

30 September 2021

AIM: AAU

## INTERIM RESULTS

Ariana Resources plc (“Ariana” or “the Company”), the AIM-listed mineral exploration and development company with interests in gold mining operations in Europe, is pleased to announce its unaudited interim results for the six months ended 30 June 2021.

### Financial Highlights:

- Ariana's share of profits from the Kiziltepe Mine, part of Zenit Madencilik San. ve Tic. A.S. (“Zenit”), in the six months to June 2021 amount to £1.3m (H1 2020 £3.0m), due in part to the reduction in holding from 50% to 23.5%.
- Profit before tax of £7.1m (H1 2020 £2.2m) recorded for the period, with operating costs in line with expectations and the prior year.
- Profit for the period of £5.0m (H1 2020: £1.9m) reflects the profit realised on restructuring of group activities.
- Payment of first dividend of £3.8m to shareholders post-period end, amounting to 0.35p per share, following capital reorganisation completed during the period.

### Operational Highlights:

- Completion of transformational deal valued in aggregate at US\$70.75 million\* in cash with Ozaltin Holding A.S. and Proccea Construction Co. concerning Zenit and other assets in Turkey; Ariana's share reduced to 23.5%.
- Commencement of exploration in Eastern Europe via 75% held Western Tethyan Resources Ltd. and drilling commenced in Cyprus via the Company's interest in Venus Minerals Ltd.
- Earn-in on Venus Minerals Ltd. has currently reached 37.5%, with 50% expected to be achieved in early Q4 2021.
- Kiziltepe Mine production for H1 2021 achieved 7,941 ounces of gold (H1 2020: 9,808 oz Au) with guidance for 2021 expected to be met by year end, following increased mill throughput after the completion of the process plant expansion.
- Final Zenit working capital loan repayment of US\$0.8m to Turkiye Finans Katilim Bankasi A.S due to be completed post-period end in October 2021.
- An exploration and resource drilling campaign has completed approximately 14,000m of diamond drilling across the Kiziltepe Sector, with excellent results received across various vein systems.

\* Ariana and Proccea each received US\$25 million from Ozaltin, reducing their respective holdings in Zenit by 26.5% each. Ariana separately received US\$5 million from Ozaltin and US\$5.75 million from Proccea for a reduction in its holding in the Salinbas Project. In addition, Ozaltin injected US\$8 million in new capital into the Salinbas Project. Ariana is separately receiving a total payment of US\$2 million via instalments for the sale of its Satellite Projects in Turkey to Zenit.

**Michael de Villiers, Chairman, commented:**

*"The first half of 2021 began with significant momentum as the Company embarked on a transformational new venture alongside Ozaltin Holding A.S. and Proccea Construction Co. This collaboration underscores Ariana's successful strategy of creating value whilst mitigating business risks, even in the most challenging of times. The partnership has also enabled Ariana to reward valued shareholders with the first dividend payment in its history. Apart from the monetisation of a substantial portion the Company's project balance sheet, the transaction has also enabled the team to be deployed to exploration and project initiatives across a much broader theatre of operations. These are outlined in more detail below.*

*Despite the challenges faced through the coronavirus pandemic, our mining operations have continued relatively unhindered. The Kiziltepe Mine continues to produce on target against its plan. Meanwhile its future growth has been secured through the completion of extensive plant expansion work and an associated significant new resource and exploration drilling programme. In addition, there has been steady progress on both the Tavsan and Salinbas projects all of which underpins further development scheduled for later this year.*

*While the pandemic continues to place limitations on physical travel, we have come to terms with the fact that we will all have to live with some form of restrictions for some time to come and adapt our business model accordingly. This has prompted innovative ways of working which have been embraced and used highly effectively by our dispersed teams. The increasing demand for greener technologies and lesser environmental impact further reinforces Ariana's initiative towards a strategy of broader target selection across both new geographies and commodities. Consequently, we are in the process of developing a wider stream of projects and exploration initiatives which we intend to announce as and when they are developed; after all we do not want others to "steal a march".*

*Once again, I would like to take this opportunity to thank both the Ariana team and our partners for their steadfast efforts during these challenging times; they have once again achieved outstanding results. It has been very gratifying to be able to pay our shareholders such a substantial dividend after 16 years of commitment and investment. To conclude on the best point, there is much more to come."*

**Management Statement**

Ariana Resources represents a well-established exploration and development enterprise, which has operated successfully since 2002, initially as a private business, then as a public company since 2005. While its focus for the best part of almost two decades has been its highly successful exploration strategy for gold in Turkey, in recent years and in parallel with demonstrable operational capability, the Company has "spread its wings" into other territories in the region, notably Cyprus and Kosovo. However, as stated in our 2020 Annual Report, it is the intention of the Company to remain flexible to new opportunities that may be generated across the Eastern Hemisphere; a strategy that is now spearheaded formally by the Asgard Metals Fund.

The Company has demonstrated an enviable track-record of mineral discovery and resource growth at minimal cost to its shareholders. This is evidenced most tangibly in our discovery cost per ounce of gold which is currently running at US\$12/oz and which is about five times lower than the global industry average. In addition, through a methodical and carefully executed strategy, project development costs across our portfolio, amounting to £24.4m, were and are being borne by our project partners, rather than our shareholders since 2010. The consequence of this was our very modest requirement for working capital from investors, which on average amounted to about £1.2m per annum over a period of 15 years until we brought our external funding requirements to a close in 2017; coinciding with the commencement of commercial production from our first gold and silver mine at Kiziltepe.

The Kiziltepe Mine, and in some sense more importantly, our enhanced operations in Turkey with Ozaltin Holding A.S. and Proccea Construction Co. represents the back-bone of our business. We are substantially strengthened by the skill sets and financial capabilities of our internationally reputable partners, and we look forward to working with them collaboratively in the years ahead to further build our mining interests in Turkey and potentially beyond. Taking recent developments at Kiziltepe as an example, we are exceptionally pleased that Zenit is delivering a doubling of mill throughput following the plant expansion programme, which was substantially completed in August. Meanwhile, our major development projects at Tavsan and Salinbas are

advancing positively, with Tavsan expected to progress to final permitting later this year, ahead of site preparation and construction start-up. At Salinbas, final preparations are underway for the commencement of further exploration and resource drilling before winter conditions set in.

This substantial progress is of course all backed-up and supported by an exceptional team, which has recently been expanded to include additional in-house geoscientists to support our geological team, including a geochemist and geophysicist. Accordingly, the Company is now able to deliver on all of its exploration programmes using its in-house specialists, across a full spectrum of requirements from project generation, through to drilling and evaluation, resource estimation and financial modelling to the level of a Feasibility Study, without the requirement to use external consultants. This is an approach most commonly associated with major companies and hence we are one of very few junior explorers worldwide that has the capacity and long-term strategic depth to build such in-house capabilities. Notably, we are very pleased to have formally added Emeritus Professor David Groves to our Advisory Team, who specialises in Global Mineral Systems and is a core member and director of the Asgard Metals Fund.

We are also proud to have been able to establish a new office facility in Ankara, held as an asset via freehold title, which will accommodate the majority of our expanded Turkish team and is being customised to our specific needs. Importantly, the facility will house our newly acquired Geotek BoxScan unit and other hardware to enable the Company to complete most of its geochemical and other analytical requirements entirely in-house. As part of our deep commitment to the environment, this office facility is to be powered by a solar electric system, which is due to be installed in the coming months. Meanwhile our field facilities located in Sindirgi in western Turkey, which are themselves geothermally heated, are in the process of being upgraded to better provide for our future requirements. The Company is also investing heavily in technologies to facilitate enhanced internal communication, data management and processing across its operational hubs in Australia, Turkey and the UK, in part to reduce the need for environmentally-costly international travel. At the cutting-edge of this will be a research programme to advance machine learning and artificial intelligence systems and their routine integration into our future exploration programmes.

While we are investing substantially into our future technical capacity and our environmental and social licence to operate, we are also rooted in the understanding that we are a business which exists for the benefit of its investors. Accordingly, post-period end we were able to distribute the first of three interim dividend payments, the first of which represents a dividend yield of 7.6% following the distribution of £3.8 million to our long-standing and supportive shareholders. In many ways, payment of our first dividend marks the end of one era and the beginning of the next, as a newly invigorated and highly dynamic exploration enterprise with global reach. In particular, through the development of our Project Catalyst Strategy, we are focused on realising value through our investments to create an additional pathway to the distribution of future dividends.

We are now looking forward to celebrating our first 20-year anniversary as a business in April 2022, which marks the date of our initial foundation in Australia as Ariana Resources Pty. Ltd. We are planning a celebration to mark this event, which will be conducted virtually and in-person in Perth. We look forward to welcoming long-term supporters who have backed the Company from our earliest days to collectively reflect on the progress and future path of our business. Our world has changed fundamentally as a result of the recent pandemic; more than anything it has brought into acute focus the dichotomy of the ever-increasing demand for raw materials necessary to satiate a growing global population, which itself is underpinned by the desire of nations to continue with a growth-based economic model, poised against the requirements of our degrading environment and the long-term welfare of humanity. Ariana finds itself at the turn of this decade in a remarkable position to execute its strategy to deliver on these requirements and to take on a leadership role in the development of new technologies and methodologies to ensure this dichotomy is addressed in a sensitive and fundamentally practical manner.

As a business we are setting our sights on the next 20 years and we welcome the support and interest of our shareholders in our future endeavours. The best is yet to come!

**The information contained within this announcement is deemed by the Company to constitute inside information as stipulated under the Market Abuse Regulations (EU) No. 596/2014 as it forms part of UK Domestic Law by virtue of the European Union (Withdrawal) Act 2018 ("UK MAR").**

**Ariana Resources Plc**  
**Unaudited Condensed Consolidated Interim Financial Statements**  
**For the six months ended 30 June 2021**

**Condensed consolidated statement of comprehensive income**

	Note	6 months to 30 June 2021 £'000	6 months to 30 June 2020 £'000	12 months to 31 December 2020 £'000
Administrative costs (net of exchange gains)		(657)	(782)	(1,360)
General exploration expenditure		-	-	(35)
<b>Operating loss</b>		<b>(657)</b>	<b>(782)</b>	<b>(1,395)</b>
Profit on restructuring of group activities	(4)	6,423	-	-
Share of profit of associate accounted for using the equity method	(5a)	1,265	-	-
Share of profit of Joint Venture accounted for using the equity method	(5a)	-	3,010	6,478
Investment Income		80	2	7
<b>Profit before tax</b>		<b>7,111</b>	<b>2,230</b>	<b>5,090</b>
Taxation charge	(7)	(2,073)	(282)	(327)
<b>Profit for the period</b>		<b>5,038</b>	<b>1,948</b>	<b>4,763</b>
<b>Other comprehensive income</b>				
<i>Items that may be reclassified subsequently to profit or loss:</i>				
Exchange differences on translating foreign operations		(1,503)	(1,307)	(3,647)
<b>Other comprehensive (loss)/profit for the period net of income tax</b>		<b>(1,503)</b>	<b>(1,307)</b>	<b>1,116</b>
<b>Total comprehensive profit for the period</b>		<b>3,535</b>	<b>641</b>	<b>5,209</b>
<b>Earnings per share (pence)</b>				
Basic	(8)	0.47	0.18	0.45
Fully diluted		0.47	0.17	0.45

## Condensed consolidated interim statement of financial position

		30 June 2021 £'000	30 June 2020 £'000	31 December 2020 £'000
	Note			
<b>ASSETS</b>				
<b>Non-current assets</b>				
Trade and other receivables		1,002	106	100
Intangible exploration assets	(9)	-	16,347	-
Intangible assets		159	177	168
Land, property, plant and equipment		193	59	41
Earn-in advances		1,731	808	1,206
Investment in Joint Venture accounted for using the equity method	(5b)	-	9,969	11,213
Equity accounted Investment in Zenit	(5b)	5,507	-	-
Equity accounted Investment in Pontid	(5c)	4,139	-	-
		<hr/>	<hr/>	<hr/>
<b>Total non-current assets</b>		<b>12,731</b>	<b>27,466</b>	<b>12,728</b>
<b>Current assets</b>				
Trade and other receivables	(10)	1,029	340	298
Cash and cash equivalents		22,434	2,342	2,978
Assets classified as held for sale		-	-	16,002
		<hr/>	<hr/>	<hr/>
<b>Total current assets</b>		<b>23,463</b>	<b>2,682</b>	<b>19,278</b>
		<hr/>	<hr/>	<hr/>
<b>Total assets</b>		<b>36,194</b>	<b>30,148</b>	<b>32,006</b>
<b>EQUITY</b>				
Called up share capital	(11)	6,079	6,054	6,070
Share premium	(11)	12,184	11,821	12,053
Other reserves		720	720	720
Share based payments		230	409	307
Translation reserve		(6,733)	(7,277)	(9,617)
Retained earnings		22,279	14,426	17,164
		<hr/>	<hr/>	<hr/>
<b>Total equity attributable to equity holders of the parent</b>		<b>34,759</b>	<b>25,973</b>	<b>26,697</b>
		<hr/>	<hr/>	<hr/>
<b>Total equity</b>		<b>34,759</b>	<b>25,973</b>	<b>26,697</b>
<b>LIABILITIES</b>				
<b>Non-Current Liabilities</b>				
Deferred tax Liability		-	2,273	-
Other financial liabilities		-	1,651	-
		<hr/>	<hr/>	<hr/>
<b>Total non-current liabilities</b>		<b>-</b>	<b>3,924</b>	<b>-</b>
<b>Current liabilities</b>				
Trade and other payables		1,435	251	1,385
Liabilities directly associated with classified as held for sale		-	-	3,924
		<hr/>	<hr/>	<hr/>
<b>Total current liabilities</b>		<b>1,435</b>	<b>251</b>	<b>5,309</b>
		<hr/>	<hr/>	<hr/>
<b>Total equity and liabilities</b>		<b>36,194</b>	<b>30,148</b>	<b>32,006</b>

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 holder of parent £'000
<b>Balance at 1 January 2020</b>	<b>6,054</b>	<b>11,821</b>	<b>720</b>	<b>364</b>	<b>(5,970)</b>	<b>12,298</b>	<b>25,287</b>
<b>Changes in equity to 30 June 2020</b>							
Profit for the period	-	-	-	-	-	1,948	1,948
Other comprehensive income	-	-	-	-	(1,307)	-	(1,307)
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1,307)</b>	<b>1,948</b>	<b>641</b>
Share options	-	-	-	45	-	-	45
<b>Transactions with owners</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>45</b>	<b>-</b>	<b>-</b>	<b>45</b>
<b>Balance at 30 June 2020</b>	<b>6,054</b>	<b>11,821</b>	<b>720</b>	<b>409</b>	<b>(7,277)</b>	<b>14,246</b>	<b>25,973</b>
<b>Changes in equity to 31 December 2020</b>							
Profit for the period	-	-	-	-	-	2,815	2,815
Other comprehensive income	-	-	-	-	(2,336)	-	(2,336)
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(2,336)</b>	<b>2,815</b>	<b>479</b>
Issue of ordinary shares	16	232	-	-	-	-	248
Share options	-	-	-	-	-	-	-
Transfer between reserves	-	-	-	(102)	-	102	-
<b>Transactions with owners</b>	<b>16</b>	<b>232</b>	<b>-</b>	<b>(102)</b>	<b>-</b>	<b>102</b>	<b>248</b>
<b>Balance at 31 December 2020</b>	<b>6,070</b>	<b>12,053</b>	<b>720</b>	<b>307</b>	<b>(9,617)</b>	<b>17,164</b>	<b>26,697</b>
<b>Changes in equity to 30 June 2021</b>							
Profit for the period	-	-	-	-	-	5,038	5,038
Other comprehensive income	-	-	-	-	(1,503)	-	(1,503)
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1,503)</b>	<b>5,038</b>	<b>3,535</b>
Issue of ordinary shares	9	131	-	-	-	-	140
Translation losses recycled on part disposal of group activities	-	-	-	-	4,387	-	4,387
Transfer between reserves	-	-	-	(77)	-	77	-
<b>Transactions with owners</b>	<b>9</b>	<b>131</b>	<b>-</b>	<b>(77)</b>	<b>4,387</b>	<b>77</b>	<b>4,527</b>
<b>Balance at 30 June 2021</b>	<b>6,079</b>	<b>12,184</b>	<b>720</b>	<b>230</b>	<b>(6,733)</b>	<b>22,279</b>	<b>34,759</b>

## Condensed consolidated Interim statement of cash flows

	6 months to 30 June 2021 £`000	6 months to 30 June 2020 £`000	12 months to 31 December 2020 £`000
<b>Cash flows from operating activities</b>			
Profit for the year	5,038	1,948	4,763
Adjustments for:			
Depreciation of non-current assets	10	11	20
Profit on restructuring	(6,423)	-	-
Share of profit in Associate Interest	(1,265)	-	-
Share of profit in Joint Venture	-	(3,010)	(6,478)
Share based payments charge	-	45	45
Investment income	(80)	(2)	(7)
Income tax expense	2,073	282	327
<b>Movement in working capital</b>	<b>(647)</b>	<b>(726)</b>	<b>(1,330)</b>
(Increase)/decrease in trade and other receivables	(1,643)	3,419	3,056
(decrease)/increase in trade and other payables	(1,402)	(62)	1,021
<b>Cash (outflow)/ inflow from operating activities</b>	<b>(3,692)</b>	<b>2,631</b>	<b>2,747</b>
Taxation paid	(1,496)	(282)	(282)
<b>Net cash from operating activities</b>	<b>(5,188)</b>	<b>2,349</b>	<b>2,465</b>
<b>Cash flows from investing activities</b>			
Earn-In Advances	(525)	-	(672)
Purchase of land, property, plant and equipment	(161)	(13)	(3)
Payments for intangible assets	-	(166)	(262)
Payments for other investments	-	(274)	-
Dividends from Joint Venture	-	-	776
Proceeds from disposal of assets	25,468	-	-
Investment income	80	2	7
<b>Net cash generated/(used) in investing activities</b>	<b>24,862</b>	<b>(451)</b>	<b>(154)</b>
<b>Cash flows from financing activities</b>			
Issue of share capital	140	-	248
<b>Net increase in cash and cash equivalents</b>	<b>19,814</b>	<b>1,898</b>	<b>2,559</b>
Cash and cash equivalents at beginning of period	2,978	453	453
Exchange adjustment	(358)	(9)	(34)
<b>Cash and cash equivalents at end of period</b>	<b>22,434</b>	<b>2,342</b>	<b>2,978</b>

## Notes to the interim financial statements for the six months ended 30 June 2021

### 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 2<sup>nd</sup> 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 technology-metals, with interests in mining operations 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 2020, 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 UK International accounting standards. Statutory financial statements for the year ended 31 December 2020 were approved by the Board of Directors on 13 July 2021. The financial information for the periods ended 30 June 2021 and 30 June 2020 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 2020.

The Group and Company financial statements have been prepared on a going concern basis. The Directors are mindful that there is an ongoing need to monitor overheads and costs associated with delivering on its strategy and certain exploration programmes being undertaken across its portfolio.

### 4. Profit on restructuring of group's activities

During the period, the Group concluded its restructuring programme. This comprised the part-disposal of its interest in Zenit Madencilik San.ve Tic. A.S ("Zenit") and Pontid Madencilik San.ve Tic. Ltd ("Pontid") to Ozaltin Insaat, Ticaret and Sanayi A.S. ("Ozaltin") and Proccea Construction Co ("Proccea") for a total consideration of US\$ 35.75m. Additional consideration of US\$2m is payable in instalments by Zenit following the transfer of the three remaining satellite projects held by the Group's wholly owned subsidiary, Galata Madencilik San.ve Tic. Ltd ("Galata").

Under the terms of the Pontid sale agreement and during February 2021, Ozaltin completed its equity commitment to invest a further US\$ 8m in the development of the Salinbas project.

	<b>30 June 2021</b> <b>£'000</b>
Disposal proceeds receivable (net of group transactions)	26,976
Less:-	
Cost of Investment and other incidental costs incurred on disposal	(4,684)
Reversal of fair value transactions associated with the Salinbas acquisition	(9,446)
Increase in valuation of associate following acquisition	2,197
Reduction in valuation of JV following part disposal (excluding translation losses)	(4,234)
Elimination of translation losses following restructuring of group	<u>(4,386)</u>
<b>Profit on restructuring of group's activities</b>	<b><u>6,423</u></b>



## 5. Share of profit of associate interest in Zenit

The Group accounts for its associated interest in Zenit using the equity method. During February 2021, the Group sold 26.5% of its existing 50% shareholding in Zenit to Ozaltin Holding A.S. for a total consideration of US\$25m. As at 30 June 2021 the Group retained a 23.5% interest in Zenit. Prior to the part-disposal, the Group's interest in Zenit was accounted for as an equally controlled joint venture.

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

	30 June 2021 £'000	30 June 2020 £'000	31 December 2020 £'000
<b>(a) Summary statement of comprehensive income</b>			
Revenue	11,860	14,301	29,145
Cost of sales	(5,885)	(7,051)	(13,335)
<b>Gross Profit</b>	<b>5,975</b>	<b>7,250</b>	<b>15,810</b>
Other income	-	359	-
Administrative expenses	(938)	(812)	(1,750)
<b>Operating profit</b>	<b>5,037</b>	<b>6,797</b>	<b>14,060</b>
Finance expenses including foreign exchange losses	(811)	(1,584)	(3,143)
Finance income including foreign exchange gains	1,281	756	2,262
<b>Profit for the period before tax</b>	<b>5,507</b>	<b>5,969</b>	<b>13,179</b>
Taxation credit/(charge)	(124)	51	(223)
<b>Profit for the period</b>	<b>5,383</b>	<b>6,020</b>	<b>12,956</b>
Proportion of Group's profit share	23.5%	50%	50%
<b>Group's share of profit for the period</b>	<b>1,265</b>	<b>3,010</b>	<b>6,478</b>
	<b>6 months to 30 June 2021 £'000</b>	<b>6 months to 30 June 2020 £'000</b>	<b>12 months to 31 December 2020 £'000</b>
<b>(b) Summary statement of financial position</b>			
Non-current assets (including Kiziltepe Gold Mine)	21,493	22,886	20,731
Current assets	10,760	13,950	12,919
Current liabilities	(6,866)	(11,522)	(8,174)
Non-current liabilities	(1,955)	(5,376)	(3,050)
<b>Equity</b>	<b>23,432</b>	<b>19,938</b>	<b>22,426</b>
Proportion of Group's ownership	23.5%	50%	50%
<b>Carrying amount of Investment in Associate</b>	<b>5,507</b>	<b>-</b>	<b>-</b>
<b>Carrying amount of Investment in Joint Venture</b>	<b>-</b>	<b>9,969</b>	<b>11,213</b>
Method of accounting adopted	Associate	Joint Venture	Joint Venture

### 5(c) Investment in associate

Following the disposal by Greater Pontid Exploration B.V. (holding company) of its entire interest in Pontid Madencilik San.ve Tic Ltd ("Pontid") to Ozaltin Holding A.S and Proccea Construction Co, the Group reinvested US\$ 5.75m for a 23.5% shareholding in Pontid. This investment is currently valued at £4.139 m and represents the Group's share of Pontid's net assets amounting to £2.296m and goodwill paid on acquisition of £1.843m.

### 6. 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.

Other reconciling items – include non-mineral exploration costs and transactions between Group and associate companies.

	30 June 2021			30 June 2010			31 December 2020		
	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	-	(657)	(657)	-	(782)	(782)	-	(1,360)	(1,360)
General exploration expenditure	-	-	-	-	-	-	(35)	-	(35)
Profit on restructuring	6,423	-	6,423	-	-	-	-	-	-
Share of profit in associate	1,265	-	1,265	-	-	-	-	-	-
Share of profit in Joint Venture	-	-	-	3,010	-	3,010	6,478	-	6,478
Investment income	-	80	80	-	2	2	-	7	7
<b>Profit before taxation</b>	<b>7,688</b>	<b>(577)</b>	<b>7,111</b>	<b>3,010</b>	<b>(780)</b>	<b>2,230</b>	<b>6,443</b>	<b>(1,353)</b>	<b>5,090</b>
Taxation charge	(2,073)	-	(2,073)	(282)	-	(282)	(43)	(284)	(327)
<b>Profit/(loss) after tax</b>	<b>5,615</b>	<b>(577)</b>	<b>5,038</b>	<b>2,728</b>	<b>(780)</b>	<b>1,948</b>	<b>6,400</b>	<b>(1,637)</b>	<b>4,763</b>
<b>Assets</b>									
Segment assets	<b>23,563</b>	<b>12,631</b>	<b>36,194</b>	<b>28,886</b>	<b>1,262</b>	<b>30,148</b>	<b>29,937</b>	<b>2,069</b>	<b>32,006</b>
<b>Liabilities</b>									
Segment liabilities	<b>(861)</b>	<b>(575)</b>	<b>(1,436)</b>	<b>(3,940)</b>	<b>(235)</b>	<b>(4,175)</b>	<b>(5,056)</b>	<b>(253)</b>	<b>(5,309)</b>

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 2021			30 June 2020			31 December 2020		
	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	<b>10,840</b>	<b>1,891</b>	<b>12,731</b>	<b>26,479</b>	<b>987</b>	<b>27,466</b>	<b>11,353</b>	<b>1,375</b>	<b>12,728</b>

## 7. Taxation

The Group had taxable profits for the period and a corporation tax charge is anticipated during the year to 31<sup>st</sup> December 2021.

The charge reflected in these interim accounts is based on the following transactions:-

	30 June 2021	30 June 2020	31 December 2020
	£'000	£'000	£'000
Taxation on disposal of part interest in JV with Zenit	1,725	-	-
Withholding tax suffered on subsidiary dividends	348	282	284
Other adjustments	-	-	43
<b>Tax charge for the period</b>	<b>2,073</b>	<b>282</b>	<b>327</b>

## 8. Earnings per share on continuing operations

The calculation of basic profit per share is based on the profit attributable to ordinary shareholders of £5,038,000 divided by the weighted average number of shares in issue during the period, being 1,081,577,933.

## 9. Intangible exploration assets

£'000

### Six months ended 30 June 2020

Opening net book value at 1 January 2020	16,404
Additions	166
Exchange movements	(223)
<b>Closing net book value at 30 June 2020</b>	<b>16,347</b>

### Six months ended 31 December 2020

Opening net book value at 1 July 2020	16,347
Additions	97
Exchange movements	(442)
Expenditure reclassified to assets held for sale	(16,002)
<b>Closing net book value at 31 December 2020 and 30<sup>th</sup> June 2021</b>	<b>-</b>

<b>10. Trade and other receivables</b>	<b>30 June 2021 £'000</b>	<b>30 June 2020 £'000</b>	<b>31 December 2020 £'000</b>
Amounts owed by Associate Company	696	-	-
Other receivables	225	214	183
Prepayments	108	126	115
	<b>1,029</b>	<b>340</b>	<b>298</b>

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

#### **11. Called up share capital and share premium**

Allotted, issued and fully paid 0.1p shares

	<b>Number of shares</b>	<b>Share Capital £'000</b>	<b>Deferred Shares £'000</b>	<b>Share Premium £'000</b>
<b>In issue at 1 January 2020</b>	<b>1,059,677,953</b>	<b>1,059</b>	<b>4,995</b>	<b>11,821</b>
<b>Share options exercised to 31 December 2020</b>	16,000,000	16	-	232
<b>Share options exercised to 30 June 2021</b>	9,000,000	9	-	131
<b>In Issue at 30 June 2021</b>	<b>1,084,677,953</b>	<b>1,084</b>	<b>4,995</b>	<b>12,184</b>

At 30 June 2021 the Company had 39,000,000 options and nil warrants outstanding for the issue of ordinary shares.

#### **12. Post period end events**

- During July 2021 the Company was granted permission by the Court to reduce its share capital by the cancellation of its share premium account and historical deferred shares in issue.
- The Company paid the first part of its inaugural interim dividend of 0.35 pence per ordinary share on 24 September 2021.
- The second part of the inaugural interim dividend of 0.175 pence per ordinary share is intended to be paid no later than the 31 March 2022.
- A third and final payment of the inaugural dividend of 0.175 pence per ordinary share is intended to be paid at some point following the 2022 AGM.

#### **13. Approval of interim financial statements**

The interim financial statements were approved by the Board of Directors on 29 September 2021.

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## Editors' Note:

### **About Ariana Resources:**

Ariana is an AIM-listed mineral exploration and development company with an exceptional track-record of creating value for its shareholders through its interests in active mining projects and investments in exploration companies. Its current interests include gold production in Turkey and copper-gold exploration and development projects in Cyprus and Kosovo.

The Company holds 23.5% interest in Zenit Madencilik San. ve Tic. A.S. with Ozaltin Holding A.S. and Proccea Construction Co. in Turkey which contains a depleted total of c. 2.1 million ounces of gold and other metals (as at July 2020). Operations comprise the Kiziltepe Mine and the Tavsan and Salinbas projects.

The **Kiziltepe Gold-Silver Mine** is located in western Turkey and contains a depleted JORC Measured, Indicated and Inferred Resource of 227,000 ounces gold and 0.7 million ounces silver (as at April 2020). The mine has been in profitable production since 2017 and is expected to produce at a rate of c.20,000 ounces of gold per annum to at least the mid-2020s. A Net Smelter Return ("NSR") royalty of 2.5% on production is being paid to Franco-Nevada Corporation.

The **Tavsan Gold Project** is located in western Turkey and contains a JORC Measured, Indicated and Inferred Resource of 253,000 ounces gold and 3.7 million ounces silver (as at June 2020). The project is being progressed through permitting and an Environmental Impact Assessment, with the intention of developing the site to become the second gold mining operation. A NSR royalty of up to 2% on future production is payable to Sandstorm Gold.

The **Salinbas Gold Project** is located in north-eastern Turkey and contains a JORC Measured, Indicated and Inferred Resource of 1.5 million ounces of gold (as at July 2020). It is located within the multi-million ounce Artvin Goldfield, which contains the "Hot Gold Corridor" comprising several significant gold-copper projects including the 4 million ounce Hot Maden project, which lies 16km to the south of Salinbas. A NSR royalty of up to 2% on future production is payable to Eldorado Gold Corporation.

Ariana is currently earning-in to 75% of **Western Tethyan Resources Ltd** ("WTR"), which operates across Eastern Europe and is based in Pristina, Republic of Kosovo. The company is targeting its exploration on major copper-gold deposits across the porphyry-epithermal transition.

Ariana is also earning-in to 50% of UK-registered **Venus Minerals Ltd** ("Venus") and has to date earned into an entitlement to 37.5%. Venus is focused on the exploration and development of copper-gold assets in Cyprus

which contain a combined JORC Inferred Resource of 9.5Mt @ 0.65% copper (excluding additional gold, silver and zinc).

Ariana operates its wholly-owned **Asgard Metals Fund** (“Asgard”), as part of the Company’s proprietary Project Catalyst Strategy. The Fund will be focused on investments in high-value potential, discovery-stage mineral exploration companies located across the Eastern Hemisphere and within easy reach of Ariana’s operational hubs in Australia, Turkey and the UK.

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

For further information on Ariana you are invited to visit the Company’s website at [www.arianaresources.com](http://www.arianaresources.com).

Ends.