

7 March 2014

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

Final Results

Sula Iron & Gold plc, an iron ore and gold exploration company focussed on Sierra Leone, is pleased to announce its consolidated final results for the year ended 30 September 2013 for the Company and its subsidiary, Blue Horizon (SL) Ltd, (together the 'Group').

Highlights

- Significant progress made on the exploration programmes at our flagship Ferensola Iron and Gold Project located in the mineral rich Sula-Kangari Greenstone Belt in Sierra Leone
- Defined exploration programmes offering multi-commodity exposure to iron and gold
- Targeting maiden haematite Direct Shipping Ore ('DSO') JORC Compliant Mineral Resource Estimate by end of 2014
- Multiple high-priority targets identified as hosting hard rock gold mineralisation
- Independent SRK ES project valuation underpins Ferensola's value uplift potential
- Successfully raised £3.5 million through the issue of new equity post year end
- Loss for the year of £2.0 million (2012: £0.6 million)
- Total equity of £3.7 million at year end (2012: £4.0 million)
- Board strengthened post year end with the appointments of Matt Wood, initially as a non-executive director, and today he has agreed to become Finance Director with immediate effect, and Andrew Dacey, as technical non-executive director

I am delighted to report on another productive and highly constructive year for Sula. In line with our growth strategy centred on building a leading exploration company, we remain focussed on advancing the resource potential of our multi-commodity, wholly owned 153 sq. km Ferensola Project ('Ferensola' or 'the Project') in Sierra Leone, which offers prospective exposure to iron and gold.

In order to maximise the value of Ferensola, Sula continues to implement a dual exploration programme, and the Company has fulfilled a number of key objectives during the period. For example, a scout drilling programme, targeting iron mineralisation proven to extend from African Minerals Limited's ('African Minerals') 12.8Bt Tonkolili mine licence area, confirmed that our flagship Project hosts consistently high grade iron mineralisation, with best intersections of 14.59m at 55.54% Fe and 73.18m at 43.66% Fe. The results from this programme provide a strong base from which to conduct further infill drilling, with a view to defining a maiden haematite DSO JORC Compliant Mineral Resource Estimate by the end of the year. Additionally, an initial gold exploration programme commenced in Q4 2013 and was completed in February 2014. The results of this programme are expected by 31 March 2014 and will enable Sula to identify drill targets, targeting hard rock gold mineralisation.

Post year end, in January 2014, mining consultants SRK Exploration Services Ltd ('SRK ES') published a project valuation for Ferensola's licence area, which is available in full on Sula's website at <http://sulagold.com/investors.html>. Of particular note is the technical valuation, which was based upon the geological information available to date and SRK ES's opinion regarding the status of the assets. I am greatly enthused with the result of the valuation, and believe it to be testament to the upside value potential of Ferensola.

In order to maintain the Company's momentum, it is imperative that we have the necessary funding in place to meet our exploration targets. Appropriate funding levels will be crucial in allowing the Company to meet its development objectives for 2014 and generate the news flow I believe is achievable. In line with this, I am delighted to report that post period end the Company has successfully raised a total of £3.5 million, with £0.8 million raised in a placing in October 2013, £0.6 million from warrant exercises in January/February 2014 and £2.1 million from a placing in March 2014, details of which have been announced today. These funds have significantly strengthened the Company's cash position and are being used primarily to implement the Company's development strategy, with a main focus on delineating a JORC compliant DSO Mineral Resource Estimate on our main Banded Iron Formation ('BIF') ore body.

In November and December 2013, we strengthened our Board with the appointments of Matt Wood and Andrew Dacey, respectively. Matt joined as Non-Executive Director on 5 November 2013 and from today takes on the role of Finance Director; Andrew joined as Non-Executive Technical Director on 31 December 2013. Matt is a chartered accountant and an experienced non-executive director and corporate financier with 15 years' City experience. Matt is also Managing Director and one of

the founders of CMS Advisory Group ('CMS'), a City-based multi-disciplined advisory firm. Andrew 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 extremely confident that their respective financial and resources experience will be of great value as we look to unlock the intrinsic value of Ferensola.

Operations Review

Iron

Exploration at Ferensola has confirmed the presence of Banded Iron Formation ('BIF') at surface over a strike length of 3.1km, which extends north-east from an unnamed anomaly in African Minerals' 12.8Bt Tonkolili mine licence area, into Sula's Project area. SRK ES have estimated that Ferensola has a conservative exploration target of 500Mt.

In order to delineate the resource potential of the iron, the Group has a defined exploration programme focussed on the 3.1km BIF in Area 1, which is located in the south-western quadrant of the property.

Assay results received during the period, from the 2,000m scout drilling programme completed in August 2013, marked a significant step in supporting the estimation of a JORC Mineral Resource Estimate. The drill programme, which tested the strike continuity, thickness, and iron grade of a 2.2km section of the 3.1km BIF, demonstrated that consistently high grade iron mineralisation occurs at the Project, with highs of 14.59m @ 55.54% Fe, 14.59m at 55.54% Fe and 73.18m at 43.66% Fe returned.

We plan to use the net proceeds of the equity fundraising announced today, which raised £2.1 million, to conduct further infill drilling to enable the Group to define a JORC DSO Mineral Resource Estimate by the end of the year, which will help to further determine Ferensola's commercial value.

The Board's confidence in the Project's iron ore prospectivity is underpinned by African Minerals' 12.8Bt Tonkolili iron mine. African Minerals has an integrated mine, rail and port infrastructure in place, with its first product shipment made in November 2011. Significantly, African Minerals announced in January 2014 that exports totalled 12.1Mt Fe during 2013, with 3.8Mt Fe exported in Q4 2013 and that it is on track to achieve a 20Mtpa sustainable run rate.

Gold

Ferensola is also known to host gold mineralisation along deep seated faults, lineaments and shear structures; formations which typically host all of the major gold deposits in West Africa. Exploration at Ferensola has focussed on these structures and, following the acquisition of GeoEye-1 satellite data in January 2013, Sula was able to generate detailed imagery to locate the source of some of the

placer gold. As a result of this, 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. Of these, the Dalakuru, Lagunda and Yanfarina prospects are marked as high priority targets.

Dalakuru is the most advanced prospect within Ferensola. Previous operators at the Project completed 3,406m of RAB drilling and 5,392m of diamond drilling at three prospects considered prospective for gold. Nineteen diamond drill holes totalling 3,402m were completed and intercepted significant quartz-sulphide breccias, with encouraging intercepts of 8.72m @ 10.46g/t Au and 1.55m @ 11.68g/t Au underpinning the gold prospectivity. Importantly, the mineralised structure is at least 5km long and is open in all directions.

Furthermore, in November 2013, the Group commenced initial exploration at the Yanfarina and Lagunda prospects, located within the western central zone of the Project. Detailed work, comprising a 15 sq. km geophysical and a geochemical soil sampling programme and a ground magnetic survey was conducted in order to delineate geological structures at the two prospects. Over 150 line km of ground magnetic surveying carried out on a 100m line spacing was completed to delineate geological structures over two principal target areas on the Lagunda and Yanfarina prospects. Additionally, more than 6,000 soil/regolith samples were collected on a 100m x 25m grid pattern. Following the processing and interpretation of all geophysical and assay results, Sula will be able to define robust drill targets. The results of the programme are expected to be received by 31 March 2014.

Importantly, further upside opportunity remains at the Project, as additional gold targets have also been identified which remain to be explored. The other prospect areas, known as Simbako, Simbako East and Northeast are located on regional, northeast trending lineaments which define the contact between magnetic highs and magnetic lows. Localised alluvial workings are associated with each prospect indicating the potential for hard rock gold mineralisation. These prospects are not covered by regional magnetic data and the structural architecture of the projects is unknown. Sula will seek to acquire ground magnetic data and reconnaissance geochemical sampling.

Corporate Social Responsibility ('CSR')

The Group maintains a solid CSR programme in the Diang, Samia Bendugu and Nieni Chiefdoms which comprise the Project area.

Since March 2013 to date, the Group has constructed a 20 mile road network from Kunya to Nyanwulia in the Diang Chiefdom and the Samia Bendugu Chiefdom.

Additionally, a four mile road network was constructed from Kania Junction to the town of Kania and old bush roads were extended to a width of 5m. Drainage gutters were also installed on all the

roads. Kania Hill required a diversion of a 150m section of road as the Group, the Kania Town Chief, and his Tribal Authorities considered it too dangerous for motor traffic.

In Dalakuru Town a 2,000 gallon dam was constructed. The works included a 2 inch main feed from the dam to the town and a 1 inch pipe grid system supplying various water wells and dwellings. The total distance of 2 inch pipe work from the dam is 1,940m and the 1 inch subsidiary feed section is 1,200m.

Overview of the Business

The period to 30 September 2013 has resulted in a loss of £2.0 million (2012: £0.6 million). As is expected with an exploration company, no revenue has been generated. The loss results from administrative and exploration costs, primarily incurred in Sierra Leone. Net assets at the year-end stood at £3.7 million (2012: £4.0 million).

The Group's cash position improved post year end following the placing to raise £0.8 million in October 2013 and the exercise of warrants in January and February 2014, which raised a further £0.6 million. The Company today announces that it has raised a further £2.1 million via a placing, the proceeds of which will be utilised to deliver a JORC compliant DSO resource estimate on the Project's main BIF unit, as discussed above.

Outlook

With a clear exploration programme planned for 2014, a strengthened management team, improved cash position and highly prospective licence area, I believe we have all the necessary foundations in place from which to generate value. A key driver in this will be the definition of a maiden JORC compliant DSO Mineral Resource Estimate later this year. In addition, we will continue to explore the resource potential of the gold, and look forward to utilising the results expected from our recent exploration programme, which will enable us to locate the optimum sites for a diamond drilling programme. Through this defined dual development programme, I believe we can unlock the intrinsic value of Ferensola.

Finally, I would like to take this opportunity to express my gratitude to my fellow directors, management and professional advisers for their dedication. I would also like to thank our shareholders for their loyal support. I look forward to providing future updates on the Company's development in due course.

N Warrell
Chief Executive Officer

For further information please visit www.sulairongold.com or contact the following:

Nick Warrell	Sula Iron & Gold plc	+44 (0) 7811 447830
Matt Wood	Sula Iron & Gold plc	+44 (2) 207 583 8304
James Caithie/Avi Robinson	Cairn Financial Advisers LLP	+44 (0) 20 7148 7900
Martin Lampshire/David Hart	Daniel Stewart & Company Plc	+44 (0) 20 7776 6550
Chris Crawford/James Reeve	Allenby Capital Ltd	+44 (0) 20 3328 5656
Felicity Edwards/ Charlotte Heap	St Brides Media and Finance Ltd	+44 (0) 20 7236 1177

SULA IRON & GOLD PLC

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD FOR THE YEAR ENDED 30 SEPTEMBER 2013**

	Notes	2013 £'000	06-Oct-11 to 30-Sep-12 £'000
Continuing operations			
Revenue		-	-
Cost of sales		-	-
Gross profit		-	-
Administrative expenses	1	(2,022)	(563)
Loss from operating activities		(2,022)	(563)
Net finance costs		-	-
Loss before tax		(2,022)	(563)
Taxation		-	-
Loss for the year		(2,022)	(563)
Other comprehensive income			
Exchange translation		7	-
Total comprehensive expense for the year		(2,015)	(563)
 Loss per share			
 Basic and diluted loss per share (pence)	6	(1.68)	(1.03)

SULA IRON & GOLD PLC

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2013**

		2013 £'000	2012 £'000
	Notes		
Assets			
Property, plant and equipment	2	239	270
Intangible assets	3	3,824	3,824
Non-current assets		<u>4,063</u>	<u>4,094</u>
Trade and other receivables	4	40	28
Bank balances		14	76
Current assets		<u>54</u>	<u>104</u>
Total assets		<u>4,117</u>	<u>4,198</u>
Equity			
Share capital	5	1,220	820
Share premium		4,679	3,226
Convertible notes		-	520
Exchange reserve		47	-
Retained deficit		(2,294)	(563)
Total equity		<u>3,652</u>	<u>4,003</u>
Liabilities			
Loans and borrowings		80	93
Trade and other payables	7	385	102
Current liabilities		<u>465</u>	<u>195</u>
Total liabilities		<u>465</u>	<u>195</u>
Total equity and liabilities		<u>4,117</u>	<u>4,198</u>

SULA IRON & GOLD PLC

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 SEPTEMBER 2012**

	Share capital £'000	Share premium £'000	Convertible notes £'000	Exchange reserve £'000	Retained deficit £'000	Total equity £'000
Balance at 6 October 2011	-	-	-	-	-	-
Loss for the period	-	-	-	-	(563)	(563)
Total comprehensive loss for the period	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(563)</u>	<u>(563)</u>
Issue of ordinary shares on acquisition of subsidiary	500	3,187	-	-	-	3,687
Issue of ordinary shares	320	39	-	-	-	359
Issue of convertible notes	-	-	520	-	-	520
	<u>820</u>	<u>3,226</u>	<u>520</u>	<u>-</u>	<u>-</u>	<u>4,566</u>
Balance at 30 September 2012	<u>820</u>	<u>3,226</u>	<u>520</u>	<u>-</u>	<u>(563)</u>	<u>4,003</u>

SULA IRON & GOLD PLC

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 SEPTEMBER 2013**

	2013 £'000	2012 £'000
Cash flows from operating activities		
Loss for the period	(2,022)	(563)
Adjustments for:		
- Depreciation	75	63
- Equity settled share-based payments	331	-
- Expenses financed by issue of shares	54	-
- Foreign exchange differences	14	-
	<u>(1,548)</u>	<u>(500)</u>
Changes in:		
- Trade and other receivables	(12)	(28)
- Trade and other payables	271	(295)
Cash used in operating activities	<u>(1,289)</u>	<u>(823)</u>
Cash flows from investing activities		
Acquisition of property, plant and equipment	(51)	(84)
Net cash used in investing activities	<u>(51)</u>	<u>(84)</u>
Cash flows from financing activities		
Proceeds from issue of share capital	1,279	359
Proceeds from issue of convertible notes	-	520
Proceeds from loans and borrowings	-	78
Net cash flows from financing activities	<u>1,279</u>	<u>957</u>
Net (decrease)/increase in cash and cash equivalents	(61)	50
Cash and cash equivalents at beginning of period	61	-
Cash acquired with subsidiary	-	11
Cash and cash equivalents at 30 September	<u><u>-</u></u>	<u><u>61</u></u>

Notes

1. Administrative expenses

	2013 £'000	2012 £'000
Administrative expenses include:		
Staff costs	438	257
Depreciation	75	63
Equity settled share based payments	331	-
Auditor's remuneration – audit services	20	25
– reporting accountants	10	10

Auditor's remuneration in respect of the Company amounted to £10,000 (2012: £10,000).

2. Property, plant and equipment

Group

	Land and buildings £'000	Plant and equipment £'000	Fixtures and fittings £'000	Total £'000
Cost				
Balance at 6 October 2011	-	-	-	-
Acquired with subsidiary	7	227	15	249
Other additions	35	36	13	84
Balance at 30 September 2012	42	263	28	333
Balance at 1 October 2012	42	263	28	333
Additions	5	43	3	51
Effect of movements in exchange rate	(1)	(9)	(1)	(11)
Balance at 30 September 2013	46	297	30	373
Depreciation				
Balance at 6 October 2011	-	-	-	-
Depreciation	10	48	5	63
Balance at 30 September 2012	10	48	5	63
Balance at 1 October 2012	10	48	5	63
Depreciation	11	58	6	75
Effect of movements in exchange rate	(1)	(3)	-	(4)
Balance at 30 September 2013	20	103	11	134
Carrying amounts				
At 6 October 2011	-	-	-	-
At 30 September 2012	32	215	23	270
At 30 September 2013	26	194	19	239

3. Intangible assets

Group

	Prospecting and exploration rights £'000	Total £ '000
Cost		
Balance at 6 October 2011	-	-
Acquired with subsidiary	3,824	3,824
Balance at 30 September 2012	<u>3,824</u>	<u>3,824</u>
Balance at 30 September 2013	<u>3,824</u>	<u>3,824</u>
Carrying amounts		
Balance at 6 October 2011	-	-
Balance at 30 September 2012	<u>3,824</u>	<u>3,824</u>
Balance at 30 September 2013	<u>3,824</u>	<u>3,824</u>

The intangible assets arose on the acquisition of the subsidiary Blue Horizon (SL) Ltd.

4. Trade and other receivables

Group

	2013 £'000	2012 £'000
Other receivables	2	19
Prepayments	38	9
	<u>40</u>	<u>28</u>

5. Share Capital

	Number of ordinary shares	
	2013	2012
In issue at beginning of period	82,000,000	-
Issued for cash	26,666,674	32,000,000
Issued for acquisition of subsidiary	-	50,000,000
Issued for convertible notes	13,000,000	-
Issued in settlement of fees	300,000	-
In issue at 30 September – fully paid (par value £0.01)	<u>121,966,674</u>	<u>82,000,000</u>

	Ordinary share capital	
	2013	2012
	£'000	£'000
Balance at beginning of period	820	-
Share issues	400	820
Balance at 30 September	1,220	820

Ordinary shares

All shares rank equally with regard to the Company's residual assets.

The holders of ordinary shares are entitled to receive dividends as declared from time to time, and are entitled to one vote per share at meetings of the Company.

Issue of ordinary shares

On admission to AIM on 9 October 2012, the convertible notes in issue converted to 13,000,000 ordinary shares at a price of £0.04 per ordinary share. In addition, 19,166,674 ordinary shares were issued at a price of £0.06 per ordinary share.

On 2 November 2012, 7,500,000 ordinary shares were issued for cash at a price of £0.06 per ordinary share, together with warrants to subscribe for one ordinary share at £0.08 on the basis of 1 warrant for each 2 ordinary shares subscribed for. The warrants were exercisable at any time up to 2 November 2013. No warrants were exercised under this grant and, as such, have lapsed.

On 18 January 2013, 300,000 shares were issued at £0.06 per ordinary share in settlement of advisory fees.

Since 30 September 2013, the Company has issued a total of 66,185,012 ordinary shares, increasing the Company's issued ordinary share capital as at the date of this report to 188,151,686 ordinary shares.

6. 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 £2,022,000 (2012: £563,000), and a weighted average number of ordinary shares in issue of 120,405,029 (2012: 54,411,111).

As detailed in note 9, the Company entered into a number of share transactions subsequent to the balance sheet date which would have significantly increased the number of ordinary shares in issue if these transactions had occurred prior to the end of the year. The issues would have had an anti-dilutive effect.

7. Trade and other payables

Group

	2013	2012
	£'000	£'000
Trade payables	193	2
Other payables	23	47
Accrued expenses	169	53
	385	102

8. Related parties

Loans from Directors

Unsecured loans from Directors during the period to the Group totalled £37,000 (2012 : £78,000) (from N Warrell - £24,000 (2012 : £36,000), from B Moritz - £nil (2012 : £29,000) and from G Burnell - £13,000 (2012 : £13,000) and to the Company totalled £37,000 (2012 : £66,000) (from N Warrell - £24,000 (2012 : £24,000), from B Moritz – nil (2012 : £29,000) and from G Burnell - £13,000 (2012 : £13,000)). No interest is payable and the loans were repayable in cash in full within 12 months from 9 October 2012. At 30 September, the balance outstanding from the Group was £37,000 (2012: £78,000) and from the Company was £37,000 (2012: £66,000) and these amounts are included in loans and borrowings (see note 20). Amounts owed to B Moritz have been reclassified as other loans following his resignation from the board on 31 July 2013. All Directors' loans have been settled in full as at the date of this report

G O'Donovan, a Director who served during the year, is also a director of SRK Exploration Services ("SRK ES"), a company that provides consultancy services to the Group. During the year under review and during the term of G O'Donovan's appointment as a Director of the Company, SRK ES invoiced the Group £71,000 for consultancy and director services, £71,000 of which was still outstanding at the year end.

C Wilson, a Director who served during the year, is also a director of Exploration Alliance S.A., a company that provided director services to the Company. During the year under review and during the term of C Wilson's appointment as a Director of the Company, Exploration Alliance S.A. invoiced the Company £11,000 for director services, none of which was outstanding at the year end. In addition, Exploration Alliance S.A. Ltd invoiced the Company £49,000 for consultancy services.

G Burnell, a director who served during the year, is also a director of Northland Capital Partners Limited, a company that provided broking services to the Company. During the year under review and during term of G Burnell's appointment as a Director of the Company, Northland Capital Partners Limited invoiced the Company £20,000 for broking services.

Other related party transactions

Company

The Company advanced funds, interest free, to Blue Horizon (SL) Ltd totalling £1,355,000 (2012: £885,000). As at 30 September 2013, the balance outstanding totalled £2,240,000 (2012: £885,000).

9. Subsequent events

On 10 October 2013, the Company issued 40 million ordinary shares for cash at £0.02 per share together with warrants to subscribe for a further ordinary share at £0.03 per share.

On 13 December 2013, the Company issued 4,217,878 ordinary shares at £0.02 per share to settle outstanding loans and fees. Of these shares, N Warrell received 2,503,677 shares in settlement of his interest free Director's loan of £24,000 and his outstanding Director's fees of £26,000 and B Moritz received 1,475,161 shares in settlement of his interest free loan of £30,000. Northland Capital Partners Limited, a company of which G Burnell is a director, received 239,040 shares in settlement of outstanding fees.

On 31 December 2013, the Company issued 2,807,134 ordinary shares at £0.02 per share in settlement of outstanding loans and fees. G Burnell received these shares in settlement of his interest free Director's loan of £12,642.68 and his outstanding Director's fees of £43,500.

On 10 January 2014, the Company issued 1,650,000 ordinary shares at £0.03 per share in respect of the exercise of warrants granted in October 2013.

On 27 January 2014, the Company issued 13,300,000 ordinary shares at £0.03 per share in respect of the exercise of warrants granted in October 2013.

On 30 January 2014, the Company issued 3,960,000 ordinary shares at £0.03 in respect of the exercise of warrants granted in October 2013.

On 12 February 2014, the Company issued 250,000 ordinary shares at £0.03 in respect of the exercise of warrants granted in October 2013

On 6 March 2014 the Company raised £2.1m through the issue of 93,333,275 shares at £0.0225 per share each together with warrants of 23,333,318 exercisable at £0.04 a share each. Such shares are expected to be admitted to trading on AIM on 24 March 2014.

10. Annual General Meeting and Distribution of Accounts to Shareholders

The Company's Annual General Meeting will take place at 11.00 a.m. on 31 March 2014 at the offices of CMS Advisory Group Limited, 201 Temple Chambers, 3-7 Temple Avenue, London, EC4Y 0DT. The Company's Annual Report and Accounts for the year ended 30 September 2013 will be posted to shareholders on 07 March 2014. Copies of the Notice of AGM and the Annual Report and Accounts will also be available on the Company's website at www.sulairongold.com.

11. Statutory Accounts

The financial information in this announcement, which was approved by the Board of Directors on 7 March 2014, does not constitute the Company's statutory accounts for the year ended 31 September 2013, but is derived from those accounts. Statutory accounts for the year ended 31 September 2012 have been delivered to the Registrar of Companies and those for the year ended 31 September 2013 will be delivered following the Company's Annual General Meeting. The auditor has reported on the 2013 accounts, the report is unqualified.