

30 September 2015
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 2015.

Highlights:

- ... Advancement of the Red Rabbit Gold Project ("RRGP"), Kiziltepe Mine, into construction.
- ... Strategic investment incentives approved by the Turkish Government for Kiziltepe.
- ... Continued progress across exploration and development portfolio – new mineralised zones at Kiziltepe to be drill tested in Q4 2015.
- ... Kiziltepe on track to deliver first gold pour in H2 2016.

Michael de Villiers, Chairman, commented:

"I am very pleased to be able to report the significant progress made by Ariana in the first half of this financial year where we are transitioning into a gold producer at our Red Rabbit Gold Project in Turkey. We have been further encouraged by results from recent work suggesting the project contains significant potential for further resource discoveries in the vicinity. The Board is looking forward the continuing the successful execution of our Company strategy and to a positive year end."

Contacts:

Ariana Resources plc Michael de Villiers, Chairman Kerim Sener, Managing Director	Tel: +44 (0) 20 7407 3616
Beaumont Cornish Limited Roland Cornish / Felicity Geidt	Tel: +44 (0) 20 7628 3396
Beaufort Securities Limited Jon Belliss	Tel: +44 (0) 20 7382 8300
Loeb Aron & Company Ltd. John Beresford-Peirse	Tel: +44 (0) 20 7628 1128
IFC Advisory Tim Metcalfe Graham Herring Heather Armstrong	Tel: +44 (0) 20 3053 8671

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 475,000 ounces of gold equivalent.

Beaufort Securities Limited and Loeb Aron & Company Ltd. 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

Chairman's Statement

During the period, the Company has successfully transitioned into the construction stage of its first mine at Kiziltepe. This mine is part of the Red Rabbit Gold Project ("RRGP"), which the Company is developing in a 50:50 partnership with Proccea Construction Co., with development finance of US\$33 million provided by Turkiye Finans Katilim Bankasi A.S. Current progress on mine development includes the acquisition of all required freehold land, installation of perimeter security fencing and the laying of foundations for mine buildings. Long-lead orders and selection of mining contractor have also been negotiated. The Company remains on target for first gold pour in in the second half of 2016.

The Kiziltepe Mine will be producing at a rate of approximately 20,000 ounces gold equivalent per annum over the course of eight years at an expected cash cost in the vicinity of US\$600 per ounce. It is apparent from recent work that the project contains significant potential for further resource discoveries in the vicinity and the Company is advancing to drill-testing several targets in the coming months. The area is host to a prolific gold-bearing vein system, which at Kiziltepe contains significant quantities of silver (approaching 40 grammes per tonne of silver in Reserve) and at Kepez (up to c.380 grammes per tonne of silver in rock-chips). On the exploration front, the work that we are progressing now is focused on the identification of new resource areas in order to enhance late-stage mine life and profitability.

Meanwhile we have been encouraged by the discovery of the 3 million ounce gold equivalent Hot Maden deposit by Mariana Resources and Lidya Madencilik, which sits on our doorstep at our Salinbas/Ardala Joint Venture project with Eldorado Gold Corp. This reinforces our view that this area has the potential to host multi-million ounce gold deposits. Ariana owns 49% of the joint venture which already contains approximately 1 million ounces in Inferred and Indicated resources, and for which a positive scoping study was completed in the period. We have continued discussions with both Eldorado and a number of Turkish groups, on this project in order to determine the most beneficial way forward and in an effort to crystallise early value.

Post the period end in July, the Company completed a placing for £1 million which strengthened the balance sheet and will enable meaningful exploration and development work to be conducted across its portfolio. It is a rare occurrence for any mineral resources company to successfully make the transition from explorer to producer, simply because the odds on any individual discovery becoming a mine are so small. Ariana is in the process of making this transition, reaching this point by having carefully focused its strategy and undertaking exploration in a cost-effective manner.

We have made significant progress in the first half of the year and are optimistic in achieving a successful outcome to the year as we continue with our strategy in becoming a gold producer and it is my privilege to be a part of the team making this transition happen. I would like to take this opportunity to thank our employees for their hard work and dedication, and our shareholders for your support throughout the period.

Ariana Resources Plc
Unaudited Condensed Consolidated Interim Financial Statements
for the six months ended 30 June 2015

Condensed consolidated statement of comprehensive income

	Note	6 months to 30 June 2015 £'000	6 months to 30 June 2014 £'000	12 months to 31 December 2014 £'000
Continuing Operations				
Administrative costs		(343)	(411)	(739)
General exploration expenditure		(9)	(13)	(76)
Exploration costs written-off		-	-	(65)
Other income		-	34	-
Operating Loss		(352)	(390)	(880)
Finance costs	4	(111)	(25)	(185)
Investment income		33	2	74
Gain on dilution of interest in joint venture	5	68	214	228
Share of (loss) of a joint venture	5	(259)	(26)	(122)
Loss on ordinary activities before tax		(621)	(225)	(885)
Taxation	7	-	-	-
Loss for the period		(621)	(225)	(885)
Other comprehensive income:				
Exchange differences on translating foreign operations		(126)	(15)	(19)
Fair value adjustment on other financial asset classified as Available for sale	10	122	(286)	(96)
Other comprehensive income for the period net of tax		(4)	(301)	(115)
Total comprehensive income for the period		(625)	(526)	(1,000)
Loss for the period attributable to owners of the parent		(621)	(225)	(885)
Total comprehensive income attributable to owners of the parent		(625)	(526)	(1,000)
Loss per share (pence):				
Basic and diluted	8	<u>(0.09)</u>	<u>(0.04)</u>	<u>(0.14)</u>

Condensed consolidated interim statement of financial position

	Note	30 June 2015 £'000	30 June 2014 £'000	31 December 2014 £'000
ASSETS				
Non-current assets				
Trade and other receivables		31	40	37
Other financial asset	10	-	135	13
Available for sale investments		109	109	109
Intangible exploration assets	9	2,156	1,978	2,146
Land, property, plant and equipment		329	382	369
Investment in Joint Venture	5	2,704	3,108	2,895
Total non-current assets		5,329	5,752	5,569
Current assets				
Trade and other receivables		1,075	864	861
Other financial asset	10	97	325	250
Cash and cash equivalents		55	271	44
Total current assets		1,227	1,460	1,155
Total Assets		6,556	7,212	6,724
EQUITY				
Called up share capital	11	5,686	5,640	5,640
Share premium	11	7,948	7,585	7,585
Other reserves		720	720	720
Share based payment reserve		578	578	578
Translation reserve		(287)	(157)	(161)
Retained earnings		(8,386)	(7,370)	(7,887)
Total equity attributable to equity holders of the parent		6,259	6,996	6,473
Non – controlling Interest		3	-	3
Total equity		6,262	6,996	6,476
LIABILITIES				
Current liabilities				
Trade and other payables		294	216	248
Total current liabilities		294	216	248
Total Equity and Liabilities		6,556	7,212	6,724

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 2014	5,550	6,900	720	578	(142)	(6,859)	-	6,747
<u>Changes in equity to 30 June 2014</u>								
Loss for the period	-	-	-	-	-	(511)	-	(511)
Other comprehensive income	-	-	-	-	(15)	-	-	(15)
Total comprehensive income	-	-	-	-	(15)	(511)	-	(526)
Issue of share capital	90	725	-	-	-	-	-	815
Share issue costs	-	(40)	-	-	-	-	-	(40)
Transactions with owners	90	685	-	-	-	-	-	775
Balance at 30 June 2014	5,640	7,585	720	578	(157)	(7,370)	-	6,996
<u>Changes in equity to 31 December 2014</u>								
Loss for the period	-	-	-	-	-	(517)	-	(517)
Other comprehensive income	-	-	-	-	(4)	-	-	(4)
Total comprehensive income	-	-	-	-	(4)	(517)	-	(521)
Issue of share capital	-	-	-	-	-	-	-	-
Share issue costs	-	(2)	-	-	-	-	-	(2)
Non-controlling interest	-	-	-	-	-	-	3	3
Transactions with owners	-	(2)	-	-	-	-	3	1
Balance at 31 December 2014	5,640	7,583	720	578	(161)	(7,887)	3	6,476
<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

Condensed consolidated interim statement of cash flows

	6 months to 30 June 2015 £'000	6 months to 30 June 2014 £'000	12 months to 31 December 2014 £'000
Loss for the period	(621)	(225)	(885)
Adjustments for:			
Depreciation	-	-	1
Write down of intangible exploration assets	5	-	65
Other financial asset charges	111	25	185
Foreign exchange movement	(11)	33	21
Investment income	(33)	(2)	(74)
Changes in:			
Joint venture asset	191	(213)	(106)
Trade and other receivables	(133)	(92)	(88)
Trade and other payables	46	35	69
Cash used in group operations	(445)	(439)	(812)
Cash flows from investing activities			
Purchase of land, property, plant and equipment	(1)	(12)	(27)
Payments for intangible assets	(89)	(119)	(271)
Investment income	33	2	74
Net cash used in investing activities	(57)	(129)	(224)
Cash flows from financing activities			
Proceeds from issue of share capital and swap repayments	513	627	868
Net cash proceeds from financing activities	513	627	868
Net increase/(decrease) in cash and cash equivalents	11	59	(168)
Cash and cash equivalents at the beginning of period	44	212	212
Cash and cash equivalents at end of period	55	271	44

Notes to the interim financial statements for the six months ended 30 June 2015

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 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 2014, 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 2014 were approved by the Board of Directors on 2 June 2015 and delivered to the Registrar of Companies. The financial information for the periods ended 30 June 2015 and 30 June 2014 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 2014.

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 expects to incur further losses in the development of its business. 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 £414,000 in the six month period under review and £1m after the period end in July 2015 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. Finance cost

	6 months to 30 June 2015 £'000	6 months to 30 June 2014 £'000	12 months to 31 December 2014 £'000
Swap charges on other financial assets	111	25	185

5. 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 2015 the Group has a 69.58% (2014: 73.47%) 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 2015	30 June 2014	31 December 2014
	£'000	£'000	£'000
Non-current assets	4,947	5,096	4,991
Current assets	263	376	401
Current and non-current liabilities	(1,324)	(1,241)	(1,451)
Equity	3,886	4,231	3,941
Proportion of the Group's ownership	69.58%	73.47%	73.47%
Carrying amount of Investment in Joint Venture	2,704	3,108	2,895
Summarised statement of Profit and Loss	30 June 2015	30 June 2014	31 December 2014
Other income	-	-	-
Administrative expenses – including exchange losses	(372)	(35)	(166)
Loss for the period	(372)	(35)	(166)
Proportion of the Groups ownership	69.58%	73.47%	73.47%
Group`s share of loss for the period	(259)	(26)	(122)
Gain on dilution of interest in joint venture	68	214	228
Increase/(decrease) in interest in Joint Venture for the period	(191)	188	106

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 in Turkey.

	30 June 2015			30 June 2014			31 December 2014		
	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	-	(343)	(343)	-	(411)	(411)	-	(739)	(739)
Exploration Expenditure	(9)	-	(9)	(13)	-	(13)	(141)	-	(141)
Other income	-	-	-	34	-	34	-	-	-
Finance costs	-	(111)	(111)	-	(25)	(25)	-	(185)	(185)
Share of profit/(loss) of its interest in a joint venture	(191)	-	(191)	188	-	188	106	-	106
Investment income	-	33	33	-	2	2	-	74	74
Tax	-	-	-	-	-	-	-	-	-
Loss after tax	(200)	(421)	(621)	209	(434)	(225)	(35)	(850)	(885)
Assets									
Segment assets	6,372	184	6,556	6,157	1,055	7,212	6,232	492	6,724
Liabilities									
Segment liabilities	(24)	(270)	(294)	(28)	(188)	(216)	(204)	(44)	(248)

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 are located in Turkey.

	30 June 2015			30 June 2014			31 December 2014		
	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	5,219	110	5,329	5,339	413	5,752	5,457	112	5,569

7. Taxation

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

8. Loss per share

The calculation of basic loss per share is based on the loss attributable to ordinary shareholders of £621,000 divided by the weighted average number of shares in issue during the period, being 667,927,904

9. Intangible exploration assets

Six months ended 30 June 2014	£'000
Opening net book value 1 January 2013	1,951
Additions and capitalised depreciation	34
Exchange movements	(7)
Closing net book value 30 June 2014	<u>1,978</u>
Six months ended 31 December 2014	
Opening net book value 1 July 2014	1,978
Additions and capitalised depreciation	237
Costs written off	(65)
Exchange movements	(4)
Closing net book value 31 December 2014	<u>2,146</u>
Six months ended 30 June 2015	
Opening net book value 1 January 2015	2,146
Additions and capitalised depreciation	99
Costs written off	(5)
Exchange movements	(84)
Closing net book value 30 June 2015	<u>2,156</u>

10. Other financial asset

During previous accounting periods the Company raised £1.25 million following the issue of 125 million new shares at 1p per share to Lanstead Capital L.P. (Lanstead). The Company received £250,000 in cash and entered into an equity swap price mechanism with Lanstead for the balance of these shares with consideration payable on a monthly basis over a period of 24 months. The Company also issued 12.5 million shares to Lanstead in consideration for the equity swap agreement. A second equity swap arrangement was entered into on similar terms with Lanstead for £152,000 during the January 2014 share placement, where the Company raised £789,000 following the issue of 87 million new shares at 0.9p per share.

The consideration from Lanstead has been treated as a non-derivative financial asset and its fair value has been determined by reference to the Company's share price at the balance sheet date as measured against a benchmark price of 1.33pence for the first equity swap agreement and 1.20pence per share for the second agreement.

	30 th June 2015 £'000	30 th June 2014 £'000	31 st December 2014 £'000
Fair value recognised at start of period	263	639	639
Swap settlement for shares	-	152	152
Capital repayments	(177)	(20)	(247)
Swap charges	(111)	(25)	(185)
Profit/(loss) on revaluation	122	(286)	(96)
Fair value recognised at end of period	97	460	263

The amounts reported in the balance sheet relating to other financial instruments mature as follows:

	30 th June 2015 £'000	30 th June 2014 £'000	31 st December 2014 £'000
Receivable within one year	97	325	250
Receivable within two years	-	135	13
Total receivable	97	460	263

11. Called up share capital and share premium

Details of issued capital are as follows:

	Number of shares	Share Capital £'000	Deferred shares £'000	Share Premium £'000
At 1 January 2014	554,949,474	555	4,995	6,900
Shares issued in period (net of expenses)	90,866,667	90	-	685
At 30 June 2014	645,816,141	645	4,995	7,585
Shares issued in period (net of expenses)	-	-	-	(2)
At 31 December 2014	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

12. Post period end event

In July 2015 the Company raised £1,000,000 before expenses through the issue of 111,111,111 ordinary shares.

13. Approval of interim financial statements

The interim financial statements were approved by the Board of Directors on 29/09/2015.