



Auriant Mining

INTERIM REPORT
Q4 2021
JANUARY-DECEMBER



AURIANT
MINING

AURIANT MINING AB (publ.)

Q4 2021 Interim Report (January – December)

The consolidated financial statements of the Auriant Mining Group (“Auriant Mining”, “the Company”), of which Auriant Mining AB (publ.) with corporate identity number 556659-4833 is the parent company (“the Parent Company”), are hereby presented for full-year period ended on 31 December 2021.

Highlights

Amounts in parentheses refer to the same period in the previous year.

- **Gold production** 910.8 kg / 29,283 oz (964.7 kg / 31,014 oz). 2021 Production was in line with the company’s forecast.
- **Gold sales** 818.5 kg / 26,316 oz (946.4 kg / 30,428 oz)
- **Consolidated revenue** US\$ 47.7 mln (US\$ 53.4 mln)
- **Net profit after tax** US\$ 7.1 mln (US\$ 10.4 mln)
- **EBITDA** US\$ 22.5 mln (US\$ 30.9 mln)
- **Net cash flow generated from operating activities** US\$ 17.8 mln (US\$ 27.5 mln)
- **Average selling price for gold** US\$ 1,812 per oz (US\$ 1,755 per oz)
- **2022 annual production forecast** is 800 - 830 kg of gold.
- **VTB loan facility:** in June 2021, further improvements were agreed, such as the reduction of the interest rate to 3 months LIBOR plus 3.7% and the cancellation of a compulsory "cash sweep" clause in the loan agreement.
- **Golden Impala bond issue agreement:** in December 2021 a new Addendum to bond issue agreement regarding extension of Maturity date till 31 December 2024 and new Interest rate of three months U.S. Dollars LIBOR plus 6.44 percent was signed.
- **US\$ 2.3 mln of additional provision for waste disposal** accrued in LLC “Tardan Gold” for 2019-2021 (please see note 8 on page 18 for details).

Significant events after the reporting period

The Company is pleased to confirm that all false insolvency petitions in relation to subsidiary LLC “Tardan Gold” and other subsidiaries have now been struck out by the relevant courts. The Company and its subsidiaries continue their business as usual.

Glossary and definitions of the above performance measures are presented on pages 21-22.

Comments from the CEO

Summary

I'm pleased to report that a full year of 2021 showed a solid uninterrupted performance and we achieved our announced targets and expectations.

Further improvements of the terms of the VTB loan facility, Golden Impala bond extension and KFM restructuring

In December 2021, the Company agreed with Golden Impala (Bond Holder) to extend the maturity date of the bond to 31 December 2024 and for the interest rate to be U.S Dollars 3 month LIBOR plus 6.44%

In June 2021, the Company successfully negotiated further improvements in the terms of the VTB loan facility. Reflecting the Company's good performance in 2020 and 2021, VTB agreed to reduce the interest rate to 3 months LIBOR plus 3.7%. This represents a saving of 100 bps and the reduction comes with no breakage fee. In addition, the cancellation of a compulsory "cash sweep" clause in the loan agreement will result in a stronger liquidity position and pave the way for sustainable growth of the Company's resource base and production.

Also, KFM has agreed to a reduction in the capital repayment for 2021, which resulted in a US\$ 2.65 mln deferral until 31 December 2022. The outstanding amount as at 31 December 2021 is US\$ 3.65mln.

Exploration update

With the goal of increasing the quality and extent of gold reserves and extending the life of mine, the 2021 exploration program has focused on drilling in two of our license areas.

During 2021, exploration drilling was carried out at the Staroverinskaya¹ and Tardan deposits. The Company completed over 10,520 m of drilling at Staroverinskaya¹ and 4,500 m at Eastern Tardan costing US\$ 2.4 mln compared to US\$ 0.9 mln in 12 months 2020. The results are promising and they demonstrate that more drilling needs to be done at Staroverinskaya, whilst drilling at Tardan should be re-prioritised to the Bay Suit area, which is located near to the CIL plant.

Renewed stripping activities at Tardan deposit

Due to the restoration of the subsoil use rights under the Tardan deposit license in November 2020, the Company renewed its stripping activities at the Tardan deposit on Ore Zone #3 in Q2 2021 and Ore Zone #26 in Q3 2021. Higher stripping activities had an adverse impact on costs during the reporting period. Nevertheless, the positive impact of stripping at Tardan is that it provides ore for the future.

Kara-Beldyr update

We are still very positive about the prospects of commencing production at Kara-Beldyr with geological resources of 26.8 tonnes according to JORC, which shows a life of mine of 10-11 years producing 2 tonnes per year. Kara-Beldyr has been included as part of the regional development program for electricity. The targeted year for the commencement of production is 2025, but it is reliant on obtaining power.

COVID-19

Due to the COVID-19 pandemic, we have focused on implementing strict measures to ensure the safety of our employees and our contractors. In 2021, we have managed to maintain our operations without interruption.

OUTLOOK

The Company expects to produce a total of 800 – 830 kg (25,720 – 26,685 oz) at Tardan and Solcocon in 2022. The source of ore for the Tardan CIL plant will be the Pravoberezhniy and Tardan deposits.

¹ The Company operates at Staroverinskaya license area that includes not only Solcocon, but also other areas.

Auriant Mining remains focused on its strategy to create long-term value, while continuing to improve the strength of its balance sheet and mitigating any financial or operating risks to the business.

Danilo Lange, CEO



Operations

The Company has currently four assets, including two operating mines (Tardan and Staroverinskaya¹), one early stage exploration asset and one development asset. The gold production during 12 months 2021, compared to the corresponding periods in 2020, is presented in the following table:

Production unit	12m 2021		12m 2020		YoY	
	kg	oz	kg	oz	kg	oz
Hard rock						
Tardan (CIL)	893	28,720	953	30,629	(60)	(1,909)
Alluvial						
Staroverinskaya	18	563	12	386	6	178
Total gold produced	911	29,283	965	31,014	(54)	(1,731)

Tardan

Tardan includes Tardan's open pit mine and Tardan's CIL plant. Tardan's CIL plant has a projected throughput of >50t per working hour. Before the CIL plant was built, there were five years of gold production via both gravitational and heap leach recovery methods. As a result, recovery rate increased by 30% and exceeded 90%, while making the gold extraction process more environmentally friendly. The CIL plant's flowsheet is as follows: crushing, milling and thickening followed by direct leaching in tanks, then separation to tailings and leach solution via press-filters followed by sorption, desorption of the leach solution and then electrolysis. The output product from the site is gold alloys (Doré bars) containing some 83-89% of gold content. These are further refined to bankable gold bullions by an external refinery.

In 2021, the Company renewed stripping activities at Tardan, which will be the main source of ore in the future. As a result, stripping volume was 106% higher at 1,859 thousand m³ in 12m 2021 (12m 2020: 902 thousand m³). This obviously had an adverse impact on the cost of production.

In 2021, ore mined amounted to 459 thousand tonnes (12m 2020: 387 thousand tonnes). The average grade in 2021 was 2.32 g/t which is 4% lower compared to 2.42 g/t in 2020.

In 2021, the volume of ore processed through the CIL plant amounted to 428 thousand tonnes with an average grade of 2.30 g/t (total gold in processed ore – 984 kg). The volume of ore processed in 12m 2020 was 394 thousand tonnes with an average grade of 2.66 g/t (total gold in processed ore – 1,045 kg). This was due to the ore coming from a high-grade stockpile in 2020, now extinguished.

12m 2021 hard rock gold production amounted to 893 kg (28,720 oz), compared to 953 kg (30,629 oz) in 12m 2020, a decrease of 6%, or 60 kg (1,909 oz), due to a 14% decline in the average grade of processed ore.

Staroverinskaya license area

In May 2021, alluvial gold production resumed at the Staroverinskaya license area (including Solcocon). Alluvial gold production is seasonal, usually from June to October. This production is 100% outsourced and generates a net margin of 15% of sales. In 2020 and 2021, the Company engaged 1 contractor. Total alluvial gold production amounted to 18 kg (563 oz) compared to 12 kg (386 oz) in 12m 2020.

¹ The Company operates at Staroverinskaya license area that includes not only Solcocon, but also other areas.

Financial overview

Comments on financial performance

Revenue

	12m 2021		12m 2020		YoY	
	kg	oz	kg	oz	kg	oz
Gold sales	819	26,316	946	30,428	(128)	(4,112)
Hard rock gold	801	25,753	936	30,077	(135)	(4,325)
Alluvial gold	18	563	11	351	7	212
Average realized gold price, US\$/oz		1,812		1,755	-	57
Total revenue, US\$ mln		47.7		53.4	-	(5.7)

Revenue from the sale of gold amounted to US\$ 47.7 mln, a 11% decrease compared to 12m 2020 (US\$ 53.4 mln), due to a lower volume of gold produced as envisaged in the mine plan. 12m 2021 gold sales volumes amounted to 819 kg (26,316 oz), which is 14%, or 128 kg (4,112 oz), less than in 12m 2020.

In a strong gold price environment, the average realized gold price per ounce increased by 3% from US\$ 1,755 in 12m 2020 up to US\$ 1,812 in 12m 2021.

The lower gold sales were partly offset by increased gold in stock (finished products), which increased by 65.9 kg (2,119 oz), corresponding to a sales value of US\$ 3.8 mln, based on the average realized gold price for 12m 2021, and would be realized in January.

Expenses

In 12m 2021, the Group's cost of sales increased by 10% compared to 12m 2020, to US\$ 30.2 mln, while cash operating expenses increased by 16%, to US\$ 25.4 mln.

Higher stripping volumes and lower gold grades negatively impacted the cost performance during the reporting period.

	12m 2021	12m 2020	Change	Change
	US\$000	US\$000	US\$000	%
Cash operating expenses	(25,379)	(21,809)	(3,570)	16%
Change in stripping asset (non-cash)	588	(3)	591	(19700%)
Change in work in progress (non-cash)	2,852	2,488	364	15%
Depreciation & amortization (non-cash)	(8,302)	(8,054)	(248)	3%
Cost of sales	(30,241)	(27,378)	(2,863)	10%

The average cash cost per ounce produced at Tardan increased by 19% from US\$ 676/oz in 12m 2020 to US\$ 806/oz in 12m 2021, driven by higher volumes of stripping and exploratory drilling, lower average grade, indexation of salaries, which were in line with the Company's plan, as well as first time maintenance costs on the CIL plant which had a short scheduled shut down for maintenance in Q1 2021.

The Group's revenue from gold sales is linked to the US dollar (USD), whereas most of the Group's operating expenses are denominated in Russian roubles (RUB). Stronger RUB vs the USD can negatively impact the Group's margins by increasing the USD value of its RUB-denominated costs, while a weaker RUB positively affects its margins as it reduces the USD value of the Group's RUB-denominated costs. In the reporting period, a 1% devaluation of the RUB against the USD had a slight positive effect on the Group's margin. In 12m 2021, the average USD/RUB exchange rate amounted to 73.67, compared to 72.32 in 12m 2020.

In 12m 2021, deferred stripping at Ore Zone #26 and Ore Zone #3 has been pulled forward to secure access to ore in 2022-2023. The changes in work in progress in 12m 2021 and 12m 2020 were in line with mining and production activities.

In 12m 2021, general and administrative expenses decreased by 6% to US\$ 2.8 mln.

Other operating expenses in 12m 2021 amounted to US\$ 3.0 mln (US\$ 3.1 mln in the previous reporting period). These were mainly US\$ 2.3 mln additional provision for waste disposal, accrued by LLC “Tardan Gold” for 2019-2021 (for details please see note 8 on page 18). In 12m 2020, other operating expenses included write off of US\$ 0.8 mln VAT refund asset in LLC “Rudtechnology” and US\$ 1.9 mln stripping assets in LLC “Tardan Gold”.

The Company’s financial expenses represented by interest on loans and borrowings and lease liabilities amounted to US\$ 3.2 mln in 12m 2021, a 44% decline compared to the previous period (12m 2020: US\$ 5.7 mln). Interest expenses reduced significantly due to repayments of VTB loans, as well as reduction in the average interest rate on VTB loans from 8.4% to 4.4%.

In 2020, Tardan became a participant of the Regional Investment Projects (“RIP”) and obtained the right to apply the reduced income tax rate at 17% and the mineral extraction tax rate at zero. According to Russian legislation, tax losses are accumulated in the statement of financial position and can be offset against future taxable earnings. Thus, in 12m 2021, income tax charge of US\$ 3.0 mln was offset by US\$ 0.6 mln against the balance sheet amount of deferred tax asset related to tax loss carry forward in LLC “Tardan Gold”.

Financial results

In 12m 2021, the Group recognized net profit of US\$ 7.1 mln compared to US\$ 10.4 mln in 12m 2020. The net profit decline primarily reflects the change in EBITDA as described below.

Earnings per share for the period were US\$ 0.07 compared to US\$ 0.11 in 12m 2020.

Following the reduction in production and sales volumes, EBITDA decreased by 27% and amounted to US\$ 22.5 mln in 12m 2021 as compared to US\$ 30.9 mln in the previous reporting period, with an EBITDA margin of 47% compared to 58% in 2020.

EBITDA margin, %	12m 2021	12m 2020	Change	Change
	US\$mln	US\$mln	US\$mln	%
Revenue	47.7	53.4	(5.7)	(11%)
EBITDA	22.5	30.9	(8.4)	(27%)
EBITDA margin, %	47%	58%	(11%)	(19%)

EBITDA reconciliation to Profit before tax	12m 2021	12m 2020	Change	Change
	US\$mln	US\$mln	US\$mln	%
Profit before income tax	9.6	13.5	(3.9)	(29%)
Financial costs	(3.2)	(5.7)	2.5	(44%)
Currency gain/(loss)	0.9	(0.9)	1.8	(197%)
Depreciation & amortization	(8.4)	(8.1)	(0.3)	4%
Other one-off adjustments*	(2.3)	(2.7)	0.4	(16%)
EBITDA	22.5	30.9	(8.4)	(27%)

* In 12m 2021, US\$ 2.3 mln provision for waste disposal was accrued in LLC “Tardan Gold” for 2019-2021 (for details please see note 8 on page 18). In 2020, US\$ 0.8 mln VAT refund asset in LLC “Rudtechnology” and US\$ 1.9 mln stripping assets in LLC “Tardan Gold” were written off.

Comments on the financial position

In the reporting period, the Company increased its stripping assets by US\$ 0.6 mln, or 41%, as result of deferred stripping costs, mainly in Ore zone #3 and #26 at Tardan deposit.

As at 31 December 2021, finished products increased by 107%, or US\$ 1.8 mln, as the Company had 123.1 kg of gold produced but not sold compared to 57.2 kg as of 31 December 2020.

Increase of WIP by 23%, or US\$ 1.0 mln, on 31 December 2021 explained by the balance of ligature gold at Tardan's safe of 29.4 kg (nil as at 31 December 2020) and the growth of the balance of ore in stock from 101.4 to 131.6 thousand tonnes.

As at 31 December 2021, total bank loans decreased by US\$ 8.4 mln or 31% vs 31 December 2020 due to repayment and amounted to US\$ 18.4 mln.

Total net debt as at December 31, 2021, amounted to US\$ 57.8 mln compared to US\$ 67.2 mln as of December 31, 2020.

Total Net Debt	December 31, 2021	December 31, 2020
	TUSD	TUSD
Bank loans	18,445	26,894
Debt to shareholder	35,955	35,338
Other interest-bearing liabilities (KFM)	3,722	3,649
Other notes	272	273
Leasing	874	1,478
Total Debt	59,268	67,632
Cash and Cash equivalents	1,474	422
Total Net Debt	57,794	67,210

Liquidity, investments and financing

Net cash flow generated from operating activities decreased by US\$ 9.7 mln, or 35%, and amounted to US\$ 17.8 mln in the reporting period vs US\$ 27.5 mln in the comparative reporting period. This is due to the decline in gold sales volume by 14% over the last 12 months, higher stripping volumes and income taxes paid by LLC "Tardan Gold" in Q2-Q4 2021 because a tax loss carry forward was fully used up in Q1 2021.

During 12m 2021, operating activities were financed from the same sources as in the previous reporting period, i.e. by gold sales and the reimbursement of VAT.

Positive cash flows from operating activities were used for loan repayments, finance lease payments and financing of exploration and research in 12m 2021.

The consolidated cash balance as at 31 December 2021 was US\$ 1.5 mln compared to US\$ 0.4 mln as at 31 December 2020.

Other financial information

SEGMENT INFORMATION

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

EMPLOYEES

During 12m 2021, the Group had an average of 584 employees, of which 474 were men and 110 women (during 12m 2020: 571, of which 463 were men and 108 women).

As at 31 December 2021, the number of employees in the Group was 578, of which 480 were men and 98 women (as at 31 December 2020: 558, of which 450 were men and 108 women).

CAPITAL STRUCTURE

As at 31 December 2021, the number of shares in issue was 98,768,270. The limits of the share capital are a minimum of MSEK 5.3 and a maximum of MSEK 21.3 and the quota value of each share is SEK 0.1125 (US\$ 0.0124). Each share carries one vote.

THE PARENT COMPANY

The Parent company is a holding company without significant operations. It supports the subsidiaries with financing, investor relations, strategy formulation, etc. Thus, usually it has no income other than income for consulting services provided to the subsidiary company and interest on loans extended to the subsidiaries from time to time.

INCOME AND RESULTS OF THE PARENT COMPANY

Revenue for consulting services provided to the subsidiary company during 12m 2021 was MSEK 0.950 (US\$ 0.111 mln) compared to MSEK 0.750 (US\$ 0.081 mln) in the same period of 2020.

The operating loss for 12m 2021 was MSEK 7.241 (US\$ 0.843 mln), compared to 12m 2020 MSEK 9.052 (US\$ 0.983 mln).

Investment in the subsidiary LLC "Tardan Gold" was impaired by MSEK 87.058 (US\$ 10.145 mln) in 2021 (2020: MSEK 180.808 (US\$ 20.952 mln)). The impairment is estimated as the difference between the asset's carrying amount and the present value of estimated future cash flows due to a phased reduction in the subsidiary's life of mine.

Net loss for the period was MSEK 123.805 (US\$ 14.426 mln) compared to loss of MSEK 196.032 (22.605 mln) in 12m 2020.

FINANCIAL POSITION OF THE PARENT COMPANY

As at 31 December 2021, the Parent Company cash balance was MSEK 0.278 (US\$ 0.031 mln) compared to MSEK 0.542 (US\$ 0.066 mln) as at 31 December 2020.

As at 31 December 2021, the long-term liabilities were represented by the debt to Golden Impala (the Shareholder's bond) of MSEK 325.164 (US\$ 35.955 mln).

The current liability was mainly represented by KFM liability of MSEK 33.657 (US\$ 3.722 mln).

The Parent Company had two employees at the end of the period.

12 months 2021 operational update

Highlights:

- In 12m 2021, total gold production amounted to 910.8 kg (29,283 oz), compared to 964.7 kg (31,014 oz) in 12m 2020, a decrease of 6%, or 53.9 kg (1,731 oz), but in line with the 2021 production plan;
- Hard rock gold production was 893.3 kg (28,720 oz), compared to 952.7 kg (30,629 oz) in 12m 2020, a decrease of 6%, or 59.4 kg (1,909 oz);
- Alluvial gold production amounted to 17.5 kg (563 oz), compared to 12.0 kg (386 oz) in 2020, an increase of 46%, or 5.5 kg (178 oz);
- 12m 2021, total gold sales were 818.5 kg (26,316 oz), compared to 946.4 kg (30,428 oz) in 12m 2020, a decrease of 127.9 kg (4,112 oz), or 14%;
- 428,300 tonnes of ore were processed with an average grade of 2.30 g/t;
- In 12m of 2021, the CIL plant operated for 8,004 hours at an increased throughput rate of 53.5 tonnes per working hour (>50 t/hour) and at the targeted recovery rate of 91.2%;
- 458,500 tonnes of ore were mined in 12m 2021, compared to 387,200 tonnes in 12m 2020, an increase of 71,300 tonnes or 18%. Stripping volume in 12m 2021 was 1.86 million m³ (+956,900 m³, or 106% more than in the 12m of 2020);
- The average grade in 12m 2021 was 2.32 g/t, compared to 2.42 g/t in 12m 2020, a decrease of 4%. The mined average grade is in line with the Mineplan.
- Overall, the 2021 Production was in line with the company's forecast.

Production

Production unit	12m 2021		12m 2020		Change		
	kg	oz	kg	oz	kg	oz	%
Hard rock							
Tardan (CIL)	893.3	28,720	952.7	30,629	(59.4)	(1,909)	(6%)
Alluvial							
Staroverinskaya	17.5	563	12.0	386	5.5	178	46%
Total gold produced	910.8	29,283	964.7	31,014	(53.9)	(1,731)	(6%)

Tardan

	Unit	12m 2021	12m 2020	Change	
Mining					
Waste stripping	000 m ³	1,859.3	902.4	956.9	106%
Ore mined	000 tonnes	458.5	387.2	71.3	18%
Gold in Ore	kg	1065.7	937.0	128.7	14%
Average grade	g/t	2.32	2.42	(0.10)	(4%)
CIL					
Ore processing	000 tonnes	428.3	393.5	34.8	9%
Grade	g/t	2.30	2.66	(0.36)	(14%)
Gold in ore processing	kg	983.9	1,045.2	(61.3)	(6%)
Gold produced CIL	kg	893.3	953.0	(59.7)	(6%)
Opening WIP (gold)	kg	1.2			
Closing WIP (gold)	kg	5.2			
Recovery	%	91.2%	91.2%	0	0.0%
Warehouse on Dec 31					
Ore	000 tonnes	131.6	101.0	30.6	30%
Grade	g/t	2.19	2.03	0.16	8%

Financial reports

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

	Q4 Oct-Dec 2021 US\$000	Q4 Oct-Dec 2020 US\$000	12 months Jan-Dec 2021 US\$000	12 months Jan-Dec 2020 US\$000
Revenue	11,826	11,147	47,685	53,409
Cost of sales	(7,321)	(6,448)	(30,240)	(27,378)
Gross profit/(loss)	4,505	4,699	17,445	26,031
General and administrative expenses	(738)	(929)	(2,754)	(2,945)
Other operating income	43	24	99	96
Other operating expenses	(240)	(1,958)	(2,962)	(3,059)
Operating profit/(loss)	3,570	1,836	11,828	20,123
Financial income	4	-	4	-
Financial expenses	(659)	(1,151)	(3,159)	(5,671)
Foreign exchange gain/(loss), net	381	(691)	911	(935)
Profit/(Loss) before income tax	3,296	(6)	9,584	13,517
Income tax	(520)	(1,077)	(2,497)	(3,075)
Net profit/(loss) for the period	2,776	(1,083)	7,087	10,442
Whereof attributable to:				
The owners of the Parent Company	2,776	(1,083)	7,087	10,442
Earnings per share before dilution (US\$)	0.03	(0.01)	0.07	0.11
Earnings per share after dilution (US\$)	0.03	(0.01)	0.07	0.11
Number of shares issued at period end	98,768,270	98,768,270	98,768,270	98,768,270
Average number of shares for the period	98,768,270	98,728,653	98,768,270	98,698,673
Average number of shares for the period after dilution	98,768,270	98,728,653	98,768,270	98,698,673
	Q4 Oct-Dec 2021 US\$000	Q4 Oct-Dec 2020 US\$000	12 months Jan-Dec 2021 US\$000	12 months Jan-Dec 2020 US\$000
Net profit/(loss) for the period	2,776	(1,083)	7,087	10,442
Other comprehensive income/(loss) for the period				
<i>Items that may be subsequently reclassified to profit or loss</i>				
Translation difference	(243)	1,609	(51)	573
Total comprehensive income/(loss) for the period	2,533	526	7,036	11,015

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	December 31, 2021 US\$000	December 31, 2020 US\$000
ASSETS			
Non-current assets			
Intangible fixed assets		19,214	18,524
Tangible fixed assets		28,489	30,231
Stripping assets		2,006	1,425
Deferred tax assets		4,093	4,003
Total non-current assets		53,802	54,183
Current assets			
Materials		2,045	1,695
Work in progress		5,003	4,053
Finished products		3,516	1,701
Trade and other receivables		1,666	1,455
Advanced paid to suppliers and prepaid expenses		844	1,361
Cash and cash equivalents		1,474	422
Total current assets		14,548	10,687
TOTAL ASSETS		68,350	64,870
EQUITY AND LIABILITIES			
EQUITY			
Share capital		1,438	1,438
Additional paid-in capital		79,220	79,220
Translation difference reserve		(13,301)	(13,250)
Retained earnings		(73,598)	(80,685)
TOTAL EQUITY		(6,241)	(13,277)
LIABILITIES			
Non-current liabilities			
Bank loans and other notes		8,354	17,968
Debt to shareholder		35,955	35,338
Lease payable		424	261
Deferred tax liabilities		-	-
Other non-current liabilities	5	10,204	8,082
Total non-current liabilities		54,937	61,649
Current liabilities			
Bank loans and other notes		10,363	9,199
Other interest bearing liabilities	6	4,172	4,866
Trade accounts payable		648	740
Other current liabilities	7, 8	4,471	1,693
Total current liabilities		19,654	16,498
Total liabilities		74,591	78,147
TOTAL EQUITY AND LIABILITIES		68,350	64,870

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

US\$000	Attributable to the shareholders of the Parent Company				
	Share capital	Additional paid in capital	Translation difference reserve	Retained earnings	Total equity
Equity as at December 31, 2019	1,436	79,197	(13,823)	(91,127)	(24,317)
Comprehensive income					
Net profit/(loss) for the period	-	-	-	10,442	10,442
Other comprehensive income	-	-	573	-	573
Total comprehensive income for the period	-	-	573	10,442	11,015
Transactions with owners in their capacity as owners					
Proceeds from exercise of share options	1	23	-	-	24
Total transactions with owners in their capacity as owners	1	23	-	-	24
Equity as at December 31, 2020	1,438	79,220	(13,250)	(80,685)	(13,277)
Comprehensive income					
Net profit/(loss) for the period	-	-	-	7,087	7,087
Other comprehensive income	-	-	(51)	-	(51)
Total comprehensive income for the period	-	-	(51)	7,087	7,036
Equity as at December 31, 2021	1,438	79,220	(13,301)	(73,598)	(6,241)

CONSOLIDATED CASH FLOW STATEMENT

	Q4 Oct-Dec 2021 US\$000	Q4 Oct-Dec 2020 US\$000	12 months Jan-Dec 2021 US\$000	12months Jan-Dec 2020 US\$000
OPERATING ACTIVITIES				
Receipts from gold sales	12,990	11,147	47,708	53,409
VAT and other reimbursement	2,010	872	4,153	4,497
Payments to suppliers	(6,752)	(4,924)	(20,998)	(18,970)
Payments to employees and social taxes	(2,483)	(2,500)	(9,785)	(9,357)
Income tax paid	(755)	(39)	(2,645)	(674)
Other taxes paid	(184)	(25)	(672)	(1,421)
Net cash flows from/(used in) operating activities	4,826	4,531	17,761	27,484
INVESTING ACTIVITIES				
Purchase and construction of property, plant and equipment	(227)	(225)	(1,193)	(2,343)
Exploration and research works	(441)	(771)	(2,720)	(1,479)
Net cash flows used in investing activities	(668)	(996)	(3,913)	(3,822)
FINANCING ACTIVITIES				
Repayment of borrowings, net	(1,502)	(1,975)	(8,448)	(14,997)
Proceeds from exercise of share options	-	-	-	10
Interest paid	(1,187)	(1,898)	(2,188)	(5,702)
Lease payments	(486)	(740)	(2,053)	(2,413)
Other finance income/expenses	-	-	(123)	-
Net cash from/(used in) financing activities	(3,175)	(4,613)	(12,812)	(23,102)
Net increase/(decrease) in cash and cash equivalents	983	(1,078)	1,036	560
Effect of foreign exchange rate changes on cash and cash equivalents	(51)	30	16	(282)
Opening balance cash and cash equivalents	542	1,470	422	144
Closing balance cash and cash equivalents	1,474	422	1,474	422

CONSOLIDATED KEY RATIOS

	Definitions	12 months Jan-Dec 2021 US\$000	12 months Jan-Dec 2020 US\$000
Total assets	Total assets at period end	68,350	64,870
Total equity	Total equity including non-controlling interest at period end	(6,241)	(13,277)
Interest bearing debt	Total interest-bearing debt at the period end	58,996	67,359
Employees at period end	-	578	558
EBITDA*	Earnings Before Interest, Tax, Depreciation, Amortization, any Impairment and one-off items	22,487	30,893
Per share data			
Earnings per share (SEK, USD)	Net result after tax for the period divided by the average number of outstanding shares for the period before dilution	0.07	0.11
Equity per share (SEK, USD)	Equity excluding non-controlling interests at the period end divided by the number of outstanding shares at the period end	(0.06)	(0.13)

* 12m 2021 EBITDA was adjusted for accrued provision for waste disposal in the amount of US\$ 2.3 mln for 2019-2021. 12m 2020 EBITDA was adjusted for write off of VAT refund asset in LLC "Rudtechnology" at the amount of US\$ 0.8 mln and US\$ 1.9 mln stripping assets were written off as other operating expenses in LLC "Tardan Gold" in Q4 2020.

PARENT COMPANY STATEMENT OF PROFIT OR LOSS

	Q4 Oct-Dec 2021 TSEK	Q4 Oct-Dec 2020 TSEK	12 m Jan-Dec 2021 TSEK	12 m Jan-Dec 2020 TSEK	Q4 Oct-Dec 2021 US\$000	Q4 Oct-Dec 2020 US\$000	12 m Jan-Dec 2021 US\$000	12 m Jan-Dec 2020 US\$000
Operating income	238	190	950	750	27	21	111	81
Total income	238	190	950	750	27	21	111	81
External expenses	(1,603)	(3,311)	(4,456)	(7,047)	(183)	(368)	(519)	(765)
Employee benefit expenses	(801)	(553)	(3,735)	(2,755)	(89)	(65)	(435)	(299)
Total operating costs	(2,404)	(3,864)	(8,191)	(9,802)	(272)	(433)	(954)	(1,064)
Operating profit/loss	(2,166)	(3,674)	(7,241)	(9,052)	(245)	(412)	(843)	(983)
Impairment: Investment in subsidiaries	(87,058)	(180,808)	(87,058)	(180,808)	(10,145)	(20,952)	(10,145)	(20,952)
Net financial items	(10,572)	25,314	(29,506)	(6,172)	(1,207)	2,677	(3,438)	(670)
Profit/(Loss) before income tax	(99,796)	(159,168)	(123,805)	(196,032)	(11,597)	(18,687)	(14,426)	(22,605)
Income tax	-	-	-	-	-	-	-	-
Net profit/loss for the period	(99,796)	(159,168)	(123,805)	(196,032)	(11,597)	(18,687)	(14,426)	(22,605)

PARENT COMPANY STATEMENT OF COMPREHENSIVE INCOME

	Q4 Oct-Dec 2021 TSEK	Q4 Oct-Dec 2020 TSEK	12 m Jan-Dec 2021 TSEK	12 m Jan-Dec 2020 TSEK	Q4 Oct-Dec 2021 US\$000	Q4 Oct-Dec 2020 US\$000	12 m Jan-Dec 2021 US\$000	12 m Jan-Dec 2020 US\$000
Net profit/(Loss) for the period	(99,796)	(159,168)	(123,805)	(196,032)	(11,597)	(18,687)	(14,426)	(22,605)
Translation differences	-	-	-	-	32	3,053	(1,468)	4,389
Total comprehensive income for the period	(99,796)	(159,168)	(123,805)	(196,032)	(11,565)	(15,634)	(15,894)	(18,216)

PARENT COMPANY STATEMENT OF FINANCIAL POSITION

	December 31, 2021 TSEK	December 31, 2020 TSEK	December 31, 2021 US\$000	December 31, 2020 US\$000
ASSETS				
FIXED ASSETS				
Investments in subsidiaries	425,948	508,708	47,099	62,124
Total fixed assets	425,948	508,708	47,099	62,124
CURRENT ASSETS				
Current receivables	1,456	1,953	161	239
Cash and bank	278	542	31	66
Total current assets	1,734	2,495	192	305
TOTAL ASSETS	427,682	511,203	47,291	62,429
EQUITY AND LIABILITIES				
EQUITY	67,124	190,929	7,422	23,316
LONG-TERM LIABILITIES	325,164	289,371	35,955	35,338
CURRENT LIABILITIES	35,394	30,903	3,914	3,775
TOTAL EQUITY AND LIABILITIES	427,682	511,203	47,291	62,429

Notes

NOTE 1 GENERAL INFORMATION

Auriant Mining AB (publ.) (“AUR AB”, “the Parent company” or “the Company”) and its subsidiaries (collectively referred to as “the Group” or “the Auriant Mining Group”) are focused on gold exploration and production in Russia, primarily in Zabaikalye and the Republics of Khakassia and Tyva.

The Parent Company is a registered public limited liability company with its head office in Sweden. The address of the head office is Box 55696, 102 15 Stockholm. AUR AB was listed on the Swedish NGM Nordic Growth Market stock exchange on March 29, 2005 and has been listed on the Swedish NASDAQ First North Premier Growth Market stock exchange since July 19, 2010. At present, the Company has 3,457 shareholders.

NOTE 2 ACCOUNTING PRINCIPLES AND BASIS OF PREPARATION

This interim report has been prepared in accordance with IAS 34 *Interim Financial Reporting* (“IAS 34”), the Swedish Annual Accounts Act and the Swedish Financial Reporting Board’s recommendation RFR 1 *Supplementary accounting regulations for groups*. The consolidated interim financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as described on page 73 in the annual report for financial year 2020. The evaluations and estimations made by the board of directors and management in preparing the interim report are described on page 83 in the annual report for 2020. The Parent company accounts are prepared in accordance with the Swedish 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 2020.

The same accounting principles are applied in this interim report as in the annual report 2020.

No material changes in accounting principles have taken place since the Annual Report for 2020, except changes in the Group presentation currency - from Swedish krona to U.S. dollars (USD) from 1 January 2021.

Auriant Mining Group has changed the presentation currency to U.S. dollars (USD) since 1 January 2021. The Group has chosen to present its consolidated financial statements in USD only, as management believes it is a convenient presentation currency for international users of the consolidated financial statements of the Auriant Mining Group. The change in the reporting currency constitutes a change of the accounting principle, i.e. it is applied retroactively in accordance with the requirements in IAS 8. All comparative information for the Group for 2020 was translated into USD.

In accordance with the Swedish Accounting Act, the Parent Company’s financial information is reported in Swedish krona and not the Group’s presentation currency of U.S. dollars. The USD amounts are presented for the Parent Company for information purposes only.

Currency rates used in the report

Year 2021	RUB/USD	SEK/USD	SEK/RUB	Year 2020	RUB/USD	SEK/USD	SEK/RUB
Average Q1	74,3686	8,3995	8,8577	Average Q1	66,6263	9,6692	6,9159
Average Q2	74,2936	8,4083	8,8244	Average Q2	72,0479	9,6823	7,4791
Average Q3	73,4709	8,6481	8,4968	Average Q3	73,5688	8,8724	8,3088
Average Q4	72,6543	8,8543	8,2039	Average Q4	76,2030	8,6296	8,8404
March 31	75,7023	8,7239	8,6736	March 31	77,7325	10,0771	7,8253
June 30	72,3723	8,5103	8,5399	June 30	69,9513	9,349	7,5355
September 30	72,7608	8,7911	8,2664	September 30	79,6845	8,9883	8,7623
December 31	74,2926	9,0437	8,2235	December 31	73,8757	8,1886	9,0448

NOTE 3 RISKS AND UNCERTAINTIES ASSOCIATED WITH THIS INTERIM REPORT

The group's risk exposure is presented on pages 44 and 103 of the 2020 annual report. Various risks may affect the results of the operating, financial and investing activities of the companies in mining and exploration industry, including Auriant Mining Group. The principal risks relating to the industry and Auriant Mining Group are described below:

a. Operational risks – production related risks:

- Failure to achieve production plan. The production capacity of a mine and gold processing plant, or the quality of mineral reserves and the availability of qualified staff, might not be in line with the production plan due to different circumstances which might lead to the non-achievement of the plan.
- Unexpected business interruptions. 1. Weather. Unexpected business interruption might lead to a significant delay in production and consequent decrease in profit. The Group's assets are located in Republic of Tyva, Republic of Khakassia and the Zabaikalsky region, a remote area that can be subject to severe climatic conditions. 2. External contractors. The Group's operations are materially dependent on outside contractors, including, but not limited to, providers of transportation and excavation services (in addition to transportation and excavation made using own fleet of equipment), drilling, blasting, equipment maintenance services, electricity and other utilities supply, transportation of materials to the mine, etc. Delay in the delivery or the failure of mining equipment could significantly delay production and impact the Group's profitability.
- Obtaining necessary permit and approvals. Besides licenses for exploration and mining of natural resources, the Company must obtain additional permits and approvals to be able to actually carry out mining and production activities. For newly explored deposits, those permits and approvals include, without limitation, approval of resources with GKZ (State Resource Committee); approval of project documentation for open pit construction and operation; renting land to be used for mining activities and related activities; permits for potentially hazardous activities (such as blasting operations and operations with poisonous materials); environmental safety review, etc.
- **Kara Beldyr** - The commencement of gold production is contingent upon timely implementation of the Government's final decision to finance the power line and its construction.

b. Financial risks: The Group's activities expose it to a variety of financial risks: a) market risk (including currency and gold price risk and interest rate risk), b) credit risk and c) liquidity risk.

c. Geological risk: Gold exploration is associated with high risk. All estimates of recoverable mineral resources are mainly based on probabilities. Estimates of mineral resources and ore reserves are based on extensive test drilling, statistical analyses and model studies and remain theoretical in nature until verified by industrial mining. There is no methodology for determining with certainty the exact amount of gold available or the shape of a potential ore body and its distribution. The exact amount of gold is known only when the gold has been extracted from the gold deposit. Data relating to mineral resources and ore reserves as presented by the Company, and by others, should be viewed against this background and may therefore deviate from this.

d. Health, Safety and Environmental risks. The Croup companies are subject to extensive environmental, health and safety controls and regulations, and any breach of these regulations could result in fines and material breach of these regulations could result in the suspension of operations, which could have a material adverse effect on its reputation, operating results and financial condition. The Croup companies are subject to extensive environmental controls and regulations in Russia. Mining and exploration operations involve the use of environmentally toxic and hazardous materials, such as cyanides and diesel fuel and lubricants, as well as processes that could lead to the discharge of materials and contaminants into the environment, disturbance of land, potential harm to flora and fauna and other environmental concerns. The licenses under which the Company operates include conditions regarding environmental compliance. The terms of the Company's subsoil licenses contain site clean-up, restoration and rehabilitation obligations due in future that are mandatory for the Company. The Company could be held liable for losses associated with environmental hazards caused by its misconduct and subsequent rehabilitation, which may have an adverse impact on Group's operations, financial results and financial position.

e. Legal risks:

- Maintenance of licenses risks. Federal Agency for Subsoil Use (Rosnedra) may suspend or revoke the Group companies' subsoil use licenses if it recognizes their violation, revealed by Federal Service for Supervision of Natural Resource Usage (Rosprirodnadzor) or other authorized governmental body, which can lead to a halt or cessation of operations at the relevant license area. Failure to comply with the terms of licenses and permits may result in financial sanctions and reputational damage.
 - Community risks. The Group's projects can be delayed or stopped due to community and environmental activists' protests and, as a result, denial of regional authorities to conclude or prolong land lease agreements, which are essential for mining.
- f. COVID-19 exposure. The current COVID-19 pandemic may affect the Group's operations in a different way. The Group remains subject to the risk of temporary disruptions in supply chain and logistics in case the situation with the global Covid-19 pandemic worsens.
- The Group has implemented preventive measures, including regular Covid-19 testing of staff, quarantine on arrival, wearing of personal protective equipment, increased cleaning and disinfection of common areas, social distancing, reducing business trips to a minimum, and remote work where possible. In 12m 2021, Auriant Mining Group did not experience any operational disruptions due to Covid-19.
- g. Political and economic risks. An unstable situation between the Russian Federation and Ukraine may have an impact on the Group's operations. There is a threat of further prolonging and tightening of sanctions imposed on the Russian Federation by various countries. Economic sanctions may restrict or limit access to the global financial system, financial transactions, trade, or access to infrastructure (technology, communications, and physical). Counter-sanctions are also a possibility that may require consideration.

NOTE 4 TRANSACTIONS WITH RELATED PARTIES

As at 31 December 2021, the bond liability to Golden Impala Limited amounted to MSEK 325.2 (US\$ 36.0 mln).

Accrued interest expenses for transactions with related parties in 12m 2021 amounted to MSEK 15.5 (US\$ 1.8 mln), compared to MSEK 22.0 (US\$ 2.4 mln) in 12m 2020. During 12m 2021, interests of MSEK 10.3 (US\$ 1.2 mln) were repaid to Golden Impala.

NOTE 5 OTHER NON-CURRENT LIABILITIES

As at 31 December 2021, other non-current liabilities were represented by the US\$ 9.0 mln liability to Centerra in accordance with the royalty agreement and US\$ 1.2 mln site restoration obligations. Other non-current liabilities increased by US\$ 2.1 mln, or by 26%, compared to 31 December 2020, mainly due to unwinding of a discount of contingent liability to Centerra in amount of US\$ 1.4 mln and reassessment of site restoration provision by US\$ 0.7 mln.

NOTE 6 OTHER CURRENT INTEREST-BEARING LIABILITIES

As at 31 December 2021, other current interest-bearing liabilities were represented by the following balances: US\$ 3.7 mln – short-term liability to KFM and US\$ 0.5 mln – current lease liability.

NOTE 7 OTHER CURRENT LIABILITIES

As at 31 December 2021, other current liabilities were mainly represented by the following balances: US\$ 2.3 mln waste disposal provision (US\$1.1 mln for 2019-2020 and US\$ 1.2 mln for 2021), US\$ 0.3 mln - other tax liabilities and US\$ 1.7 mln payroll (board fee) and social contributions liabilities.

NOTE 8 ADDITIONAL PAYMENTS FOR WASTE DISPOSAL

In November 2021, LLC «Tardan Gold» received a request from the Russian State Service for Supervision of Natural Resource Usage (Rosprirodnadzor, "RPN") to make an additional payment for waste disposal in the amount of US\$ 1.1 mln. The request relates to placement of waste rock mass from the Pravoberezhny deposit on stockpiles located at the mine in 2019 and 2020. Under the Russian

regulations, waste rock is classified as “waste”, which entails the requirement to obtain a quota from RPN for its stockpile storage. Failure to obtain a quota results in the application of a multiplying coefficient, leading to a higher than normal waste disposal payment. The Group anticipated that a waste disposal payment for 2021 would also be calculated with the multiplying coefficient. This resulted in additional provision for 2021 of US\$ 1.2 mln. The Group has taken organizational measures to prevent such shortcomings in the future.

NOTE 9 SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

No significant events were identified after the reporting period.

Additional information

NEXT REPORTS DUE

2021 Annual report:

[April 19, 2022](#)

Annual General Meeting 2022:

[May 10, 2022](#)

Interim report (Q1) January - March, 2022:

[May 31, 2022](#)

Interim report (Q2) January - June, 2022:

[August 31, 2022](#)

Interim report (Q3) January - September, 2022:

[November 30, 2022](#)

Interim report (Q4) January - December, 2022:

[February 28, 2023](#)

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 Staroverinskaya¹), one early stage exploration asset and one development asset.

Since July 19, 2010, Auriant Mining's shares are traded on Nasdaq First North Premier Growth Market under the short name AUR. For more information, please visit www.auriant.com.

G&W Fondkommission is Certified Adviser to Auriant, for more information please call +46 8 503 000 50 or visit www.gwkapital.se.

BOARD ASSURANCE

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

Stockholm, February 28, 2022

Auriant Mining AB (publ.)

Lord Daresbury
Chairman of the Board

Preston Haskell
Board Member

Jukka Pitkäljärvi
Board Member

Birgit Köster Hoffmann
Board Member

Danilo Lange
CEO

This report has not been reviewed by the Company's Auditors.

Cautionary Statement: Statements and assumptions made in this report with respect to Auriant Mining AB's ("AUR") current plans, estimates, strategies and beliefs, and other statements that are not historical facts, are forward-looking statements about the future performance of AUR. Forward-looking statements include, but are not limited to, those using words such as "may", "might", "seeks", "expects", "anticipates", "estimates", "believes", "projects", "plans", "strategy", "forecast" and similar expressions. These statements reflect management's expectations and assumptions in light of currently available information. They are subject to a number of risks and uncertainties, including, but not limited to, (i) changes in the economic, regulatory and political environments in the countries where AUR operates; (ii) changes relating to the geological information available in respect of the various projects undertaken; (iii) AUR's continued ability to secure enough financing to carry on its operations as a going concern; (iv) the success of its potential joint ventures and alliances, if any; (v) exchange rates, particularly between the Russian rouble and the U.S. dollar. In the light of the many risks and uncertainties surrounding any gold production and exploration company at an early stage of its development, the actual results could differ materially from those presented and forecast in this report. AUR assumes no unconditional obligation to immediately update any such statements and/or forecasts. This press release shall not, directly or indirectly, be released, published or distributed in or to the United States, Australia Japan, Canada, New Zealand, Hong Kong, South Africa or other country where such action as a whole or in part is subject to legal restrictions. Nothing in this press release should be considered as an offer to invest or otherwise trade in shares of Auriant Mining AB (publ.). The proposed issue will not be directed at residents or those living in the United States, Australia, Japan, Canada, New Zealand, Hong Kong, South Africa or other country where such action would require further prospectus, other offering documentation, registration or other measures beyond those required by Swedish law. No securities will be registered under the United States Securities Act of 1933, a similar law in any state in the United States, or under any provincial law in Canada, nor under the applicable law of another country.

¹ The Company operates at Staroverinskaya license area that includes not only Solcocon, but also other areas.

Glossary and definitions

ALTERNATIVE PERFORMANCE MEASURES

The Company applies the European Securities and Markets Authority's (ESMA) guidelines on alternative performance measures. The alternative key financial performance indicators are defined as financial measures of historical or future earnings trends, financial position, financial performance, or cash flows that are not defined or specified in the applicable regulations for financial reporting, IFRS, and the Annual Accounts Act. These measures should not be regarded as a substitute for measures defined in accordance with IFRS. If an alternative performance measure cannot be identified directly from the financial statements, a reconciliation is required.

DEFINITIONS OF KEY RATIOS

EBITDA

Earnings before interest, taxes, depreciation, and amortization is a non-IFRS metric and is defined by the Group as profit for the period before income taxes adjusted for depreciation, amortization and impairment, finance income, finance cost, (gain)/loss on revaluation of derivative financial instruments, foreign exchange (gain)/loss, (gain)/loss on disposal or revaluation of investments in subsidiaries and associates, (gain)/loss on (reversal of impairment)/impairment of property, plant and equipment, write-downs and reversals of inventory to net realizable value, bad debt allowance, share-based compensation expenses, charity expenses, and other one-off adjustments that may be required to provide a clearer view of the performance of the Group's operations. EBITDA is used to measure earnings from operating activities, independent of depreciation, amortization, and impairment losses.

Total Cash Costs (TCC)

Total cash costs (TCC) are defined as the cost of gold sales, less depreciation of property, plant and equipment, amortization, intangible assets, allowance for obsolescence of inventory and provision for mine closure, rehabilitation and decommissioning costs. TCC per ounce sold is calculated as TCC divided by the total gold equivalent ounces of gold sold for the period.

Equity

Equity of the Group comprises issued capital, share premium, reserve for translation to presentation currency, retained earnings, and non-controlling interests.

Earnings per share

Earnings per share comprises consolidated earnings for the period (profit after tax from continuing and discontinued operations) attributable to the Parent Company shareholders, divided by the weighted average number of outstanding shares during the period and excluding treasury shares. Diluted Earnings per share is earnings per share adjusted to reflect the effects of potential dilutive ordinary shares, which constitute shares and options.

Equity per share

Equity at the end of the period divided by the number of shares outstanding at the end of the period.

Total number of shares outstanding

Number of shares outstanding at the end of the period.

Weighted average number of shares

The weighted number of shares outstanding during the year is calculated by taking into account any changes in the number of shares outstanding during the reporting period.

INDUSTRY SPECIFIC DEFINITIONS AND GLOSSARY (IN ACCORDANCE WITH JORC)

Alluvial gold

Mineralization in riverbeds at ground level.

Mineralization

Any single mineral or combination of minerals occurring in a mass, or deposit, of economic interest. The term is intended to cover all forms in which mineralization might occur, whether by class of deposit, mode of occurrence, genesis, or composition.

Mineral Resource

Is a concentration or occurrence of solid material of economic interest in or on the Earth's crust in such form, grade (or quality), and quantity that there are reasonable prospects for eventual economic extraction. The location, quantity, grade (or quality), continuity, and other geological characteristics of a Mineral Resource are known, estimated, or interpreted from specific geological evidence and knowledge, including sampling. Mineral Resources are sub-divided, in order of increasing geological confidence, into Inferred, Indicated and Measured categories.

Ore (or Mineral) Reserve

Is the economically mineable part of a Measured and/or Indicated Mineral Resource. It includes diluting materials and allowances for losses, which may occur when the material is mined or extracted and is defined by studies at the Pre-Feasibility or Feasibility stage as appropriate, that include the application of Modifying Factors. Such studies demonstrate that, at the time of reporting, extraction could reasonably be justified.

Recovery

The percentage of material of initial interest that is extracted during mining and/or processing. A measure of mining or processing efficiency.

tpa/ktpa

tons per annum/thousand tons per annum

Troy ounce (oz)/koz/Moz

Weight measure for gold corresponding to 31.1035 grams /thousand oz/million oz.

FINANCE DEFINITIONS

SEK/TSEK/MSEK

Swedish krona/Thousand Swedish krona/Million Swedish krona

USD/TUSD/MUSD

US Dollar/Thousand US Dollar/Million US Dollar

RUB/TRUB/MRUB

Russian ruble/Thousand Russian rubles/Million Russian rubles