

30 September 2019
AIM: AAU

INTERIM RESULTS

Ariana Resources plc ("Ariana" or "the Company"), the exploration and development company operating in Turkey, is pleased to announce its unaudited interim results for the six months ended 30 June 2019.

Financial Highlights:

- Ariana's share of profits from our Joint Venture Kiziltepe Mine amount to £3.0m in 6 months to June 2019, compared to £3.7m in year ended December 2018.
- Profit before tax of £2.3m recorded for period, with operating costs in line with expectations and prior year.

Operational Highlights:

- Gold production guidance for 2019 for the Kiziltepe Mine is c. 25,000 oz Au (gross to the JV) and which is expected to be met by the end of Q4 2019.
- Gold production for H1 2019 increased 14% over the same period last year to 13,734 oz Au (H1 2018: 12,037oz Au).
- At period end 69% (post period 78%) of the US\$33 million construction capital loan for Kiziltepe had been repaid; on track to be fully repaid by April 2020.
- Two new 10-year operating licences received for the Salinbas Gold Project; Environmental Impact Assessment ("EIA") and Pre-Feasibility Study to commence.
- Tavsan EIA nearing completion and further resource definition work underway during Q4 2020.

Michael de Villiers, Chairman, commented:

"It is once again my pleasure to report on another six months of exceptional results from both our operating mine and our exploration and development activities. The Kiziltepe Mine has increased output by 14%, compared to the same period last year, and I am pleased to confirm

that we remain on track to produce c.25,000oz (gross to the JV) of gold for the year. This has been achieved whilst realising an average operating cost for the period under US\$500 per ounce, making us one of the lowest cost gold producers globally.

“We are making significant progress on paying down the US\$33 million construction capital loan for the mine, with US\$25.8 million, or 78% of the loan, now paid post-period end. We remain fully on track to repay the remaining construction capital loan by April 2020, placing us in an even stronger position for FY2020. This financial strength is expected to support our various exploration and development programmes across our Turkish portfolio and underpin the diversification of the Company’s portfolio outside of Turkey.

“We remain excited by the highly prospective Salinbas Gold Project, which we believe has the potential to become a significant new gold mine producing at a rate of 50,000 oz per annum over a 10-year life of mine. The commencement of an Environmental Impact Assessment and a Pre-Feasibility Study during Q4 2019, will confirm the potential of the Salinbas Project and determine the next steps for bringing this exciting project into development.

“Commodity market conditions have been very favourable in the first half of the year, with the gold price having risen up to 22% to a high of US\$1,552 per ounce during the period. We expect that commodity price strength will continue for the medium-term and this will continue to maintain our positive momentum into the second half of the year.

“I would like to take this opportunity to thank Ariana’s production and exploration teams for their hard work and dedication over the period and also to the Company’s board for their continued support and hard work.”

Management Statement

Ariana has made substantial progress during the period, as we continue to establish ourselves as a profitable, cash generative exploration and development company. Our strategy of developing a pipeline of projects at the production, development and exploration phases continues to be rewarded. We remain committed to enhancing our current portfolio and continue to evaluate new projects both in Turkey, and in surrounding countries, which straddle the Tethyan Metallogenic Belt. Such projects are carefully filtered to fit our development criteria and must show capacity to enhance shareholder value.

Production from our flagship mining operation at Kiziltepe in Turkey, which is part of the 50/50 Red Rabbit Joint Venture with Proccea Construction Co., is continuing very well. Q1 2019 gold production was 7,296 ounces, with 6,438 ounces delivered in Q2 2019, bringing H1 2019 gold production to 13,734 ounces; representing a 14% increase on H1 2018 gold production. Notably, average operating cash costs for the first half of the year were under US\$500 per ounce. Our strong performance in the first half of the year reflects positively on our 2019 production guidance of 25,000 ounces of gold (gross to the JV).

During the period Kiziltepe achieved an average realised gold price of US\$1,309 per ounce, against an average revenue per gold ounce of US\$1,492 per ounce. This strong positive

cashflow enabled repayments of 69% of the US\$33 million JV construction capital loan to the project finance bank, Turkiye Finans Katilim Bankasi A.S. as at 30 June 2019. Repayments since this time, post-period end, have resulted in 78% of the loan being paid down.

In terms of exploration within the Red Rabbit JV area, we continue to make significant progress across all of our projects in western Turkey, with the aim of adding additional resources from which to increase the JV life of mine and production profile towards 50,000 ounces of gold per annum. Recent exploration work at the Tavşan Gold Project has highlighted significant potential for the area to yield additional resources. Meanwhile, work on the Feasibility and EIA is continuing successfully and we look forward to completing these studies in the coming months. Drilling undertaken for the purposes of the EIA earlier this year has been completed and a rock-saw channel programme is due to begin imminently over the primary resource areas.

In addition to our progress within the Red Rabbit JV, we have been making significant progress at the wholly-owned Salinbas Gold Project, which is located in northeastern Turkey and has a resource inventory of c.1 million of gold ounces equivalent. The project comprises three licences two of which have recently been granted 10-year operational status. These licences areas include the Salinbas gold-silver deposit and the Ardala copper-gold-molybdenum porphyry among other prospects. Post-period end we reported positive drilling results that demonstrate the presence of a major magmatic-hydrothermal system in the vicinity of the Ardala copper-gold-molybdenum porphyry. Drilling has confirmed that the porphyry does merge with the Salinbas gold-silver zone and that the two systems should be considered as one. We believe this discovery bodes extremely well for future development and for the identification of additional mineralisation in the vicinity. Consequently, we continue to remain excited by the exploration upside of the project and look forward to commencing our next work programmes in late 2019.

Outlook

Joint Venture operations continue to go from strength to strength and our successful partnership with Proccea Construction Co. confirms that similarly structured partnerships are a strategy for future success. In particular, we remain in discussions with a number of companies on the development of the Salinbas Gold Project and we look forward to providing further updates once we have selected a suitable partner.

We strive to continue to deliver on this year's exceptional progress, through continued production and exploration success, as well as seeking new development opportunities within and outside of Turkey. As previously noted, we are in the process of diversifying our strategy to include another project in a country other than Turkey. Consequently, we look forward to making an announcement in due course concerning our interests in an exploration and development portfolio in Cyprus, upon which we have been conducting due diligence work during the last two years.

Finally, we expect our production guidance for the year of 25,000 oz (gross to the JV) will be met and that we look forward to updating the market during October on the results of Q3 2019. Operations during the third quarter continue to perform fully in line with expectations. We look

forward to updating shareholders on our developments and milestones as the year progresses, and into 2020.

This announcement contains inside information for the purposes of Article 7 of EU Regulation 596/2014.

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Editors' Note:

About Ariana Resources:

Ariana is an exploration and development company with mining operations focused on epithermal gold-silver and porphyry copper-gold deposits in Turkey, the largest gold producing country in Europe. The Company is developing a portfolio of prospective licences originally selected on the basis of its in-house geological and remote-sensing database, which now contain a total of 1.6 million ounces of gold and other metals (as at end-2017). Ariana's objective is to cost-effectively add value to its projects through focused exploration and to develop its operations, primarily through well-financed joint ventures.

The Company's flagship assets are its Kiziltepe and Tavsan gold projects which form the Red Rabbit Gold Project. Both contain a series of prospects, within two prolific mineralised districts in the Western Anatolian Volcanic and Extensional (WAVE) Province in western Turkey. This Province hosts the largest operating gold mines in Turkey and remains highly prospective for new porphyry and epithermal deposits. These core projects, which are separated by a distance of 75km, form part of a 50:50 Joint Venture with Proccea Construction Co. The Kiziltepe Sector of the Red Rabbit Project is fully-permitted and is currently in production. The total resource inventory at the Red Rabbit Project and wider project area stands at c. 605,000 ounces of gold equivalent (as at end-2017). At Kiziltepe a Net Smelter Return ("NSR") royalty of up to 2.5% on production is payable to Franco-Nevada Corporation. At Tavsan an NSR royalty of up to 2% on future production is payable to Sandstorm Gold.

In north-eastern Turkey, Ariana owns 100% of the Salinbas Gold Project, comprising the Salinbas gold-silver deposit and the Ardala copper-gold-molybdenum porphyry among other prospects. The total resource inventory of the Salinbas project area is c. 1 million ounces of gold equivalent. A NSR royalty of up to 2% on future production is payable to Eldorado Gold Corporation.

Panmure Gordon (UK) Limited are broker to the Company and Beaumont Cornish Limited is the Company's Nominated Adviser.

For further information on Ariana you are invited to visit the Company's website at www.arianaresources.com.

Ends.

Ariana Resources Plc
Unaudited Condensed Consolidated Interim Financial Statements
For the six months ended 30 June 2019

Condensed consolidated statement of comprehensive income

		Unaudited 6 months to 30 June 2019 £'000	Unaudited 6 months to 30 June 2018 £'000	Audited 12 months to 31 December 2018 £'000
Administrative costs (including share based payment charge)	(11)	(588)	(801)	(1,355)
General exploration expenditure		(139)	(111)	(153)
Exploration expenditure written off		-	-	(181)
Operating loss		(727)	(912)	(1,689)
Investment income		3	85	158
Loss on disposal of available for sale investments		-	(3)	(2)
Share of profit of joint venture	(4)	3,029	1,149	3,710
Profit before tax		2,305	318	2,177
Taxation	(6)	-	-	-
Profit for the period		2,305	319	2,177
Other comprehensive income:				
<i>Items that may be reclassified subsequently to profit or loss:</i>				
Exchange differences on translating foreign operations		(1,121)	(934)	(2,162)
<i>Items that will not be reclassified to profit or loss:</i>				
Net change in fair value of equity securities at FVOCI	(8)	49	(16)	(26)
Other comprehensive (loss) for the period net of income tax		(1,072)	(950)	(2,188)
Total comprehensive profit/(loss) for the period		1,233	(631)	(11)
Earnings per share (pence)				
Basic	(7)	0.22	0.03	0.21
Fully diluted		0.21	0.03	0.21

Condensed consolidated interim statement of financial position

	Unaudited 30 June 2019 £'000	Unaudited 30 June 2018 £'000	Audited 31 December 2018 £'000
Note			
ASSETS			
Non-current assets			
Trade and other receivables	120	84	83
Intangible exploration assets	(9) 16,987	17,182	16,975
Land, property, plant and equipment	185	272	278
Investment in Joint Venture	(4) 3,521	3,230	3,968
Total non-current assets	20,813	20,768	21,304
Current assets			
Trade and other receivables	(10) 4,196	2,289	1,860
Available for sale investments	(8) 84	45	35
Cash and cash equivalents	569	475	938
Total current assets	4,849	2,809	2,833
Total assets	25,662	23,577	24,137
EQUITY			
Called up share capital	(11) 6,054	6,054	6,054
Share premium	(11) 11,821	11,821	11,821
Other reserves	720	720	720
Share based payments	364	327	250
Translation reserve	(5,317)	(2,968)	(4,196)
Retained earnings	7,670	3,374	5,315
Total equity attributable to equity holders of the parent	21,312	19,328	19,964
LIABILITIES			
Non-Current Liabilities			
Deferred tax Liability	2,273	2,273	2,273
Other financial liabilities	1,651	1,651	1,651
Total non-current liabilities	3,924	3,924	3,924
Current liabilities			
Trade and other payables	426	325	249
Total current liabilities	426	325	249
Total equity and liabilities	25,662	23,577	24,137

Condensed consolidated interim statement of changes in equity

	Share capital £'000	Share premium £'000	Other reserves £'000	Share options £'000	Trans- lation reserves £'000	Retained earnings £'000	Total attributable to equity holders of parent £'000
Balance at 31 December 2017	6,054	11,821	720	93	(2,034)	3,071	19,725
Changes in equity to 30 June 2018							
Profit for the period	-	-	-	-	-	319	319
Other comprehensive income	-	-	-	-	(934)	(16)	(950)
Total comprehensive income	-	-	-	-	(934)	303	(631)
Share options	-	-	-	234	-	-	234
Transactions with owners	-	-	-	234	-	-	234
Balance at 30 June 2018	6,054	11,821	720	327	(2,968)	3,374	19,328
Changes in equity to 31 December 2018							
Profit for the period	-	-	-	-	-	1,858	1,858
Other comprehensive income	-	-	-	-	(1,228)	(10)	(1,238)
Total comprehensive income	-	-	-	-	(1,228)	1,848	620
Share options	-	-	-	16	-	-	16
Transfer of share options	-	-	-	(93)	-	93	-
Transactions with owners	-	-	-	(77)	-	93	16
Balance at 31 December 2018	6,054	11,821	720	250	(4,196)	5,316	19,964
Changes in equity to 30 June 2019							
Profit for the period	-	-	-	-	-	2,305	2,305
Other comprehensive income	-	-	-	-	(1,121)	49	(1,072)
Total comprehensive income	-	-	-	-	(1,121)	2,354	1,233
Share options	-	-	-	114	-	-	114
Transactions with owners	-	-	-	114	-	-	114
Balance at 30 June 2019	6,054	11,821	720	364	(5,317)	7,670	21,312

Condensed consolidated Interim statement of cash flows

	Unaudited 6 months to 30 June 2019 £`000	Unaudited 6 months to 30 June 2018 £`000	Audited 12 months to 31 December 2018 £`000
Cash flows from operating activities			
Profit before tax	2,305	319	2,177
Adjustments for:			
Loss on disposal of available for sale investments	-	3	2
Depreciation of non-current assets	1	1	1
Write down of intangible exploration assets	-	-	181
Fair value adjustments	(49)	16	26
Share of profit in Joint Venture	(3,029)	(1,149)	(3,710)
Investment income	(3)	(85)	(158)
Share based payment charge	114	234	250
Movement in working capital	(661)	(661)	(1,231)
(Increase)/decrease in trade and other receivables	580	267	183
Increase/(decrease) in trade and other payables	178	60	(49)
Foreign exchange differences on retranslation of assets and liabilities	-	(50)	-
Cash inflow/(outflow) from operating activities	97	(384)	(1,097)
Taxation paid	-	-	-
Net cash from operating activities	97	(384)	(1,097)
Cash flows from investing activities			
Purchase of land, property, plant and equipment	(28)	(12)	(36)
Payments for intangible assets	(367)	(141)	(353)
Dividends from Joint Venture	-	-	1,369
Proceeds from disposal of available for sale investments	-	154	146
Investment income	3	85	158
Net cash from investing activities	(392)	86	1,284
Net (decrease)/increase in cash and cash equivalents	(295)	(298)	187
Cash and cash equivalents at beginning of period	938	773	773
Exchange adjustment	(74)	-	(22)
Cash and cash equivalents at end of period	569	475	938

Notes to the interim financial statements for the six months ended 30 June 2019

1. General information

Ariana Resources Plc (the "Company") is a public limited company incorporated, domiciled and registered in the U.K. The registration number is 05403426 and the registered address is 2nd Floor, Regis House, 45 King William Street London EC4R 9AN.

The Company's shares are listed on the Alternative Investment Market of the London Stock Exchange. The principal activities of the Company and its subsidiaries (together the "Group") are related to the exploration for and development of gold and other technology-metals, principally in Turkey.

2. Basis of preparation

The condensed interim financial statements have been prepared using accounting policies consistent with International Financial Reporting Standards and in accordance with International Accounting Standard 34 *Interim Financial Reporting*. The condensed interim financial statements should be read in conjunction with the annual financial statements for the year ended 31 December 2018, which have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union. The condensed interim financial statements set out above do not constitute statutory accounts within the meaning of the Companies Act 2006. They have been prepared on a going concern basis in accordance with the recognition and measurement criteria of International Financial Reporting Standards (IFRS) as adopted by the European Union. Statutory financial statements for the year ended 31 December 2018 were approved by the Board of Directors on 4 June 2019 and delivered to the Registrar of Companies. The Auditors have reported on these financial statements; their report was unqualified and did not contain statements under Section 498(2) or (3) of the Companies Act 2006.

The financial information for the periods ended 30 June 2019 and 30 June 2018 are unaudited.

3. Significant accounting policies

The same accounting policies have been followed in these condensed interim financial statements as were applied in the preparation of the Group's financial statements for the year ended 31 December 2018.

The Group and Company financial statements have been prepared on a going concern basis. As an exploration and development company the Directors are mindful that there is an ongoing need to monitor overheads and cash associated with the exploration and development programme; and, where necessary, to raise additional working capital on an ad hoc basis to support the Group's activities.

The Group's ability to continue its operations and to realise its assets at their carrying values is dependent upon the Group generating revenues sufficient to cover its operating costs, and /or obtaining additional financing. These financial statements do not give effect to any adjustments which would be necessary should the Group be unable to continue as a going concern and therefore be required to realise its assets and discharge its liabilities in other than the normal course of business and at amounts different from those reflected in the accompanying financial statements.

The Directors remain confident that if future funding is required they will be able to raise finance to meet the Group's exploration and development programme and the associated overhead cost.

4. Interest in joint venture

The Group accounts for its joint venture with Proccea Construction Co in Zenit Madencilik San ve Tic AS ("Zenit") using the equity method in accordance with IAS 28 (revised). At 30 June 2019 the Group has a 50% interest in Zenit.

Zenit entered production during March 2017, with commercial production declared from 1 July 2017. Operational revenues and costs arising from pre-commercial production were capitalised in 2017, along with any new capital expenditure incurred during 2018 including the construction of the district road diversion necessary for the full development of the Arzu South open pit.

Summarised financial information of the joint venture, based on its translated financial statements, and reconciliations with the carrying amount of the investment in the consolidated financial statements are set out below:-

	6 months to 30 June 2019 £'000	6 months to 30 June 2018 £'000	12 months to 31 December 2018 £'000
Summary statement of profit and loss			
Revenue	16,132	12,604	29,254
Cost of sales	(7,357)	(5,597)	(13,548)
Gross Profit	8,775	7,007	15,706
Administrative expenses (net of other income)	(985)	(452)	(969)
Operating profit	7,790	6,555	14,737
Finance expenses	(2,810)	(4,749)	(12,196)
Finance income	1,117	493	4,552
Profit for the period before tax	6,097	2,299	7,093
Taxation	(39)	-	327
Profit for the period after tax	6,058	2,299	7,420
Proportion of Group's ownership	50%	50%	50%
Group's share of profit for the period after tax	3,029	1,149	3,710

	30 June 2019 £'000	30 June 2018 £'000	31 December 2018 £'000
Summary statement of financial position			
Non-current assets	22,904	28,132	25,421
Current assets	8,506	4,292	7,216
Current liabilities	(16,518)	(11,875)	(9,937)
Non-current liabilities	(7,851)	(14,089)	(14,764)
Equity	7,041	6,460	7,936
Proportion of Group's ownership	50%	50%	50%
Carrying amount of Investment in Joint Venture	3,521	3,230	3,968

5. Segmental analysis

Management currently identifies one division as an operating segment – mineral exploration. This operating segment is monitored and strategic decisions are made based upon this and other non-financial data collated from exploration activities.

Principal activities for this operating segment are as follows:

Mining – incorporates the acquisition, exploration and development of gold resources in Turkey and Lithium in Australia.

	30 June 2019			30 June 2018			31 December 2018		
	Mining	Other reconciling items	Group	Mining	Other reconciling items	Group	Mining	Other reconciling items	Group
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Administrative costs	-	(588)	(588)	-	(801)	(801)	-	(1,355)	(1,355)
General and specific exploration expenditure	(139)	-	(139)	(111)	-	(111)	(334)	-	(334)
Loss on disposal of available for sale investments	-	-	-	(3)	-	(3)	(2)	-	(2)
Share of profit in joint venture	3,029	-	3,029	1,149	-	1,149	3,710	-	3,710
Investment income	-	3	3	-	85	85	-	158	158
Tax	-	-	-	-	-	-	-	-	-
Profit/(loss) after tax	2,890	(585)	2,305	1,035	(716)	319	3,374	(1,197)	2,177
Assets									
Segment assets	25,061	601	25,662	22,999	578	23,577	23,523	614	24,137
Liabilities									
Segment liabilities	(3,970)	(380)	(4,350)	(3,988)	(261)	(4,249)	(3,996)	(207)	(4,173)

Reconciling items include non-mineral exploration costs and transactions between Group and associate companies.

Geographical segments

The Group's mining assets and liabilities are located primarily in Turkey.

	30 June 2019			30 June 2018			31 December 2018		
	Turkey	United Kingdom	Group	Turkey	United Kingdom	Group	Turkey	United Kingdom	Group
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Carrying amount of segment non-current assets	20,243	570	20,813	20,110	658	20,768	20,584	720	21,304

6. Taxation

The Group has not incurred taxable profits for the period and a corporation tax charge is not anticipated.

7. Profit per share

The calculation of basic profit per share is based on the profit after taxation attributable to ordinary shareholders of £2,305,000 divided by the weighted average number of shares in issue during the period, being 1,059,677,953.

8. Available for sale Investments

	Current £'000
Valuation at 1 January 2018	218
Disposals	(146)
Exchange movement	(11)
Fair value adjustment	(16)
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Valuation at 30 June 2018	45
Fair value adjustment	(10)
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Valuation at 31 December 2018	35
Fair value adjustment	49
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Valuation at 30 June 2019	84

As at 30 June 2019, available for sale investments represent the Company's investment in Royal Road Minerals Limited, a company listed on the Toronto Venture Exchange. Due to changes in the market value of this investment, a fair value surplus totaling £49,000 has been reflected in these accounts.

9. Intangible exploration assets	£'000
Six months ended 30 June 2018	
Opening net book value at 1 January 2018	17,527
Additions	141
Exchange movements	(486)
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Closing net book value at 30 June 2018	17,182
Six months ended 31 December 2018	
Opening net book value at 1 July 2018	17,182
Additions	228
Expenditure written off	(181)
Exchange movements	(254)
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Closing net book value at 31 December 2018	16,975
Six months ended 30 June 2019	
Opening net book value at 1 January 2019	16,975
Additions	378
Exchange movements	(367)
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Closing net book value at 30 June 2019	16,987

None of the Group's intangible assets are owned by the Company.

The technical feasibility and commercial viability of extracting a mineral resource are not yet demonstrable in the above intangible exploration assets. These assets are not amortised, until technical feasibility and commercial viability is established. Intangible exploration costs written off represent costs relating to certain projects that are no longer considered economically viable or where exploration licences have been relinquished.

10. Trade and other receivables	30 June 2019 £'000	30 June 2018 £'000	31 December 2018 £'000
Amounts owed by Joint Venture Company	3,613	1,817	1,402
Other receivables	478	450	442
Prepayments	105	22	16
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	4,196	2,289	1,860

The fair value of trade and other receivables is not materially different to the carrying values presented.

11. Called up share capital and share premium

Allotted, issued and fully paid 0.1p shares

	Number of shares	Share Capital £'000	Deferred Shares £'000	Share Premium £'000
In issue at 1 January 2018 and 30 June 2019	1,059,677,953	1,059	4,995	11,821

Potential issue of ordinary shares – share options and warrants

On 1 January 2018 the Company issued 64,000,000 new share options to directors and staff at an exercise price of 1.55 pence, vesting over 3 years. A share based payment charge of £114,000 (2018: £250,000) has been recognised in these accounts.

At 30 June 2019 the Company had 64,000,000 options and nil warrants outstanding for the issue of ordinary shares

12. Approval of interim financial statements

The interim financial statements were approved by the Board of Directors on 27 September 2019.