

30 June 2014

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

**Interim Results
for the six months to 31 March 2014**

Sula Iron & Gold plc ("Sula" or the "Company"), the AIM listed exploration and development company focused on iron ore and gold in Sierra Leone, is pleased to announce its unaudited Interim Results for the six months ended 31 March 2014, for the Company and its wholly owned subsidiary, Blue Horizon (SL) Ltd, (together the "Group").

OPERATIONAL HIGHLIGHTS

- Drilling programme to define a JORC Compliant Direct Shipping Ore ("DSO") Mineral Resource Estimate on the main BIF now completed;
- Drilling programme to define a JORC Compliant Magnetite Mineral Resource Estimate expected to complete in July 2014;
- Assay results received from Batches 1-5 demonstrate multiple intercepts greater than 55% Fe content; and
- Gold geochemical study of over 6,000 samples and a geophysical survey over a 15 sq km area completed.

FINANCIAL HIGHLIGHTS

- Cash position in excess of £2.2 million at 31 March 2014 (30 September 2013: £0.01 million);
- c£3.5 million successfully raised from equity placements and exercise of warrants; and
- Loss for the period of £0.68 million (2013: £0.99 million loss), resulting in a loss per share of 0.37 pence (2013: 0.83 pence).

Nick Warrell, Chief Executive Officer of Sula commented:

"The Group remains in good health. We are focused on working towards delivering a defined iron ore resource and are on target to report both JORC Compliant DSO and JORC Compliant Magnetite Mineral Resource Estimates before the end of 2014. The Group is also confident about its gold prospectivity and continues its exploration activities to identify drill targets in the YDS region of the Ferensola Licence area. We are cautiously optimistic about the future."

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Notes to Editors:

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 Ferensola Projects, in Northern Sierra Leone, that are highly prospective for iron and gold. Sula is currently focused on defining a maiden JORC compliant iron ore resource estimate and evaluating the gold prospectivity. The 153 sq. km licence area is contiguous to African Minerals' operational Tonkolili Iron Mine, which has a JORC compliant resource of 12.8 billion tonnes iron mineralisation.

Exploration work at the project has confirmed the presence of BIF at surface, which has a known strike length of 3.1km. The BIF is proven to extend NE from the Tonkolili licence and into Sula's licence area. A 2,000m scout drilling programme conducted over a 2.2km section of BIF, confirmed the licence area's prospectivity for high grade iron mineralisation.

Significant Greenstone Belt-style gold mineralisation has also been identified at various prospects within the licence area. Five target areas for hard rock gold mineralisation have been identified based on the location of historic drill intercepts, the source areas for alluvial gold deposits, and the position of major structures as defined by airborne magnetic data and drainage orientation.

The information in this release that relates to Exploration Results has been reviewed by Mr Andrew Dacey, Non-Executive Technical Director of Sula Iron & Gold plc. Mr Dacey is a Fellow of the Institute of Materials Minerals and Mining, a Registered Professional Geologist with the Australian Institute of Geoscientists and a Competent Person as defined in the Australasian Code for Reporting of exploration results and Mineral Resources and Ore Reserves.

CHIEF EXECUTIVE OFFICER'S STATEMENT

During the period 1 October 2013 to 31 March 2014 and subsequently, the Company has been focused on delivering its defined exploration programme, strengthening its management team, improving its cash position and enhancing the value of its assets. We have reported significant advances in terms of board structure, financing and exploration news.

OPERATIONS

SRK VALUATION

In January 2014, mining consultants SRK Exploration Services Ltd ("SRK ES") published a valuation of Sula Iron and Gold plc, which is available in full on Sula's website at www.sulairongold.com/investors. Of particular note is the Technical Valuation, which was based upon the geological information available at that time and SRK ES's opinion regarding the status of the assets. I remain greatly enthused with the result of the valuation, and believe it to be testament to the value potential of Sula.

IRON ORE

Following the successful scout drilling programme carried out in 2013 on the main Banded Iron Formation ("BIF") unit within the licence, a key focus for us during the period under review was to ensure we had the necessary financial and technical resources to exploit this potential. In March we successfully raised approximately £2.1 million of new funds via an equity placing with the specific objective of carrying out a drill programme which would ultimately lead to a JORC Compliant Resource on the DSO by the end of 2014.

I am pleased to report that we are well on the way to achieving this objective. In April 2014, we implemented a drilling programme of approximately 5,700 metres to establish a maiden JORC Compliant Resource for the DSO ("DSO Drill Programme").

Assay Batches 1 to 5 out of a total of 10 batches have already been successfully reported, with multiple intercepts in excess of 55% Fe. Batches 6, 7 & 8 have already been dispatched to ALS in Monrovia for sample preparation and will be sent subsequently to ALS in Ireland for assay results. The remaining two batches are currently being prepared for freighting to Monrovia for preparation ahead of being despatched to Ireland.

Not only has the DSO Drill Programme been delivered on schedule and below budget, but whilst we had the capabilities on site, we designed and planned a further JORC Compliant Resource drill programme for the fresh magnetite that sits below the DSO within the main BIF unit. Drilling has commenced on this programme and, subject to favourable weather and other variables, the planned 1,550 metres of drilling is scheduled to complete in July 2014.

Accordingly, I'm pleased to report that the Group is on target to report both JORC Compliant DSO and magnetite Mineral Resource Estimates before the end of 2014.

GOLD

In November 2013, the Group commenced an initial gold exploration programme at the Yanfarina-Lagunda-Send ("YDS") area of the Ferensola Licence. This exploration comprised a 15 sq km geophysical and a geochemical soil sampling programme and was completed in February 2014. A ground magnetic survey was conducted in order to delineate geological structures and over 150 line km of ground magnetic surveying was carried out on a 100m line spacing over the principal target areas. Additionally, more than 6,000 soil/regolith samples were collected on a 100m x 25m grid pattern. The results of this programme have enabled us to target hard rock gold mineralisation and potential drill targets.

At the beginning of April 2014, our wholly owned subsidiary, Blue Horizon (SL) Limited, which holds the exploration licence, successfully obtained permission from the Sierra Leone Minerals Advisory Board ("MAB") to carry out trial mining within its licence area. This permission was sought to allow Blue Horizon to extract batch samples of alluvial gold for technical valuation and sale. I am pleased to report that Blue Horizon began the trial mining test work in April which proved that the gold is amenable to gravity separation by water without chemical use and is averaging a 92% purity. As a consequence, since April 2014, Blue Horizon has been able to generate small sales of its gold which, aside from the technical merit, has offset the cost of the trial mining programme. Sula intends for Blue Horizon to continue mining and selling batch samples of gold for the foreseeable future.

FINANCIAL REVIEW

I am pleased to report that at the period end, Sula had a healthy looking balance sheet, with net assets standing at approximately £6.7 million (30 September 2013: £4.1 million).

During the period under review we raised almost £3.5 million of new money through the issue of new equity with institutional and private client investors, having begun the period with less than £0.01 million of cash. At the period end, the cash balance was more than £2.2 million.

The loss for the period was £0.68 million (2013: £0.99 million), representing a loss per share of 0.37 pence (2013: 0.83 pence).

A large proportion of the Group's expenditure in the period was in the gold geophysical and a geochemical soil sampling programme. In the period under review, exploration costs of £0.17 million in respect of the DSO Drill Programme were capitalised.

EQUITY PLACING

During the period under review the Group successfully raised an aggregate of £3.5 million, of which £0.8 million was raised in a placing of 40.0 million shares at 2.0 pence in October 2013 to advance the Company's Ferensola Project and for working capital purposes. A further £0.6 million was raised from the exercise of 19.2 million warrants at 3.0 pence in January 2014 and February 2014 with an additional £2.1 million raised via a placing at 2.25 pence in March 2014, specifically for the DSO Drill Programme.

BOARD CHANGES

In November 2013 and December 2013, we strengthened our Board with the appointments of Matt Wood and Andrew Dacey, respectively.

Matt joined initially as a Non-Executive Director but I am pleased to say agreed to become the Group's part-time Finance Director in early March 2014. Matt is a chartered accountant and an experienced non-executive director of growth companies and a corporate financier with 15 years' City experience. Matt is also the Managing Director and founder of CMS Advisory Group ("CMS"), a City-based multi-disciplined advisory firm to AIM companies.

Andrew joined as Non-Executive Technical Director on 31 December 2013 and has over 18 years' experience in the mining sector. He has a strong track record, having worked throughout the world for numerous junior resource companies and played a pivotal role in the Golden Hills 3.3Moz Au-equivalent discovery in Mongolia.

I am totally confident that their respective financial and resources experience will be of great value to the Group as we anticipate increasing the intrinsic value of Ferensola.

In October 2013 and December 2013, Non-Executive Director, Gavin Burnell, and Non-Executive Technical Director, Gareth O'Donovan, resigned from the board, respectively. We thank them both for their contributions and wish them well in their future endeavours.

OUTLOOK

The Group remains in good health. We are focused on working towards delivering a defined iron ore resource and are on target to report both JORC Compliant DSO and JORC Compliant Magnetite Mineral Resource Estimates before the end of 2014. The Group is also confident about its gold prospectivity and continues its exploration activities to identify drill targets in the YDS region of the Ferensola Licence area. We are cautiously optimistic about the future.

SULA IRON AND GOLD PLC
CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE SIX MONTHS ENDED 31 MARCH 2014

		6 months ended 31-Mar-14 (unaudited) £'000	6 months ended 31-Mar-13 (unaudited) £'000	Year ended 30-Sep-13 (audited) £'000
	Note			
Revenue		-	-	-
Cost of sales		-	-	-
Gross profit		-	-	-
Administrative expenses		(568)	(657)	(1,691)
Share based payment expense	11	(108)	(331)	(331)
Results from operating activities		<u>(676)</u>	<u>(988)</u>	<u>(2,022)</u>
Loss before taxation		<u>(676)</u>	<u>(988)</u>	<u>(2,022)</u>
Taxation		-	-	-
Loss for the period		<u>(676)</u>	<u>(988)</u>	<u>(2,022)</u>
Other comprehensive (loss)/Income				
Exchange translation		<u>(51)</u>	<u>-</u>	<u>7</u>
Total other comprehensive loss for the period		<u>(727)</u>	<u>(988)</u>	<u>(2,015)</u>
Loss per share				
Basic and diluted loss per share (pence)	12	(0.37)	(0.83)	(1.68)

SULA IRON AND GOLD PLC

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2014**

	Notes	31-Mar-14 (unaudited) £'000	31-Mar-13 (unaudited) £'000	30-Sep-13 (audited) £'000
Assets				
Property, plant and equipment	7	337	248	239
Intangible assets	8	3,995	4,034	3,824
Non-current assets		<u>4,332</u>	<u>4,282</u>	<u>4,063</u>
Trade and other receivables		102	19	40
Cash and cash equivalents		<u>2,242</u>	<u>605</u>	<u>14</u>
Current assets		<u>2,344</u>	<u>624</u>	<u>54</u>
Total assets		<u>6,676</u>	<u>4,906</u>	<u>4,117</u>
Equity				
Share capital	9	2,815	1,220	1,220
Share premium	9	6,515	4,681	4,679
Share based payments reserve		439	331	331
Foreign exchange reserve		(4)	-	47
Retained deficit		<u>(3,301)</u>	<u>(1,551)</u>	<u>(2,625)</u>
		<u>6,464</u>	<u>4,681</u>	<u>3,652</u>
Liabilities				
Loans and borrowings		-	94	66
Bank overdraft		1	-	14
Trade and other payables		<u>211</u>	<u>131</u>	<u>385</u>
Current liabilities		<u>212</u>	<u>225</u>	<u>465</u>
Total liabilities		<u>212</u>	<u>225</u>	<u>465</u>
Total equity and liabilities		<u>6,676</u>	<u>4,906</u>	<u>4,117</u>

SULA IRON AND GOLD PLC
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTHS ENDED 31 MARCH 2014

	Share capital	Share premium	Share based payment reserve	Attributable to owners of the Company		Total equity
	£'000	£'000	£'000	Exchange reserve	Retained deficit	£'000
Balance at 1 October 2013 (audited)	1,220	4,679	331	47	(2,625)	3,652
Loss for the period	-	-	-	-	(676)	(676)
Total other comprehensive income	-	-	-	(51)	-	(51)
Total comprehensive loss for the period	-	-	-	(51)	(676)	(727)
Issue of ordinary shares	1,595	2,021	-	-	-	3,616
Issue costs	-	(185)	-	-	-	(185)
Share based payment transactions	-	-	108	-	-	108
	1,595	1,836	108	-	-	3,539
Balance at 31 March 2014 (unaudited)	<u>2,815</u>	<u>6,515</u>	<u>439</u>	<u>(4)</u>	<u>(3,301)</u>	<u>6,464</u>

SULA IRON AND GOLD PLC
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTHS ENDED 31 MARCH 2013

	Share capital	Share premium	Convertible notes	Attributable to owners of the Company		Total equity
	£'000	£'000	£'000	Share based payment reserve	Retained deficit	£'000
Balance at 1 October 2012 (audited)	820	3,226	520	-	(563)	4,003
Loss for the period	-	-	-	-	(988)	(988)
Total comprehensive loss for the period	-	-	-	-	(988)	(988)
Issue of ordinary shares	400	1,738	(520)	-	-	1,618
Issue costs	-	(283)	-	-	-	(283)
Share based payment transactions	-	-	-	331	-	331
	400	1,455	(520)	331	-	1,666
Balance at 31 March 2013 (unaudited)	<u>1,220</u>	<u>4,681</u>	<u>-</u>	<u>331</u>	<u>(1,551)</u>	<u>4,681</u>

SULA IRON AND GOLD PLC
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 SEPTEMBER 2013

	Attributable to owners of the Company					
	Share capital £'000	Share premium £'000	Convertible notes £'000	Exchange reserve £'000	Retained deficit £'000	Total equity £'000
Balance at 1 October 2012 (audited)	820	3,226	520	-	(563)	4,003
Loss for the period	-	-	-	-	(2,002)	(2,002)
Total other comprehensive income	-	-	-	47	(40)	7
Total comprehensive loss for the period	-	-	-	47	(2,062)	(2,015)
Issue of ordinary shares	270	1,348	-	-	-	1,618
Conversion of notes	130	390	(520)	-	-	-
Costs of share issue	-	(285)	-	-	-	(285)
Share based payment transactions	-	-	-	-	331	331
	400	1,453	(520)	-	331	1,664
Balance at 31 September 2013 (audited)	1,220	4,679	-	47	(2,294)	3,652

SULA IRON AND GOLD PLC
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE SIX MONTHS ENDED 31 MARCH 2014

	6 months ended 31-Mar-14 (unaudited) £'000	6 months ended 31-Mar-13 (unaudited) £'000	Year ended 30-Sep-13 (audited) £'000
Cash flows from operating activities			
Results from operating activities:	(676)	(988)	(2,022)
- Depreciation	40	72	75
- Impairment	7	-	-
- Share based payment transaction	108	331	331
- Expenses financed by issue of shares	4	-	54
- Foreign exchange differences	(26)	-	14
	<u>(543)</u>	<u>(585)</u>	<u>(1,548)</u>
Changes in:			
- trade and other receivables	(62)	9	(12)
- trade and other payables	<u>(173)</u>	<u>29</u>	<u>271</u>
Net cash from operating activities	<u>(235)</u>	<u>(547)</u>	<u>(1,289)</u>
Cash flows from investing activities			
Acquisition of property, plant and equipment	(157)	(50)	(51)
Exploration expenditure capitalised	<u>(171)</u>	<u>(210)</u>	<u>-</u>
Net cash used in investing activities	<u>(328)</u>	<u>(260)</u>	<u>(51)</u>
Cash flows from financing activities			
Proceeds from issue of share capital	3,616	1,618	1,618
Expenses financed by issue of shares	(4)	-	(54)
Issue costs	(185)	(283)	(285)
Loan repayments	<u>(80)</u>	<u>-</u>	<u>-</u>
Net cash flows from financing activities	<u>3,347</u>	<u>1,335</u>	<u>1,279</u>
Net increase in cash and cash equivalents	2,241	528	(61)
Cash and cash equivalents at beginning of period	<u>-</u>	<u>61</u>	<u>61</u>
Cash and cash equivalents at end of period	<u><u>2,241</u></u>	<u><u>589</u></u>	<u><u>-</u></u>

SULA IRON AND GOLD PLC

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL REPORT

1. Reporting entity

Sula Iron & Gold plc (the “Company”) is a company domiciled in the United Kingdom. The condensed consolidated interim financial report of the Company as at and for the period ended 31 March 2014 comprises of the Company and its subsidiary (together referred to as the “Group”). The Group primarily is involved in the exploration and exploitation of mineral resources in Sierra Leone.

2. Basis of preparation

(a) Statement of compliance

This condensed consolidated interim financial report has been prepared in accordance with IAS 34 Interim Financial Reporting. Selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in financial performance and position of the Group since the last annual consolidated financial statements as at and for the period ended 30 September 2013. This condensed consolidated interim financial report does not include all the information required for full annual financial statements prepared in accordance with International Financial Reporting Standards.

This condensed consolidated interim financial report was approved by the Board of Directors on 30 June 2014.

(b) Judgements and estimates

Preparing the interim financial report requires Management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing this condensed consolidated interim financial report, significant judgements made by Management in applying the Group’s accounting policies and key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the period ended 30 September 2013.

3. Significant accounting policies

The accounting policies applied by the Group in this condensed consolidated interim financial report are the same as those applied by the Group in its consolidated financial statements as at and for the period ended 30 September 2013.

4. Financial instruments

Financial risk management

The Group's financial risk management objectives and policies are consistent with those disclosed in the consolidated financial statements as at and for the period ended 30 September 2013.

5. Operating segments

The Company acts primarily as a holding company of a group involved in mineral resources exploration and exploitation in Sierra-Leone and are therefore considered to operate in a single geographical and business segment. The expertise and management skills of the directors and staff of the Company are charged to the Company's subsidiary.

6. Seasonality of operations

The Group is not considered to be subject to seasonal fluctuations.

7. Property, plant and equipment

Acquisitions

During the six months ended 31 March 2014 the Group acquired assets with a cost of £157,000 (period ended 31 March 2013: £50,000, period ended 30 September 2013: £333,000).

8. Intangible Assets

During the six months ended 31 March 2014 the Group has capitalised exploration expenditure of £171,000 (period ended 31 March 2013: £210,000, period ended 30 September 2013: £3,824,000 (acquired with subsidiary)).

9. Share capital and reserves

As at 01 October 2013, the Company had 121,966,674 Ordinary Shares of 1 pence ("Ordinary Shares") in issue.

On 10 October 2013, the Company issued a further 40,000,000 Ordinary Shares at a share price of 2 pence per Ordinary Share, together with 40,000,000 warrants to subscribe for one Ordinary Share at 3 pence each.

On 12 December 2013, the Company issued 4,217,878 new Ordinary Shares in settlement of outstanding loans and fees totalling £84,357.56 owed by the Company at a share price of 2 pence per Ordinary Share.

On 31 December 2013, the Company issued 2,807,134 new Ordinary Shares in settlement of all remaining outstanding loans and fees totalling £56,142.68 owed by the Company at a share price of 2 pence per Ordinary Share.

Between 10 January 2014 and 12 February 2014, the Company issued an aggregate of 19,160,000 new Ordinary Shares pursuant to the exercise of 19,160,000 warrants granted in October 2013.

On 7 March 2014, the Company issued an aggregate of 93,333,272 new Ordinary Shares at a share price of 2.25 pence, together with 23,333,318 warrants to subscribe for one Ordinary Share at 4 pence each.

Issue costs of £185,875 were offset against the share premium account in the period ended 31 March 2014.

Dividends

No dividends were declared or paid in the six months ended 31 March 2014 (period ended 31 March 2013: £nil, period ended 30 September 2013: £nil).

10. Share-based payment arrangements

	6 months ended 31-Mar-14 (unaudited) £'000	6 months ended 31-Mar-13 (unaudited) £'000	Year ended 30-Sep-13 (audited) £'000
Share based payment expense	(108)	(331)	(331)

Measurement of fair values

The fair value of the share-based payments was measured based on the Black-Scholes formula. Expected volatility is estimated by considering historic average share price volatility for similar entities on AIM.

Equity-settled share-based payment plans

The inputs used in the measurement of the fair values at grant date of the equity-settled share-based payment plans were as follows:

	<u>Warrants</u>
Expected volatility	40%
Expected life*	10 years
Expected dividend yield	0%
Risk free investment rate	1.87%
Weighted average share price at grant	2.35
Weighted average exercise price	3.23

*The Company's share warrants have exercise periods of between one and ten years from the day of grant, predominately 10 years. Please see note 11 Share Warrant below for details.

11. Share warrants

Reconciliation of outstanding share warrants

	Number of warrants	Weighted average exercise price (pence)
Outstanding at 1 October 2013	3,750,000	7.6
Granted during the period	73,157,009	3.2
Warrants exercised	(19,160,000)	3.0
Forfeited	(3,750,000)	7.6
Outstanding at 31 March 2014	53,997,009	3.3
Exercisable at 31 March 2014	44,173,318	4.0

Warrants were granted on the Company's admission to AIM on 9 October 2012 at 8 pence each on the basis of 1 warrant for each 2 Ordinary Shares subscribed for ("Admission Warrants"). The Admission Warrants lapsed on 9 October 2013.

Please see details of warrants granted during the 6 month interim period to 31 March 2014, in the table below:

Number of Warrants	Date of Grant	Exercise price (P)	Exercise period	
			From	To
40,000,000	15/10/2013	3.0	15/10/2013	15/10/2013
3,323,691	24/12/2013	2.0	24/12/2013	24/12/2018
6,500,000	10/03/2014	2.5	10/03/2014	10/03/2019
23,333,318	24/03/2014	4.0	24/03/2014	24/03/2015
<u>73,157,009</u>				

12. Loss per share

Basic and diluted loss per share

The calculation of basic and diluted loss per share is based on the loss attributable to ordinary shareholders of £676,000 and a weighted average number of ordinary shares in issue of 182,689,967.