures.

I believe our Ferensola Gold Project hosts a major deposit of significant tonnage together with high grade and we look forward to progressing the project further in due course towards a Bankable Feasibility stage”.

Drilling Results

Further to the previously announced Exploration Target for the Ferensola Gold Project, independently defined by SRK in accordance with JORC, Sula completed an extended 1,500 m diamond drilling campaign to test the grade and continuity of mineralisation and to assess the most appropriate drilling orientation for the project.

Sula completed 10 diamond drillholes for a campaign total of 1,556.2 m. The collar coordinates and collar dip and azimuth are set out in Table 1. Drillhole locations are also shown on the map in Figure 1, where they are overlain on the regional structural interpretation and magnetic data which has previously been used in the definition of the Exploration Target. The results set out below relate to assays from both Batch 1 and Batch 2, which together comprise drillholes FDD001 to FDD010, as well as grab samples from across the licence. All drill samples are half diamond core and all samples 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	FDD005	221344	1017647	562	60	120	165
2	FDD006	221449	1017876	623	55	120	146.8
2	FDD007	221471	1017389	540	50	120	230.55
2	FDD008	221406	1017779	604	50	115	125.7
2	FDD009	221284	1017579	551	50	115	176.4
2	FDD010	221459	1018019	637	50	115	176.65
TOTAL							1,556.2

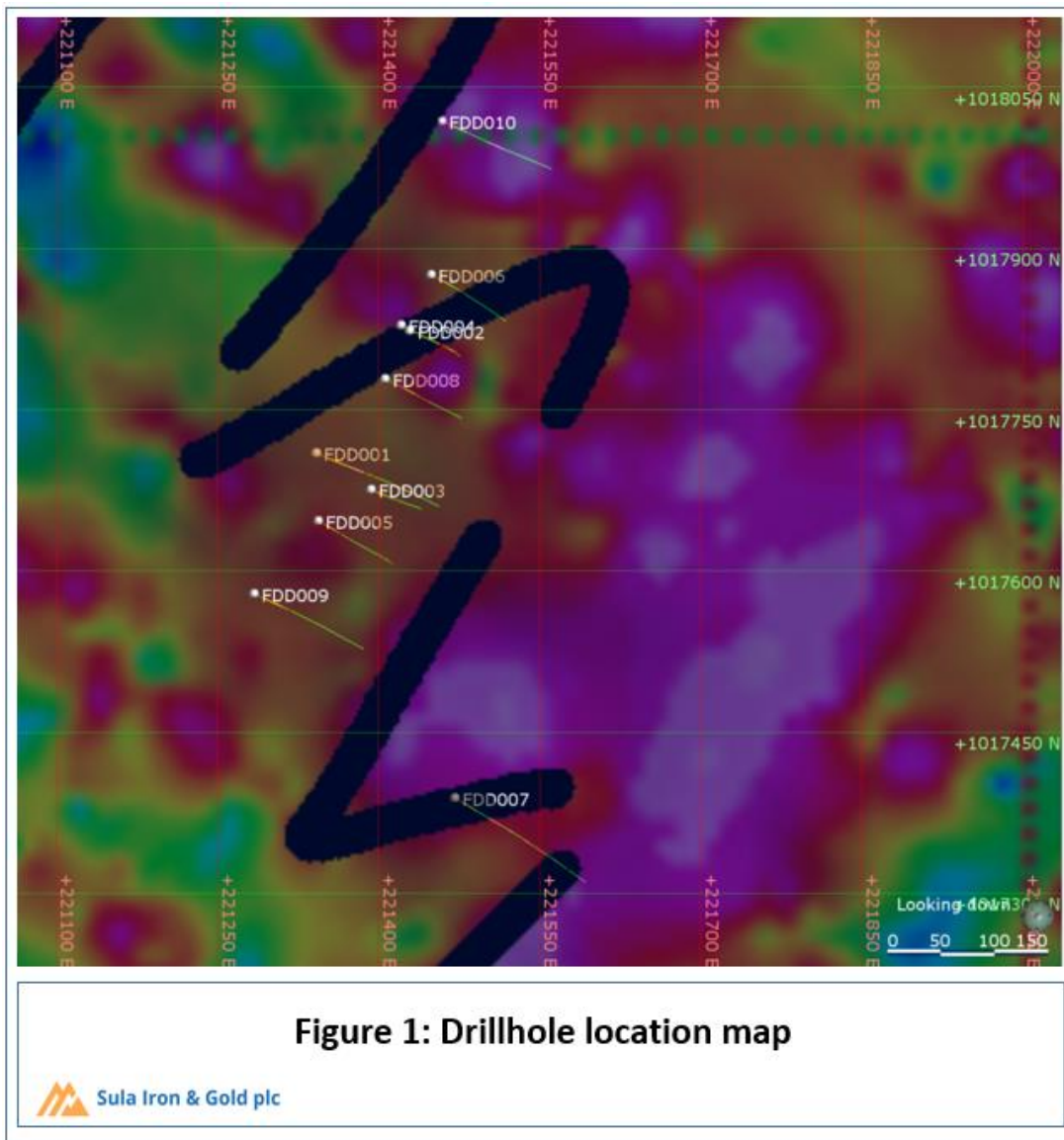


Figure 2 shows the assay intervals returned from Batch 1 and Batch 2 with a 0.5 g/t Au cut-off applied to filter the data. Table 2 shows the assay intervals and total length-weighted grade of the significant intersections when applying a 0.5 g/t Au cut-off to the upper and lower contacts (internal dilution below the cut-off grade of up to 1.9 m has been allowed to achieve continuity downhole).

The length-weighted average grade equates to 4.48 g/t Au and the calculation includes the resampled historic drillholes, SDD004, SDD016 and SDD033, the results of which were utilised in the generation of the Exploration Target. These historic intersections were targeted in drillholes FDD001 to FDD004, with the intersected mineralisation in both sets of holes lying within the same mineralised shears and being in close proximity to one another.

The true thickness has been calculated using the drilling angle and the dip of the mineralised structures as defined by structural logging. The true thickness is on average approximately 65% of the apparent thickness across all drillholes.

The location of the resampled historic drillholes in relation to the recent drilling campaign is shown in Figure 3.

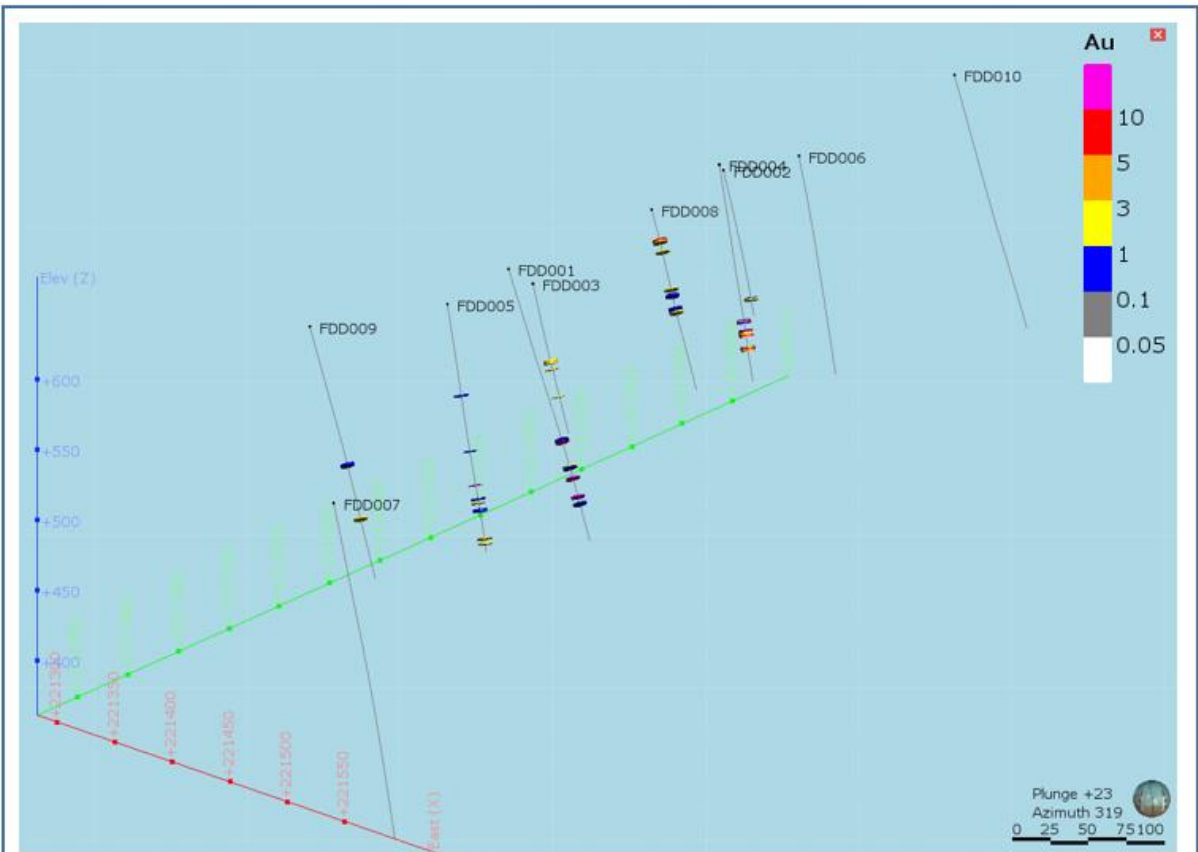


Figure 2: Drillhole Intersections

Table 2: 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
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	No intersections above 0.5 g/t Au recorded				
FDD007	No intersections above 0.5 g/t Au recorded				
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
FDD010	No intersections above 0.5 g/t Au recorded				
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 (g/t Au)					4.48

**Not included in length-weighted grade calculation*

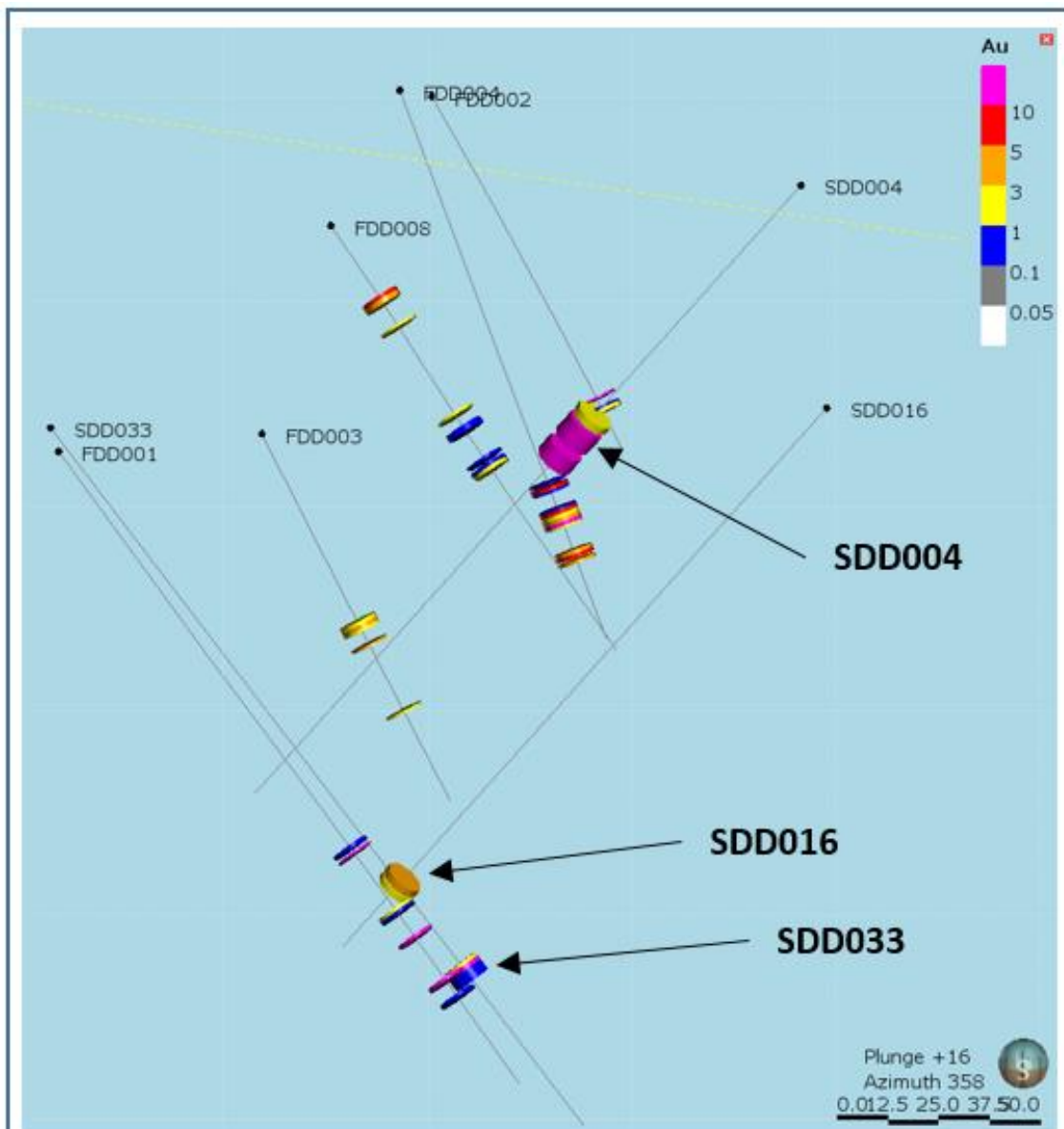


Figure 3: Resampled Historic Intersections (section clipped for ease of viewing)

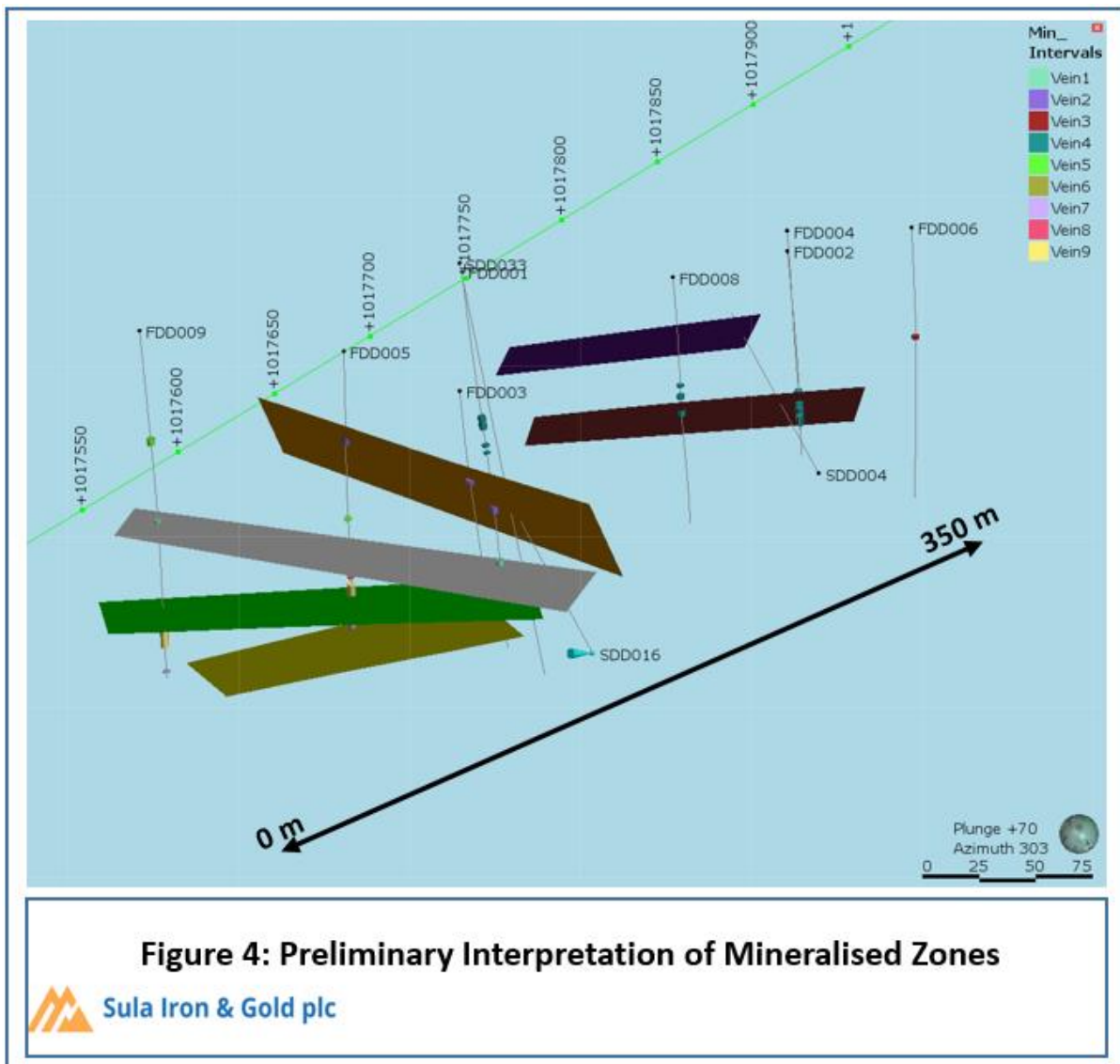


Preliminary Interpretation of Drilling Results

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.

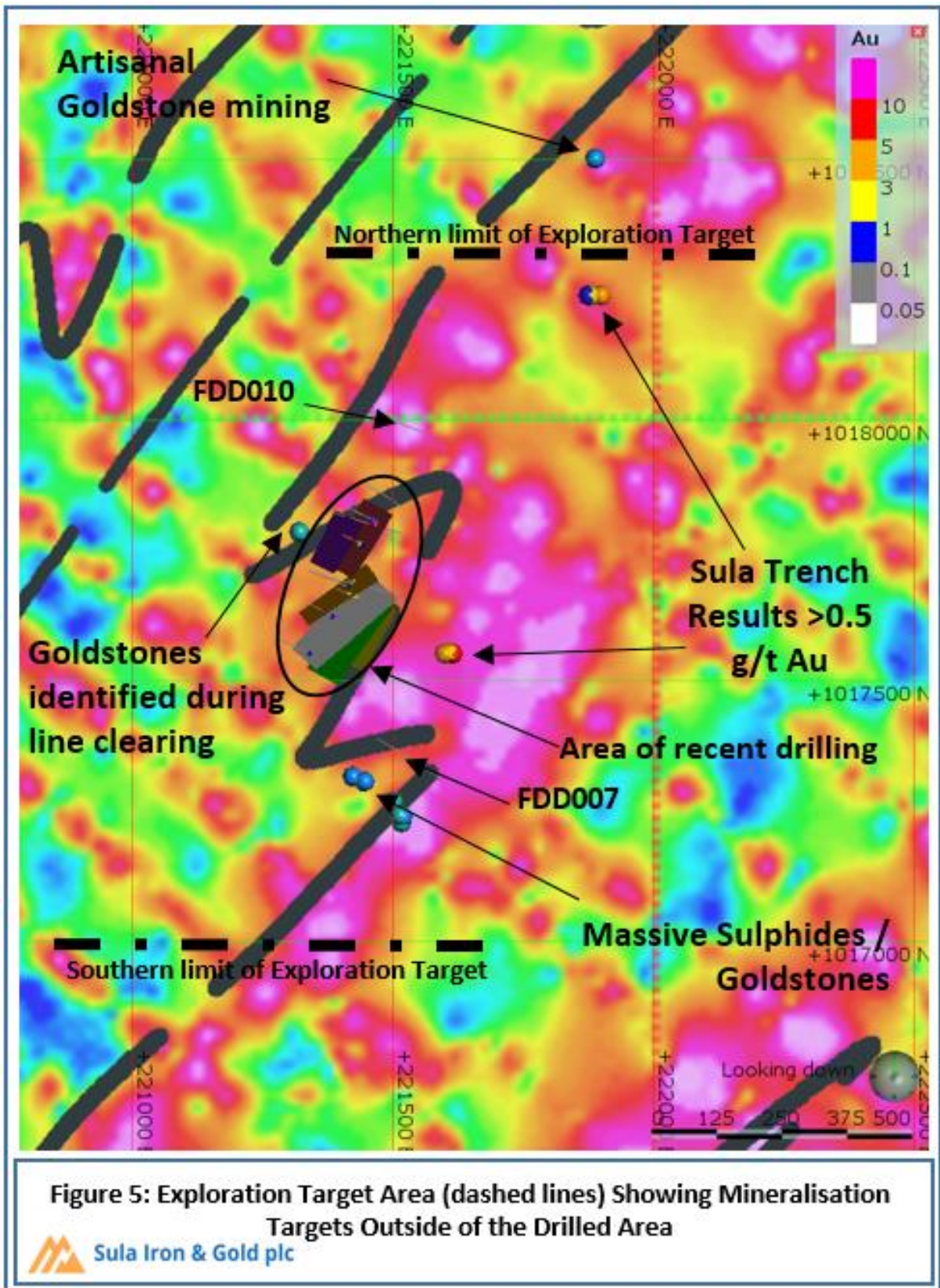
A preliminary interpretation of the logging and assay data, utilising the structural measurements recorded by SRK shows that the overall shear zone, covering a strike length of approximately 350 m, comprises multiple sub-parallel strands that dip at an average of 75° to the west-northwest and that

display individual continuity over distances in the order of 100 to 200 m. Mineralisation is currently open at depth. Figure 4 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.



The drilling undertaken to date has focussed on known areas of historic mineralisation with step out holes targeting mineralisation along strike from the initial FDD01 to FDD004 drillholes. The full extent of the Exploration Target area defined by SRK has not been tested by the drilling programme with approximately 25% of the 2 km strike length tested to date. Figure 5 shows the area defined by SRK as the Exploration Target and highlights the mineralisation data currently available that has not been tested by drilling. This includes significant mineralisation within the Sula trenches, the presence of previously reported high grade massive sulphides and artisanal goldstones and artisanal mining activities, further highlighting the potential for additional discoveries.

Goldstone is a colloquial term for material believed to represent weathered sulphide mineralisation and is one of the target material types of local artisanal miners in the area.



Grab Sampling Results

In addition to the drilling activities completed, sulphide and goldstone samples were collected during a regional sampling programme. Seven samples were collected from an area approximately 2 km to the south of the Exploration Target, including six artisanal goldstones and one quartz-pyrite sample.

An additional sample was collected from the far west of the licence area with a returned grade of 0.02 g/t Au. All samples reported 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 10 km strike length. High grade results were returned from six of the goldstone samples, with an average grade of 8.3 g/t Au. The single quartz-pyrite sample returned the highest grade recorded on the licence to date of 69.2 g/t Au.

Table 3 shows the results of the samples collected and Figure 6 shows the locations of the samples collected, where it is clear that the locations are aligned with the regional fold belt identified within the licence.

Table 3: Goldstone and Quartz-Pyrite 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

Figure 7 shows examples of the goldstones from the area around where several goldstone samples (6028, 6029 and 6030) and the quartz-pyrite sample (6035) were collected.

Samples 6031 and 6032 are located to the south of drillhole FDD007 where goldstones showing a massive pyrite core and quartz veining are prominent within a river bank exposure. A selection of photographs from this area are shown in Figure 8.

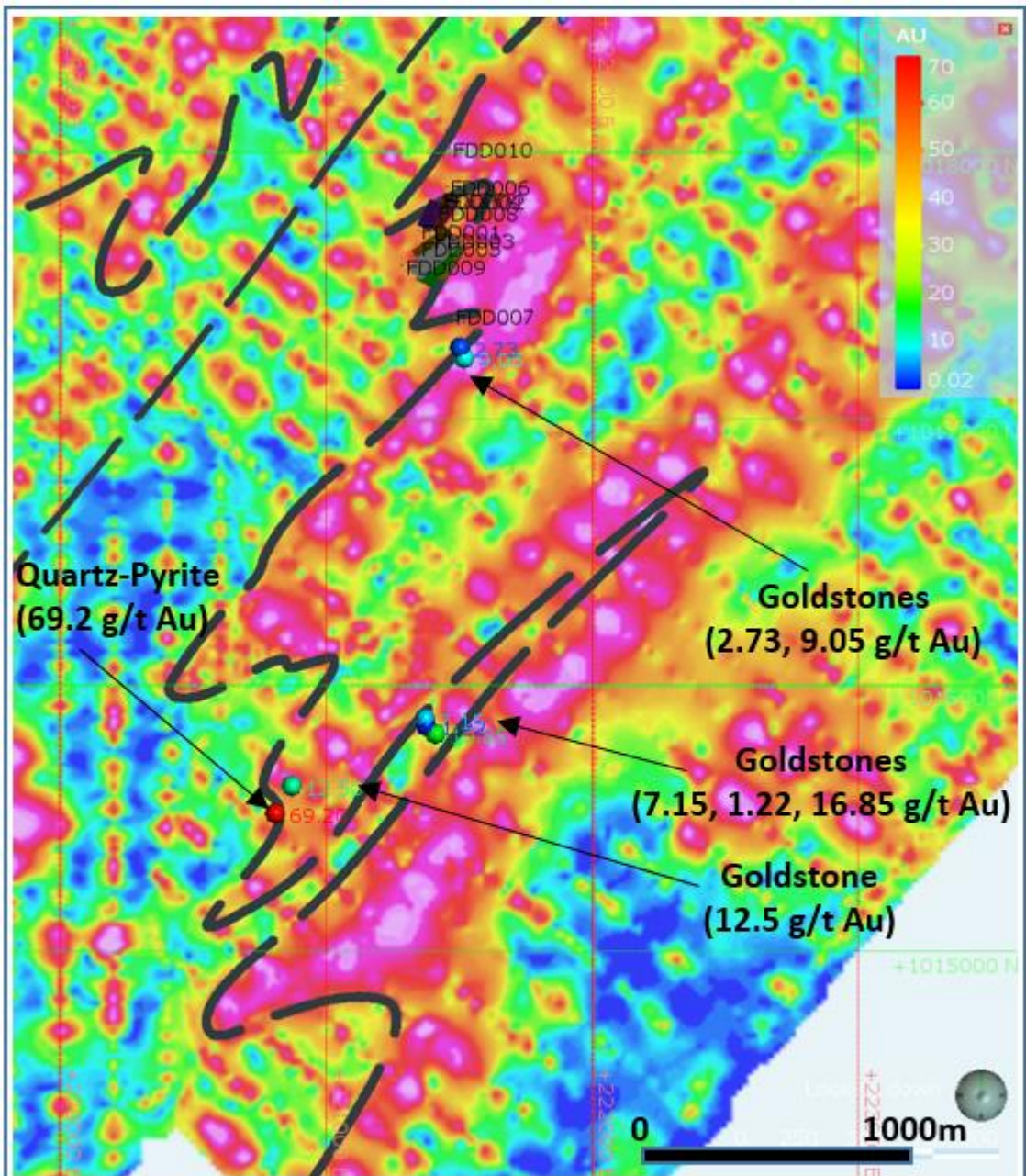


Figure 6: Goldstone / Quartz-Pyrite Sample Locations



Figure 7: (a) Typical goldstone sample (b) goldstones and artisanal grinding hole (c) 69.2 g/t quartz-pyrite sample



Figure 8: (a,c,d) Goldstone sample showing massive pyrite core (b) quartz-pyrite sample (e) Goldstone boulder being actively exploited

Summary

In summary, via the recent the extended drilling campaign at the Ferensola Gold Project, Sula has successfully achieved its principal objectives in confirming the significant potential for near-surface high grade gold mineralisation and the dip and strike continuity of the host shear zone. Mineralisation is open at depth and the structural logging undertaken indicates the presence of multiple high grade mineralised shears rather than a single sub-planar zone. The extended scout drilling programme was concentrated on the Sanama Hill target which constitutes approximately 25% of the area defined by SRK in the Exploration Target. The geological knowledge gained from the drilling programme will assist greatly in expanding future exploration activities to other parts of the licence area.

Additional sampling of artisanal goldstones and a fresh quartz-pyrite float sample further confirms the presence of widespread mineralisation potential throughout the Ferensola concession, not simply restricted to the area of the current Exploration Target.

****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.