

A close-up photograph of several gold bars. The bars are stacked and show a textured, slightly weathered surface with some darker spots and a yellowish-gold hue. The lighting is warm, highlighting the metallic sheen and the irregular edges of the bars.

Auriant Mining

# INTERIM REPORT

January – June 2019

# Highlights

- During H1 2019, mining operations were carried out at the Pravoberezhniy deposit, which will be the main source of ore in 2019. 189.2 thousand tonnes of ore were mined at an average grade of 2.59 g/t. Volume of stripping works amounted to 515 thousand m<sup>3</sup>.
- In H1 2019, Tardan continued production on the heap leach. 172.6 thousand tonnes of ore with an average grade of 2.23 g/t were stacked. In H1 2019, heap leach production at Tardan amounted to 227.3 kg (7,308 oz), an increase of 106% compared to 110.3 kg (3,545 oz) in H1 2018.
- In May 2019, alluvial production resumed at Solcocon. During the reporting period, the Company produced 27.4 kg (880 oz) of alluvial gold, an increase of 50% compared to 18.3 kg (587 oz) produced in the previous period.
- **Total gold production** for the H1 2019 was 254.7 kg (8,188 oz), an increase of 98% compared to 128.5 kg (4,133 oz) in H1 2018.
- In March 2019, the Company raised US\$ 0.8 mln of financing with LLC Delta, as a result of a sale and leaseback transaction, which was used to fund the CIL construction project.
- In Q2 2019, the Company drew down the second tranche of the loan facility (US\$ 2.2 mln), provided by VTB to finance the CIL construction at Tardan.
- During H1 2019, the Company continued to invest in the construction of the CIL plant. The total amount invested during the period amounted to US\$ 4.0 mln. Construction works are almost complete and all processing equipment is installed. Capacitive equipment has successfully passed water tests. Despite the construction process progressing without any major deviations from the initial plan, we expect that the start date will move to the middle of September 2019.
- In April 2019, the resources of the Kara-Beldyr deposit were approved by the State Reserve Committee (GKZ). According to the resource statement filed by Auriant Mining for approval, Kara-Beldyr C1 and C2 resources amounted to 842 thousand ounces of gold (26.2 tonnes) with an average grade of 3.38 g/t and 2,044 thousand ounces of silver, (63.6 tonnes) with an average grade of 8.2 g/t. This latest resource statement confirms Auriant's confidence of building a mine that is able to produce up to 2 tonnes of gold/year for over 10 years.
- **Consolidated revenue** was MSEK 100.4 (US\$ 10.8 mln) compared to MSEK 49.8 (US\$ 5.9 mln) in H1 2018.
- **EBITDA** was MSEK 11.8 (US\$ 1.3 mln) compared to MSEK -20.8 (US\$ -2.5 mln) in H1 2018.
- **Net loss after tax** was MSEK -11.8 (US\$ -1.9 mln) compared to MSEK -56.8 (US\$ -6.7 mln) in H1 2018.

# Comments by the CFO

Dear Stakeholders,

During H1 2019, mining continued at the Pravoberezhniy deposit, which will be the main source of ore in 2019. 189.2 thousand tonnes of ore was mined at an average grade of 2.59 g/t. Volume of stripping works amounted to 515 thousand m<sup>3</sup>. In H1 2018, no mining operations were carried out as Auriant made the decision to halt mining operations at Tardan in order to save the ore for the CIL plant, and thus, maximize long-term value for the shareholders. As planned, the Company resumed mining operations at Tardan in July 2018.

In H1 2019, Tardan continued production on the heap leach. 172.6 thousand tonnes of ore with an average grade of 2.23 g/t were stacked. In H1 2019, heap leach gold production amounted to 227.3 kg (7,308 oz), an increase of 106% compared to 110.3 kg (3,545 oz) in H1 2018. The Company will continue stacking low grade ore on the heap leach until the end of Q3 2019, and will continue irrigating the heap leach until the end of the current year.

The Company is accumulating high grade ore for processing at the CIL plant once it is up and running. At the end of H1 2019, 21 thousand tonnes of ore with an average grade of 5.43 g/t were accumulated on the ore yard. The Company will continue saving high grade ore until the CIL plant commences.

In May 2019, alluvial gold production resumed at Solcocon. Alluvial gold production is seasonal, usually from June to October. This production is 100% outsourced and generates a net margin of 24% of sales. In 2018, the Company engaged 2 contractors working on 2 placers, and the same contractors continue to work in 2019. During the reporting period, the Company produced 27.4 kg (880 oz) of alluvial gold, an increase of 50% compared to 18.3 kg (587 oz) produced in the previous period.

Besides its operating activities, the Company was focused on the CIL construction project. During H1 2019, the Company invested US\$ 4.0 mln in the CIL plant. In Q1 2019, the Company received US\$ 0.8 mln, as the result of a sale and leaseback transaction and used these funds for the CIL construction. In Q2 2019, the Company drew down the second tranche of the loan facility, US\$ 2.2 mln, provided by VTB to finance the CIL construction at Tardan with a maturity date of December 31, 2021. The second tranche was made available after the completion of the supervisory work at the CIL project. The Company believes that, taking into account the current stage of the project, the loan facility is sufficient to complete the CIL project.

The Q1 operational update suggested that the CIL plant would commence production at the end of August 2019. Despite the fact that the construction process has progressed without any major deviations from the initial plan, we expect that the start date will move to the middle of September 2019. The 2019 production target of 940 kg of gold remains unchanged – in order to compensate for the shorter period of CIL production in 2019, the crushing period will be extended with a higher production on the heap leach, and we will continue to accumulate high grade ore for the CIL processing plant in 2019.

Net cash flow generated from operating activities increased to US\$ 2.3 mln in H1 2019, compared to US\$ 2.4 mln H1 2018. During H1 2019, operating activities were financed by gold sales and the reimbursement of VAT. In H1 2018, operating activity was financed from the same sources and through sale of Solcocon's equipment for US\$ 1.8 mln.

Following an increase in production and sales volumes, EBITDA increased by US\$ 3.9 mln, or 149%, and amounted to US\$ 1.3 mln as compared to US\$ -2.5 mln in H1 2018.

All changes in financial results shown in per cent (%) relate to changes in US\$ amounts.

## INCOME, FINANCIAL RESULTS AND FINANCIAL POSITION

### INCOME AND RESULTS

As previously announced, in H1 2019, the Company focused its mining activities at the Pravoberezhnyi deposit in Tardan, which will be the main source of ore in 2019. As no mining activities at Tardan were carried out in H1 2018, Tardan produced gold from ore stacked on the heap leach during 2017.

In the H1 2019, the Company's revenue from the sale of gold amounted to US\$ 10.8 mln, an 82% increase compared to the H1 2018, driven by a higher volume of produced gold. Total gold sales volumes amounted to 255 kg (8,199 oz), which is 81%, or 114 kg (3,679 oz), more than the previous reporting period.

The average realized gold price per ounce remained almost unchanged, US\$ 1,315 in H1 2019 and US\$ 1,313 in H1 2018.

	H1 2019 US\$000	H1 2018 US\$000	Change US\$000	Change %
Revenue from Hard rock gold sales	10,033	5,464	4,576	84%
Revenue from Alluvial gold sales	747	468	272	58%
<b>Total revenue</b>	<b>10,780</b>	<b>5,933</b>	<b>4,848</b>	<b>82%</b>
Alluvial gold costs	(515)	(304)	(211)	(69%)
<b>Revenue net of alluvial costs</b>	<b>10,265</b>	<b>5,628</b>	<b>4,637</b>	<b>82%</b>

In H1 2019, cash expenses increased by 86%, or US\$ 4,260 mln, due to higher production volumes as mining operations were temporarily halted at Tardan in H1 2018.

Stripping works on Pravoberezhnyi deposit in H1 2019 were pulled forward to secure access to ore which would be mined in the future, which resulted in increased stripping assets compared to the beginning of the period, and respective charge to cost of sales in the amount of US\$ 1.1 mln.

Change in work in progress in H1 2018 was attributable to gold produced out of ore stacked in 2017.

	H1 2019 US\$000	H1 2018 US\$000	Change US\$000	Change %
Cash expenses	(9,207)	(4,947)	(4,260)	(86%)
Change in stripping asset (non-cash)	1,050	-	1,050	100%
Change in work in progress (non-cash)	(308)	(2,065)	1,757	85%
Depreciation & amortization (non-cash)	(2,217)	(1,927)	(289)	(15%)
<b>Cost of sales</b>	<b>(10,681)</b>	<b>(8,939)</b>	<b>(1,742)</b>	<b>(19%)</b>

General and administrative expenses attributable to the Company's headquarter in H1 2019 decreased by 11% compared to H1 2018, and amounted to US\$ 1.2 mln.

In H1 2019, other operating income, primarily related to sales of materials and services to contractors and changes in the provisions for inventory obsolescence, bad-debt receivables and site restoration provision decreased by 12% and amounted to US\$ 0.2 mln. In H1 2018, other operating income mainly related to sales of materials and services to contractors, as well as accrued penalty charges from LLC Uryumkan for non-compliance of the equipment sale agreement at Solcocon.

Other operating expenses in H1 2019 decreased by 77%, or US\$ 0.3, compared to the previous reporting period, due to impairment of finished products at Tardan in H1 2018.

The Company's financial expenses represented by the interest on borrowings, which remained at the same level as the previous period, and amounted to US\$ -2.1 mln (H1 2018: US\$ -2.1 mln). In H1 2018, Auriant paid the arrangement fee to Golden Impala for the revised debt terms, including the extension of the maturity date to December 31, 2021, when Kara-Beldyr is expected to start, and a continuation in that period of the existing interest rate of 2% per annum.

As the result of US\$ appreciation against the SEK by 3%, and depreciation against the RUB by 9% from the beginning of 2019, the Company benefited from a forex gain of US\$ 0.5 mln.

Income tax of US\$ 0.7 mln in H1 2019 and US\$ 1.3 mln in H1 2018 was positive in both periods and related to a change in the deferred tax at the subsidiaries level and represented deferred tax timing differences and tax loss carry-forward accumulation.

The loss after tax in H1 2019 was US\$ -1.9 mln compared to US\$ -6.7 mln in H1 2018. Earnings per share for the period were US\$ -0.02 compared to H1 2018 of US\$ -0.08.

## STATEMENT OF FINANCIAL POSITION

The CIL construction project led to an increase in tangible fixed assets to US\$ 30.9 mln in the first half of 2019. The company spent US\$ 4.0 mln on investment activities in the reporting period, which is 21% more than in the first half of 2018.

As at 30 June 2019, the Company increased its stripping assets by \$ 1.6 million, or 63%, compared to 31 December 2018, as a result of focusing on stripping works to provide access to the ore on Pravoberezhniy deposit in the future.

As at 30 June 2019, the trade accounts payable increased by US\$ 1.4 mln compared to 31 December 2018, as a result of working capital optimization process.

The bank loans balance increased by US\$ 2.2 mln, or 8%, compared to 31 December 2018 as the Company drew down the second tranche of the loan facility, at the amount of US\$ 2.2 mln, provided by VTB to finance the CIL construction at Tardan.

The debt to shareholders increased by the amount of interest expense for the reporting period and amounted to US\$ 34.7 mln as at 30 June 2019.

Other non-current liabilities were represented by liability to Centerra in accordance with the royalty agreement at the amount of US\$ 7.9 mln as at 30 June 2019.

As at 30 June 2019, other current interest bearing liabilities were represented by the following balances: US\$ 4.2 mln – liability to KFM, US\$ 2.1 mln - revolving bridging loan facility provided by Golden Impala and US\$ 1.2 mln – current lease liability.

## INVESTMENTS, LIQUIDITY AND FINANCING

During H1 2019, cash flow from operating activities amounted to US\$ 2.3 mln, compared to US\$ 2.4 mln in 1H 2018, including proceeds from the sale of Solcocon's equipment of US\$ 1.8 mln.

In the reporting period, the Company invested US\$ 4.0 mln in CIL construction, which is 21% more than in the first half of 2018. The increase comes from a different stage of the project: in H1 2018 the Company spent most of the time for planning and design and broke the ground in May 2018, while in H1 2019 the Company was focused on the construction works during the entire period.

Purchase of equipment and construction of the CIL plant were mainly financed by the second tranche of the loan facility (US\$ 2.2 mln) provided by VTB received in April, 2019 and the proceeds from the sale and leaseback transaction (US\$ 0.8 mln), received in March, 2019. Also in June 2019, the company attracted \$ 0.3 million in leasing financing.

Total VAT and other reimbursements during the reporting period was US\$ 1.7 mln compared to US\$ 1.9 mln in H1 2018.

Acting Chief Financial Officer  
Marina Makarova

# Other financial information

We are reporting all our financial numbers in SEK and in US dollars. The exchange rates used in this report were US\$/SEK 9.3100 for H1 2019 P&L accounts and US\$/SEK 9.2713 for the statement of financial position as of June 30, 2019. For H1 2018 accounts US\$/SEK 8.3871 for P&L and US\$/SEK 8.9599 for the statement of financial position was used.

## SEGMENT INFORMATION

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

## TRANSACTIONS WITH RELATED PARTIES

As at 30 June 2019, the long-term bond liability to Golden Impala amounted to US\$ 34.7 mln and US\$ 2.1 mln of the short-term liability to Golden Impala (revolving bridging loan facility).

Accrued interest expenses for transactions with related parties in H1 2019 amounted to US\$ 0.469 mln. During H1 2019, interest of US\$ 0.009 mln was repaid to Golden Impala.

During H1 2019, the Company received consulting services from a company associated with a member of the Board of Directors in the amount of US\$ 0.042 mln and legal services from a company related to the major shareholder in the amount of US\$ 0.087 mln.

## EMPLOYEES

During the reporting period, the Group had an average of 498 employees. As of 30 June 2019, the number of employees in the Group was 496 (455 as of 31 December 2018).

## CAPITAL STRUCTURE

As at 30 June 2019, the number of shares in issue was 98,648,502. The limits of the share capital are a minimum of MSEK 5.3 and a maximum of MSEK 21.3 and the quota value of each share is SEK 0.1125 (US\$ 0.0126). 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, usually it has no income other than income for consulting services provided to the subsidiary company and interest on loans extended to the subsidiaries from time to time.

## INCOME AND RESULTS OF THE PARENT COMPANY

Revenue for consulting services provided to the subsidiary company in H1 2019 was MSEK 0.360 (US\$ 0.039 mln) compared to MSEK 0.360 (US\$ 0.043 mln) in H1 2018.

External expenses decreased by MSEK 0.560 (US\$ 0.099 mln) down to MSEK 2.465 (US\$ 0.265 mln) mainly as the result of lower volume of legal services, which were connected with the rights issue in the previous year, and arrangement fee payment to Golden Impala for revised debt terms of loan amounted to MSEK 1.789 (US\$ 0.210) in H1 2018.

The operating loss for H1 2019 was MSEK 3.766 (US\$ 0.404 mln) compared to H1 2018 of MSEK 4.087 (US\$ 0.487 mln).

Net financial items for H1 2019 amounted to MSEK 26.570 (US\$ 2.854 mln) compared to MSEK 24.705 (US\$ 2.946 mln) in H1 2018 and included interest expenses related to Golden Impala (the Shareholder's bond and revolving bridging loan facility) of MSEK 4.362 (US\$ 0.469 mln); interest expenses of MSEK 0.361 (US\$ 0.039 mln) to KFM. These expenses were compensated by net forex gain of MSEK 17.849 (US\$ 1.917 mln) and intergroup loan interest income in amount of MSEK 13.444 (US\$ 1.444 mln).

In H1 2019, interest expenses to Golden Impala increased by 49% or MSEK 1.427 (US\$ 0.119 mln) as the parent company received a new revolving bridging loan facility in December, 2018.

As the subsidiaries' liabilities under the loan agreements denominated in RUR the effect of forex on net financial items in H1 2019 was significant due to RUB appreciation against SEK by 14%.

## FINANCIAL POSITION OF THE PARENT COMPANY

As at 30 June 2019, the cash balance in the Parent Company was MSEK 0.092 (US\$ 0.010 mln) compared to MSEK 0.175 (US\$ 0.020 mln) as at 31 December 2018.

As at 30 June 2019, long-term liabilities were represented by the debt to Golden Impala (the Shareholder's bond) and amounted to MSEK 321.308 (US\$ 34.656 mln). Current liabilities were mainly represented by revolving bridging loan facility of MSEK 19.857 (US\$ 2.142 mln) and liability to KFM of MSEK 38.957 (US\$ 4.202 mln) as at 30 June 2019.

## 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 73 in the annual report for financial year 2018. The evaluations and estimations made by the board of directors and management in preparing the interim report are described on page 80 in the annual report for 2018.

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 2018.

The same accounting principles are applied in this interim report as in the annual report 2018.

No material changes in accounting principles have taken place since the Annual Report for 2018, other than the information below.

## CHANGES IN ACCOUNTING PRINCIPLES APPLIED FROM JANUARY 1, 2019

### *IFRS 16 Leasing*

This standard was applied from January 1, 2019. The Group applied the standard from January 1, 2019. IFRS 16 mainly affects lessee accounting and the main impact is that all leases that have been recognized as operating leases are recognized in a way that resembles the existing recognition of finance leases, i.e. a right-of-use asset and a leasing liability are recognized.

The Group applied the simplified transition approach and did not restate the comparative figures. The Group applied an exemption to the new rules whereby in the recognition of low value leases, no right-of-use assets or leasing liability were recognized.

Group's non-cancellable operating lease commitments had no significant impact on the Group's consolidated financial statements as of June 30, 2019.

The Parent company applied the exemption rules under RFR 2 and so did not apply IFRS 16.

## **RISKS AND UNCERTAINTIES ASSOCIATED WITH THIS INTERIM REPORT**

The group's risk exposure is presented on page 102 of the 2018 annual report. The Board of Directors believes that the most important risk factors for the time being are:

- a. Gold price risk: The fluctuations of the international gold price directly influence the revenues of a gold producing company.
- b. 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.
- c. 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.
- d. 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.
- e. 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.
- f. Legal risks: Auriant Mining operates in a complicated and challenging legal environment in Russia. Changes in the interpretations of tax legislation and in the legal environment may have significant impact on the company.

# H1 2019 operational update

## **TARDAN PRODUCTION**

During H1 mining continued at the Pravoberezhniy deposit, which will be the main source of ore in 2019. 189,200 tonnes of ore was mined at an average grade of 2.59 g/t. Also, 515,000 m<sup>3</sup> of stripping works was carried out. In H1 2018, no mining operations were carried out as Auriant made the decision to halt mining operations at Tardan in order to save the ore for the CIL plant, and thus, maximize long term value for shareholders. As planned, the Company resumed mining operations at Tardan in July 2018.

In H1 2019, Tardan continued production on the heap leach. 172,600 tonnes of ore with an average grade of 2.23 g/t were stacked. In H1 2019, heap leach gold production amounted to 227.3 kg (7,308 oz), an increase of 106% compared to 110.3 kg (3,545 oz) in H1 2018. The Company will continue stacking low grade ore on the heap leach until the end of Q3 and will continue irrigating the heap leach until the end of the year.

The Company is accumulating high grade ore for processing at the CIL plant once it is up and running. At the end of H1 2019, 21,000 tonnes of ore with an average grade of 5.43 g/t were accumulated on the ore yard. The Company will continue saving high grade ore until the CIL commences.

## **SOLCOCON PRODUCTION**

In May 2019, alluvial production resumed at Solcocon. This production is 100% outsourced. In 2018, the Company engaged 2 contractors working on 2 placers, and the same contractors continue to work in 2019.

During the reporting period, the Company produced 27.4 kg (880 oz) of alluvial gold compared to 18.3 kg (587 oz) produced in the previous period.

## **TARDAN CIL CONSTRUCTION**

The Company continues construction of the CIL plant. Construction works are now almost complete and all processing equipment is installed. Capacitive equipment successfully passed water tests and we continue to work on interior works, piping connection of equipment, inner power lines (including high voltage lines of 6 kV) and commutation of the equipment to these power lines, electric power control and distribution, ventilation and heating, equipment automation and control, fire safety controls.

The Q1 operational update suggested that the CIL plant would commence production at the end of August. Despite the fact that the construction process has progressed without any major deviations from the initial plan, we expect that the start date will move to mid-September. The 2019 production target of 940 kg of gold remains unchanged – in order to compensate for the shorter period of CIL production in 2019, the crushing period will be extended with higher production on the heap leach, and we will continue to accumulate high grade ore for CIL processing in 2019.

## PRODUCTION

Production unit	H1 2019		H1 2018		Change		
	kg	oz	kg	oz	kg	oz	%
<b>Hard rock</b>							
Tardan (heap leach)	227.3	7,308	110.3	3,545	117.0	3,762	106%
<b>Alluvial</b>							
Solcocon	27.4	880	18.3	587	9.1	293	50%
<b>Total gold produced</b>	<b>254.7</b>	<b>8,188</b>	<b>128.5</b>	<b>4,133</b>	<b>126.2</b>	<b>4,056</b>	<b>98%</b>

## TARDAN

	Unit	H1 2019	H1 2018	Change	
<b>Mining</b>					
Waste stripping	000 m3	515.0	0.0	515.0	0%
Ore mined	000 tonnes	189.2	0.0	189.2	0%
Average grade	g/t	2.59	0.00	2.59	0%
<b>Heap leach</b>					
<b>Stacking</b>					
Ore	000 tonnes	172.6	0.0	172.6	0%
Grade	g/t	2.23	0.00	2.23	0%
Gold in ore stacked	kg	384.6	0.0	384.6	0%
<b>Gold produced</b>	kg	<b>227.3</b>	<b>110.3</b>	<b>117.0</b>	<b>106%</b>
<b>Warehouse on June 30</b>					
Ore	000 tonnes	21.2	0.0	0.0	0%
Grade	g/t	5.43	0.00	0.00	0%

# Financial reports

## CONSOLIDATED STATEMENT OF PROFIT OR LOSS

	Q2 Apr-Jun 2019 TSEK	Q2 Apr-Jun 2018 TSEK	H1 Jan-Jun 2019 TSEK	H1 Jan-Jun 2018 TSEK	12 months Jan-Dec 2018 TSEK	Q2 Apr-Jun 2019 US\$000	Q2 Apr-Jun 2018 US\$000	H1 Jan-Jun 2019 US\$000	H1 Jan-Jun 2018 US\$000	12 months Jan-Dec 2018 US\$000
Revenue	62,377	30,891	100,362	49,756	150,992	6,638	3,606	10,780	5,933	17,373
Cost of sales	(58,426)	(44,796)	(99,670)	(75,006)	(186,509)	(6,205)	(5,215)	(10,681)	(8,939)	(21,449)
<b>Gross profit/(loss)</b>	<b>3,951</b>	<b>(13,905)</b>	<b>692</b>	<b>(25,250)</b>	<b>(35,517)</b>	<b>433</b>	<b>(1,609)</b>	<b>99</b>	<b>(3,006)</b>	<b>(4,076)</b>
General and administrative expenses	(4,989)	(7,205)	(10,765)	(12,701)	(20,918)	(527)	(627)	(1,157)	(1,305)	(2,417)
Other operating income	1,768	1,602	1,954	2,008	4,506	190	189	210	239	467
Other operating expenses	(422)	(3,290)	(985)	(3,838)	(2,973)	(45)	(390)	(106)	(458)	(347)
<b>Operating profit/(loss)</b>	<b>308</b>	<b>(22,798)</b>	<b>(9,104)</b>	<b>(39,781)</b>	<b>(54,902)</b>	<b>51</b>	<b>(2,437)</b>	<b>(954)</b>	<b>(4,530)</b>	<b>(6,373)</b>
Financial income	-	3	-	44	45	-	-	-	5	5
Financial expenses	(10,569)	(8,764)	(19,774)	(16,382)	(34,806)	(1,120)	(1,217)	(2,124)	(2,157)	(3,997)
Currency gain/loss	6,979	(9,503)	10,418	(11,321)	(14,665)	209	(1,043)	471	(1,268)	(1,569)
<b>Profit/(Loss) before income tax</b>	<b>(3,282)</b>	<b>(41,062)</b>	<b>(18,460)</b>	<b>(67,440)</b>	<b>(104,328)</b>	<b>(860)</b>	<b>(4,697)</b>	<b>(2,607)</b>	<b>(7,950)</b>	<b>(11,934)</b>
Income tax	5,681	5,710	6,622	10,677	15,869	608	671	710	1,279	1,831
<b>Net profit/(loss) for the period</b>	<b>2,399</b>	<b>(35,352)</b>	<b>(11,838)</b>	<b>(56,763)</b>	<b>(88,459)</b>	<b>(252)</b>	<b>(4,026)</b>	<b>(1,897)</b>	<b>(6,671)</b>	<b>(10,103)</b>
Whereof attributable to:										
The owners of the parent company	2,399	(35,352)	(11,838)	(56,763)	(88,459)	(252)	(4,026)	(1,897)	(6,671)	(10,103)
Earnings per share before dilution (SEK, US\$)	0.02	(0.47)	(0.12)	(0.65)	(0.96)	0.00	(0.05)	(0.02)	(0.08)	(0.11)
Earnings per share after dilution (SEK, US\$)	0.02	(0.47)	(0.12)	(0.65)	(0.96)	0.00	(0.05)	(0.02)	(0.08)	(0.11)
Number of shares issued at period end	98,648,502	98,648,502	98,648,502	98,648,502	98,648,502	98,648,502	98,648,502	98,648,502	98,648,502	98,648,502
Average number of shares for the period	98,648,502	98,648,502	98,648,502	86,813,592	92,192,802	98,648,502	98,648,502	98,648,502	86,813,592	92,192,802
Average number of shares for the period after dilution	98,648,502	99,341,002	98,648,502	87,506,092	92,752,802	98,648,502	99,341,002	98,648,502	87,506,092	92,752,802

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Q2 Apr-Jun 2019 TSEK	Q2 Apr-Jun 2018 TSEK	H1 Jan-Jun 2019 TSEK	H1 Jan-Jun 2018 TSEK	12 months Jan-Dec 2018 TSEK	Q2 Apr-Jun 2019 US\$000	Q2 Apr-Jun 2018 US\$000	H1 Jan-Jun 2019 US\$000	H1 Jan-Jun 2018 US\$000	12 months Jan-Dec 2018 US\$000
Net profit/(loss) for the period	2,399	(35,352)	(11,838)	(56,763)	(88,459)	(252)	(4,026)	(1,897)	(6,671)	(10,103)
<b>Other comprehensive income/(loss)</b>										
Translation difference	(59)	(15,230)	44	(17,298)	(18,927)	371	(171)	1,490	58	(181)
<b>Total comprehensive income/(loss) for the period</b>	<b>2,340</b>	<b>(50,582)</b>	<b>(11,794)</b>	<b>(74,061)</b>	<b>(107,386)</b>	<b>119</b>	<b>(4,197)</b>	<b>(407)</b>	<b>(6,613)</b>	<b>(10,284)</b>

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	June 30, 2019 TSEK	June 30, 2018 TSEK	December 31, 2018 TSEK	June 30, 2019 US\$000	June 30, 2018 US\$000	December 31, 2018 US\$000
<b>ASSETS</b>						
<b>NON-CURRENT ASSETS</b>						
Intangible fixed assets	171,212	176,559	172,038	22,411	23,539	23,016
Tangible fixed assets	286,833	213,683	243,823	30,921	23,827	27,165
Stripping assets	38,948	26,112	23,171	4,201	2,914	2,583
Deferred tax assets	61,305	48,012	50,434	5,833	4,667	4,926
<b>TOTAL NON-CURRENT ASSETS</b>	<b>558,298</b>	<b>464,366</b>	<b>489,466</b>	<b>63,366</b>	<b>54,947</b>	<b>57,690</b>
<b>CURRENT ASSETS</b>						
Materials	10,975	9,675	8,714	1,184	1,080	972
Work in progress	24,900	20,408	24,408	2,686	2,278	2,721
Finished products	463	5,289	541	50	590	60
Trade and other receivables	30,810	21,459	29,602	3,324	2,395	3,298
Advanced paid to suppliers and prepaid expenses	6,446	3,342	1,757	694	373	196
Cash and cash equivalents	181	48,012	10,666	20	5,359	1,189
<b>TOTAL CURRENT ASSETS</b>	<b>73,775</b>	<b>108,185</b>	<b>75,688</b>	<b>7,958</b>	<b>12,075</b>	<b>8,436</b>
<b>TOTAL ASSETS</b>	<b>632,073</b>	<b>572,551</b>	<b>565,154</b>	<b>71,324</b>	<b>67,022</b>	<b>66,126</b>
<b>EQUITY AND LIABILITIES</b>						
<b>EQUITY</b>						
Share capital	11,098	11,098	11,098	1,436	1,436	1,436
Additional paid-in capital	553,870	553,870	553,720	79,178	79,178	79,160
Translation difference reserve	(141,076)	(139,341)	(140,970)	(12,387)	(13,620)	(13,859)
Retained earnings	(671,522)	(627,988)	(659,684)	(91,788)	(86,459)	(89,891)
<b>TOTAL EQUITY</b>	<b>(247,630)</b>	<b>(202,361)</b>	<b>(235,836)</b>	<b>(23,561)</b>	<b>(19,465)</b>	<b>(23,154)</b>
<b>NON-CURRENT LIABILITIES</b>						
Bank loans and other notes	283,446	302,498	254,330	30,572	33,761	28,350
Debt to shareholder	321,308	304,454	307,891	34,656	33,980	34,321
Lease payable	18,862	20,852	15,845	2,034	2,327	1,766
Deferred tax liabilities	56	-	-	6	-	-
Other non-current liabilities	80,188	93,939	77,289	8,649	10,485	8,616
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>703,860</b>	<b>721,743</b>	<b>655,355</b>	<b>75,917</b>	<b>80,553</b>	<b>73,053</b>
<b>CURRENT LIABILITIES</b>						
Bank loans and other notes	70,209	17,920	67,935	7,573	2,000	7,573
Other interest bearing liabilities	70,261	21,105	61,238	7,578	2,356	6,826
Trade accounts payable	18,394	3,834	5,285	1,984	428	586
Other current liabilities	16,979	10,310	11,177	1,833	1,150	1,242
<b>TOTAL CURRENT LIABILITIES</b>	<b>175,843</b>	<b>53,169</b>	<b>145,635</b>	<b>18,968</b>	<b>5,934</b>	<b>16,227</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>632,073</b>	<b>572,551</b>	<b>565,154</b>	<b>71,324</b>	<b>67,022</b>	<b>66,126</b>

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

TSEK	Attributable to the shareholders of the parent company				
	Share capital	Additional paid in capital	Translation difference reserve	Retained earnings	Total equity
<b>Equity as at December 31, 2017</b>	<b>8,420</b>	<b>498,856</b>	<b>(122,043)</b>	<b>(571,225)</b>	<b>(185,992)</b>
<b>Comprehensive income</b>					
Net profit/loss for the period	-	-	-	(56,763)	(56,763)
Other comprehensive income	-	-	(17,298)	-	(17,298)
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>(17,298)</b>	<b>(56,763)</b>	<b>(74,061)</b>
<b>Transactions with owners in their capacity as owners</b>					
Proceeds from share issued	2,678	55,005	-	-	57,683
Warrants and options issue	-	9	-	-	9
<b>Total transactions with owners in their capacity as owners</b>	<b>2,678</b>	<b>55,014</b>	<b>-</b>	<b>-</b>	<b>57,691</b>
<b>Equity as at June 30, 2018</b>	<b>11,098</b>	<b>553,870</b>	<b>(139,341)</b>	<b>(627,988)</b>	<b>(202,361)</b>
<b>Comprehensive income</b>					
Net profit/loss for the period	-	-	-	(31,696)	(31,696)
Other comprehensive income	-	-	(1,779)	-	(1,779)
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>(1,779)</b>	<b>(31,696)</b>	<b>(33,475)</b>
<b>Transactions with owners in their capacity as owners</b>					
Proceeds from share issued	-	-	-	-	-
Warrants and options issue	-	0	-	-	0
<b>Total transactions with owners in their capacity as owners</b>	<b>-</b>	<b>0</b>	<b>-</b>	<b>-</b>	<b>0</b>
<b>Equity as at December 31, 2018</b>	<b>11,098</b>	<b>553,870</b>	<b>(141,120)</b>	<b>(659,684)</b>	<b>(235,836)</b>
<b>Comprehensive income</b>					
Net profit/loss for the period	-	-	-	(11,838)	(11,838)
Other comprehensive income	-	-	44	-	44
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>44</b>	<b>(11,838)</b>	<b>(11,794)</b>
<b>Transactions with owners in their capacity as owners</b>					
Warrants and options issue	-	-	-	-	-
<b>Total transactions with owners in their capacity as owners</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Equity as at June 30, 2019</b>	<b>11,098</b>	<b>553,870</b>	<b>(141,076)</b>	<b>(671,522)</b>	<b>(247,630)</b>

  

US\$000	Attributable to the shareholders of the parent company				
	Share capital	Additional paid in capital	Translation difference reserve	Retained earnings	Total equity
<b>Equity as at December 31, 2017</b>	<b>1,117</b>	<b>72,615</b>	<b>(13,678)</b>	<b>(79,788)</b>	<b>(19,734)</b>
<b>Comprehensive income</b>					
Net profit/loss for the period	-	-	-	(6,671)	(6,671)
Other comprehensive income	-	-	58	-	58
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>58</b>	<b>(6,671)</b>	<b>(6,613)</b>
<b>Transactions with owners in their capacity as owners</b>					
Proceeds from share issued	319	6,562	-	-	6,881
Warrants and options issue	-	1	-	-	1
<b>Total transactions with owners in their capacity as owners</b>	<b>319</b>	<b>6,563</b>	<b>-</b>	<b>-</b>	<b>6,882</b>
<b>Equity as at June 30, 2018</b>	<b>1,436</b>	<b>79,178</b>	<b>(13,620)</b>	<b>(86,459)</b>	<b>(19,465)</b>
<b>Comprehensive income</b>					
Net profit/loss for the period	-	-	-	(3,432)	(3,432)
Other comprehensive income	-	-	(257)	-	(257)
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>(257)</b>	<b>(3,432)</b>	<b>(3,690)</b>
<b>Transactions with owners in their capacity as owners</b>					
Proceeds from share issued	-	-	-	-	-
Warrants and options issue	-	(0)	-	-	(0)
<b>Total transactions with owners in their capacity as owners</b>	<b>-</b>	<b>(0)</b>	<b>-</b>	<b>-</b>	<b>(0)</b>
<b>Equity as at December 31, 2018</b>	<b>1,436</b>	<b>79,178</b>	<b>(13,877)</b>	<b>(89,891)</b>	<b>(23,154)</b>
<b>Comprehensive income</b>					
Net profit/loss for the period	-	-	-	(1,897)	(1,897)
Other comprehensive income	-	-	1,490	-	1,490
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>1,490</b>	<b>(1,897)</b>	<b>(407)</b>
<b>Transactions with owners in their capacity as owners</b>					
Warrants and options issue	-	-	-	-	-
<b>Total transactions with owners in their capacity as owners</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Equity as at June 30, 2019</b>	<b>1,436</b>	<b>79,178</b>	<b>(12,387)</b>	<b>(91,788)</b>	<b>(23,561)</b>

## CONSOLIDATED CASH FLOW STATEMENT

	Q2 Apr-Jun 2019 TSEK	Q2 Apr-Jun 2018 TSEK	H1 Jan-Jun 2019 TSEK	H1 Jan-Jun 2018 TSEK	Q2 Apr-Jun 2019 US\$000	Q2 Apr-Jun 2018 US\$000	H1 Jan-Jun 2019 US\$000	H1 Jan-Jun 2018 US\$000
<b>OPERATING ACTIVITIES</b>								
Receipts from gold sales	62,782	31,249	100,757	50,067	6,644	3,605	10,785	5,927
Receipts from assets sale	-	-	-	14,317	-	-	-	1,766
VAT and other reimbursement	9,619	1,206	15,552	15,708	1,018	139	1,665	1,928
Payments to suppliers	(36,323)	(15,696)	(58,947)	(28,657)	(3,844)	(1,811)	(6,311)	(3,410)
Payments to employees and social taxes	(16,603)	(11,013)	(31,979)	(24,778)	(1,757)	(1,271)	(3,401)	(2,969)
Income tax paid	-	(426)	-	(499)	-	(49)	-	(58)
Other taxes paid	(2,778)	(3,152)	(4,319)	(6,540)	(294)	(364)	(462)	(782)
<b>Net cash flows from/(used in) operating activities</b>	<b>16,697</b>	<b>2,168</b>	<b>21,364</b>	<b>19,618</b>	<b>1,767</b>	<b>249</b>	<b>2,276</b>	<b>2,402</b>
<b>INVESTING ACTIVITIES</b>								
Purchase and construction of property, plant and equipment	(26,610)	(17,716)	(37,211)	(25,277)	(2,816)	(2,044)	(3,972)	(2,977)
Exploration and research works	(104)	(747)	(443)	(2,872)	(11)	(86)	(48)	(348)
<b>Net cash flows used in investing activities</b>	<b>(26,714)</b>	<b>(18,463)</b>	<b>(37,654)</b>	<b>(28,149)</b>	<b>(2,827)</b>	<b>(2,130)</b>	<b>(4,020)</b>	<b>(3,325)</b>
<b>FINANCING ACTIVITIES</b>								
Proceeds from borrowings, net	20,675	-	20,675	-	2,188	-	2,188	-
Receipts from share issue	-	27,224	-	27,224	-	3,173	-	3,173
Repayment of borrowings, net	-	-	-	-	-	-	-	-
Interest paid	(7,541)	(6,470)	(14,557)	(12,963)	(798)	(746)	(1,563)	(1,547)
Lease payments	(5,329)	(1,522)	(8,438)	(2,345)	(564)	(176)	(903)	(277)
Proceeds from sale and leaseback transactions	-	-	7,694	-	-	-	839	-
Transaction costs arising on share issue	-	(422)	-	(644)	-	(49)	-	(76)
Other finance income/expenses	-	499	-	499	-	58	-	58
<b>Net cash from/(used in) financing activities</b>	<b>7,805</b>	<b>19,309</b>	<b>5,374</b>	<b>11,771</b>	<b>826</b>	<b>2,260</b>	<b>561</b>	<b>1,331</b>
Net increase/(decrease) in cash and cash equivalents	(2,212)	3,014	(10,916)	3,240	(234)	379	(1,183)	408
Effect of foreign exchange rate changes on cash and cash equivalents	(30)	2,513	431	3,042	(7)	(102)	14	(118)
Opening balance cash and cash equivalents	2,423	42,485	10,666	41,730	261	5,082	1,189	5,069
<b>Closing balance cash and cash equivalents</b>	<b>181</b>	<b>48,012</b>	<b>181</b>	<b>48,012</b>	<b>20</b>	<b>5,359</b>	<b>20</b>	<b>5,359</b>

## CONSOLIDATED KEY RATIOS

	Definitions	H1 Jan-Jun 2019 TSEK	H1 Jan-Jun 2018 TSEK	12 months Jan-Dec 2018 TSEK	H1 Jan-Jun 2019 US\$000	H1 Jan-Jun 2018 US\$000	12 months Jan-Dec 2018 US\$000
Total assets	Total assets at period end	632,073	572,551	565,154	71,324	67,022	66,126
Total equity	Total equity including non-controlling interest at period end	(247,630)	(202,361)	(235,836)	(23,561)	(19,465)	(23,154)
Interest bearing debt	Total interest bearing debt at the period end	761,120	683,677	704,633	82,093	76,304	78,546
Employees at period end	-	496	432	455	496	432	455
EBITDA	Earnings Before Interest, Tax, Depreciation, Amortization and any Impairment	11,760	(20,785)	(14,194)	1,263	(2,471)	(1,714)
<b>Per share data</b>							
Earnings per share (SEK, USD)	Net result after tax for the period divided by the average number of outstanding shares for the period before dilution	0.02	(0.65)	(0.96)	0.00	(0.08)	(0.11)
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	(2.51)	(2.05)	(2.39)	(0.24)	(0.20)	(0.23)

## PARENT COMPANY CONSOLIDATED STATEMENT OF PROFIT OR LOSS

	Q2 Apr-Jun 2019 TSEK	Q2 Apr-Jun 2018 TSEK	H1 Jan-Jun 2019 TSEK	H1 Jan-Jun 2018 TSEK	Q2 Apr-Jun 2019 US\$000	Q2 Apr-Jun 2018 US\$000	H1 Jan-Jun 2019 US\$000	H1 Jan-Jun 2018 US\$000
Operating income	180	180	360	360	19	21	39	43
<b>Total income</b>	<b>180</b>	<b>180</b>	<b>360</b>	<b>360</b>	<b>19</b>	<b>21</b>	<b>39</b>	<b>43</b>
External expenses	(1,036)	(1,614)	(2,465)	(3,025)	(109)	(186)	(265)	(360)
Employee benefit expenses	(719)	(727)	(1,661)	(1,422)	(75)	(84)	(178)	(170)
<b>Total operating costs</b>	<b>(1,755)</b>	<b>(2,341)</b>	<b>(4,126)</b>	<b>(4,447)</b>	<b>(184)</b>	<b>(270)</b>	<b>(443)</b>	<b>(530)</b>
<b>Operating profit/(loss)</b>	<b>(1,575)</b>	<b>(2,161)</b>	<b>(3,766)</b>	<b>(4,087)</b>	<b>(165)</b>	<b>(249)</b>	<b>(404)</b>	<b>(487)</b>
Net financial items	6,731	(23,415)	26,570	(24,705)	691	(2,787)	2,854	(2,946)
<b>Profit/(Loss) before income tax</b>	<b>5,156</b>	<b>(25,576)</b>	<b>22,804</b>	<b>(28,792)</b>	<b>526</b>	<b>(3,036)</b>	<b>2,450</b>	<b>(3,433)</b>
Income tax	-	-	-	-	-	-	-	-
<b>Net profit/(loss) for the period</b>	<b>5,156</b>	<b>(25,576)</b>	<b>22,804</b>	<b>(28,792)</b>	<b>526</b>	<b>(3,036)</b>	<b>2,450</b>	<b>(3,433)</b>

## PARENT COMPANY STATEMENT OF COMPREHENSIVE INCOME

	Q2 Apr-Jun 2019 TSEK	Q2 Apr-Jun 2018 TSEK	H1 Jan-Jun 2019 TSEK	H1 Jan-Jun 2018 TSEK	Q2 Apr-Jun 2019 US\$000	Q2 Apr-Jun 2018 US\$000	H1 Jan-Jun 2019 US\$000	H1 Jan-Jun 2018 US\$000
Net profit/loss for the period	5,156	(25,576)	22,804	(28,792)	526	(3,036)	2,450	(3,433)
Translation differences	-	-	-	-	79	(3,154)	(1,340)	(3,816)
<b>Total comprehensive income for the period</b>	<b>5,156</b>	<b>(25,576)</b>	<b>22,804</b>	<b>(28,792)</b>	<b>605</b>	<b>(6,190)</b>	<b>1,110</b>	<b>(7,249)</b>

## PARENT CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	June 30, 2019 TSEK	June 30, 2018 TSEK	December 31, 2018 TSEK	June 30, 2019 US\$000	June 30, 2018 US\$000	December 31, 2018 US\$000
<b>ASSETS</b>						
<b>FIXED ASSETS</b>						
Financial fixed assets	777,051	733,003	737,113	83,812	81,809	82,166
<b>Total fixed assets</b>	<b>777,051</b>	<b>733,003</b>	<b>737,113</b>	<b>83,812</b>	<b>81,809</b>	<b>82,166</b>
<b>CURRENT ASSETS</b>						
Current receivables	1,499	2,038	1,191	162	227	133
Cash and bank	92	312	175	10	35	20
<b>Total current assets</b>	<b>1,591</b>	<b>2,350</b>	<b>1,366</b>	<b>172</b>	<b>262</b>	<b>153</b>
<b>TOTAL ASSETS</b>	<b>778,642</b>	<b>735,353</b>	<b>738,479</b>	<b>83,984</b>	<b>82,072</b>	<b>82,319</b>
<b>EQUITY AND LIABILITIES</b>						
<b>EQUITY</b>	<b>396,415</b>	<b>392,993</b>	<b>373,612</b>	<b>42,757</b>	<b>43,861</b>	<b>41,647</b>
<b>LONG-TERM LIABILITIES</b>	<b>321,308</b>	<b>324,183</b>	<b>307,891</b>	<b>34,656</b>	<b>36,182</b>	<b>34,321</b>
<b>CURRENT LIABILITIES</b>	<b>60,919</b>	<b>18,177</b>	<b>56,976</b>	<b>6,571</b>	<b>2,029</b>	<b>6,351</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>778,642</b>	<b>735,353</b>	<b>738,479</b>	<b>83,984</b>	<b>82,072</b>	<b>82,319</b>

## PARENT COMPANY STATEMENT OF CHANGES IN EQUITY

TSEK	Share capital	Statutory reserve	Share premium reserve	Translation difference reserve	Retained earnings	Net income for the period	Total equity
<b>Equity as at December 31, 2017</b>	<b>8,420</b>	<b>266,306</b>	<b>725,561</b>	<b>-</b>	<b>(651,792)</b>	<b>15,598</b>	<b>364,093</b>
Profit/(loss) brought forward	-	-	-	-	15,598	(15,598)	-
<b>Comprehensive income</b>							
Net profit/(loss) for the period	-	-	-	-	-	(28,792)	(28,792)
Other comprehensive income	-	-	-	-	-	-	-
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(28,792)</b>	<b>(28,792)</b>
<b>Transactions with owners in their capacity as owners</b>							
Proceeds from share issued	2,678	-	55,005	-	-	-	57,683
Warrants and options issue	-	-	9	-	-	-	9
<b>Total transactions with owners in their capacity as owners</b>	<b>2,678</b>	<b>-</b>	<b>55,014</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>57,692</b>
<b>Equity as at June 30, 2018</b>	<b>11,098</b>	<b>266,306</b>	<b>780,575</b>	<b>-</b>	<b>(636,194)</b>	<b>(28,792)</b>	<b>392,993</b>
<b>Comprehensive income</b>							
Net profit/(loss) for the period	-	-	-	-	-	(19,381)	(19,381)
Other comprehensive income	-	-	-	-	-	-	-
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(19,381)</b>	<b>(19,381)</b>
<b>Transactions with owners in their capacity as owners</b>							
Warrants and options issue	-	-	-	-	-	-	-
<b>Total transactions with owners in their capacity as owners</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Equity as at December 31, 2018</b>	<b>11,098</b>	<b>266,306</b>	<b>780,575</b>	<b>-</b>	<b>(636,194)</b>	<b>(48,173)</b>	<b>373,612</b>
Profit/(loss) brought forward	-	-	-	-	(48,173)	48,173	-
<b>Comprehensive income</b>							
Net profit/(loss) for the period	-	-	-	-	-	22,803	22,803
Other comprehensive income	-	-	-	-	-	-	-
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>22,803</b>	<b>22,803</b>
<b>Transactions with owners in their capacity as owners</b>							
Warrants and options issue	-	-	-	-	-	-	-
<b>Total transactions with owners in their capacity as owners</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Equity as at June 30, 2019</b>	<b>11,098</b>	<b>266,306</b>	<b>780,575</b>	<b>-</b>	<b>(684,367)</b>	<b>22,803</b>	<b>396,415</b>

  

US\$000	Share capital	Statutory reserve	Share premium reserve	Translation difference reserve	Retained earnings	Net income for the period	Total equity
<b>Equity as at December 31, 2017</b>	<b>1,117</b>	<b>40,872</b>	<b>107,409</b>	<b>(5,571)</b>	<b>(101,423)</b>	<b>1,825</b>	<b>44,229</b>
Profit/(loss) brought forward	-	-	-	-	1,825	(1,825)	-
<b>Comprehensive income</b>							
Net profit/(loss) for the period	-	-	-	-	-	(3,433)	(28,792)
Other comprehensive income	-	-	-	(3,816)	-	-	(3,816)
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(3,816)</b>	<b>-</b>	<b>(3,433)</b>	<b>(7,249)</b>
<b>Transactions with owners in their capacity as owners</b>							
Proceeds from share issued	319	-	6,562	-	-	-	57,683
Warrants and options issue	-	-	-	-	-	-	9
<b>Total transactions with owners in their capacity as owners</b>	<b>319</b>	<b>-</b>	<b>6,562</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>57,692</b>
<b>Equity as at June 30, 2018</b>	<b>1,436</b>	<b>40,872</b>	<b>113,971</b>	<b>(9,387)</b>	<b>(99,598)</b>	<b>(3,433)</b>	<b>43,861</b>
<b>Comprehensive income</b>							
Net profit/(loss) for the period	-	-	-	-	-	(2,110)	(2,110)
Other comprehensive income	-	-	-	(104)	-	-	(104)
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(104)</b>	<b>-</b>	<b>(2,110)</b>	<b>(2,214)</b>
<b>Transactions with owners in their capacity as owners</b>							
Warrants and options issue	-	-	-	-	-	-	-
<b>Total transactions with owners in their capacity as owners</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Equity as at December 31, 2018</b>	<b>1,436</b>	<b>40,872</b>	<b>113,971</b>	<b>(9,491)</b>	<b>(99,598)</b>	<b>(5,543)</b>	<b>41,647</b>
Profit/(loss) brought forward	-	-	-	-	(5,543)	5,543	-
<b>Comprehensive income</b>							
Net profit/(loss) for the period	-	-	-	-	-	2,450	2,450
Other comprehensive income	-	-	-	(1,340)	-	-	(1,340)
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1,340)</b>	<b>-</b>	<b>2,450</b>	<b>1,110</b>
<b>Transactions with owners in their capacity as owners</b>							
Warrants and options issue	-	-	-	-	-	-	-
<b>Total transactions with owners in their capacity as owners</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Equity as at June 30, 2019</b>	<b>1,436</b>	<b>40,872</b>	<b>113,971</b>	<b>(10,831)</b>	<b>(105,141)</b>	<b>2,450</b>	<b>42,757</b>

## PARENT COMPANY CASH FLOW STATEMENT

	Q2 Apr-Jun 2019 TSEK	Q2 Apr-Jun 2018 TSEK	H1 Jan-Jun 2019 TSEK	H1 Jan-Jun 2018 TSEK	Q2 Apr-Jun 2019 US\$000	Q2 Apr-Jun 2018 US\$000	H1 Jan-Jun 2019 US\$000	H1 Jan-Jun 2018 US\$000
<b>OPERATING ACTIVITIES</b>								
Receipts from customers	180	0	180	359	19	0	19	44
VAT and other reimbursement	19	181	97	325	2	21	11	39
Payments to suppliers	(1,000)	(2,588)	(2,412)	(4,487)	(106)	(299)	(260)	(533)
Payments to employees and the Board members	(512)	(712)	(1,271)	(1,423)	(54)	(82)	(137)	(170)
Income tax paid	-	-	-	-	-	-	-	-
Other taxes paid	-	-	-	-	-	-	-	-
<b>Net cash flows from/(used in) operating activities</b>	<b>(1,313)</b>	<b>(3,119)</b>	<b>(3,406)</b>	<b>(5,226)</b>	<b>(139)</b>	<b>(360)</b>	<b>(367)</b>	<b>(620)</b>
<b>INVESTING ACTIVITIES</b>								
Borrowings given/Proceeds from borrowings given	1,404	(21,975)	3,573	(18,850)	149	(2,535)	386	(2,150)
<b>Net cash flows from/(used in) investing activities</b>	<b>1,404</b>	<b>(21,975)</b>	<b>3,573</b>	<b>(18,850)</b>	<b>149</b>	<b>(2,535)</b>	<b>386</b>	<b>(2,150)</b>
<b>FINANCING ACTIVITIES</b>								
Proceeds from borrowings	-	-	-	-	-	-	-	-
Receipts from share issue	-	27,224	-	27,224	-	3,173	-	3,173
Repayment of borrowings	-	-	-	-	-	-	-	-
Interest paid	(85)	-	(85)	(627)	(9)	-	(9)	(75)
Transaction costs arising on share issue	-	(422)	(160)	(644)	-	(49)	(17)	(76)
Other finance income/expenses (Arrangement fee GI)	-	(1,789)	-	(1,789)	-	(210)	-	(210)
<b>Net cash from/(used in) financing activities</b>	<b>(85)</b>	<b>25,013</b>	<b>(245)</b>	<b>24,164</b>	<b>(9)</b>	<b>2,914</b>	<b>(26)</b>	<b>2,812</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>6</b>	<b>(82)</b>	<b>(78)</b>	<b>89</b>	<b>1</b>	<b>18</b>	<b>(7)</b>	<b>41</b>
<b>Effect of foreign exchange rate changes on cash and cash equivalents</b>	<b>(7)</b>	<b>1</b>	<b>(5)</b>	<b>(34)</b>	<b>(1)</b>	<b>(30)</b>	<b>(3)</b>	<b>(37)</b>
<b>Opening balance cash and cash equivalents</b>	<b>93</b>	<b>392</b>	<b>175</b>	<b>257</b>	<b>10</b>	<b>47</b>	<b>20</b>	<b>31</b>
<b>Closing balance cash and cash equivalents</b>	<b>92</b>	<b>312</b>	<b>92</b>	<b>312</b>	<b>10</b>	<b>35</b>	<b>10</b>	<b>35</b>

# Additional information

## NEXT REPORTS DUE

Interim report (3)  
January – September 2019:  
[29 November 2019](#)

Interim report (4)  
January – December 2019:  
[28 February 2020](#)

## COMPANY INFORMATION

Auriant Mining AB (AUR) is a Swedish junior mining company focused on gold exploration and production in Russia, primarily in Zabaikalye and the Republics of Khakassia and Tyva. The company has currently four assets, including two operating mines (Tardan and Solcocon), one early stage exploration asset and one development assets.

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.com](http://www.auriant.com).

Mangold Fondkommission is Certified Adviser to Auriant, for more information please call +46 8 503 015 50 or visit [www.mangold.se](http://www.mangold.se).

## BOARD ASSURANCE

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, August 30, 2019  
Auriant Mining AB (publ.)

Lord Daresbury  
Chairman of the Board

Preston Haskell  
Board Member

Ingmar Haga  
Board Member

Patrik Perenius  
Board Member

Sergey Ustimenko  
CEO

This quarterly report has not been reviewed by the auditors.

**Cautionary Statement:** Statements and assumptions made in this report with respect to Auriant Mining AB's ("AUR") current plans, estimates, strategies and beliefs, and other statements that are not historical facts, are forward-looking statements about the future performance of AUR. Forward-looking statements include, but are not limited to, those using words such as "may", "might", "seeks", PRESS RELEASE Stockholm, 9 April 2018 "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 AUR operates; (ii) changes relating to the geological information available in respect of the various projects undertaken; (iii) AUR'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. AUR assumes no unconditional obligation to immediately update any such statements and/or forecasts This press release shall not, directly or indirectly, be released, published or distributed in or to the United States, Australia Japan, Canada, New Zealand, Hong Kong, South Africa or other country where such action as a whole or in part is subject to legal restrictions. Nothing in this press release should be considered as an offer to invest or otherwise trade in shares of Auriant Mining AB (publ). The proposed issue will not be directed at residents or those living in the United States, Australia, Japan, Canada, New Zealand, Hong Kong, South Africa or other country where such action would require further prospectus, other offering documentation, registration or other measures beyond those required by Swedish law. No securities will be registered under the United States Securities Act of 1933, a similar law in any state in the United States, or under any provincial law in Canada, nor under the applicable law of another country.