



# AURIANT MINING

## **Auriant Mining AB (publ)**

### **Interim report for the period from January – December 2014**

#### **Highlights:**

- Total gold production for the year amounted to 1,079 kg (34,689 oz), a decrease of 5.5% compared to 2013 production of 1,142 kg (36,716 oz).
- Group revenue from gold and gold equivalents for 2014 decreased by 16% to MSEK 297.5 (US\$ 42.6 m) compared to the 2013 amount of MSEK 328.9 (US\$ 50.5 m).
- EBITDA increased by 24% compared to 2013, however still negative at MSEK -25.0 (US\$ -4.1 m) compared to 2013 negative amount of MSEK -35.1 (US\$ -5.4 m).
- The net loss after tax for the period was MSEK -128.7 (US\$ -16.6 m) compared to 2013 in amount of MSEK -128.9 (US\$ -19.8 m). Earnings per share before and after dilution for 2014 were equal to SEK -7.23 (US\$ -0.93) compared to 2013 – SEK -7.24 (US\$ -1.11).

#### **Key developments post-period end:**

- Auriant Mining AB received from Aristus Holdings Ltd. an option to purchase a 50% interest in five gold properties located in Russia's Chukotka region, including Valunisty - a producing gold mine with overall C1 + C2 reserves of around 20 tonnes of gold equivalent. As part of the deal the Company entered into a legally binding agreement with Aristus Holdings Ltd. to manage and develop these assets over the next 3 years. The Company will receive a fixed management fee of US\$ 1.2 m p. a. and up to US\$ 2.4 m annual bonus linked to the fulfilment of certain production and financial targets.

## Comments by the CFO

I'm pleased to present our interim financial statements for 2014. At the end of 2014 rouble depreciated sharply against US dollar by about 70% compared to the beginning of 2014, which significantly transformed the Company's balance sheet monetary positions. The 2014 average RUR/US\$ exchange rate fell by 21% compared to 2013. As the majority of our costs are denominated in roubles and revenue is denominated in US dollars, we believe that rouble devaluation will result into decrease of our production costs per oz and significantly improve our profitability in future periods.

All changes in financial results shown in per cent (%) relate to changes in US\$ amounts. We hope this will make our financial statements easier to understand and allow for more effective benchmarking against our international peers.

## Income, financial results and financial position for the group

### Income and financial results

Revenue from gold and gold equivalents decreased by MSEK 31.489 (US\$ 7.875 m), or 16%, as compared to 2013. The volume of gold sold decreased by 7% from 1,144 kg (36,779 oz) in 2013 down to 1,066 kg (34,273 oz) in 2014. The average realized gold price decreased from US\$ 1,373 in 2013 down to US\$ 1,244 in the current period (-9%).

Cost of sales, comprising production costs and change in work in progress, decreased by MSEK 32.233 (US\$ 7.869 m) or 14% compared to 2013. Our production costs, mostly consisting of cash costs, fell from MSEK 361.893 (US\$ 55.5 m) in 2013 to MSEK 322.624 (US\$ 47.0 m) in 2014, or by 15% as result of cost efficiency efforts, recognition of stripping assets and rouble devaluation.

Average cash costs per ounce of gold produced at Tardan, our major production unit, reduced by 14% from US\$ 1,239/oz in 2013 down to US\$ 1,060/oz in 2014.

General and administrative expenses are represented by expenses of the company's headquarters and these expenses decreased by MSEK 9.515 (US\$ 1.717 m), or 26%, as compared to 2013.

Other operating income is represented by a gain as a result of sales of materials and services to our contractors. A decrease by 53% from MSEK 10.759 (US\$ 1.652 m) to MSEK 5.195 (US\$ 0.769 m) primarily relates to reduction of sales of materials and services provided to contractors.

Other operating expenses compared to the prior period decreased by MSEK 8.094 (US\$ 1.297 m) from MSEK 14.433 (US\$ 2.216 m) to MSEK 6.339 (US\$ 0.919 m). Major part of other expenses in 2013 was represented by impairment of work in progress balances in amount of MSEK 8.154 (US\$ 1.252 m), which is absent in 2014. Other operating expenses in both periods also included bank commissions, provisions, penalties and other expenses (each of them were not significant by themselves), which did not change significantly.

Financial income and expenses consisted of foreign exchange difference and interest expenses. The interest expense for the reporting period increased by MSEK 9.865 (US\$ 0.987 m) and amounted to MSEK -68.713 (US\$ -10.000 m). Growth of interest expenses was caused by additional bank and lease financing received both by Tardan and GRE-324. The Company's bank loan average interest rate fell by 0.6% p.a. to 9.6% p.a. compared 2013.

The Shareholder's bond and loan average interest rate was 12.6% p.a., which is lower by 1.6% p.a. compared to the previous period (the bond carries interest rate of 10% per annum since May 2014; prior to May 2014 it was 18% p. a.). However, the growth of the Shareholder's bond liability due to interest capitalization and additional short-term loans from the Shareholder kept interest expenses in 2014 almost on the same level as in 2013.

In 2013 foreign exchange losses amounted to MSEK -13.562 (US\$ -2.084 m) caused mainly by US dollar appreciation against the Russian rouble and subsequent devaluation of rouble assets. In 2014 foreign exchange losses amounted to MSEK -51.725 (US\$ -5.010 m).

Since the Company incurred taxable losses the income tax gain in both periods related to a change in deferred taxes at the subsidiary level and represent tax loss carry-forwards.

The net result after tax for 2014 is MSEK -128.665 (US\$ -16.591 m) as compared to MSEK -128.964 (US\$ -19.798 m) in previous period. Earnings per share before and after dilution for the period were equal to SEK -7.23 (US\$ -0.93) compared to 2013 of SEK -7.24 (US\$ -1.11).

## **Financial position**

The increase in long-term liabilities up to MSEK 549.296 (US\$ 71.098 m) as of 31 December 2014 (as of 31 December 2013 long term liabilities amounted to MSEK 82.826 (US\$ 12.726 m)) is mainly caused by:

(a) 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;

(b) an increase of the bond payable to Golden Impala during the reporting period by MSEK 36.648 (US\$ 5.378 m) due to the capitalization of interest expenses.

(c) in Q4 2014 the Company has successfully executed the acquisition of the outstanding 70% interest in Kara-Beldyr from Canada's Centerra Gold Inc. and increased its share in Kara-Beldyr to 100%. As a consideration for this transaction, Auriant Mining will pay Centerra Gold a Net Smelter Royalty of 3.5% on any mineral revenue from Kara-Beldyr in the future. As result, the Company accrued long-term payables in amount of MSEK 37.450 (US\$ 5.100 m) as consideration to Centerra Gold Inc. as of December 31, 2014.

(d) Net increase in a long term financing of MSEK 98.093 (US\$ 11.650 m) from Promsvyazbank.

Current liabilities are mainly represented by trade and other payables, leases and loans. The overall decrease of current liabilities by MSEK 217.300 (US\$ 41.135 m) from MSEK 519.529 (US\$ 79.824 m) as of 31 December 2013 to MSEK 302.229 (US\$ 38.689 m) as of 31 December 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 and an decrease of trade and other payables by MSEK 18.007 (US\$ 3.885 m).

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 impairment tests on the parent level show no impairment indications. 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. At December 31, 2014 impairment tests performed on the Group level and ensured that the Company's assets are evaluated at fair value and no impairment provision is required. As a result of sharp rouble devaluation at the end of 2014 we expect production costs reduction in short and middle terms perspective. Due to production seasonality there is a possibility of cash liquidity deficiency in the first half of 2015, which is intended to be covered by short term bank loans repayable till the end of 2015.

As of 31 December 2014 total bank debt was equal to MSEK 354.259 (US\$ 45 m).

The consolidated cash balance as of 31 December 2014 was MSEK 4.711 (US\$ 0.603 m) (31 December 2013 - MSEK 10.776 (US\$ 1.656 m)).

*Chief Financial Officer  
Sergey Ustimenko*

## **Other financial information**

In 2014 the Company changed its functional currency from the Russian ruble to the US dollar. Starting from 1 January 2014 the carrying value of assets is accounted for in US dollars. We are reporting all our financial numbers in SEK (reporting currency) and in US dollars (functional currency). The average exchange rates used in this report are US\$/SEK 6.5966, 6.9448 and 7.4065 for the 1<sup>st</sup> half of 2014, Q3 2014 and Q4 2014 respectively. Exchange rate of US\$/SEK 7.8117 was used for the statement of financial position as of December 31, 2014. For 12 months 2013 accounts US\$/SEK 6.514 was used for income statement and US\$/SEK 6.5084 was used for the statement of financial position as of December 31, 2013. The average exchange rate of US\$/SEK 6.8577 was used for 2014 income statement of Auriant AB accounts.

## **Segment information**

The company accounts for segments in accordance with IFRS 8. At present the company considers that it has only 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 December 31, 2014 is MSEK 339.528 (US\$ 43.464 m). During first half 2014 Auriant Mining fully repaid a short term loan to Mr. Preston Haskell, a related party, in the amount of MSEK 13.316 (US \$ 2.039 m). During second half 2014 the Company received a new loan from the Mr. Preston Haskell in the amount 31.283 MSEK (US\$ 4.000 m). The new loan was given for a term of one year and carries interest rate of 10% per annum.

Accrued interest expenses for transactions with related parties in 2014 amounted to MSEK - 37.659 (US\$ -5.491 m).

## **Employees**

The group had on average 802 employees during reporting period. As of 31 December 2014 the number of employees in the group was 789 (766 as of 31 December 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\$ 22.253 m) and a maximum of MSEK 600 (US\$ 89.013 m) and the quota value of each share is SEK 11.25 (US\$ 1.67). 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.

Certain amounts in the interim financial statements hereunder do not correspond to the interim financial statements for the respective period of 2013 and caused by changes in accounting policy of Parent Company via application of the Swedish regulation RFR 2 regarding warrants and options issued by the Company in favor of Company's management. Adjustments to comparative figures are disclosed in the paragraph "Restatement" below.

Effect of restatement on the Parent Company Statement of Financial position in SEK is as follows:

PARENT COMPANY STATEMENT OF FINANCIAL POSITION

	Before restatement January 1, <b>2013</b>	Effect of recognition options and warrants	After restatement January 1, <b>2013</b>	Before restatement December 31, <b>2013</b>	Effect of recognition options and warrants	After restatement December 31, <b>2013</b>
ASSETS	TSEK	TSEK	TSEK	TSEK	TSEK	TSEK
<b>FIXED ASSETS</b>						
Financial fixed assets	477,894	1,707	479,601	543,084	4,385	547,469
<b>Total fixed assets</b>	<b>477,894</b>	<b>1,707</b>	<b>479,601</b>	<b>543,084</b>	<b>4,385</b>	<b>547,469</b>
<b>CURRENT ASSETS</b>						
Current receivables	480		480	447		447
Cash and bank	1,193		1,193	5,752		5,752
<b>Total current assets</b>	<b>1,673</b>		<b>1,673</b>	<b>6,199</b>		<b>6,199</b>
<b>TOTAL ASSETS</b>	<b>479,566</b>	<b>1,707</b>	<b>481,273</b>	<b>549,283</b>	<b>4,385</b>	<b>553,668</b>
<b>EQUITY AND LIABILITIES</b>						
<b>Total equity</b>	<b>261,254</b>	<b>1,707</b>	<b>262,961</b>	<b>221,513</b>	<b>4,385</b>	<b>225,898</b>
<b>Long term liabilities</b>	<b>215,315</b>		<b>215,315</b>	<b>64,872</b>		<b>64,872</b>
<b>Current liabilities</b>	<b>2,997</b>		<b>2,997</b>	<b>262,898</b>		<b>262,898</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>479,566</b>	<b>1,707</b>	<b>481,273</b>	<b>549,283</b>	<b>4,385</b>	<b>553,668</b>

Effect of restatement on the Parent Company Statement of Financial position in US\$ is as follows:

PARENT COMPANY STATEMENT OF FINANCIAL POSITION

	Before restatement January 01, <b>2013</b>	Effect of recognition options and warrants	After restatement January 1, <b>2013</b>	Before restatement December 31, <b>2013</b>	Effect of recognition options and warrants	After restatement December 31, <b>2013</b>
ASSETS	US\$ 000	US\$ 000	US\$ 000	US\$ 000	US\$ 000	US\$ 000
<b>FIXED ASSETS</b>						
Financial fixed assets	73,346	249	73,595	83,443	660	84,103
<b>Total fixed assets</b>	<b>73,346</b>	<b>249</b>	<b>73,595</b>	<b>83,443</b>	<b>660</b>	<b>84,103</b>
<b>CURRENT ASSETS</b>						
Current receivables	74		74	69		69
Cash and bank	183		183	884		884
<b>Total current assets</b>	<b>257</b>		<b>257</b>	<b>953</b>		<b>953</b>
<b>TOTAL ASSETS</b>	<b>73,603</b>	<b>249</b>	<b>73,852</b>	<b>84,396</b>	<b>660</b>	<b>85,056</b>
<b>EQUITY AND LIABILITIES</b>						
<b>Total equity</b>	<b>40,097</b>	<b>249</b>	<b>40,346</b>	<b>34,035</b>	<b>660</b>	<b>34,695</b>
<b>Long term liabilities</b>	<b>33,046</b>		<b>33,046</b>	<b>9,967</b>		<b>9,967</b>
<b>Current liabilities</b>	<b>460</b>		<b>460</b>	<b>40,394</b>		<b>40,394</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>73,603</b>	<b>249</b>	<b>73,852</b>	<b>84,396</b>	<b>660</b>	<b>85,056</b>

## **Income and result of the parent company**

The operating profit for 2014 was MSEK 35.779 (US\$ 5.217 m) compared to 2013 operating loss in amount of MSEK -8.672 (US\$ -1.331 m). The change is due to the fact that in 2014 the non cash income from forgiveness of a liability to Tardan Gold LLC, the Company's subsidiary, in the amount of MSEK 44.317 (US\$ 5.673 m) was recognized.

Total operating expenses for 2014 amounted to MSEK -8.538 (US\$ -1.245 m), in 2013 MSEK -8.685 (US\$ -1.333 m).

Net financial items for 2014 amounted to MSEK -77.369 (US\$ -11.282 m) ((2013 MSEK -21.579) (US\$ -3.313 m)) and include interest expense related to the Golden Impala bond in amount of MSEK -36.648 (US\$ -5.378 m) and interest expense in the amount of MSEK -1.011 (US\$ -0.147 m) from short term loan received from Mr. Preston Haskell, the main Shareholder; forex loss in the amount of MSEK -55.187 (US\$ -8.047m). These were partly compensated for by intragroup loan interest income in amount of MSEK 15.477 (US\$ 2.258 m).

Net result for 2014 amounted to MSEK -41.590 (US\$ -6.065 m) compared to 2013 in amount of MSEK -30.251 (US\$ -4.644 m).

## **Financial position of the parent company**

Total cash balance in the Parent Company was MSEK 0.705 (US\$ 0.090) as of 31 December 2014 (31 December 2013 MSEK 5.752 (US\$ 0.884)).

Increase in long-term liabilities is explained 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 further increase of the bond payable during the reporting period by MSEK 91.649 (US\$ 5.378 m) as result of the capitalization of interest expenses and forex loss due to SEK devaluation against US\$ dollar. The long-term debt to Tardan Gold LLC, the Company's subsidiary, existing on December 31, 2013 in amount of in MSEK 44.317 (US\$ 5.673 m) was forgiven and written off at the end of 2014.

During first half 2014 the Company fully repaid a loan to the Shareholder Mr. Preston Haskell of MSEK 13.316 (US \$ 2.039 m). In second half the Company received a new loan from Mr. Preston Haskell in the amount 31.283 MSEK (US \$ 4.000 m). Accrued interest during the period was MSEK 0.654 (US \$ 0.088 m).

## **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.

## **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. Changes in the interpretations of tax legislation and in the legal environment may have significant impact on the company.

# Operational update

## Highlights

- **Tardan production was on target increasing by 2% to 673 kg (21,637 oz)**
- **Overall Solcocon production decreased by 16% to 406 kg (13,053 oz) due to a drop in grades and alluvial production.**
- **Total 2014 gold production of 1,079 kg (34,689 oz) was on target, but decreased by 5.5% on the previous year.**
- **Significant progress on corporate developments including the acquisition of Kara-Beldyr.**

Commenting on the results, Denis Alexandrov, CEO of Auriant Mining AB, said, “In 2014, we continued to focus on our growth strategy with an aim to become an intermediate gold producer. Despite continuing market turbulence and some unexpected drop in grades which negatively affected our production this year, I am pleased with the Company’s achievements in 2014”.

## Tardan mine

We have increased our Tardan reserves by 65% to 8,755 kg (281 koz) at a grade of 4.1 g/t and significantly improved the quality of these reserves. Now 82% of our Tardan reserves are C1 category compared to 63% a year before.

We have improved the grade at Tardan and were able to re-launch the gravitational plant; this will allow us to increase Tardan’s production in 2015 and reduce costs. Average Q4 grades were 2.06 g/t compared to 1.63 g/t in 2013, an increase of 26%. We expect a further improvement in grades throughout 2015.

## Kara-Beldyr

We have increased our stake in the Kara-Beldyr joint venture to 100% by acquiring Centerra Gold’s 70% stake for a net smelter royalty of 3.5% on future revenue from this gold deposit. Under the previous joint-venture agreement, Centerra Gold had completed extensive exploration. The asset is located in the Republic of Tyva, about 166 km from our Tardan mine and provides lots of synergies with our existing operation. Currently, we are finalizing the reserve report which will be submitted to the authorities for their approval in the first quarter of 2015. Our next step in Kara-Beldyr’s development will be to complete a feasibility study and to start construction in 2016. I think Kara-Beldyr will be able to contribute significantly to Auriant Mining’s production in the next 4 - 5 years.

## Chukotka Arrangement

In January 2015 we announced a deal with Aristus Holdings Ltd under which they agreed to grant Auriant Mining an option to purchase a 50% interest in five gold properties located in Russia’s Chukotka region, including Valunisty - a producing gold mine. Moreover, after receiving approvals from the authorities, we entered into a legally binding agreement with Aristus to manage and develop these assets over the next 3 years and will receive management fees.

This deal represents an excellent opportunity for Auriant Mining to acquire a producing mine and a solid pipeline of exploration assets in one of the most exciting gold mining regions, where



most of the Russian majors already operate world class mines. At the same time, the management contract with Aristus Holdings Ltd will ensure that Auriant receives a new revenue stream for the next 3 years that will significantly contribute to the bottom line.

## Outlook

The sharp devaluation of the rouble at the end of 2014 was a concern for most companies operating in Russia. We believe that the short term effect on Auriant Mining will be positive. The fact that our revenue is denominated in US dollars and the majority of our costs are denominated in roubles, means that our cost of production (in US dollars) will reduce significantly, despite most of our debt being in US dollars. We expect this situation to continue throughout 2015.

The recent benefits of the rouble to the company operation improve our outlook but are subject to macro economic uncertainties, and may continue to show short term volatility before we reach a stable equilibrium. The company will closely monitor these developments and report to the shareholders periodically on these and other operational developments.

Our key focus for 2015 is to turn the company around from loss making into profit. To achieve such an aggressive target, we will focus on mining higher grade profitable ounces, decreasing general and administration expenses, restructuring shareholder debt to decrease interest expenses and the execution of the Chukotka management contract. All of these initiatives, together with the rouble devaluation, should enable us to make Auriant profitable in 2015.

Lord Daresbury, Chairman of Auriant, said: “Although 2014 was a very difficult year, the management team has now positioned the company to be able to progress strongly in 2015. Now, with the Kara-Beldyr acquisition, with Tardan being on the way to full capacity and with the option and management contract for the Chukotka assets, I believe that Auriant is in a strong position to succeed”

## Overall Group Production

Production unit	License area	12m 2014		12m 2013	
		kg	oz	kg	oz
<b>Hard rock</b>					
Tardan (gravitational)	Tardan	34	1,080	0	0
Tardan (heap leach)	Tardan	639	20,548	658	21,155
Solcocon	Staroverenskaya	91	2,915	107	3,440
<b>Total</b>		<b>763</b>	<b>24,543</b>	<b>766</b>	<b>24,627</b>
<b>Alluvial</b>					
Borzya		316	10,147	377	12,121
<b>Total gold produced</b>		<b>1,079</b>	<b>34,689</b>	<b>1,142</b>	<b>36,716</b>

## Tardan

		<b>12m 2014</b>	<b>12m 2013</b>
<b>Mining</b>			
Waste stripping	000 m <sup>3</sup>	3,404	1,940
Ore mined	000 tonnes	381	269
Average grade	g/t	1.77	1.60
<b>Gravitation</b>			
Throughput	000 tonnes	15	0
Average grade	g/t	6.27	0
Recovery	%	44%	0
Gold produced	kg	34	0
<b>Heap leach</b>			
<b>Crushing</b>			
Ore	000 tonnes	352	282
Grade	g/t	1.53	1.56
<b>Stacking</b>			
Ore	000 tonnes	352	282
Grade	g/t	1.53	1.56
Tailings	000 tonnes	88	141.5
Grade	g/t	2.61	3.15
<b>Gold produced</b>	kg	639	658
<b>Warehouse</b>			
Ore	000 tonnes	28	13
Grade	g/t	2.33	1.73
Tailings	000 tonnes	15	72
Grade	g/t	3.50	2.80

### **Solcocon**

		<b>12m 2014</b>	<b>12m 2013</b>
<b>Mining</b>			
Waste stripping	000 m <sup>3</sup>	567.9	344
Ore mined	000 tonnes	157.6	212
Average grade	g/t	0.97	1.42
<b>Heap leach</b>			
<b>Stacking</b>			
Ore	000 tonnes	212.2	168
Grade	g/t	1.06	1.37
<b>Gold produced</b>	kg	91	108
<b>Warehouse</b>			
Ore	000 tonnes	2	57

Grade	g/t	1.03	1.08
<b>Alluvial</b>			
Waste stripping	000 m <sup>3</sup>	1,996	1,397
Sand washed	000 m <sup>3</sup>	379	338
<b>Gold produced</b>	kg	316	377
<b>Total gold produced</b>	kg	406	485

# Financial reports

## CONSOLIDATED INCOME STATEMENT

	Q4	Q4	12 months	12 months	Q4	Q4	12 months	12 months
	Oct-Dec 2014	Oct-Dec 2013*	Jan-Dec 2014	Jan-Dec 2013	Oct-Dec 2014	Oct-Dec 2013*	Jan-Dec 2014	Jan-Dec 2013
	TSEK	TSEK	TSEK	TSEK	US\$ 000	US\$ 000	US\$ 000	US\$ 000
Revenue	98,401	98,657	297,481	328,970	13,286	15,160	42,627	50,502
Cost of sales	(101,577)	(149,985)	(336,598)	(368,831)	(13,883)	(22,584)	(48,752)	(56,621)
Gross profit	<b>(3,176)</b>	<b>(51,328)</b>	<b>(39,117)</b>	<b>(39,861)</b>	<b>(597)</b>	<b>(7,424)</b>	<b>(6,125)</b>	<b>(6,119)</b>
General and administrative expenses	(8,223)	(15,266)	(34,080)	(43,595)	(1,110)	(2,287)	(4,976)	(6,693)
Other operating income	1,360	3,980	5,195	10,759	206	598	769	1,652
Other operating expenses	(731)	(6,923)	(6,339)	(14,433)	(87)	(1,048)	(919)	(2,216)
Operating profit/(loss)	<b>(10,770)</b>	<b>(69,537)</b>	<b>(74,341)</b>	<b>(87,131)</b>	<b>(1,589)</b>	<b>(10,161)</b>	<b>(11,251)</b>	<b>(13,376)</b>
Financial income	(2)	3	-	15	-	-	-	2
Financial expenses	(52,481)	(23,576)	(120,438)	(72,289)	(5,014)	(3,521)	(15,011)	(11,097)
Profit/(Loss) before income tax	<b>(63,253)</b>	<b>(93,110)</b>	<b>(194,779)</b>	<b>(159,404)</b>	<b>(6,603)</b>	<b>(13,681)</b>	<b>(26,262)</b>	<b>(24,471)</b>
Income tax	30,310	(19,644)	66,114	30,440	4,270	(3,116)	9,671	4,673
Net profit/(loss) for the period	<b>(32,943)</b>	<b>(112,754)</b>	<b>(128,665)</b>	<b>(128,964)</b>	<b>(2,333)</b>	<b>(16,797)</b>	<b>(16,591)</b>	<b>(19,798)</b>
Whereof attributable to: The owners of the parent company	(32,943)	(112,754)	(128,665)	(128,964)	(2,333)	(16,797)	(16,591)	(19,798)
<b>Earnings per share before dilution (SEK, US\$)</b>	<b>(1.85)</b>	<b>(6.33)</b>	<b>(7.23)</b>	<b>(7.24)</b>	<b>(0.13)</b>	<b>(0.94)</b>	<b>(0.93)</b>	<b>(1.11)</b>
<b>Earnings per share after dilution (SEK, US\$)</b>	<b>(1.85)</b>	<b>(6.33)</b>	<b>(7.23)</b>	<b>(7.24)</b>	<b>(0.13)</b>	<b>(0.94)</b>	<b>(0.93)</b>	<b>(1.11)</b>
Number of shares issued at period end	17,802,429	17,802,429	17,802,429	17,802,429	17,802,429	17,802,429	17,802,429	17,802,429
Average number of shares for the period	17,802,429	17,802,429	17,802,429	17,802,429	17,802,429	17,802,429	17,802,429	17,802,429
Average number of shares for the period after dilution	18,923,755	18,923,755	18,923,755	18,923,755	18,923,755	18,923,755	18,923,755	18,923,755

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Q4	Q4	12 months	12 months	Q4	Q4	12 months	12 months
	Oct-Dec 2014	Oct-Dec 2013*	Jan-Dec 2014	Jan-Dec 2013	Oct-Dec 2014	Oct-Dec 2013*	Jan-Dec 2014	Jan-Dec 2013
	TSEK	TSEK	TSEK	TSEK	US\$ 000	US\$ 000	US\$ 000	US\$ 000
Net profit/loss for the period	(32,943)	(112,754)	(128,665)	(128,964)	(2,333)	(16,797)	(16,591)	(19,798)
<b>Other comprehensive income</b>								
Translation difference	(24,453)	(23)	(37,840)	(22,721)	(3,055)	(262)	(3,055)	(3,488)
<b>Total comprehensive income for the period</b>	<b>(57,396)</b>	<b>(112,777)</b>	<b>(166,505)</b>	<b>(151,686)</b>	<b>(5,388)</b>	<b>(17,059)</b>	<b>(19,646)</b>	<b>(23,286)</b>

\*Amounts for Q4 2013 were restated in line with restatement done in 2013 annual and Q3 interim accounts.

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	December 31, 2014 TSEK	December 31, 2013 TSEK	December 31, 2014 US\$ 000	December 31, 2013 US\$ 000
<b>ASSETS</b>				
<b>FIXED ASSETS</b>				
Intangible fixed assets	242,165	167,733	33,928	25,772
Tangible fixed assets	268,593	246,655	34,162	37,898
Stripping assets	24,936	-	3,192	-
Financial fixed assets	80,441	68,835	10,298	10,576
<b>Total fixed assets</b>	<b>616,135</b>	<b>483,223</b>	<b>81,580</b>	<b>74,246</b>
<b>CURRENT ASSETS</b>				
Materials	10,430	18,279	1,335	2,808
Work in progress	27,028	42,424	3,460	6,518
Finished products	321	712	41	109
Stripping asset	-	13,262	-	2,038
Current receivables	31,347	35,769	4,013	5,496
Advanced paid	5,285	5,368	677	825
Cash and cash equivalents	4,711	10,776	603	1,656
<b>Total current assets</b>	<b>79,122</b>	<b>126,590</b>	<b>10,129</b>	<b>19,450</b>
<b>TOTAL ASSETS</b>	<b>695,257</b>	<b>609,814</b>	<b>91,709</b>	<b>93,696</b>
Share capital	200,277	200,277	30,738	30,738
Additional paid in capital	162,982	160,204	24,997	24,575
Retained earnings	(428,581)	(299,916)	(62,593)	(46,002)
Translation difference reserve	(90,946)	(53,106)	(11,220)	(8,165)
<b>Total equity</b>	<b>(156,268)</b>	<b>7,459</b>	<b>(18,078)</b>	<b>1,146</b>
<b>Long term liabilities</b>				
Deferred tax	17,530	19,548	2,719	3,003
Loans and notes payable	133,531	35,438	17,094	5,444
Lease payable	13,757	18,651	1,761	2,866
Bond payable to shareholder	339,528	-	43,464	-
Other long-term liabilities	44,950	9,188	6,060	1,414
<b>Total long term liabilities</b>	<b>549,296</b>	<b>82,826</b>	<b>71,098</b>	<b>12,726</b>
<b>Current liabilities</b>				
Trade accounts payable	17,744	25,646	2,271	3,941
Loans payable	220,728	190,452	28,256	29,262
Lease payable	5,886	6,722	753	1,033
Bond and shareholder loans payable	31,938	260,672	4,088	40,052
Other current liabilities	25,933	36,037	3,321	5,537
<b>Total current liabilities</b>	<b>302,229</b>	<b>519,529</b>	<b>38,689</b>	<b>79,824</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>695,257</b>	<b>609,814</b>	<b>91,709</b>	<b>93,696</b>
<b>PLEGDED ASSETS*</b>	-	48,669	-	7,478
<b>CONTINGENT LIABILITIES</b>	-	-	-	-

\*100% shares of all production companies are pledged under the loan agreements with Promsvyazbank. Amount of pledged assets as of December 31, 2014 is zero due to the fact that net assets of production companies are negative.

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

All amounts in TSEK	Attributable to the shareholders of the parent company				Total equity
	Share capital	Additional paid in capital	Translation difference reserve	Retained earnings	
<b>Equity as at January 1, 2013 before restated</b>	<b>198,191</b>	<b>155,819</b>	<b>(27,057)</b>	<b>(101,791)</b>	<b>225,162</b>
<b>Changes as result of restatement</b>	<b>-</b>	<b>1,707</b>	<b>(3,328)</b>	<b>(69,161)</b>	<b>(70,782)</b>
<b>Equity as at January 1, 2013 restated</b>	<b>198,191</b>	<b>157,526</b>	<b>(30,385)</b>	<b>(170,952)</b>	<b>154,380</b>
<b>Comprehensive income</b>					
Net profit/loss for the period				(128,964)	(128,964)
New shares issue	2,086				2,086
Warrants and options issue		2,678			2,678
Translation difference			(22,721)		(22,721)
<b>Total comprehensive income for the period</b>	<b>2,086</b>	<b>2,678</b>	<b>(22,721)</b>	<b>(128,964)</b>	<b>(146,921)</b>
<b>Equity as at December 31, 2013</b>	<b>200,277</b>	<b>160,204</b>	<b>(53,106)</b>	<b>(299,916)</b>	<b>7,459</b>
<b>Comprehensive income</b>					
Net profit/loss for the period				(128,665)	(128,665)
New shares issue					
Warrants and options issue		2,778			2,778
Translation difference			(37,840)		(37,840)
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>2,778</b>	<b>(37,840)</b>	<b>(128,665)</b>	<b>(163,728)</b>
<b>Equity as at December 31, 2014</b>	<b>200,277</b>	<b>162,982</b>	<b>(90,946)</b>	<b>(428,581)</b>	<b>(156,268)</b>

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

All amounts in US\$'000	Attributable to the shareholders of the parent company				Total equity
	Share capital	Additional paid in capital	Translation difference reserve	Retained earnings	
<b>Equity as at January 1, 2013 before restated</b>	<b>30,418</b>	<b>23,915</b>	<b>(4,152)</b>	<b>(15,621)</b>	<b>34,554</b>
<b>Changes as result of restatement</b>		<b>249</b>	<b>(532)</b>	<b>(10,583)</b>	<b>(10,860)</b>
<b>Equity as at January 1, 2013 restated</b>	<b>30,418</b>	<b>24,164</b>	<b>(4,684)</b>	<b>(26,204)</b>	<b>23,694</b>
<b>Comprehensive income</b>					
Net profit/loss for the period				(19,798)	(19,798)
New shares issue	320				320
Warrants and options issue		411			411
Translation difference			(3,481)		(3,481)
<b>Total comprehensive income for the period</b>	<b>320</b>	<b>411</b>	<b>(3,481)</b>	<b>(19,798)</b>	<b>(22,548)</b>
<b>Equity as at December 31, 2013</b>	<b>30,738</b>	<b>24,575</b>	<b>(8,165)</b>	<b>(46,002)</b>	<b>1,146</b>
<b>Comprehensive income</b>					
Net profit/loss for the period				(16,591)	(16,591)
New shares issue					
Warrants and options issue		422			422
Translation difference			(3,055)		(3,055)
<b>Total comprehensive income for the period</b>	<b></b>	<b>422</b>	<b>(3,055)</b>	<b>(16,591)</b>	<b>(19,224)</b>
<b>Equity as at December 31, 2014</b>	<b>30,738</b>	<b>24,997</b>	<b>(11,220)</b>	<b>(62,593)</b>	<b>(18,078)</b>

Consolidated cash flow statement	Q4		12 months		Q4		12 months	
	Oct-Dec 2014	Oct-Dec 2013	Jan-Dec 2014	Jan-Dec 2013	Oct-Dec 2014	Oct-Dec 2013	Jan-Sep 2014	Jan-Dec 2013
	TSEK	TSEK	TSEK	TSEK	US\$ 000	US\$ 000	US\$ 000	US\$ 000
<b>Operating activities</b>								
Receipts from customers	98,401	92,018	297,481	327,758	13,286	14,140	42,627	50,316
VAT and other reimbursement	7,166	12,467	55,507	54,700	968	1,916	8,200	8,397
Payments to suppliers	(81,016)	(77,088)	(259,529)	(258,416)	(10,938)	(11,846)	(37,735)	(39,671)
Payments to employees and social taxes	(24,879)	(28,608)	(96,117)	(114,329)	(3,359)	(4,396)	(14,022)	(17,551)
Income tax paid	-	-	(2)	-	-	-	(0)	-
Other taxes paid	(10,015)	(5,272)	(30,307)	(17,607)	(1,352)	(810)	(4,371)	(2,703)
<b>Net cash flows used in operating activities</b>	<b>(10,343)</b>	<b>(6,484)</b>	<b>(32,967)</b>	<b>(7,894)</b>	<b>(1,396)</b>	<b>(996)</b>	<b>(5,301)</b>	<b>(1,212)</b>
<b>Investing activities</b>								
Proceeds from exercise of share options	-	-	-	2,082	-	-	-	320
Purchase and construction of property plant and equipment	(256)	(130)	(17,736)	(37,852)	(35)	(20)	(2,687)	(5,811)
Exploration and research works	(1,622)	(5,128)	(4,790)	(28,382)	(219)	(788)	(703)	(4,357)
Investments in JV	(24)	(1,244)	(1,113)	(2,034)	(3)	(191)	(168)	(312)
<b>Net cash flows used in investing activities</b>	<b>(1,902)</b>	<b>(6,593)</b>	<b>(23,639)</b>	<b>(66,186)</b>	<b>(257)</b>	<b>(999)</b>	<b>(3,558)</b>	<b>(10,161)</b>
<b>Financing activities</b>								
Proceeds from borrowings	90,675	118,185	376,017	331,240	12,243	18,161	55,217	50,850
Repayment of borrowings	(85,259)	(85,591)	(291,863)	(223,705)	(11,511)	(13,153)	(42,210)	(34,342)
Interest paid	(9,874)	(9,243)	(25,690)	(21,709)	(1,333)	(1,420)	(3,708)	(3,333)
Lease payments	(3,126)	(4,118)	(15,482)	(20,931)	(422)	(633)	(2,263)	(3,213)
Other finance expenses	(2)	(397)	(2)	(1,371)	(0)	(61)	(0)	(210)
<b>Net cash from financing activities</b>	<b>(7,585)</b>	<b>18,837</b>	<b>42,980</b>	<b>63,523</b>	<b>(1,024)</b>	<b>2,895</b>	<b>7,036</b>	<b>9,752</b>
Net increase in cash and cash equivalents	(19,830)	5,850	(13,626)	(10,557)	(2,677)	899	(1,823)	(1,621)
Net foreign exchange difference	6,007	(291)	7,561	(933)	720	(45)	770	(140)
Cash and cash equivalents at 1 October/January	18,534	5,217	10,776	22,266	2,561	802	1,656	3,417
<b>Cash and cash equivalents at 31 December</b>	<b>4,711</b>	<b>10,776</b>	<b>4,711</b>	<b>10,776</b>	<b>603</b>	<b>1,656</b>	<b>603</b>	<b>1,656</b>

CONSOLIDATED KEY RATIOS	12 months		12 months	
	Jan-Dec 2014	Jan-Dec 2013	Jan-Dec 2014	Jan-Dec 2013
	TSEK	TSEK	US\$ 000	US\$ 000
Total assets	695,257	609,814	91,709	93,696
Total equity	(156,268)	7,459	(18,078)	1,146
Equity ratio (%)	-22.5%	1.2%	-19.7%	1.2%
Interest bearing debt	745,322	489,295	95,057	75,179
Employees at period end	789	766	789	766
EBITDA	(25,029)	(35,116)	(4,085)	(5,396)
<b>Per share data</b>				
Earnings per share (SEK, USD)	(7.23)	(7.24)	(0.93)	(1.11)
Equity per share (SEK, USD)	(8.78)	0.42	(1.02)	0.06
Return on equity (%)	-172.9%	-159.4%	-196.0%	-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

	Q4		Q4		12 months		12 months	
	Oct-Dec 2014	Oct-Dec 2013	Jan-Dec 2014	Jan-Dec 2013	Oct-Dec 2014	Oct-Dec 2013	Jan-Dec 2014	Jan-Dec 2013
	TSEK	TSEK	TSEK	TSEK	US\$ 000	US\$ 000	US\$ 000	US\$ 000
<b>Income</b>								
Operating income	44,317	5	44,317	13	6,462	1	6,462	2
<b>Total income</b>	<b>44,317</b>	<b>5</b>	<b>44,317</b>	<b>13</b>	<b>6,462</b>	<b>1</b>	<b>6,462</b>	<b>2</b>
<b>Operating costs</b>								
External expenses	(2,278)	(2,052)	(5,690)	(5,182)	(318)	(315)	(830)	(795)
Employee benefit expenses	(739)	(739)	(2,848)	(3,503)	(99)	(114)	(415)	(538)
<b>Total operating costs</b>	<b>(3,017)</b>	<b>(2,791)</b>	<b>(8,538)</b>	<b>(8,685)</b>	<b>(417)</b>	<b>(429)</b>	<b>(1,245)</b>	<b>(1,333)</b>
<b>Operating profit/loss</b>	<b>41,300</b>	<b>(2,786)</b>	<b>35,779</b>	<b>(8,672)</b>	<b>6,045</b>	<b>(428)</b>	<b>5,217</b>	<b>(1,331)</b>
Net financial items	(28,574)	(10,367)	(77,369)	(21,579)	(3,965)	(1,593)	(11,282)	(3,313)
<b>Profit/loss before income tax</b>	<b>12,726</b>	<b>(13,153)</b>	<b>(41,590)</b>	<b>(30,251)</b>	<b>2,080</b>	<b>(2,021)</b>	<b>(6,065)</b>	<b>(4,644)</b>
Income tax	-	-	-	-	-	-	-	-
<b>Net profit/loss for the period</b>	<b>12,726</b>	<b>(13,153)</b>	<b>(41,590)</b>	<b>(30,251)</b>	<b>2,080</b>	<b>(2,021)</b>	<b>(6,065)</b>	<b>(4,644)</b>

PARENT COMPANY STATEMENT OF COMPREHENSIVE INCOME

	Q4		Q3		12 months		12 months	
	Oct-Dec 2014	Oct-Dec 2013	Jan-Dec 2014	Jan-Dec 2013	Oct-Dec 2014	Oct-Dec 2013	Jan-Dec 2014	Jan-Dec 2013
	TSEK	TSEK	TSEK	TSEK	US\$ 000	US\$ 000	US\$ 000	US\$ 000
Net profit/loss for the period	12,726	(13,153)	(41,590)	(30,251)	2,080	(2,021)	(6,065)	(4,644)
Translation differences	(38,640)	2,385	(39,534)	(11,576)	(7,083)	367	(9,998)	(1,742)
<b>Total comprehensive income for the period</b>	<b>(25,914)</b>	<b>(10,768)</b>	<b>(81,124)</b>	<b>(41,827)</b>	<b>(5,003)</b>	<b>(1,654)</b>	<b>(16,063)</b>	<b>(6,386)</b>

PARENT COMPANY STATEMENT OF FINANCIAL POSITION

	December 31,			December 31,		
	2014	2013*	2013*	2014	2013*	2013*
	TSEK	TSEK	TSEK	US\$ 000	US\$ 000	US\$ 000
<b>ASSETS</b>						
<b>FIXED ASSETS</b>						
Financial fixed assets	522,219	547,469	479,601	67,016	84,103	73,595
<b>Total fixed assets</b>	<b>522,219</b>	<b>547,469</b>	<b>479,601</b>	<b>67,016</b>	<b>84,103</b>	<b>73,595</b>
<b>CURRENT ASSETS</b>						
Current receivables	291	447	480	37	69	74
Cash and bank	705	5,752	1,193	90	884	183
<b>Total current assets</b>	<b>996</b>	<b>6,199</b>	<b>1,673</b>	<b>127</b>	<b>953</b>	<b>257</b>
<b>TOTAL ASSETS</b>	<b>523,215</b>	<b>553,668</b>	<b>481,273</b>	<b>67,143</b>	<b>85,056</b>	<b>73,852</b>
<b>EQUITY AND LIABILITIES</b>						
<b>Total equity</b>	<b>147,552</b>	<b>225,898</b>	<b>262,961</b>	<b>19,054</b>	<b>34,695</b>	<b>40,346</b>
<b>Long term liabilities</b>	<b>340,422</b>	<b>64,872</b>	<b>215,315</b>	<b>43,578</b>	<b>9,967</b>	<b>33,046</b>
<b>Current liabilities</b>	<b>35,241</b>	<b>262,898</b>	<b>2,997</b>	<b>4,511</b>	<b>40,394</b>	<b>460</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>523,215</b>	<b>553,668</b>	<b>481,273</b>	<b>67,143</b>	<b>85,056</b>	<b>73,852</b>
PLEGDED ASSETS	540,252	305,000	271,903	69,159	46,862	41,731
CONTINGENT LIABILITIES	-	-	-	-	-	-

\*Amounts were restated. For details, refer to "The parent company" paragraph above.



**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
<b>Equity as at December 31, 2012</b>	<b>198,191</b>	<b>68,032</b>	<b>580,799</b>	<b>(49,497)</b>	<b>(290,092)</b>	<b>(246,179)</b>	<b>261,254</b>
<b>Changes as result of restatement</b>	-	-	1,707	-	-	-	1,707
<b>Equity as at January 1, 2013 Restated*</b>	<b>198,191</b>	<b>68,032</b>	<b>582,506</b>	<b>(49,497)</b>	<b>(290,092)</b>	<b>(246,179)</b>	<b>262,961</b>
Profit/loss brought forward					(246,179)	246,179	
<b>Comprehensive income</b>							
Net profit/loss for the period						(30,251)	(30,251)
New share issue	2,086						2,086
Warrants and options issue			2,678				2,678
Translation difference				(11,576)			(11,576)
<b>Total comprehensive income for the period</b>	<b>2,086</b>		<b>2,678</b>	<b>(11,576)</b>		<b>(30,251)</b>	<b>(37,063)</b>
<b>Equity as at December 31, 2013 Restated*</b>	<b>200,277</b>	<b>68,032</b>	<b>585,184</b>	<b>(61,073)</b>	<b>(536,271)</b>	<b>(30,251)</b>	<b>225,898</b>
Profit/loss brought forward					(30,251)	30,251	
<b>Comprehensive income</b>							
Net profit/loss for the period						(41,590)	(41,590)
New shares issue							
Warrants and options issue			2,778				2,778
Translation difference				(39,534)			(39,534)
<b>Total comprehensive income for the period</b>			<b>2,778</b>	<b>(39,534)</b>		<b>(41,590)</b>	<b>(78,346)</b>
<b>Equity as at December 31, 2014</b>	<b>200,277</b>	<b>68,032</b>	<b>587,962</b>	<b>(100,607)</b>	<b>(566,522)</b>	<b>(41,590)</b>	<b>147,552</b>

**PARENT COMPANY STATEMENT OF CHANGES IN EQUITY \***

(All amounts in 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, 2012</b>	<b>30,418</b>	<b>10,441</b>	<b>89,140</b>	<b>(7,597)</b>	<b>(44,523)</b>	<b>(37,783)</b>	<b>40,097</b>
<b>Changes as result of restatement</b>	-	-	249	-	-	-	249
<b>Equity as at January 1, 2013 Restated*</b>	<b>30,418</b>	<b>10,441</b>	<b>89,389</b>	<b>(7,597)</b>	<b>(44,523)</b>	<b>(37,783)</b>	<b>40,346</b>
Profit/loss brought forward					(37,783)	37,783	
<b>Comprehensive income</b>							
Net profit/loss for the period						(4,644)	(4,644)
New share issue	324						324
Warrants and options issue			411				411
Translation difference				(1,742)			(1,742)
<b>Total comprehensive income for the period</b>	<b>324</b>		<b>411</b>	<b>(1,742)</b>		<b>(4,644)</b>	<b>(5,651)</b>
<b>Equity as at December 31, 2013 Restated*</b>	<b>30,742</b>	<b>10,441</b>	<b>89,800</b>	<b>(9,339)</b>	<b>(82,306)</b>	<b>(4,644)</b>	<b>34,695</b>
Profit/loss brought forward					(4,644)	4,644	
<b>Comprehensive income</b>							
Net profit/loss for the period						(6,065)	(6,065)
New shares issue							-
Warrants and options issue			422				422
Translation difference				(9,998)			(9,998)
<b>Total comprehensive income for the period</b>			<b>422</b>	<b>(9,998)</b>		<b>(6,065)</b>	<b>(15,641)</b>
<b>Equity as at December 31, 2014</b>	<b>30,742</b>	<b>10,441</b>	<b>90,222</b>	<b>(19,337)</b>	<b>(86,950)</b>	<b>(6,065)</b>	<b>19,054</b>

\*Amounts were restated. For details, refer to "The parent company" paragraph above.

Parent company cash flow statement	Q4	Q4	12 months	12 months	Q4	Q4	12 months	12 months
	Oct-Dec 2014	Oct-Dec 2013	Jan-Dec 2014	Jan-Dec 2013	Oct-Dec 2014	Oct-Dec 2013	Jan-Dec 2014	Jan-Dec 2013
	TSEK	TSEK	TSEK	TSEK	US\$ 000	US\$ 000	US\$ 000	US\$ 000
<b>Operating activities</b>								
Receipts from customers	-	4	7	20	-	1	1	3
VAT and other reimbursement	111	153	823	681	15	23	121	105
Payments to suppliers	(1,291)	(2,610)	(5,360)	(6,719)	(174)	(401)	(784)	(1,031)
Payments to employees and the Board members	(744)	(811)	(2,789)	(3,362)	(100)	(125)	(407)	(516)
Income tax paid	-	-	-	-	-	-	-	-
Other taxes paid	-	(1)	(130)	(33)	-	(0)	(20)	(5)
<b>Net cash flows used in operating activities</b>	<b>(1,924)</b>	<b>(3,266)</b>	<b>(7,449)</b>	<b>(9,413)</b>	<b>(260)</b>	<b>(502)</b>	<b>(1,088)</b>	<b>(1,445)</b>
<b>Investing activities</b>								
Proceeds from exercise of share options	-	-	-	2,086	-	-	-	320
Borrowings given	(11,260)	(1,369)	(26,748)	(10,436)	(1,520)	(211)	(3,750)	(1,602)
Investments in JV	(27)	(1,184)	(1,042)	(1,974)	(4)	(182)	(157)	(303)
<b>Net cash flows used in investing activities</b>	<b>(11,286)</b>	<b>(2,553)</b>	<b>(27,790)</b>	<b>(10,324)</b>	<b>(1,524)</b>	<b>(393)</b>	<b>(3,908)</b>	<b>(1,585)</b>
<b>Financing activities</b>								
Proceeds from borrowings	11,102	11,441	43,471	35,453	1,499	1,757	6,252	5,443
Repayment of borrowings	-	-	(13,316)	(11,036)	-	-	(2,029)	(1,694)
<b>Net cash from financing activities</b>	<b>11,102</b>	<b>11,441</b>	<b>30,154</b>	<b>24,417</b>	<b>1,499</b>	<b>1,757</b>	<b>4,224</b>	<b>3,748</b>
Net increase in cash and cash equivalents	(2,108)	5,622	(5,085)	4,680	(285)	863	(771)	719
Net foreign exchange difference	166	(141)	38	(121)	331	(22)	(21)	(18)
Cash and cash equivalents at 1 October/January	2,647	272	5,752	1,193	44	42	883	182
<b>Cash and cash equivalents at 31 December</b>	<b>705</b>	<b>5,752</b>	<b>705</b>	<b>5,752</b>	<b>90</b>	<b>883</b>	<b>90</b>	<b>883</b>

## Next report due

Q1 2015 interim report will be published on 29 May 2015

## 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 asset. The group's mineral licenses are estimated to contain almost 1,300,000 troy ounces of gold reserves according to the Russian standards (GKZ).

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 (before June 25, 2012 - under the short name CAG). 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).

*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, February 27, 2015

Auriant Mining AB (publ.)

Peter Daresbury  
Chairman

Andre Bekker  
Director

Preston Haskell  
Director

Ingmar Haga  
Director

Bertil Villard  
Director

This quarterly report has not been reviewed by the auditors.

For more information, please contact:

Denis Alexandrov, CEO  
tel: +7 495 660 22 20  
e-mail: [IR@auriant.com](mailto:IR@auriant.com)

Company name: Auriant Mining AB  
Short name: AUR  
ISIN-code: SE0001337213

Website: [www.auriant.com](http://www.auriant.com)  
Twitter: @auriantmining

**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.