ARIANA RESOURCES plc

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TAVSAN RESOURCE UPDATE

Ariana Resources plc ("Ariana" or "the Company"), the exploration and development company with gold mining operations in Turkey, is pleased to announce a Joint Ore Reserves Committee ("JORC") Resource update for the Tavsan Project ("Tavsan" or "the Project"). Tavsan is part of the Red Rabbit Joint Venture ("JV") with Proccea Construction Co. and is 50% owned by Ariana through its shareholding in Zenit Madencilik San. ve Tic. A.S. ("Zenit").

Highlights:

- Resource Estimate substantially de-risks the Project, following a material improvement in the resource classification; 71% of the resource now in Measured and Indicated.

- Global resource of 3.98Mt at 1.32 g/t Au and 4.46 g/t Ag for 168,900 oz Au and 571,700 oz Ag (all categories), contained largely within Scoping Study pit shapes*.

- Additional JORC Exploration Target of up to a further 9.70Mt at 1.30 g/t Au (for c. 400,000 oz Au)*.

- New classification enables JV to proceed with a Feasibility Study and Environmental Impact Assessment ("EIA") for Tavsan, without further resource drilling.

- Potential resource extensions are represented by a number of drill holes including 11m @ 5.11 g/t Au + 6.83g/t Ag, 6m @ 3.37g/t Au + 3.67g/t Ag and 9m @ 1.30g/t Au + 4.32g/t Ag within c.20m from surface.

Dr. Kerim Sener, Managing Director, commented:

"This is an exceptionally pleasing and robust resource update for the Tavsan Project. We are increasingly confident in the potential for Tavsan to be developed in the medium-term and that planned mine life can be increased beyond four years, as previously defined in the Scoping Study of 2016. The JV is targeting the development of Tavsan as a semi-autonomous project with the Kiziltepe Mine, within the broader context of the Red Rabbit Joint Venture with Proccea Construction Co. Further work will be required on a Feasibility Study and EIA, which the JV is aiming to complete largely in-house, along with associated permitting. The JV is planning to commence these work programmes during 2018, which are expected to be funded through cash flow from the Kiziltepe Mine."

This announcement contains inside information for the purposes of Article 7 of EU Regulation 596/2014.

* All Mineral Resource figures in the announcement are quoted gross with respect to the Red Rabbit Joint Venture, of which 50% is owned by Ariana.

Resource Estimate

Zenit Madencilik San. ve Tic. A.S. (Zenit) engaged Tetra Tech to complete a Joint Ore Reserves Committee ("JORC") compliant Mineral Resource estimate for the Tavsan Project. The updated Mineral Resource estimate is based on an improved understanding of the spatial continuity between samples collected from drill holes, utilising a revised geological model and appropriate application of geostatistical methods. Appendix 1 provides more detail on sampling techniques and data used in this estimation.

In compliance with the JORC code (2012), the Mineral Resource Estimate detailed here includes material scientific and technical information in respect of the Project. The Mineral Resource is based on additional spatial continuity studies completed by Tetra Tech in May 2017, which determined that spatial continuity of samples is sufficient to support an upgrade of the resource to at least Indicated category. The Mineral Resource will inform an updated infill drilling programme to target those areas that remain in the Inferred category, thereby significantly reducing the drilling and sampling required for further improvements in the classification of resources.

This estimate supersedes the earlier published Mineral Resource estimate for Tavsan completed in 2008 by SRK Consulting (UK) Ltd, which was undertaken in accordance with the earlier JORC code (2004) and involved a different geological model that encompassed all drilling. The 2008 resource was also undertaken using the conventional mathematical method of Inverse Distance Weighted Squared ("IDW2") rather than the geostatistical approach taken here. Some areas included in the 2008 resource are specifically excluded in the current resource and instead have been assigned to an Exploration Target (see below), due to lower geological confidence. The current estimate focused primarily on areas that are considered amenable to shallow open-pit mining (Figure 1) as defined in the Scoping Study (announced on 10 November 2016). The Scoping Study determined that approximately 2.7Mt at 1.6 g/t Au and 3.0 g/t Ag (then in Inferred and Indicated categories) was contained within four Whittle pit shells at a strip ratio of 2:1 and the majority of the resource detailed here coincides specifically with these areas (Figure 1).

Geological Summary

Gold mineralisation at Tavsan is epithermal in style, with associated silver and antimony, broadly situated along the thrust contact between Jurassic massively bedded limestone and an overlying Cretaceous multi-lithic ophiolite sequence. In addition, a karstic network within the limestone and fractures within the ophiolitic rocks may have acted as secondary conduits for the development of some jasperoidised-silicified ("jasperoid") rocks, several tens of meters, below and above of the thrust fault contact, respectively.

The mineralised jasperoid plane developed along the thrust contact is irregular on a ten meter-scale but broadly follows the gentle topography on a hundred meter-scale, and is largely exposed at surface (Figure 1). In the vicinity of a NE-SW trending fault zone, the thrust is steeper than the topographic gradient, resulting in a more steeply dipping zone of mineralisation. The greatest thickness of gold-bearing jasperoid is observed in the vicinity of the NE-SW fault zone. However, gold concentration appears to have a dominant NW-SE control within the jasperoid as a whole, suggesting potential for steeply dipping conduit structures cross-cutting the limestone units in the footwall.

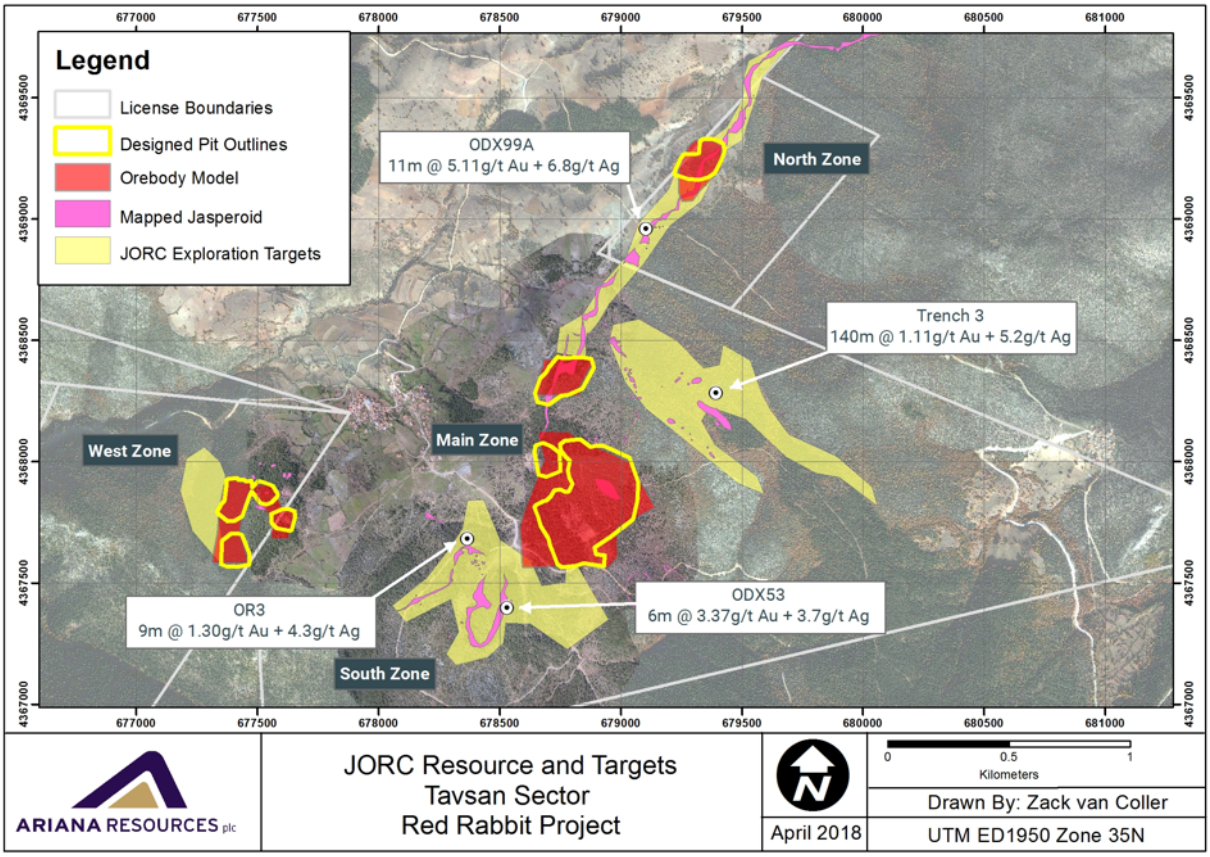

Figure 1: Map of the Tavsan Project, showing the main resource areas (in red) with pits designed as part of the Scoping Study (outlined in yellow). Substantial areas exist outside of the planned pits which have not been sufficiently drill tested, yet show potential for resource extensions (in pale yellow). These areas form part of the JORC Exploration Target. Selected drill hole and trench results which support the Exploration Target are identified in these areas.

Estimation Methodology

Wireframe models of the jasperoid were developed by linking sectional interpretations. The models were created based upon interval selections that referenced the gold grades, lithological descriptions and structural interpretation. Grades greater than 0.5 g/t gold were linked together between each drill-section. Where continuity was not established between sections, the strike extrapolation was limited. The continuity of the various structures is reflected in the Mineral Resource classification.

Compositing was completed in Datamine using a 1m best fit routine, applying hard domain boundaries, which forced all samples to be included in one of the composites by adjusting the composite length, while keeping it as close as possible to the selected interval of 1m. Decile analysis of the composited data indicates that the data set did not have undue bias at higher-grades and therefore no top cut was applied.

Specific gravity was determined based on seven analyses for the Tavsan deposit. The average of the limestone units is 2.55 g/cm^3 and the average of the jasperoid unit is 2.59 g/cm^3. The density was interpolated into the block model by the IDW2 method based on a mean value of 2.57 g/cm^3 for all mineralised blocks that did not receive an estimate grade, or where other lithologies appeared in the selected sample set.

Variography was attempted for the entire data set as a single population, but no suitable variograms could be established, probably due to the variation in geometry of the satellite

areas. However, good variogram model fit was achieved for the Main Zone where good directionality and range was observed. The Satellite zones have much lower sample numbers, resulting in poorer model fits. Consequently, the Main Zone variogram model was applied to all zones on the basis that, although spatially separate, the zones are all genetically linked. A good variogram model fit was achieved for downhole, major, semi-major directions, with a nugget effect of 0.19.

A non-rotated block model was established using block sizes determined to be optimal for the dataset and wireframe geometry of 10 x 20 x 5m. Standardised sub-cell splitting to the minimum block size of 5 x 10 x 1m was employed to enable subsequent pit optimisation and mine design. Sub-cells received parent cell grades during estimation and grades were estimated using Ordinary Kriging, adopting a multi-pass methodology.

Resource Classification

The Mineral Resource is classified according to the guidelines presented within the 2012 JORC code (Table 1), providing Measured, Indicated and Inferred resources. Approximately 13% of the global resource is classified as Measured and 58% classified as Indicated. The style of mineralisation has been identified, the controls on mineralisation are well understood and measurements and sampling completed to a reasonable degree of confidence for the mineralisation present (Appendix 1). It is considered reasonable to expect that some of the Inferred Mineral Resources could be upgraded to Indicated Mineral Resources with continued exploration; however, due to the uncertainty of Inferred Mineral Resources it should not be assumed that such upgrading will always occur. It is also reasonable to expect that portions of the Indicated Mineral Resources could be upgraded to Measured Mineral Resources with some additional infill data.

Confidence in the estimate of the Mineral Resources is sufficient to allow the results of the application of technical and economic parameters to be used for detailed planning in a Feasibility Study. Some drilling will be planned to help support the Feasibility Study and EIA but this will be focused on limited infill drilling and geotechnical drilling, and is not likely to exceed 1,000m. In addition to supporting a Feasibility Study, this new Mineral Resource will assist the targeting of future exploratory and resource drilling in order to expand the resource further, particularly in areas comprising the Exploration Target.

Table 1: Summary of JORC Mineral Resources for Tavsan, at a cut-off grade of 0.7 g/t Au.

Classification	Zone	Tonnes	Au (g/t)	Ag (g/t)	Au (troy oz)	Ag (troy oz)
Measured	Main	537,000	1.80	3.98	30,900	68,600
Indicated	Main	1,758,000	1.23	3.61	69,400	203,600
	North	181,000	1.01	15.08	5,900	87,600
	West	361,000	1.19	4.93	13,800	57,100
Measured and Indicated Total		**2,837,000**	**1.32**	**4.58**	**120,100**	**416,900**
Inferred	Main & Satellites	1,142,000	1.33	4.22	48,800	154,800
Global Total		**3,979,000**	**1.32**	**4.46**	**168,900**	**571,700**

Notes: Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability. Environmental, permitting, legal, title, taxation, socio-political, marketing, or other relevant issues may materially affect the estimate of Mineral Resources. Ariana and Tetra Tech are not aware of any material barrier to eventual economic extraction. Numbers may not correctly sum due to rounding. An inconsequential part of the Satellite zones is located outside of the current operating licences.

Exploration Target

The mineralised jasperoid units at Tavsan are extensive and have been mapped in detail. There are large areas of prospective mineralisation that have been mapped, and in some cases sampled either by drilling or surface methods, which have not been included in the Resource statement, as the data supporting these areas is not considered sufficient. However, these mineralised areas do represent exploration potential for the project.

Assuming a mean thickness of 5m, derived from the thoroughly interpreted mineralised areas, an additional tonnage in the range of approximately 8 to 10Mt at a density of 2.57 g/cm^3 is possible for the Exploration Target. It is expected that the grade would range between 1.0 and 1.3 g/t Au. The Exploration Target areas (Figure 1) have been labelled A – E and the ranges for each area, based on their volume and neighbouring Resource grades (Table 2).

Table 2: JORC Exploration Target defined by exploration area, showing a range of possible tonnages and gold grades. Silver has not been included in these calculations as it is not as economically significant as gold and, hence, would not help inform exploration decision-making.

Exploration Area	Tonnage (Mt)	Grade (g/t Au)
A	0.7 - 0.8	1.0 - 1.3
B	3.0 - 3.6	1.2 - 1.4
C	2.8 - 3.5	1.2 - 1.4
D	1.0 - 1.3	1.2 - 1.5
E	0.4 - 0.5	1.0 - 1.1
Total	**7.9 - 9.7**	**1.0 - 1.3**

Contacts:

Ariana Resources plc Tel: +44 (0) 20 7407 3616
Michael de Villiers, Chairman
Kerim Sener, Managing Director

Beaumont Cornish Limited Tel: +44 (0) 20 7628 3396
Roland Cornish / Felicity Geidt

Panmure Gordon (UK) Limited Tel: +44 (0) 20 7886 2500
Adam James / Tom Salvesen

Yellow Jersey PR Limited Tel: +44 (0) 7544 275 882
Tim Thompson / Harriet Jackson / Henry Wilkinson arianaresources@yellowjerseypr.com

Editors' Note

The updated Mineral Resource estimate update was prepared by Tetra Tech, under the direction of Mr. Joe Hirst B.Sc., M.Sc. EurGeol (European Geologist) CGeol (Chartered Geologist). Mr. Hirst is a Resource Geologist at Tetra Tech, and an independent Competent Person as defined by the JORC Code, 2012 Edition. The results are reported in accordance with the JORC code.

Mr. Hirst has reviewed the technical and scientific information in this press release relating to the Mineral Resource estimates and has approved the use of the information contained herein.

About Ariana Resources:

Ariana is an exploration and development company with mining operations focused on epithermal gold-silver and porphyry copper-gold deposits in Turkey, the largest gold producing country in Europe. The Company is developing a portfolio of prospective licences originally selected on the basis of its in-house geological and remote-sensing database, which now contain a total of 1.6 million ounces of gold and other metals. Ariana's objective is to cost-effectively add value to its projects through focused exploration and to develop its operations, primarily through well-financed joint ventures.

The Company's flagship assets are its Kiziltepe and Tavsan gold projects which form the Red Rabbit Gold Project. Both contain a series of prospects, within two prolific mineralised districts in the Western Anatolian Volcanic and Extensional (WAVE) Province in western Turkey. This Province hosts the largest operating gold mines in Turkey and remains highly prospective for new porphyry and epithermal deposits. These core projects, which are separated by a distance of 75km, form part of a 50:50 Joint Venture with Proccea Construction Co. The Kiziltepe Sector of the Red Rabbit Project is fully-permitted and is currently in production. The total resource inventory at the Red Rabbit Project and wider project area stands at c. 605,000 ounces of gold equivalent. At Kiziltepe a Net Smelter Return ("NSR") royalty of up to 2.5% on production is payable to Franco-Nevada Corporation. At Tavsan an NSR royalty of up to 2% on future production is payable to Sandstorm Gold.

In north-eastern Turkey, Ariana owns 100% of the Salinbas Gold Project, comprising the Salinbas gold-silver deposit and the Ardala copper-gold-molybdenum porphyry among other prospects. The total resource inventory of the Salinbas project area is c. 1 million ounces of gold equivalent. A NSR royalty of up to 2% on future production is payable to Eldorado Gold Corporation.

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

For further information on Ariana you are invited to visit the Company's website at www.arianaresources.com.

Glossary of Technical Terms:

"Ag" the chemical symbol for silver;

"Au" the chemical symbol for gold;

"cut-off grade" The lowest grade, or quality, of mineralised material that qualifies as economically mineable and available in a given deposit. May be defined on the basis of economic evaluation, or on physical or chemical attributes that define an acceptable product specification;

"g/t" grams per tonne;

"Indicated resource" a part of a mineral resource for which tonnage, densities, shape, physical characteristics, grade and mineral content can be estimated with a reasonable level of confidence. It is based on exploration, sampling and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes. The locations are too widely or inappropriately spaced to confirm geological and/or grade continuity but are spaced closely enough for continuity to be assumed;

"Inferred resource" a part of a mineral resource for which tonnage, grade and mineral content can be estimated with a low level of confidence. It is inferred from geological evidence and has assumed, but not verified, geological and/or grade continuity. It is based on information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes that may be limited or of uncertain quality and reliability;

"Inverse Distance Weighted Squared" a conventional mathematical method used to calculate the attributes of mineral resources. Near sample points provide a greater weighting than samples further away for any given resource block;

"m" Metres;

"Mt" million tonnes;

"JORC" the Joint Ore Reserves Committee;

"JORC 2004" is the previous edition of the JORC Code, which was published in 2004. It has been superseded by JORC 2012;

"JORC 2012" is the current edition of the JORC Code, which was published in 2012. After a transition period, the 2012 Edition came into mandatory operation in Australasia from 1 December 2013;

"m" Metres;

"Measured resource" a part of a Mineral Resource for which tonnage, densities, shape, physical characteristics, grade and mineral content can be estimated with a high level of confidence. It is based on detailed and reliable exploration, sampling and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drillholes. The locations are spaced closely enough to confirm geological and grade continuity.

"oz" Troy Ounces. One Troy Ounce is equal to 31.1035 grams;

"Whittle" computer software that uses the Lerch-Grossman algorithm, which is a 3-D algorithm that can be applied to the optimisation of open-pit mine designs. The purpose of optimisation is to produce the most cost effective and most profitable open-pit design from a resource block model.

Ends.