



AURIANT MINING

Auriant Mining AB (publ)

Interim report for the period from January – March 2014

Highlights:

- **Total production of gold for the reporting period increased by 8% to 84 kg (2,690 oz) from 78 kg (2,508 oz) in Q1 2013.**
- **Consolidated revenue from gold and gold equivalents for Q1 2014 decreased by 6% to MSEK 25.7 (US\$ 3.9 m) compared to the Q1 2013 amount of MSEK 27.4 (US\$ 4.2 m). EBITDA for the period was negative at MSEK -21.9 (US\$ -3.4 m) compared to Q1 2013 of MSEK -20.4 (US\$ -3.1 m).**
- **The net result after tax for the period was MSEK -35.2 (US\$ -5.4 m) compared to Q1 2013 in amount of MSEK -33.9 (US\$ -5.2 m). Earnings per share before and after dilution for Q1 2014 were equal to SEK -1.98 (US\$ -0.31) compared to Q1 2013 – SEK -1.91 (US\$ -0.30).**
- **Russia's Promsvyazbank agreed to provide up to US\$45 m under a new debt facility. The facility will carry an interest rate of up to 8.5% and with maturity extended by 4 years to 2018, with a 1 year grace period. First repayments of the debt principal will occur in 2015.**

Key developments post period end:

- **Svyazbank loan to Solcocon fully repaid.**
- **Appointment of Sergey Ustimenko as Group CFO.**

Comments by the CFO

Dear Stakeholders,

I'm pleased to present our interim financial statements for Q1 2014. The first quarter of 2014 delivered several positive developments that demonstrate that Auriant is on the right track: we increased production of gold, decreased our cash costs per ounce and rolled over debt that was maturing in June 2014 to 2018 and which was classified as a short term liability in our 2013 year end financials. Extension of this debt gives us greater flexibility in managing our cash flows over 2014. Over 2014 we will continue to focus our efforts on further increasing production and reducing costs.

Please note that certain amounts in the interim financial statements hereunder do not correspond to the interim financial statements for the respective period of 2013. Adjustments to comparative figures are in paragraph "Restatement" of the "Accounting principles and basis of preparation".

Income, financial results and financial position for the group

Income and result

Revenue from gold and gold equivalents decreased by MSEK 1.670 (US\$ 0.225 m), or 6%, as compared to the same period of 2013. The volume of gold sold increased by 13% from 79.4 kg (2,551 oz) in Q1 2013 up to 92.1 kg (2,961 oz) in Q1 2014, however the increase in volume of gold sold was offset by a drop in the average realized gold price from US\$ 1,656 in Q1 2013 down to US\$ 1,290 in the current period.

In 2014 we continued to develop our mine assets, which however, are still ramping up production. At the same time we are focusing on cost efficiency at both the mine and headquarters level. The cost of sales in Q1 2014 amounted to MSEK 47.920 (US\$ 7.413 m) or 4% higher than in the same period of 2013 when the cost of sales amounted to MSEK 45.936 (US\$ 7.049 m). This increase in the cost of sales is primarily volume driven while average cash costs per ounce of gold decreased from US\$ 2,231/oz in Q1 2013 down to US\$ 2,080/oz in Q1 2014, or by 7%. The relatively high level of cash costs per ounce of sales as compared to the average cash costs for 2013 full year is explained by strong production seasonality.

General and administrative expenses are represented by expenses of the company's headquarters and these expenses decreased by MSEK 2.816 (US\$ 0.421 m), or 23%, as compared to Q1 2013.

Other operating income in Q1 2013 amounting to MSEK 2.448 (US\$ 0.376 m) is related to a gain as a result of inventory stock-takes and reversal of bad debt provisions. In Q1 2014 other operating income of MSEK 1.246 (US\$ 0.193 m) primarily consisted of services to external parties, mainly our contractors.

Other operating expenses did not change significantly and were represented by field services to employees, bank commissions and other services (each of which were not significant by themselves).

Financial income and expenses consisted of foreign exchange difference and interest expenses. The interest expense for the reporting period amounted to MSEK -17.752 (US\$ -2.746 m) as compared to MSEK -11.232 (US\$ -1.728 m) for the respective period of 2013. The increase was as a result of additional bank financing received both by Tardan and Solcocon. The Company's average interest rate fell by 2.7% p.a. as compared to Q1 2013. In Q1 2013 foreign exchange losses amounted to MSEK -5.340 (US\$ -0.826 m) caused mainly by US dollar appreciation

against the Russian rouble and subsequent devaluation of rouble assets. In Q1 2014 the Company changed its functional currency from the Russian rouble to the US dollar and will account for the carrying value of assets in US dollars.

Since the Company made losses the income tax gain in both periods related to a change in deferred taxation at the subsidiary level and represents tax loss carry-forwards.

The net result after tax for Q1 2014 is MSEK -35.205 (US\$ -5.446 m) as compared to MSEK -33.997 (US\$ -5.217 m) in Q1 2013. Earnings per share before and after dilution for the period were equal to SEK -1.98 (US\$ -0.31) compared to Q1 2013 of SEK -1.91 (US\$ -0.30).

Financial position

The Company's net assets became negative at the end of the reporting period due to continuing losses and pressure on gold prices. However, the Parent Company carries positive net assets and we believe that there is still no indication of impairment. The Company possesses sufficient gold reserves, and plans to decrease costs of sales as production grows and to return to profitability, even in the current low gold price environment.

The increase in long-term liabilities up to MSEK 389.815 (US\$ 59.910 m) as of 31 March 2014 (as of 31 December 2013 long term liabilities amounted to MSEK 82.826 (US\$ 18.321 m)) is mainly caused by the reclassification of the bond payable to Golden Impala, a company related to the main Shareholder, in the amount of MSEK 247.879 (US\$ 38.086 m), from short-term to long-term liabilities, with the bond repayment rolled over to 2018; and an increase of the bond payable during the reporting period by MSEK 11.102 (US\$ 1.706 m) due to the capitalisation of interest expenses. During Q1 2014 a new long term MSEK 52.039 (US\$ 7.996 m) loan from Promsvyazbank was received. Long term lease payable for the vehicle mining fleet decreased by MSEK 2.727 (US\$ 0.419 m).

Current liabilities are mainly represented by trade and other payables, leases and loans. The overall decrease of current liabilities by MSEK 243.749 (US\$ 37.546 m) from MSEK 519.529 (US\$ 79.824 m) as of 31 December 2013 to MSEK 275.780 (US\$ 42.278 m) as of 31 March 2014 was mainly caused by reclassification of the bond payable to Golden Impala, in the amount of MSEK 247.879 (US\$ 38.086 m) to long term liabilities; a decrease of short term loan liability to Mr. Preston Haskell, a related party, by MSEK 2.915 (US\$ 0.448 m); a decrease of lease payable by MSEK 1.459 (US\$ 0.224 m); and an increase of short term bank loan liability by MSEK 7.946 (US\$ 1.221 m) and trade and other payables by MSEK 0.555 (US\$ 0.085 m).

The stripping asset increase of MSEK 22.462 (US\$ 3.453 m), caused by the capitalization of stripping activities at Tardan during Q1 2014, will be amortized over production activity during 2014.

A significant increase in the Cash and cash equivalents balance to MSEK 45.551 (US\$ 7.001 m) as of 31 March 2014 was caused by accumulation of cash funds for subsequent repayment of the Svyazbank loan on 1 April 2014.

Investments, liquidity and financing

During the reporting period the majority of operating activities were financed via accumulated cash balances as of 31 December 2013 and receipts from sales, VAT reimbursement and other receipts in Q1 2014.

As of 31 March 2014 total bank debt was equal to MSEK 281.849 (US\$ 43.316 m).

The consolidated cash balance as of 31 March 2014 was MSEK 45.551 (US\$ 7.001 m) (31 December 2013 MSEK 10.776 (US\$ 1.656 m)) and was subsequently used for repayment of the Svyazbank loan on 1 April 2014.

Other financial information

We are reporting all our financial numbers in SEK and in US dollars. The exchange rates used in this report are US\$/SEK 6.4646 for Q1 2014 P&L accounts and 6.5068 for the balance sheet as of March 31, 2014. For Q1 2013 accounts US\$/SEK 6.5162 both for P&L and balance sheet accounts was used.

Segment information

The company accounts for segments in accordance with IFRS 8. At present the company only considers that it has one segment as only one product, gold, is produced and all operations are performed in one economic environment, Russia.

Transactions with related parties

The bond liability to Golden Impala as of March 31, 2014 is MSEK 258 981 (US\$ 39.802 m).

During the reporting period Auriant Mining repaid loans to Mr. Preston Haskell, related party, in amount of MSEK 3.202 (US\$ 0.500 m). The loan liability to Mr. Preston Haskell as of March 31, 2014 is MSEK 9.882 (US\$ 1.518).

Accrued interest expenses for transactions with related parties in Q1 2014 amounted to MSEK -11.407 (US\$ -1.771 m).

Employees

The group had on average 765 employees during reporting period. As of 31 March 2014 the number of employees in the group was 761 (766 as of December 31, 2013).

Capital Structure

The number of issued shares at the end of the reporting period amounted to 17,802,429. The limits of the share capital are a minimum of MSEK 150 (US\$ 23.088 m) and a maximum of MSEK 600 (US\$ 92.352 m) and the quota value of each share is SEK 11.25 (US\$ 1.73). Each share carries one vote.

The parent company

The parent company is a holding company without significant operations. It supports the subsidiaries with financing, investor relations, strategy formulation, etc. Thus it usually has no income other than interest on loans extended to the subsidiaries from time to time or in respect of bank deposits.

Income and result

The operating loss for Q1 2014 was MSEK -1.477 (US\$ -0.228 m) compared to Q1 2013 in amount of MSEK -1.557 (US\$ -0.239 m).

Total operating expenses for Q1 2014 amounted to MSEK -1.477 (US\$ -0.228 m), in Q1 2013 MSEK -1.563 (US\$ -0.240 m).

Net financial items for Q1 2014 amounted to MSEK -8.161 (US\$ -1.262 m) (Q1 2013 MSEK -4.610) (US\$ -0.707 m)) and include interest expense related to Golden Impala bonds in amount of MSEK -11.165 (US\$ -1.715 m) and interest expense in the amount of MSEK -0.242 (US\$ -0.056 m) from short term loan received from Mr. Preston Haskell, compensated by intragroup loan interest income in amount of MSEK 3.187 (US\$ 0.500 m) and forex gain in amount of MSEK 0.059 (US\$ 0.009 m).

Net result for Q1 2014 amounted to MSEK -9.638 (US\$ -1.491 m) compared to Q1 2013 in amount of MSEK -6.167 (US\$ -0.946 m).

Financial position

Decrease of financial fixed assets is mainly caused by forex loss in intragroup balances.

Total cash balance in the Parent Company was MSEK 0.322 (US\$ 0.49) as of 31 March 2014 (31 December 2013 MSEK 5.752 (US\$ 0.884)).

Increase in long-term liabilities is explained by reclassification of the bond liability to the related party, Golden Impala Ltd. to long-term liabilities in the amount of MSEK 258.981 (US\$ 39.802 m) partly compensated by intragroup loan forex gain in the amount of MSEK 5.125 (US \$ 0.788 m).

During Q1 2014 the Company made a partially repayment of loan to MSEK 3.202 (US \$ 0.500 m) to the Shareholder Mr. Preston Haskell.

Accounting principles and basis of preparation

The consolidated accounts for Auriant Mining AB have been prepared in accordance with International Financial Reporting Standards (IFRS) as described on page 74 in the annual report for financial year 2013. The evaluations and estimations made by the board of directors and management in preparing the interim report are described on page 84 in the annual report for 2013.

This interim report has been prepared in accordance with IAS 34, Interim Financial Reporting and in accordance with the Swedish Annual Accounts Act and the Swedish Financial Reporting Board's recommendation RFR 1, Supplementary accounting regulations for groups. The parent company accounts are prepared in accordance with the Annual Accounts Act and the Swedish Financial Reporting Board's recommendation RFR 2, Accounting for legal entities. The accounting policies for the parent are the same as for the group with the exceptions described in the annual report 2013.

The same accounting principles are applied in this interim report as in the annual report 2013.

Restatement

In 2013 the Group changed its accounting policy via application of Interpretation of International Financial Reporting Interpretations Committee (IFRIC) 20 “Stripping Costs in the Production Phase of a Surface Mine”. This interpretation is effective for annual periods beginning on or after 1 January 2013. This interpretation applies to waste removal (stripping) costs incurred in surface mining activity, during the production phase of the mine. The interpretation addresses the accounting for the benefit from the stripping activity.

The Group also made corrections of accounting misstatements in 12 months 2012 accounts. For details, please, refer to 2013 annual report. Effect of restatement on consolidated Q1 2013 Net result is as follows:

		TSEK	US\$ 000
Notes #	Net loss Q1 2013 before restatement	(21,219)	(3,256)
	Effect of restatement adjustments:		
1	Amortization of capitalized stripping works related to Q1 2013	(16,261)	(2,495)
2	Correction of excess impairment of work in progress balance at GRE-324 in 2012	(1,930)	(296)
3	Reversal of fixed assets impairment at Solcocon in 2013 and its recognition in 2012 P&L	3,705	569
4	Reversal of options and warrants plans from 2013 accounts as recognized in 2012 P&L	1,707	262
	Net loss Q1 2013 after restatement	(33,997)	(5,217)

Effect of restatement on the consolidated Statement of Financial position as of March 31, 2013 in TSEK is as follows:

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Before	Notes					After
	restatement	1	2	5	6	7	restatement
	March 31,						March 31,
	2013						2013
	TSEK	TSEK	TSEK	TSEK	TSEK	TSEK	TSEK
ASSETS							
FIXED ASSETS							
Intangible fixed assets	158,164						158,164
Tangible fixed assets	228,775						228,775
Financial fixed assets	52,684	4,065					56,749
Total fixed assets	439,623		-	-	-	-	443,688
CURRENT ASSETS							
Inventories	188,106	(20,326)	(2,412)	(10,851)		(51,940)	102,577
Stripping asset							-
Current receivables	42,588						42,588
Cash and cash equivalents	2,300						2,300
Total current assets	232,994						147,465
TOTAL ASSETS	672,617	-	-	-		-	591,153
Equity	211,167	(16,261)	(2,412)	(10,851)	(4,992)	(51,940)	124,710
Non-controlling interest	-	-	-	-		-	-
Total equity	211,167						124,710
Long term liabilities	260,916						260,916
Current liabilities	200,533				4,992		205,525
TOTAL EQUITY AND LIABILITIES	672,616						591,151

Notes #	Effect of restatement adjustments:	TSEK
5	Capitalized stripping works accounted for on December 31, 2012 balance sheet had been written off on Retained earnings 2012	(10,851)
6	Bonus expenses accounted for in 2013, but related to 2012 had been recognized in Retained earnings 2012	(4,992)
7	Tailings (waste) balances accumulated as the result of gold processing plant operation at Tardan had been written off on Retained earnings 2012	(51,940)
	Total effect on equity	(67,783)

Effect of restatement on the consolidated Statement of Financial position as of March 31, 2013 in US\$ 000 is as follows:

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Before	Notes					After
	restatement March 31, 2013	1	2	5	6	7	restatement March 31, 2013
	US \$ 000	US \$ 000	US \$ 000	US \$ 000	US \$ 000	US \$ 000	US \$ 000
ASSETS							
FIXED ASSETS							
Intangible fixed assets	24,272						24,272
Tangible fixed assets	35,109						35,109
Financial fixed assets	8,085	624					8,709
Total fixed assets	67,466						68,090
CURRENT ASSETS							
Inventories	28,867	(3,119)	(370)	(1,665)		(7,971)	15,742
Stripping asset	-						-
Current receivables	6,536						6,536
Cash and cash equivalents	353						353
Total current assets	35,756						22,630
TOTAL ASSETS	103,222	-	-	-	-	-	90,720
Equity	32,406	(2,495)	(370)	(1,665)	(766)	(7,971)	19,139
Non-controlling interest	-	-	-	-	-	-	-
Total equity	32,406						19,139
Long term liabilities	40,041						40,041
Current liabilities	30,775				766		31,541
TOTAL EQUITY AND LIABILITIES	103,222						90,720

Notes #	Effect of restatement adjustments:	US\$ 000
5	Capitalized stripping works accounted for on December 31, 2012 balance sheet had been written off on Retained earnings 2012	(1,665)
6	Bonus expenses accounted for in 2013, but related to 2012 had been recognized in Retained earnings 2012	(766)
7	Tailings (waste) balances accumulated as the result of gold processing plant operation at Tardan had been written off on Retained earnings 2012	(7,971)
	Total effect on equity	(10,402)

Risks and uncertainties associated with this interim report

The group's risk exposure is presented on page 107 of the 2013 annual report. The Board of Directors believes that the most important risk factors for the time being are:

- 1) *Gold price risk:* The fluctuations of the international gold price directly influence the revenues of a gold producing company.
- 2) *Currency risk:* Auriant Mining operations and reporting is influenced by the gold price which is quoted in US\$, whereas production costs are in RUB, and reporting in SEK. Fluctuations in exchange rates could have a major impact on both local operational results and the SEK reported results.
- 3) *Political risks:* Auriant Mining currently operates only in Russia. Being a young democracy Russia does not have a stable political situation as in the more established democracies of Western Europe.
- 4) *Inflation risk:* The Russian economy has been subject to significant inflation pressure during the last few years. This directly impacts on the production costs in a gold mining company.

- 5) *Geological risk:* The recoverable gold reserves of a gold exploration and production company are influenced by geological and economic factors. The estimation of reserves is therefore at all times dependent on the international gold price, costs associated with the extraction of the gold, etc. Therefore the estimated gold reserves of any gold company may change at any point in time. In particular the alluvial subsidiaries of the Auriant Mining group are sensitive to cost increases.
- 6) *Financial and project risk:* Auriant Mining AB is a gold mining company and is involved in production of gold as well as exploration. The company is still dependent on external financing for the development of its business. If the availability of external financing were to be reduced it would negatively influence the future outlook of the company. The currently poor sentiments on global capital markets must be taken in to account.
- 7) *Legal risks:* Auriant Mining operates in a complicated and challenging legal environment in Russia. Further, Russian tax legislation is subject to varying interpretations and frequent changes. Changes in the interpretations of tax legislation and in the legal environment may have significant impact on the company.

Operational Update

Operational Highlights

- Production in Q1, based on ore stacked in 2013, is according to plan.
- Total Q1 gold production of 84 kg (2,690 oz) increased by 8% on the previous year.
- Due to improved weather conditions, crushing and stacking at Tardan started in Q1, with gold from new ore expected in Q2.
- Improved gold grades at Tardan.
- Increased gold production at Solcocon is a good start to the season.

OVERALL GROUP PRODUCTION

Production unit	License area	Q1 2014		Q1 2013	
		kg	oz	kg	oz
Hard rock					
Tardan (gravitational)	Tardan	-	-	-	-
Tardan (heap leach)	Tardan	74	2,379	74	2,379
Solcocon	Staroverenskaya	10	311	4	129
Alluvial					
Borzya	Staroverenskaya	-	-	-	-
Total		84	2,690	78	2,508

		Tardan		Solcocon	
		Q1 2014	Q1 2013	Q1 2014	Q1 2013
Mining					
Waste stripping	000 m ³	459	371	-	114
Ore mined	000 t	45	48	-	17.8
Average grade	g/t	1.61	1.56	-	1.5
Heap leach					
Crushing					
Ore	000 t	4.7	-	-	21.3
Grade	g/t	1.85	-	-	1.45
Stacking					
Ore	000 t	4.7	-	-	-
Grade	g/t	1.85	-	-	-
Gold produced	kg	74	74	10	4
Warehouse					
Ore	000 t	53.9	73.9	20.8	21.8
Grade	g/t	1.62	1.47	2.3	1.2
Tailings	000 t	50.6	213.6	-	-
Grade	g/t	2.8	2.9	-	-
Total gold produced	kg	74	74	10	4

Financial reports

CONSOLIDATED INCOME STATEMENT

	3 months	3 months	12 months	3 months	3 months	12 months
	Jan-March 2014	Jan-March 2013*	Jan-Dec 2013	Jan-March 2014	Jan-March 2013*	Jan-Dec 2013
	TSEK	TSEK	TSEK	US\$ 000	US\$ 000	US\$ 000
Revenue	25,738	27,408	328,970	3,981	4,206	50,502
Cost of sales	(47,920)	(45,936)	(363,269)	(7,413)	(7,049)	(55,767)
Gross profit	(22,182)	(18,528)	(34,299)	(3,431)	(2,843)	(5,265)
General and administrative expenses	(8,914)	(11,730)	(43,595)	(1,379)	(1,800)	(6,693)
Other operating income	1,246	2,448	10,759	193	376	1,652
Other operating expenses	(2,975)	(3,961)	(19,995)	(460)	(608)	(3,070)
Operating profit/(loss)	(32,825)	(31,770)	(87,130)	(5,078)	(4,876)	(13,376)
Financial income	1	7	15	-	1	2
Financial expenses	(20,334)	(16,644)	(72,289)	(3,145)	(2,554)	(11,097)
Profit/(Loss) before income tax	(53,158)	(48,407)	(159,404)	(8,223)	(7,429)	(24,471)
Income tax	17,953	14,410	30,440	2,777	2,211	4,673
Net profit/(loss) for the period	(35,205)	(33,997)	(128,964)	(5,446)	(5,217)	(19,798)
Whereof attributable to:						
The owners of the parent company	(35,205)	(33,997)	(128,964)	(5,446)	(5,217)	(19,798)
Earnings per share before dilution (SEK, US\$)	(1.98)	(1.93)	(7.24)	(0.31)	(0.30)	(1.11)
Earnings per share after dilution (SEK, US\$)	(1.98)	(1.93)	(7.24)	(0.31)	(0.30)	(1.11)
Number of shares issued at period end	17,802,429	17,616,987	17,802,429	17,802,429	17,616,987	17,802,429
Average number of shares for the period	17,802,429	17,616,987	17,802,429	17,802,429	17,616,987	17,802,429
Average number of shares for the period after dilution	18,923,755	18,674,197	18,923,755	18,923,755	18,674,197	18,923,755

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	3 months	3 months	12 months	3 months	3 months	12 months
	Jan-March 2014	Jan-March 2013*	Jan-Dec 2013	Jan-March 2014	Jan-March 2013*	Jan-Dec 2013
	TSEK	TSEK	TSEK	US\$ 000	US\$ 000	US\$ 000
Net profit/loss for the period	(35,205)	(33,997)	(128,964)	(5,446)	(5,217)	(19,798)
Other comprehensive income						
Items that may be reclassified subsequently to profit or loss	-	-	-	-	-	-
Translation difference	(850)	1,526	(22,721)	-	222	(3,488)
Total comprehensive income for the period	(36,055)	(32,471)	(151,685)	(5,446)	(4,995)	(23,286)

*Certain amounts of interim financial statements shown here do not correspond to the Q1 2013 interim financial statements and reflect with restatement done in 2013 annual accounts. Refer to paragraph "Restatement" above for details.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	March 31, 2014 TSEK	March 31, 2013* TSEK	December 31, 2013 TSEK	March 31, 2014 US\$ 000	March 31, 2013* US\$ 000	December 31, 2013 US\$ 000
ASSETS						
FIXED ASSETS						
Intangible fixed assets	170,655	158,164	167,733	26,227	24,272	25,772
Tangible fixed assets	238,581	228,775	246,655	36,660	35,109	37,898
Financial fixed assets	82,093	56,749	68,835	12,614	8,709	10,576
Total fixed assets	491,329	443,688	483,223	75,501	68,090	74,246
CURRENT ASSETS						
Inventories	33,356	102,577	61,415	5,126	15,742	9,436
Stripping asset	35,724	-	13,262	5,490	-	2,038
Current receivables	32,200	42,588	41,137	4,949	6,536	6,321
Cash and cash equivalents	45,551	2,300	10,776	7,001	353	1,656
Total current assets	146,831	147,465	126,590	22,566	22,630	19,450
TOTAL ASSETS	638,160	591,153	609,814	98,067	90,720	93,696
Share capital	200,277	200,277	200,277	30,738	30,738	30,738
Additional paid in capital	161,365	158,241	160,204	24,755	24,284	24,575
Retained earnings	(335,121)	(204,949)	(299,916)	(51,448)	(31,421)	(46,002)
Translation difference reserve	(53,956)	(28,859)	(53,106)	(8,165)	(4,462)	(8,165)
Non-controlling interest	-	-	-	-	-	-
Total equity	(27,435)	124,710	7,459	(4,120)	19,139	1,146
Long term liabilities						
Deferred tax	19,217	22,521	19,548	2,958	3,456	3,003
Loans payable	83,471	-	31,432	12,825	-	4,829
Lease payable	15,924	562	18,651	2,447	86	2,866
Bond payable	258,981	220,537	-	39,802	33,844	-
Other long-term liabilities	12,222	17,295	13,195	1,878	2,654	2,029
Total Long term liabilities	389,815	260,916	82,826	59,910	40,041	12,726
Current liabilities						
Trade accounts payable	26,320	26,320	25,646	4,044	4,039	3,941
Loans payable	198,398	146,138	190,452	30,491	22,427	29,262
Lease payable	5,262	3,656	6,722	809	561	1,033
Bond and shareholder loans payable	9,882	-	260,672	1,518	-	40,052
Other current liabilities	35,918	29,410	36,037	5,415	4,514	5,537
Total current liabilities	275,780	205,525	519,529	42,278	31,541	79,824
TOTAL EQUITY AND LIABILITIES	638,160	591,151	609,814	98,067	90,720	93,696
PLEDGED ASSETS	-	140,795	353,619	-	21,607	54,333
CONTINGENT LIABILITIES	-	-	-	-	-	-

*Certain amounts of interim financial statements shown here do not correspond to the Q1 2013 interim financial statements and reflect with restatement done in 2013 annual accounts. Refer to paragraph "Restatement" above for details.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY*

All amounts in TSEK	Attributable to the shareholders of the parent company					Non-controlling interest	Total equity
	Share capital	Additional paid in capital	Translation difference reserve	Retained earnings			
Equity as at January 1, 2013 before restated	198,191	153,819	(27,057)	(101,791)	-	225,162	
Changes as result of restatement	-	1,707	(3,328)	(69,161)	-	(70,782)	
Equity as at January 1, 2013 restated	198,191	157,526	(30,385)	(170,952)	-	154,380	
Comprehensive income							
Net profit/loss for the period				(33,997)		(33,997)	
New shares issue	2,086					2,086	
Warrants and options issue		715				715	
Translation difference			1,526			1,526	
Total comprehensive income for the period	2,086	715	1,526	(33,997)	-	(29,670)	
Equity as at March 31, 2013 Restated	200,277	158,241	(28,859)	(204,949)	-	124,710	
Comprehensive income							
Net profit/loss for the period				(94,967)		(94,967)	
New shares issue							
Warrants and options issue		1,963				1,963	
Translation difference			(24,247)			(24,247)	
Total comprehensive income for the period		1,963	(24,247)	(94,967)		(117,251)	
Equity as at December 31, 2013	200,277	160,204	(53,106)	(299,916)	-	7,459	
Comprehensive income							
Net profit/loss for the period				(35,205)		(35,205)	
New shares issue							
Warrants and options issue		1,161				1,161	
Translation difference			(850)			(850)	
Total comprehensive income for the period	-	1,161	(850)	(35,205)	-	(34,894)	
Equity as at March 31, 2014	200,277	161,365	(53,956)	(335,121)	-	(27,435)	

*Certain amounts of interim financial statements shown here do not correspond to the Q1 2013 interim financial statements and reflect with restatement done in 2013 annual accounts. Refer to paragraph "Restatement" above for details.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY*

All amounts in US\$'000	Attributable to the shareholders of the parent company					
	Share capital	Additional paid in capital	Translation difference reserve	Retained earnings	Non-controlling interest	Total equity
Equity as at January 1, 2013 before restated	30,418	23,915	(4,152)	(15,621)		34,554
Changes as result of restatement		249	(532)	(10,583)	-	(10,860)
Equity as at January 1, 2013 restated	30,418	24,164	(4,684)	(26,204)	-	23,694
Comprehensive income						
Net profit/loss for the period				(5,217)		(5,217)
New shares issue	320					320
Warrants and options issue		120				120
Translation difference			222			222
Total comprehensive income for the period	320	120	222	(5,217)	-	(4,555)
Equity as at March 31, 2013 Restated	30,738	24,284	(4,462)	(31,421)	-	19,139
Comprehensive income						
Net profit/loss for the period				(14,581)		(14,581)
New shares issue						-
Warrants and options issue		291				291
Translation difference			(3,703)			(3,703)
Total comprehensive income for the period	-	291	(3,703)	(14,581)	-	(17,993)
Equity as at December 31, 2013	30,738	24,575	(8,165)	(46,002)	-	1,146
Comprehensive income						
Net profit/loss for the period				(5,446)		(5,446)
New shares issue						-
Warrants and options issue		180				180
Translation difference			-			-
Total comprehensive income for the period	-	180	-	(5,446)	-	(5,266)
Equity as at March 31, 2014	30,738	24,755	(8,165)	(51,448)	-	(4,120)

*Certain amounts of interim financial statements shown here do not correspond to the Q1 2013 interim financial statements and reflect with restatement done in 2013 annual accounts. Refer to paragraph "Restatement" above for details.

CONSOLIDATED CASH FLOW STATEMENT

	3 months	3 months	12 months	3 months	3 months	12 months
	Jan-Mar 2014	Jan-Mar 2013	Jan-Dec 2013	Jan-Mar 2014	Jan-Mar 2013	Jan-Dec 2013
	TSEK	TSEK	TSEK	US\$ 000	US\$ 000	US\$ 000
Operating activities						
Receipts from customers	25,738	26,920	327,758	3,981	4,131	50,316
VAT and other reimbursement	16,526	8,258	54,700	2,556	1,267	8,397
Payments to suppliers	(27,685)	(35,052)	(258,416)	(4,653)	(5,379)	(39,671)
Payments to employees and social taxes	(21,345)	(16,775)	(114,329)	(3,302)	(2,574)	(17,551)
Income tax paid	-	-	-	-	-	-
Other taxes paid	(4,609)	(2,352)	(17,607)	(713)	(361)	(2,703)
Net cash flows used in operating activities	(11,375)	(19,001)	(7,894)	(2,130)	(2,916)	(1,212)
Investing activities						
Proceeds from sale of property, plant and equipment	-	-	-	-	-	-
Proceeds from exercise of share options	-	2,082	2,082	-	320	320
Purchase and construction of property plant and equipment	(2,256)	(2,355)	(37,852)	(349)	(362)	(5,811)
Exploration and research works	(2,352)	(6,487)	(28,382)	(364)	(995)	(4,357)
Investments in JV	(494)	(575)	(2,034)	(76)	(88)	(312)
Net cash flows used in investing activities	(5,102)	(7,335)	(66,186)	(789)	(1,125)	(10,160)
Financing activities						
Proceeds from borrowings	94,523	52,237	331,240	14,622	8,016	50,850
Repayment of borrowings	(37,663)	(34,918)	(223,705)	(5,523)	(5,359)	(34,342)
Interest paid	(1,838)	(6,778)	(21,709)	(284)	(1,040)	(3,333)
Lease payments	(3,559)	(1,719)	(20,931)	(551)	(264)	(3,213)
Other finance expenses	-	(2,390)	(1,372)	-	(367)	(210)
Net cash from financing activities	51,463	6,432	63,523	8,264	986	9,752
Net increase in cash and cash equivalents	34,986	(19,904)	(10,557)	5,345	(3,055)	(1,620)
Net foreign exchange difference	(211)	(62)	(933)	-	(10)	(141)
Cash and cash equivalents at 1 January	10,776	22,266	22,266	1,656	3,417	3,417
Cash and cash equivalents at 31 March	45,551	2,300	10,776	7,001	353	1,656

CONSOLIDATED KEY RATIOS

	3 months Jan-March 2014	3 months Jan-March 2013	12 months Jan-Dec 2013	3 months Jan-March 2014	3 months Jan-March 2013	12 months Jan-Dec 2013
	TSEK	TSEK	TSEK	US\$ 000	US\$ 000	US\$ 000
Total assets	638,160	591,153	609,814	98,076	90,720	93,696
Total equity	(27,435)	124,710	7,459	(4,120)	19,139	1,146
Equity ratio (%)	-4.3%	21.1%	1.2%	-4.3%	21.1%	1.2%
Interest bearing debt	571,918	371,818	489,295	87,895	57,061	75,179
Employees at period end	760	863	766	760	863	766
EBITDA	(21,878)	(20,439)	(35,116)	(3,384)	(3,137)	(5,396)
Per share data						
Earnings per share (SEK, USD)	-1.98	-1.91	-7.24	-0.30	-0.29	-1.11
Equity per share (SEK, USD)	-1.54	7.01	0.42	-0.24	1.08	0.06
Return on equity (%)	-352.5%	-24.4%	-159.4%	-352.5%	-24.4%	-159.4%

Key ratio definitions

Total assets	Total assets at period end
Total equity	Total equity including non controlling interest at period end
Equity ratio (%)	Total equity divided by total assets expressed as a percentage
Interest bearing debt	Total interest bearing debt at the period end
EBITDA	Earnings Before Interest, Tax, Depreciation and Amortization
Earnings per share	Net result after tax for the period divided by the average number of outstanding shares for the period before dilution
Equity per share (SEK, USD)	Equity excluding non controlling interests at the period end divided by the number of outstanding shares at the period end
Return on equity (%)	Net result after tax for the period divided by the average total equity for the same period

PARENT COMPANY INCOME STATEMENT

	3 months Jan-March 2014	3 months Jan-March 2013	12 months Jan-Dec 2013	3 months Jan-March 2014	3 months Jan-March 2013	12 months Jan-Dec 2013
	TSEK	TSEK	TSEK	US\$ 000	US\$ 000	US\$ 000
Income						
Operating income	-	6	13	-	1	2
Total income	-	6	13	-	1	2
Operating costs						
External expenses	(792)	(613)	(5,182)	(122)	(94)	(795)
Employee benefit expenses	(685)	(949)	(3,503)	(106)	(146)	(538)
Total operating costs	(1,477)	(1,563)	(8,685)	(228)	(240)	(1,331)
Operating profit/loss	(1,477)	(1,557)	(8,672)	(228)	(239)	(1,329)
Net financial items	(8,161)	(4,610)	(21,579)	(1,262)	(707)	(3,313)
Profit/loss before income tax	(9,638)	(6,167)	(30,251)	(1,491)	(946)	(4,644)
Income tax	-	-	-	-	-	-
Net profit/loss for the period	(9,638)	(6,167)	(30,251)	(1,491)	(946)	(4,644)

PARENT COMPANY STATEMENT OF COMPREHENSIVE INCOME

	3 months Jan-March 2014	3 months Jan-March 2013	12 months Jan-Dec 2013	3 months Jan-March 2014	3 months Jan-March 2013	12 months Jan-Dec 2013
	TSEK	TSEK	TSEK	US\$ 000	US\$ 000	US\$ 000
Net profit/loss for the period	(9,638)	(6,167)	(30,251)	(1,491)	(946)	(4,644)
Translation differences	(16,574)	(20)	(11,576)	(2,529)	(11)	(1,742)
Total comprehensive income for the period	(26,212)	(6,187)	(41,827)	(4,020)	(957)	(6,386)

PARENT COMPANY STATEMENT OF FINANCIAL POSITION

	March 31, 2014	March 31, 2013	December 31, 2013	March 31, 2014	March 31, 2013	December 31, 2013
	TSEK	TSEK	TSEK	US\$ 000	US\$ 000	US\$ 000
ASSETS						
FIXED ASSETS						
Financial fixed assets	525,151	478,984	543,084	80,708	73,507	83,443
Total fixed assets	525,151	478,984	543,084	80,708	73,507	83,443
CURRENT ASSETS						
Current receivables	556	473	447	86	73	69
Cash and bank	322	1,252	5,752	49	192	884
Total current assets	878	1,725	6,199	135	265	952
TOTAL ASSETS	526,029	480,709	549,283	80,843	73,771	84,396
EQUITY AND LIABILITIES						
Total equity	195,301	257,153	221,513	30,015	39,464	34,035
Long term liabilities	318,728	221,431	64,872	48,984	33,982	9,967
Current liabilities	12,001	2,125	262,898	1,844	326	40,394
TOTAL EQUITY AND LIABILITIES	526,029	480,709	549,283	80,843	73,771	84,396
PLEGDED ASSETS	393,616	460,961	305,000	60,493	70,741	46,862
CONTINGENT LIABILITIES	-	-	-	-	-	-

PARENT COMPANY STATEMENT OF CHANGES IN EQUITY

(All amounts in TSEK)	Share capital	Statutory reserve	Share premium reserve	Translation difference reserve	Retained earnings	Net income for the period	Total equity
Equity as at December 31, 2012	198,191	68,032	580,799	(49,497)	(290,092)	(246,179)	261,254
Profit/loss brought forward					(246,179)	246,179	
Comprehensive income							
Net profit/loss for the period						(6,167)	(6,167)
New share issue	2,086						2,086
Translation difference				(20)			(20)
Total comprehensive income for the period	2,086			(20)		(6,167)	(4,101)
Equity as at March 31, 2013	200,277	68,032	580,799	(49,517)	(536,271)	(6,167)	257,153
Comprehensive income							
Net profit/loss for the period						(24,084)	(24,084)
New shares issue							
Translation difference				(11,556)			(11,556)
Total comprehensive income for the period				(11,556)		(24,084)	(35,640)
Equity as at December 31, 2013	200,277	68,032	580,799	(61,073)	(536,271)	(30,251)	221,513
Profit/loss brought forward					(30,251)	30,251	
Comprehensive income							
Net profit/loss for the period						(9,638)	(9,638)
New shares issue							
Translation difference				(16,574)			(16,574)
Total comprehensive income for the period				(16,574)		(9,638)	(26,212)
Equity as at March 31, 2013	200,277	68,032	580,799	(77,647)	(566,522)	(9,638)	195,301

PARENT COMPANY STATEMENT OF CHANGES IN EQUITY

(All amounts in US\$ 000)	Share capital	Statutory reserve	Share premium reserve	Translation difference	Retained earnings	Net income for the period	Total equity
Equity as at December 31, 2012	30,418	10,441	89,140	(7,596)	(44,523)	(37,783)	40,097
Profit/loss brought forward					(37,783)	37,783	
Comprehensive income							
Net profit/loss for the period						(946)	(946)
New share issue	324						324
Translation difference				(11)			(11)
Total comprehensive income for the period	324			(11)		(946)	(633)
Equity as at March 31, 2013	30,742	10,441	89,140	(7,607)	(82,306)	(946)	39,464
Comprehensive income							
Net profit/loss for the period						(3,698)	(3,698)
New shares issue							
Translation difference				(1,731)			(1,731)
Total comprehensive income for the period				(1,731)		(3,698)	(5,429)
Equity as at December 31, 2013	30,742	10,441	89,140	(9,338)	(82,306)	(4,644)	34,035
Profit/loss brought forward					(4,644)	4,644	
Comprehensive income							
Net profit/loss for the period						(1,491)	(1,491)
New shares issue							
Translation difference				(2,529)			(2,529)
Total comprehensive income for the period				(2,529)		(1,491)	(4,020)
Equity as at March 31, 2013	30,742	10,441	89,140	(11,867)	(86,950)	(1,491)	30,015

PARENT COMPANY CASH FLOW STATEMENT

	3 months Jan-Mar 2014 TSEK	3 months Jan-Mar 2013 TSEK	12 months Jan-Dec 2013 TSEK	3 months Jan-Mar 2014 US\$ 000	3 months Jan-Mar 2013 US\$ 000	12 months Jan-Dec 2013 US\$ 000
Operating activities						
Receipts from customers	7	2	20	1	-	3
VAT and other reimbursement	167	272	681	26	42	105
Payments to suppliers	(1,179)	(1,809)	(6,719)	(182)	(278)	(1,031)
Payments to employees	(730)	(899)	(3,362)	(113)	(138)	(516)
Income tax paid	-	-	-	-	-	-
Other taxes paid	-	(32)	(33)	-	(5)	(5)
Net cash flows used in operating activities	(1,734)	(2,465)	(9,413)	(268)	(378)	(1,444)
Investing activities						
Proceeds from exercise of share options	-	2,086	2,086	-	320	320
Borrowings given	-	-	(10,436)	-	-	(1,602)
Investments in JV	(494)	(574)	(1,974)	(76)	(88)	(303)
Net cash flows used in investing activities	(494)	1,512	(10,324)	(76)	232	(1,585)
Financing activities						
Proceeds from borrowings	-	4,041	35,453	-	620	5,443
Repayment of borrowings	(3,203)	(2,996)	(11,036)	(495)	(460)	(1,694)
Net cash from financing activities	(3,203)	1,045	24,417	(495)	160	3,749
Net increase in cash and cash equivalents	(5,431)	92	4,680	(840)	14	720
Net foreign exchange difference	-	(33)	(121)	6	(5)	(19)
Cash and cash equivalents at 1 January	5,752	1,193	1,193	883	183	182
Cash and cash equivalents at 31 March	322	1,252	5,752	49	192	883

Next report due

Q2 2014 interim report will be published on 29 August 2014
Q3 2014 interim report will be published on 28 November 2014
Q4 2014 interim report will be published on 27 February 2015

Company information

Auriant Mining AB is a Swedish mining company focused on gold production and exploration in Russia in the central parts of Asia. The gold production was initiated in late January 2005 and the assets were as at end of March 2012 estimated to encompass almost 1,000,000 troy ounces (oz) (1 troy ounce = 31,1 g) of C1/ C2 Russian gold reserves (equaling some 32 tons). The parent company's full name is Auriant Mining AB (publ). It is a public limited liability company with head office in Stockholm. The corporate identification number is 556659-4833. Address of the parent company is Engelsbredsplan 2, 4 tr, 114 34 Stockholm. Since July 19, 2010, AURIANT MINING's shares are traded on First North Premier at the NASDAQ OMX Nordic Exchange under the short name AUR. For more information please visit www.auriant.se. Mangold Fondkommission is Certified Adviser to Auriant Mining, for more information please call +46 8 503 015 50 or visit www.mangold.se

The board of directors and the managing director confirm that the interim report provides an accurate overview of the company's and the group's operations, position, results and that it describes significant risks and uncertainties that the company and group companies are exposed to.

Stockholm, May 30, 2014

Auriant Mining AB (publ.)

Preston Haskell
Chairman

Andre Bekker
Director

Peter Daresbury
Director

Ingmar Haga
Director

Bertil Villard
Director

This quarterly report has not been reviewed by the auditors.

For more information, please contact:

Max Yacoub, Chief Investment Officer, Auriant Mining AB,

Tel: +7 495 660 2220

E-mail: max.yacoub@auriant.com

Website: www.auriant.se

Twitter [@auriantmining](https://twitter.com/auriantmining)

Postal and visiting address: Tulegatan 2 A, 113 58 Stockholm, Sweden

Cautionary Statement: Statements and assumptions made in this report with respect to Auriant Mining AB's ("Auriant") current plans, estimates, strategies and beliefs, and other statements that are not historical facts, are forward-looking statements about the future performance of Auriant Mining. Forward-looking statements include, but are not limited to, those using words such as "may", "might", "seeks", "expects", "anticipates", "estimates", "believes", "projects", "plans", "strategy", "forecast" and similar expressions. These statements reflect management's expectations and assumptions in light of currently available information. They are subject to a number of risks and uncertainties, including, but not limited to, (i) changes in the economic, regulatory and political environments in the countries where Auriant operates; (ii) changes relating to the geological information available in respect of the various projects undertaken; (iii) Auriant's continued ability to secure enough financing to carry on its operations as a going concern; (iv) the success of its potential joint ventures and alliances, if any; (v) exchange rates, particularly between the Russian rouble and the U.S. dollar. In the light of the many risks and uncertainties surrounding any gold production and exploration company at an early stage of its development, the actual results could differ materially from those presented and forecast in this report. Auriant assumes no unconditional obligation to immediately update any such statements and/or forecasts.