



Edward Gooden

+44 (0)20 7886 2775

edward.gooden@panmure.com



Kieron Hodgson

+44 (0)20 7886 2773

kieron.hodgson@panmure.com

Flash Note

26 March 2024

BUY

(Remains unchanged)

Target Price: 5.49p

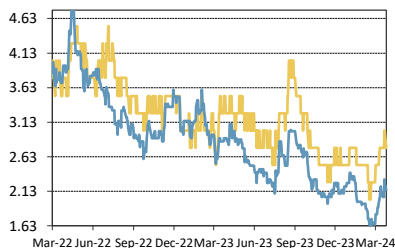
Share Price: 2.15p

(Price at close 25 March 2024)

Key Data

Market Cap	£25m
Sector	Mining
Stock Codes	ARNR.L / AAU LN
Last Published Research:	12 March 2024

Absolute & Relative Performance



Source Datastream

Analysts

Edward Gooden	+44 (0)20 7886 2775
edward.gooden@panmure.com	
Kieron Hodgson	+44 (0)20 7886 2773
kieron.hodgson@panmure.com	

Ariana Resources

Resources and Reserves updated

Ariana has announced an updated resource and reserve statement for its portfolio of project in Turkey, held within the Zenit JV, of which Ariana holds 23.5%. For Ariana's two mines, this update brings a 12% increase in tonnage for Kiziltepe and 15% increase for Tavsan, which is very positive.

- **Tavsan resources and reserves** – Tavsan's resources are now 7.65Mt @1.26g/t Au, 4.5g/t Ag, for contained gold and silver of 311koz and 1.1Moz respectively. Reserves are 4.5Mt @1.4g/t Au, 4.6g/t Ag for 201koz Au and 667koz Ag contained. This is a 15% increase and there is considerable extension upside which still requires drill testing.
- **Kiziltepe resources and reserves** – Kiziltepe resources have been updated to 3.3Mt @1.63g/t Au and 32g/t Ag, for contained 172koz Au and 3.3Moz Ag. The reserve is 823Mt @1.8g/t Au, 38g/t Ag containing 48koz Au and 1Moz Ag. This includes remaining vein material at Kiziltepe and Kizilcukur. There remains exploration potential on additional vein systems, which Ariana estimates internally could yield 800kt @ ~1g/t. At a processing rate of 400ktpa and the inclusion of high grade Tavsan ore, there is potential for the Kiziltepe plant life of mine to be extended further.
- **Tavsan update** – Ariana plans to truck higher grade ore from Tavsan to Kiziltepe, to be processed via CIL there (with Kiziltepe ore). Lower grade ore at Tavsan will be processed via heap leach pads, which are almost complete. The high-grade domain is ~2.5g/t, with the low grade ~1g/t. This will extend the operating life of the Kiziltepe mine and mean that recovery can be maximised, as heap leach recovery is slightly lower than CIL. This also means the heap leach conditions (residence time etc.) can be optimised for the lower grade portion of ore.
- **Maintain Buy recommendation and 5.49p target price** – Following this positive resource and reserve update for Tavsan and Kiziltepe, in which Ariana holds 23.5% interest, we reiterate our Buy recommendation and 5.49p target price. Mining is underway at Tavsan, high-grade material is being stockpiled and first production via heap leach recovery is expected shortly.

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Year End	Sales	PBTA	EPS	DPS ord	P/E	EV/EBITDA	Yield
Dec	(£m)	(£m)	(p)	(p)	(x)	(x)	(%)
2022A	5.5	5.0	0.4	0.0	6.0	3.2	0.0
2023E	0.0	2.0	0.1	0.0	17.9	4.4	0.0
2024E	0.0	4.7	0.3	0.0	6.4	3.0	0.0
2025E	0.0	8.7	0.7	0.0	3.1	1.7	0.0

Source Company Data, Panmure Gordon

Distribution of investment ratings for equity research (as of 11 Jan 24)			Rating: GUIDELINE (return targets may be modified by risk or liquidity issues)	
Overall Global Distribution (Banking Client*)			Buy	Total return of >10% in next 12 months
Buy	Hold	Sell	Hold	Total return >10% and <+10% in next 12 months
79% (38%)	19% (4%)	2% (0%)	Sell	Total returns <-10% in next 12 months
* Indicates the percentage of each category in the overall distribution that were banking and/or corporate broking clients				

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