



AURIANT MINING

Auriant Mining AB (publ)

Interim report for the period January – December 2015

Highlights:

- **Tardan gold production increased by 21% to 817 kg (26,275 oz), compared to 673 kg (21,628 oz) in 2014.**
- **Total gold production in 2015 was 823 kg (26,468 oz), 24% less than in 2014 (1,079 kg (34,689 oz)) due to the lack of alluvial production in 2015 (alluvial production in 2014 – 316 kg).**
- **Gold grade at Tardan was 3.03 g/t, which is 71% increase on that achieved in 2014 (1.77 g/t).**
- **The volume of ore mined at Tardan (449,000 tonnes) increased by 18% compared to 2014.**
- **Cash costs per ounce of gold produced decreased by 25% down to US\$ 798/oz in 2015 (US\$ 1,060/oz in 2014).**
- **EBITDA for the period was positive at MSEK 86.9 (US\$ 10.3 m) compared to 2014 negative amount of MSEK -25.0 (US\$ -4.1 m). Bank debt/EBITDA ratio at the end of 2015 is 4.3x.**
- **Consolidated gross profit significantly improved and was positive in 2015 at MSEK 41.2 (US\$ 4.7 m) compared to a loss in 2014 of MSEK -39.1 (US\$ -6.1 m).**
- **Solcocon write-down of MSEK 133.0 (US\$ 16.0 m) m due to mining cessation. Sale in process.**

Key subsequent events:

- **Denis Alexandrov, who has been CEO since May 2012, left the company on January 15th 2016. Sergey Ustimenko was appointed as CEO of Auriant Mining AB.**
- **Chukotka management contract was terminated by mutual agreement effective from 16 January 2016.**

Comments by the CFO

Dear Stakeholders,

In 2015, the Group performance improved considerably compared to the previous year. With the key mine at Tardan increasing production and grade.

During the second half of 2015, mining at Tardan commenced on the Barsuchy deposit. The combination of higher grades at Barsuchy and in the Tardan deposit allowed us re-launch the gravitational plant.

Ore grade and volume mined at Tardan significantly increased in 2015 to 3.03 g/t (2014 - 1.77 g/t). Volume of ore mined at Tardan in 2015 increased by 18%, compared to 2014, up to 449,000 tonnes. Total production of gold at Tardan was 817 kg (average cash cost per ounce of US\$ 798 in). In 2015, consolidated gross profit of US\$ 4.7 m and positive EBITDA of US\$ 10.3 m was a significant improvement on 2014 where the company achieved a consolidated gross loss of US\$ -6.1 m and negative EBITDA of \$-4.1 m.

Mining at the Solcocon mine temporarily stopped during the year, whilst exploration work took place in the hard rock and alluvial deposits. Auriant will not recommence hard rock gold production at Solcocon in 2016, but will focus on the further development of Tardan. Planned production at Tardan in 2016 will be 1 ton of gold. As a result of terminating production at Solcocon, Solcocon assets had been impaired by MSEK 133.0 (US\$ 16.0 m), as at December 31st 2015; this is a non cash provision. Auriant is looking at various options for Solcocon and these could result in a reverse of the impairment provision.

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

Income, financial results and financial position for the Group

Income and financial results

Average realized gold price decreased by 7% from US\$ 1,244 in 2014 to US\$ 1,161. Revenue from gold and gold equivalents decreased by MSEK -45,246 (US\$ -12,798 m), or 30%, compared to 2014. The volume of gold sold decreased by 25% from 1,066 kg (34,273 oz) in 2014 down to 799 kg (25,698 oz) in 2015. This was mostly due to the fact that alluvial production, providing 30% of gold sales in 2014, was put on hold in 2015 for sand stripping activities to be performed by our outsourced contractor Urumkan. Production at Tardan, our main hard rock gold producing asset, increased to 817 kg (26,275 oz) compared to 672 kg (21,628 oz) in 2014.

	2015	2014	Change	Change %
	US\$'000	US\$'000	US\$'000	
Revenue from sale of hard rock gold	29,829	30,388	(559)	-2%
Revenue from sale of alluvial gold	-	12,239	(12,239)	-100%
Alluvial gold costs	-	(9,223)	9,223	-100%
Revenue from management services	3,600	-	3,600	100%
Revenue net of alluvial costs	33,429	33,404	25	0%

In 2015, Auriant managed five gold properties located in Russia's Chukotka region, including Valunisty - a producing gold mine (these properties belong to Aristus Holdings Ltd.). The Company earned a total management fee of MSEK 30.6 (US\$ 3.6 m) as a result of the successful fulfillment of set KPIs. Revenue from management services earned in 2015 compensated for the absence of net margin from alluvial production of MSEK 21.0 (US\$ 3.0 m) in 2014.

Cost of sales (less the cost of alluvial gold) decreased in 2015 by 27% compared to the previous year. This resulted in a smaller cash costs per ounce of gold produced at Tardan from 1,060/oz in 2014 down to US\$ 798/oz in 2015.

General and administrative expenses decreased by MSEK 1.960 (US\$ 1.208 m), or 24%, as compared to 2014.

Other income in both periods primarily consisted of services to external parties, such as contractors. In 2015 the Company rented out Solcocon's mining equipment to cover its costs.

Other operating expenses in both periods included bank commissions, provisions, penalties and other expenses (each of them were not significant by themselves), which have not changed significantly.

Financial income in the current period represents foreign exchange gain. In 2014, there was a forex loss which amounted to MSEK -51.725 (US\$ -5.010 m) and was recorded as financial expenses.

Financial expenses in 2015 were represented by interest expenses. The interest expense for the reporting period decreased by 23% and amounted to MSEK -64.8 (US\$ -7.863 m) as compared to MSEK -68.713 (US\$ -10.000 m) of 2014. Interest expenses reduced mainly as a result of the shareholder's bond interest rate reduction - the bond carries an interest rate of 2% p. a. since March 2015; in the period from May 2014 to February 2015 it was 10% p.a.; prior to May 2014 it was 18% p. a.

Since the Company incurred taxable losses the income tax expense in both periods related to a change in deferred tax at the subsidiaries level and represents tax loss carry-forward movements including a deferred tax asset impairment provision at Solcocon of MSEK 14.7 (US\$ 1.8 m).

The net result after tax for 2015 is MSEK -178.597 (US\$ -21.494 m) as compared to MSEK -128.665 (US\$ -16.591 m) in previous period. Earnings per share before and after dilution for the period were equal to SEK -10.03 (US\$ -1.21) compared to 2014 of SEK -7.23 (US\$ -0.93).

Financial position

In May 2015, the Company came to an agreement with the majority Shareholder to reduce the interest rate on the Shareholder's bond from 10% p.a. to 2% p.a. These changes are effective from 1 March 2015. In exchange, the majority Shareholder has been offered an option to redeem US\$ 20 m of the outstanding bond amount in the form of cash or new shares, or a combination of both. The conversion date is at the discretion of the Shareholder until December 31, 2018. In accordance with International Financial Reporting Standards, part of the debt to the Shareholder in amount of MSEK 35.156 (US\$ 4.265 m) was accounted for as additional paid in capital. Decrease in long term liabilities in the consolidated statement as of December 31, 2015 by this amount was partly compensated by discounting the convertible part of the bond liability at a 9% interest rate.

Following the decision at the Company's Annual General Meeting in May 2015, the Company registered a reduction of share capital in Parent Company by MSEK 198.274 (US\$ 30.431 m) in 3rd quarter 2015. The reduction resulted in no retirement of shares. Funds of US\$ 30.431 m were transferred from share capital to additional paid in capital in the consolidated financial statement.

The Group's net assets are negative at the end of the reporting period. This is due to continuing net losses. However, the Parent Company carries positive net assets, which increased by MSEK 82.324 (US\$ 8.468 m) after the reversal of the impairment of Tardan which is partially offset by the impairment of Solcocon.

The Company possesses sufficient gold reserves to increase gold production and plans to reduce costs. At the year end December 31, 2015 impairment tests performed at the Group level showed no indications to impair the Tardan assets. As mentioned above, the Solcocon assets were impaired by MSEK 133.0 US\$ 16.0 m as of December 31, 2015. Together with depreciation and amortization accrued during 2015 this is the reason for the decrease in fixed and intangible assets by MSEK 174.6 (US\$ 25.4 m) compared to prior year.

During the reporting period all operating activities were financed via receipts from customers, VAT reimbursements and loans. Gold production depends on seasonality and working capital was covered by short term loans and borrowings. During the period the Company raised a short term bank loan of US\$ 2.5 m and successfully repaid it. During the period, the Company also repaid a long-term loan in the amount of MSEK 6.329 (US\$ 0.7 m) and as of 31 December 2015, total bank debt was equal to MSEK 370.0 (US\$ 44.3 m) (31 December 2014 – MSEK 354.259 (US\$ 45.0 m)). The bank debt/EBITDA ratio significantly improved compared to the previous period and was 4.3x at the end of 2015.

Production period of the next 12 months will be financed via receipts from operating activity and short term-borrowings. Raising of long-term financing is not required.

The consolidated cash balance as of 31 December 2015 was MSEK 0.361 (US\$ 0.043 m) (31 December 2014 - MSEK 4.711 (US\$ 0.603 m)).

*Alexander Buchnev
Acting Chief Financial Officer*

Other financial information

We are reporting all our financial numbers in SEK and in US dollars. The average exchange rates used in this report are US\$/SEK 8.3365, 8.4212, 8.4789 and 8.4991 for Q1 2015, Q2 2015 Q3 2015 and Q4 2015 respectively. Exchange rate of US\$/SEK 8.3524 was used for the statement of financial position as of December 31, 2015. For H1 2014, Q3 2014 and Q4 2014 accounts US\$/SEK 6.5966, 6.9448 and 7.4065 was used for P&L respectively and US\$/SEK 7.8117 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 considers that it has one segment as only one product, gold, is produced and all operations are performed in one economic environment, Russia.

Transactions with related parties

The debt to Golden Impala as of December 31, 2015 is MSEK 380.050 (US\$ 45.558 m). Part of the debt in the amount of MSEK 35.156 (US\$ 4.265 m) was accounted for as additional paid in capital in the financial accounts.

The loan liability to Mr. Preston Haskell as of December 31, 2015 is MSEK 46.466 (US\$ 5.563 m).

Accrued interest expenses for transactions with related parties during 2015 amounted to MSEK -21.494 (US\$ -2.550 m), including interest of MSEK 5.410 (US\$ 0.648) accrued at discount rate of 9% for the convertible part of bond liability.

Employees

The group had on average 612 employees during the reporting period. As of 31 December 2015, the number of employees in the group was 517 (789 as of December 31, 2014).

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 2.0 and a maximum of MSEK 8.0 and the quota value of each share is SEK 0.1125 (US\$ 0.0130). 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 or in respect of bank deposits.

Income and result of the parent company

The operating loss for 2015 was MSEK -7.938 (US\$ -0.941 m) compared to 2014 operating profit of MSEK 35.779 (US\$ 5.217 m). The difference was due to the recognition of 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) in 2014.

Total operating expenses for 2015 amounted to MSEK -8.028 (US\$ -0.952 m), compared to MSEK -8.538 (US\$ -1.245 m) in 2014.

Net financial items for 2015 amounted to MSEK 79.895 (US\$ 9.472 m) (2014 MSEK -77.369 (US\$ -11.282 m)) and include interest expenses related to the Golden Impala bond of MSEK -17.487 (US\$ -2.075 m) and interest expense of MSEK -4.007 (US\$ -0.475 m) from short term loan received from Mr. Preston Haskell; forex loss in the amount of MSEK -23.524 (US\$ -2.787 m) as Golden Impala bond is denominated in US\$. These expenses were compensated by intragroup loan interest income in amount of MSEK 21.351 (US\$ 2.531 m) and non-cash net income of MSEK 103.562 (US\$ 12.278 m) after reversal of earlier impairment of investments in Tardan, partially offset by impairment provision of investments in Solcocon.

Interest expenses relating to Golden Impala decreased by 52% and to MSEK -17.487 (US\$ -2.075 m) compared to MSEK -36.648 (US\$ -5.378 m) for the respective period in 2014. Interest expenses reduced as result of shareholder's bond interest rate reduction: the bond carries an interest rate of 2% p. a. since March 2015; in the period from May 2014 to February 2015 it was 10% p.a.; prior to May 2014 it was 18% p. a.

Financial expenses were caused by foreign exchange losses due to SEK devaluation against US\$ by 7% 2015 and 20% in 2014.

Net result for 2015 amounted to MSEK 71.958 (US\$ 8.531 m) compared to MSEK -41.590 (US\$ -6.065 m) in 2014.

Financial position of the parent company

Increase in financial fixed assets is explained by reversal of previous impairment of investments in Tardan in amount of MSEK 291.086 (US\$ 34.851 m), partially offset by impairment provision of investments in Solcocon in amount of MSEK 187.523 (US\$ 22.451 m) as result of impairment tests performed as of December 31, 2015.

Total cash balance in the Parent Company was MSEK 0.073 (US\$ 0.009 m) as of 31 December 2015 (31 December 2014 MSEK 0.705 (US\$ 0.09 m)).

Part of the debt to the Shareholder in amount of MSEK 35.156 (US\$ 4.265 m) was reclassified from Long-term liabilities line to the Share premium reserve in Equity in accordance with bond option agreement with the Shareholder, approved by AGM 2015. As result of interest accrued in the amount of MSEK 17.487 (US\$ 2.075 m) and forex losses in the amount MSEK 23.028 due to SEK devaluation against US dollar, the long-term liabilities as of December 31, 2015 increased compared to December 31, 2014.

In April 2015 the Company received a new loan from the Shareholder Mr. Preston Haskell in the amount MSEK 8.550 (US\$ 1.000 m). Accrued interest during the period was MSEK 4.007 (US\$ 0.475 m) and forex losses due to SEK devaluation against US\$ in amount MSEK 1.971.

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 61 in the annual report for financial year 2014. The evaluations and estimations made by the board of directors and management in preparing the interim report are described on page 71 in the annual report for 2014.

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 2014.

The same accounting principles are applied in this interim report as in the annual report 2014.

Risks and uncertainties associated with this interim report

The group's risk exposure is presented on page 93 of the 2014 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.
- 6) *Financial and project risk:* Auriant Mining AB is a gold mining company and is involved in production of gold as well as exploration. The company is still dependent on external financing for the development of its business. If the availability of external financing were to be reduced it would negatively influence the future outlook of the company. The currently poor sentiments on global capital markets must be taken in to account.
- 7) *Legal risks:* Auriant Mining operates in a complicated and challenging legal environment in Russia. Further, Russian tax legislation is subject to varying interpretations and frequent changes. Changes in the interpretations of tax legislation and in the legal environment may have significant impact on the company.

Operational update

Highlights

- **Tardan** gold production, including gravitational plant production, **increased by 21%** to 817 kg (26,275 oz), compared to 673 kg (21,628 oz) in 2014.
- **Tardan** gravitational plant produced 90 kg of gold (2,904 oz).
- The volume of **ore mined** at Tardan (449,000 tonnes) **increased by 18%** compared to 2014.
- **Gold grade** at Tardan was 3.03 g/t, which is a 71% increase on that achieved in 2014 (1.77 g/t).
- **Total** 2015 gold production was **823 kg** (26,468 oz), 23% less than in 2014 (1,079 kg (34,689 oz)), due to the lack of any alluvial production in 2015 (2014 alluvial production – 316 kg).

Production

Production unit	License area	12m 2015		12m 2014	
		kg	oz	kg	oz
Hard rock					
Tardan (gravitational)	Tardan	90	2,904	34	1,080
Tardan (heap leach)	Tardan	727	23,372	639	20,548
Solcocon	Staroverenskaya	6	193	91	2,915
Total		823	26,468	763	24,543
Alluvial					
Borzya		-	-	316	10,147
Total gold produced		823	26,468	1,079	34,689

«In 2015 we successfully re-commissioned the gravitational plant and started mining ore at the Barsuchy deposit at Tardan. Exploration work continues in the Greater Tardan area; we are planning to announce the drilling results by the end of Q1 2016. Operations at Tardan have almost reached full capacity, gold grades are improving and the volume of ore mined is increasing. This all gives us confidence to confirm our expectations of producing 1 ton of gold in Tardan in 2016» Sergey Ustimenko, CEO Auriant Mining, said commenting on the 2015 results.

Tardan

		12m 2015	12m 2014	Change	
Mining					
Waste stripping	000 m ³	2,941	3,404	(463)	(14%)
Ore mined	000 tonnes	449	381	68	18%
Average grade	g/t	3.03	1.77	1.26	71%
Gravitation					
Throughput	000 tonnes	46	15	31	207%
Average grade	g/t	6.55	6.27	0.28	4%
Recovery	%	30%	36%	(6%)	(17%)
Gold produced	kg	90	34	56	165%
Heap leach					
Crushing					
Ore	000 tonnes	428	352	76	22%
Grade	g/t	2.60	1.53	1.07	70%
Stacking					
Ore	000 tonnes	428	352	76	22%
Grade	g/t	2.60	1.53	1.07	70%
Tailings	000 tonnes	66	88	(22)	(25%)
Grade	g/t	3.06	2.61	0.45	17%
Gold produced	kg	727	639	88	14%
Warehouse					
Ore	000 tonnes	4	28	(26)	(93%)
Grade	g/t	3.05	2.33	0.31	13%
Tailings	000 tonnes	17	36*	4	27%
Grade	g/t	4.67	3.50	0.99	28%

*Amount of tailings does not correspond to the amount reported in 2014 operational update and caused by revision operations performed at production sites.

Financial reports

CONSOLIDATED INCOME STATEMENT

	Q4	Q4	12 months	12 months	Q4	Q4	12 months	12 months
	Oct-Dec 2015	Oct-Dec 2014	Jan-Dec 2015	Jan-Dec 2014	Oct-Dec 2015	Oct-Dec 2014	Jan-Dec 2015	Jan-Dec 2014
	TSEK	TSEK	TSEK	TSEK	US\$ 000	US\$ 000	US\$ 000	US\$ 000
Revenue	91,919	98,401	282,841	297,481	10,815	13,286	33,429	42,627
Cost of sales	(76,407)	(101,577)	(241,615)	(336,598)	(9,007)	(13,883)	(28,683)	(48,752)
Gross profit	15,512	(3,176)	41,226	(39,117)	1,808	(597)	4,746	(6,125)
General and administrative expenses	(9,029)	(8,223)	(32,120)	(34,080)	(1,063)	(1,110)	(3,768)	(4,976)
Other operating income	2,289	1,360	8,060	5,195	269	206	953	769
Other operating expenses	(3,339)	(731)	(8,565)	(6,339)	(392)	(87)	(1,012)	(919)
Items affecting comparability (Impairment of assets)	(118,276)	-	(118,276)	-	(14,216)	-	(14,216)	-
Operating profit/(loss)	(112,843)	(10,770)	(109,675)	(74,341)	(13,594)	(1,589)	(13,297)	(11,251)
Financial income	3,798	-	5,092	-	404	-	602	-
Financial expenses	(18,052)	(52,483)	(64,813)	(120,438)	(2,123)	(5,014)	(7,683)	(15,011)
Profit/(Loss) before income tax	(127,097)	(63,253)	(169,396)	(194,779)	(15,313)	(6,603)	(20,378)	(26,262)
Income tax	(10,327)	30,310	(9,201)	66,114	(1,245)	4,270	(1,116)	9,671
Net profit/(loss) for the period	(137,424)	(32,943)	(178,597)	(128,665)	(16,558)	(2,333)	(21,494)	(16,591)
Whereof attributable to:								
The owners of the parent company	(137,424)	(32,943)	(178,597)	(128,665)	(16,558)	(2,333)	(21,494)	(16,591)
Earnings per share before dilution (SEK, US\$)	(7.72)	(1.85)	(10.03)	(7.23)	(0.93)	(0.13)	(1.21)	(0.93)
Earnings per share after dilution (SEK, US\$)	(7.72)	(1.85)	(10.03)	(7.23)	(0.93)	(0.13)	(1.21)	(0.93)
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	20,382,530	18,667,480	20,382,530	18,667,480	20,382,530	18,667,480	20,382,530	18,667,480

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Q4	Q4	12 months	12 months	Q4	Q4	12 months	12 months
	Oct-Dec 2015	Oct-Dec 2014	Jan-Dec 2015	Jan-Dec 2014	Oct-Dec 2015	Oct-Dec 2014	Jan-Dec 2015	Jan-Dec 2014
	TSEK	TSEK	TSEK	TSEK	US\$ 000	US\$ 000	US\$ 000	US\$ 000
Net profit/loss for the period	(137,424)	(32,943)	(178,597)	(128,665)	(16,558)	(2,332)	(21,494)	(16,591)
Other comprehensive income								
Translation difference	(11,205)	(24,453)	(55,324)	(37,840)	(1,426)	(3,055)	(4,494)	(3,055)
Total comprehensive income for the period	(148,629)	(57,396)	(233,921)	(166,505)	(17,984)	(5,388)	(25,988)	(19,646)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	December 31, 2015 TSEK	December 31, 2014 TSEK	December 31, 2015 US\$ 000	December 31, 2014 US\$ 000
ASSETS				
FIXED ASSETS				
Intangible fixed assets	163,601	242,165	23,081	33,928
Tangible fixed assets	206,087	268,593	24,506	34,162
Stripping assets	19,505	24,936	2,335	3,192
Financial fixed assets	52,375	80,441	6,270	10,298
Total fixed assets	441,568	616,135	56,192	81,580
CURRENT ASSETS				
Materials	7,911	10,430	946	1,335
Work in progress	32,159	27,028	3,850	3,460
Finished products	312	321	37	41
Current receivables	43,756	31,347	5,246	4,013
Advanced paid	2,826	5,285	338	677
Cash and cash equivalents	361	4,711	43	603
Total current assets	87,325	79,122	10,460	10,129
TOTAL ASSETS	528,893	695,257	66,652	91,709
Share capital	2,003	200,277	307	30,738
Additional paid in capital	397,634	162,982	59,838	24,997
Retained earnings	(607,178)	(428,581)	(84,087)	(62,593)
Translation difference reserve	(146,269)	(90,946)	(15,714)	(11,220)
Total equity	(353,810)	(156,268)	(39,656)	(18,078)
Long term liabilities				
Deferred tax	13,339	17,530	2,224	2,719
Bank loans and other notes	167,652	133,531	20,073	17,094
Lease payable	5,772	13,757	691	1,761
Debt to shareholder	344,894	339,528	41,293	43,464
Other long-term liabilities	50,329	44,950	6,026	6,060
Total long term liabilities	581,986	549,296	70,307	71,098
Current liabilities				
Trade accounts payable	20,500	17,744	2,454	2,271
Bank loans payable	204,940	220,728	24,537	28,256
Lease payable	5,624	5,886	673	753
Shareholder loans payable	46,466	31,938	5,563	4,088
Other current liabilities	23,187	25,933	2,774	3,321
Total current liabilities	300,717	302,229	36,001	38,689
TOTAL EQUITY AND LIABILITIES	528,893	695,257	66,652	91,709
PLEDGED ASSETS*	-	-	-	-
CONTINGENT LIABILITIES	-	-	-	-

*100% shares of all production companies are pledged under the loan agreements with Promsvyazbank. Amount of pledged assets as of December 31, 2015 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	
Equity as at December 31, 2013	200,277	160,204	(53,106)	(299,916)	7,459
Comprehensive income					
Net profit/loss for the period				(128,665)	(128,665)
Warrants and options issue		2,778			2,778
Translation difference			(37,840)		(37,840)
Total comprehensive income for the period	-	2,778	(37,840)	(128,665)	(163,727)
Including transactions with owners, recognised directly in equity		1,489			1,489
Equity as at December 31, 2014	200,277	162,982	(90,946)	(428,581)	(156,268)
Transactions with shareholders					
Reduction in share capital	(198,274)	198,274			-
Total Transactions with shareholders for the period	(198,274)	198,274			-
Comprehensive income					
Net profit/loss for the period				(178,597)	(178,597)
Convertible part of bond		35,156			35,156
Warrants and options issue		1,222			1,222
Translation difference			(55,323)		(55,323)
Total comprehensive income for the period	-	36,378	(55,323)	(178,597)	(197,542)
Including transactions with owners, recognised directly in equity		565			565
Equity as at December 31, 2015	2,003	397,634	(146,269)	(607,178)	(353,810)

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	
Equity as at December 31, 2013	30,738	24,575	(8,165)	(46,002)	1,146
Comprehensive income					
Net profit/loss for the period				(16,591)	(16,591)
Warrants and options issue		422			422
Translation difference			(3,055)		(3,055)
Total comprehensive income for the period	-	422	(3,055)	(16,591)	(19,224)
Including transactions with owners, recognised directly in equity		226			226
Equity as at December 31, 2014	30,738	24,997	(11,220)	(62,593)	(18,078)
Transactions with shareholders					
Reduction in share capital	(30,431)	30,431			-
Total Transactions with shareholders for the period	(30,431)	30,431			-
Comprehensive income					
Net profit/loss for the period				(21,494)	(21,494)
Convertible part of bond		4,265			4,265
Warrants and options issue		145			145
Translation difference			(4,494)		(4,494)
Total comprehensive income for the period	-	4,410	(4,494)	(21,494)	(21,578)
Including transactions with owners, recognised directly in equity		67			67
Equity as at December 31, 2015	307	59,838	(15,714)	(84,087)	(39,656)

CONSOLIDATED CASH FLOW STATEMENT	Q4		Q4		12 months		12 months		Q4		Q4		12 months		12 months	
	Oct-Dec 2015		Oct-Dec 2014		Jan-Dec 2015		Jan-Dec 2014		Oct-Dec 2015		Oct-Dec 2014		Jan-Dec 2015		Jan-Dec 2014	
	TSEK	TSEK	TSEK	TSEK	TSEK	TSEK	US\$ 000	US\$ 000	US\$ 000	US\$ 000	US\$ 000	US\$ 000	US\$ 000	US\$ 000	US\$ 000	US\$ 000
Operating activities																
Receipts from customers	86,747	98,401	271,694	297,481	10,207	13,286	32,042	42,627								
VAT and other reimbursement	8,596	7,166	33,012	55,507	1,011	968	3,915	8,200								
Payments to suppliers	(32,952)	(81,016)	(156,416)	(259,529)	(3,877)	(10,938)	(18,524)	(37,735)								
Payments to employees and social taxes	(19,079)	(24,879)	(74,796)	(96,117)	(2,245)	(3,359)	(8,860)	(14,022)								
Income tax paid	-	-	(107)	(2)	-	-	(13)	(0)								
Other taxes paid	(8,747)	(10,015)	(29,124)	(30,307)	(1,029)	(1,352)	(3,446)	(4,371)								
Net cash flows from/(used in) operating activities	34,566	(10,343)	44,264	(32,967)	4,067	(1,396)	5,113	(5,301)								
Investing activities																
Purchase and construction of property plant and equipment	(10)	(256)	(746)	(17,736)	(1)	(35)	(89)	(2,687)								
Exploration and research works	-	(1,622)	(242)	(4,790)	-	(219)	(29)	(703)								
Investments in JV	-	(24)	-	(1,113)	-	(3)	-	(168)								
Net cash flows used in investing activities	(10)	(1,902)	(989)	(23,639)	(1)	(257)	(117)	(3,558)								
Financing activities																
Proceeds from borrowings, net	-	5,416	8,421	84,154	-	732	1,000	13,007								
Repayment of borrowings, net	(19,833)	-	(6,329)	-	(2,334)	-	(745)	-								
Interest paid	(13,043)	(9,874)	(36,130)	(25,690)	(1,535)	(1,333)	(4,535)	(3,708)								
Lease payments	(2,411)	(3,126)	(10,867)	(15,482)	(284)	(422)	(1,288)	(2,263)								
Other finance expenses	(62)	(2)	(309)	(2)	(7)	(0)	(37)	(0)								
Net cash from/(used in) financing activities	(35,348)	(7,586)	(45,213)	42,980	(4,159)	(1,024)	(5,604)	7,036								
Net decrease in cash and cash equivalents	(792)	(19,830)	(1,938)	(13,626)	(93)	(2,677)	(609)	(1,823)								
Net foreign exchange difference	(148)	6,007	(2,412)	7,561	(36)	720	49	770								
Opening balance cash and cash equivalents	1,301	18,534	4,711	10,776	173	2,561	603	1,656								
Closing balance cash and cash equivalents	361	4,711	361	4,711	43	603	43	603								

CONSOLIDATED KEY RATIOS	12 months		12 months		12 months		12 months	
	Jan-Dec		Jan-Dec		Jan-Dec		Jan-Dec	
	2015	2014	2015	2014	2015	2014	2015	2014
	TSEK	TSEK	US\$ 000	US\$ 000				
Total assets	528,893	695,257	66,652	91,709				
Total equity	(353,810)	(156,268)	(39,656)	(18,078)				
Interest bearing debt	808,191	745,322	96,818	95,057				
Employees at period end	517	789	517	789				
EBITDA	86,868	(25,029)	10,267	(4,085)				
Per share data								
Earnings per share (SEK, USD)	(10.03)	(7.23)	(1.21)	(0.93)				
Equity per share (SEK, USD)	(19.87)	(8.78)	(2.23)	(1.02)				
Return on equity (%)	-70.0%	-172.9%	-74.5%	-196.0%				

Key ratio definitions

Total assets	Total assets at period end
Total equity	Total equity including non controlling interest at period end
Interest bearing debt	Total interest bearing debt at the period end
EBITDA	Earnings Before Interest, Tax, Depreciation, Amortization and any Impairment.
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		12 months		Q4		12 months	
	Oct-Dec 2015	Oct-Dec 2014	Jan-Dec 2015	Jan-Dec 2014	Oct-Dec 2015	Oct-Dec 2014	Jan-Dec 2015	Jan-Dec 2014
	TSEK	TSEK	TSEK	TSEK	US\$ 000	US\$ 000	US\$ 000	US\$ 000
Income								
Operating income	(0)	44,317	90	44,317	-	6,462	11	6,462
Total income	(0)	44,317	90	44,317	-	6,462	11	6,462
Operating costs								
External expenses	(1,805)	(2,278)	(5,408)	(5,690)	(213)	(318)	(641)	(830)
Employee benefit expenses	(277)	(739)	(2,619)	(2,848)	(33)	(99)	(311)	(415)
Total operating costs	(2,083)	(3,017)	(8,028)	(8,538)	(246)	(417)	(952)	(1,245)
Operating profit/loss	(2,083)	41,300	(7,938)	35,779	(246)	6,045	(941)	5,217
Net financial items	101,334	(28,574)	79,895	(77,369)	12,021	(3,965)	9,472	(11,282)
Profit/loss before income tax	99,252	12,726	71,958	(41,590)	11,775	2,080	8,531	(6,065)
Income tax	-	-	-	-	-	-	-	-
Net profit/loss for the period	99,252	12,726	71,958	(41,590)	11,775	2,080	8,531	(6,065)

PARENT COMPANY STATEMENT OF COMPREHENSIVE INCOME

	Q4		12 months		Q4		12 months	
	Oct-Dec 2015	Oct-Dec 2014	Jan-Dec 2015	Jan-Dec 2014	Oct-Dec 2015	Oct-Dec 2014	Jan-Dec 2015	Jan-Dec 2014
	TSEK	TSEK	TSEK	TSEK	US\$ 000	US\$ 000	US\$ 000	US\$ 000
Net profit/loss for the period	99,252	12,726	71,958	(41,590)	11,775	2,080	8,531	(6,065)
Translation differences	(21,395)	(38,640)	(26,011)	(39,534)	(2,375)	(7,083)	(4,472)	(9,998)
Total comprehensive income for the period	77,857	(25,914)	45,947	(81,124)	9,400	(5,003)	4,059	(16,063)

PARENT COMPANY STATEMENT OF FINANCIAL POSITION

	December 31,		December 31,	
	2015	2014	2015	2014
	TSEK	TSEK	US\$ 000	US\$ 000
ASSETS				
FIXED ASSETS				
Financial fixed assets	626,406	522,219	74,997	67,016
Total fixed assets	626,406	522,219	74,997	67,016
CURRENT ASSETS				
Current receivables	268	291	32	37
Cash and bank	73	705	9	90
Total current assets	341	996	41	127
TOTAL ASSETS	626,747	523,215	75,038	67,143
EQUITY AND LIABILITIES				
Total equity	229,876	147,552	27,522	19,054
Long term liabilities	345,788	340,422	41,400	43,578
Current liabilities	51,083	35,241	6,116	4,511
TOTAL EQUITY AND LIABILITIES	626,747	523,215	75,038	67,143
PLEDGED ASSETS	381,823	498,562	45,714	63,822
CONTINGENT LIABILITIES	-	-	-	-

PARENT COMPANY STATEMENT OF CHANGES IN EQUITY

(All amounts in TSEK)	Share capital	Statutory reserve	Share premium reserve	Translation difference reserve	Retained earnings	Net income for the period	Total equity
Equity as at December 31, 2013 Restated	200,277	68,032	585,184	(61,073)	(536,271)	(30,251)	225,898
Profit/loss brought forward					(30,251)	30,251	
Comprehensive income							
Net profit/loss for the period						(41,590)	(41,590)
Warrants and options issue			2,778				2,778
Translation difference				(39,534)			(39,534)
Total comprehensive income for the period	-	-	2,778	(39,534)	-	(41,590)	(78,346)
Including transactions with owners, recognised directly in equity			1,489				1,489
Equity as at December 31, 2014	200,277	68,032	587,962	(100,607)	(566,522)	(41,590)	147,552
Profit/loss brought forward					(41,590)	41,590	
Transactions with shareholders							
Reduction in share capital	(198,274)	198,274					-
Total Transactions with shareholders for the period	(198,274)	198,274					-
Comprehensive income							
Net profit/loss for the period						71,958	71,958
Convertible part of bond			35,156				35,156
Warrants and options issue			1,222				1,222
Translation difference				(26,011)			(26,011)
Total comprehensive income for the period	-	-	36,378	(26,011)	-	71,958	82,324
Including transactions with owners, recognised directly in equity			565				565
Equity as at December 31, 2015	2,003	266,306	624,340	(126,618)	(608,112)	71,958	229,876

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
Equity as at December 31, 2013 Restated	30,738	10,441	89,800	(9,334)	(82,306)	(4,644)	34,695
Profit/loss brought forward					(4,644)	4,644	
Comprehensive income							
Net profit/loss for the period						(6,065)	(6,065)
Warrants and options issue			422				422
Translation difference				(9,998)			(9,998)
Total comprehensive income for the period	-	-	422	(9,998)	-	(6,065)	(15,641)
Including transactions with owners, recognised directly in equity			226				226
Equity as at December 31, 2014	30,738	10,441	90,222	(19,332)	(86,950)	(6,065)	19,054
Profit/loss brought forward					(6,065)	6,065	
Transactions with shareholders							
Reduction in share capital	(30,431)	30,431					-
Total Transactions with shareholders for the period	(30,431)	30,431					-
Comprehensive income							
Net profit/loss for the period						8,531	8,531
Convertible part of bond			4,265				4,265
Warrants and options issue			145				145
Translation difference				(4,472)			(4,472)
Total comprehensive income for the period	-	-	4,410	(4,472)	-	8,531	8,468
Including transactions with owners, recognised directly in equity			67				67
Equity as at December 31, 2015	307	40,872	94,632	(23,804)	(93,015)	8,531	27,522

PARENT COMPANY CASH FLOW STATEMENT

	Q4		Q4		12 months		12 months	
	Oct-Dec 2015	Oct-Dec 2014	Jan-Dec 2015	Jan-Dec 2014	Oct-Dec 2015	Oct-Dec 2014	Jan-Dec 2015	Jan-Dec 2014
	TSEK	TSEK	TSEK	TSEK	US\$ 000	US\$ 000	US\$ 000	US\$ 000
Operating activities								
Receipts from customers	-	-	-	7	-	-	-	1
VAT and other reimbursement	25	111	565	823	3	15	67	121
Payments to suppliers	(815)	(1,291)	(4,978)	(5,360)	(96)	(174)	(590)	(784)
Payments to employees and the Board members	(635)	(744)	(2,581)	(2,789)	(75)	(100)	(306)	(407)
Income tax paid	-	-	-	-	-	-	-	-
Other taxes paid	-	-	-	(130)	-	-	-	(20)
Net cash flows used in operating activities	(1,425)	(1,924)	(6,994)	(7,449)	(168)	(260)	(829)	(1,089)
Investing activities								
Borrowings given	(3,317)	(11,260)	(11,640)	(26,748)	(390)	(1,520)	(1,377)	(3,750)
Investments in JV	-	(27)	-	(1,042)	-	(4)	-	(157)
Net cash flows used in investing activities	(3,317)	(11,286)	(11,640)	(27,790)	(390)	(1,524)	(1,377)	(3,908)
Financing activities								
Proceeds from borrowings	4,587	11,102	17,999	43,471	540	1,499	2,129	6,252
Repayment of borrowings	-	-	-	(13,316)	-	-	-	(2,029)
Net cash from financing activities	4,587	11,102	17,999	30,154	540	1,499	2,129	4,224
Net decrease in cash and cash equivalents	(154)	(2,108)	(636)	(5,085)	(18)	(285)	(76)	(771)
Net foreign exchange difference	(14)	166	4	38	(2)	331	(5)	(21)
Opening balance cash and cash equivalents	242	2,647	705	5,752	29	44	90	883
Closing balance cash and cash equivalents	73	705	73	705	9	90	9	90

Next report due

Q1 2016 interim report will be published on 30 May 2016

Q2 2016 interim report will be published on 30 August 2016

Q3 2016 interim report will be published on 30 November 2016

Q4 2016 interim report will be published on 28 February 2017

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 official Russian State Reserves Committee (GKZ) reserves of 829 500, 000 troy ounces (1 oz = 31.1 g) in the C1 and C2 categories and 500,000 troy ounces in NI 43-101 standard.

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. Mangold Fondkommission is Certified Adviser to Auriant, for more information please call +46 8 503 015 50 or visit www.mangold.se.

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

Stockholm, February 26, 2016

Auriant Mining AB (publ.)

Peter Daresbury
Chairman

Andre Bekker
Director

Preston Haskell
Director

Ingmar Haga
Director

James P. Smith
Director

Sergey Ustimenko
CEO

This quarterly report has not been reviewed by the auditors.

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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", "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

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