

30 September 2016
AIM: AAU

INTERIM RESULTS

Ariana Resources plc ("Ariana" or "the Company"), the gold exploration and development company focused on Turkey, is pleased to announce its unaudited interim results for the six months ended 30 June 2016.

Highlights:

- Profit on Ordinary Activities before tax of £0.75 million, reflecting a profit from the sale of certain lithium licences in Australia and adjustments in respect of the Red Rabbit Gold Project ("RRGP") Joint Venture.
- Construction of the Kiziltepe Mine, nearing completion with Tailings Storage Facility ("TSF") development underway ahead of commissioning, coinciding with mining and stockpiling of vein material.
- On track to deliver first gold pour at Kiziltepe in late Q4 2016, following completion of the TSF.
- Drill testing of extensions of mineralised zones at Kiziltepe in Q3 2016 for c. 3,000m yield positive results, second follow-up programme to commence in late October.

Michael de Villiers, Chairman, commented:

"It is very pleasing to see the tremendous progress made by the construction crews at the Kiziltepe Mine. We remain on track to commission the project during Q4 2016, with our first gold pour targeted for later in this quarter. Work at the tailings storage facility is continuing apace and all of the major work for the process plant is now complete, with piping and electrical installation fully underway. I would like to take this opportunity to commend the diligence and commitment of our Joint Venture team and partners at Proccea.

Meanwhile we have committed to undertake further drill-testing of vein extensions across the Kiziltepe Sector, following a successful programme in late 2015, which led to increases in our resource base at Kiziltepe and Kizilcukur. We have recently completed additional drilling at Kiziltepe during our first phase programme for 2016, from which we have already announced positive results. We are now working on initiating a second phase of drilling to follow-up on these results during late October, with the aim of demonstrating the potential to expand our resource and ultimately increase mine life.

We have also added significant value to the company through lithium deals we have completed during early 2016 in Western Australia which contributed significantly to our maiden profit of £0.753 million and further deals of this nature are still being assessed by our technology-metals subsidiary, Asgard Metals. This has demonstrated our ability to act nimbly and very cost-effectively in to new jurisdictions, with an emphasis on low-risk, high-return opportunities.

We look forward to keeping the market updated on our progress across our exploration and development portfolio in the coming months."

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Editors' note:**About Ariana Resources:**

Ariana is an exploration and development company focused on epithermal gold-silver and porphyry copper-gold deposits in Turkey. The Company is developing a portfolio of prospective licences selected on the basis of its in-house geological and remote-sensing database, on its own in western Turkey and in Joint Venture with Eldorado Gold Corporation in north-eastern Turkey. Eldorado owns 51% of this joint venture and are fully funding all exploration work on the JV properties, while Ariana owns 49%. The total resource inventory within this JV is 1.09 million ounces of gold.

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, are presently being assessed as to their economic merits and now form part of a Joint Venture with Proccea Construction Co. The total resource inventory at the Red Rabbit Project stands at c. 525,000 ounces of gold equivalent.

Beaufort Securities Limited and Panmure Gordon (UK) Limited are joint brokers 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 2016

Condensed consolidated statement of comprehensive income

	Note	6 months to 30 June 2016 £'000	6 months to 30 June 2015 £'000	12 months to 31 December 2015 £'000
Administrative costs		(360)	(343)	(797)
General exploration expenditure		-	(9)	(10)
Exploration costs – written off		-	-	(521)
Other income	4	425	-	15
Operating profit/(loss)		65	(352)	(1,313)
Finance costs	5	-	(111)	(148)
Investment income		43	33	66
Profit on disposal of available for sale investments		626	-	-
Share of profit on dilution of interest in joint venture	6	279	68	68
Share of profit/(loss) of joint venture	6	130	(259)	(133)
Profit/(loss) on ordinary activities before tax		1,143	(621)	(1,460)
Taxation	8	(390)	-	-
Profit/(loss) for the period		753	(621)	(1,460)
Other comprehensive income:				
Exchange differences on translating foreign operations		83	(126)	(374)
Fair value adjustment on other financial asset classified as available for sale	12	-	122	160
Fair value adjustment on available for sale investments		433	-	(87)
Other comprehensive income for the period net of tax		516	(4)	(301)
Total comprehensive income for the period		1,269	(625)	(1,761)
Profit/(loss) for the period attributable to owners of the parent company		753	(621)	(1,460)
Total comprehensive income attributable to owners of the parent company		1,269	(625)	(1,761)
Profit/(loss) per share (pence):				
Basic and diluted	9	<u>0.09</u>	<u>(0.09)</u>	<u>(0.20)</u>

Condensed consolidated interim statement of financial position

	Note	30 June 2016 £'000	30 June 2015 £'000	31 December 2015 £'000
ASSETS				
Non-current assets				
Trade and other receivables		45	31	42
Available for sale investments	10	51	109	22
Intangible exploration assets	11	1,789	2,156	1,654
Land, property, plant and equipment		351	329	324
Investment in Joint Venture	6	3,239	2,704	2,830
Total non-current assets		5,475	5,329	4,872
Current assets				
Trade and other receivables	12	1,110	1,075	989
Other financial asset	13	-	97	14
Available for sale investments	10	575	-	-
Cash and cash equivalents		822	55	319
Total current assets		2,507	1,227	1,322
Total Assets		7,982	6,556	6,194
EQUITY				
Called up share capital	14	5,805	5,686	5,797
Share premium	14	8,845	7,948	8,764
Other reserves		720	720	720
Share based payment reserve		578	578	578
Translation reserve		(452)	(287)	(535)
Retained earnings		(8,085)	(8,386)	(9,274)
Total equity attributable to equity holders of the parent		7,411	6,259	6,050
Non – controlling Interest		-	3	3
Total equity		7,411	6,262	6,053
LIABILITIES				
Current liabilities				
Trade and other payables		571	294	141
Total current liabilities		571	294	141
Total Equity and Liabilities		7,982	6,556	6,194

Condensed consolidated interim statement of changes in equity

	Share capital	Share premium	Other reserves	Share options	Trans-lation Reserve	Retained losses	Non-controlling interests	Total attributable to equity holder of parent
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Balance at 1 January 2015	5,640	7,583	720	578	(161)	(7,887)	3	6,747
<u>Changes in equity to 30 June 2015</u>								
Loss for the period	-	-	-	-	-	(621)	-	(621)
Other comprehensive income	-	-	-	-	(126)	122	-	(4)
Total comprehensive income	-	-	-	-	(126)	(499)	-	(625)
Issue of share capital	46	368	-	-	-	-	-	414
Share issue costs	-	(3)	-	-	-	-	-	(3)
Transactions with owners	46	365	-	-	-	-	-	411
Balance at 30 June 2015	5,686	7,948	720	578	(287)	(8,386)	3	6,262
<u>Changes in equity to 31 December 2015</u>								
Loss for the period	-	-	-	-	-	(839)	-	(839)
Other comprehensive income	-	-	-	-	(248)	(49)	-	(297)
Total comprehensive income	-	-	-	-	(248)	(888)	-	(1,136)
Issue of share capital	111	889	-	-	-	-	-	1,000
Share issue costs	-	(73)	-	-	-	-	-	(73)
Transactions with owners	111	816	-	-	-	-	-	927
Balance at 31 December 2015	5,797	8,764	720	578	(535)	(9,274)	3	6,053
<u>Changes in equity to 30 June 2016</u>								
Profit for the period	-	-	-	-	-	753	-	753
Other comprehensive income	-	-	-	-	83	433	-	516
Total comprehensive income	-	-	-	-	83	1,186	-	1,269
Issue of share capital	8	81	-	-	-	-	-	89
Non-controlling interest – share of net assets in subsidiary	-	-	-	-	-	3	(3)	-
Transactions with owners	8	81	-	-	-	3	(3)	89
Balance at 30 June 2016	5,805	8,845	720	578	(452)	(8,085)	-	7,411

Condensed consolidated interim statement of cash flows

	6 months to 30 June 2016 £'000	6 months to 30 June 2015 £'000	12 months to 31 December 2015 £'000
Profit/(loss) for the period	1,143	(621)	(1,460)
Adjustments for:			
Depreciation	1	-	1
Disposal/write down of intangible exploration assets	50	5	521
Other financial asset charges	-	111	148
Foreign exchange movement	83	(126)	(374)
Fair value adjustment on available for sale investments	(433)	-	87
Investment income	(43)	(33)	(66)
Profit on disposal of available for sale investments	(626)	-	-
Changes in:			
Joint venture asset	(409)	191	65
Exchange movements in non-current assets	(56)	115	(132)
Trade and other receivables	123	(133)	(3)
Trade and other payables	(102)	46	108
Cash used in group operations	(269)	(445)	(1,105)
Income tax paid	(60)	-	-
Net cash used in group operations	(329)	(445)	(1,105)
Cash flows from investing activities			
Purchase of land, property, plant and equipment	(10)	(1)	(13)
Payments for intangible assets	(136)	(89)	(260)
Investment income	43	33	66
Net cash used in investing activities	(103)	(57)	(207)
Cash flows from financing activities			
Proceeds from disposal of available for sale investments	832	-	-
Proceeds from issue of share capital and swap repayments	103	513	1,587
Net cash proceeds from financing activities	935	513	1,587
Net increase in cash and cash equivalents	503	11	275
Cash and cash equivalents at the beginning of period	319	44	44
Cash and cash equivalents at end of period	822	55	319

Notes to the interim financial statements for the six months ended 30 June 2016

1. General information

Ariana Resources Plc (the "Company") is a public limited company incorporated and domiciled in Great Britain and whose registered office is Bridge House, London Bridge London SE1 9QR. The principal activities of the Company and its subsidiaries (the "Group") are related to the exploration for and development of gold and other minerals primarily in Turkey. The Company's shares are listed on the Alternative Investment Market of the London Stock Exchange.

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 2015, 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 2015 were approved by the Board of Directors on 3 June 2016 and delivered to the Registrar of Companies. The financial information for the periods ended 30 June 2016 and 30 June 2015 are unaudited.

3. Significant accounting policies

The condensed interim financial statements have been prepared under the historical cost convention.

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 2015.

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 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 obtaining additional financing and generating revenues sufficient to cover its operating costs. 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 Company raised £922,000 in the six month period from the consideration in cash and shares for the disposal of tenements in the Pilbara region of Western Australia and associated available for sale investments (£834,000) and the issue of new equity (£88,000) and the Directors remain confident that if future funding is required they will be able to raise this finance to meet the Group exploration and development programme and associated overhead cost.

4. Other income

	6 months to 30 June 2016 £'000	6 months to 30 June 2015 £'000	12 months to 31 December 2015 £'000
Consideration in cash and shares for disposal of tenements in the Pilbara region of Western Australia	468	-	-
Exploration costs associated with tenements	(50)	-	-
Consultancy fees	7	-	15
	<u>425</u>	<u>-</u>	<u>15</u>

5. Finance cost

	6 months to 30 June 2016 £'000	6 months to 30 June 2015 £'000	12 months to 31 December 2015 £'000
Swap charges on other financial assets	-	111	148

6. 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 2016 the Group has a 50% (30 June 2015: 69.58%) interest in Zenit.

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:-

Summarised statement of financial position	30 June 2016	30 June 2015	31 December 2015
	£'000	£'000	£'000
Non-current assets	24,253	4,947	6,764
Current assets	821	263	10,097
Current and non-current liabilities	(18,596)	(1,324)	(12,793)
Equity	6,478	3,886	4,068
Proportion of the Group's ownership	50%	69.58%	69.58%
Carrying amount of Investment in Joint Venture	3,239	2,704	2,830
Summarised statement of Profit and Loss	30 June 2016	30 June 2015	31 December 2015
Other income	202	-	104
Administrative expenses – including exchange gains/(losses)	58	(372)	(295)
Profit/(loss) for the period	260	(372)	(191)
Proportion of the Group's ownership	50%	69.58%	69.58%
Group's share of profit/(loss) for the period	130	(259)	(133)
Increase in share of net assets following issue of shares in Zenit	279	68	68
Movement in interest in Joint Venture for the period	409	(191)	(65)

7. 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 2016			30 June 2015			31 December 2015		
	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	-	(360)	(360)	-	(343)	(343)	-	(797)	(797)
Exploration Expenditure	-	-	-	(9)	-	(9)	(531)	-	(531)
Other income`	425	-	425	-	-	-	15	-	15
Profit on disposal of available for sale investments	626	-	626	-	-	-	-	-	-
Finance and swap costs	-	-	-	-	(111)	(111)	-	(148)	(148)
Movement in interest in a joint venture	409	-	409	(191)	-	(191)	(65)	-	(65)
Investment income	-	43	43	-	33	33	-	66	66
Tax	(390)	-	(390)	-	-	-	-	-	-
Profit/(loss) after tax	1,070	(317)	753	(200)	(421)	(621)	(581)	(879)	(1,460)

Assets

Segment assets	7,395	587	7,982	6,372	184	6,556	5,074	1,120	6,194
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Liabilities

Segment liabilities	(398)	(173)	(571)	(24)	(270)	(294)	(24)	(117)	(141)
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Reconciling items include non-mineral exploration costs and transactions between Group and associate companies.

Geographical segments

All of the Group's mining assets and liabilities located primarily in Turkey.

	30 June 2016			30 June 2015			31 December 2015		
	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	5,423	52	5,475	5,219	110	5,329	3,916	956	4,872

8. Taxation

The Group's corporation tax charge for the period arises on taxable profits arising in its Australian subsidiary, Asgard Metals Pty. Ltd. The Group has UK & Turkish losses carried forward on which no deferred tax asset is currently recognised in the financial statements as the recovery of the benefit is dependent on future profitability, the timing of which cannot be reasonably foreseen.

9. Profit per share

The calculation of basic profit per share is based on the profit after taxation attributable to ordinary shareholders of £753,000 divided by the weighted average number of shares in issue during the period, being 803,737,35

10 Available for sale investments

Company	Non-current £'000	Current £'000	Total £'000
Valuation at 1 January 2015 and 30 June 2015	109	-	109
Fair value adjustment	(87)	-	(87)
Valuation at 31 December 2015	22		22
Additions	-	380	380
Disposals	-	(209)	(209)
Fair value adjustment	29	404	433
Valuation at 30 June 2016	51	575	626
Net book value			
At 30 June 2016	51	575	626
At 31 December 2015	22	-	22
At 30 June 2015	109	-	109

The non-current available for sale investment represents the cost of the Group's investment in Royal Road Minerals Limited, a company listed on the Toronto Venture Exchange.

During February 2016, the Group, through its Australian subsidiary, Asgard Metals Pty. Ltd., completed the sale of a package of tenements in the Pilbara region of Western Australia to Dakota Minerals Limited, a company listed on the Australian Stock Exchange. The initial transactions included cash payments totalling A\$147,000 and 22,500,000 fully paid ordinary shares and this consideration is reflected in other income at a valuation of £468,000. Additionally, during the period, the Group generated a profit on the disposal of some of its shares in Dakota Minerals Limited amounting to £626,000.

As at 30 June 2016 due to increases in both investments market valuation, a fair value adjustment totalling £433,000 has been reflected in these accounts.

1. Intangible exploration assets

Six months ended 30 June 2015

£'000

Opening net book value 1 January 2015	2,146
Additions	99
Costs written off	(5)
Exchange movements	(84)

Closing net book value 30 June 2015	2,156
Six months ended 31 December 2015	
Opening net book value 1 July 2015	2,156
Additions	161
Costs written off	(516)
Reallocation of project costs to Joint Venture Company	(135)
Exchange movements	(12)
Closing net book value 31 December 2015	1,654
Six months ended 30 June 2016	
Opening net book value 1 January 2016	1,654
Additions	136
Disposals	(50)
Exchange movements	49
Closing net book value 30 June 2016	1,789

12. Trade and other receivables

	30 June 2016 £'000	30 June 2015 £'000	31 December 2015 £'000
Amounts owed by Joint Venture Company	941	822	880
Other receivables	70	173	63
Prepayments	98	80	46
	1,110	1,075	989

13. Other financial asset

The equity swap arrangement with Lanstead Capital L.P. came to an end following the receipt of their final capital repayment during March 2016.

	30 June 2016 £'000	30 June 2015 £'000	31 December 2015 £'000
Fair value recognised at start of period	14	263	263
Capital repayments	(14)	(177)	(261)
Swap charges	-	(111)	(148)
Surplus on revaluation at end of period	-	122	160
			14

Fair value recognised at end of period	-	97

14. Called up share capital and share premium

Allotted, issued and fully paid ordinary 0.1p shares

	Number of shares	Share Capital £'000	Deferred Shares £'000	Share Premium £'000
At 1 January 2015	645,816,141	645	4,995	7,583
Shares issued in period (net of expenses)	45,132,953	46	-	365
At 30 June 2015	690,949,094	691	4,995	7,948
Shares issued in period (net of expenses)	111,111,102	111	-	816
At 31 December 2015	802,060,196	802	4,995	8,764
Shares issued in period (net of expenses)	7,814,928	8	-	81
At 30 June 2016	809,875,124	810	4,995	8,845

15. Post period end event

During July 2016, the Company raised £475,000 before expenses through the issue of 31,666,666 new ordinary shares. The Group through its Australian subsidiary, Asgard Metals Pty. Ltd., has completed the sale of its interests in a package of tenements in the Northern Territory and Western Australia to Kingston Resources Limited ("Kingston"). The initial consideration included a cash payment to Asgard of A\$20,000 and 6,600,000 fully paid ordinary shares in Kingston.

16. Approval of interim financial statements

The interim financial statements were approved by the Board of Directors on 30 September 2016.