Sula Iron & Gold plc / Index: AIM / Epic: SULA / Sector: Natural Resources

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Sula Iron & Gold plc

("Sula" or the "Company")

Ferensola Gold – Batch 1 Assay Results

Sula (AIM: SULA), the gold exploration company focused on Sierra Leone, is pleased to announce the results from Batch 1 of its recently completed 3,783 metre 14 hole drill program across Sanama Hill (TZ0), Eastern Target (TZ2), TZ4 and the Kuwait artisanal anomaly on its Ferensola Gold Project.

Batch 1 comprises 1,265 samples from 5 drillholes: FDD014 from Sanama Hill, (from where we drilled 10 holes in December 2015) and FDD011, FDD012, FDD013 and FDD015 from TZ2 (Eastern Target), a new, never before drilled target.

FDD014 at Sanama Hill was designed to test the down dip / plunge extension to the previously identified high grade mineralisation. The TZ2 drillholes were designed to test for potential mineralisation indicated by a highly chargeable IP anomaly.

Batch 1 Highlights:

- **5 drillholes assayed: 1 drillhole from Sanama Hill (TZ0) and 4 drillholes from the TZ2, the Eastern target;**
- **High grade assay results of 15.9g/t over 4.8m (3.1m true width), including 37g/t Au over 0.75m, from within a mineralised shear zone interval of 32.6m (21.0m true width) with a length weighted grade of 3.65g/t Au were intersected between 122.85m and 155.45m in drillhole FDD014 at Sanama Hill;**
- **6.8 g/t Au was also intersected between 185m and 186.2m in FDD014 along with an oxide zone assay of 2.31 g/t Au between 48m and 49.5m;**
- **FDD014 demonstrates continuity of gold mineralisation 45m from the previous high grade intersections recorded in FDD002 and FDD004 from drilling carried out in December 2015;**
- **Logging and structural data collected at FDD014 highlights a complex zone of thickening associated with a significant shear zone within the Sanama Hill target; and**
- **Drilling at the Eastern Target (TZ2) confirms a major sulphide system associated with numerous shear zones.**

Batch 2

Samples from the remaining 9 drillholes are due to leave our Dalakuru exploration camp today bound for the ALS assay testing laboratory in Ireland.

Roger Murphy, Sula's CEO, commented:

"*I am delighted by these results and the progress we are making at Sanama Hill in finding high grade gold. We believe there is much more to be found, as we now understand the structural controls on mineralisation better. The results from FDD014 returned the thickest width, containing the highest grade that Sula has drilled to date. It is extremely encouraging that the oxide and high grade sulphide gold mineralisation we are finding at Sanama Hill is shallow and thus potentially open-pittable. Similarly, the high-grade zones should be amenable to underground mining.*

The first results from TZ2 (Eastern Target) clearly demonstrate that there is a mineralised system with results from three more holes to come. The improved geological understanding gained has led us to

drill other areas, including "Kuwait", a nearby area of intense artisanal mining, which is part of the TZ2 anomaly. Also, the structural controls we are beginning to understand at Sanama Hill will help us to target exploration at TZ2 and elsewhere.

In summary, we believe the tremendous grades and thicknesses achieved on Sanama Hill and our enhanced geological understanding will help us to find more gold across our 153km^2 licence both in the area we are currently working and elsewhere on the project. We are confident that assays from Batch 2, dispatched today, will be a further significant step in that process."

Exploration Summary

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 magnetic anomaly and Induced Polarisation ("IP") chargeability data. Figure 2 and Figure 3 show the locations of the Batch 1 drillholes at Sanama Hill and TZ2 in more detail.

All samples are half diamond core and have been analysed by fire assay at ALS Laboratories in Ireland. As part of the sampling programme and along with the standard half core samples, Sula inserted certified reference samples and locally sourced blank samples. The samples submitted are summarised in Table 2.

Table 1: Drillhole Collar Information

Batch	Hole ID	Target	Easting	Northing	Elevation	Collar Dip	Collar Azimuth	Depth (m)
1	**FDD011**	TZ2	221917	1016498	571	55	130	305.5
1	**FDD012**	TZ2	222130	1016681	615	55	130	385.5
1	**FDD013**	TZ2	222011	1016603	603	55	131	309.5
1	**FDD014**	Sanama Hill	221396	1017820	606	60	115	196.8
1	**FDD015**	TZ2	222420	1017092	650	55	130	329.5
2 (Pending)	**FDD016**	TZ2	222486	1017035	670	55	130	155.3
2 (Pending)	**FDD017**	Sanama Hill	221593	1017685	607	55	120	352.6
2 (Pending)	**FDD018**	TZ2	222002	1016427	579	55	130	158.2
2 (Pending)	**FDD019**	TZ2	221873	1016534	564	55	130	158.5
2 (Pending)	**FDD020**	Sanama Hill	221366	1017662	570	55	110	298.9
2 (Pending)	**FDD021**	TZ4	221392	1015424	606	55	150	155.4
2 (Pending)	**FDD022**	Sanama Hill	221537	1017325	535	55	130	331.5
2 (Pending)	**FDD023**	TZ4	221263	1015400	610	55	130	332.4
2 (Pending)	**FDD024**	Kuwait (TZ2)	221381	1016526	532	55	130	313.7
		TOTAL						**3,783m**

Table 2: Summary of Sample Submission

Batch	Hole ID	Standard Half Core Samples	Blank Samples	Certified Reference Samples
1	**FDD011**	301	8	16
1	**FDD012**	261	7	14
1	**FDD013**	269	8	14
1	**FDD014**	131	4	7
1	**FDD015**	208	5	12
Total		**1,170**	**32**	**63**

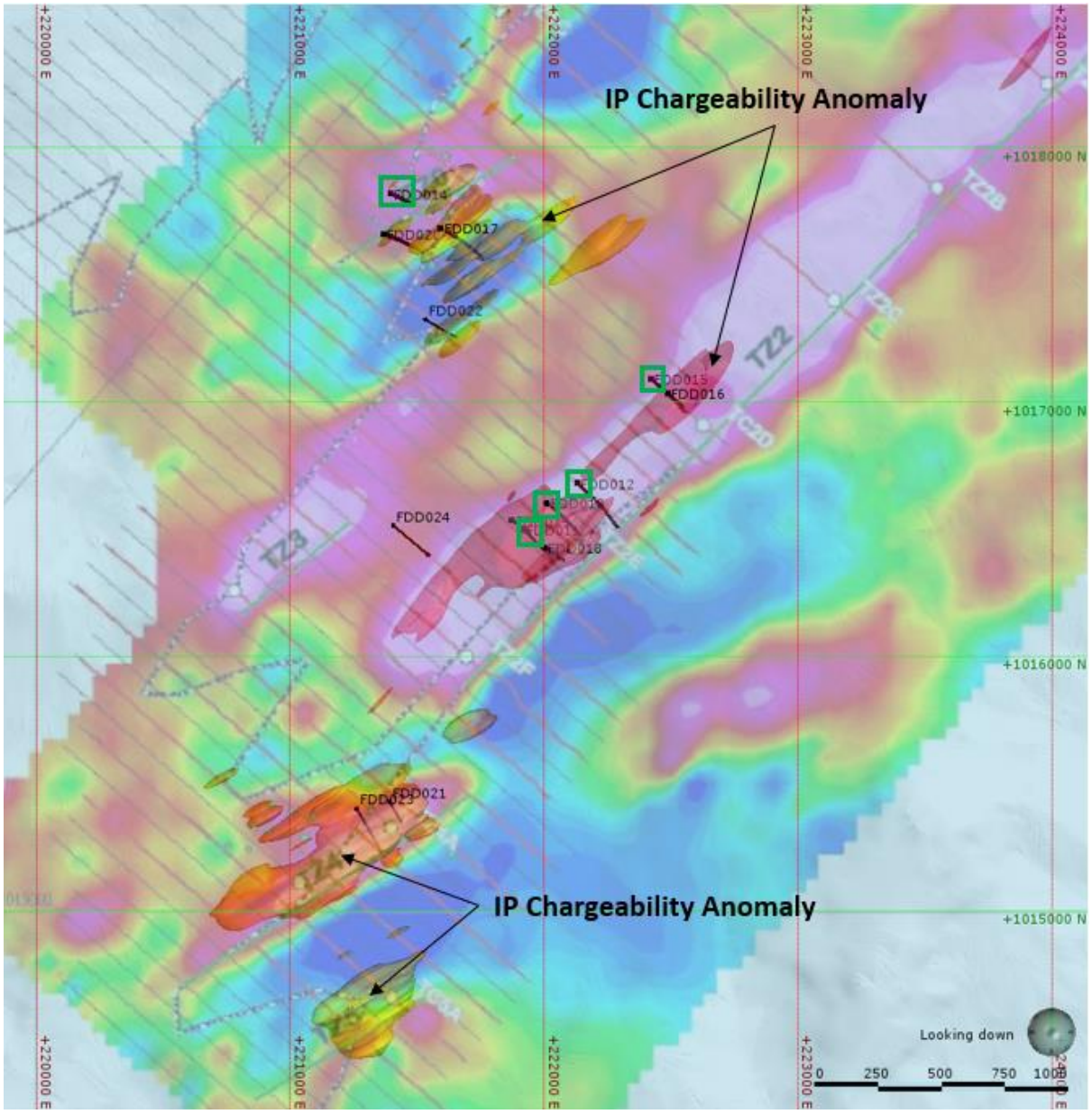

Figure 1: Drillhole location map highlighting holes FDD011, 012, 013, 014 and 015

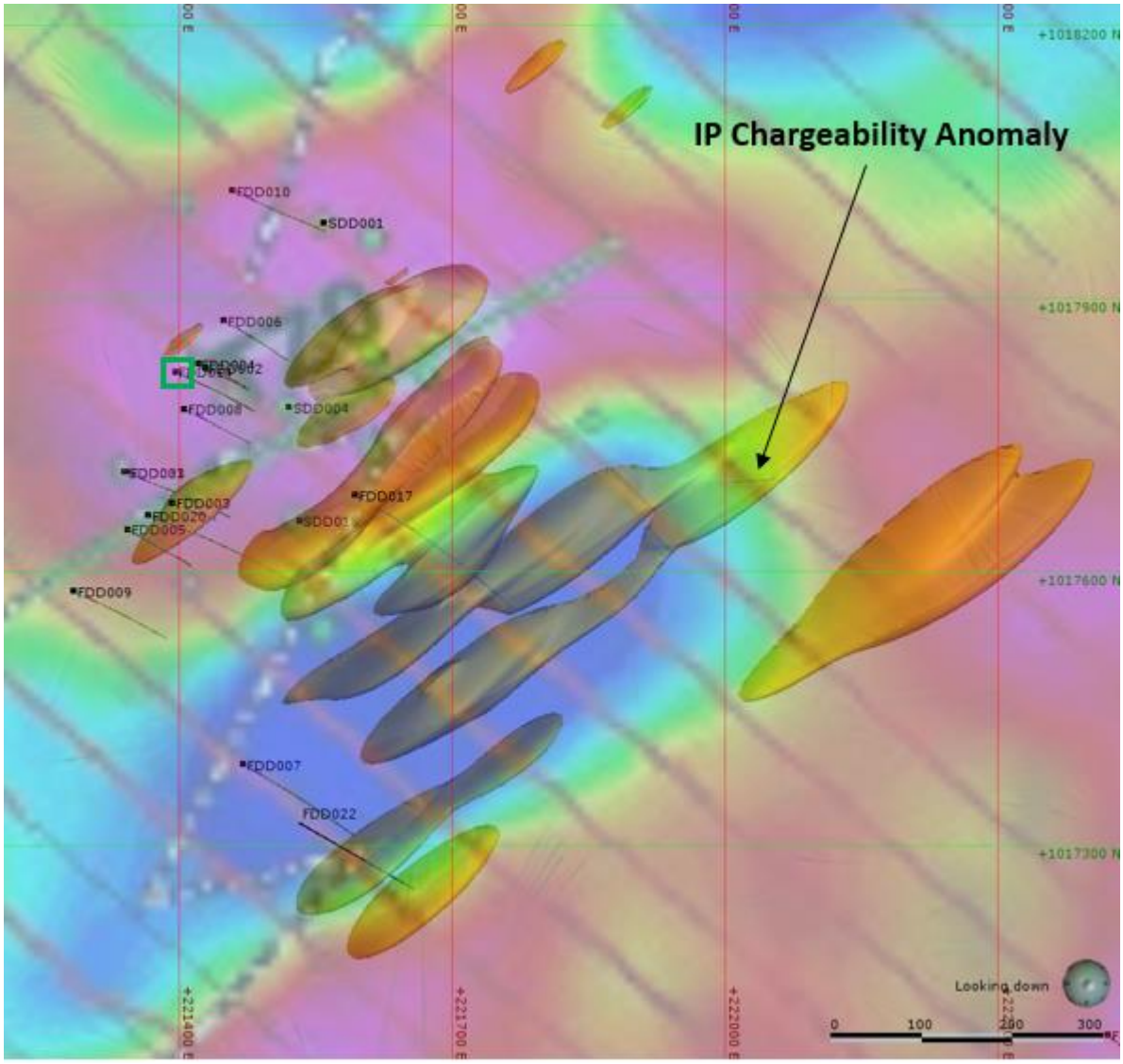

Figure 2: Drillhole location map highlighting hole FDD014 at Sanama Hill (TZ0)

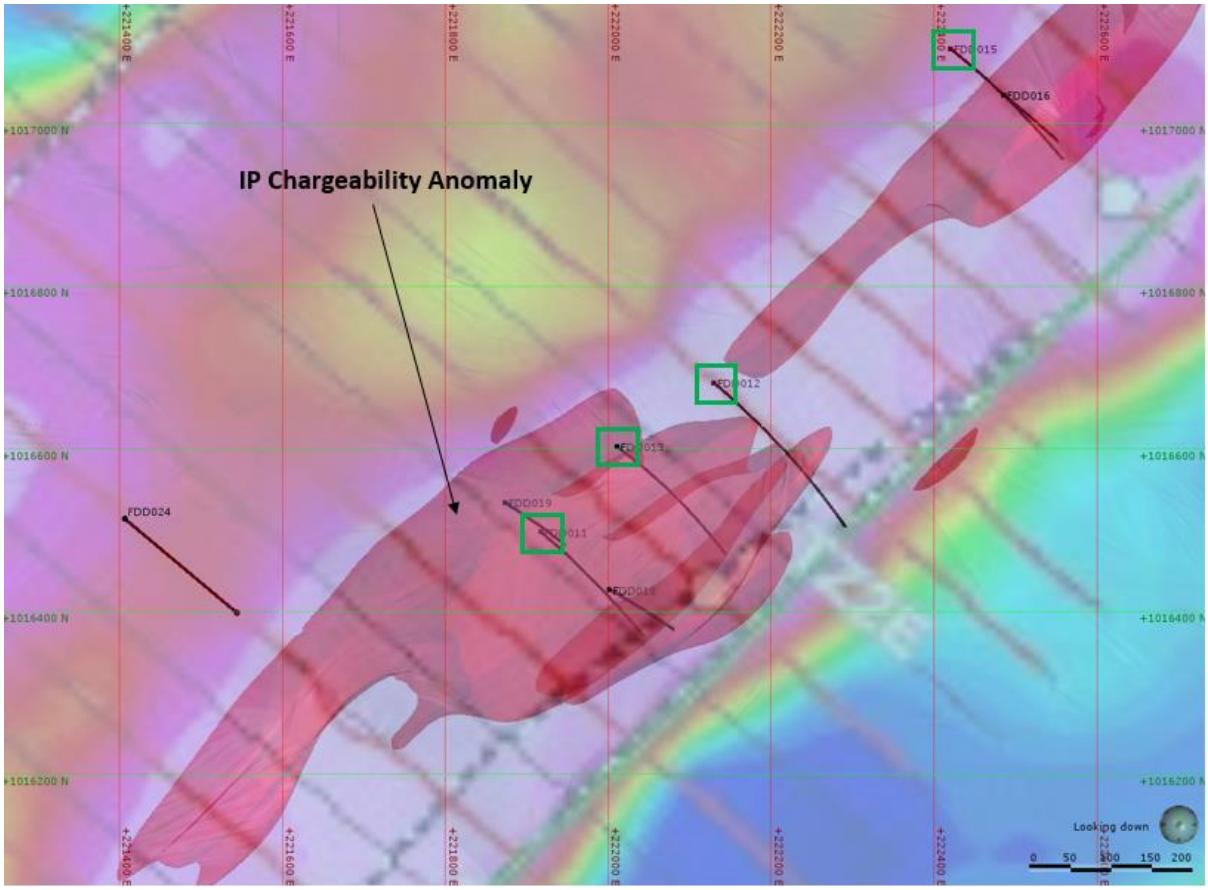

Figure 3: Drillhole location map highlighting holes FDD011, 012, 013, and 015 at TZ2

TZ0 - Sanama Hill

Figure 4 shows the assay intervals returned from drillhole FDD014 along with assays from holes FDD002 and FDD004 from the November 2015 drilling campaign and SDD004 being a resampled historic drillhole. Table 3 shows a summary of the significant assay intervals from FDD014 with all significant assays from FDD014 shown in Appendix 1. As shown in Table 3, FDD014 intersects a zone of 32.6m in apparent thickness with a length weighted average grade of 3.65 g/t Au. A true thickness of 21m, being 64% of the apparent thickness has been calculated using the drilling angle and dip of the controlling shear zone within FDD014, FDD004 and FDD002. This intersection contains samples less than a cut-off of 0.5 g/t Au to assist in the modelling of the mineralised zone.

Logging of the core within the mineralised zone of FDD014 shows a complex network of quartz-pyrite breccia, being similar to the mineralisation observed previously with Figure 4 showing examples of core from within the controlling shear zone and the high grade mineralised intervals between 139.5m and 143.7m. A sample assaying 37 g/t Au is highlighted between the two red markers and being composed of up to 70% pyrite. This high-grade sample lies within a zone with a length weighted grade of 7.4 g/t Au over a true thickness of 8.1m.

As shown in Figure 4, the high-grade mineralisation intersected within FDD014 has enabled a broad zone of mineralisation to be modelled within Sanama Hill that connects FDD014 to the holes from the previous drilling campaign, confirming the continuation of the mineralisation associated with the shear zone and plunging to the southwest.

Outside of the main mineralised package, a single sample of 6.8 g/t Au was recorded between 185m and 186.2m in addition to an oxide zone assay between 48m and 49.5m of 2.31 g/t Au. The FDD014 oxide zone assay provides a third intersection that suggests a new plane of mineralisation exists to the west of the shear zone highlighted in Figure 4 and that joins high grade assays from FDD002 and FDD008. This zone is highlighted in Figure 5.

Table 3: Significant intersections from holes FDD014

Hole ID	From	To	Apparent Thickness (m)	True Thickness (m)	Au (g/t)
FDD014	2.9	4.5	1.6	1.0	0.53
FDD014	48.0	49.5	1.5	1.0	2.31
FDD014	122.9	155.5	32.6	21.0	3.65
including	122.9	124.0	1.15	0.7	1.76
	128.0	129.0	1	0.6	1.68
	131.0	131.4	0.39	0.3	0.71
	135.0	147.6	12.55	8.1	7.4*
	152.0	155.5	3.45	2.2	5.85
FDD014	185.0	186.2	1.18	0.8	6.78

*includes 37 g/t Au from 142.25m to 143m

The structural data associated with all drill programmes will be reviewed in due course to assist in future drill planning so that the high-grade zone can be targeted with improved confidence. A better understanding of the structural controls could also be helpful to try to predict and target other high grade zones within the licence.

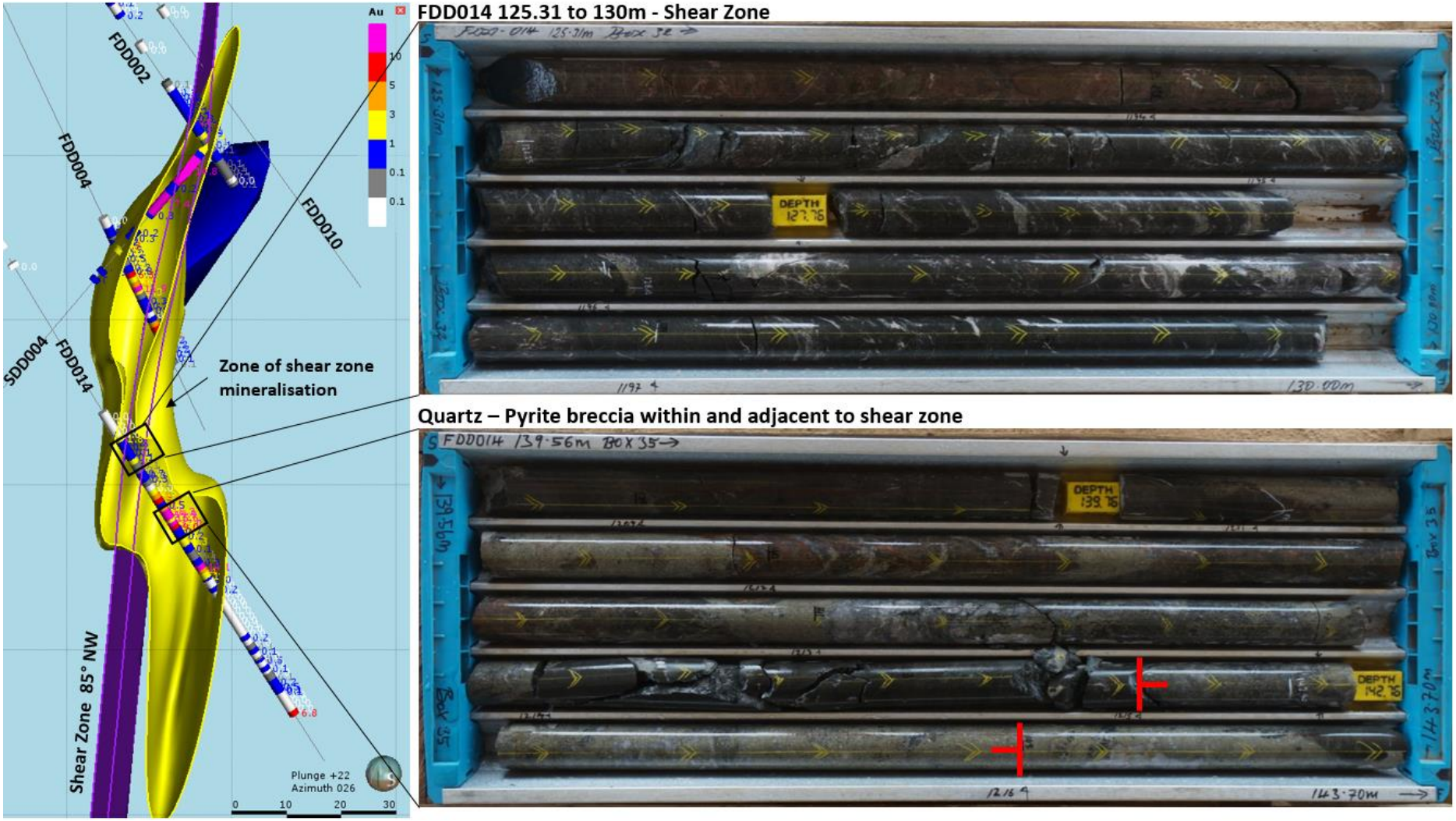

Figure 4: Sanama Hill zone of mineralisation in proximity to the controlling shear zone – 37 g/t Au sample shown between the red markers

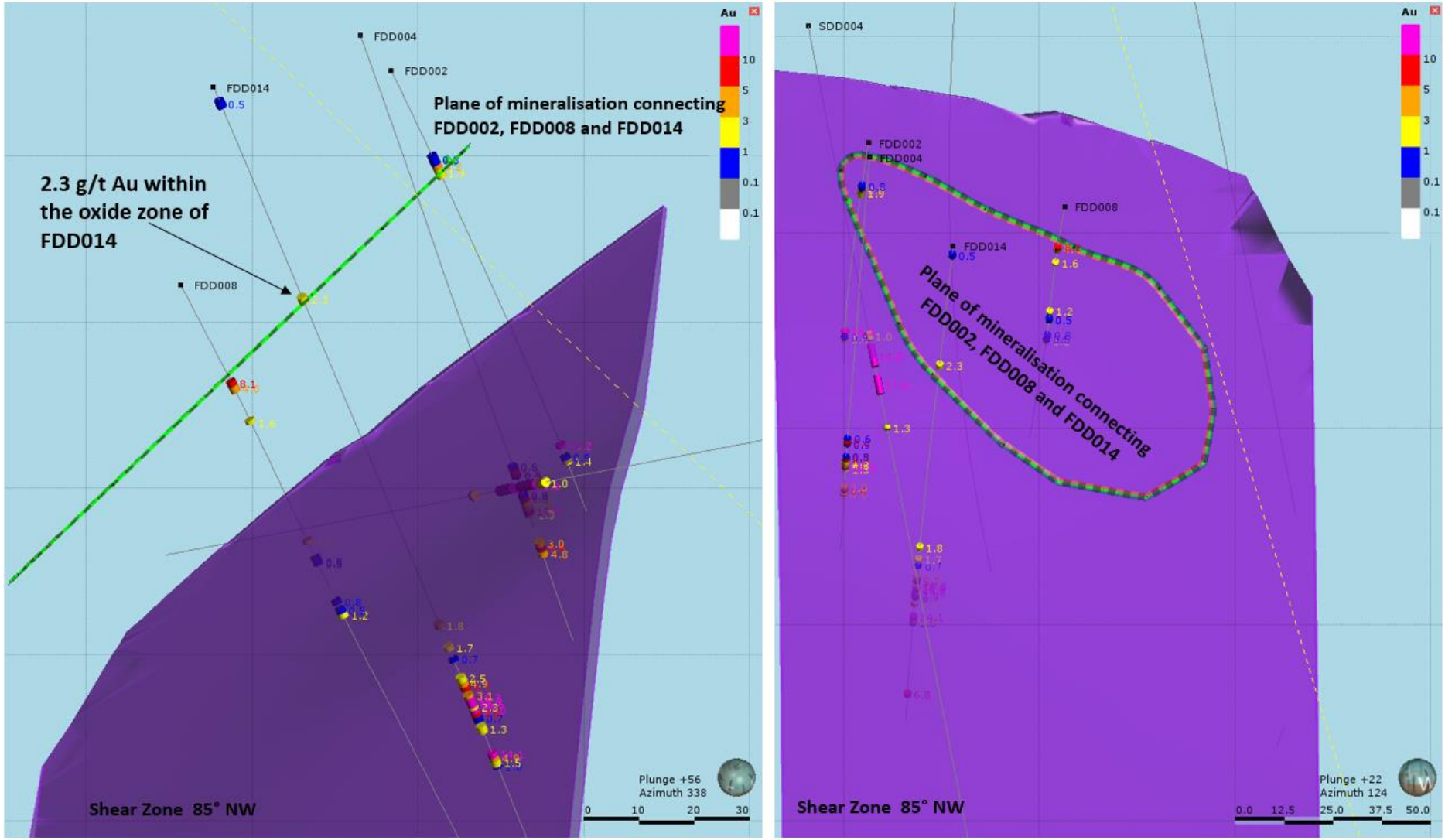

Figure 5: Plane of mineralisation to the west of the FDD014 shear zone (purple) identified through oxide samples within FDD002, FDD008 and the 2.31 g/t Au assay reported within Batch 1

A review of the geophysical IP data associated with the high grade Sanama Hill drillholes shows a zone of high resistivity and low chargeability with the high resistivity believed to be related to the elevated levels of quartz in the area. This is shown in Figure 6 and provides further potential sources of mineralisation alongside Au bearing mineralisation associated with high IP chargeability data observed at Sanama Hill.

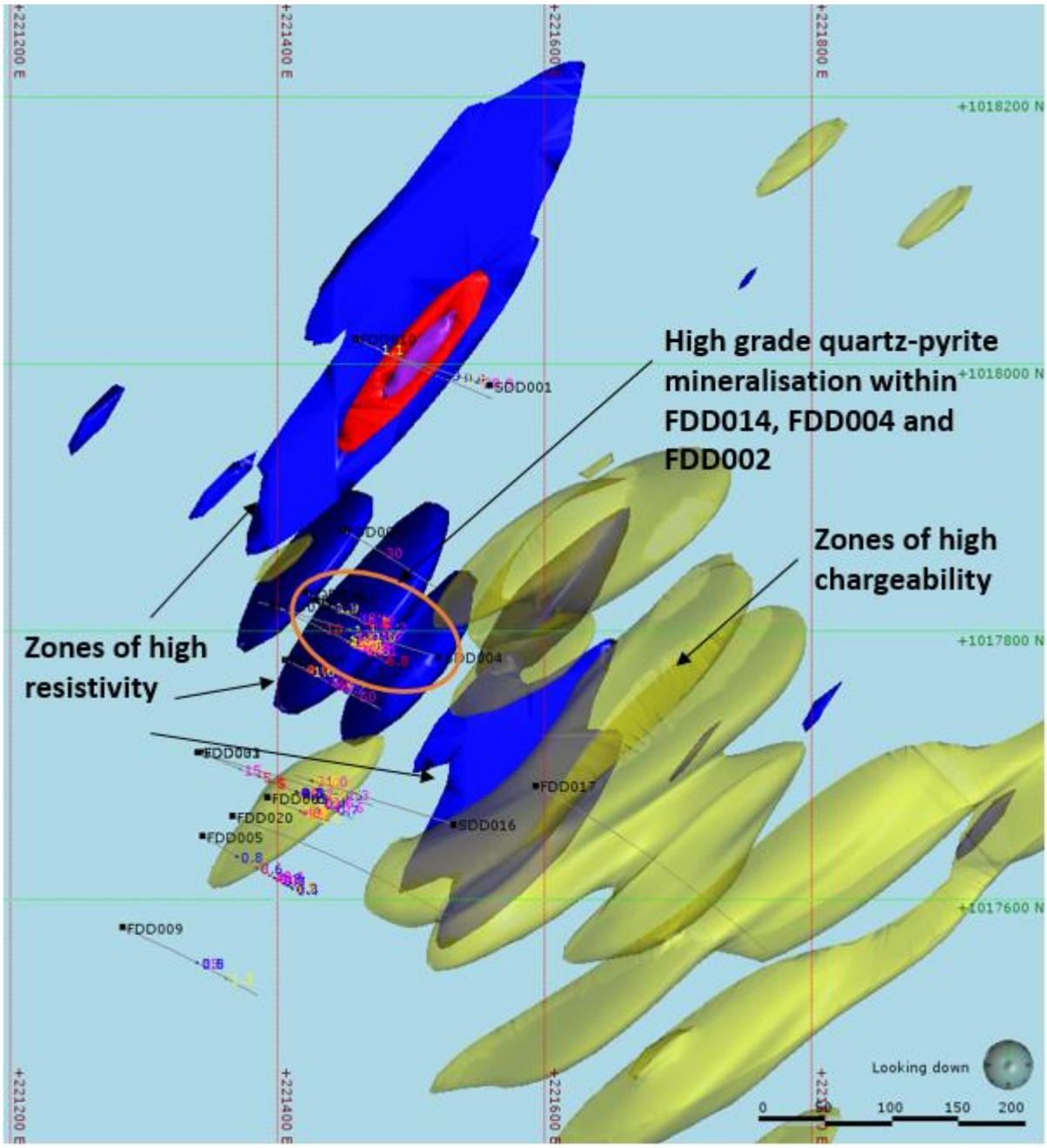

Figure 6: Sanama Hill zones of high resistivity (blue) and high Chargeability (yellow)

TZ2

These are the first drill holes in TZ2 which is a 4km long IP anomaly. Figure 7 shows the IP chargeability anomaly at TZ2 with the drilling confirming the presence of a metavolcanic unit, similar to that at Sanama Hill and being intersected by numerous shear zones and large accumulations of disseminated and veinlet sulphides that confirm mineralisation and that are believed to be the source of the IP signature.

To date the results have not returned significant gold assays although a single 1m intercept from FDD012 of 0.63 g/t Au has been identified. This is shown in Figure 7 along with examples of sulphide mineralisation from holes FDD011, FDD013 and FDD015.

Batch 2 samples will include a further 3 drillholes from TZ2, being FDD016, FDD018 and FDD019, the latter of which, shown in Figure 8, is collared in close proximity to the road outcrop oxide sample that was crushed, panned and liberated recoverable gold and which returned an assay of 4.8 g/t Au from a second sample collected. Batch 2 will also include FDD024, being the Kuwait artisanal hole that targets a zone of high resistivity as observed at Sanama Hill.

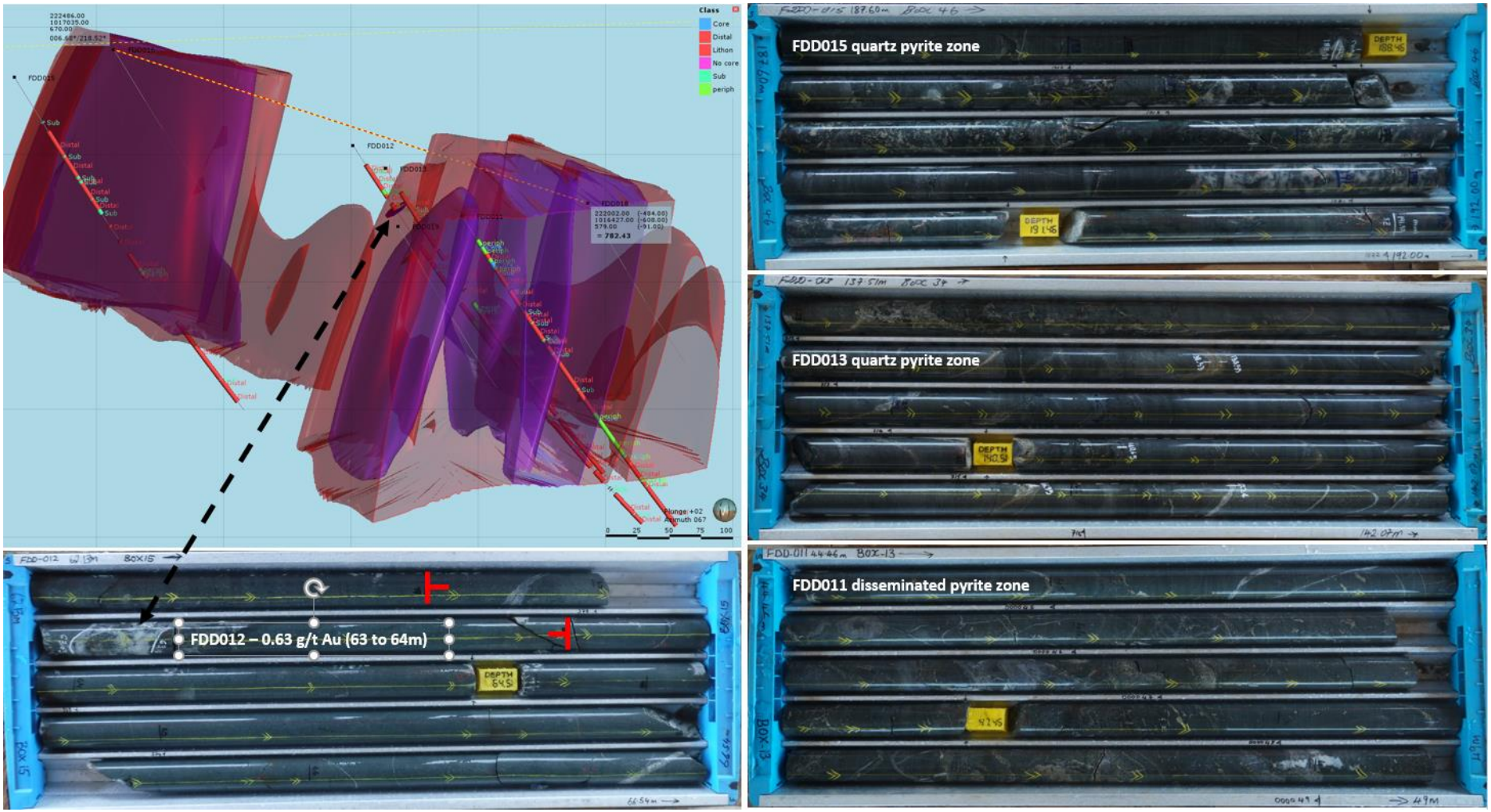

Figure 7: Examples of sulphide intercepts within the TZ2 anomaly – FDD012 0.63 g/t Au sample shown between the red markers and being associated with a quartz – pyrite vein

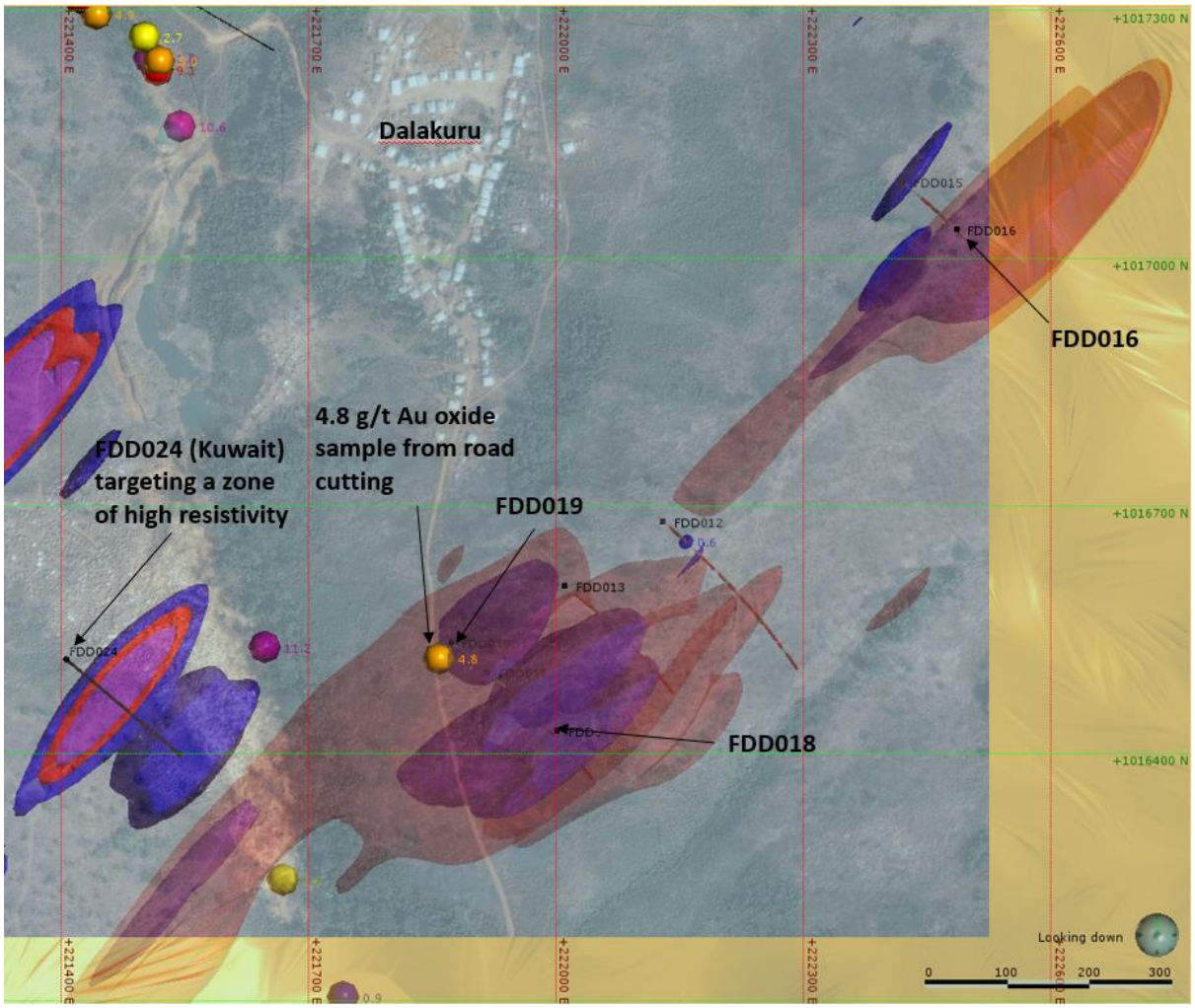

Figure 8: Location of Batch 2 TZ2 drillholes and the high resistivity Kuwait artisanal hole FDD024

APPENDIX 1 – FDD014 RAW ASSAY INTERVALS

Hole ID	From	To	Apparent Thickness (m)	True Thickness (m)	Au (g/t)
FDD014	2.93	4.53	1.6	1.0	0.53
Length / Length Weighted Grade			**1.6**	**1.0**	**0.53**
FDD014	48.03	49.53	1.5	1.0	2.31
Length / Length Weighted Grade			**1.5**	**1.0**	**2.31**
FDD014	122.85	124	1.2	0.7	1.76
FDD014	124	124.7	0.7	0.4	0.19
FDD014	124.7	126	1.3	0.8	0.25
FDD014	126	127	1.0	0.6	0.12
FDD014	127	128	1.0	0.6	0.14
FDD014	128	129	1.0	0.6	1.68
FDD014	129	130	1.0	0.6	0.09
FDD014	130	131	1.0	0.6	0.08
FDD014	131	131.39	0.4	0.3	0.71
FDD014	131.39	132	0.6	0.4	0.28
FDD014	132	133	1.0	0.6	0.26
FDD014	133	134	1.0	0.6	0.10
FDD014	134	135	1.0	0.6	0.04
FDD014	135	136	1.0	0.6	2.45
FDD014	136	137	1.0	0.6	4.94
FDD014	137	138	1.0	0.6	5.67
FDD014	138	139	1.0	0.6	0.47
FDD014	139	139.6	0.6	0.4	3.09
FDD014	139.6	140	0.4	0.3	18.30
FDD014	140	141	1.0	0.6	19.95
FDD014	141	141.64	0.6	0.4	16.65
FDD014	141.64	142.25	0.6	0.4	2.31
FDD014	142.25	143	0.8	0.5	37.00
FDD014	143	143.8	0.8	0.5	9.00
FDD014	143.8	145	1.2	0.8	0.65
FDD014	145	146	1.0	0.6	0.23
FDD014	146	147.55	1.6	1.0	1.31
FDD014	147.55	149	1.4	0.9	0.12
FDD014	149	150	1.0	0.6	0.08
FDD014	150	150.68	0.7	0.4	0.08
FDD014	150.68	152	1.3	0.8	0.27
FDD014	152	153	1.0	0.6	14.05
FDD014	153	153.79	0.8	0.5	4.94
FDD014	153.79	155	1.2	0.8	1.47
FDD014	155	155.45	0.4	0.3	1.00
Length / Length Weighted Grade			**32.6**	**21.0**	**3.65**
FDD014	185	186.18	1.2	0.8	6.78
Length / Length Weighted Grade			**1.2**	**0.8**	**6.78**

****ENDS****

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Notes:
Sula Iron & Gold plc is a gold focused exploration company focused on West Africa. The Company's main objective is to explore and advance its 153km^2 Ferensola Project in Northern Sierra Leone. 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. In June 2015, the Company defined a JORC Exploration Target on its Ferensola Gold Project. 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 that is believed to extend for over 10km.

The potential quantity and grade is conceptual in nature and there has been insufficient exploration to estimate a JORC compliant Mineral Resource and it is uncertain if further exploration will result in the estimation of a JORC compliant Mineral Resource. In SRK's opinion, the historical exploration data reviewed and verified here, is sufficient in both quality and quantity for an Exploration Target as defined by the JORC Code to be defined.

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.

Howard Baker has 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 a Competent Person 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. Howard Baker consents to the inclusion

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

** Ends **