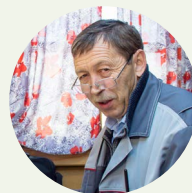


AURIANT
MINING



*We
Are
Auriant*



Interim Report
January - December 2017

Highlights

- Gold production was in line with October 2017 forecast at 809.4 kg (26,023 oz), which included 761.7 kg (24,487 oz) from Tardan and 47.8 kg (1,536 oz) from Solcocon. Gold grade in 2017 was in line with the mineplan for 2017 at 2.36 g/t (2016 - 4.04 g/t). Alluvial production at Solcocon recommenced in 2017 and amounted to 47.8 kg (1,536 oz) of gold.
- Consolidated revenue in 2017 was at MSEK 286.5 (US\$ 33.5 mln) (2016 – MSEK 371.6 (US\$ 43.4 mln)).
- Operating profit was MSEK 19.8 (US\$ 2.4 mln) compared to MSEK 131.9 (US\$ 15.4 mln) in 2016
- EBITDA was MSEK 76.6 (US\$ 9.0 mln) compared to MSEK 188.5 (US\$ 22.0 mln) in 2016.
- Average gold price in 2017 was US\$ 1,260/oz (2016: US\$1,269).
- Despite material decrease in revenue and gross profit the Company focused on costs control and its net result for the year was close to break even – net loss of US\$2.2 mln
- Exploration continued with good results at Solcocon where 4,100 meters of core were drilled, 26,000 cubic meters of trenches were made and 4,800 samples were taken. A preliminary assessment of exploration results indicates 1.8 tonnes of C2 resources and 0.5 tonnes of P1.

Warrant issue – final stage of the 2017 Financing to be completed in March 2018

- As announced in August 2017 the Warrants issued as part of the 2017 Financing are exercisable between 19 and 30 March 2018 at a price of between SEK2.50-3.50 per share. The total number of shares which may be issued is 57 million (52% of which may be swapped for reduction of shareholder debt).
- The warrant subscription proceeds will contribute additional funding for the Tardan CIL Plant and the study at Kara-Beldyr.



Commenting on the results, Sergey Ustimenko, Chief Executive Officer said:

The Company's medium term strategy is focused on successful completion of the construction of the new plant at Tardan and delivery of the significant improvement in financial performance. We are pleased with the progress Auriant Mining has made during 2017 when the Company completed important steps in preparing for turning this strategy into reality. The Company reorganized its balance sheet through implementation of a rights issue raising MSEK 142.4 (US\$ 18.0 mln) in new capital (the "2017 Financing"). Our major shareholder Bertil Holdings, a company indirectly owned by the member of the Board Preston Haskell, acquired new shares in exchange for a reduction of the convertible debt of MSEK 74.5 (US\$ 9.4 mln), and restructured the terms of the remaining outstanding shareholder debt – maturity date was rolled over to June 30th, 2019 and interest rate continue to be 2% p.a. The Company also successfully refinanced its total outstanding banking loan (US\$ 35.4 mln at the end of 2017) with VTB and managed to reduce interest. These initiatives have significantly improved and strengthened the Group's financial position.

Auriant is getting prepared for starting construction of CIL plant on Tardan, with key technical equipment now ordered and down payments made. This will result in increased gold recoveries from 60% to 92% with ore supplied from the Pravoberezhny mine of Tardan. Mining operations at Tardan have been discontinued for the first 6 months of 2018 in preparation for this construction phase, with production resuming in July 2018. The construction of the Tardan CIL plant will continue throughout 2018, with the launch of the new plant expected at the beginning of 2019, following which target annual production is 1,000 kg (approx. 32 thousand ounces per year).

Subject to the 2017 Financing will be successfully completed via the warrant issue in March 2018 the proceeds will be applied towards commencing on the feasibility study and engineering studies at Kara-Beldyr and financing of CIL plant construction at Tardan.



Comments by the CFO

INCOME, FINANCIAL RESULTS AND FINANCIAL POSITION FOR THE GROUP

INCOME AND RESULT

Reflecting the planned lower levels of production, revenue from gold sales was US\$ 33.5 mln (2016 – US\$43.1 mln) and gold sales were 828 kg (26,619 oz) (2016 - 1,056 kg (33,954 oz)). The average realized gold price per ounce was US\$ 1,260 (2016 - US\$ 1,269).

In 2017, the Company recommenced alluvial gold production at Solcocon using a contrac-

tor, on the basis of a 77% split of gold sales. The 2017 results include production of 48 kg (1,536 oz) for US\$ 1.1 mln costs, all of which were nil in 2016.

During 2015, the Group managed five gold properties located in Russia's Chukotka region and owned by Aristus Holdings Ltd. In the beginning of 2016 the management contract was terminated by mutual agreement and was taken on by a company with close ownership links to those of the Chukotka assets. A compensation fee of US\$ 0.3 mln was paid to the Group on termination of this contract.

	12m 2017	12m 2016	Change	Change
	US\$ 000	US\$ 000	US\$ 000	%
Revenue from Hard rock gold sales	31,887	43,080	(11,194)	-26%
Revenue from Alluvial gold sales	1,645	-	1,645	100%
Revenue from management services	-	300	(300)	-100%
Revenue	33,532	43,380	(9,848)	-23%
Alluvial gold costs	(1,099)	-	(1,099)	-100%
Revenue net of alluvial costs	32,433	43,380	(10,948)	-25%
Hard rock cash expenses	(22,041)	(22,146)	105	0%
Change in stripping asset (non-cash expenses of period)	(1,241)	996	(2,237)	-225%
Change in work in progress and finished goods (non-cash expenses of period)	(679)	1,760	(2,439)	-139%
Depreciation & amortization	(6,359)	(6,571)	212	-3%
Total cost of sales hard rock	(30,321)	(25,962)	(4,359)	17%

Cost of sales increased as compared to last year as a result of growth in non cash items (change in stripping assets and change in work in progress and finished goods) while cash expenses stood unchanged. Stripping asset decreased by US\$ -2.2 mln compared to 2016 as result of Barsyuchiy deposit depletion and amortization of previously capitalized stripping works. Work in progress and finished goods decreased by US\$ -2.4 mln as a result of sale of finished gold stock from 60.5 kg at the beginning of 2017 to 2.2 kg on December 31, 2017.

Our cash costs are mostly locked in Rubles. In Ruble terms our cash costs decreased year-on-year from 1,5 mln RUR to 1,3 mln RUR, or 14%, following decrease in mining volumes and Ruble inflation pattern. Decrease in Ruble costs was compensated by appreciation of Ruble against US\$: average RUR/US\$ ex-

change rate in 2017 was 58.3 compared to 67.1 in 2016, a decrease by 13%.

General and Administrative expenses (expenses of the Company's headquarters) were US\$2.4 mln, a reduction from 2016 levels by US\$ 0.3 mln or 10%.

Other operating expenses were on the level of previous period.

Other operating income in both periods primarily consisted of revenue from renting out Solcocon's equipment and providing minor services to our contractors. Equipment rental rate was increased in 2017 as compared to 2016. At the end of 2017 this equipment was sold for US\$ 1.7 mln (incl VAT).

Items affecting comparability in 2017 included one-off correction of input VAT in amount of US\$ 0.3 mln.

Financial expenses (interest) were US\$ 5.6 mln – a reduction of 24% over the previous year (2016 - US\$ -7.3 mln) reflecting the repayment of loan principal, reduction of interest loan on Company's principal bank loan with VTB (previously with PSB) from 10% to 8.3% (effective from August 2017) as well as reduction of interest on outstanding amount due to the KFM from 10% to 2%.

Income tax in the reporting period was almost nil and related to a change in deferred tax at the subsidiary level. This represented a tax loss carry-forward accumulation, set off by the increase of deferred tax liabilities, due to changes in local tax accounting policies. The income tax of US\$ -1.4 mln in 2016 was a non-cash expense and represented utilization of deferred tax assets against taxable income received by Group subsidiaries – Tardan and Moscow management company.

The loss after tax in 2017 was US\$ -2.2 mln compared to net profit US\$ 6.5 mln in 2016. Earnings per share for the period were US\$ -0.06 compared to 2016 of US\$ 0.36.

THE 2017 FINANCING

In August 2017 Auriant carried out a rights issue raising MSEK 142.4 (US\$ 18.0 mln), representing 80% of the issue and issuing 57,044,753 new shares. After applying 29,807,897 of the new shares towards conversion of MSEK 74.5 (US\$ 9.4 mln) of the main shareholders' convertible debt, the proceeds receivable by the Company were MSEK 67.9 (US\$ 8.6 mln) before transaction costs.

As result of 2017 Financing and operations the Company's net assets increased from MSEK -308.3 (US\$ -30.4 mln) at the end of 2016 to MSEK -185.9 to US\$ -19.7 mln at the end of 2017.

STATEMENT OF FINANCIAL POSITION

Current receivables as at 31 December 2017 included US\$ 1.7 mln in respect of the sale of surplus mining equipment and vehicles (which was received by the Company in February 2018), amounts of VAT filed for reimbursement from the state and other receivables under rent agreements.

LIABILITIES

During the year the Company reached agreement with Kronofogdemyndigheten ("KFM"), the Swedish enforcement authority, which took ownership of a debt previously owed by the Company to Mr. Preston Haskell,

under which the Company agreed to pay US\$ 2.0 mln in 2017, and further US\$2.0 mln in the 2nd half of 2018, with the balance due by the end of 2019, and an interest rate from 2017 of 2% (under the previous loan arrangement in 2016 – 10%) (US\$ 2.0 mln payable in 2018 is recorded in Other Interest Bearing Liabilities and US\$ 2.2 mln payable in 2019 is recorded in Other Long Term Liabilities).

INVESTMENTS, LIQUIDITY AND FINANCING

During 2017, operating activity was financed by gold sales, reimbursement of VAT and receipts from equipment rental agreements. In 2016 cash receipts also included US\$ 2.3 mln for management services of five gold properties located in Russia's Chukotka region and owned by Aristus Holdings Ltd and US\$ 2.5 mln of short-term bank financing. The amount of VAT reimbursed and receipts from rent agreements during the period were US\$ 5.1 mln (2016: US\$ 3.3 mln).

During the year the Company received net proceeds from the 2017 Financing of US\$ 6.2 mln. In addition, it refinanced the bank loan of US\$ 37.5 mln previously with PSB with VTB on improved terms including a revised term of 5 years, with a reduced principal repayment schedule in the first 2 years, and a reduced interest rate of 8.3%, 1.7% lower than before, which will produce an annual saving of US\$ 0.6 mln. This loan arrangement is secured with the assets of the Company. On December 31, 2017 under the loan agreement with VTB the Group had a commitment to issue a pledge of 100% of shares of LLC Tardan Gold, LLC GRE-324, LLC Kara-Beldyr and 99% of shares of LLC Uzhunzhul and sign guarantee agreements with Auriant Mining AB and Awilia Enterprises Limited in favor of VTB bank to be completed by March 31, 2018. VTB is the third largest bank in the Russian Federation, operating nationwide in both retail and corporate sectors.

During 2017, the Group repaid bank loans of US\$ 3.6 mln (2016: US\$ 7.7 mln) and an amount of US\$ 2.0 mln to KFM as stated above. The consolidated cash balance as of December 31, 2017 was US\$ 5.1 mln (December 31, 2016 – US\$ 4.2 mln).

Chief Financial Officer
Alexander Buchnev

Other financial information

The Company reports all its financial information in SEK and in US dollars. The exchange rates used in this report were US\$/SEK 8.9229, 8.7999, 8.1371 and 8.3155 for Q1 2017, Q2 2017, Q3 2017 and Q4 2017 P&L accounts, US\$/SEK 8.2322 for the statement of financial position as of December 31, 2017. For Q1 2016, Q2 2016, Q3 2016 and Q4 2016 accounts US\$/SEK 8.4567, 8.2115, 8.5204 and 9.042 for P&L and US\$/SEK 9.0971 for the statement of financial position was used.

SEGMENT INFORMATION

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

TRANSACTIONS WITH RELATED PARTIES

As at 31 December 2017 the Company owed US\$ 37.3 mln to Golden Impala reflecting the reduction of debt by US\$ 8.6 mln as a result of the 2017 Financing. Accrued interest expenses for transactions with related parties in 2017 amounted to US\$1.9 mln, including interest of US\$ 1.0 mln accrued at a discount rate of 9% p.a. for the convertible part of the bond liability.

During 2017 the Company received consulting services from a company related to Board member amounting to US\$ 0.1 mln and legal services from a company related to the main shareholder amounting to US\$ 0.3 mln.

EMPLOYEES

The group had on average 501 employees during the reporting period. As of 31 December 2017 the number of employees in the group was 483 (525 as of December 31, 2016).

CAPITAL STRUCTURE

The number of shares in issue as at 31 December 2017 was 74,847,182. 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\$ 0.0137). 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 has no income other than interest on loans extended to the subsidiaries from time to time or in respect of bank deposits.

INCOME AND RESULT OF THE PARENT COMPANY

Revenue for consulting services provided to subsidiary company in 2017 was MSEK 1.3 (US\$ 0.2 mln) (2016: MSEK 1.3 (US\$ 0.2 mln)).

During the reporting period external expenses increased by MSEK 0.6 (US\$ 0.1 mln) to MSEK -5.3 (US\$ -0.6 mln) mainly as result of legal services from

a company related to the main shareholder and PSB Group invoices for loan subordination with Golden Impala.

The operating loss for 2017 was MSEK -6.2 (US\$ -0.7 mln) compared to 2016 of MSEK -5.7 (US\$ -0.7 mln).

Net financial items for 2017 amounted to MSEK 21.8 (US\$ 2.6 mln) (2016: MSEK 16.7) (US\$ 2.0 mln)) and included interest expenses related to Golden Impala (the Shareholder's) bond of MSEK -16.0 (US\$ -1.9 mln) and interest expenses of MSEK -0.8 (US\$ -0.1 mln) to KFM. KFM took ownership of the US\$ 6.1 mln previously owed by Auriant Mining to Mr. Preston Haskell, a main shareholder. These expenses were compensated by net forex gain of MSEK 26.9 (US\$ 3.1 mln), intergroup loan interest income in amount of MSEK 11.1 (US\$ 1.3 mln) and non-cash net income of MSEK 0.7 (US\$ 0.1 mln) after partial reversal of impairment of loans to Solcocon.

Net profit for 2017 amounted to MSEK 15.6 (US\$ 1.8 mln) compared to 2016 of MSEK 11.0 (US\$ 1.3 mln).

FINANCIAL POSITION OF THE PARENT COMPANY

Total cash balance in the Parent Company was MSEK 0.257 (US\$ 0.031 mln) as of 31 December 2017 (31 December 2016 MSEK 0.057 (US\$ 0.006 mln)).

In 2017 Auriant has carried out a rights issue. Through the Offering, the number of shares in the Company increased by 57,044,753 shares. As a result, the Company received cash proceeds of MSEK 67.9 (app. US\$ 8.6 mln) before transaction costs. In addition, MSEK 74.5 (US\$ 9.4 mln) of the main shareholders' convertible debt was set off through subscription of 29,807,897 shares. Through the Offering, the share capital increased by MSEK 6.4 (US\$ 0.8 mln) and the additional paid in capital increased by MSEK 114.0 (US\$ 14.3 mln) net of transaction costs.

The change in long term and current liabilities was caused by reclassification a part of a debt to KFM (previously owed by Auriant Mining to Mr. Preston Haskell, a main shareholder) from current liabilities to long term liabilities. The debt will be paid by the Group to KFM in accordance with the following schedule: US\$ 2.0 mln in the 2nd half of 2018, and the remaining amount by the end of 2019. From 2017 the interest rate on the debt is 2% p.a. (in 2016 – 10%).

US\$ 2.0 mln was repaid to KFM during 2017. As a result, MSEK 16.5 (US\$ 2.0 mln) payable in 2018 were recorded in current liabilities line and amount of MSEK 17.8 (US\$ 2.2 mln) payable in 2019 were recorded in long term liabilities line.

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 79 in the annual report for financial year 2016. The evaluations and estimations made by the board of direc-

tors and management in preparing the interim report are described on page 87 in the annual report for 2016.

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 2016.

The same accounting principles are applied in this interim report as in the annual report 2016.

CHANGES IN ACCOUNTING PRINCIPLES APPLIED FROM JANUARY 1, 2018

From January 1, 2018, the Group will apply two new accounting standards, IFRS 9 Financial instruments and IFRS 15 Revenue from contracts with customers.

IFRS 9 Financial Instruments

IFRS 9 replaces IAS 39, Financial instruments; Recognition and measurement. IFRS 9 involves changes in how financial assets are classified and measured, introduces an impairment model for expected credit losses and changes in hedge accounting requirements. IFRS 9 introduces a new model to calculate the credit loss reserve based on expected loan losses.

The standard is effective from January 1, 2018. Early adoption is permitted; however, it was not adopted by the Group. The Group estimates that it will not have significant impact on the Group.

IFRS 15 Revenue from contracts with customers

The IASB has issued a new standard for the recognition of revenue. This will replace IAS 18 which covers contracts for goods and services and IAS 11 which covers construction contracts.

The new standard is based on the principle that revenue is recognised when control of a good or service transfers to a customer – so the notion of control replaces the existing notion of risks and rewards.

The standard is effective from January 1, 2018. The Group estimates that it will not have significant impact on the Group due to the revenue cycle specifics.

RISKS AND UNCERTAINTIES ASSOCIATED WITH THIS INTERIM REPORT

The group's risk exposure is presented on page 107 of the 2016 annual report. The Board of Directors believes that the most important risk factors for the time being are:

- a. Gold price risk: The fluctuations of the international gold price directly influence the revenues of a gold producing company.
- b. Currency risk: Auriant Mining operations and reporting is influenced by the gold price which is quoted in US\$, whereas production costs are in RUB, and reporting in SEK. Fluctuations in exchange rates could have a major impact on both local operational results and the SEK reported results.
- c. Inflation risk: The Russian economy has been subject to significant inflation pressure during the last few years. This directly impacts on the production costs in a gold mining company.
- d. Geological risk: The recoverable gold reserves of a gold exploration and production company are influenced by geological and economic factors. The estimation of reserves is therefore at all times dependent on the international gold price, costs associated with the extraction of the gold, etc. Therefore the estimated gold reserves of any gold company may change at any point in time. In particular the alluvial subsidiaries of the Auriant Mining group are sensitive to cost increases.
- e. Financial and project risk: Auriant Mining AB is a gold mining company and is involved in production of gold as well as exploration. The company is still dependent on external financing for the development of its business. If the availability of external financing were to be reduced it would negatively influence the future outlook of the company. The currently poor sentiments on global capital markets must be taken in to account.
- f. Legal risks: Auriant Mining operates in a complicated and challenging legal environment in Russia. Changes in the interpretations of tax legislation and in the legal environment may have significant impact on the company.

12 months 2017 operational update

PRODUCTION

Production unit	12m 2017		12m 2016		Change		
	kg*	oz	kg*	oz	kg*	oz	%
Hard rock							
Tardan (gravitational)	721.3	23,189	933.5	30,012	(212)	(6,823)	-23%
Tardan (heap leach)	40.4	1,298	144.8	4,657	(104)	(3,359)	-72%
Alluvial							
Solcocon	47.8	1,536	-	-	47.8	1,536	100%
Total gold produced	809.4	26,023	1,078.3	34,669	(268.9)	(8,646)	-25%

*Rounded to the nearest amount.

TARDAN

		12m 2017	12m 2016	Change	
Mining					
Waste stripping	000 m3	2,345	3,085	(740)	-24%
Ore mined	000 tonnes	394	418	(24)	-6%
Average grade	g/t	2.36	4.04	(1.68)	-42%
Gravitation					
Throughput	000 tonnes	41	77	(36)	-47%
Average grade	g/t	4.81	7.48	(2.67)	-36%
Recovery	%	21%	25%	-4%	-17%
Gold produced	kg*	40.4	144.8	(104)	-72%
Heap Leach					
Stacking					
Ore	000 tonnes	369	322	47	15%
Grade	g/t	2.02	3.22	(1.20)	-37%
Tailings	000 tonnes	85	63	22	34%
Grade	g/t	3.34	4.83	(1.49)	-31%
Gold in ore and tailings stacked	kg*	1,027	1,342	(315)	-23%
Gold produced	kg*	721.3	933.5	(212)	-23%
Warehouse on June 30					
Ore	000 tonnes	-	23	(23)	-100%
Grade	g/t	-	3.28	(3.28)	-100%
Tailings	000 tonnes	-	31	(31)	-100%
Grade	g/t	-	4.91	(4.91)	-100%

Financial reports

Consolidated income statement

	Q4 Oct-Dec 2017	Q4 Oct-Dec 2016	12 months Jan-Dec 2017	12 months Jan-Dec 2016	Q4 Oct-Dec 2017	Q4 Oct-Dec 2016	12 months Jan-Dec 2017	12 months Jan-Dec 2016
	TSEK	TSEK	TSEK	TSEK	US\$ 000	US\$ 000	US\$ 000	US\$ 000
Revenue	63,203	86,735	286,494	371,610	7,628	9,601	33,532	43,380
Cost of sales	(67,047)	(55,062)	(268,381)	(222,260)	(8,059)	(6,085)	(31,420)	(25,962)
Gross profit	(3,844)	31,673	18,113	149,350	(431)	3,516	2,112	17,418
General and administrative expenses	(3,520)	(8,911)	(21,064)	(23,505)	(425)	(985)	(2,447)	(2,725)
Other operating income	17,879	2,718	27,628	8,134	2,157	300	3,288	961
Other operating expenses	(452)	(444)	(2,379)	(2,038)	(55)	(50)	(278)	(238)
Items affecting comparability	(876)	-	(2,493)	-	(104)	-	(292)	-
Operating profit/(loss)	9,187	25,036	19,805	131,941	1,142	2,781	2,383	15,416
Financial income	43	-	53	148	5	-	6	18
Financial expenses	(9,494)	(16,669)	(47,644)	(62,370)	(1,146)	(1,844)	(5,574)	(7,287)
Currency gain/loss	(1,057)	(2,903)	8,867	(2,795)	(126)	(322)	1,028	(308)
Profit/(Loss) before income tax	(1,321)	5,464	(18,919)	66,924	(125)	615	(2,157)	7,839
Income tax	(177)	19,861	(192)	(11,860)	(30)	2,404	(28)	(1,355)
Net profit/(loss) for the period	(1,498)	25,325	(19,111)	55,064	(155)	3,019	(2,185)	6,484
Whereof attributable to:								
The owners of the parent company	(1,498)	25,325	(19,111)	55,064	(155)	3,019	(2,185)	6,484
Earnings per share before dilution (SEK, US\$)	(0.02)	1.42	(0.54)	3.09	(0.00)	0.17	(0.06)	0.36
Earnings per share after dilution (SEK, US\$)	(0.02)	1.37	(0.54)	2.98	(0.00)	0.16	(0.06)	0.35
Number of shares issued at period end	74,847,182	17,802,429	74,847,182	17,802,429	74,847,182	17,802,429	74,847,182	17,802,429
Average number of shares for the period	74,827,100	17,802,429	35,609,445	17,802,429	74,827,100	17,802,429	35,609,445	17,802,429
Average number of shares for the period after dilution	75,519,600	18,494,929	36,214,671	18,494,929	75,519,600	18,494,929	36,214,671	18,494,929

Consolidated statement of comprehensive income

	Q4 Oct-Dec 2017 TSEK	Q4 Oct-Dec 2016 TSEK	12 months Jan-Dec 2017 TSEK	12 months Jan-Dec 2016 TSEK	Q4 Oct-Dec 2017 US\$ 000	Q4 Oct-Dec 2016 US\$ 000	12 months Jan-Dec 2017 US\$ 000	12 months Jan-Dec 2016 US\$ 000
Net profit/loss for the period	(1,498)	25,325	(19,111)	55,064	(155)	3,019	(2,185)	6,484
Other comprehensive income								
Translation difference	(2,805)	(12,415)	33,487	(9,261)	61	859	(768)	2,804
Total comprehensive income for the period	(4,303)	12,910	14,376	45,803	(94)	3,878	(2,953)	9,288

Consolidated statement of financial position

	December 31, 2017	December 31, 2016	December 31, 2017	December 31, 2016
	TSEK	TSEK	US\$ 000	US\$ 000
ASSETS				
FIXED ASSETS				
Intangible fixed assets	164,186	168,583	23,460	22,575
Tangible fixed assets	158,366	199,648	19,214	21,897
Stripping assets	24,264	36,400	2,947	4,001
Deferred tax assets*	36,288	35,832	3,777	3,434
Total fixed assets	383,104	440,463	49,397	51,907
CURRENT ASSETS				
Materials	10,755	12,470	1,307	1,370
Work in progress	49,531	44,683	6,017	4,912
Finished products	830	14,563	101	1,601
Current receivables	42,393	36,219	5,148	3,981
Advanced paid	12,010	9,324	1,460	1,025
Cash and cash equivalents	41,730	37,959	5,069	4,173
Total current assets	157,249	155,218	19,102	17,062
TOTAL ASSETS	540,353	595,681	68,499	68,969
EQUITY AND LIABILITIES				
EQUITY				
Share capital	8,420	2,003	1,117	307
Additional paid in capital	498,856	397,382	72,615	59,808
Retained earnings	(571,225)	(552,114)	(79,788)	(77,603)
Translation difference reserve	(122,043)	(155,530)	(13,678)	(12,910)
TOTAL EQUITY	(185,992)	(308,259)	(19,734)	(30,398)
LONG TERM LIABILITIES				
Deferred tax liabilities*	2,422	-	294	-
Bank loans and other notes	278,167	134,934	33,790	14,833
Lease payable	527	1,227	64	135
Debt to shareholder (bond)	307,128	393,764	37,308	43,285
Other long-term liabilities	87,238	63,367	10,598	6,966
Total long term liabilities	675,482	593,292	82,054	65,218
CURRENT LIABILITIES				
Trade accounts payable	3,542	6,322	430	695
Bank loans payable	16,464	223,320	2,000	24,549
Other interest bearing liabilities	17,899	6,392	2,174	703
Shareholder loans payable	-	55,158	-	6,063
Other current liabilities	12,958	19,456	1,575	2,139
Total current liabilities	50,863	310,648	6,179	34,149
TOTAL EQUITY AND LIABILITIES	540,353	595,681	68,499	68,969

* For presentation purposes deferred tax assets and deferred tax liabilities were offset on subsidiaries' level in accordance with p.74 IAS 12.

Consolidated statement of changes in equity

Attributable to the shareholders of the parent company

All amounts in TSEK	Share capital	Additional paid in capital	Translation difference reserve	Retained earnings	Total equity
Equity as at December 31, 2015	2,003	397,634	(146,269)	(607,178)	(353,810)
Comprehensive income					
Net profit/loss for the period				55,064	55,064
Other comprehensive income			(9,261)		(9,261)
Total comprehensive income for the period	-	-	(9,261)	55,064	45,803
Transactions with owners in their capacity as owners					
Warrants and options issue		(252)			(252)
Total transactions with owners in their capacity as owners	-	(252)	-	-	(252)
Equity as at December 31, 2016	2,003	397,382	(155,530)	(552,114)	(308,259)
Comprehensive income					
Net profit/loss for the period				(19,111)	(19,111)
Other comprehensive income			33,487		33,487
Total comprehensive income for the period	-	-	33,487	(19,111)	14,376
Transactions with owners in their capacity as owners					
Proceeds from share issued	6,418	113,965			120,383
Convertible part of bond		(12,455)			(12,455)
Warrants and options issue		(37)			(37)
Total transactions with owners in their capacity as owners	6,418	101,474	-	-	107,891
Equity as at December 31, 2017	8,420	498,856	(122,043)	(571,225)	(185,992)

Consolidated statement of changes in equity

Attributable to the shareholders of the parent company

All amounts in US\$'000	Share capital	Additional paid in capital	Translation difference reserve	Retained earnings	Total equity
Equity as at December 31, 2015	307	59,838	(15,714)	(84,087)	(39,656)
Comprehensive income					
Net profit/loss for the period				6,484	6,484
Other comprehensive income			2,804		2,804
Total comprehensive income for the period	-	-	2,804	6,484	9,288
Transactions with owners in their capacity as owners					
Warrants and options issue		(30)			(30)
Total transactions with owners in their capacity as owners	-	(30)	-	-	(30)
Equity as at December 31, 2016	307	59,808	(12,910)	(77,603)	(30,398)
Comprehensive income					
Net profit/loss for the period				(2,185)	(2,185)
Other comprehensive income			(768)		(768)
Total comprehensive income for the period	-	-	(768)	(2,185)	(2,953)
Transactions with owners in their capacity as owners					
Proceeds from share issued	810	14,326			15,136
Convertible part of bond		(1,515)			(1,515)
Warrants and options issue		(4)			(4)
Total transactions with owners in their capacity as owners	810	12,807	-	-	13,617
Equity as at December 31, 2017	1,117	72,615	(13,678)	(79,788)	(19,734)

Consolidated cash flow statement

	Q4 Oct-Dec 2017 TSEK	Q4 Oct-Dec 2016 TSEK	12 months Jan-Dec 2017 TSEK	12 months Jan-Dec 2016 TSEK	Q4 Oct-Dec 2017 US\$ 000	Q4 Oct-Dec 2016 US\$ 000	12 months Jan-Dec 2017 US\$ 000	12 months Jan-Dec 2016 US\$ 000
OPERATING ACTIVITIES								
Receipts from customers	69,913	87,744	283,509	389,568	8,408	9,704	33,540	45,544
VAT and other reimbursement	11,663	8,223	43,274	28,236	1,403	909	5,112	3,295
Payments to suppliers	(28,087)	(42,998)	(154,304)	(169,780)	(3,378)	(4,755)	(18,110)	(19,893)
Payments to employees and social taxes	(17,929)	(15,572)	(78,307)	(64,820)	(2,156)	(1,722)	(9,172)	(7,595)
Income tax paid	(51)	-	(687)	(219)	(6)	-	(79)	(27)
Other taxes paid	(5,225)	(10,487)	(23,066)	(33,420)	(628)	(1,160)	(2,723)	(3,897)
Net cash flows from/(used in) operating activities	30,284	26,910	70,419	149,566	3,643	2,976	8,569	17,429
INVESTING ACTIVITIES								
Purchase and construction of property plant and equipment	(9,687)	(1,258)	(14,360)	(12,222)	(1,165)	(139)	(1,716)	(1,448)
Exploration and research works	(2,377)	(2,185)	(8,777)	(8,034)	(286)	(242)	(1,038)	(943)
Purchases of financial assets	-	-	(2,206)	-	-	-	(271)	-
Net cash flows used in investing activities	(12,064)	(3,443)	(25,343)	(20,256)	(1,451)	(381)	(3,025)	(2,391)
FINANCING ACTIVITIES								
Proceeds from borrowings, net	-	-	-	20,531	-	-	-	2,500
Receipts from share issue	41,806	-	51,158	-	5,029	-	6,178	-
Repayment of borrowings, net	(25,842)	-	(47,364)	(65,442)	(3,108)	-	(5,608)	(7,723)
Interest paid	(6,415)	(13,813)	(29,349)	(39,354)	(771)	(1,528)	(3,486)	(4,554)
Lease payments	(1,109)	(2,672)	(8,443)	(9,711)	(133)	(296)	(978)	(1,134)
Transaction costs arising on share issue	(601)	-	(5,267)	-	(72)	-	(646)	-
Other finance income/expenses	-	-	-	113	-	-	-	14
Net cash from/(used in) financing activities	7,840	(16,485)	(39,265)	(93,864)	945	(1,823)	(4,540)	(10,899)
Net increase/(decrease) in cash and cash equivalents	26,061	6,982	5,811	35,446	3,137	773	1,004	4,140
Net foreign exchange difference	(529)	47	(2,039)	2,152	(65)	(188)	(108)	(10)
Opening balance cash and cash equivalents	16,199	30,930	37,959	361	1,997	3,588	4,173	43
Closing balance cash and cash equivalents	41,730	37,959	41,730	37,959	5,069	4,173	5,069	4,173

Consolidated Key Ratios

	12 months Jan-Dec 2017	12 months Jan-Dec 2016	12 months Jan-Dec 2017	12 months Jan-Dec 2016	Definitions
	TSEK	TSEK	US\$ 000	US\$ 000	
Total assets	540,353	595,681	68,499	68,969	Total assets at period end
Total equity	(185,992)	(308,259)	(19,734)	(30,398)	Total equity including non controlling interest at period end
Interest bearing debt	635,089	834,727	77,147	91,758	Total interest bearing debt at the period end
Employees at period end	483	525	483	525	
EBITDA	76,587	188,462	9,037	22,004	Earnings Before Interest, Tax, Depreciation, Amortization and any Impairment.
Per share data					
Earnings per share (SEK, USD)	(0.54)	3.09	(0.06)	0.36	Net result after tax for the period divided by the average number of outstanding shares at the period end
Equity per share (SEK, USD)	(2.48)	(17.32)	(0.26)	(1.71)	Equity excluding non controlling interests at the period end divided by the number of outstanding shares at the period end

Parent company income statement

	Q4 Oct-Dec 2017 TSEK	Q4 Oct-Dec 2016 TSEK	12 months Jan-Dec 2017 TSEK	12 months Jan-Dec 2016 TSEK	Q4 Oct-Dec 2017 US\$ 000	Q4 Oct-Dec 2016 US\$ 000	12 months Jan-Dec 2017 US\$ 000	12 months Jan-Dec 2016 US\$ 000
Income								
Operating income	180	1,283	1,342	1,291	22	150	157	151
Total income	180	1,283	1,342	1,291	22	150	157	151
Operating costs								
External expenses	(2,378)	(2,260)	(5,274)	(4,719)	(281)	(258)	(617)	(551)
Employee benefit expenses	(780)	(297)	(2,304)	(2,306)	(93)	(30)	(270)	(269)
Total operating costs	(3,158)	(2,557)	(7,577)	(7,025)	(374)	(288)	(887)	(820)
Operating profit/loss	(2,978)	(1,273)	(6,235)	(5,735)	(352)	(138)	(730)	(669)
Net financial items	956	304	21,833	16,714	133	(1)	2,555	1,953
Profit/loss before income tax	(2,022)	(970)	15,598	10,980	(219)	(139)	1,825	1,284
Income tax	-	-	-	-	-	-	-	-
Net profit/loss for the period	(2,022)	(970)	15,598	10,980	(219)	(139)	1,825	1,284

Parent company statement of comprehensive income

	Q4 Oct-Dec 2017 TSEK	Q4 Oct-Dec 2016 TSEK	12 months Jan-Dec 2017 TSEK	12 months Jan-Dec 2016 TSEK	Q4 Oct-Dec 2017 US\$ 000	Q4 Oct-Dec 2016 US\$ 000	12 months Jan-Dec 2017 US\$ 000	12 months Jan-Dec 2016 US\$ 000
Net profit/loss for the period	(2,022)	(970)	15,598	10,980	(219)	(139)	1,825	1,284
Translation differences	-	-	-	-	(660)	(1,441)	2,338	(2,328)
Total comprehensive income for the period	(2,022)	(970)	15,598	10,980	(879)	(1,580)	4,163	(1,044)

Parent company statement of financial position

	December 31, 2017 TSEK	December 31, 2016 TSEK	December 31, 2017 US\$ 000	December 31, 2016 US\$ 000
ASSETS				
FIXED ASSETS				
Financial fixed assets	705,452	690,488	85,694	75,902
Total fixed assets	705,452	690,488	85,694	75,902
CURRENT ASSETS				
Current receivables	1,884	1,949	229	214
Cash and bank	257	57	31	6
Total current assets	2,141	2,006	260	220
TOTAL ASSETS	707,594	692,494	85,954	76,122
EQUITY AND LIABILITIES				
Total equity	364,093	240,604	44,228	26,448
Long term liabilities	325,810	394,658	39,577	43,383
Current liabilities	17,691	57,232	2,149	6,291
TOTAL EQUITY AND LIABILITIES	707,594	692,494	85,954	76,122

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, 2015 Restated	2,003	266,306	624,340	-	(708,719)	45,947	229,876
Profit/loss brought forward					45,947	(45,947)	-
Comprehensive income							
Net profit/loss for the period						10,980	10,980
Other comprehensive income				-			-
Total comprehensive income for the period	-	-	-	-	-	10,980	10,980
Transactions with owners in their capacity as owners							
Warrants and options issue			(252)				(252)
Total transactions with owners in their capacity as owners	-	-	(252)	-	-	-	(252)
Equity as at December 31, 2016	2,003	266,306	624,088	-	(662,772)	10,980	240,604
Profit/loss brought forward					10,980	(10,980)	-
Comprehensive income							
Net profit/loss for the period						15,598	15,598
Other comprehensive income				-			-
Total comprehensive income for the period	-	-	-	-	-	15,598	15,598
Transactions with owners in their capacity as owners							
Proceeds from share issued	6,418		113,965				120,383
Convertible part of bond			(12,455)				(12,455)
Warrants and options issue			(37)				(37)
Total transactions with owners in their capacity as owners	6,418	-	101,474	-	-	-	107,891
Equity as at December 31, 2017	8,420	266,306	725,562	-	(651,792)	15,598	364,093

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, 2015 Restated	307	40,872	94,632	(5,581)	(108,154)	5,447	27,522
Profit/loss brought forward					5,447	(5,447)	-
Comprehensive income							
Net profit/loss for the period						1,284	1,284
Other comprehensive income				(2,328)			(2,328)
Total comprehensive income for the period	-	-	-	(2,328)	-	1,284	(1,044)
Transactions with owners in their capacity as owners							
Warrants and options issue			(30)				(30)
Total transactions with owners in their capacity as owners	-	-	(30)	-	-	-	(30)
Equity as at December 31, 2016	307	40,872	94,602	(7,909)	(102,707)	1,284	26,448
Profit/loss brought forward					1,284	(1,284)	-
Comprehensive income							
Net profit/loss for the period						1,825	1,825
Other comprehensive income				2,338			2,338
Total comprehensive income for the period	-	-	-	2,338	-	1,825	4,163
Transactions with owners in their capacity as owners							
Proceeds from share issued	810		14,326				15,136
Convertible part of bond			(1,515)				(1,515)
Warrants and options issue			(4)				(4)
Total transactions with owners in their capacity as owners	810	-	12,807	-	-	-	13,617
Equity as at December 31, 2017	1,117	40,872	107,409	(5,571)	(101,423)	1,825	44,228

Parent company cash flow statement

	Q4 Oct-Dec 2017	Q4 Oct-Dec 2016	12 months Jan-Dec 2017	12 months Jan-Dec 2016	Q4 Oct-Dec 2017	Q4 Oct-Dec 2016	12 months Jan-Dec 2017	12 months Jan-Dec 2016
	TSEK	TSEK	TSEK	TSEK	US\$ 000	US\$ 000	US\$ 000	US\$ 000
OPERATING ACTIVITIES								
Receipts from customers	-	-	1,621	-	-	-	198	-
VAT and other reimbursement	317	-	727	72	38	-	87	9
Payments to suppliers	(1,752)	(1,649)	(6,881)	(8,205)	(211)	(182)	(778)	(961)
Payments to employees and the Board members	(728)	(289)	(2,532)	(1,765)	(88)	(32)	(297)	(208)
Income tax paid	-	-	-	-	-	-	-	-
Other taxes paid	-	-	-	-	-	-	-	-
Net cash flows used in operating activities	(2,163)	(1,938)	(7,065)	(9,898)	(260)	(214)	(791)	(1,161)
INVESTING ACTIVITIES								
Borrowings given	(31,500)	-	(22,097)	-	(3,788)	-	(2,706)	-
Net cash flows used in investing activities	(31,500)	-	(22,097)	-	(3,788)	-	(2,706)	-
FINANCING ACTIVITIES								
Proceeds from borrowings	-	1,410	-	9,922	-	156	-	1,180
Receipts from share issue	41,806	-	51,158	-	5,029	-	6,178	-
Repayment of borrowings	(8,368)	-	(16,481)	-	(1,000)	-	(2,000)	-
Transaction costs arising on share issue	(601)	-	(5,267)	-	(72)	-	(646)	-
Net cash from financing activities	32,838	1,410	29,410	9,922	3,957	156	3,532	1,180
Net increase/(decrease) in cash and cash equivalents	(825)	(527)	248	24	(91)	(58)	34	19
Net foreign exchange difference	2	-	(48)	(41)	111	(3)	(9)	(22)
Opening balance cash and cash equivalents	1,080	584	57	73	11	68	6	9
Closing balance cash and cash equivalents	257	57	257	57	31	6	31	6

Additional Information

NEXT REPORTS DUE

2017 Annual Report

April 23, 2018

Interim report (Q1) January – March 2018:

May 31, 2018

Interim report (Q2) April – June 2018:

August 31, 2018

Interim report (Q3) July – September 2018:

November 30, 2018

Interim report (Q4) October – December 2018:

February 28, 2019

COMPANY INFORMATION

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

Since July 19, 2010, Auriant Mining's shares are traded on First North Premier at the NASDAQ OMX Nordic Exchange under the short name AUR. For more information please visit www.auriant.com. Mangold Fondkommission is Certified Adviser to Auriant, for more information please call +46 8 503 015 50 or visit www.mangold.se.

BOARD ASSURANCE

Proposal for loss treatment

The Board of Directors and the Chief Executive Officer propose that Company's accumulated losses are carried forward and that no dividend is paid for the financial year.

The Board of Directors resolved to approve 14 May 2018 as the date of the 2018 AGM and 26 March 2018 as the closing date for shareholders to submit to the Board issues for inclusion in the notice of the AGM. The 2018 AGM will be held at Näringslivets Hus, Storgatan 19, 114 85 Stockholm.

The annual report will be published during week 17 and will be available at www.auriant.com.

Stockholm, February 28, 2018

Auriant Mining AB (publ.)

Lord Daresbury
Chairman of the Board

Preston Haskell
Board Member

Ingmar Haga
Board Member

Patrik Perenius
Board Member

Sergey Ustimenko
CEO

This report has not been reviewed by the auditors.

Cautionary Statement: Statements and assumptions made in this report with respect to Auriant Mining AB's ("AUR") current plans, estimates, strategies and beliefs, and other statements that are not historical facts, are forward-looking statements about the future performance of AUR. Forward-looking statements include, but are not limited to, those using words such as "may", "might", "seeks", "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, or under the applicable law of another country.