ARIANA RESOURCES plc

ANNUAL REPORT & ACCOUNTS 2022

Contents

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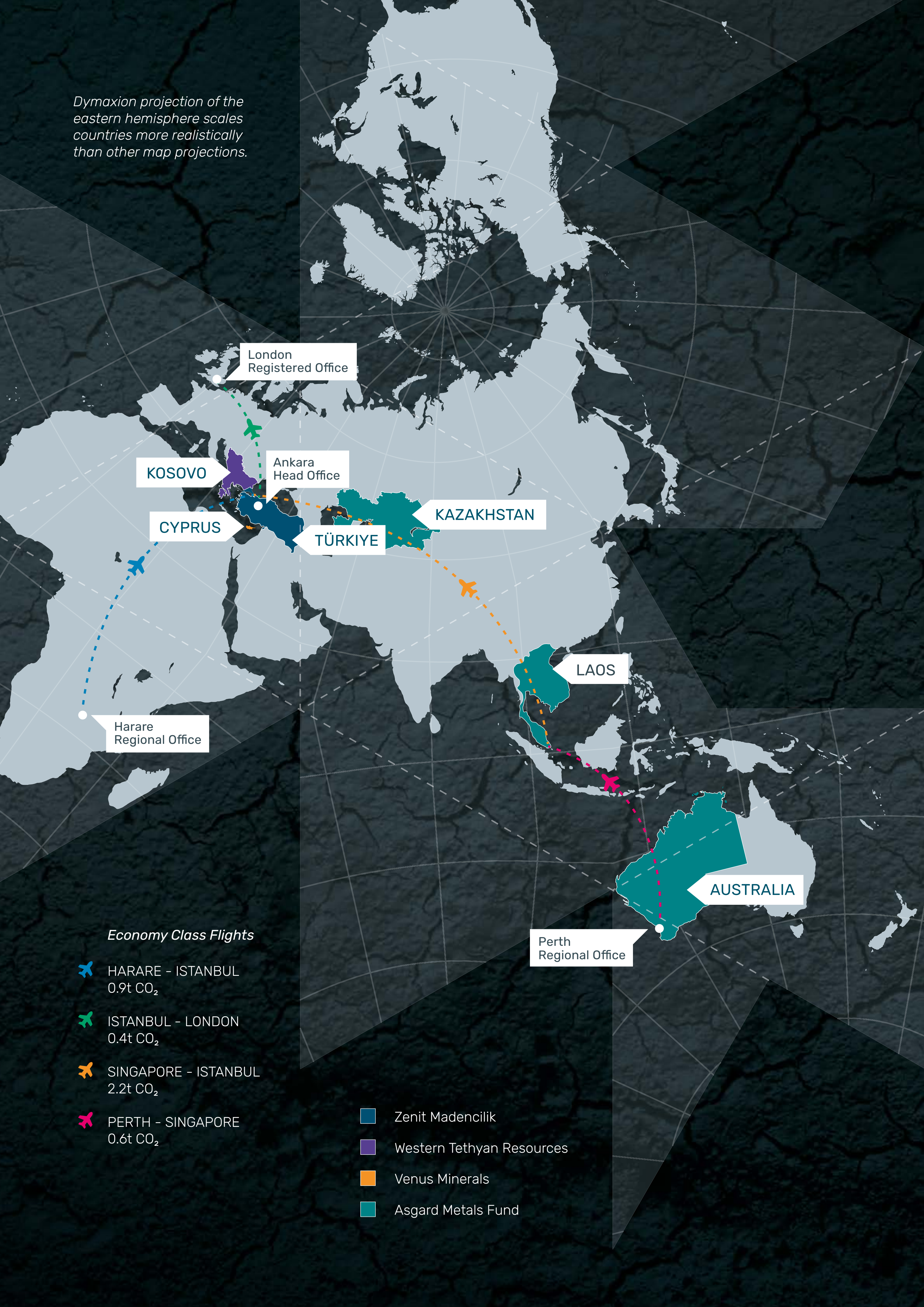


Dymaxion projection of the eastern hemisphere scales countries more realistically than other map projections.

Principal Activities

Ariana Resources is a precious and technology metals explorer, developer and producer. We are a successful and profitable company with two-decades of experience in advancing mineral resource opportunities towards commercialisation, involved in the development of a gold mine in Türkiye and having achieved significant internal investment returns of 20-100x across some of our other projects.

The Company holds interests across the south-eastern European region and wider Tethyan Metallogenic Belt. Beyond this region of interest, various mineral exploration opportunities are being evaluated elsewhere in the Eastern Hemisphere, particularly those which contribute toward technological development, energy efficiency and the global decarbonisation agenda.

"two-decades of experience advancing mineral resource opportunities towards production"

GLOBAL GDP

35% AMERICAS*

65% EASTERN HEMISPHERE

*USA accounts for 20% of global GDP alone

COMMODITIES OF INTEREST

79 Au Gold

47 Ag Silver

PRECIOUS METALS

29 Cu Copper

28 Ni Nickel

27 Co Cobalt

TECHNOLOGY METALS

42 Mo Molybdenum

30 Zn Zinc

INDUSTRIAL METALS

92 U Uranium

ENERGY METALS

At a Glance

"Our commitment to technological innovation and operational processes enable us to achieve industry leading performance metrics and solid growth year-on-year"

Operational

Strong production performance and growth

28,421oz Au	2022
20,737oz Au	2021
18,914oz Au	2020

Industry leading gold discovery cost per ounce

Ariana Resources	Industry average
US$11/oz Au	US$62/oz Au

Lower quartile operational cash costs

Ariana Resources	International average
US$650/oz	US$1,000/oz

Sustainability

Committed to in-country employment

Zenit Madencilik:	323 staff	100% Turkish Nationals
Ariana Group:	18 staff	72% Turkish Nationals
Female/Male Ratio:	32% Female 68% Male	

CO_2 emissions per ounce

0.32 CO_2 t/oz
(international average 0.8 CO_2 t/oz)

24,725 saplings planted - rehabilitation of waste storage area and around minesite

5,000 lavender plantings for beekeeping activities

Financial

Total Mining Revenue (to date)

$235m

Profit Before Tax

£5.0m	2022
£7.7m	2021
£5.1m	2020

Total Special Dividend

£7.74m (2021 & 2022)

Strategy & Business Model

The Company's primary strategy is to achieve sustainable long-term growth via robust and cost-efficient mineral exploration and development.

This approach has led Ariana to identify, advance and develop projects rapidly, with a discovery cost per ounce of gold which is less than half that of its peers.

The Company plans to achieve its goals by:

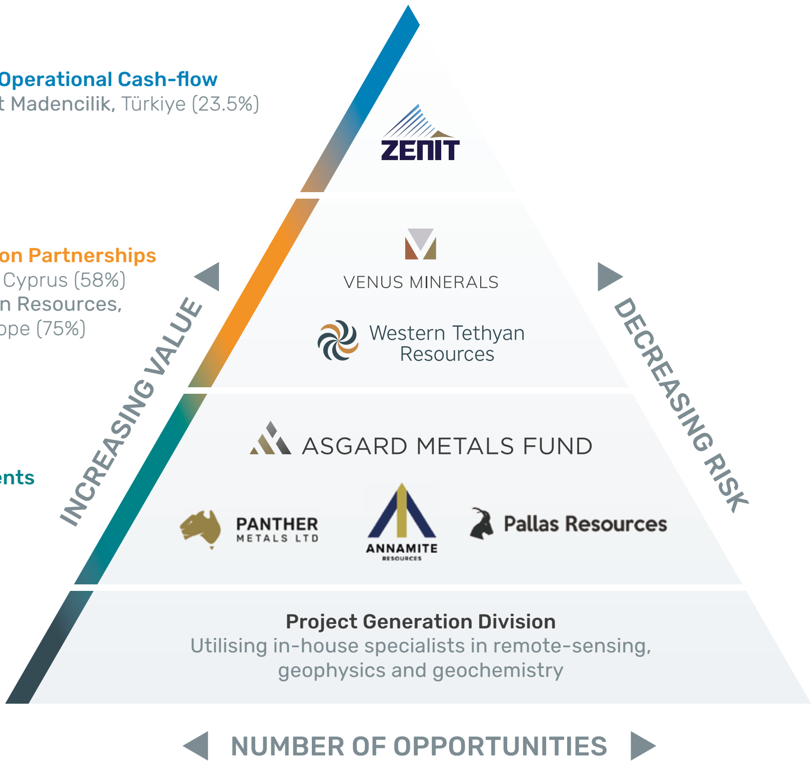
- Focusing on the discovery of sizeable mineral systems with over 2.5M ounces discovered in 15 years
- Building positive long-term relationships with key stakeholders, including local communities and governments
- Maintaining a strong team with excellent technical, financial and commercial skills
- Forming robust business partnerships for the development of gold and other mineral projects
- Executing selective, high-impact exploration programmes and joint venture opportunities
- Ensuring safe operating procedures and minimising environmental impact

Project Investment Strategy

Operational Cash-flow
Zenit Madencilik, Türkiye (23.5%)

Regional Exploration Partnerships
Venus Minerals, Cyprus (58%)
Western Tethyan Resources, Eastern Europe (75%)

Project Catalytic Investments
Discovery Funding



SUCCESSFUL PAST INVESTMENTS

ROYAL ROAD MINERALS
Previously Tigris Resources Ltd

KSN KINGSTON RESOURCES LIMITED

exore RESOURCES
Previously Dakota Minerals Ltd, since acquired by Perseus Mining Ltd

STRATEGIC EXPLORATION PARTNERS

Western Tethyan Resources

Newmont

Chairman's Statement

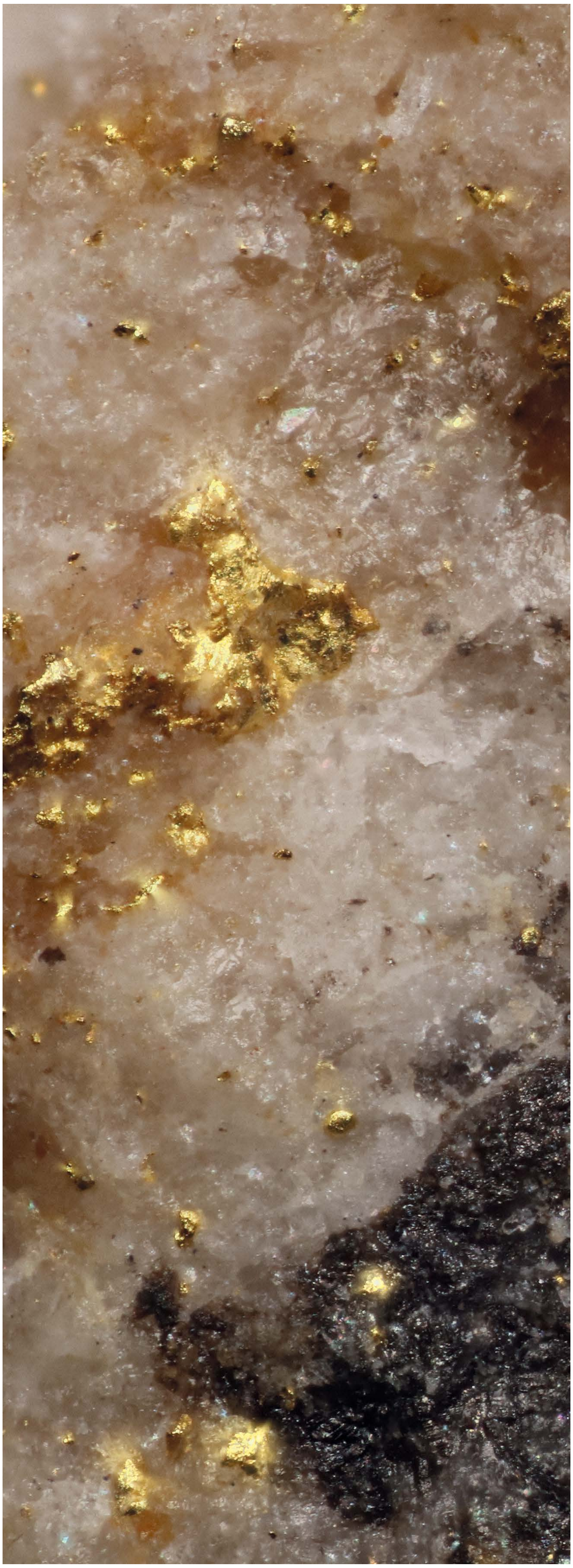
In looking forward to the next financial year and beyond, it is worth highlighting Ariana's transformation over the past 20 years from a grassroots gold explorer to an international multi-commodity, multi-region explorer and developer, funded via successful mining operations. Over this period, and specifically since achieving profitability in 2016, we have created a self-sustaining, cash positive, debt free business model, which allows us to leverage our strengths to grow our business.

This reshaping of our business is occurring against a tipping point in the world economy. Multiple factors are contributing to a 'perfect storm' in demand for precious and technology metals. The key factors are the banking crisis, the Ukraine war, the demand for metals for the de-carbonisation of energy, and the ever increasing gap between the rate of discovery and demand for mineral resources in general. Against this backdrop, central bank purchases of gold are at their highest for 50 years; in 2022 central bank gold reserves increased by 1,136 tonnes, whilst their foreign reserves decreased by US$950 billion. A clear message can be discerned in these changes. Unlike fiat currencies created by central bank printing, gold is a fundamentally different and immutable store of value, with no counterparty risk and finite supply. Unsurprisingly, gold spot prices have recently topped US$2,000 per ounce three times in recent years. At the recent Mining Indaba in Cape Town several contributors noted that 'animal spirits' have consequently returned to the precious metals mining industry.

Adding fuel to this situation, international consultancy McKinsey warned recently that: "We need to double the exploration effort if we are to avert the looming reserve crisis." McKinsey also noted that the industry needs to invest in people and to "get serious about science". These two guiding principles have been fundamental since our inception and we are confident that our investors continue to be beneficiaries of our wholehearted emphasis on our team and the use of cutting-edge technologies. Furthermore, McKinsey stated that "geology comes first", noting that this concept had gone somewhat out of fashion, leading to failed projects and loss of investor confidence. Ariana has always been driven by geology from the top down; we have always understood that geological expertise in exploration, resource targeting, definition and estimation is the difference between success and failure. Given the looming crisis in the world's mineral reserves, it is vital that companies like Ariana continue to spearhead the discovery of precious and technology metals within our framework of technology leadership, environmentally responsible conduct and robust governance.

A measure of a successful company is the way in which it meets market needs. Hence our clear focus on precious and technology metals to meet the challenges presented by this financial backdrop, the energy revolution and the chronic exploration deficit. We also recognise that investor needs must be addressed in terms of profitability, opportunity growth, sustainability, robust governance and risk management. We aim to ensure our exploration and production costs are industry leading, our project pipeline is growing, we remain profitable with competent governance, and we mitigate risks by diversifying across commodities and regions. Since 2021 we have been able to pay £7.74m dividends to shareholders, which is an extraordinary milestone for any exploration company.

Shareholder value has been enhanced by sourcing the majority of our development finance through joint venture partner investment. Company management has also been enhanced through these collaborative relationships significantly complementing Ariana's in house experience. A valuable by-product of being an exploration company since our inception is that we had to implement effective remote working from the field and dispersed project offices decades ago. As this working method was part of our doctrine from the outset, we were able to thrive for the duration of the recent pandemic, which proved disruptive to so many other businesses. This continues to be a valuable approach to growing an accessible pool of new talent for our industry.



"our exploration and production costs are industry leading, our project pipeline is growing, we remain profitable"

Chairman's Statement *continued*

Against a shifting and challenging macroeconomic background, we believe every crisis is an opportunity. We also believe we have pivoted Ariana to leverage our competitive advantages over a wider commodity range and geographical reach. A key differentiator is that Ariana is a technology-led and data-driven business, enabling us to achieve industry leading discovery and production costs. Approaching business decision-making with a doctrine of quality data at the centre of every investment has ultimately resulted in a diversified growth path with unique projects in our portfolio. These significant strategic developments have now positioned us even more powerfully as an innovative and agile explorer and developer, able to optimise the opportunities of rising global demand for precious and technology metals.

Our investments in cutting-edge technologies and processes, combined with highly skilled staff, are critical to Ariana's exploration success. Indeed, we have chosen to continue investing further in these areas and in addition to our own internal competency, we seek to encourage those of the next generation of industry leaders. Our strong links with several universities and our sponsorship of research programmes, notably at the University of Western Australia, also ensures we remain at the forefront of advanced geological research. Additionally, we have regularly sponsored student summer internships, with almost half our geoscientific team having been derived from such programmes.

Added to these developments it is important to highlight the progress in many other project areas over the past year. All these project areas are managed within the framework of our commitment to socially conscious and environmentally responsible development. We are focusing our efforts within countries committed to using green energy and we use solar and geothermal energy systems in our own offices. Our own carbon emissions are less than half the global average for our industry. We are involved in extensive re-forestation programmes in all our operational areas, including the voluntary planting of new trees and re-wilding programmes through charitable organisations. We are actively involved with local communities, especially supporting local educational institutions.

In western Türkiye at the Kiziltepe gold mine we have seen a record year, with 50% more gold produced to date than planned in the Feasibility Study. This mine is operated by Zenit Madencilik, a partnership in which Ariana has a 23.5% stake with partners Proccea Construction Co. and Ozaltin Holding A.S. Production at Kiziltepe has consistently beaten guidance since 2017, with annual production up to 28,000 ounces of gold per annum and a total revenue of US$235 million to the end of December 2022. Also in western Türkiye, Zenit Madencilik is currently constructing its second gold mine at Tavşan , which contains a JORC Resource of 307,000 ounces of gold. The construction is currently being financed by Zenit without the encumbrance of bank debt. Post-period end construction had been temporarily suspended owing to a local court ruling, although we are expecting construction operations to recommence later this year.

In eastern Türkiye at our Salinbaş/Ardala project we are highly encouraged by the progress of our recent extensive drilling programme. The 1.5Moz gold Salinbaş/Ardala system is a porphyry and epithermal deposit containing gold, silver, copper and molybdenum. This project is situated in the highly prospective Artvin Goldfield, containing the 4Moz Hot Maden project 16 km to the south. Last year we separately initiated Project Leopard across eastern Türkiye. The project aims to expand our reach into new search spaces across three under-explored yet highly prospective volcanic arcs in a region estimated to contain 40Moz gold. For this project Ariana has deployed its Project Generation Division, with our in-house specialists in remote sensing, geophysics and geochemistry. This gives us high quality, rapid and cost-effective results, as none of these processes are outsourced to consultants. Our ability to deploy these expert in-house teams allows us to deliver results faster, better and cheaper than many of our peers; our US$11 per ounce discovery cost is proof of this excellence. We have great expectations for this team which was responsible for identifying the potential of the Gulluce licence area.

In Cyprus, Ariana is working with Venus Minerals to develop near term and advanced copper-gold projects. Ariana has a 58%* stake in Venus Minerals and we are working with our partners Semarang Enterprises on an IPO for Venus. Our Magellan Project contains some 17 million tonnes at 0.45-1.10% copper with associated gold. Our investment in Venus is significant given the scale of the impending world copper supply deficit against rising demand for copper used in alternative energy production. Elsewhere in south-eastern Europe, we have entered into a five-year exploration partnership with Newmont Corporation targeting Tier 1 copper-gold resources. We established Western Tethyan Resources (WTR) which is 75% held by Ariana, with the remainder held by an expert board with regional specialisation. Newmont invested US$2.5 million in Ariana to develop the WTR initiative and provided joint-ownership of the Eastern Europe Newmont exploration database.

On a broader geographic scale Ariana's wholly-owned subsidiary, Asgard Metals is focused on investments in discovery-stage opportunities. We use our well-defined selection process to identify high prospectivity projects in low cost/risk jurisdictions, where there are sound environmental policies. This approach has worked successfully for Ariana, as it has delivered a 100 times value increase in some of our prior investments. Our current work with Panther Metals Ltd is an example of the way Asgard is operating. Working in parallel with the Panther team we have supported the discovery of a major nickel-cobalt project at Coglia in Western Australia. These developments highlight our focus on what we consider to be the sweet spot for Ariana's growth. This is the inflexion point between greenfield discovery and development, where we can act as a project catalyst by bringing to bear our geological expertise and cutting-edge technologies.

Ariana has travelled a long way from its foundation over 20 years ago. The team has put in the hard yards to win the respect of its major shareholders, industry partners, academic institutions, technology suppliers, government organisations and local communities. Alongside our geological expertise, each one of these relationships has been critical to Ariana's success. From the springboard of our technologies and our team we are confident we are now ready to drive further and faster towards the discovery of significant Tier 1 resources across an international stage.

The Board looks forward to welcoming shareholders at our next Annual General Meeting where we will conduct the formal business of the meeting outlined in the Notice of Meeting. I would like to encourage shareholders to exercise their proxy votes in favour of these resolutions even if you are planning to attend the meeting.

Last but not least, I would like to sign off by thanking our excellent team and stakeholders and in particular those new to the Ariana family, all of whom have contributed to the Ariana success story.

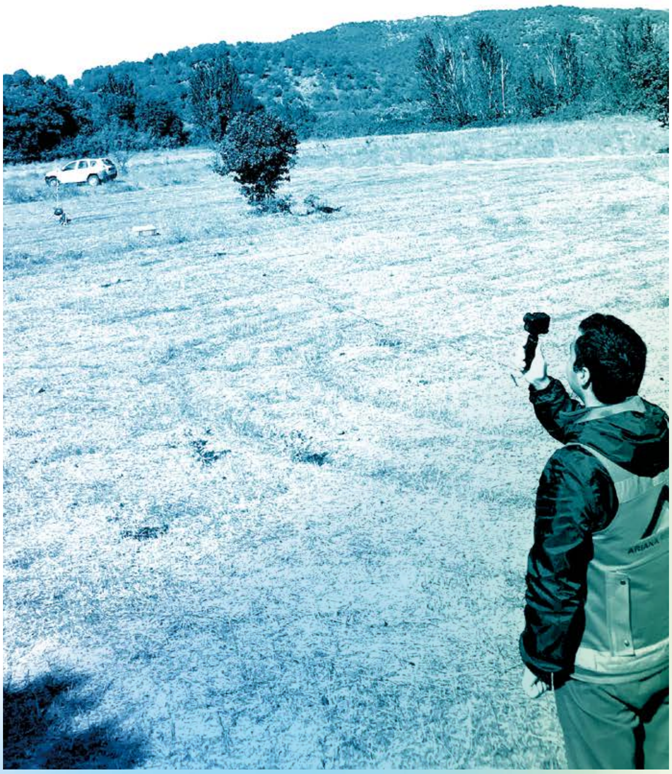
Michael de Villiers
Chairman

** Post-period end.*

Operations Review

The first half of 2022 was marked by several substantial, long-term strategic developments, notably the investment by Newmont Mining Corporation into the Company in pursuit of major copper-gold systems in south-eastern Europe. This was then followed in the second half by the commencement of construction of our second gold mine in Türkiye, among several other significant developments across our projects.

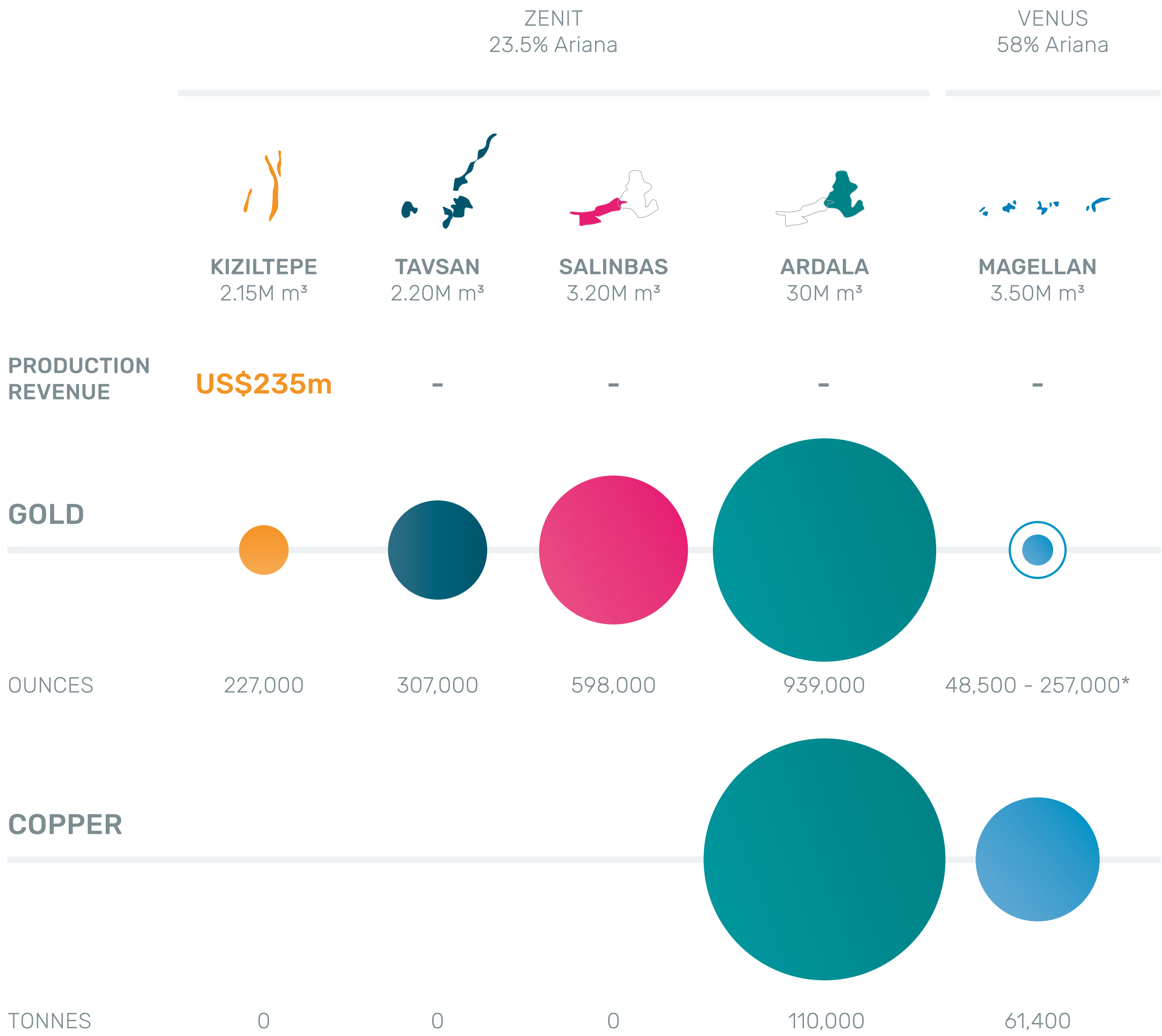
During the year we continued the process of restructuring our interests to broaden our scope across multiple jurisdictions in south-eastern Europe and via our investment in Venus Minerals Ltd ("Venus") and Western Tethyan Resources Ltd ("WTR") in particular. Following the partial divestment of our interests in Zenit Madencilik San. ve Tic. A.S. ("Zenit") to 23.5% in 2021, we were able to pay the final instalments of a Special Dividend, amounting to 0.7p per share in total, representing a yield of 24% at the date of distribution of the final tranche.



For the sixth year running, operations at Kiziltepe in western Türkiye continued to exceed gold production guidance, achieving total gold output which now exceeds its feasibility plan by 50%. An enhanced processing plant is continuing to perform at a nominal base-rate of 400,000 tonnes ore per annum. Meanwhile, a drilling programme remains underway, with the aim of continuing to extend mine life beyond its original eight years. In addition, the Tavşan mine remains at the construction stage with first gold production now expected in 2024.

The Company continued to advance its interests in a portfolio of Cypriot copper-gold projects via its holding in Venus, which increased to 58% post-period end. During the year, the JORC Resource for its Magellan Project was significantly enhanced, following the completion of a resource and exploration drilling programme during 2021. Notably, new exploration has led to the definition of the Troulli Prospect at the Mariner Project.

"For the 6th year running operations at Kiziltepe exceeded gold production guidance"



NOTE: Areal footprint of each deposit area shown in plan view and at the same scale. The volume in cubic metres of each deposit area is also provided. The contained gold in ounces and copper in tonnes (derived from JORC statements) is shown as circles with area proportionate to the metal content. The Magellan Project gold content is based on the JORC Exploration Target. Current as at end 2022.

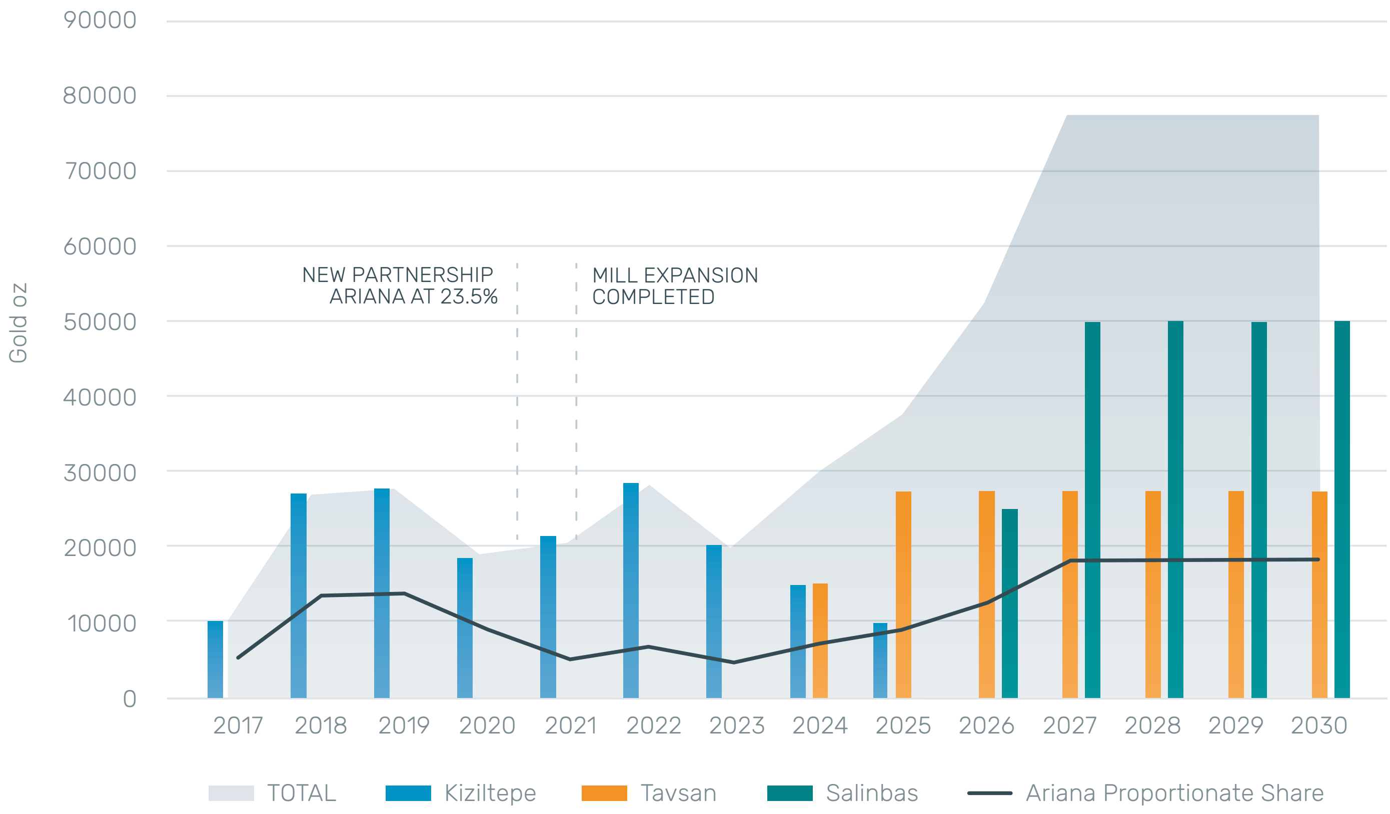
Following further updates to our JORC Resource Estimate and Exploration Targets at Kiziltepe, Tavşan and Magellan, the Company increased the resource base of Zenit and Venus to c.2.2Moz of gold (with additional copper, silver and zinc). We remain poised to continue the growth of our resource base across multiple projects at various stages of development, through the further exploration and resource drilling programmes underway.

Elsewhere, the Company commenced exploration in south-eastern Europe through its investee company, WTR, which is held 75% by Ariana. Licences located in eastern Kosovo form the basis of the company's project interests at this time, though other projects are being evaluated across the broader south-eastern European region. WTR is also pursuing a target generation exercise utilising a range of geoscientific datasets, including those from Newmont Mining Corporation.

The Company continues to support a variety of educational and environmental projects for the benefit of the communities in which the Company operates. The Company is also continuing to support a 20-year Masters degree scholarship in Mining Geology, the Richard Osman Scholarship Programme, at the Camborne School of Mines.

Operations Review *continued*

Zenit Production Profile

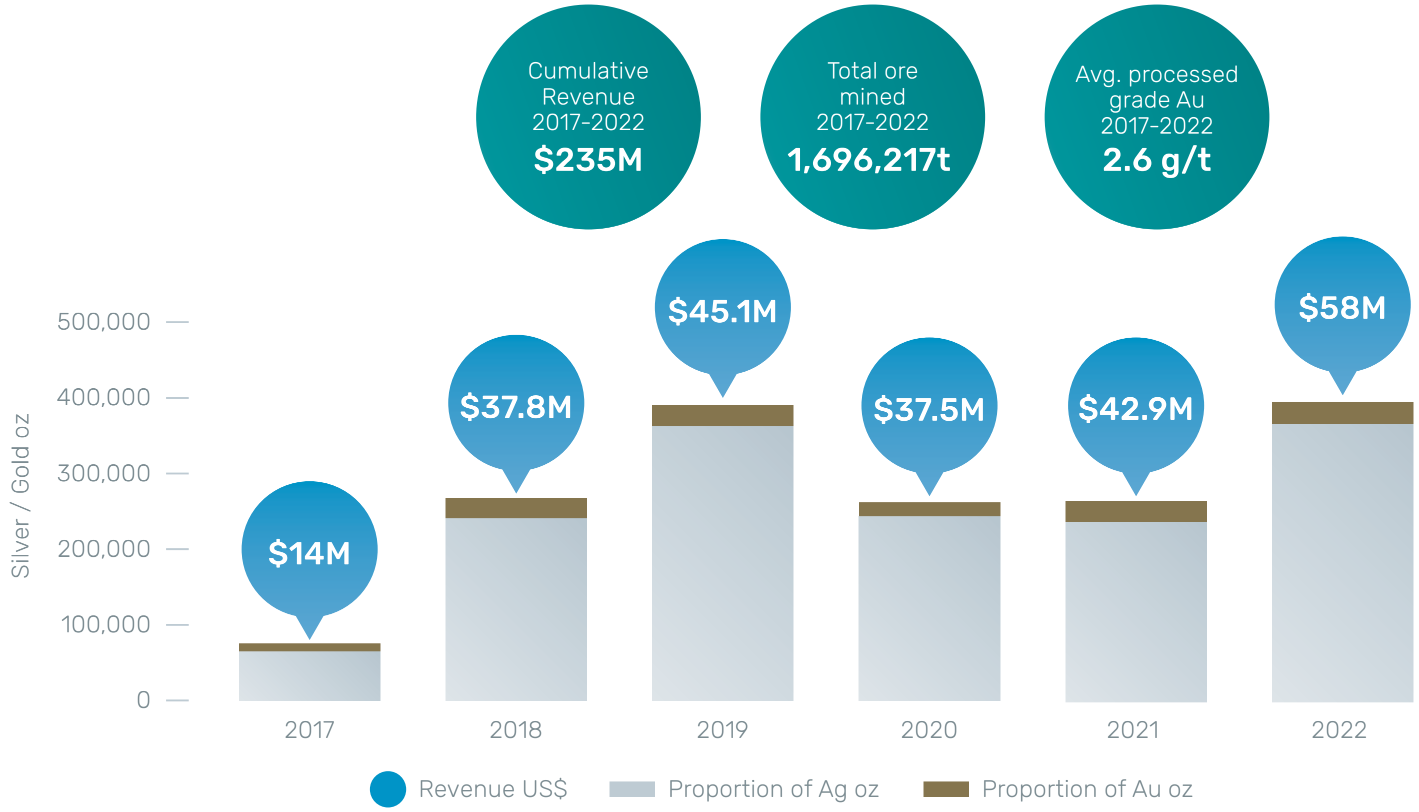


Historical and projected production from Zenit, showing the production from individual mines and their annual total until 2030. Subject to feasibility and environmental permitting, production from Tavşan is expected to conclude in 2030 while production from Salinbaş is expected to extend beyond 2030.

Zenit Madencilik

Zenit Madencilik San. ve Tic. A.S. is a three-way partnership operating in Türkiye, owned 23.5% by Ariana. Zenit is operated by Proccea Construction Co., which also owns 23.5%, with the remaining 53% owned by Ozaltin Holding A.S. Zenit owns 100% of the Kiziltepe gold-silver mine, and the Tavşan and Salinbaş development projects, in addition to a number of other gold projects in Türkiye. Additional exploration and resource drilling undertaken during the year further enhanced the Resource and Reserve base of the company. Zenit is focused on achieving production from multiple sites in the coming years, with the aim of increasing output to at least c. 50,000 ounces of gold per annum. Ariana typically receives dividend payments from Zenit on an annual basis, the amount received being dependent on annual operational requirements and expectations.

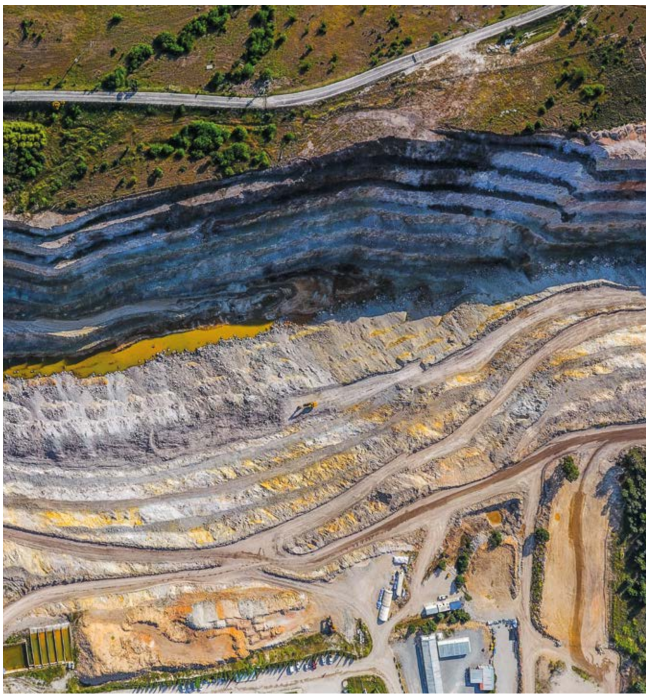
Zenit Revenue 2017-2022



NOTE: Total ore mined includes materials stockpiled and not yet processed as at end 2022.

Kiziltepe

The Kiziltepe Gold-Silver Mine is located in western Türkiye and contains a JORC (2012) Measured, Indicated and Inferred Resource of 222,000 ounces gold and 3.8 million ounces silver (as at February 2022, depleted). The mine has been in profitable production since early 2017 and is expected to produce at a rate of c.20,000 ounces of gold per annum to at least the mid-2020s. Since start-up, the mine has recorded six years of successful operations and has provided US$235 million in revenue as at the end of 2022. Processing at Kiziltepe is via the carbon-in-leach method and a processing plant expansion completed in 2021 has allowed for higher mill throughput to a nominal steady-state rate of 400,000 tonnes of ore per annum. A substantial drilling programme, which targeted various resource extensions across the property, was repeatedly extended through the year. Following this, a revised Mineral Resource and Reserve Estimate will be established in 2024. A Net Smelter Return ("NSR") royalty of 2.5% on production is being paid to Franco-Nevada Corporation.



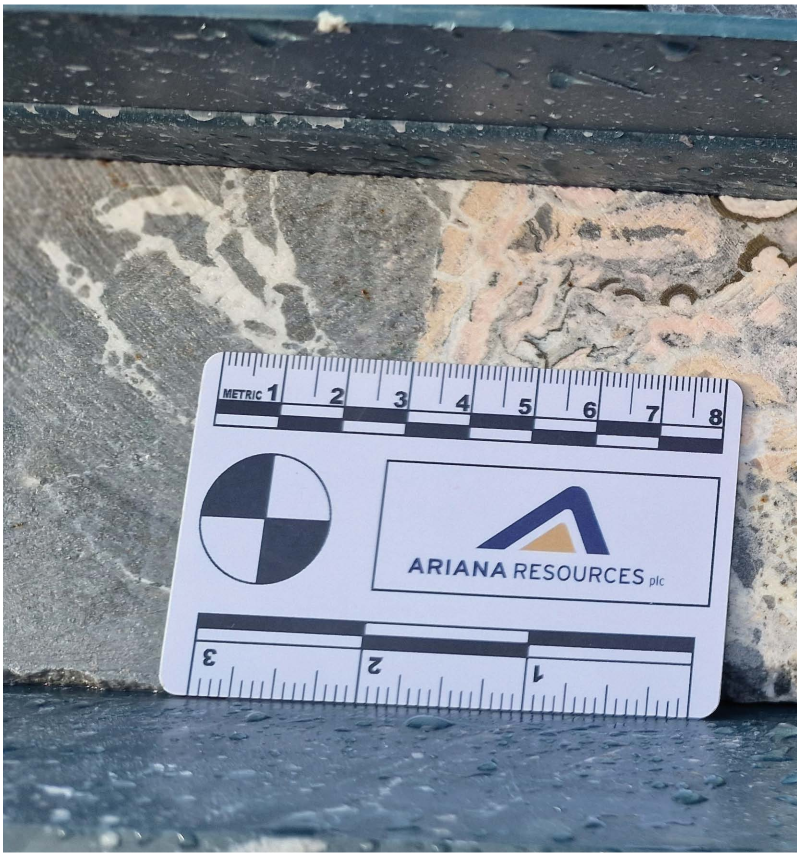
Operations Review *continued*

Tavşan

The Tavşan Gold Project is located in western Türkiye and contains a JORC (2012) Measured, Indicated and Inferred Resource of 307,000 ounces gold and 1.1 million ounces silver (as at November 2022). The project received a positive Environmental Impact Assessment during 2021. Following the receipt of permits, it is currently in the construction stage with the objective of becoming the second gold mining operation of Zenit. Post-period end construction operations were temporarily suspended following a court-determined process relating to the Environmental Impact Assessment, to which expert submissions are now awaited. Processing at Tavşan will be via the heap-leach method to accommodate a production rate of c. 30,000 ounces of gold per annum. The Company is targeting an eight-year mine life and a new resource drilling programme remains underway, which will lead to a revised Mineral Resource Estimate. A NSR royalty of up to 2% on future production is payable to Sandstorm Gold.

Salinbaş

The Salinbaş Gold Project is located in north-eastern Türkiye and contains a JORC (2012) Measured, Indicated and Inferred Resource of 1.5Moz gold (as at July 2020). It is located within the multi-million ounce Artvin Goldfield, which contains the "Hot Gold Corridor" comprising several significant copper-gold projects, including the 4 million ounce Hot Maden project, which lies 16km to the south of Salinbaş. An Exploration Target of up to 2.7Moz gold and 16.1Moz silver was established for the project in 2018. There is potential for further resource extensions to be delineated within high-grade and steeply dipping breccia pipes (akin to the Hot Maden deposit), which appear to propagate within the Salinbaş gold-silver zone. Furthermore, recent work has confirmed that the Ardala Zone is dominated by a significantly gold-enriched copper-molybdenum porphyry system. A drilling programme commenced in this area during late 2021, which remains underway. A NSR royalty of up to 2% on future production is payable to Eldorado Gold Corporation.



Operations Review *continued*

VENUS MINERALS

Venus Minerals is a UK registered, Cyprus-domiciled company holding a significant exploration and development portfolio in Cyprus. Ariana completed its earn-in to 50% of Venus during 2021, following expenditure of €3 million, but has increased this post-period end to 58% on conversion of a loan facility. An advanced copper-gold-zinc project, Magellan, contains an Indicated and Inferred JORC Resource of c. 17Mt @ 0.48% copper and 0.21 g/t gold (excluding additional silver and zinc), providing the company with an exceptional foundation on which to build its resource base. Scoping and pit-optimisation studies for the projects have been completed and are under review towards the preparation of a combined Preliminary Economic Assessment. Venus also holds a substantial exploration portfolio outside of the main project areas. This contains several immediate drill targets, which have been established following a rigorous data review and new surface exploration.

www.venusminerals.co

Western Tethyan Resources

Western Tethyan Resources is a UK registered company holding several exploration licences and applications in Kosovo through its wholly-owned subsidiary Kosovo Mineral Resources LLC. The company is currently 75% owned by Ariana with the remaining 25% owned by a highly qualified board. The company received its first four exploration licences in the Lecce Magmatic Complex and Vardar Belt of Kosovo during the year. The company is assessing several other exploration project opportunities across south-eastern Europe, targeting major copper-gold deposits across the porphyry-epithermal transition. These efforts are being funded via a US$2.5 million Strategic Investment Agreement by Newmont Mining Corporation, which became a significant shareholder of Ariana in the process. Countries in which project opportunities are being assessed include Bosnia and Herzegovina, Bulgaria, Greece, Kosovo, North Macedonia and Serbia. It is the intention of the company to progress to drill testing its projects within the shortest possible timeframe.

www.westerntethyanresources.com

ASGARD METALS FUND

Asgard Metals is a wholly-owned Australian subsidiary of Ariana, now operating as the Asgard Metals Fund ("Asgard"). The company was established initially to focus on technology-commodity opportunities globally and was successful in identifying several early-stage lithium exploration projects in Western Australia and the Northern Territory. These projects were vended to two ASX-listed companies in 2015 and 2016 for a combination of cash and shares, which established the financial basis of its future business. The remit of Asgard has been broadened to encompass "Project Catalytic" investments in selected companies with interests in high-quality early-stage exploration project opportunities. Such investments are being made within listed companies and in private companies which are demonstrating the capacity and desire to list on the ASX or LSE stock exchanges in particular. Asgard is specifically focused on the discovery stage of mineral exploration projects, where the full capabilities of the Ariana in-house exploration team can be applied. Investments held by Asgard during the year included those in Panther Metals Ltd (ASX: PNT), Pallas Resources Ltd and Annamite Resources Pte. Ltd., among others.

Operations Review *continued*

Outlook

2022 marked the 20th anniversary of the foundation of the Company. We enjoyed the opportunity to celebrate this significant event with our long-term and supportive shareholders, advisors, friends and relatives in London in July. Subsequently, in Türkiye, we were also able to open formally our own dedicated Head Office in Ankara, surrounded by our fantastic team.

Operationally with Zenit, the Company had its most successful year to date, achieving record gold production and revenue from its Turkish mine, coupled with the most drilling ever completed across three simultaneous campaigns at Kiziltepe, Tavşan and Salinbaş. The year also marked the commencement of construction at the Tavşan mine site in July, which will lead to the development of Zenit's second gold mining operation in Türkiye.

Following the strategic investment of US$2.5 million into the Company by Newmont Mining Corporation in March, we were pleased to see the grant of the first four exploration licences in Kosovo, coupled post-period end with the grant of the first Project Leopard exploration licences in Eastern Türkiye. These events mark the commencement of new grassroots exploration for major copper-gold systems across the Tethyan Metallogenic Belt, in poorly explored areas known to host multi-million ounce gold deposits. This represents one of the core strands of our strategy; to pick up good ground cost-effectively and to build value incrementally and organically within the Company over time.

In Australia, our nascent discovery fund, Asgard Metals, achieved a number of milestones of its own. In addition to completing three substantial investments, it also established a trading account through which it may participate in corporate offers or trade securities on the ASX market. Meanwhile, our technical team has contributed to the exploration programmes of our investee companies across a variety of jurisdictions, but perhaps most notably in Western Australia, where a substantial nickel-cobalt JORC Resource Estimate of 70.6Mt at 0.7% Ni + 460ppm Co was established for Panther Metals Limited.

Of course, not everything can go our way or in the manner originally intended. Notably our intention to list Venus Minerals on AIM did not happen as planned during the year. While we had made arrangements for an IPO in June, the markets took a turn for the worse and we decided to postpone the launch. Poor market conditions have unfortunately prevailed for the remainder of the year and have only continued to deteriorate during 2023. However, this did not phase us, as it enabled the opportunity to increase our holding in Venus, making it a subsidiary, and we look forward to continuing to incubate and advance its Cypriot copper-gold portfolio accordingly.

Lastly, we were very pleased to pay the last tranche of our Special Dividend to shareholders in October, thus completing a process initiated in late 2019. Accordingly, we have come to view this moment as the closure of the first chapter in the life of Ariana, having successfully brought our most advanced projects in Türkiye to the point of providing very meaningful returns to our shareholders. We are now on the hunt for new projects on the international stage which may be developed in similar ways, to ensure that further returns may continue to be paid well into the future.

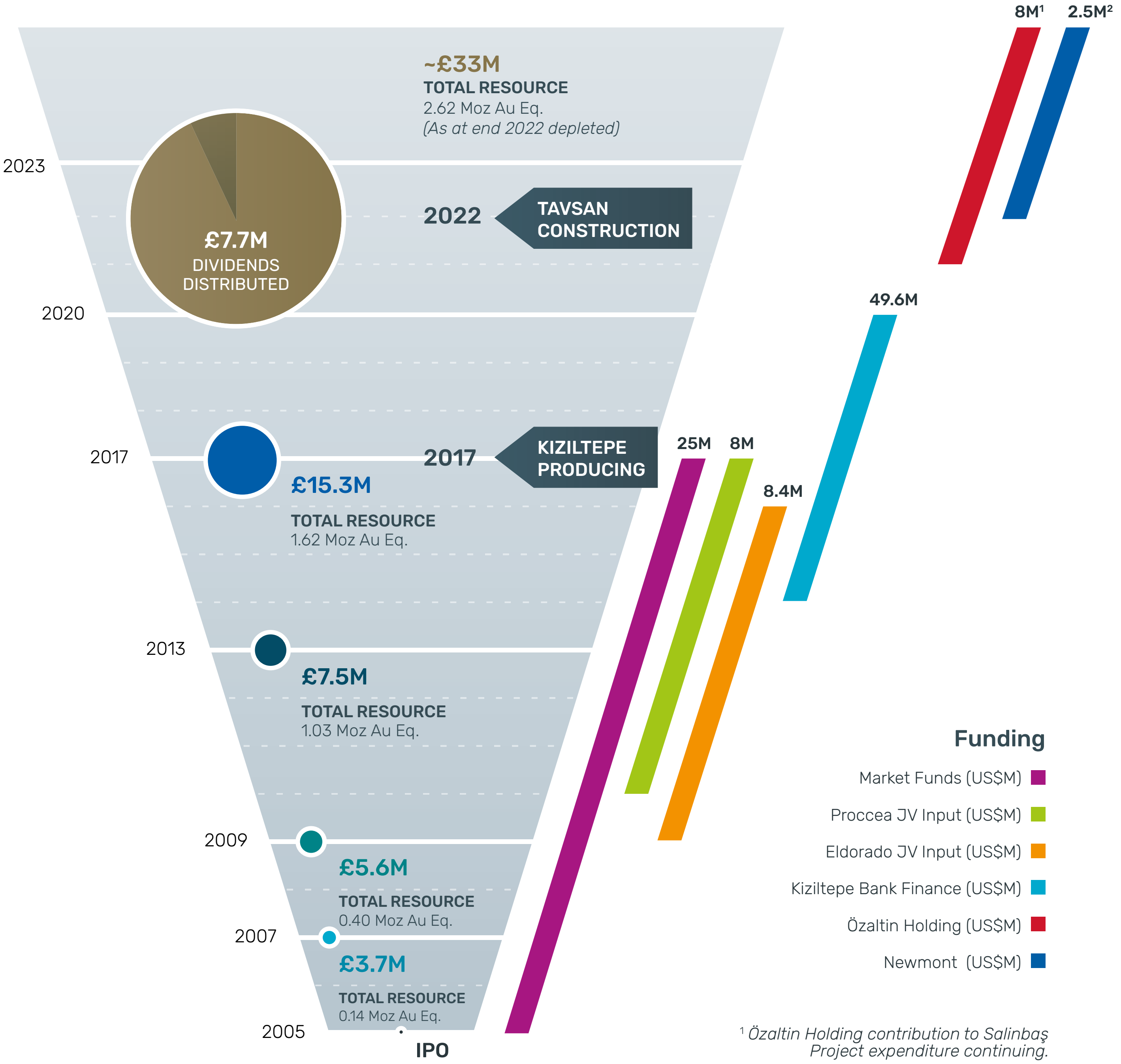
We are resolutely focused on upscaling the Company by pursuing bold objectives. In particular, we are keen to advance on larger projects capable of supporting the Company on its journey towards becoming a mid-tier mine developer. As part of this process, we are going to pursue support from investors from further afield and will be marketing the Company accordingly. In parallel with this, we are undertaking several project and jurisdictional reviews with the aim of securing a significant new flagship asset around which the future of the Company may continue to be built.

Over the years we have developed a unique skill-set, rarely seen in a company of our size. We have the capacity to undertake exploration and development projects from the grassroots stage all the way through to mine development and production. Our in-house team comprises individuals with backgrounds in every geoscientific discipline relevant to mineral exploration and mine development, with the expertise to take projects through to Feasibility Study level. We recognise this as being where the true value of the Company lies. Our comprehensive skill-sets enable us to obtain maximum value from existing opportunities and create new opportunities capable of catapulting the Company into the next decade and towards a higher level of market recognition.

We invite shareholders to join us on the next chapter of our journey and welcome their ongoing support.

Dr Kerim Sener
Managing Director

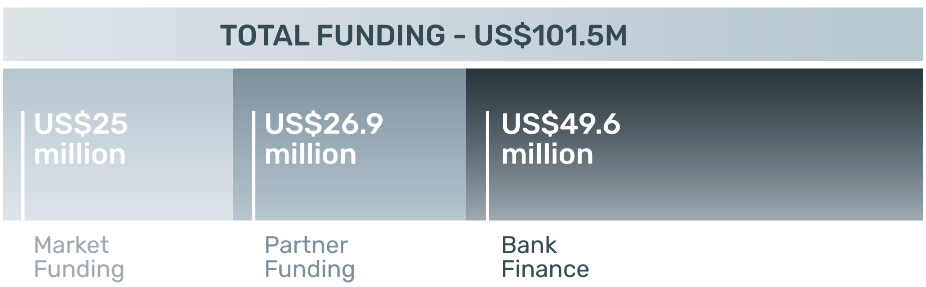
Growth in Market Capitalisation and Resource Base



[1] *Özaltin Holding contribution to Salinbaş Project expenditure continuing.*

[2] *Represents Newmont's initial contribution.*

Ariana has minimised shareholder risk by seeking the majority of its funding requirements through partners and bank finance



Resource Tables

Resource Estimate for Kiziltepe:

Kiziltepe, Kepez, Kizilcukur, Ivrindi	**Tonnes (t)**	**Grade Au (g/t)**	**Grade Ag (g/t)**	**Gold (oz)**	**Silver (oz)**
Measured	730,600	2.97	51.09	69,830	1,200,050
Indicated	786,070	2.36	48.65	59,650	1,229,620
Measured & Indicated	**1,516,670**	**2.66**	**49.83**	**129,480**	**2,429,670**
Inferred	1,424,550	2.02	30.67	92,340	1,404,710
Global Total	**2,941,220**	**2.35**	**40.55**	**221,820**	**3,834,380**

Summary Kiziltepe (2022), Kepez (2021), Kizilcukur (2020) and Ivrindi (2013) JORC 2012 compliant Mineral Resource Estimates. Reporting is based on a 0.75, 1.0 and 1.25 g/t Au cut-off grade across the different domains. Figures in the table may not sum precisely due to rounding. Ariana's share of resources is 23.5% through its holding in Zenit Madencilik.

Resource Estimate for Tavşan:

Tavşan	**Tonnes (t)**	**Grade Au (g/t)**	**Grade Ag (g/t)**	**Gold (oz)**	**Silver (oz)**
Measured	3,080,100	1.56	5.07	154,280	501,880
Indicated	2,255,100	1.41	5.47	101,950	396,450
Measured & Indicated	**5,335,200**	**1.50**	**5.24**	**256,230**	**898,330**
Inferred	1,297,500	1.23	5.36	51,380	223,710
Global Total	**6,632,700**	**1.44**	**5.26**	**307,610**	**1,122,040**

Summary of November 2022 Tavşan Sector MRE classified and reported in accordance with JORC 2012. Reporting is based on cut-off grades of 1.5g/t Au (High-grade Domain) and 0.7g/t Au (Low-grade Domain). All figures are quoted gross with respect to Zenit. Figures in the table may not sum precisely due to rounding. Ariana's share of resources is 23.5% through its holding in Zenit Madencilik.

Resource Estimate for Salinbaş / Ardala:

Salinbaş	Tonnes (t)	Grade Au (g/t)	Grade Ag (g/t)	Gold (oz)	Silver (oz)
Measured	868,000	2.32	15.30	65,000	428,000
Indicated	2,421,000	1.83	19.00	142,000	1,478,000
Measured & Indicated	**3,289,000**	**1.96**	**18.02**	**207,000**	**1,906,000**
Inferred	5,114,000	2.38	16.10	391,000	2,649,000
Global Total	**8,403,000**	**2.21**	**16.90**	**598,000**	**4,555,000**

Ardala	Tonnes (t)	Grade Au (g/t)	Grade Ag (g/t)	Grade Cu (ppm)	Grade Mo (ppm)	Gold (oz)	Silver (oz)	Copper (t)	Molybdenum (t)
Inferred	66,423,000	0.44	1.57	1,656	65	939,000	3,359,000	110,000	4,300

Summary Salinbaş Project JORC 2012 compliant Mineral Resource Estimate dated 29 July 2020. Reporting is based on a 0.5 g/t Au cut-off grade for the Salinbaş mineralisation and 0.25 g/t Au for the Ardala mineralisation. Figures in the table may not sum precisely due to rounding. Separate resource domains have been established for the Au, Cu and Mo components of the Ardala porphyry. It is considered reasonable to estimate these domains in this manner because the resource is classified as Inferred in this location and mining parameters have not yet been established. There is a 95% coincidence of the Au and Cu domains, and a 40-50% coincidence of the Au and Mo domains. Ariana's share of resources is 23.5% through its holding in Zenit Madencilik.

Resource Estimate for Magellan:

Classification	Tonnes (t)	Grade Cu (%)	Grade Au (g/t)	Grade Zn (%)	Copper (t)	Gold (oz)	Zinc (t)
Measured	-	-	-	-	-	-	-
Indicated	4,140,900	0.39	0.27	0.00	16,300	35,900	0
Measured & Indicated	**4,140,900**	**0.39**	**0.27**	**0.00**	**16,300**	**35,900**	**0**
Inferred	12,501,100	0.51	0.19	0.21	64,300	76,800	26,800
Global Total	**16,642,000**	**0.48**	**0.21**	**0.16**	**80,600**	**112,700**	**26,800**

Summary 2020-21 Magellan Project (Kokkinoyia, Klirou and New Sha) JORC 2012 compliant Mineral Resource Estimate. Reporting is based on a 0.2-1% Cu and 0.2g/t Au cut-off grade across all the projects. Figures in the table may not sum precisely due to rounding. Ariana's share of resources is 58% through its holding in Venus Minerals.

Financial Review

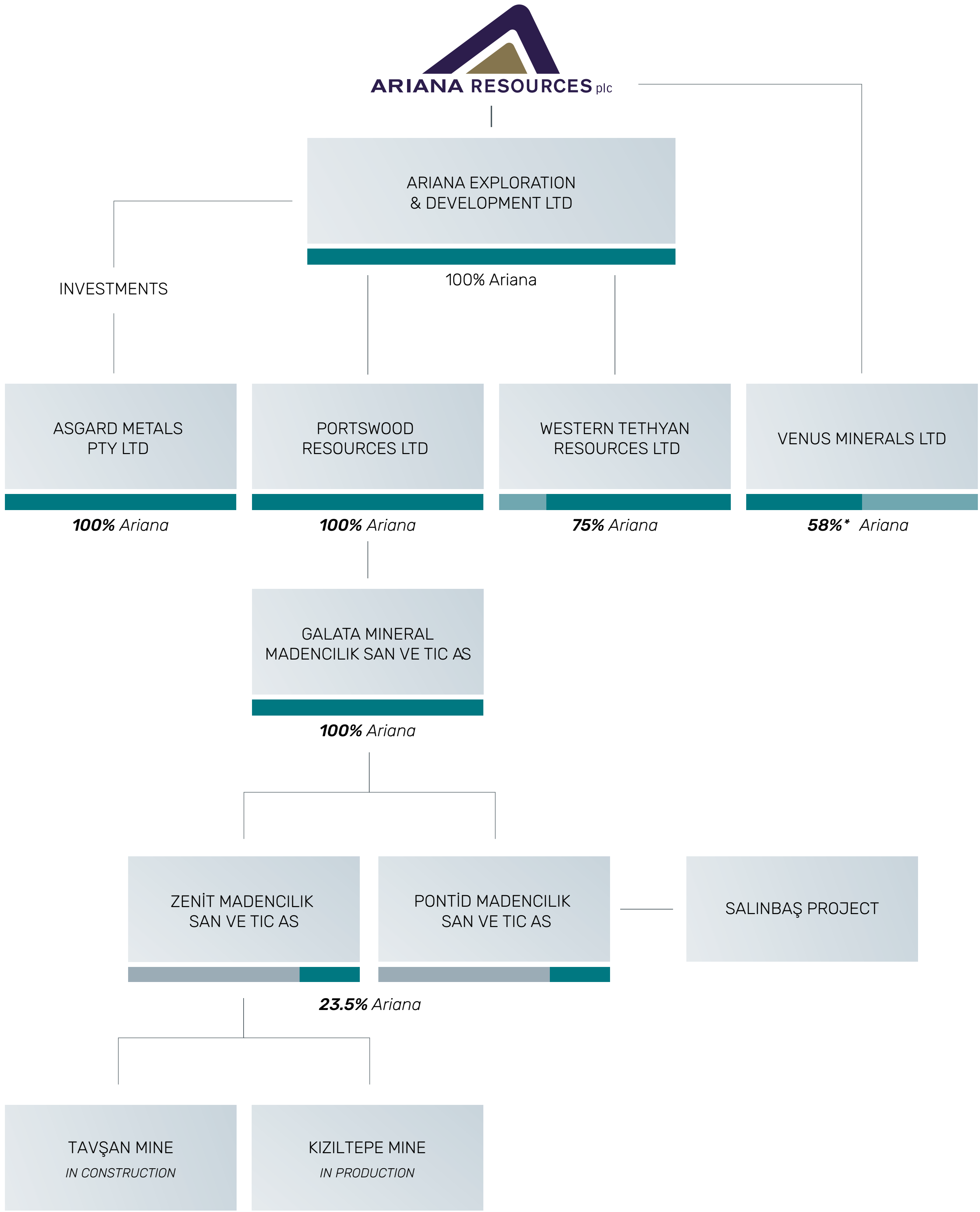
The Consolidated Statement of Comprehensive Income sets out our very satisfactory results for the year, reflecting the success of the group on a number of fronts. Overall the Group has recorded a profit before tax for the year to December 2022 of £5.0m. This was £2.7m less than 2021, albeit that year benefited from the profit of £6.4m on the part disposal of our Turkish interests. Administrative costs increased only marginally on the prior year, though as explained in note 4a, we have benefited from an exchange gain of £2.8m arising on our US dollar cash balances this year, resulting in a reduction to £0.6m as reported in the Statement. Otherwise the principal driver of our performance has been the increase in our net share of the profit and losses of our Associated investments, which increased by £1.5m over the prior year. Once again the decline in value of the Turkish Lira has meant that we are showing an accounting loss through Other Comprehensive Income primarily on the translation of our opening balances of our overseas subsidiaries at closing rates of exchange. These losses are not realised unless we divest ourselves of such assets.

The Consolidated Statement of Financial Position reflects the increase in the value of our share of our Associates, up from £11.4m to £15.3m in 2022, as set out in note 6. The main change was in the value of Zenit, in part reflecting the fact there was no dividend received this year, as funds were directed at developing Tavşan . Another major change this year is the decline in cash balances from £16.4m to £9.4m, comprising dividends paid by the Company to shareholders amounting to £4m during the year as part of the special dividend arising on last year's part disposal of our interests, and also an increase in tax payable in Turkey of £1.9m due to corporation tax changing to becoming payable in advance there. A final point worthy of note is the transfer of £7.2m from the Capital Reduction Reserve to boost Retained Earnings, and facilitate dividend payments in future years.

Overall the Group has made great progress and the financial results reflect that performance, and our strong financial position gives us the platform to continue our development at pace.

Dr Kerim Sener
Managing Director

Organisation Review



*Post period end

Directors

Michael de Villiers *B. Comm. Professional Accountant (SA) MIOD*

Chairman and Company Secretary

Michael qualified as a Professional Accountant with Ernst & Young in Cape Town. He gained his experience as Financial Manager at mining and chemicals operations in Botswana, Bulgaria, FSU, Ghana, Namibia and the United Kingdom. He was previously CFO of Eurasia Mining plc, Finance Director of Mercator Gold (now ECR Minerals plc), Oxus Gold plc and Navan Mining plc. He has over 30 years' experience in the mining industry.

Michael is Chairman of the Audit Committee and serves on the Sustainability Committee.

Kerim Sener *BSc (Hons) MSc DIC PhD*

Managing Director

Kerim graduated from the University of Southampton with a first-class BSc (Hons) degree in Geology in 1997 and from the Royal School of Mines, Imperial College, with an MSc in Mineral Exploration in 1998. After working in gold exploration and mining in Zimbabwe, he completed a PhD at the University of Western Australia in 2004, during which time he also founded Ariana Resources. Since then he has been responsible for the discovery of over 4.3Moz of gold in eastern Europe, primarily for Ariana. Kerim is also Non-Executive Chairman of ASX-listed Panther Metals Limited and an Adjunct Research Associate at the Centre for Exploration Targeting, University of Western Australia.

Kerim is a Fellow of The Geological Society of London, Member of The Institute of Materials, Minerals and Mining, Member of the Chamber of Geological Engineers in Türkiye and a member of the Society of Economic Geologists.

William Payne *BA (Hons) ACA*

Non-Executive Director and Chief Financial Officer

William studied Accountancy at Exeter University before training and qualifying as a Chartered Accountant with KPMG in London. In 2003, he became a partner in top 20 accountancy practice Wilkins Kennedy LLP at their London office, which is now part of Azets where he is currently Regional CEO.

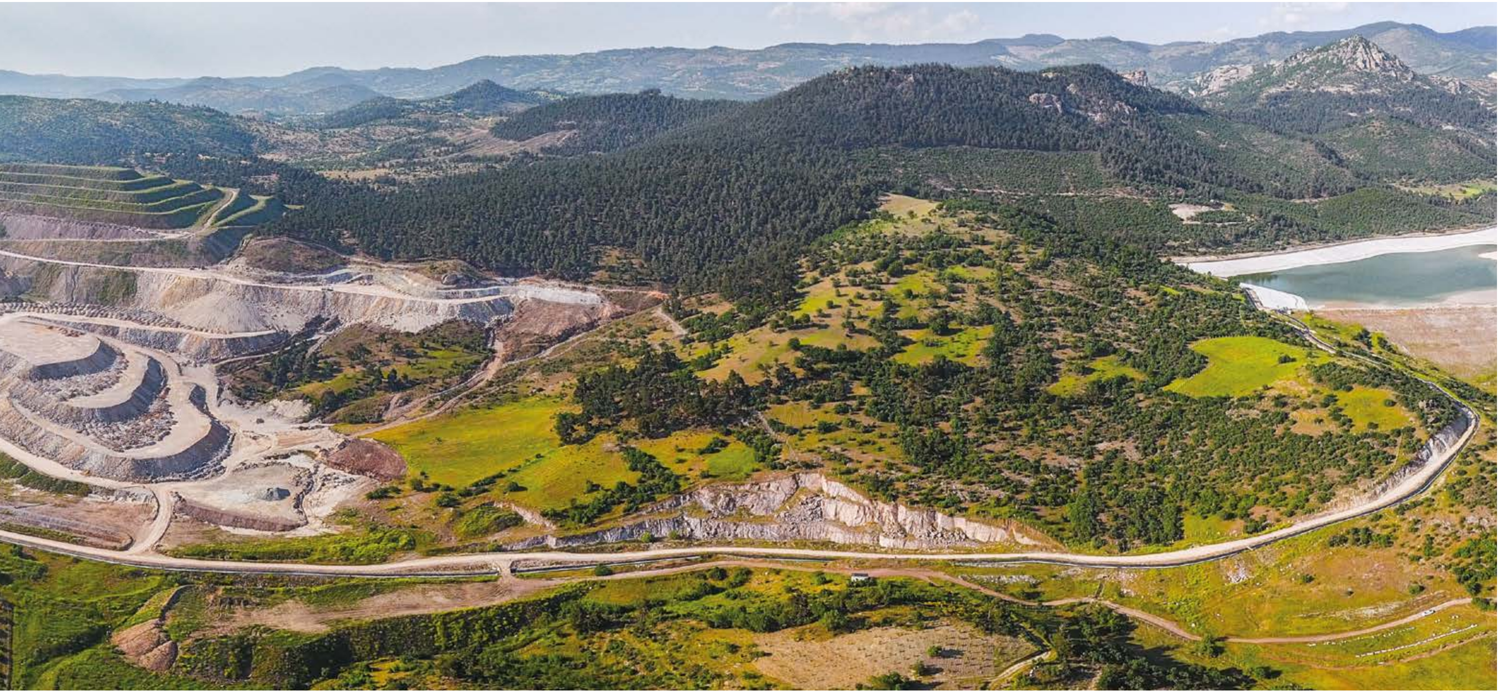
William is Chairman of the Remuneration Committee and serves on the Audit Committee.

Chris Sangster *BSc (Hons), ARSM, GDE, FIMMM*

Non-Executive Director

Chris is a mining engineer with over 40 years' experience in the mining industry. He has a BSc Hons in Mining Engineering from the Royal School of Mines, Imperial College in London and a GDE in Mineral Economics from the University of Witwatersrand and is a Fellow of the Institute of Materials Minerals and Mining. Chris has extensive experience in gold, diamond and base metal production environments. He held positions of Vice President Mining Services at KCM Plc and Principal Mining Engineer for Australian Mining Consultants. He co-founded ASX / AIM listed Scotgold Resources and was its Managing Director following which he became a Non-Executive Director and Technical Consultant from late 2014 until recently.

Chris is Chairman of the Sustainability Committee and serves on the Remuneration Committee.



Operational Team

Fatma Yildiz *BSc (Hons)*
General Manager

Fatma is a Turkish national and has over 10 years of experience in the mining sector in Türkiye. She graduated from Çukurova University in 2007 with a BSc degree in Mining Engineering. In addition to being our General Manager, she is also responsible for managing the administrative and legal requirements of our exploration/operational licenses, applications and formal reporting for licenses.

Fatma is a member of the Chamber of Mining Engineers of Türkiye, holder of a technical inspector certificate and an occupational health and safety certificate.

Berkin Uğurlu *BSc (Hons)*
Exploration Manager

Berkin graduated from the Middle East Technical University with a BSc degree in Geology in 2004. He worked with Teck in Türkiye for four years before spending a further four years as a Senior Consultant. Following this he was appointed as Country Manager for Tigris-Eurasia Madencilik, originally a subsidiary of Royal Road Minerals, where he worked for four years. He has experience managing all aspects of mineral exploration programmes from project generation through to resource and reserve drilling and technical reporting including to 43-101 and JORC standards.

He is a member of the Society of Economic Geologists, a board member of the Mining Geologists Association and a member of the Chamber of Geological Engineers in Türkiye. He holds a IHA0 drone pilot qualification in Türkiye.

Zack van Coller *BSc (Hons)*
Special Projects Geologist

Zack graduated from Cardiff University with a BSc (Hons) degree in Exploration and Resource Geology in 2010. As leader of our Special Projects Team, he is responsible for advancing our project pipeline, in addition to being involved in various exploration programmes across Türkiye. He was involved in the development of the highly successful lithium strategy pursued by Asgard Metals Pty. Ltd. on behalf of Ariana. He has also been involved in advanced project development of a high-sulphidation Cu-Au deposit in the Republic of North Macedonia. Zack is bilingual in English and Afrikaans.

Zack is a member of the Geological Society of London and he operates primarily between the UK and Türkiye.

Mathew Cooper *BSc (Hons)*
Senior Geophysics Advisor

Mathew has over 20 years' experience working as a geophysicist for airborne and ground acquisition contractors and mining and exploration companies, including Normandy Exploration, with the last 13 years as a consultant, manager and director largely with Core Geophysics. He has been involved in a number of exploration successes whilst working on a range of projects, both within Australia and internationally. He has worked on a large variety of commodities including gold, iron ore, base metals, diamonds, uranium and oil and gas plays. Mathew is based in Perth, Western Australia.

Mathew is a member of the Australian Society of Exploration Geophysicists, Society of Geophysicists, and the Australian Institute of Geoscientists.

Ruth Bektaş *BSc (Hons)*
Project Analyst

Ruth graduated from the University of Leicester with a BSc (Hons) degree in Applied and Environmental Geology in 2013. As Project Analyst, through geological, resource and financial modelling she is responsible for identifying new projects to add to our portfolio. Ruth worked with Ariana and Zenit from 2013 to 2018 and was involved in bringing the Kiziltepe Project from exploration to production stage. She has also been with Tetra Tech as a Resource Geologist, working on a range of projects around the world, reporting in line with NI 43-101 and JORC standards. Ruth is bilingual in English and Turkish.

Ruth is a Chartered Geologist of the Geological Society of London (CGeol) and the European Federation of Geologists (EurGeol). She is also a member of the Society of Economic Geologists and YERMAM.

Selim Senoz *BSc (Hons)*
Geological Database Manager

Selim graduated in 2001 with a BSc in Geological Engineering from Dokuz Eylül University in Izmir. He is responsible for updating our information systems databases, managing our geographic information systems and drilling data. He is the Company's designated QA/QC officer and has worked with the company since 2006.

He is a member of the Chamber of Geological Engineers of Türkiye.

Elif Ünal *BSC (Hons) MSc*

Remote-sensing Specialist

Elif has over 10 years of experience in the mining sector in Türkiye, having graduated from Hacettepe University in 2003 with a BSc (Hons) in Geological Engineering and from Anadolu University in 2007 with an MSc in Remote Sensing & Geographical Information Systems (GIS).

She initially worked with INTA Space Turk Company in 2007 on satellite image processing before joining Galata Madencilik in 2008. From the end of 2008 to 2019 she worked as a data manager and deputy general manager of Pontid Madencilik before transferring back to Galata as Project Manager responsible for the administrative and data management requirements of our Salinbaş Project prior to it becoming part of the Zenit JV. She also provides specialist skills in remote-sensing to the Company.

She is a member of the Chamber of Geological Engineers of Türkiye and has a safe driving certificate. She holds a IHA0 drone pilot qualification in Türkiye.

Muammer Çelik *BSC (Hons) MSc*

Geophysicist

Muammer graduated from Cumhuriyet University with a BSc degree in Geophysical Engineering in 2015 and from Kocaeli University with a MSc Degree in Geophysical Engineering in 2018 and also Dumlupınar University with a MSc in Occupational Health & Safety in 2020. Previously he worked as a Geophysical Engineer at Fimar Mermer, ore deposits exploration with Geophysical Magnetic Prospection Data Observation, Collecting, Processing and Structural Imaging. Other qualifications include certificates in Geosoft Oasis Montaj, Sch.-WinGLink Shell and MapInfo Professional. He is a member of the Society of Exploration Geophysicists (SEG), a member of the Advancing Earth and Space Science (AGU) and a member of the Chamber of Geophysical Engineers in Türkiye.

Mikail Mert Gümüş *BSC (Hons)*

Geochemist

Mert graduated from Ankara University with double majors in Geological Engineering and Chemistry. He is applying geochemical techniques to our mining and mineral exploration projects. He is assisting in the design of geochemical sampling campaigns, and the collection, management, interpretation and modelling of geochemical data. He has used x-ray diffractometers and x-ray fluorescence devices and prepared chemical analysis reports. Mert is interested in petrography-mineralogy and relevant laboratory usage techniques.

Sinem Koç *BSC (Hons)*

Geoscientist

Sinem graduated from Middle East Technical University in 2019 from the Department of Geological Engineering BSc (Hons) and from Anadolu University in Geographical Information Systems BSc. She worked with Esan Eczacıbaşı Holding in Balya Lead and Zinc Mine for two years as an Exploration Geologist. She is a member of a Chamber of Geological Engineers and Mining Geologists Association.

Mehluli Tshuma *Dip.Geol. Cert.Mining*

GIS Analyst

Mehluli graduated in 2004 with a Diploma in Geology from the Zimbabwe School of Mines. He also holds a certificate in Technical and Operational Surface Mining from University of Pretoria. He has experience in mineral exploration and mining in southern Africa. He has worked for companies such as Reunion Mining PLC, Lonmin PLC, Metallon Gold and Zimbabwe Platinum Mines. In Mozambique he worked for Rovuma Resources Limitada managing the geographic information systems across all projects and was part of an exploration team that led to the graphite discovery in Cabo Delgado province in northern Mozambique. Most recently, he has worked with Canister Resources in Zimbabwe, where he was responsible for geological database management, taking their gold project to a full feasibility study.

Field Team

Burak Mert *BSc (Hons)*
Project Geologist

Burak graduated from Aksaray University with a BSc (Hons) degree in Geological Engineering in 2008 and from İstanbul Rumeli University in 2018 with an MSc in Occupational Health & Safety. Previously he worked as a field geologist at 3S Holding, including Pb-Zn deposits and RCR Holding including Cu deposits across Türkiye. He is currently working in various exploration programmes and is responsible for all aspects of mineral exploration programmes in western Türkiye. He is a member of the Society of Economic Geologists, a member of the Mining Geologists Association and a member of the Chamber of Geological Engineers in Türkiye. He is holder of a technical inspector certificate and an IHA0 drone pilot qualification in Türkiye.

Furkan Oğuz *BSc (Hons)*
Exploration Geologist

Furkan graduated from Middle East Technical University with a BSc (Hons) degree in Geological Engineering in Ankara and completed an BSc degree at Anadolu University on Geographical Information Systems (GIS) and currently studying for a MSc degree on Structural Geology at Middle East Technical University in Türkiye. He is a member of the Society of Economic Geologists, the Mining Geologists Association and the Chamber of Geological Engineers in Türkiye.

Tuncay Yavuz *BSc (Hons)*
Senior Technician

Tuncay graduated from the Anadolu University with a BA (Hons) degree in International Relations. Tuncay worked for seven years with Newmont in Türkiye as senior field technician prior to joining Ariana Resources in 2010. He has worked extensively on gold projects in western, eastern and north-eastern Türkiye and is fully trained in field first aid, advanced off-road driving and health and safety (to Australian standards). Other qualifications include certificates in first-aid, ArcGIS and MapInfo Professional. He holds an IHA0 drone pilot qualification in Türkiye.

Ismail Aksoy
Field Technician

İsmail has over 10 years of experience in the mining sector in Türkiye. He is experienced with magnetic surveys and field sampling throughout western, central, and north-eastern Türkiye. From 2011 to present he has worked with the company as a field technician in central and north-eastern Türkiye, mainly in Balıkesir Province.

Our full team can be viewed at arianaresources.com

Key Performance Indicators

Financial KPIs

Production Success	Enhancing profits through efficient mining operations and successful conversion of Resources to Reserves.
Exploration Expenditure	Enhancing intangible exploration assets through targeted expenditure.
Cash Flow Forecasts	Regular cash flow monitoring to ensure exploration targets are met and that working capital is maintained.

Operational KPIs

Operational Success	Increasing JORC compliant resources and progressing advanced projects through development and into production.
Advance Portfolio	Through acquisition or discovery of new exploration properties utilising on-going exploration to target new ground.
Environmental, Health & Safety	Ensuring that all efforts are made to minimise adverse personal, corporate and environmental outcomes, through best practice training, implementation and monitoring.

Risks & Uncertainties

Production Risk

DESCRIPTION
Mining activity involves a variety of potential risks to production or interruptions to output. These can include geological, mining, processing, environmental and financial risks.

MITIGATION
Zenit reviews mining progress on a regular basis to determine any potential risk factors that could affect production negatively. Zenit employs experienced management staff.

Exploration and Development Risk

DESCRIPTION
Inherent risks associated with the failure to discover or develop an economically recoverable ore reserve, to conclude a definitive feasibility study, and to obtain the necessary consents and approvals for the conduct of exploration and mining.

MITIGATION
The Board is committed to reviewing progress relating to the development of its various exploration targets and assesses this against planned expenditure and expected outcomes. The Group employs highly trained geologists with extensive knowledge of mineral exploration, with a particular expertise in precious metal mineralisation.

Political / In-Country Risk

DESCRIPTION

Political instabilities, which could cause the loss of an asset through expropriation, war or unrest. Exploration or mining licences applied for might not be granted or renewed.

MITIGATION

The Group has spread its political risk exposure by developing active interests in several countries, including Australia, Cyprus, Kosovo and Türkiye. As the location of our mining projects, Türkiye benefits from a robust political environment and has established fiscal and mining codes. The Group enjoys a good working relationship with the relevant authorities in Türkiye and has a permanent management team in the country to monitor developments.

Environmental / Safety Risk

DESCRIPTION

Major pollution arising from operations and/or loss of life due to systems or equipment failure.

MITIGATION

The Group adopts best practice in the industry with on-site, country level and corporate level policies and procedures.

Commodity Risk

DESCRIPTION

A potential fall in commodity prices which could lead to it becoming uneconomic for the Group to mine its assets.

MITIGATION

The Group's principal interest is gold and silver and the outlook for gold remains broadly positive as a continuing safe haven vehicle for wealth protection. The Group will consider the use of appropriate hedging products to mitigate this risk.

Risks & Uncertainties *continued*

Foreign Currency Risk

DESCRIPTION

The Group's results are sensitive to foreign currency movements and in particular with its exposure to the Turkish Lira, arising from the Group's mining operations being in Türkiye.

MITIGATION

The Group finances its operations through the cash flow generated from its share of profits from our investment in our gold mining company. On receipt of funds by the Group in Türkiye in Lira, surpluses after local operating costs are then generally transferred by way of dividend to the UK as Pounds Sterling. The Group maintains the majority of its cash in Pounds Sterling and United States Dollars and continues to monitor relevant currency movements and considers action where appropriate.

Financing Risk

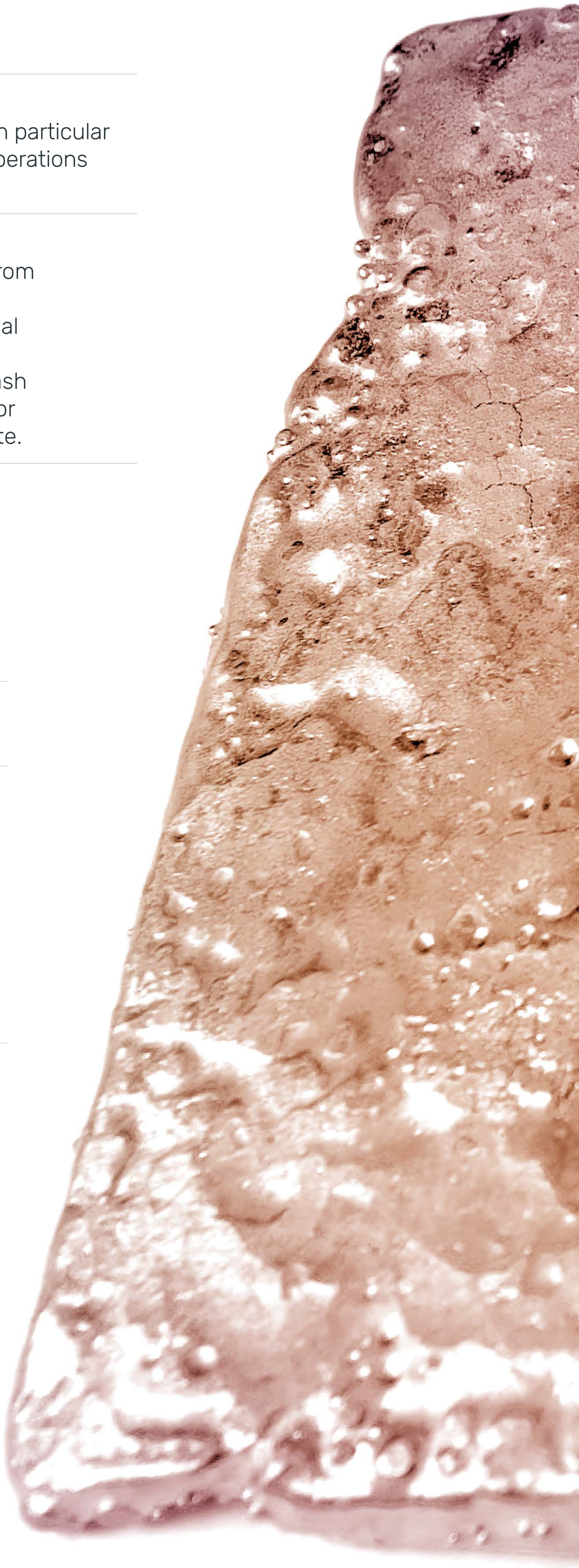
DESCRIPTION

This is the risk of running out of working and investment capital.

MITIGATION

The Group has recently completed its partial divestment of its interest in Türkiye in exchange for cash. Consequently there is limited finance risk.

In addition, the Group continues to receive cash flow from its joint venture investment in an operational gold mine. The Group may also issue new share capital, and may include bank borrowing, where appropriate, to finance its activities.



Section 172(1) Statement - Promotion of the Company for the benefit of the members as a whole

The Directors believe they have acted in the way most likely to promote the success of the Company for the benefit of its members as a whole, as required by s172 of the Companies Act 2006.

The requirements of s172 are for the Directors to:

- Consider the likely consequences of any decision in the long term;
- Act fairly between the members of the Company;
- Maintain a reputation for high standards of business conduct;
- Consider the interests of the Company's employees;
- Foster the Company's relationships with suppliers, customers and others; and
- Consider the impact of the Company's operations on the community and the environment.

The application of the s172 requirements can be demonstrated in relation to some of the key decisions made during 2022:

- Continuing evaluation of existing license areas and assessment of projects;
- Undertaking various technical studies as part of the operating licence process;
- Identifying and refining both new and previously defined drill targets;
- Further identification of drill targets across projects whether held within asociates, joint ventures or not;
- Completion of diamond and Reverse Circulation drill programmes at various projects;
- Commencement of resource estimation for the projects in accordance with JORC reporting standards; and
- Continued assessment of corporate overheads, expenditure levels and wider market conditions.

As a mining exploration and development group operating primarily in Europe, the Board takes seriously its ethical responsibilities to the communities and environment in which it works. We abide by the local and relevant UK laws on anti-corruption and bribery. Wherever possible, local communities are engaged in the geological operations and support functions required for field operations, providing much needed employment and wider economic benefits to the local communities. In addition, we follow international best practice on environmental aspects of our work. Our goal is to meet or exceed standards, in order to ensure we maintain our social licence to operate from the communities with which we interact. The interests and welfare of our employees are a primary consideration for the Board. Personal development opportunities are supported and a health and security support network are in place to assist with any issues that may arise on field expeditions or otherwise.

Corporate Governance

The Ariana Board of Directors aims to conform to statutory responsibilities and industry good practice in relation to corporate governance of Ariana and its subsidiaries. The Board has adopted the latest version of the QCA Corporate Governance Code (2018) ("QCA Code") and strives to follow the 10 principles outlined within it to the fullest extent possible taking into consideration the stage of development of the Company.

Details of how the Company addresses the key governance principles defined in the QCA code are set out below, and are found in more detail on the Company's website in accordance with AIM Rule 26.

1. Business model and strategy

The Board has developed and implemented a strategy and business model which it believes will achieve long term value for shareholders. This strategy and business model is clearly explained in the strategic report and on the Company's website. The Company believes that this strategy and business model is appropriate to protect the Company from unnecessary risk and secure its long-term future.

2. Understanding shareholder needs and expectations

The Board is committed to maintaining good communications with shareholders and seeks to understand and meet shareholder needs and expectations by engaging with them across a range of formal platforms. This includes regular interaction through investor presentations, Q&A forums, investor relations services, an investor portal available on the website, and social media sites as well as its Annual General Meeting. The Company provides phone numbers on all its updates and RNS announcements where shareholders can contact the appropriate senior Company representatives or advisors directly with their queries together with a dedicated email address for shareholder feedback.

3. Considering wider stakeholder and social responsibilities

The Board recognises that the long-term success of the Company is reliant upon the support of the employees of the Company and its partners, contractors, suppliers, regulators and other stakeholders. The Board has put in place a range of processes and systems to ensure that there is close oversight and contact with its key resources and relationships. For example, all employees of the Company participate in a structured Company-wide annual assessment process which is designed to ensure that there is an open and confidential dialogue with each person in the Company to help ensure successful two-way communication with agreement on goals, targets and aspirations of the employee and the Company. These feedback processes help to ensure that the Company can respond to new issues and opportunities that arise to further the success of employees and the Company.

The Company's principal areas of operation (project locations) are in Türkiye and the surrounding regions. The Company is committed to cultivating and maintaining good relations with all stakeholders and its strategy and business model are designed to minimise any potential negative impact of its activities and of those working on its behalf, on the communities where it operates and on the environment. The Company has established a positive working relationship with governments, non-government organisations and local communities with whom it holds regular meetings to apprise them of the Company's plans. The Company firmly believes that the mining and exploration development projects that form the basis of its business model will substantially benefit the countries and regions in which it operates. The Company provides open and clear communication channels and points of contact for all its stakeholders and has a robust communication system in place to ensure all concerns are quickly brought to the Board and senior management's attention.

4. Risk management

In addition to its other roles and responsibilities, the Audit Committee is responsible to the Board for ensuring that procedures are in place and are being implemented effectively to identify, evaluate and manage the risks faced by the Company. The Company recognises that it is exposed to risks which may negatively impact on its business operations. It takes all reasonable steps to identify, assess the impact of and mitigate these risks wherever possible. These risks are clearly identified on page 30-33 of the Strategic Report.

The following risk assessment matrix sets out those risks, and identifies their ownership and the controls that are in place. This matrix is updated as changes arise in the nature of risks or the controls that are implemented to mitigate them.

The Audit Committee reviews the risk matrix and the effectiveness of scenario testing on a regular basis. The following principal risks and controls to mitigate them, have been identified:

The Directors have established procedures, as represented by this statement, for the purpose of providing a system of internal control. An internal audit function is not considered necessary or practical

Activity	Risk	Impact	Control(s)
Operation	Injury to staff	Injury to staff whilst operating heavy machinery in remote locations	Creating a safe working environment through strict procedures and regular training
Regulatory adherence	Breach of rules	Censure or withdrawal of authorisation	Strong compliance regime instilled at all levels of the Company
Strategic	Market downturn	Change in macro-economic conditions	Ongoing monitoring of economic events and markets
	Failure to deliver commercially	Inability to operate efficiently and economically	Active operational monitoring and experienced management
Financial	Misappropriation of funds	Fraudulent activity and loss of funds	Robust financial controls and segregation of duties
	IT security	Loss of critical financial data	Regular back up of data online and locally

due to the size of the Company and the close day to day control exercised by the Executive Director. However, the Board will continue to monitor the need for an internal audit function. The Board works closely with and has regular ongoing dialogue with the outsourced finance function and has established appropriate reporting and control mechanisms to ensure the effectiveness of its control systems.

5. A well-functioning Board of Directors

The Board comprises a Chairman, Michael de Villiers, a Managing Director, Dr Kerim Sener and two non-executive directors, William Payne and Chris Sangster. Chris Sangster is considered by the Board to be an independent director, having been appointed in 2016 and since having acted in a primarily technical capacity.

In accordance with the Articles of Association of the Company, one third of the Board is required to retire each year at the Company's AGM but directors resigning can put their name forward for re-election.

The executive director dedicates 100% of his contractually required time to the Group. The non-executive directors dedicate as much time as is required for them to fully carry out their duties for the Group, including overseeing corporate governance arrangements and serving on board committees with the ultimate responsibility for the quality of, and approach to, corporate governance lying with the Chairman. Michael de Villiers also serves as the Company Secretary and William Payne acts as the Chief Financial Officer. It is recognised that an additional independent non-executive director will benefit the Company and it will appoint such an independent director at the appropriate time so as to comply with the Code. It is also recognised that whilst the finance function is currently carried out by a Non-Executive Director and his supporting team in the UK, given not only William Payne's accountancy experience but also that of Michael de Villiers, it is effective and well suited to the Company.

The Board is responsible for formulating, reviewing and approving the Group's strategy, budgets, major items of capital expenditure and acquisitions. An agenda and all supporting documentation is circulated to the directors before each Board meeting. Open and timely access to all information is provided to directors to enable them to bring independent judgement on issues affecting the Group and facilitate them in discharging their duties. The Board met regularly during the last financial year to 31 December 2022. Generally, no individual director is absent for more than one board meeting during any given year. The Board has three sub-committees: the Audit Committee, Remuneration Committee and Sustainability Committee. Governance and Nominations are dealt with by the entire Board. The Company shall report annually on the number of Board and committee meetings held during the year and the attendance record of individual Directors.

In order to be efficient, the Directors meet formally and informally both in person and by telephone.

Corporate Governance *continued*

5. A well-functioning Board of Directors *continued*

Details of the Directors' attendance at formal quarterly board meetings are set out below:

	Meetings Attended	Meetings eligible to attend
Kerim Sener	4	4
Michael de Villiers	4	4
William Payne	4	4
Chris Sangster	4	4

The Board is accountable to the shareholders for delivery of sustained value growth. In order to support its duties and responsibilities the Board implements control procedures that assess and manage risk and ensure robust financial and operational management within the Group.

The Board sets the Group's strategy and monitors its implementation through operational and financial performance reviews. It also works to ensure that adequate resources are available to implement strategy and exploit opportunities in an appropriate manner.

6. Appropriate skills and experience of the Directors

The Board members have a diverse range of skills and experience spanning technical, financial and operational areas relevant to the development and management of the Company. Summary biographies of each Board member are shown on pages 24-25.

Directors keep their skill sets up to date by attendance at, and participation in, various events organised by their respective industry sectors and by participation in continuing professional development courses. As the Company evolves, the Board will be reviewed and expanded if necessary to ensure appropriate expertise is always in place to support its business activities. The Board recognises that it currently has limited diversity and this will form a part of any future recruitment consideration if the Board concludes that replacement or additional directors are required.

Where necessary the Board has engaged external professional consultants on an ongoing basis to ensure the Company is meeting its strategies. The key advisers to the Company are set out on page 1.

The Board engages external geologists, environmental specialists and a number of other specialised consultants to produce the required surveys and reports for the Environmental Impact Assessment, Social Impact Assessment and Pre-Feasibility Study.

The Board have ensured that all external advisers are knowledgeable and provide the required skillset.

7. Evaluation of board performance

The performance of the executive management of the Company is evaluated on an on-going basis by the Remuneration Committee ("Remcom") which is composed of William Payne and Chris Sangster. The results of these evaluations are reflected in changes in the executive remuneration levels recommended by the Remcom from time to time and in awards under the Company's Share Option and Management Incentive Schemes where it considers such awards are warranted. As the Company grows, the Board will develop more comprehensive human resource policies to provide both internal and external performance evaluations of its Board, senior management and staff including the provision for upskilling where necessary and to provide for Board member succession planning. The Board considers that the corporate governance policies it has currently in place for Board performance reviews is commensurate with the size and development stage of the Company and well within the norms of the peer group and industry.

8. Corporate culture

The Company operates across several countries including the UK, Türkiye, Holland, Kosovo, Cyprus and Australia.

In line with its international reach, the Company recognises and embraces the cultural diversity both internally and among its business partners, service providers and other stakeholders. The Board recognises that its decisions regarding strategy and risk will impact the corporate culture of the Company as a whole and that this will impact the performance of the Company and the Group. The Board is very aware that the tone and culture set by the Board will impact all aspects of the Group as a whole and provide an example to employees, and therefore influence the way that employees behave. The corporate governance arrangements that the Board has adopted are designed to ensure that the Company delivers long-term value to its shareholders and that shareholders have the opportunity to express their views and expectations for the Company in a manner that encourages open dialogue with the Board. A large part of the Company's activities is centred upon what needs to be an open and respectful dialogue with employees, partners and other stakeholders. Therefore, the importance of sound ethical values and behaviours is crucial to the ability of the Company to achieve its corporate objectives successfully. The Board places great importance on this aspect of corporate life and seeks to ensure that this flows through all that the Company does. The directors consider that at present the Company has an open culture facilitating comprehensive dialogue and feedback and enabling positive and constructive challenge.

The Company has adopted, with effect from the date on which its shares were admitted to AIM, a code for directors' and employees' dealings in securities which is appropriate for a company whose securities are traded on AIM and is in accordance with the requirements of the Market Abuse Regulation which came into effect in 2016.

9. Maintenance of governance structures and processes

Ultimate authority for all aspects of the Company's activities rests with the Board, the respective responsibilities of the Chairman and Managing Director arising as a consequence of delegation by the Board. The Board has adopted appropriate delegations of authority which set out matters which are reserved to the Board. The Chairman is responsible for the effectiveness of the Board, while management of the Company's business and primary contact with shareholders has been delegated by the Board to the Managing Director.

Audit Committee

Michael de Villiers and William Payne

This committee has primary responsibility for monitoring the quality of internal controls and ensuring that the financial performance of the Company is properly measured and reported. It receives reports from the executive management and auditors relating to the interim and annual accounts and the accounting and internal control systems in use throughout the Company. The Audit Committee shall meet not less than twice in each financial year and it has unrestricted access to the Company's auditors.

Remuneration Committee

William Payne and Chris Sangster

The Remuneration Committee reviews the performance of the executive directors and employees and makes recommendations to the Board on matters relating to their remuneration and terms of employment. The Remuneration Committee also considers and approves the granting of share options pursuant to the share option plan and the award of shares in lieu of bonuses pursuant to the Company's Remuneration Policy. The Remuneration Committee reviews overall remuneration against industry peer group companies on a regular basis and takes professional advice as and when it is deemed necessary.

Sustainability Committee

Chris Sangster and Michael de Villiers

The Sustainability Committee is formed of the two directors who have prior operational and industry experience and may include other management who are responsible for developing and implementing policy and procedures.

The Company is committed to providing all employees a safe place to work in accordance with our HSE goals. This will be accomplished by providing safe equipment to operate, proper training and safe methods and procedures. The Company will at a minimum, comply with all applicable industry norms for rules and regulations. The Company takes the approach that no job is so important that it cannot be accomplished without injury. The Sustainability Committee also deals with the CSR policy outlined below.

Nominations Committee

The Board has agreed that appointments to the Board will be made by the Board as a whole and so has not created a Nominations Committee.

Directors Fiduciary Duties

In accordance with the Companies Act 2006, the Board complies with: a duty to act within their powers;

- a duty to promote the success of the Company;
- a duty to exercise independent judgement; a duty to exercise reasonable care, skill and diligence;
- a duty to avoid conflicts of interest;
- a duty not to accept benefits from third-parties and a duty to declare any interest in a proposed transaction or arrangement.

10. Shareholder communications

The Board is committed to good and regular communications with the market and constructive dialogue with shareholders. For regulatory purposes, this is strictly managed by our public relations advisors. Similarly, institutional shareholders and analysts have the opportunity to discuss issues and provide feedback to the Company. All shareholders are encouraged to attend the Company's Annual General Meeting.

Investors have access to current information on the Company though our website, www.arianaresources.com, and via other designated investor platforms. Management is available to answer investor enquiries through formal Q&A sessions arranged periodically through the year. The Company proposed in 2018 to make greater use of on-line meetings.

Corporate Responsibility

Ariana has always been committed to socially responsible and environmentally conscious exploration and mining. Since the commencement of work at our primary operational sites, Ariana has worked to build strong links with local communities and to establish relationships of trust with all stakeholders. Whilst work on establishing vital stakeholder links often occurs in the background, its importance cannot be under-estimated. Without these concerted efforts and commitment to integrity, we could not have achieved the sound relationships with government organisations, local communities and JV partners, which have underpinned Ariana's success. In addition, the Company has in place an Anti-Corruption and Anti-Bribery Policy.

Shareholders

The Board of Directors encourages communications with shareholders via formal Q&A sessions and seeks to protect shareholders' interests at all times. More information can be found in the Corporate Governance section.

Employees

Ariana has always attached great importance to employees' professional development and the creation of employment in the localities where we operate. The Company provides fair remuneration, flexible working arrangements where practical and exposure to wider aspects of the Company's operations. The Company gives full and fair consideration to applications for employment received irrespective of age, gender, colour, ethnicity, disability, nationality, religious beliefs or sexual orientation. More information on Ariana's Employee policy can be found on its corporate website.

Governmental organisations

Ariana has many years' experience across south-eastern Europe and has an in-depth understanding of business within this broad region. The Company focuses on building good relationships with government organisations and local authorities. The Group has developed a track record of being diligent in following government guidelines in all aspects of its business. Ariana works with partners local to each project, such as Ozaltin Holding A.S. and Proccea Construction Co. in Türkiye and Western Tethyan Resources in Kosovo, ensuring that financial benefits also accrue to the countries in which the Group is active.

Local Communities

Ariana has a strong track record of commitment to working with local suppliers and employing local people and its understanding of local social and business cultures enables the Group to develop strong connections with local businesses and communities encouraging collaborative working and aiming to ensure Ariana's values are reflected in its joint ventures and other partnerships.

Ariana has run many training programmes for the Group's employees focusing on the mechanical, physical, technical and safety aspects of its exploration programmes. Working with the local community to promote educational standards is also a priority for Ariana and the Company actively supports both primary, secondary and tertiary educational programmes in the regions that we operate.

Suppliers & Contractors

The Company has a prompt payment policy and seeks to ensure that all liabilities are settled within the supplier's terms. Through fair dealings the Company aims to cultivate the goodwill of its contractors, consultants and suppliers.

Human Rights

Ariana is committed to best-practice in socially and ethically responsible exploration and mining for the benefit of all stakeholders. The activities of the Group are in line with applicable laws on human rights.

Health and Safety

Company activities are carried out in accordance with its Health and Safety Policy, which adheres to all applicable laws. Relevant to their job roles, members of the team have received certification in occupational health and safety, advanced off-road driving, first-aid and survival.

Environmental

From incorporation, Ariana has been committed to a sustainable and environmentally responsible approach to exploration and mining. Using cutting edge technologies and innovative working practices, the Company aims to achieve its environmental goals faster and more efficiently.

The Company has implemented operating guidelines to ensure that specific environmental standards are met by the Group's exploration and mining teams. The Group's operations comply with local environmental standards and it operates under the relevant certification from government departments.

The Company has adopted agile new technologies and working practices to help us reduce its carbon

footprint, for example the early adoption of portable XRF technology greatly reducing its carbon footprint, as samples can be analysed locally, avoiding excessive transportation . In addition the deployment of Geotek BoxScan technology for drill cores also ensures the Group can analyse cores locally. For many years, the Group has used remote working team technologies and video-conferencing to minimise air and road travel.

Measuring our environmental impact is an essential component of Ariana's approach. Ariana's carbon emissions are estimated to be 0.32 tonnes CO_2 per ounce of gold. The global average for the industry is 0.80 tonnes CO_2 per ounce of gold. The Company is proud that its carbon footprint is being offset by a reforestation programme of some 8,000 trees and 17,500 other plants around the Kiziltepe mine site. Rehabilitation work has begun on parts of the waste rock dump, covering it with topsoil and planting sainfoin, a drought resistant plant, highly beneficial to bees and other pollinators. The topsoil storage area has also been covered in sainfoin to preserve soil quality, as it is a nitrogen fixing plant.

The Group also keep bees at the Kiziltepe mine site, as they are a bellwether for the health of ecosystems. Honey from the hives is distributed free to local villages. Chickens and doves are also bred on the site. The local university prepares a flora and fauna report which Ariana uses to ensure mining activity is not adversely impacting the local ecosystem.

The joint venture also sponsors firefighting equipment. Firefighting is a very important local issue, as much of the upland area in the vicinity of the mine is covered in protected pine forests, and therefore a fire risk.

Some environmental activities carried out within the scope of the Kiziltepe Project since April 2022 are listed below.

- As part of ongoing EIA Commitments, measurement and analysis of water, air, and soil quality as well as noise-vibration were within legislative limits.
- As part of the rehabilitation of the waste storage area 23,350 saplings were planted in an area of approximately 14 hectares under the control of the Regional Directorate of Forestry.
- Beekeeping activities continued and 5,000 lavender plantings were made at the mine site.
- A total of 1,375 saplings of various types were planted in various locations of our mine site (excluding the waste storage area) in accordance with the climatic conditions of the region.
- As of April 2022, a total of 8 environmental audits were successfully completed by the Ministry of Environment, Urbanisation and Climate Change.
- ISO 14001-Environmental Management System studies have been initiated in order to develop and document the environmental management implemented at the mine.
- Studies have been initiated for the ICMI-Cyanide Management Code, which is valid on national and international platforms.
- Environmental training aimed at increasing the environmental awareness of our employees continued through the year.

Report of the Directors

For the year ended 31 December 2022

The Directors present their report with the audited financial statements of the Company and the Group for the year ended 31 December 2022.

Principal activity

Ariana Resources PLC (the "Company") is a public limited company incorporated in England and Wales and domiciled in Great Britain. The address of its registered office and principal place of business is disclosed at the end of this report. The Company's shares are quoted on the AIM market of the London Stock Exchange plc. The principal activities of the Company and its subsidiaries (the "Group") are related to the exploration for and development of gold and other mineral resources, with a focus on south-eastern Europe.

Directors

The Directors during the year under review were:

M J de Villiers

A K Sener

W J B Payne

C J S Sangster

The beneficial interests of the Directors holding office either directly or indirectly (including interests held by spouses, children or associated parties) on 31 December 2022 in the ordinary issued share capital and options of the Company were as follows:

	2022 Ordinary Shares	2022 Share Options	2021 Ordinary Shares	2021 Share Options
M J de Villiers	64,750,000	Nil	63,000,000	3,000,000
A K Sener	21,523,526	Nil	21,113,526	Nil
W J B Payne	11,359,314	Nil	11,359,314	2,000,000
C J S Sangster	7,927,287	Nil	5,927,287	2,000,000
Total	**105,560,127**	**Nil**	**101,400,127**	**7,000,000**

Further details on share options can be found in note 19 to the financial statements.

Share capital

Section 561 of the Companies Act 2006 (the "Act") provides that subject to limited exceptions any shares being issued must be offered to all existing shareholders pro-rata to their holding. However, where Directors have a general authority to allot shares they may be given the power by the Articles or by a special resolution to allot shares pursuant to the authority as if the statutory pre-emption rights did not exist.

An ordinary resolution will be proposed at the forthcoming Annual General Meeting for the renewal of the Directors' general authority, pursuant to section 551 of the Act, to issue equity securities up to an aggregate nominal amount of £500,000.

A special resolution will also be proposed at the forthcoming Annual General Meeting for the renewal of the Directors' authority to allot equity securities for cash without first offering them to the shareholders pro-rata to their holdings, pursuant to section 570 of the Act up to an aggregate nominal amount of £250,000.

The authorities mentioned above will, if passed, expire at the conclusion of the Annual General Meeting or the date being 15 months from the passing of the resolutions, whichever is the earlier.

Substantial share interests

The Company had been notified of the following interests in the Company's shares held on 17 May 2023.

Shareholder	Ordinary Shares	% of Issued Share Capital
Hargreaves Lansdown Nominees Limited	227,746,322	20.14%
Interactive Investor Services Nominees Limited	155,923,093	13.62%
Barclays Direct Investing Nominees Limited	143,813,790	12.51%
Directors and Related Parties	111,906,735	9.76%
Mr Stephen Bingham	57,143,000	4.98%
Newmont Mining Corporation	46,185,387	4.03%
Vidacos Nominees Limited	38,346,014	3.35%
Transact Nominees Limited	37,575,234	3.28%
Lawshare Nominees Limited	37,217,602	3.25%

Strategic Report

The Company has chosen, in accordance with Section 414C of the Act, to set out the following information in the Strategic Report which would otherwise be required to be contained in the Directors' Report:

- Financial risk management objectives;
- Indication of exposure to principal risks;
- Corporate Governance including committee objectives and memberships;
- Future developments of the business.

Dividends

Following the Company's special dividend announcement of 20 July 2021, the Company has declared and paid dividends of 0.35 pence per ordinary share on 24 September 2021, 0.175 pence per ordinary share on 25 March 2022, and a final special dividend of 0.175 pence per share on 3 October 2022.

Group's policy on payment of creditors

It is the Group's normal practice to settle the terms of payment when agreeing a transaction, to ensure suppliers are aware of those terms and to abide by them. Trade creditor days based on creditors at 31 December 2022 were 30 days (2021: 30 days).

Political and charitable contributions

During the year, the Group made a charitable donation of £3,000 to the University of Exeter towards the Richard Osman Memorial Fund.

No contributions were made for political purposes.

Going concern

The Directors confirm that they are satisfied the Group has adequate resources to continue in business for the foreseeable future, having regard to the factors set out in more detail in Note 1 to the financial statements.

Post year end events

Further details on post balance sheet events can be found in note 24 to the financial statements.

Report of the Directors

For the year ended 31 December 2022

Statement of Directors' responsibilities in respect of the Annual Report and the financial statements

The Act requires the Directors to prepare group and parent company financial statements for each financial year. Under the Act the Company has elected to prepare both the Group and the parent company financial statements in accordance with UK-adopted International Accounting Standards.

Under the Act the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and the Group and of their profit or loss for that period. In preparing each of the Company and Group financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable, relevant and reliable;
- state whether applicable UK-adopted International Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the Company and Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Company or Group or to cease operations or have no realistic alternative but to do so.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's and the Group's transactions and disclose with reasonable accuracy at any time the financial position of the Company and the Group and enable them to ensure that its financial statements comply with the the Act. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

The Company is compliant with AIM Rule 26 regarding the Company's website.

Under applicable law and regulations, the Directors are responsible for preparing a Strategic Report and a Directors' Report that complies with the law and those regulations.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Disclosure of information to auditor

The Directors who held office at the date of approval of this Directors' Report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware; and each Director has taken all the steps that he ought to have taken as a Director to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Corporate governance

The Board of Directors

The Directors are responsible for the Group's system of internal control and for reviewing its effectiveness. The risk management process and systems of internal control are designed to manage rather than eliminate the risk of failure to achieve the Group's objectives. Any such system of internal control can only provide reasonable but not absolute assurance against material misstatement or loss.

Full meetings are held quarterly to review Group strategy, direction and financial performance. The Directors meet regularly to review operational reports from all of the Group's areas of operations. The process is used to identify major business risks, evaluate their financial implications, and ensure an appropriate control environment.

Certain control over expenditure is delegated to on site project managers subject to Board control by means of monthly budgetary reports.

Internal financial control procedures include:

- preparation and regular review of operating budgets and forecasts;
- prior approval of all capital expenditure;
- review and debate of treasury policy; and
- unrestricted access of Non-Executive Directors to all members of senior management.

Audit Committee

The Audit Committee comprises Michael de Villiers and William Payne. The Audit Committee may examine any matters relating to the financial affairs of the Group and the Group's audits.

This includes reviews of the annual financial statements and announcements, internal control procedures, accounting procedures, accounting policies, the appointment, independence, objectivity, terms of reference and fees of external auditors and such other related functions as the Board may require.

Remuneration Committee

The Remuneration Committee comprises William Payne and Chris Sangster. It determines the terms and conditions of the employment and annual remuneration of the Executive Director and other senior executives. It consults with the Executive Director, takes into consideration external data and comparative third-party remuneration and has access to professional advice outside the Company.

The key policy objectives of the Remuneration Committee in respect of the Company's Executive Director and other senior executives are:

- to ensure that individuals are fairly rewarded for their personal contribution to the Company's overall performance; and
- to act as the independent committee ensuring that due regard is given to the interest of the Company's shareholders and to the financial and commercial health of the Company.

Remuneration of the Executive Director and other senior executives comprises basic salary, discretionary bonuses, participation in the Company's share option scheme and other benefits. The Company's remuneration policy with regard to options is to maintain an amount of not more than 10% of the issued share capital in options for the Company's management and employees, from time to time.

Total Directors' emoluments are disclosed in note 3 to the financial statements and the Directors' options are disclosed above.

Auditor

In accordance with Section 489 of the Act, a resolution for the re-appointment PKF Littlejohn LLP as auditor of the Company is to be proposed at the forthcoming Annual General Meeting as an ordinary resolution at Resolution 5. PKF Littlejohn LLP have expressed their willingness to continue in office as auditor.

By order of the Board.

Michael de Villiers
Company Secretary
5 June 2023

Independent Auditor's Report

To the members of Ariana Resources PLC

Opinion

We have audited the financial statements of Ariana Resources Plc (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2022 which comprise the Consolidated Statement of Comprehensive Income, the Consolidated and Parent Company Statements of Financial Position, the Consolidated and Parent Company Statements of Changes in Equity, the Consolidated and Parent Company Statements of Cash Flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and UK-adopted international accounting standards and as regards the parent company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

In our opinion:

- the financial statements give a true and fair view of the state of the group's and of the parent company's affairs as at 31 December 2022 and of the group's profit for the year then ended;
- the group financial statements have been properly prepared in accordance with UK-adopted international accounting standards;
- the parent company financial statements have been properly prepared in accordance with UK-adopted international accounting standards and as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the directors' assessment of the group's and parent company's ability to continue to adopt the going concern basis of accounting included a review of the forecast financial information prepared by management, a review of management's assessment of going concern, and identification of post year end information impacting going concern.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's or parent company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Our application of materiality

We apply the concept of materiality both in planning and performing our audit, and in evaluating the effect of misstatements. The scope of our audit was influenced by our application of materiality. The quantitative and qualitative threshold for materiality determine the scope of our audit and the nature, timing and extent of our audit procedures. In order to reduce to an appropriately low level the probability that any misstatements exceed materiality, we use a lower materiality level, performance materiality, to determine the extent of testing needed. Misstatements below these levels will not necessarily be evaluated as immaterial as we also take account of the nature of identified misstatements, and the particular circumstances of their occurrence, when evaluating their effect on the financial statements as a whole.

Materiality	Basis for materiality
Group £541,000 (2021: £577,000)	2% of net assets
Company £73,000 (2021: £90,000)	1% of gross assets

We consider net assets to be the most significant determinant of the group's financial position and performance used by shareholders, with the key financial statement balances being the equity accounted associates. The basis for calculating materiality was unchanged from the prior year. The performance materiality for the group was £351,650 (2021: £375,050).

The materiality applied to the parent company financial statements was based on a threshold of 1% of gross assets. The performance materiality for the parent company was £47,450 (2021: £58,500).

Performance materiality was set at 65%, based on our assessment of the relevant risk factors, the level of estimation inherent within the entities and our substantive testing approach. Component materiality for the subsidiary undertakings ranged between £11,000 and £351,650 (2021: £152,000 and £375,050). We applied the concept of materiality both in planning and performing our audit, and in evaluating the effect of misstatements.

We agreed with the audit committee that we would report all corrected and uncorrected misstatements identified during the course of our audit in excess of £27,050 (2021: £28,850) for the group and £3,650 (2021: £4,500) for the parent company, in addition to other identified misstatements that warranted reporting on qualitative grounds.

Our approach to the audit

In designing our audit, we determined materiality and assessed the risk of material misstatement in the financial statements. In particular, we looked at areas requiring the directors to make subjective judgements, for example in respect of assessing the recoverability of exploration, evaluation and development expenditure and the carrying value and recoverability of investments in subsidiaries at parent company level, and the consideration of future events that are inherently uncertain. We also addressed the risk of management override of internal controls, including evaluating whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud.

An audit was performed on the financial information of the group's significant operating components which, for the year ended 31 December 2022, were located in Turkey and the United Kingdom. The accounting records of the parent company and all subsidiary undertakings are centrally located and audited by us based upon materiality or risk. The key audit matters and how these were addressed are outlined below.

The Turkish registered equity accounted associate company was audited by a component auditor under our instruction. The group audit team instructed the component auditor on the significant risk areas to be covered and determined component materiality. There was regular interaction with the component auditor during all stages of the audit.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) we identified, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Independent Auditor's Report

To the members of Ariana Resources PLC

Key Audit Matter	How the scope of our audit addressed the key audit matter
Equity accounted associate entity Zenit Madencilik San ve Tic Ltd ("Zenit") (refer note 6) The investment in joint venture has a carrying value at 31 December 2022 of £9,330,000 (2021: £4,864,000). The group's share of profit during the year ended 31 December 2022 amounted to £6,010,000 (2021: £4,260,000). The accuracy of equity accounting for the joint venture is directly reliant on the accuracy of the financial statements of Zenit which contain a number of key risk areas.	Our work in this area included but was not restricted to: • We instructed and monitored the component auditor and reviewed the component auditor working papers. Revenue recognition, recoverability of mining assets, inventory valuation and compliance with laws and regulations were among the areas designated as either significant or identified risks; • We checked and agreed the GAAP transition adjustments between the local jurisdiction financial statements and the group accounting framework; • We reviewed the restructuring agreements and ensured the accounting treatment was in accordance with the key terms within those agreements; and • We checked the associate had been correctly equity accounted for, including the adequacy of disclosures, in the financial statements.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the group and parent company financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the group and parent company financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the group and parent company financial statements, the directors are responsible for assessing the group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

Independent Auditor's Report

To the members of Ariana Resources PLC

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We obtained an understanding of the group and parent company and the sector in which they operate to identify laws and regulations that could reasonably be expected to have a direct effect on the financial statements, including the equity accounted joint venture. We obtained our understanding in this regard through discussions with management and application of our cumulative audit knowledge and experience of the industry. We ensured that the audit team collectively had the appropriate experience with auditing entities within this industry, facing similar audit and business risks, and of a similar size.
- We determined the principal laws and regulations relevant to the group and parent company in this regard to be those arising from:
    - AIM Rules;
    - IFRSs; and
    - Local tax laws and regulations.
- We designed our audit procedures to ensure the audit team considered whether there were any indications of non-compliance by the group and parent company with those laws and regulations. These procedures included, but were not limited to:
    - Making enquiries of management;
    - A review of Board minutes;
    - A review of legal ledger accounts; and
    - A review of regulated news service announcements.
- We addressed the risk of fraud arising from management override of controls by performing audit procedures which included, but were not limited to: the testing of journals, reviewing accounting estimates for evidence of bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone, other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

David Thompson (Senior Statutory Auditor)
for and on behalf of PKF Littlejohn LLP
Statutory Auditor

15 Westferry Circus
Canary Wharf
London
E14 4HD
5 June 2023

Consolidated Statement of Comprehensive Income

For the year ended 31 December 2022

Continuing operations	Note	2022 £'000	2021 £'000
Administrative costs	4a	(555)	(2,917)
General exploration expenditure		(181)	(67)
Operating loss	4b	**(736)**	**(2,984)**
Profit on restructuring of group activities	5	-	6,423
Share of profit of associate accounted for using the equity method	6c	6,010	4,260
Share of loss of associate accounted for using the equity method	6b	(551)	(213)
Other income		159	-
Investment income		135	202
Profit before tax		**5,017**	**7,688**
Taxation	8	(987)	(3,832)
Profit for the year from continuing operations		**4,030**	**3,856**
Earnings per share (pence) attributable to equity holders of the company			
Basic and diluted	10	0.36	0.36
Other comprehensive income			
Items that are or may be reclassified subsequently to profit or loss:			
Exchange differences on translating foreign operations		(3,504)	(2,948)
Other comprehensive loss for the year net of income tax		**(3,504)**	**(2,948)**
Total comprehensive profit for the year		**526**	**908**

The accompanying notes form part of these financial statements.

Consolidated Statement of Financial Position

For the year ended 31 December 2022

	Note	2022 £'000	2021 £'000
Assets			
Non-current assets			
Trade and other receivables	16	414	815
Financial assets at fair value through profit or loss	13	639	461
Intangible assets	11	130	149
Land, property, plant and equipment	12	461	238
Investment in associates accounted for using the equity method	6	15,317	11,402
Exploration expenditure	14a	199	-
Earn-In advances	14b	87	-
Total non-current assets		17,247	13,065
Current assets			
Trade and other receivables	17	1,280	1,136
Cash and cash equivalents		9,375	16,389
Total current assets		10,655	17,525
Total assets		**27,902**	**30,590**
Equity			
Called up share capital	19	1,147	1,097
Share premium	19	2,207	305
Capital reduction reserve	19	-	7,222
Other reserves		720	720
Share based payments	19	-	173
Translation reserve		(11,682)	(8,178)
Retained earnings		34,666	27,160
Total equity attributable to equity holders of the parent		27,058	28,499
Non-controlling interest		30	30
Total equity		**27,088**	**28,529**
Liabilities			
Current liabilities			
Trade and other payables	18	814	2,061
Total current liabilities		814	2,061
Total equity and liabilities		**27,902**	**30,590**

The financial statements were approved by the Board of Directors and authorised for issue on 5 June 2023.
They were signed on its behalf by:

M J de Villiers
Chairman

A.K.Sener
Managing Director

Registered number: 05403426
The accompanying notes form part of these financial statements.

Company Statement of Financial Position

For the year ended 31 December 2022

	Note	2022 £'000	2021 £'000
Assets			
Non-current assets			
Trade and other receivables	16	3,850	5,942
Investments in group undertakings	15	377	377
Investment in associate accounted for using the equity method	6	2,612	2,612
Total non-current assets		6,839	8,931
Current assets			
Trade and other receivables	17	540	132
Cash and cash equivalents		-	-
Total current assets		540	132
Total assets		**7,379**	**9,063**
Equity			
Called up share capital	19	1,147	1,097
Share premium	19	2,207	305
Capital reduction reserve	19	-	7,222
Share based payments reserve	19	-	173
Retained earnings		3,886	34
Total equity		**7,240**	**8,831**
Liabilities			
Current liabilities			
Trade and other payables	18	139	232
Total current liabilities		139	232
Total equity and liabilities		**7,379**	**9,063**

The financial statements were approved by the Board of Directors and authorised for issue on 5 June 2023.
They were signed on its behalf by:

M J de Villiers
Chairman

A.K.Sener
Managing Director

Registered number: 05403426.
The accompanying notes form part of these financial statements.

Consolidated Statement of Changes in Equity

For the year ended 31 December 2022

	Share capital £'000	Share premium £'000	Other reserves £'000	Share based payments reserve £'000	Capital reduction reserve £'000	Translation reserve £'000	Retained earnings £'000	Total attributable to equity holders of parent £'000	Non-controlling interest £'000	Total £'000
Changes in equity to 31 December 2021										
Balance at 1 January 2021	6,070	12,053	720	307	-	(9,617)	17,164	26,697	-	26,697
Profit for the year	-	-	-	-	-	-	3,856	3,856	-	3,856
Other comprehensive income	-	-	-	-	-	(2,948)	-	(2,948)	-	(2,948)
Total comprehensive income	**-**	**-**	**-**	**-**	**-**	**(2,948)**	**3,856**	**908**	**-**	**908**
Issue of ordinary shares	22	305	-	-	-	-	-	327	-	327
Court order – reduction in capital	(4,995)	(12,053)	-	-	7,222	-	9,826	-	-	-
Dividend paid to shareholders	-	-	-	-	-	-	(3,820)	(3,820)	-	(3,820)
Recycle of translation losses	-	-	-	-	-	4,387	-	4,387	-	4,387
Transactions between shareholders	-	-	-	-	-	-	-	-	30	30
Transfer between reserves	-	-	-	(134)	-	-	134	-	-	-
Transactions with owners	**(4,973)**	**(11,748)**	**-**	**(134)**	**7,222**	**4,387**	**6,140**	**894**	**30**	**924**
Balance at 31 December 2021	**1,097**	**305**	**720**	**173**	**7,222**	**(8,178)**	**27,160**	**28,499**	**30**	**28,529**
Changes in equity to 31 December 2022										
Profit for the year	-	-	-	-	-	-	4,030	4,030	-	4,030
Other comprehensive income	-	-	-	-	-	(3,504)	-	(3,504)	-	(3,504)
Total comprehensive income	**-**	**-**	**-**	**-**	**-**	**(3,504)**	**4,030**	**526**	**-**	**526**
Issue of ordinary shares	50	1,902	-	-	-	-	-	1,952	-	1,952
Dividend paid to shareholders	-	-	-	-	-	-	(3,919)	(3,919)	-	(3,919)
Transfer between reserves	-	-	-	(173)	(7,222)	-	7,395	-	-	-
Transactions with owners	**50**	**1,902**	**-**	**(173)**	**(7,222)**	**-**	**3,476**	**(1,967)**	**-**	**(1,967)**
Balance at 31 December 2022	**1,147**	**2,207**	**720**	**-**	**-**	**(11,682)**	**34,666**	**27,058**	**30**	**27,088**

Registered number: 05403426
The accompanying notes form part of these financial statements.

Company Statement of Changes in Equity

For the year ended 31 December 2022

	Share capital £'000	Share premium £'000	Capital Reduction reserve £'000	Share based payments reserve £'000	Retained earnings £'000	Total £'000
Changes in equity to 31 December 2021						
Balance at 1 January 2021	**6,070**	**12,053**	**-**	**307**	**(9,826)**	**8,604**
Profit for the year	-	-	-	-	3,720	3,720
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income	**-**	**-**	**-**	**-**	**3.720**	**3,720**
Issue of ordinary shares	22	305	-	-	-	327
Court order – reduction in capital	(4,995)	(12,053)	7,222	-	9,826	-
Dividend paid to shareholders	-	-	-	-	(3,820)	(3,820)
Transfer between reserves	-	-	-	(134)	134	-
Transactions with owners	**(4,973)**	**(11,748)**	**7,222**	**(134)**	**6,140**	**(3,493)**
Balance at 31 December 2021	**1,097**	**305**	**7,222**	**173**	**34**	**8,831**
Changes in equity to 31 December 2022						
Profit for the year	-	-	-	-	376	376
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income	**-**	**-**	**-**	**-**	**376**	**376**
Issue of ordinary shares	50	1,902	-	-	-	1,952
Dividend paid to shareholders	-	-	-	-	(3,919)	(3,919)
Transfer between reserves	-	-	(7,222)	(173)	7,395	-
Transactions with owners	**50**	**1,902**	**(7,222)**	**(173)**	**3,476**	**(1,967)**
Balance at 31 December 2022	**1,147**	**2,207**	**-**	**-**	**3,886**	**7,240**

The accompanying notes form part of these financial statements.

Company statement of cash flows

For the year ended 31 December 2022

All bank transactions are undertaken by Ariana Exploration & Development Limited on behalf of Ariana Resources PLC and recharged accordingly.

As such the Company had no cash transactions directly, as was the case in 2021.

The accompanying notes form part of these financial statements.

Consolidated Statement of Cash Flows

For the year ended 31 December 2022

	2022 £'000	2021 £'000
Cash flows from operating activities		
Profit for the year	4,030	3,856
Adjustments for:		
Profit on restructuring of group activities	-	(6,423)
Depreciation of non-current assets	93	44
Share of profit in equity accounted associate	(6,010)	(4,260)
Share of loss in equity accounted associate	551	213
Investment income	(135)	(202)
Income tax expense	987	3,832
	(484)	(2,940)
Movement in working capital		
(Increase)/decrease in trade and other receivables	(361)	62
(Decrease)/increase in trade and other payables	46	(271)
Cash (outflow)/inflow from operating activities	(799)	(3,149)
Taxation paid	(1,882)	(2,923)
Net cash (used in)/generated from operating activities	**(2,681)**	**(6,072)**
Cash flows from investing activities		
Earn-In Advances	(87)	(1,406)
Purchase of land, property, plant and equipment	(333)	(241)
Payments for intangible and exploration assets	(199)	-
Proceeds from restructuring of group activities	-	28,951
Purchase of associate investment	-	(4,139)
Purchase of financial assets at fair value through profit or loss	(155)	(461)
Loan granted to associate	(500)	-
Dividends from associate	-	705
Investment income	135	202
Net cash generated from/(used in) investing activities	**(1,139)**	**23,611**
Cash flows from financing activities		
Issue of share capital	1,952	326
Proceeds from non-controlling interest	-	30
Payment of shareholder dividend (excluding uncashed)	(4,022)	(3,689)
Net cash (used in)/generated from financing activities	**(2,070)**	**(3,333)**
Net (decrease)/increase in cash and cash equivalents	**(5,890)**	**14,206**
Cash and cash equivalents at beginning of year	16,389	2,978
Exchange adjustment on cash and cash equivalents	(1,124)	(795)
Cash and cash equivalents at end of year	**9,375**	**16,389**

The accompanying notes form part of these financial statements.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2022

1. General Information

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

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

The consolidated financial statements are presented in Pounds Sterling (£), which is the parent company's functional and presentation currency, and all values are rounded to the nearest thousand except where otherwise indicated. The financial information has been prepared on the historical cost basis modified to include revaluation to fair value of certain financial instruments and the recognition of net assets acquired including contingent liabilities assumed through business combinations at their fair value on the acquisition date modified by the revaluation of certain items, as stated in the accounting policies.

Basis of Preparation

The Group financial statements have been prepared and approved by the Directors in accordance with UK-adopted International Accounting Standards and effective for the Group's reporting for the year ended 31 December 2022.

The separate financial statements of the Company are presented as required by the Companies Act 2006. As permitted by that Act, the separate financial statements have been prepared in accordance with UK-adopted International Accounting Standards. These financial statements have been prepared under the historical cost convention (except for financial assets at FVOCI) and the accounting policies have been applied consistently throughout the period.

Going Concern

These financial statements have been prepared on the 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. The Group is not expecting to raise additional capital at this time, but may do so to support its strategy and specific activities on occasion. The Group has no bank facilities and has been meeting its working capital requirements from cash resources. At the year end the Group had cash and cash equivalents amounting to £9.375 million (2021: £16.389 million).

The Directors have prepared cash flow forecasts for the Group for the period to 30 September 2024 based on their assessment of the prospects of the Group's operations. The cash flow forecasts include expected future cash flows from our equity accounted associates along with the normal operating costs for the Group over the period together with the discretionary and non-discretionary exploration and development expenditure.

The forecasts indicate that on the basis of existing cash and other resources, and expected future dividend payments from Zenit, the Group will have adequate resources to meet all its expected obligations in delivering its work programme for the forthcoming year.

In preparing these financial statements the Directors have given consideration to the above matters and on this basis they believe that it remains appropriate to prepare the financial statements on a going concern basis.

New Accounting Standards & Interpretations

New and revised IFRS Standards in issue but not yet effective The Group has not early adopted any other amendment, standard or interpretation that has been issued but is not yet effective. It is expected that, where applicable, these standards and amendments will be adopted on each respective effective date.

The following new or amended IFRS accounting standards, amendments and interpretations not yet adopted are not expected to have a significant impact on the Group:

Definition of Accounting Estimate – Amendments to IAS 8 In February 2021 the IASB issued amendments to IAS 8 that replace the definition of a change in accounting estimates with a definition of accounting estimates. Under the new definition, accounting estimates are clarified as monetary amounts in financial statements that are subject to measurement uncertainty. Where an entity's accounting policy requires an item to be measured at monetary amounts that cannot be observed directly, it should develop an accounting estimate to achieve this objective. The amendments are effective for annual periods beginning on or after 1 January 2023, and will be applied from that date.

Disclosure of Accounting Policies – Amendments to IAS 1 and IFRS Practice Statement 2 In February 2021 the IAS issued amendments to IAS 1 that require entities to disclose their material accounting policies rather than their significant accounting policies. The amendments to IFRS Practice Statement 2 provide guidance on the concept of materiality and its application to accounting policy information. Under the amendments, accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements. The amendments are effective for annual periods beginning on or after 1 January 2023, and will be applied from that date.

Deferred tax relates to Assets and Liabilities arising from a Single Transaction – Amendments to IAS 12 In May 2021 the IAS issued amendments to IAS 12, 'Income Taxes'. The amendments require companies to recognise deferred tax on transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences. The amendments are effective for annual reporting periods beginning on or after 1 January 2023 and will be applied from that date.

Lease liability in a Sale and Leaseback – Amendments to IFRS 16. The amendment specifies requirements for seller-lessees to measure the lease liability in a sale and leaseback transaction. The amendment does not change the accounting for leases unrelated to sale and leaseback transactions. The amendments are effective for annual reporting periods beginning on or after 1 January 2024 and will be applied from that date. The amendment specifies requirements for seller-lessees to measure the lease liability in a sale and leaseback transaction. The amendment does not change the accounting for leases unrelated to sale and leaseback transactions. The amendments are effective for annual reporting periods beginning on or after

1 January 2024 and will be applied from that date. Classification of Liabilities as Current or Non-current – Amendments to IAS 1 The narrow-scope amendments to IAS 1 Presentation of Financial Statements clarify that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the entity's expectations or events after the reporting date (e.g. the receipt of a waver or a breach of covenant). The amendments also clarify what IAS 1 means when it refers to the 'settlement' of a liability. The amendments are effective for annual periods beginning on or after 1 January 2024, and will be applied from that date.

The Group is evaluating the impact of the new and amended standards above which are not expected to have a material impact on the Group's results or shareholders' funds statements.

Basis of consolidation

The consolidated financial statements comprise the financial statements of Ariana Resources PLC and its subsidiaries for the year ended 31 December 2022.

Subsidiaries are all entities over which the Group has power to direct relevant activities and an exposure to variable returns. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases. The cost of an acquisition is measured at fair value of the assets and equity instruments acquired, and the liabilities incurred or assumed at the date of exchange. The acquisition of subsidiaries is accounted for using the purchase method. The cost of acquisition is measured at the fair values, at the date of exchange, of the assets given, liabilities incurred or assumed, and equity instruments issued.

The acquirer's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under IFRS3 are recognised at their fair values at the acquisition date. Where the Group acquires a subsidiary for less than the fair value of its assets and liabilities, this results in negative goodwill or gain on acquisition which is recognised in profit and loss.

If a business combination is achieved in stages, the acquisition date carrying value of the Group's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date; any gains or losses arising from such remeasurements are recognised in the income statement. Where necessary, adjustments are made to the financial statements to bring the accounting policies used into line with those used by other members of the Group. All significant intercompany transactions and balances between group entities are eliminated on consolidation.

An associate is an entity over which the Group is in a position to exercise significant influence, but not control or joint control, through participation in the financial and operating policy decisions of the investee. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The results and assets and liabilities of our investments in our associates are incorporated in these financial statements using the equity method of accounting except when classified as held for sale. Investments in associates are carried in the Group statement of financial position at cost as adjusted by post-acquisition changes in the Group's share of the net assets of the associates, less any impairment in the value of individual investments. Losses of the associates in excess of the Group's interest in those associates are not recognised.

In the Company accounts, investments in subsidiary undertakings are held at cost less impairment losses.

Income and expense recognition

The Group's other income represents consideration received on the disposal of licences, consultancy fees and interest receivable from bank deposits. Interest income is accrued on a time basis, by reference to the principal outstanding and the effective rate of interest applicable. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset. Operating expenses are recognised in the statement of comprehensive income upon utilisation of the service or at the date of their origin and are reported on an accruals basis.

Foreign currency translation

Functional and presentational currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates (the 'functional currency'). The consolidated financial statements are presented in Pounds Sterling, which is the Group's presentation currency.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the comprehensive income statement.

Group companies

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;
- income and expenses for each income statement are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transaction); and
- all resulting exchange differences are recognised as a separate component of equity. On consolidation, exchange differences arising from the translation of monetary items receivable from foreign subsidiaries for which settlement is neither planned nor likely to occur in the foreseeable future are taken to shareholders' equity. When a foreign operation is sold, such exchange differences are recognised in the statement of comprehensive income as part of the gain or loss on sale.

Notes to the Consolidated Financial Statements *continued*

For the year ended 31 December 2022

1. General Information continued

Earnings per share

Basic earnings per share amounts are calculated by dividing the profit after taxation of the Group by the weighted average number of shares outstanding during the year.

Land, property, plant and equipment

Land, property, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is charged so as to write off the cost of assets over their estimated useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis.

Land	–	not depreciated
Computer equipment	–	between 25% & 33%
Drilling equipment	–	between 10% & 20%
Fixtures and fittings	–	between 5% & 33%
Motor vehicles	–	between 20% & 25%

The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the statement of comprehensive income.

Intangible assets

Intangible assets include expenditure on software and databases acquired to develop the Group's geological expertise. Assets within this category that have a finite useful life are amortised over 20 years.

Intangible exploration assets

Intangible assets represent exploration and evaluation assets (IFRS 6 assets), being the cost of acquisition by the Group of rights, licences and know-how. Such expenditure requires the immediate write-off of exploration and development expenditure that the Directors do not consider to be supported by the existence of commercial reserves.

All costs associated with mineral exploration and investments, are capitalised on a project-by-project basis, pending determination of the feasibility of the project. Costs incurred include appropriate technical and administrative expenses but not general overheads and these assets are not amortised until technical feasibility and commercial viability is established. If an exploration project is successful, the related expenditures will be transferred to mining assets and amortised over the estimated life of the commercial ore reserves on a unit of production basis. Where a licence is relinquished or a project abandoned, the related costs are written off.

The recoverability of all exploration and development costs is dependent upon the discovery of economically recoverable reserves, the ability of the Group to obtain necessary financing to complete the development of reserves and future profitable production or proceeds from the disposition thereof.

Exploration and evaluation assets shall no longer be classified as such when the technical feasibility and commercial viability of extracting mineral resources are demonstrable. When relevant, such assets shall be assessed for impairment, and any impairment loss recognised, before reclassification to mine development.

Assets classified as held for sale

Assets are classified as held for sale if their carrying amount will be recovered primarily through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying value and fair value less costs to sell. An impairment loss is recognised for any subsequent write-down of the asset to fair value less costs to sell.

Impairment of tangible and intangible assets

At each balance sheet date, the Group reviews the carrying amounts of its tangible and intangible assets (except for intangible exploration assets) to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

Investment in Group undertakings

The Company's investments in Group undertakings are carried at historical cost less any provision for impairment. The Company's investments arose from either incorporation of, or acquisition of subsidiary companies primarily based in Türkiye. As these investments are not amortised, their carrying values are at risk of impairment. The carrying value of investments is compared to their recoverable amounts which are assessed with reference to the discounted cash flow forecasts associated with these territories.

Financial instruments

Financial assets and financial liabilities are recognised on the Group's Statement of Financial Position when the Group becomes a party to the contractual provisions of the instrument. The Group derecognises a financial asset only when the contractual rights to cash flows from the asset expire, or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for the amount it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

The Group classifies the following at fair value through profit or loss (FVPL):

- equity instruments that are held for trading;
- equity investments for which the Group has not elected to recognise fair value gains and losses through OCI.

The Group derecognises financial liabilities when the Group's obligations are discharged, cancelled or expired.

Financial Assets

Trade and other receivables

Trade and other receivables are measured at initial recognition at fair value, and are subsequently measured at amortised cost less any provision for impairment. The Group applies the IFRS 9 simplified approach to providing for expected credit losses in accordance with applicable guidance for non-banking entities. Under the simplified approach the Group is required to measure lifetime expected credit losses for all trade receivables. No credit losses have been identified during the period.

Cash and cash equivalents

Cash and cash equivalents comprise cash in hand and on-demand deposits and other short-term highly liquid investments that are readily convertible to a known amount of cash with three months or less remaining to maturity and are subject to an insignificant risk of changes in value.

Financial liabilities and equity instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into.

Equity instruments

Financial instruments issued by the Company are treated as equity only to the extent that they meet the following two conditions:

- they include no contractual obligations upon the Company to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the Company; and
- where the instrument will or may be settled in the Company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the Company's own equity instruments or is a derivative that will be settled by the Company exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.
- To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the Company's own shares, the amounts presented in these financial statements for called up share capital and share premium account exclude amounts in relation to those shares.

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

Share-based payments

For grants of share options, the fair value as at the date of grant is calculated using the Black-Scholes option pricing model, taking into account the terms and conditions upon which the options were granted. The amount recognised as an expense is adjusted to reflect the actual number of share options that are likely to vest, except where forfeiture is only due to market based conditions not achieving the threshold for vesting. Where shares are issued in settlement of goods or services supplied, the relevant expense is recorded in the consolidated statement of comprehensive income, with the related share issue recorded within share capital and share premium.

Provisions

Provisions are liabilities where the exact timing and amount of the obligation is uncertain. Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of past events, when an outflow of resources is probable to settle the obligation and when an amount can be reliably estimated. Where the time value of money is material, provisions are discounted to current values using appropriate rates of interest. The unwinding of any discount is recorded in net finance income or expense.

Taxation

Current income tax assets and liabilities comprise those obligations to, or claims from, fiscal authorities relating to the current or prior reporting year, that are unpaid at 31 December 2022. They are calculated according to the tax rates and tax laws applicable to the fiscal periods to which they relate, based on the taxable profit for the year.

Deferred income taxes are calculated using the liability method on temporary differences. Deferred tax is generally provided on the difference between the carrying amounts of assets and liabilities and their tax bases. However, deferred tax is not provided on the initial recognition of goodwill or on the initial recognition of an asset or liability unless the related transaction is a business combination or affects tax or accounting profit.

Deferred tax on temporary differences associated with shares in subsidiaries is not provided if reversal of these temporary differences can be controlled by the Group and it is probable that reversal will not occur in the foreseeable future. In addition tax losses available to be carried forward as well as other income tax credits to the Group are assessed for recognition as deferred tax assets.

Deferred tax liabilities are provided in full, with no discounting. Deferred tax assets are recognised to the extent that it is probable that the underlying deductible temporary differences will be able to be offset against future taxable income. Current and deferred tax assets and liabilities are calculated at tax rates that are expected to apply to their respective period of realisation, provided they are enacted or substantively enacted as at 31 December 2022. Changes in deferred tax assets or liabilities are recognised as a component of tax expense in the consolidated statement of comprehensive income, except where they relate to items that are charged or credited directly to equity in which case the related deferred tax is also charged or credited to equity. The deferred tax asset arising from trading losses carried forward as referred to in Note 8 has not been recognised. The deferred tax asset will be recognised when it is more likely than not that it will be recoverable.

Notes to the Consolidated Financial Statements *continued*

For the year ended 31 December 2022

1. General Information continued

Segmental reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Board of Directors who have been identified as responsible for allocating resources and assessing performance of the operating segments, and who act as the Chief Operating Decision Maker.

Accounting judgements

The following are the critical judgements, apart from those involving estimations (which are dealt with separately below), that the directors have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

Accounting for equity accounted associate

Management have considered the 50% shareholding in Venus Minerals Ltd and determined it is an associate rather than a subsidiary due to the absence of control over that company, and accordingly accounts for its investment in Venus Minerals Ltd using the equity method in accordance with IAS 28 (revised).

Intangible exploration assets

Determining whether intangible exploration assets are impaired requires an assessment of whether there are any indicators of impairment, by reference to specific impairment indicators prescribed in IFRS 6. This includes the assessment, on a project by project basis, of the likely recovery of the cost of the Group's intangible exploration assets in the light of future production opportunities based upon ongoing geological studies. This also involves the assessment of the period for which the entity has the right to explore in the specific area, or if it has expired during the period or will expire in the near future if it is not expected to be renewed.

The Group determines that exploration costs are capitalised at the point the Group has a valid exploration licence or is in the process of renewal.

Impairment of assets, excluding intangible exploration assets

The Group assesses impairment at each reporting date on a project by project basis by evaluating conditions specific to the Group that may indicate an impairment of assets. Where indicators of impairment exist, the recoverable amount of the asset is determined based on value in use or fair value less cost to sell, both of which require the Group to make estimates.

2. Staff costs

	Group		Company	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Wages and salaries	803	804	459	440
Social security costs	106	182	66	133
Pension contributions	49	44	44	37
	958	1,030	569	610

Total staff costs, including those capitalised within exploration assets, amounted to £1,066,000 (2021: £1,030,000).

The average monthly number of employees (including Directors) during the year was as follows:

	2022 Group Number	2021 Group Number
Exploration activities	16	14
Administration	9	7
	25	21

3. Directors' emoluments

	2022 £'000	2021 £'000
Basic salary and fees	464	440
Pension contributions	41	40
	505	480

Key management personnel consist of only the Directors. Details of share options and interests in the Company's shares of each Director are highlighted in the Directors' Report on page 42.

	Year	Salary & fees £'000	Pension £'000	Total £'000
Michael de Villiers	2022	131	13	144
	2021	125	13	138
Kerim Sener	2022	236	24	260
	2021	225	23	248
William Payne	2022	42	-	42
	2021	40	-	40
Christopher Sangster	2022	55	4	59
	2021	50	4	54

In addition to the remuneration disclosed above, William Payne and Chris Sangster also provided director and consulting services to Western Tethyan Resources Ltd. William Payne's services are provided by a firm of Accountants; further details of both directors' additional remuneration are set out in Note 23.

4. Administrative costs & Operating loss

4a. Administrative costs amounting to £555,000 are stated after exceptional exchange gains amounting to £2.8m, these primarily arising in the group's wholly owned subsidiary Galata Mineral Madencilik San. ve Tic. A.S. ("Galata"), mainly due to the strengthening of the US dollar against the Turkish Lira. On retranslation into Galata's functional currency, US dollar denominated assets held by Galata, including bank and trade receivables, resulted in an uplift to those Lira asset valuations and a corresponding exchange gain for the year to 31 December 2022.

4b. The operating loss is stated after charging/(crediting):

	2022 £'000	2021 £'000
Depreciation and amortisation – owned assets	93	44
Office lease rentals	8	12
Exceptional exchange (gain) in Türkiye	(2,821)	-
Net foreign exchange losses/(gains)	156	(75)
Fees payable to the Company's auditor for the audit of the Group's and Company's annual accounts	50	50
Fees payable to the Company's auditor for other services: – The audit of the Company's subsidiaries	25	25

5. Profit on restructuring of group activities

During the prior year, 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. A.S. ("Pontid") to Ozaltin Insaat, Ticaret and Sanayi A.S. ("Ozaltin") and Proccea Construction Co ("Proccea") for a total consideration of US$35.75m. Under the terms of the Pontid sale agreement and during the year, Ozaltin completed its equity commitment to invest a further US$8m in the development of the Salinbaş project. A further US$2m is to be paid in instalments to the Group by Zenit following the transfer of the three remaining satellite projects held by the Group's wholly owned subsidiary, Galata Mineral Madencilik San. ve Tic. A.S.

	2022 £'000	2021 £'000
Disposal proceeds receivable (net of group transactions) Less:-	-	26,976
Cost of Investment and other incidental costs incurred on disposal	-	(4,684)
Reversal of fair value transactions associated with the Salinbaş acquisition	-	(9,466)
Increase in valuation of associate following acquisition	-	2,197
Reduction in valuation of JV following part disposal (excluding translation losses)	-	(4,234)
Recycled translation losses	-	(4,386)
Profit on restructuring of Group's activities	-	6,423

Notes to the Consolidated Financial Statements *continued*

For the year ended 31 December 2021

6. Equity accounted Investments

The Group and Company's investments comprise the following: -

Associates and joint ventures companies	Note	Group 2022 £'000	Company 2022 £'000	Group 2021 £'000	Company 2021 £'000
Associate Interest in Pontid Madencilik San. ve Tic. A.S. ("Pontid")	6a	4,139	-	4,139	-
Associate Interest in Venus Minerals Ltd ("Venus")	6b	1,848	2,612	2,399	2,612
Associate Interest in Zenit Madencilik San. ve Tic. A.S. ("Zenit")	6c	9,330	-	4,864	-
Carrying amount of investment at 31 December		**15,317**	**2,612**	**11,402**	**2,612**

6a Associate Interest in Pontid.

Following the disposal in the prior year by Greater Pontides Exploration B.V. (holding company) of its entire interest in Pontid Madencilik San. ve Tic. A.S. ("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 £4.139m and represents the Group's share of Pontid's net assets and goodwill paid on acquisition. Since the date of acquisition, Pontid continues to benefit from new capital funding into its Salinbaş project.

Financial information based on Pontid's translated financial statements, and reconciliations with the carrying amount of the investment in the consolidated financial statements are set out below

Statement of financial position As at 31 December 2022	2022 £'000	2021 £'000
Assets **Non-current assets**		
Other receivables	14	10
Intangible exploration assets	2,006	1,120
Land, property, plant and machinery	69	96
Total non-current assets	**2,089**	**1,226**
Current assets		
Trade and other receivables	337	86
Cash and cash equivalents	4,377	5,230
Total current assets	4.714	5,316
Total assets	**6,803**	**6,542**
Current liabilities		
Other payables	131	229
Total current liabilities	**131**	**229**
Equity	6,672	6,313
Proportion of the Group's ownership	23.5%	23.5%
Share of net assets per above analysis	1,568	1,483
Goodwill on acquisition and share of interest post acquisition	2,571	2,656
Carrying amount of investment in Pontid	**4,139**	**4,139**

6b Share of loss of associate interest in Venus Minerals Ltd

The Company and group acquired 50% of Venus Minerals Ltd through an earn-in agreement on 5 November 2021.

The Group accounts for its associate interest in Zenit using the equity method in accordance with IAS 28 (revised). The results set out below includes the Group's share of loss for the year to 31 December 2022.

	Group 2022 £'000	Company 2022 £'000	Group 2021 £'000	Company 2021 £'000
	Equity accounted Associate interest	Equity accounted Associate interest t	Equity accounted Associate interest	Equity accounted Associate interest
At 1 January 2022	2,399	2,612	2,612	2,612
Share of loss since significant influence recognised by Group	(551)	-	(213)	-
At 31 December 2022	1,848	2,612	2,399	2,612

6c Share of profit of associate interest in Zenit

The Group accounts for its associate interest in Zenit using the equity method in accordance with IAS 28 (revised). In prior years Zenit was also accounted for using the equity method of accounting, albeit the company was then classified as a joint venture, until part disposal by the Group in February 2021. At 31 December 2022 the Group has a 23.5% interest in Zenit, and profits from Zenit are shared in the ratio of 23.5% the Group, 23.5% Proccea and the remaining 53% interest to Ozaltin Holding A.S.

Zenit was incorporated in, and has its principal place of business in Ankara, Türkiye.

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:

Statement of Comprehensive Income For the year ended 31 December 2022	2022 £'000	2021 £'000
Revenue	**47,489**	**32,784**
Cost of sales	(26,244)	(14,586)
Gross Profit	21,245	18,198
Administrative expenses	(555)	(2,344)
Operating profit	**20,690**	**15,854**
Other income	-	124
Finance expenses including foreign exchange losses	(1,102)	(1,171)
Finance income including foreign exchange gains	4,728	5,213
Profit before tax	**24,316**	**20,020**
Taxation (credit) / charge	1,259	(1,890)
Profit for the year	**25,575**	**18,130**
Proportion of the Group's profit share	23.5%	23.5%
Group's share of profit for the year	**6,010**	**4,260**

Notes to the Consolidated Financial Statements *continued*

For the year ended 31 December 2022

6. Equity accounted Investments *continued*

6c Share of profit of interest in associate in Zenit

Statement of financial position As at 31 December 2022	2022 £'000	2021 £'000
Assets **Non-current assets**		
Other receivables and deferred tax asset	6,287	295
Intangible exploration assets	50	70
Kiziltepe Gold Mine (including capitalised mining costs, land, property, plant and equipment)	12,889	15,804
Tavşan construction in progress	4,709	-
Total non-current assets	**23,935**	**16,169**
Current assets		
Trade and other receivables	281	650
Inventories	3,424	2,033
Other receivables, VAT and prepayments	5,345	2,521
Cash and cash equivalents	15,420	6,680
Total current assets	24,470	11,884
Total assets	**48,405**	**28,053**
Liabilities		
Non-current liabilities		
Borrowings	-	412
Deferred tax	-	367
Asset retirement obligation	582	616
Total non-current liabilities	**582**	**1,395**
Current liabilities		
Borrowings	361	884
Trade payables	3,345	1,406
Other payables	4,415	3,671
Total current liabilities	8,121	5,961
Total liabilities	**8,703**	**7,356**
Equity	39,702	20,697
Proportion of the Group's ownership	23.5%	23.5%
Carrying amount of investment in associate	**9,330**	**4,864**
Movement in Equity – our share		
Opening balance	4,864	11,213
Profit for the year	6,010	4,260
Part disposal of Interest	-	(5,943)
Translation and other reserves	(1,544)	(3,613)
Dividend receivable	-	(1,053)
Closing balance	**9,330**	**4,864**

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:

- Mineral exploration - incorporates the acquisition, exploration and development of mineral resources.
- Reconciling items include non-mineral exploration costs and transactions between Group and associate companies.

	2022			2021		
	Mineral exploration £'000	Other reconciling items £'000	Group £'000	Mineral exploration £'000	Other reconciling items £'000	Group £'000
Administrative costs (net of exchange gains)	-	(555)	(555)	-	(2,917)	(2,917)
General and specific exploration expenditure	(181)	-	(181)	(67)	-	(67)
Profit on restructuring	-	-	-	6,423	-	6,423
Share of loss of associate - Venus	(551)	-	(551)	(213)	-	(213)
Share of profit of associate - Zenit	6,010	-	6,010	4,260	-	4,260
Investment and other income	-	294	294	-	202	202
Profit before taxation	**5,278**	**(261)**	**5,017**	**10,403**	**(2,715)**	**7,688**
Taxation	(987)	-	(987)	(3,832)	-	(3,832)
Profit after taxation	**4,291**	**(261)**	**4,030**	**6,571**	**(2,715)**	**3,856**
Assets						
Segment assets	17,409	10,493	27,902	17,480	13,110	30,590
Liabilities						
Segment liabilities	(475)	(339)	(814)	(1,610)	(451)	(2,061)
Additions to segment assets						
Exploration assets	199	-	199	-	-	-
Property, plant & equipment	361	-	361	241	-	241
Depreciation and amortisation	-	(73)	(73)	-	(43)	(43)

Geographical segments

The Group's mineral exploration assets and liabilities are located primarily in Türkiye.

	2022			2021		
	Türkiye £'000	United Kingdom and other territories £'000	Group £'000	Türkiye £'000	United Kingdom and other territories £'000	Group £'000
Carrying amount of segment non-current assets	14,418	2,829	17,247	10,304	2,761	13,065

Notes to the Consolidated Financial Statements *continued*

For the year ended 31 December 2022

8. Taxation

	2022 £'000	2021 £'000
Current tax expense in respect of the current year	987	3,832
Withholding tax suffered on subsidiary dividend included above	(323)	(901)
Current corporation tax charge	664	2,931

The charge for the year can be reconciled to the profit per the statement of comprehensive income as follows:

	2022 £'000	2021 £'000
Profit before tax – continuing operations	5,017	7,688
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2021:19%)	953	1,460
Effect of tax on share of associates profits and losses	(1,037)	(769)
Disallowable expenses and other adjustments	297	14
Effect of different tax rates and laws of subsidiaries operating in other jurisdictions	137	638
Other reconciling adjustments	(27)	489
Losses for the year to carry forward	341	1,099
Current corporation tax charge	664	2,931

The Group has UK losses carried forward on which no deferred tax asset is recognised in the financial statements as the recovery of this benefit is dependent on future profitability, the timing of which cannot be reasonably foreseen. Total UK losses carried forward amount to approximately £18,008,000 (2021: £16,620,000), and non-UK losses amount to approximately £221,000 (2021: £209,000).

No deferred tax assets have been recognised against the Group's and Company' tax losses as the entities do not have sufficient taxable temporary differences in the year against which the losses could be utilised.

9. Profit and distributable reserves of parent Company

(a) Profit of parent company

As permitted by Section 408 of the Companies Act 2006, the statement of comprehensive income of the parent Company is not presented as part of these financial statements. The parent Company's Profit for the financial year was £376,000 (2021: £3,720,000).

(b) Distributable reserves of parent company

The Company paid its first shareholder inaugural special dividend on 24 September 2021 amounting to £3,820,873. To facilitate this distribution the Company gained shareholder approval during February 2021 and applied to the High Court of Justice of England and Wales to reduce its share capital. This application was granted by the High Court during July 2021 and the share capital reduction scheme resulted in generating distributable reserves of £7.22m, as set out in the Company's Statement of Changes in Equity and note 19.

(c) Dividends

A second interim and third final part of the inaugural special dividend distribution was paid out of distributable reserves. The second interim payment on the 11th March 2022 of 0.175 pence per ordinary share amounted to £1,919,186; the third and final payment on the 21st September 2022 of 0.175 pence per ordinary share amounted to £2,000,010.

10. Earnings per share on continuing operations

The calculation of basic profit per share is based on the profit attributable to ordinary shareholders of £4,030,000 (2021: £3,856,000) divided by the weighted average number of shares in issue during the year being shares 1,133,043,081 (2021: 1,085,894,966). There is no material effect on the basic earnings per share for the dilution provided by the share options.

11. Intangible assets

	Software & Database expenditure £'000
Cost or Valuation	
At 1 January 2022	149
Amortisation charge	(19)
At 31 December 2022	**130**
Net book value	
At 1 January 2022	149
At 31 December 2022	**130**

12. Land, property, plant & equipment

	Land £'000	Computer equipment £'000	Plant & equipment £'000	Fixtures & fittings £'000	Motor vehicles £'000	Total £'000
Cost						
At 1 January 2021	-	34	20	28	39	121
Additions	157	18	-	11	55	241
Disposals	-	(3)	-	(8)	(7)	(18)
Exchange movements	-	(12)	(9)	(9)	(13)	(43)
At 31 December 2021	157	37	11	22	74	301
Additions & reallocations of expenditure	(28)	21	292	24	24	333
Exchange movements	(27)	(3)	(2)	(4)	(13)	(49)
At 31 December 2022	**102**	**55**	**301**	**42**	**85**	**585**
Depreciation						
At 1 January 2021	-	30	9	22	19	80
Charge	2	8	3	6	7	26
Disposals	-	(2)	-	(8)	(5)	(15)
Exchange movements	-	(9)	(4)	(8)	(7)	(28)
At 31 December 2021	**2**	**27**	**8**	**12**	**14**	**63**
Charge	2	13	41	8	10	74
Disposals	-	-	-	-	-	-
Exchange movements	-	(4)	(2)	(3)	(4)	(13)
At 31 December 2022	**4**	**36**	**47**	**17**	**20**	**124**
Net book value						
At 1 January 2021	-	4	11	6	20	41
At 31 December 2021	155	10	3	10	60	238
At 31 December 2022	**98**	**19**	**254**	**25**	**65**	**461**

Notes to the Consolidated Financial Statements *continued*

For the year ended 31 December 2022

13. Financial assets at fair value through profit or loss

Group and Company	Group 2022 £'000
At 1 January 2022	461
Addition	155
Exchange movement	23
At 31 December 2022	**639**
Carrying value	
At 31 December 2021	461
At 31 December 2022	**639**

During the year, the Group's wholly owned subsidiary, Asgard Metals Pty. Ltd., continued with its investment strategy, and further investments during the year amounted to £155,000. The market valuation of listed securities at the balance sheet date amounted to £202,000, compared to a carrying valuation of £217,000 (level 1 heirarchy). This immaterial fall in valuation amounting to £15,000 has not been reflected in the statement of comprehensive income.

Unlisted securities, where fair value cannot be reliably measured, continue to be valued at cost and amounted to £422,000 (level 3 heirarchy) at the balance sheet date.

14. Exploration and Earn In assets

14a Exploration expenditure

The Group, through its two subsidiary companies operating in Kosovo and Türkiye, was successful with applications for several exploration licences. Expenditure of £199,000, including a proportion of staff costs, was capitalised during the year. The technical feasibility and commercial viability of extracting mineral resource is not yet demonstrable in the above two locations.

	Deferral exploration expenditure £'000
Cost or Valuation	
At 1 January 2022	-
Additions and capitalised depreciation	199
At 31 December 2022	**199**
Net book value	
At 1 January 2022	-
At 31 December 2022	**199**

14b Earn In advances

The Group's 75% owned subsidiary Western Tethyan Resources Limited ("WTR"), entered into an option on an earn-in agreement with Avrupa Minerals Limited, for the right to acquire up to an 85% interest in the Slivova Gold Project. The agreement requires WTR to provide funding and complete a series of exploration and development milestones, ahead of reaching its agreed ownership target. Staged payments and development expenditure incurred following inception of the option and during the year to 31 December 2022 amounted to £87,000.

15. Investments in Group undertakings

Company	Shares in Group undertakings £'000
At 1 January 2022 & 31 December 2022	**377**

The Company's investments at the balance sheet date comprise ownership of the ordinary share capital of the following companies:

Subsidiaries	Ownership	Country of incorporation	Nature of business	Address
Ariana Exploration & Development Limited	100%	United Kingdom	Exploration	2nd Floor, Regis House, 45 King William Street London, EC4R 9AN

Ariana Exploration & Development Limited's investments at the balance sheet date comprise the following companies

Subsidiaries	Ownership	Country of incorporation	Nature of business	Address
Portswood Resources Limited	100%	British Virgin Islands	Holding company	Kingston Chambers P.O. Box 173 Road Town, Tortola, British Virgin Islands
Galata Mineral Madencilik San. ve Tic. A.S.	100%	Türkiye	Exploration	Beytepe Mah. 1815 Sokak No: 36 06800, Çankaya, Ankara, Türkiye
Greater Pontides Exploration B.V.	100%	Netherlands	Holding company	Herengracht 500, 1017 CB Amsterdam, Netherlands
Asgard Metals Pty. Ltd.	100%	Australia	Exploration	Unit 27, 18 Stirling Highway, Nedlands, WA 6009, Australia
Western Tethyan Resources Ltd	75%	United Kingdom	Holding company	2nd Floor, Regis House, 45 King William Street, London, EC4R 9AN
Kosovo Mineral Resources LLC*	100%	Republic of Kosovo	Exploration	Rr Ali Vitia Kalabri Bll. A-Lam-B. Nr.19 Prishtine, Kosova

*Kosovo Mineral Resources LLC is a 100% owned subsidiary of Western Tethyan Resources Ltd.

The non-controlling interest in the Group represents the cost of purchase of a 25% stake in Western Tethyan Resources Ltd amounting to £30,000 (2021: £30,000).

16. Non-current other receivables

	Group		Company	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Amounts owed by Group undertakings	-	-	3,850	5,942
Amounts owed by associate interest	414	815	-	-
	414	815	3,850	5,942

The amount owed to the Group relate to an instalment based interest free loan agreed upon following the disposal by Galata of its three remaining satellite projects to Zenit at a rate of US$50,000 per calendar month. The directors have assessed that the future fair value return on settlement of this debt is not materially different from the carrying value shown above.

Notes to the Consolidated Financial Statements *continued*

For the year ended 31 December 2022

17. Trade and other receivables

	Group		Company	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Other receivables	155	219	29	132
Amounts owed by associate interest	497	792	–	–
Loan to associate interest	500	–	511	–
Prepayments	128	125	–	–
	1,280	1,136	540	132

The carrying values of other receivables and amounts owed by associate interest approximate their fair values as these balances are expected to be cash settled in the near future.

During September 2022, a convertible loan agreement was entered into with Venus Minerals Limited amounting to £500,000. Post-period end a further convertible loan agreement was completed with Venus for £200,000.

18. Trade and other payables

	Group		Company	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Trade and other payables	189	203	102	94
Social security and other taxes	355	1,380	–	–
Other creditors and advances	137	343	29	132
Accruals and deferred income	133	135	8	6
	814	2,061	139	232

The above listed payables are all unsecured. Due to the short-term nature of current payables, their carrying values approximate their fair value.

19. Called up share capital, share premium and capital reduction reserve

Allotted, issued and fully paid ordinary 0.1p shares	Number	Ordinary Shares £'000	Share Premium £'000	Capital reduction reserve £'000
In issue at 1 January 2022	1,096,677,943	1,097	305	7,222
Issue of ordinary shares	46,185,387	46	1,843	-
Share options exercised	3,500,000	4	59	-
Transfer to retained earnings	-	-	-	(7,222)
In issue at 31 December 2022	1,146,363,330	1,147	2,207	-

During the prior year, the Company was granted permission by the High Court of Justice in England and Wales to reduce its share capital by the cancellation of its share premium and its sub-divided deferred shares. This allowed the Company to extinguish retained losses bought forward from prior years amounting to £9,826,000 and resulted in the establishment of a capital reduction reserve. This distributable reserve was subsequently transferred to retained earnings during 2022.

Potential issue of ordinary shares
Share options

The Company issued 64,000,000 new options to directors and staff at an exercise price of 1.55 pence, vesting over 3 years, commencing on 1 January 2018. At 31 December 2022 the Company had no options outstanding for the issue of ordinary shares as set out below:

Date options granted	Exercisable from	Exercisable to	Exercise price	Number granted	Options exercised during the year	Options lapsed during the year	Number at 31 December 2022
1 January 2018	1 January 2018	31 December 2022	1.55p	27,000,000	(3,500,000)	(23,500,000)	-
Total				**27,000,000**	**(3,500,000)**	**(23,500,000)**	**-**

The fair value of services received in return for share options are measured by reference to the fair value of share options granted. The fair value of employee share options is measured using the Black-Scholes model. Measurement inputs and assumptions are as follows:

Costs associated with options issued on the 1 January 2018 and exercisable by 2022

Share price when options issued	1.25p
Expected volatility (based on closing prices over the last 7 years)	67.84%
Expected life	5 years
Risk free rate	0.75%
Expected dividends	0%

The expected volatility is wholly based on the historic volatility (calculated based on the weighted average of the last 7 years of quotation).

Share based payments reserve	Group and Company 2022 £'000
At 1 January 2022	173
Transfer to retained earnings for options exercised and lapsed during the year	(173)
At 31 December 2022	**-**

Notes to the Consolidated Financial Statements *continued*

For the year ended 31 December 2022

20. Operating lease arrangements

Management have completed a detailed assessment of existing operating contracts and have not identified any contracts requiring adjustment on the adoption of IFRS 16 as the operating leases held by the Group are of low value and short-term in nature.

At the year end, the Group had outstanding short-term commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2022 £'000	2021 £'000
Within one year	8	1

21. Capital commitments

The Group had no authorised or unauthorised capital commitments at the year end (2021: £nil).

22. Contingent liabilities

Following the restructuring of the Group and the part disposal by Galata Mineral Madencilik San. ve Tic. A.S. of 26.5% of its interest in Zenit Madencilik San. ve Tic. A.S., 75% of the resulting gain on disposal is exempt from Turkish corporation tax provided the gain is retained under equity by Galata for a period of 5 years. This potentially exempt taxable gain, including the previously reported gain during 2019 on Çamyol Gayrimenkul, Madencilik, Turizm, Tarim ve Hayvancilik Ltd ("Camyol") is as follows:

Contracting parties	Shareholding	Taxable gain in Lira	Contingent liability in Lira	Contingent Liability in GBP
Galata	26.5%	127,766,456	31,941,614	1,414,761
Çamyol	99%	4,529,343	996,455	44,135

23. Related party transactions

Group companies

Transactions between the Company and its subsidiaries, which are related parties, have been eliminated on consolidation.

Ariana Resources PLC is the beneficial owner and controls, or is in joint venture with, the following companies and as such are considered related parties:

Ariana Exploration & Development Ltd
Portswood Resources Ltd
Galata Mineral Madencilik San. ve Tic. A.S.
Asgard Metals Pty. Ltd.
Greater Pontides Exploration B.V.
Western Tethyan Resources Ltd and its wholly owned subsidiary Kosovo Minerals Resources LLC
Zenit Madencilik San. ve Tic. A.S. (Associate)
Pontid Madencilik San. ve Tic. A.S. (Associate)
Venus Minerals Ltd (Associate)

Transactions during the year between the Company and its subsidiaries were as follows:

Loan payable by Ariana Exploration & Development Limited to Ariana Resources PLC amounted to £3,849,586 (2021: £5,941,508).

Loan payable by Ariana Exploration & Development Limited to Galata Mineral Madencilik San. ve Tic. A.S. amounted to £4,308,893 (2021: £3,704,389).

Loan receivable by Ariana Exploration & Development Limited from Western Tethyan Resources Limited amounted to £726,925 (2021: £240,000).

Loan payable by Kosovo Minerals Resources LLC to Western Tethyan Resources Limited amounted to £830,490 (2021: £240,000).

William Payne is a partner in Azets, a firm of Accountants that provides his services. During the year end 31 December 2022, Azets were paid £42,000 (2021: £40,000) in respect of his services as a Director, and £128,667 (2021: £104,250) in respect of accounting and management services. Fees paid for William Payne's services are included as part of Directors emoluments declared in Note 3. At the year end the Group owed Azets £56,491 (2021: £Nil).

William Payne and Chris Sangster are also directors of Western Tethyan Resources Ltd. Azets received fees amounting to £6,000 (2021: Nil) for the services of William Payne acting as a director for the year to 31 December 2022. Chris Sangster's combined director's and consulting fees for the year from the company amounted to £18,468 (2021: Nil).

Kerim Sener was appointed a director of Venus Minerals Ltd ("Venus") on 13 August 2020 and continues to receive no remuneration during the period to 31 December 2022. Venus is focused on the exploration and development of copper and gold on the island of Cyprus. Transactions with Venus during the year and additional disclosures are set out on note 6.

Asgard Metals Pty Ltd, office lease is provided by Matrix Exploration Pty Ltd, a company jointly controlled by Kerim Sener. The office rental charge for the year to 31 December 2022 amounted to AU$12,000 (2021: Nil).

Equity accounted investment in Zenit

Loans payable by Zenit Madencilik San. ve Tic. A.S. to Galata Mineral Madencilik San. ve Tic. A.S. amounted to £911,005 (2021: £1,607,291).

24. Post year end events

In April 2023 the loan of £500,000 outstanding at the year end from Venus Minerals Limited was capitalised, along with an additional loan of £200,000 increasing the Group's shareholding in that company to 58%. The assessment of the fair values of the assets and liabilities acquired is currently ongoing, and will be reported in the Group's next available financial statements.

25. Capital management policies and procedures

The Group's capital management objectives are:

- To ensure the Group's ability to continue as a going concern;
- To increase the value of the assets of the business; and
- To provide an adequate return to shareholders in the future when exploration assets are taken into production.

These objectives will be achieved by identifying the right exploration projects, adding value to these projects and ultimately taking them through to production and cash flow, either with partners or by our own means.

The Group monitors capital on the basis of the carrying amount of equity, cash and cash equivalents as presented on the face of the consolidated statement of financial position. Movements in capital for the year under review are summarised in Note 19 and in the consolidated statement of changes in equity.

The Group manages its capital structure in response to changes in economic conditions and in accordance with the Group's objective to finance additional work on existing and new projects to enhance their overall value.

In the normal course of its operations, the Group and Company are exposed to gold prices, currency, interest rate and liquidity risk.

The Group and Company use financial instruments, other than derivatives, comprising short term deposits, cash, liquid resources and various items such as sundry debtors and creditors that arise directly from its operations. The main purpose of these financial instruments is to finance the Group's operations.

The main risks arising from the Group's and Company's financial instruments are liquidity and currency differences on foreign currency net investments. The Directors review and agree policies for managing these risks and these are summarised below.

Liquidity risk

Liquidity risk is the risk that the Group and Company will not be able to meet their financial obligations as they fall due.
The Group and Company seek to manage financial risk to ensure sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably. The Board will seek additional funds from the issue of share capital where appropriate, by reviewing financial and operational budgets and forecasts. The Group and Company's financial liabilities, including interest bearing liabilities and trade and other payables will all be settled within six months of the year end with the exception of the contingent consideration payable which is not expected to become payable for a period beyond 5 years.

Notes to the Consolidated Financial Statements *continued*

For the year ended 31 December 2022

25. Capital management policies and procedures *continued*

Credit risk

Credit risk is the risk of financial loss to the Group and Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group and Company have borrowings outstanding from its subsidiaries and joint ventures, the ultimate realisation of which depends on the successful exploration and realisation of the Group's intangible exploration assets:

	Group		Company	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Trade and other receivables (current and excluding prepayments)	1,153	1,011	540	132
Trade and other receivables (non-current)	414	815	3,850	5,942
	1,567	1,826	4,390	6,074

The concentration of credit risk for trade and other receivables at the balance sheet date by geographic region was:

	Group		Company	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
United Kingdom	565	137	4,390	6,074
Türkiye	986	1,688	-	-
Other	16	1	-	-
	1,567	1,826	4,390	6,074

Market risk

Foreign exchange risk arises due to the Group's and Company's primary operations being in Türkiye. The Group and Company have a general policy of not hedging against its exposure of foreign investments in foreign currencies. The Group and Company are exposed to translation and transaction foreign exchange risks and take profits or losses on these as they arise.

	UK		Türkiye		Other		Total	
Group	2022 £'000	2021 £'000	2022 £'000	2021 £'000	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Cash and cash equivalents	7,087	10,238	931	5,232	1,357	919	9,375	16,389
Trade and other receivables	637	261	593	873	50	2	1,280	1,136
Trade and other payables	339	452	342	1,390	133	219	814	2,061

	UK		Türkiye		Other		Total	
Company	2022 £'000	2021 £'000	2022 £'000	2021 £'000	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Cash and cash equivalents	-	-	-	-	-	-	-	-
Trade and other receivables	3,850	5,942	-	-	-	-	3,850	5,942
Trade and other payables	139	232	-	-	-	-	139	232

Sensitivity analysis

Foreign exchange risk arises due to the Group's and Company's primary operations being in Türkiye.

A 10% percent weakening of Turkish Lira against the Sterling at the reporting date would have decreased net assets by £1,109,059 (2021: £1,079,824). This calculation assumes that the change occurred at the balance sheet date and had been applied to risk exposures existing at that date.

Market risk - Borrowing facilities and interest rate risk

The Group and Company finances its operations primarily through its share of profits from its associate investment, and the issue of equity share capital to ensure sufficient cash resources are maintained to meet short-term liabilities and future project development requirements. Cash deposits are kept under regular review, with reference to future expenditure requirements and to maximise interest receivable.

Sensitivity analysis

(a) The Group and Company have limited exposure to changes to interest rates both locally and in Türkiye since the interest accruing on bank deposits was relatively immaterial.

(b) The Group and Company have no interest rate exposure on the loan finance provided during the year as the amounts owed by Group undertakings are interest free.

Market risk – Equity price risk

The Group and Company's exposure to equity price risk arises from its investment in equity securities.

Fair values of financial instruments

The fair value of a financial instrument is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Where applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

Set out below is a comparison by category of carrying amounts and fair values of all the Group's financial instruments:

	Carrying Amount				Fair Value			
	2022 £'000	2022 £'000	2021 £'000	2021 £'000	2022 £'000	2022 £'000	2021 £'000	2021 £'000
	Group	Company	Group	Company	Group	Company	Group	Company
Financial assets								
Cash and cash equivalents	9,375	-	16,389	-	9,375	-	16,389	-
Loans and receivables								
Trade and other receivables (current)	1,153	540	1,011	-	1,153	540	1,011	-
Trade and other receivables (non-current)	414	3,850	815	5,942	414	3,850	815	5,942
Trade and other payables	(814)	(139)	(2,061)	(232)	(814)	(139)	2,061	(232)

The fair value of trade and other receivables is estimated as the present value of future cash flows discounted at the market rate of interest at the reporting date. For receivables and payables with a remaining life of less than one year, the notional amount is deemed to reflect fair value. All other receivables and payables are, where material, discounted to determine the fair value.

When measuring the fair value of an asset or a liability, the Group and Company uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Differences arising between the carrying and fair value are considered not significant to adjust for in these accounts. The carrying and fair value of intercompany balances are the same as if they are repayable on demand.

Please note that this document is important and requires your immediate attention.

If you are in any doubt as to the action to be taken, please consult an independent financial adviser immediately. If you have sold or transferred or otherwise intend to sell or transfer all of your holding of ordinary shares in the Company prior to the Record Date (as described in Note 13) for the Annual General Meeting of the Company on 29 June 2023 at 10:30 a.m. you should send this document, together with the accompanying Form of Proxy, to the (intended) purchaser or transferee or to the stockbroker, bank or other agent through whom the sale or transfer was or is to be effected for transmission to the (intended) purchaser or transferee. If you have sold some only of your ordinary shares then please retain this document.

The formal business of the Annual General Meeting **(AGM)** will only be to consider and vote upon the resolutions set out in the notice of meeting.

SHAREHOLDERS WISHING TO VOTE ON ANY OF THE MATTERS OF BUSINESS ARE STRONGLY URGED TO DO SO THROUGH COMPLETION OF A FORM OF PROXY which must be completed and submitted in accordance with the instructions thereon. It is emphasised that any Forms of Proxy being returned via a postal service should be submitted as soon as possible to allow for any delays to or suspensions of postal services in the United Kingdom. **Shareholders wishing to vote on any matters of business are strongly urged to do so through registering their proxy appointment and voting by proxy online and to appoint the Chairman of the Meeting as your proxy. This will enable the Chairman of the Meeting to vote on your behalf, and in accordance with your instructions, at the AGM. Lodging of a Proxy Form does not preclude a shareholder from attending in person and voting at the AGM.**

Further information on voting procedures follows the resolutions below. Queries regarding these procedures may be directed to the Company's registrars, Computershare Investor Services plc, The Pavilions, Bridgewater Road, Bristol BS99 6ZY (telephone number +44 (0) 370 889 3196.

Notice of the 2023 Annual General Meeting of Ariana Resources PLC

Company Number: 05403426

Notice is hereby given that the 2023 Annual General Meeting of Ariana Resources PLC (the "**Company**") will be held at the East India Club, 16 St James's Square, London, SW1Y 4LH on 29 June 2023 at 10:30 a.m. in order to consider and, if thought fit, pass resolutions 1 to 7 as Ordinary Resolutions and Resolution 8 & 9 as Special Resolutions:

Ordinary resolutions

1. To receive the Annual Report and Accounts for the year ended 31 December 2022.
2. To re-elect Michael de Villiers who is retiring pursuant to Article 41.1 of the Articles of Association as a Director of the Company.
3. To re-elect William Payne who is retiring pursuant to Article 41.1 of the Articles of Association as a Director of the Company.
4. To re-elect Chris Sangster who is retiring pursuant to Article 41.1 of the Articles of Association as a Director of the Company.
5. To re-elect Dr Kerim Sener who is retiring pursuant to Article 41.1 of the Articles of Association as a Director of the Company.
6. To re-appoint PKF Littlejohn as auditors and to authorise the Directors to fix their remuneration.
7. That the directors be generally and unconditionally authorised to allot Relevant Securities (as defined in the notes to this Notice) up to a maximum nominal amount of £500,000 comprising:
   a. equity securities (as defined by section 560 of the Companies Act 2006) of ordinary shares of 0.1p each in the capital of the Company ("Ordinary Shares") up to an aggregate nominal amount of £250,000 in connection with an offer by way of a rights issue:
      i. to holders of Ordinary Shares in proportion (as nearly as may be practicable) to their respective holdings; and
      ii. to holders of other equity securities as required by the rights of those securities or as the directors otherwise consider necessary, but subject to such exclusions or other arrangements as the directors may deem necessary or expedient in relation to treasury shares, fractional entitlements, record dates, legal or practical problems in or under the laws of any territory or the requirements of any regulatory body or stock exchange; and
   b. in any other case, up to an aggregate nominal amount of £250,000.

The power granted by this authority shall, unless renewed, varied or revoked by the Company, expire on the date which is 15 months after the date on which this resolution is passed or, if earlier, the conclusion of the next annual general meeting of the Company save that the Company may, before such expiry, make offers or agreements which would or might require Relevant Securities to be allotted and the directors may allot Relevant Securities in pursuance of such offer or agreement notwithstanding that the authority conferred by this resolution has expired.

This resolution revokes and replaces all unexercised authorities previously granted to the directors to allot Relevant Securities but without prejudice to any allotment of shares or grant of rights already made, offered or agreed to be made pursuant to such authorities.

Special resolutions

8. That, subject to the passing of Resolution 7 the Directors be given the general power to allot equity securities (as defined by Section 560 of the 2006 Act) for cash, either pursuant to the authority conferred by Resolution 7 or by way of a sale of treasury shares, as if Section 561(1) of the 2006 Act did not apply to any such allotment, provided that this power shall be limited to:
   a. the allotment of equity securities in connection with an offer by way of a rights issue:
      i. to the holders of ordinary shares in proportion (as nearly as may be practicable) to their respective holdings; and
      ii. to holders of other equity securities as required by the rights of those securities or as the Directors otherwise consider necessary, but subject to such exclusions or other arrangements as the Board may deem necessary or expedient in relation to treasury shares, fractional entitlements, record dates, legal or practical problems in or under the laws of any territory or the requirements of any regulatory body or stock exchange; and
   b. the allotment (otherwise than pursuant to paragraph 7a above) of equity securities up to an aggregate nominal amount of £250,000.

The power granted by this authority shall, unless renewed, varied or revoked by the Company, expire on the date which is 15 months after the date on which this resolution is passed or, if earlier, the conclusion of the next annual general meeting of the Company, save that the Company may, before such expiry, make offers or agreements which would or might require equity securities to be allotted and the directors may allot equity securities in pursuance of such offer or agreement notwithstanding that the authority conferred by this resolution has expired.

This resolution revokes and replaces all unexercised authorities previously granted to the directors to allot equity securities but without prejudice to any allotment of shares or grant of rights already made, offered or agreed to be made pursuant to such authorities.

9. That, the Company be authorised generally and unconditionally to make market purchases (within the meaning of section 693 of the Companies 2006 Act) of ordinary shares of £0.001 each, provided that:
   a. the maximum aggregate number of ordinary shares that may be purchased is 5% of the issued share capital of the Company as at the date of the market purchase;
   b. the minimum price (excluding expenses) which may be paid for each ordinary share is £0.001;
   c. the maximum price (excluding expenses) which may be paid for each ordinary share is to be no higher than the average mid-market closing price of an ordinary share in the Company on the day prior to the day the purchase is made;
   d. the authority conferred by this resolution shall expire at the conclusion of the Company's next annual general meeting save that the Company may, before the expiry of the authority granted by this resolution, enter into a contract to purchase ordinary shares which will or may be executed wholly or partly after the expiry of such authority.
   e. the directors may hold any such ordinary shares in Treasury and are then entitled to resell the same, satisfy the issue of new ordinary shares or cancel any such ordinary shares so acquired, as allowed by the Companies Act.

Michael de Villiers
Chairman and Company Secretary
5 June 2023

Registered Office
2nd Floor, Regis House
45 King William Street
London
EC4R 9AN:

Notes:

1. As a member of the Company you are entitled to appoint a proxy to exercise all or any of your rights to attend, speak and vote at a general meeting of the Company. You can only appoint a proxy using the procedures set out in these notes.

2. Appointment of a proxy does not preclude you from attending the meeting and voting in person. If you have appointed a proxy and attend the meeting in person, your proxy appointment will automatically be terminated.

3. A proxy does not need to be a member of the Company but must attend the meeting to represent you. To appoint as your proxy a person other than the Chairman of the meeting, insert their full name in the box. If you sign and return the proxy form with no name inserted in the box, the Chairman of the meeting will be deemed to be your proxy. Where you appoint as your proxy someone other than the Chairman, you are responsible for ensuring that they attend the meeting and are aware of your voting intentions. If you wish your proxy to make any comments on your behalf, you will need to appoint someone other than the Chairman and give them the relevant instructions directly.

4. You may not appoint more than one proxy to exercise rights attached to any one share.

5. To direct your proxy how to vote on the resolutions mark the appropriate box with an 'X'. To abstain from voting on a resolution, select the relevant "Vote withheld" box. A vote withheld is not a vote in law, which means that the vote will not be counted in the calculation of votes for or against the resolution. If you give no voting indication, your proxy will vote or abstain from voting at his or her discretion. Your proxy will vote (or abstain from voting) as he or she thinks fit in relation to any other matter which is put before the meeting.

6. To appoint a proxy you must ensure that the attached proxy form is completed, signed and sent to Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS99 6ZY by no later than 10:30 a.m. on 27 June 2023.

7. In the case of a member which is a company, the Form of Proxy must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the Company.

8. Any corporation which is a member can appoint one or more corporate representatives who may exercise on its behalf all of its powers as a member provided that they do not do so in relation to the same shares.

9. Any power of attorney or any other authority under which the proxy form is signed (or a duly certified copy of such power or authority) must be included with the proxy form.

10. In the case of joint holders, where more than one of the joint holders purports to appoint a proxy, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the Company's register of members in respect of the joint holding (the first-named being the most senior).

11. If you submit more than one valid proxy appointment, the appointment received last before the latest time for the receipt of proxies will take precedence. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the meeting (and any adjournment of the meeting) by following the procedures described in the CREST Manual available on the website of Euroclear UK and International Limited ("Euroclear") at www.euroclear.com. CREST Personal Members or other CREST sponsored members (and those CREST members who have appointed a voting service provider) should refer to their CREST sponsor or voting service provider, who will be able to take the appropriate action on their behalf. In order for a proxy appointment or instruction made by means of CREST to be valid, the appropriate CREST message (a "CREST Proxy Instruction") must be properly authenticated in accordance with Euroclear's specifications and must contain the information required for such instructions, as described in the CREST Manual. The message (regardless of whether it constitutes the appointment of a proxy or an amendment to the instruction given to a previously appointed proxy) must, in order to be valid, be transmitted so as to be received by Computershare Investor Services PLC. (ID number 3RA50).

12. You may not use any electronic address provided in the proxy form to communicate with the Company for any purposes other than those expressly stated.

13. Pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001, the time by which a person must be entered on the register of members in order to have the right to attend and vote at the Annual General Meeting is 10:30a.m. on 27 June 2023, (being not more than 48 hours prior to the time fixed for the Meeting) or, if the Meeting is adjourned, such time being not more than 48 hours prior to the time fixed for the adjourned meeting. Changes to entries on the register of members after that time will be disregarded in determining the right of any person to attend or vote at the Meeting.

14. As at 5 June 2023 (being the last practicable date prior to the publication of this Notice) the Company's issued ordinary share capital consists of 1,146,363,330 ordinary shares of £0.001 each, carrying one vote each. No shares are held in treasury. Therefore the total voting rights in the Company as at that date are 1,146,363,330.

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