28 September 2018
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 2018.

Financial Highlights:

- Ariana's share of profits from Kiziltepe amount to £1.1m in 6 months to June 2018, compared to £1.8m in year ended December 2017.
- Profit before tax of £0.3m recorded for period, with operating costs in line with expectations and prior year.
- Overall exploration expenditure is consistent with prior period at £0.25m.

Operational Highlights:

- Gold production guidance for 2018 from our Joint Venture at Kiziltepe is c. 20,000 oz Au, a c. 47% increase on an annualised basis (2017: 10,191 oz Au).
- Gold production to the end of June 2018 totalled 12,037oz; production for the year is expected to exceed initial expectations in the second half.
- JORC Exploration Target of up to 2.7Moz gold and 16.1Moz silver established for the Salinbas Project, excluding current JORC Indicated and Inferred Resources of c.1Moz gold.
- Tavsan resource was updated to a global 3.98Mt at 1.32 g/t Au and 4.46 g/t Ag for 168,900 oz Au and 571,700 oz Ag (Measured, Indicated, Inferred).
- Kepez resource was updated to a global resource of 0.37Mt at 2 g/t Au and 14 g/t Ag for 23,900 oz gold and 164,300 oz silver (Indicated, Inferred).
- Metallurgical testwork following trial mining at Kizilcukur demonstrates high gold recoveries ranging from c. 83 to 92%.

Michael de Villiers, Chairman, commented:

"I am very pleased to be able to report further exceptional progress from our operations in Turkey in the first half of the year. During the period, the performance of our gold-silver mine in Turkey, which is being operated by our 50:50 JV partners, Proccea Construction Co., reached record levels. The Kiziltepe Mine has been commercially operational for 15 months now, and operating cash costs are continuing generally in the sub-US$600 per ounce region, with the last reporting quarter recording a cash cost of US$371 per ounce. JV revenue for the six-month period reached just over US$17 million.*

"As a result of this strong cash-flow profile, since February 2018 our subsidiary in Turkey, Galata Madencilik San. ve Tic. Ltd. has been receiving regular monthly repayments of its loans to Zenit. To date our subsidiary has received US$1.23 million from our JV, equating to an average repayment of US$175,000 per month. Between now and the year-end we are expecting that cash flow will continue to be received at similar and perhaps somewhat higher levels, with the current gold price being the most significant moderating factor.

"In the background, we are also making significant progress on other facets of our exploration and development portfolio. Recent resource updates have established a substantial JORC Exploration Target at the Salinbas Project, a revised and more robust mineral resource estimate for Tavsan and significant developments at our 100%-owned peripheral projects at Ivrindi and Kizilcukur. We are now in the process of committing to a 4,000m RC and diamond drilling programme across certain projects during the remaining 2018 through to 2019 period. These programmes are to be funded from current resources and future cash-flow.

"We are also carefully evaluating a few opportunities outside of the current portfolio that have the potential to strengthen and diversify the Company in terms of commodity and geography, as part of our core strategy to future-proof the business and unlock value for shareholders. We look forward to keeping the market updated on our progress across our exploration and development portfolio in the coming months. In addition, we have also recently adopted the QCA Corporate Governance Code and our Corporate Governance Statement is now available on our website."

* It is important to note that revenues realised from the operation will be accounted for at the JV company level, such that on consolidation we show our share of the Joint Venture's results for the period using the equity method of accounting rather than a line by line consolidation, in accordance with IAS 28.

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 2018

Condensed consolidated statement of comprehensive income

	Note	6 months to 30 June 2018 £'000	6 months to 30 June 2017 £'000	12 months to 31 December 2017 £'000
Administrative costs (including share based payment charge)	**(11)**	(801)	(580)	(1,311)
Exploration expenditure written off		(111)	(8)	(392)
Operating loss		**(912)**	**(588)**	**(1,703)**
Investment income		85	75	176
Profit/(loss) on disposal of available for sale investments		(3)	3	117
Share of profit/(loss) of joint venture	**(4)**	1,149	(153)	1,834
Profit/(loss) on ordinary activities before tax		319	(663)	424
Taxation	**(6)**	**-**	-	-
Profit/(loss) for the period		**319**	**(663)**	**424**
Other comprehensive income:				
Items that may be reclassified subsequently to profit or loss when specific conditions are met.				
Exchange differences on translating foreign operations		(934)	(239)	(1,363)
Fair value adjustment on available for sale investments	**(8)**	(16)	(130)	(53)
Other comprehensive (loss) for the period net of tax		**(950)**	**(369)**	**(1,416)**
Total comprehensive (loss) for the period		**(631)**	**(1,032)**	**(992)**
Profit/(loss) for the period attributable to: Owners of the parent company		**319**	**(663)**	**424**
Total comprehensive (loss) attributable to: Owners of the parent company		**(631)**	**(1,032)**	**(992)**
Profit/(loss) per share (pence) Basic and diluted	**(7)**	**0.03**	**(0.07)**	**0.04**

Condensed consolidated interim statement of financial position

	Note	30 June 2018 £'000	30 June 2017 £'000	31 December 2017 £'000
ASSETS				
Non-current assets				
Trade and other receivables		84	113	93
Intangible exploration assets	**(9)**	17,182	17,978	17,527
Land, property, plant and equipment		272	316	289
Investment in Joint Venture	**(4)**	3,230	*1,098	2,467
Total non-current assets		**20,768**	**19,505**	**20,376**
Current assets				
Trade and other receivables	**(10)**	2,289	3,394	2,547
Available for sale investments	**(8)**	45	691	218
Cash and cash equivalents		475	565	773
Total current assets		**2,809**	**4,650**	**3,538**
Total assets		**23,577**	**24,155**	**23,914**
EQUITY				
Called up share capital	**(11)**	6,054	6,056	6,054
Share premium	**(11)**	11,821	11,735	11,821
Other reserves		720	720	720
Share based payments		327	571	93
Translation reserve		(2,968)	*(910)	(2,034)
Retained earnings		3,374	*1,429	3,071
Total equity attributable to equity holders of the parent		**19,328**	**19,601**	**19,725**
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		325	630	265
Total current liabilities		**325**	**630**	**265**
Total equity and liabilities		**23,577**	**24,155**	**23,914**

*Restated balances as set out in note 12

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
Balance at 31 December 2016 - Restated	**5,836**	**9,241**	**720**	**571**	**(671)**	**2,222**	**17,919**
Changes in equity to 30 June 2017							
Loss for the period	-	-	-	-	-	(663)	(663)
Other comprehensive income	-	-	-	-	(239)	(130)	(369)
Total comprehensive income	**-**	**-**	**-**	**-**	**(239)**	**(793)**	**(1,032)**
Issue of share capital	220	2,680	-	-	-	-	2,900
Share issue costs	-	(186)	-	-	-	-	(186)
Transactions with owners	**220**	**2,494**	**-**	**-**	**-**	**-**	**2,714**
Balance at 30 June 2017	**6,056**	**11,735**	**720**	**571**	**(910)**	**1,429**	**19,601**
Changes in equity to 31 December 2017							
Profit for the period	-	-	-	-	-	1,087	1,087
Other comprehensive income	-	-	-	-	(1,124)	77	(1,047)
Total comprehensive income	**-**	**-**	**-**	**-**	**(1,124)**	**1,164**	**40**
Cancellation of share options	-	-	-	(478)	-	478	-
Issue of share capital	(2)	102	-	-	-	-	100
Share issue costs	-	(16)	-	-	-	-	(16)
Transactions with owners	**(2)**	**86**	**-**	**(478)**	**-**	**478**	**84**
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)**
Issue of share options	-	-	-	234	-	-	234
Issue of share capital	-	-	-	-	-	-	-
Share issue costs	-	-	-	-	-	-	-
Transactions with owners	**-**	**-**	**-**	**234**	**-**	**-**	**234**
Balance at 30 June 2018	**6,054**	**11,821**	**720**	**327**	**(2,968)**	**3,374**	**19,328**

Condensed consolidated Interim statement of cash flows

	6 months to 30 June 2018 £`000	6 months to 30 June 2017 £`000	12 months to 31 December 2017 £`000
Cash flows from operating activities			
Profit/(loss) before tax	319	(663)	424
Adjustments for:			
(Profit)/loss on disposal of available for sale investments	3	(3)	(117)
Depreciation of non-current assets	1	1	1
Directors and staff remuneration paid in shares	-	-	191
Write down of intangible exploration assets	-	-	352
Fair value adjustments	16	130	53
(Increase)/decrease in investment in Joint Venture asset	(1,149)	153	(1,834)
Investment income	(85)	(75)	(176)
Share based payment charge	234	-	-
Movement in working capital	**(661)**	**(457)**	**(1,106)**
(Increase)/decrease in trade and other receivables	267	(624)	(950)
Increase/(decrease) in trade and other payables	60	(86)	(112)
Foreign exchange differences on retranslation of assets and liabilities	(50)	(189)	(170)
Cash outflow from operating activities	**277**	**(1,356)**	**(2,338)**
Taxation paid	-	(91)	(403)
Net cash used in operating activities	**(384)**	**(1,447)**	**(2,741)**
Cash flows from investing activities			
Purchase of land, property, plant and equipment	(12)	(17)	(20)
Payments for intangible assets	(141)	(175)	(390)
Proceeds from disposal of available for sale investments	154	48	700
Investment income	85	75	176
Net cash used in investing activities	**86**	**(69)**	**466**
Cash flows from financing activities			
Proceeds from issue of share capital	-	1,641	2,608
Net cash proceeds from financing activities	**-**	**1,641**	**2,608**
Net (decrease)/increase in cash and cash equivalents	**(298)**	**125**	**333**
Cash and cash equivalents at beginning of period/year	773	440	440
Cash and cash equivalents at end of period/year	**475**	**565**	**773**

Notes to the interim financial statements for the six months ended 30 June 2018

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 2017, 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 2017 were approved by the Board of Directors on 1 June 2018 and delivered to the Registrar of Companies. The financial information for the periods ended 30 June 2018 and 30 June 2017 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 2017.

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 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 2018 the Group has a 50% interest in Zenit.

Zenit entered production during the period, commencing from March 2017, with commercial production declared from 1 July 2017. Operational revenues and costs arising from pre-commercial production have been capitalised.

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:-

Summary statement of profit and loss	30 June 2018 £'000	30 June 2017 £'000	31 December 2017 £'000
Revenue	12,604	-	8,854
Cost of sales	(5,597)	-	(4,808)
Gross Profit	**7,007**	**-**	**4,046**
Administrative expenses (net of other income)	(452)	(306)	(423)
Operating profit/(loss)	**6,555**	**(306)**	**3,623**
Finance expenses	(4,749)	-	(2,646)
Finance income	493	-	2,690
Profit/(loss) on ordinary activities for the period	**2,299**	**(306)**	**3,677**
Proportion of Group's ownership	50%	50%	50%
Group's share of profit/(loss) for the period	**1,149**	**(153)**	**1,834**

Summary statement of financial position	6 months to 30 June 2018 £'000	6 months to 30 June 2017 £'000	12 months to 31 December 2017 £'000
Non-current assets	28,132	35,337	32,094
Current assets	4,292	4,314	2,509
Current liabilities	(11,875)	(3,855)	(12,602)
Non-current liabilities	(14,089)	(29,048)	(17,066)
Equity	**6,460**	**6,748**	**4,935**
Proportion of Group's ownership	50%	50%	50%
Carrying amount of Investment in Joint Venture	**3,230**	**3,374**	**2,467**
Restatement of Zenit`s results for 2016 (note 12)	-	(2,276)	-
Revised carrying amount of Investment in Joint Venture	**3,230**	**1,098**	**2,467**

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 2018			30 June 2017			31 December 2017		
	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	-	(801)	**(801)**	-	(580)	**(580)**	-	(1,311)	**(1,311)**
General and specific exploration expenditure	(111)	-	**(111)**	(8)	-	**(8)**	(392)	-	**(392)**
Profit/(loss) on disposal of available for sale investments	(3)	-	**(3)**	3	-	**3**	117	-	**117**
Share of profit/(loss) in joint venture	1,149	-	**1,149**	(153)	-	**(153)**	1,834	-	**1,834**
Investment income	-	85	**85**	-	75	**75**	-	176	**176**
Tax	-	-	**-**	-	-	**-**	-	-	**-**
Profit/(loss) after tax	1,035	(716)	**319**	(158)	(505)	**(663)**	1,559	(1,135)	**424**
Assets									
Segment assets	578	22,999	**23,577**	7,395	587	**7,982**	23,076	838	**23,914**
Liabilities									
Segment liabilities	(261)	(3,988)	**(4,249)**	(398)	(173)	**(571)**	(3,976)	(213)	**(4,189)**

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 2018			30 June 2017			31 December 2017		
	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	20,110	658	**20,768**	18,568	937	**19,505**	19,706	670	**20,376**

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 £319,000 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 2017	**866**
Disposals	(45)
Fair value adjustment	(130)
Valuation at 30 June 2017	**691**
Disposals	(538)
Fair value adjustment	77
Exchange movements	(12)
Valuation at 31 December 2017	**218**
Disposals	(157)
Fair value adjustment	(16)
Valuation at 30 June 2018	**45**

On the 13 April 2018, the Group sold its entire holding of 5.3m shares in Novo Litio Limited (previously Dakota Minerals Limited) for a total consideration of A$262,000.

As at 30 June 2018, 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 loss totaling £16,000 has been reflected in these accounts.

9. Intangible exploration assets	**£'000**
Six months ended 30 June 2017	
Opening net book value at 1 January 2017	17,965
Additions	175
Exchange movements	(162)
Closing net book value at 30 June 2017	**17,978**
Six months ended 31 December 2017	
Opening net book value at 1 July 2017	17,978
Additions	237
Expenditure written off	(352)
Exchange movements	(336)
Closing net book value at 31 December 2017	**17,527**
Six months ended 30 June 2018	
Opening net book value at 1 January 2018	17,527
Additions	141
Exchange movements	(486)
Closing net book value at 30 June 2018	**17,182**

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 2018 £'000**	**30 June 2017 £'000**	**31 December 2017 £'000**
Amounts owed by Joint Venture Company	1,817	2,120	2,029
Other receivables	450	85	474
Prepayments and accrued income	22	116	44
Share capital receivable	-	1,073	-
	2,289	**3,394**	**2,547**

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
At 1 January 2017	**841,541,790**	**841**	**4,995**	**9,241**
Shares issued in period (net of expenses)	210,096,154	220	-	2,494
At 30 June 2017	**1,051,637,944**	**1,061**	**4,995**	**11,735**
Shares issued in period (net of expenses)	8,040,009	8	-	76
Reclassification of share premium	-	(10)	-	10
At 31 December 2017 and at 30 June 2018	**1,059,677,953**	**1,059**	**4,995**	**11,821**

Potential issue of ordinary shares – share options and warrants

The Company on the 1 January 2018 issued 64,000,000 new share options to directors and staff at an exercise price of 1.55 pence, vesting over 3 years. The directors have valued the options at £467,000 and recognised a share based payment charge of £234,000 in these accounts, with the remaining charge of £233,000 to be charged over the next two years to 31 December 2020.

At 30 June 2018 the Company had 64,000,000 options and nil warrants outstanding for the issue of ordinary shares

12. Restatement

It was identified that during the year ended 31 December 2016 the exchange loss recognised on the revaluation of US$ borrowings held by the equity accounted joint venture, Zenit, was incorrectly capitalised as part of its assets in construction. However, as a monetary asset as defined under IAS 21 The Effects of Changes in Foreign Exchange Rates, it was appropriate for the exchange loss should to be recognised as a finance expense in the income statement and have a consequential effect on the Group's share of profit/(loss) in the equity accounted investment in the joint venture. As at 31 December 2016 the Investment in Joint Venture and net asset was overstated by £2,276,000, and the Group's Share of loss of Joint Venture is £2,125,000 (previously reported as a share of profit of £20,000) with a restated exchange loss on translating foreign operations within other comprehensive income of £136,000 (previously reported as an exchange loss of £5,000).

13. Approval of interim financial statements

The interim financial statements were approved by the Board of Directors on 27 September 2018.