AURIANT MINING

ANNUAL REPORT 2012

Auriant Mining in brief

Auriant Mining AB ("AUR AB") is a Swedish junior mining company, focused on gold exploration and production in Russia. The company has two producing mines, Tardan in the Republic of Tyva, and Solcocon in the Zabaikalsky region. In addition it has one early stage exploration property – Uzhunzhul in the Republic of Khakassia, and an advanced exploration property - Kara-Beldyr, in the Republic of Tyva which is operated as a joint venture with Centerra Gold Inc., a major Canadian gold producer.

Auriant's main assets comprise a number of mineral licenses held by the various subsidiaries. The licenses as at the end of December 2012 are estimated to contain around 1 million troy ounces (1 oz = 31.1 g) of gold resources according the Russian C1 and C2 categories (or approximately 30 tonnes of gold), including 150,000 oz (or approximately 4.8 tonnes) of gold resources according to Canadian NI 43-101 representing Auriant's share of Kara-Beldyr resources

As of the end December 2012 Auriant employed 716 people, excluding contractors. In 2012, 642 kg (20,640 oz) of gold were produced, an increase of 57% compared with 2011 gold production.

Auriant is headquartered in Stockholm, Sweden, and is listed on the Swedish NASDAQ OMX First North Premier stock exchange. The number of shareholders was approximately 3,200 and the company had 17,616,987 ordinary shares in issue as of December 28, 2012. As of the end of 2012 Auriant had a market capitalization of approximately MSEK 250 (equivalent to US$ 37 m).

OUR GOAL

Our long term goal is to become a leading, sustainable and efficient medium sized gold producer. We will achieve this through creating value for our shareholders by minimizing risks related to exploration, mining, and processing of our mineral resources. Our primary focus is on gold production in Russia but we may diversify into other minerals and countries over time.

OUR STRATEGY

The growth and sustainability of the company will rely on: 1) in the short term a focus on existing assets and ramping up production to reach full capacity at our operating mines; 2) over the medium term continuing exploration at our existing properties to expand resources, extend mine lives, and construct and place new mines into production; and 3) in the medium to long term position Auriant as a consolidation vehicle for Russian gold assets.

Content

Our values

PEOPLE
Safety
People are our most important asset. Our mines are built and operated by our employees and it is our highest priority to create and maintain a safe and healthy working environment for them. We are constantly searching for new and innovative methods to ensure the safety of our employees. We can proudly say that the level of accidents and injuries is very low in the company compared to the rest of the sector.

Respect
We are committed to providing a positive working environment free of discrimination and harassment in all of our activities. We act and treat each other with dignity and respect. We believe that employees who are treated with respect have a higher level of professional performance. All our employees are given equal opportunities for career development. We reward and encourage teamwork, creativity and innovation.

ENVIRONMENT AND THE COMMUNITY
Social responsibility
We are actively engaged in the local communities in the areas where we operate by, among other things, supporting and contributing to education and infrastructure and by prioritizing the local population when employing staff in the company.

Responsible mining
Environmental responsibility is a central issue in a company with operations involving environmental risks. The majority of the Company's activities are carried out in areas which are sensitive to the impact of mining operations. Auriant understands that there are people living around us and therefore seeks to minimize the negative impacts of our operations on the environment, by focusing on adopting innovative technologies, continuously optimizing resource utilization and decreasing waste.

INTEGRITY AND CORPORATE GOVERNANCE
Auriant's success is dependent on trust and support from all stakeholders, including shareholders, employees, suppliers, contractors, Government, and local communities, which is why we are committed to the highest standards of integrity and sustainability. We have zero tolerance for corruption and aim to have maximally transparent relations with Government authorities, defending our interests in court where necessary. We genuinely believe that good corporate governance adds shareholder value and therefore the majority of our Board is composed of non-executive, independent directors with extensive experience of mining and running public companies. Going forward we intend to further strengthen our corporate governance in order to deliver maximum shareholder value.

Significant events during 2012

MAY 2012
Denis Alexandrov was appointed as CEO of Auriant Mining AB. He brings to the position over 15 years of experience of gold mining in Russia.

AUGUST 2012
Tardan heap leaching plant commissioned and starts gold production.

NOVEMBER 2012
A new Board is appointed with a majority of independent directors.

NOVEMBER 2012
An EGM approves a new compensation and incentive plan for senior management.

DECEMBER 2012
The company resolves its liquidity issues with new bank loan facilities and restructuring of the shareholder loan.

DECEMBER 2012
The Company completes its management restructuring with most key managers replaced.

Dear Fellow Shareholders,

This last year was transformational for Auriant. Operationally the Company passed a major milestone with the commissioning of the new heap leaching plant at Tardan and production of significant amounts of gold from our hard rock deposits. In June, we appointed Denis Alexandrov as the new CEO of the company. His previous experience includes CFO and Board member of Highland Gold Mining where he helped to IPO the company on the London Stock Exchange, CFO at Arlan, a leading Russian mining private equity fund, CFO and acting CEO of A1 Investments, one of the leading investment funds in Russia. Denis brings over 15 years of experience of gold mining in Russia, and more importantly extracting value from gold mining operations. He has restructured and dramatically strengthened the management of the Company and I am confident that we now have an excellent team to take Auriant to the next stage of its development.

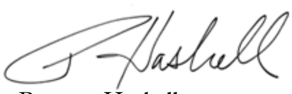
In 2012 we had some major changes to our Board. Niclas Eriksson, Tom Baring, Nick Harwood, Gordon Wylie, and Lars Guldstrand stepped down. On behalf of myself and the company I would like to extend our gratitude for their service and support for Auriant. They helped us in taking a company with mostly exploration assets and turning it into a gold producer. I would like to wish them every success in their future endevours.

In addition to myself as Chairman and Denis Alexandrov as the only executive member we have several new Board members. Lord Peter Daresbury's extensive mining and CIS experience includes previously serving as Chairman of Kazakhgold Group, and Chairman of Highland Gold Mining, as well as being a member of the Fleming Family and Partners Private Equity Investment Committee. André Bekker is one of South Africa's leading precious metals geologists. His long experience includes being Chief Geologist for the Industrial Development Corporation of South Africa, serving on the boards of two listed South African Companies, as well as being an Executive Officer of Sylvania Platinum. Ingmar Haga also has a long career in mining and is currently head of European operations for Agnico-Eagle, a prominent global gold producer. Previously he was President of Polar Mining Oy a Nordic gold miner, and before that had a long career with the Outokumpu Group of Finland.

In addition I am pleased to say that Sergei Kashuba, a highly respected person in the Russian gold mining industry, has become an advisor to the Board. Sergei is currently the Chairman of the Russian Union of Gold Producers (RUGP) and is a member of the Public Council of the Federal Subsoil Resources Management Agency (Rosnedra) as well as being a member of the Precious Metals Mining Committee of the Chamber of Trade and Commerce of Russia. We are proud to have the benefit of his long experience in gold mining and unparalleled knowledge of Russian gold deposits and miners.

Auriant is now a completely different company to its predecessor, with a new name, new CEO and management and a new Board. The Company has developed a new strategy which I am confident will see the company transformed into an efficient intermediate gold producer in the mid-term.

The recent turmoil in the gold mining industry obiviously had an impact on our share price and as a major shareholder this is a disappointing trend to observe. Although market sentiment towards junior gold mines remains negative, I believe that delivering consistant performance on achieving our targets and having a sustainable development strategy should differentiate Auriant and help close the gap between our market valuation and our peers.



Preston Haskell
Chairman
Auriant Mining AB

During 2012 AURIANT transformed into a NEW COMPANY

Auriant has turned the corner

2012 was a momentous year for the Company. We completed our restructuring programme, changed the management team (and at our sites as well) and made the successful transition towards eventually becoming an intermediate gold producer as well as developing a new growth strategy. Going forward, our strategy is three-fold. Firstly, during 2013–14 we will focus on our existing producing assets and increase production to achieve full capacity. Secondly, over the medium term, we will continue exploration at our existing properties to increase our reserves and mine lives, as well as develop a base for further production increases. Finally, in the mid to long term the Company should be well positioned to become a consolidation vehicle with transformational M&A opportunities.

In 2012 we finally completed our transition from a mostly alluvial mining company into a fully hard rock gold miner. Our last alluvial operation, Gold Borzya, which is part of our larger Solcocon license, was outsourced to an experienced operator, with Auriant receiving an effective royalty of 18% on all gold sales.

Since I joined the Company on June 1st 2012 one of the major tasks was to restructure the senior management team. This restructuring is now complete with our new team comprising Mihail Fedulov as CFO, Max Yacoub as Chief Investment Officer responsible for investment opportunities and investor relations, Sergei Shumilov as HR director, Igor Oglov as COO, Vladimir Churin as Chief Geologist, and Ekaterina Babaeva as Group General Counsel. In addition we have appointed new managers at our mines and are completing the restructuring of all key positions there.

In August we commissioned our new heap leach operation at our Tardan mine together with a new plant. Tardan produced on target 412 kg (13,246 oz) in 2012, mostly from heap leaching operations. With the plant commissioned our major Tardan capex is behind us and we expect 2013 production of 500–600 kg (16,000–19,000 oz). Our major task for Tardan in 2013 is to ramp up to full production of 1,000–1,200 kg (32,000–38,500 oz) by 2015. Our main activities at Tardan in 2013 will focus on resumed stripping and mining operations following the cessation of mining in 2012 due to a shortage of financing, which resulted in insufficient ore stockpiled for 2013 gold production. In total we aim to mine 300,000 tonnes of ore, stack 350,000 tonnes (including gravitational tailings), as well as strip 1.5m tonnes of overburden for 2014 production. In addition we intend to gradually upgrade our vehicle fleet at Tardan in order to increase ore throughput (primarily by acquiring vehicles and equipment with greater load capacity).

As per previous Company announcements in 2012 Solcocon underperformed with production of 116 kg (3,729 oz) due to Company resources being diverted to commissioning of the new Tardan heap leach plant. In 2013 our efforts will be geared towards de-bottlenecking at Solcocon. In previous years we had low reserve preparation and therefore this year we will focus on exploration to increase production. With improved production exploration this year we hope to mine 330,000 tonnes of ore, or about three times as much as in previous years. In order to process more ore and increase production we will need to build a new heap leach pad and stockpile more ore. In addition we will need to increase crushing capacity by completing the upgrade started with the purchase of a new crusher in 2012. At the plant we intend to increase throughput of the heap solution in 2013 by the installation of two additional sorption columns. In 2013 we are forecasting production at Solcocon of 300–350 kg (9,600–11,250 oz), with final ramp up achieved in 2014–15 of 500–700kg (16,000–22,500 oz) per year.

In total our capex requirement for 2013 is around US$ 19 million of which about US$ 10 million we are allocating to Tardan for 20,000 m of diamond drilling, new mining equipment, and an additional heap leach pad. Around US$ 3.5 million will be spent on Solcocon on new equipment, completion of the crusher capacity upgrade

and installation of new equipment at the plant. In addition our overall stripping works for 2014 will come to around US$ 5 million.

Going forward we hope to achieve gold production of 2 tonnes (64,000 oz) by 2015 from our existing operations. We will be further investing in exploration at our existing properties to increase reserves and extend mine life at both Tardan and Solcocon, as well as continuing exploration at our earlier-stage properties of Uzhunzhul and Kara-Beldyr (our joint venture with Centerra Gold). In total we have over 900 km^2 of prospective license areas to continue our exploration efforts.

In the mid to long term we would like to grow the company to become an intermediate gold producer through both organic growth as well positioning the company as a vehicle for gold asset consolidation in Russia. To that end we are hoping in the next 9–18 months, to seek to relist our shares on the main NASDAQ market in Stockholm to boost our attractiveness to investors and improve liquidity for shareholders.

With regards to our cash flow position, we are sufficiently funded for 2013 and will not need to raise any additional capital. In 2012 we developed strong relationships with Promsvyazbank and Svyazbank and our investment needs in 2013 will be met through retained earnings and bank debt. We also successfully consolidated and restructured our debts to the majority shareholder. Previous shareholder loans have now been consolidated into one unsecured debt instrument, with a longer tenor (to mid 2014), and with a much lower interest rate.

In summary, I believe Auriant has turned the corner and is now on track to significantly increase gold production in the near future. In 2013 we will need to focus on achieving our production ramp up and completing the introduction of cost control and efficiency improvement programmes, and laying the foundations for future growth of the Company.

Denis Alexandrov
Chief Executive Officer
Auriant Mining AB

Auriant's Gold Assets

GROUP PRODUCTION

Production unit	License area	2012 kg	2012 oz	2011 kg	2011 oz
Hard rock					
Tardan (gravitational)	Tardan	55	1,768	96	3,086
Tardan (heap leach)	Tardan	357	11,478	–	
Solcocon	Staroverinskaya	116	3,729	238	7,652
		528	16,975	334	10,738
Alluvial					
Borzya	Staroverinskaya	114	3,665	76	2,443
Total		**642**	**20,640**	**410**	**13,182**

TARDAN

License

The Greater Tardan area covers 540 km^2, and contains two licenses. The first is an exploration and mining license for the Greater Tardan license area (see map on page 9), issued on 22 August 2007 and valid till August 2032 and in good standing. The second is the exploration and mining license for the current Tardan mine, and covers 3.3 km^2.

The Tardan exploration and mining license, which is in good standing, was issued on 27 July, 2004 and is valid till 1 October, 2028. The Tardan area has good infrastructure and is located only 80 km to the east of Kyzyl, the capital of the Republic of Tyva.

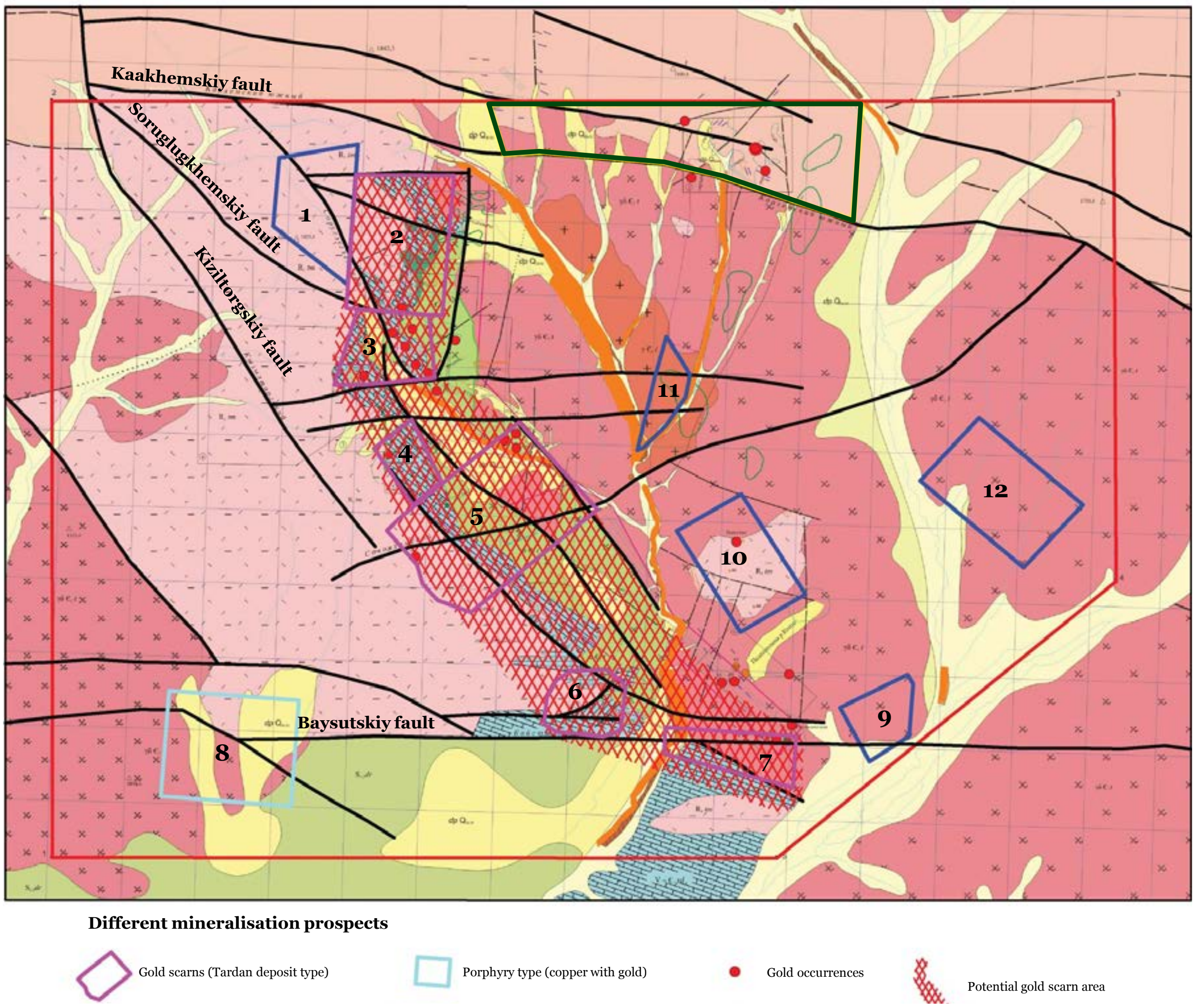
Geology of the Greater Tardan License Area

The Greater Tardan license features Lower Cambrian (metasandstones, chlorite schists, quartz porpheries, limestones), and Silurian rocks (conglomerates and gravelites with limestones).

Intrusive rocks are represented by meta-gabbro, granites, and gabbro. The majority of the gold occurences and the Tardan deposit are located on the contact of the Kopto-Baisyutiskiy intrusive massif of diorites and gabbro-diorites.

The tectonic structure is grouped into three fault systems: east-west (Kaakhemsky, Bay-Suyitsky) north west (Soruglug-Khem, Kyzltorgskiy and Tardanskiy), and north east strikes. The north west faults are grouped into one tectonic zone controlling the majority of the scarn gold mineralization. These prospects, all of which are of the same scarn type as found in the Tardan deposit, hold the greatest potential for increasing reserves for the current heap leach operation at the Tardan mine in the short term.

THE GREATER TARDAN LICENSE AREA



Key

1 Khorum-Koshke	7 Yuzhno-Tardanskiy
2 Verkhne Bai-Sutsckiy	8 Kara-Sug
3 Soruglug-Khem	9 Kopto-2
4 Pravoberezhniy	10 Barsuchiy
5 Maliy Soruglug-Khem	11 Ust-Khorlelig
6 Tardan deposit and mine	12 Kurlug

TARDAN RESERVES

	C1				C2				C1+C2			
	Ore, 000 t	Au, g/t	Au, kg	Au, 000 oz	Ore, 000 t.	Au, g/t	Au, kg	Au, 000 oz	Ore, 000 t	Au, g/t	Au, kg	Au, 000 oz
Tardan deposit	1,490	3.07	4,574	147	524	4.45	2,332	75	2,014	3.42	6,906	222
Tardan license					270	6.14	1,656	53	270	6.14	1,656	53
Total	**1,490**	**3.07**	**4,574**	**147**	**794**	**5.02**	**3,988**	**128**	**2,284**	**3.75**	**8,562**	**275**

THE TARDAN MINE

In addition to the scarn type mineralization, the Greater Tardan license area holds prospects with other types of mineralization, which will be subject to further exploration. The map of the Greater Tardan License area (see map on page 9) shows these prospects:

1. Dark blue – gold-sulphide mineralization, represented by veinlets zones
2. Light blue – copper porphyry (with gold) mineralization
3. Yellow – gold mineralization of black shale formations (Sukhoy Log type)

In summary, in the Greater Tardan License area there are good short-term prospects to increase reserves of gold scarn ore (Tardan type). More long term there are good indications of discovering new deposits of the other ore types – primarily of porphyry and black shale types.

Geology of Tardan deposit

The Tardan deposit itself is a block bounded by tectonic fractures which are part of the Baisyutskiy shear fracture. The total area of the block is approximately 4.0 km^2 and is underlaid by volcanic and carbonate sediments of the Tumattayginskaya and Vadibalinskaya formations with intrusions of the Tannuolskiy complex.

The most common rock type is marblized limestone of the Cambrian Vadibalinskaya formation. Approximately 20–25% of the Tardan deposit area is underlaid by granitoids of the Cambrian Tannuolskiy complex of which diorites are the most common.

The major structural elements of the deposit are faults on the contacts of granites (diorites) with the host and carbonate rocks.

The main tectonic features can be grouped into three main systems:

- northeast striking Changysskiy and East faults
- northwest striking faults with a gentle dip to the southwest
- northwest striking faults

These three tectonic systems form the main body of the deposit structure. There are multiple minor shears and faults. They create linear zones in contact-metasomatic rocks which are favorable for gold mineralization.

The majority of the ore zones are located between the Changysskiy and East faults. All of the known ore zones are limited in their strike in the north-west by the Changysskiy fault.

Gold mineralization of the Tardan ore field is associated with skarn formations. 14 ore zones have been identified and are mainly localized in brecchia skarns, less so in contact zones between the quartz porphyries and limestones and within the limestones.

The width of the various ore zones, which include several individual ore bodies, varies from a few meters to 30 –50 meters, with strike lengths of hundreds of meters.

The ore bodies are linearly elongated bodies of hydrothermally altered sulphide scarns with complex inner morphology. The length of the ore bodies is between 20 and 150 m, with the width between 1 and 13 m.

The ore in the deposit comprises two mineralogical types: i) gold sulphide types, and ii) gold sulphide ores with magnetite. The magnetite content is 15–40% in the gold sulphide ores and more than 40% in the gold sulphide ores with magnetite. The total sulphide content is up to 5–6%, represented by chalcopyrite, sphalerite and magnetite. The ores within the depth of exploration (100m) are oxidized.

The ore is impregnated, and to a lesser extent vein-disseminated, with gold. It is inter grown with barren minerals such as chlorite, pyroxene, amphibole, aegirite, garnet up to 60%. Gold is found in contact with magnetite as inclusions (25%) and in colloform limonite (10%). The gold content in the ore varies between 0.5 to 280 g/t. Gold fineness 870–910.

TARDAN PRODUCTION

		2012	2011
Mining			
Waste stripping	000 m^3	424	277
Ore mined	000 tonnes	169	282
Average grade	g/t	2.0	2.4
Gravitation			
Throughput	000 tonnes	34	57
Average grade	g/t	4.5	4.7
Gold produced	kg	55	96
Heap leach			
Crushing			
Ore	000 tonnes	241	42
Grade	g/t	2.0	2.4
Stacking			
Ore	000 tonnes	234	24
Grade	g/t	1.8	1.5
Tailings	000 tonnes	54	4.7
Grade	g/t	3.6	3.5
Total Gold Produced	**kg**	**412**	**96**
Warehouse			
Ore	000 tonnes	26	217
Grade	g/t	1.3	1.5
Tailings	000 tonnes	214	238
Grade	g/t	2.9	3.2

Reserves

The registered reserves of the Tardan license according to the Russian system of classification as of 31 December 2012 is presented in the table on page 10.

Exploration

The exploration programme started in December 2012 with core drilling at the Tardan deposit in order to increase resources and mine life. In 2013 Auriant plans to drill 9,000 m at the Tardan deposit. Throughout the Greater

Tardan license area 11,800 m of drilling will be undertaken at Sorolug-Khem, Barsuchiy, Yuzhno-Tardanski and Kopto-2. In addition, approximately 2,000 m of trenching will be undertaken at the Pravoberezhniy and Maliy Sorolug-Khem targets to identify the ore bodies.

As a result of the 2013 Tardan exploration programme Auriant is hopeful of increasing reserves of oxidized ores at the exploration targets mentioned above.

Production

The Tardan mine processes ore using both gravitational extraction for higher grade ore and heap leaching for lower grades. Higher grade ores (greater than 4 g/t) first go through the gravitational circuit, where 30–40% is extracted, and the rest accumulates in tailings. These tailings are later mixed with lower grade ore and used in the heap leach process, leading to overall recovery of 67%. In 2012 the heap leaching commenced with the commissioning of the heap leach plant in August. Total gold produced at Tardan amounted to 412 kg, an increase of more than 3 times compared with 2011, of which 357 kg was from heap leaching.

In 2012 Auriant focused all of its attention and financial resources on the commissioning of the Tardan heap leach operation. Construction of the heap was completed in July 2012 when irrigation started. Ore mined in 2012 totalled 85,400 tonnes at an average grade of 2.2 g/t. In the first half of the year mining operations focused on Pit No.1 which is on ore body 1. In the second half of the year mining operations shifted to Pit No.3 and ore body 6. As of 31 December 2012, with the commissioning of the heap and the plant all major capital expenditures at Tardan relating to the heap leach project were undertaken. In 2013 there will be additional expenses related to installation of copper adsorption and desorption due to the high copper content. In addition a new hydrometallurgical laboratory was commissioned. Of note Tardan successfully employed cement agglomeration technology to increase recovery at the heap by treating crushed ore and gravitational tailings with cement to improve cyanide leaching.

In total 339,200 tonnes of ore, with an average grade of 1.56 g/t and 97,970 tonnes of gravitational tailings, with an average grade of 3.15 g/t, were placed on the heap leach pad and irrigated. Total gold contained within the ore on the heap was 837.5 kg. By the end of 2012, 336 kg of gold was sent for refining.

In addition work on the final phase of commissioning the Tardan plant commenced. This will see the installation of equipment for the acid washing and neutralization of acid solutions, reactivation of the carbon for the CIL adsorption columns, as well as a circuit for the neutralization of heap leach solution. This phase commissioning will be complete by end of H2 2013.

In 2012 34,200 tonnes of higher grade ore, average 4.4 g/t, were sent to the gravitational circuit resulting in production of 54.45 kg.

Capital expenditures going forward will be aimed at increasing gold production at the plant to reach full capacity of 1,000–1,200 kg by 2015 and will include upgrading of the mining vehicle fleet (predominantly through leasing arrangements), as well as resumption of mining operations following the stoppage in Q2 2012.

STAROVERINSKAYA

Licenses

The Staroverinskaya license for exploration and mining of hard rock and placer gold in the Staroverinskaya area of the Zabaikalsky Region was awarded on 19 September 2004 and is valid till 5 May 2029. The license area is 220.4 km^2 in extent. As of December 31, 2012 the registered resources at the Staroverinskaya license area contains an estimated 8.7 tonnes of gold amenable for open pit mining at the Kozlovskoye deposit and another 7.1 tonnes at the Bogomolovskoye deposit.

Location

The license block is situated at the confluence of the small Srednyaya and Nizhnyaya Borzya rivers in the Zabaikalsky region, 35 km from the regional center Kalga and 640 km from the capital Chita. The nearest railway station is Dosatuy, 100 km from the property. Roads are mainly unpaved and the distance to paved highways is 200km. The climate is severe continental and the area is partly forested.

The area is well known for gold and polymetallic deposits with the Bystrinskoye (Norilsk Nickel), Novoshirokinskoye, Taseevskoye (Highland Gold), and Savkino (White Tiger) mines.

Geology

The Staroverinskaya license area is situated in the central part of the Argun micro-continent, part of the Mongol-Okhotsk belt. The Zabaikalsky Region where Staroverinskaya is located includes such world class gold deposits as Baley, Taseevskoye, Bystrinskaya, Klyuchevskoye, all of which contain resources in excess of 3 Moz.

The Staroverinskaya license area features sediments of different ages, from Precambrian to lower Cretaceous. These sediments are characterised by different lithology. These are carbonate rocks and terrigen sediments (sandstones, siltstones and conglomerates), as well as volcanic deposits (rhyolites, tuffs, trachyandesites, and trachybasalts). The most promising formations for localisations of gold deposits are the Cambrian and Jurassic carbonate sediments.

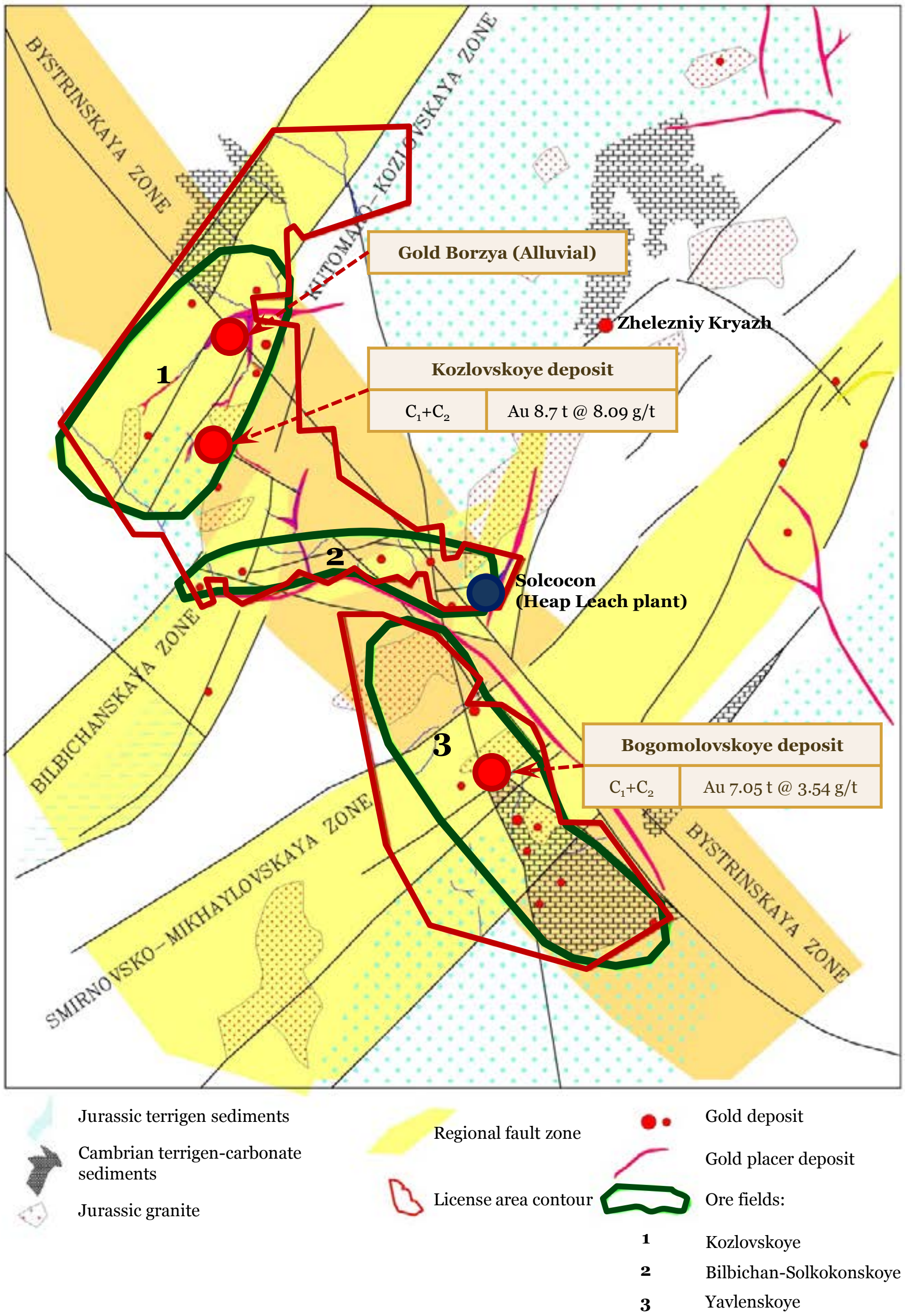
Intrusive rocks underlay a large part of the license area and are represented by a Late Permian monzo-diorite-granite complex and mid-late Jurassic Shahtaminskiy monzodiorite-granodiorite-granite complex. They are represented by quartz-diorites, diorites, monzodiorites and appear to be prospective for the mineralization of gold bearing ore.

The major tectonic features of the area are the northwest-southeast fault zones (Bystrinskaya) and the northeast-southwest fault zones (Kutomaro-Kozlovskaya and Smirnovsko-Mikhaylovskaya). These are large (hundreds of kilometers long) structures. These first-order fault zones are

STAROVERINSKAYA RESERVES

	C1				C2				C1+C2			
	Ore, 000 t	Au, g/t	Au, kg	Au, 000 oz	Ore, 000 t.	Au, g/t	Au, kg	Au, 000 oz	Ore, 000 t	Au, g/t	Au, kg	Au, 000 oz
Kozlovskoye	228	8.77	2,073	67	841	7.8	6,585	212	1,069	8.09	8,658	279
Bogomolovskoye					1,991	3.5	7,046	227	1,991	3.5	7,046	227
Total	**228**	**8.77**	**2,073**	**67**	**2,832**	**4.81**	**13,631**	**430**	**3,060**	**5.13**	**15,704**	**506**
	Ore, 000 m^3	Au, g/m^3	Au, kg	Au, 000 oz	Ore, 000 m^3	Au, g/m^3	Au, kg	Au, 000 oz	Ore, 000 m^3	Au, g/m^3	Au, kg	Au, 000 oz
Borzya, alluvial	166	1.34	222	7	994	1.41	1,383	44	1,16	1.38	1,605	51
Total Staroverinskaya			**2,295**	**74**			**15,014**	**483**			**17,309**	**557**

THE STAROVERINSKAYA LICENSE AREA



accompanied by second and third order faults which play an important role in the localization of gold and polymetallic mineralization. Exploration undertaken by Auriant has identified three highly prospective ore fields, namely Yavlinskoye, Bilbichan-Solkokonskoye, and Kozlovskoye (see map below).

All of the gold deposits and occurrences in the general vicinity can be divided into four types, depending on the composition of the ores and their localization.

The first type are gold-skarn deposits. The Zhelezny Kryazh deposit belongs to this type. It is located in the north-eastern part of the area outside the property. Mineralization is associated with magnetite skarns.

The second type is gold-arsenic. This type includes the Kozlovskoye deposit and a number of other nearby ore occurences. Ore bodies are composed of beresites, mineralized with disseminated sulphides. The main ore minerals are arsenopyrite, pyrite, galena and gold.

The third type are gold-polymetallic deposits as represented by the Smirnovskoe deposit, which is located in the far eastern part of the licence outside the license area. These ore types are located on the contacts of the dolomitic limestone and intruding Jurassic granites. The southern portion of the license area primarily features deposits of this type.

The fourth mineralized type is gold-quartz-tourmaline. Gold occurrences of this type are widely distributed and common in the license area. They include the Podgornoe deposit, part of the Bogomolovskoye deposit, and a number of other occurrences.

In a number of large gold deposits (for example the Bogomolovskoye deposit) several mineralization types are identified.

Exploration

During 2012 a new team of geologists started work at Solcocon processing all existing geological data and commenced preparation of a geological database. Work also started on the 2013 exploration programme within the entire Staroverinskaya license area. 5,000 – 8,000 m of core drilling will be undertaken on the southern portion of the Staroverinskaya license area around the the Bogomolovskoye deposits (which includes Bogomolovskoye itself as well as Podgornoye and Yuzhnoye).

PRODUCTION

Staroverinskaya

2012 production was 230 kg (314 kg) or –27% if compared to 2011. As communicated previously, this was primarily as a result of liquidity issues faced by the Company with financial resources diverted towards completion of the new plant at Tardan. As a consequence there were supply irregularities leading to production stoppages. Secondly, there was poor reserve preparation due to a lack of production exploration drilling that resulted in dilution of the grades in mined ore. Thirdly, the repeated breakdown of an old crusher that required constant maintenance. All of which resulted in Solcocon underperforming in the stacking of new ore, and consequently in gold production.

STAROVERINSKAYA PRODUCTION

		2012	2011
Mining			
Waste stripping	000 m³	581	562
Ore mined	000 tonnes	123	142
Average grade	g/t	2.01	1.39
Heap leach			
Crushing / Stacking			
Ore	000 tonnes	131	204
Grade	g/t	1.64	1.30
Gold produced	kg	116	238
Warehouse			
Ore	000 tonnes	4	12
Grade	g/t	1.20	1.66
Alluvial			
Waste stripping	000 m³	1,268	656
Sand washed	tonnes	119	127
Gold produced	kg	114	76
Total Gold Produced	**kg**	**230**	**314**

In order to increase production for 2013, two drill rigs were moved to the site in the beginning of summer 2012 to facilitate production exploration drilling. In addition, a new crusher was purchased and installed.

Gold Borzya

Also located on the Staroverinskaya license area is the alluvial production unit, Gold Borzya that produced 114 kg of gold in 2012. This year the alluvial mining operation was outsourced to an experienced alluvial operator, Urumkan, who started gold production in August.

Geology of alluvial deposits

Placers are confined to valleys. Valley morphology is determined by tectonic factors and are situated along branches of the Kutomar fault zone. Valley shapes are linear, with a trough-like, bowl shaped cross section. Lobe lengths vary between 0.8–14 km. Total thickness of alluvial sediments in the valleys varies from from 2 m to 18.5 m.

The size distribution of gold within the placers is very irregular. Fine gold makes up 74%, medium gold 12% and coarse gold 7% with fine dispersed gold a further 7%. Gold grains are poorly rounded and are usually flat.

Reserves

The registered reserves of the Staroverinskaya licenses according to the Russian system of classification is presented in the table on page 13.

KARA-BELDYR

License

The Kara-Beldyr exploration and mining license area is a 34 km² site situated in the Republic of Tyva, 166 km east-southeast of Kyzyl, the capital city of the Tyva Republic and approximately 110 km from our producing mine at Tardan.

Kara-Beldyr is an early stage exploration project and is being undertaken in a joint venture with the Canadian mining company, Centerra Gold Inc. ("Centerra"). Auriant's ownership in the joint venture as of 31 December 2012 is 30%.

Geology

The Kara-Beldyr prospect is located in the Eastern part of the Altai – Sayan Orogenic belt and the western segment of the Mongol – Okhotsk belt. The Kara-Beldyr prospect is located in the upper reaches of the Yenisei river at elevations varying from 1,050 to 1,750 meters.

The Kara-Beldyr gold ore field was identified in 1988 by geological mapping at a 1:50,000 scale. Geological structures plays the main part in control, distribution and localization of mineralization. Gold mineralization is associated with quartz diorites. Intense post-magmatic activity led to the formation of mineralized skarns in tectonically weakened zones and diorite-beresites with impregnated and vein-impregnation mineralization within the diorite mass.

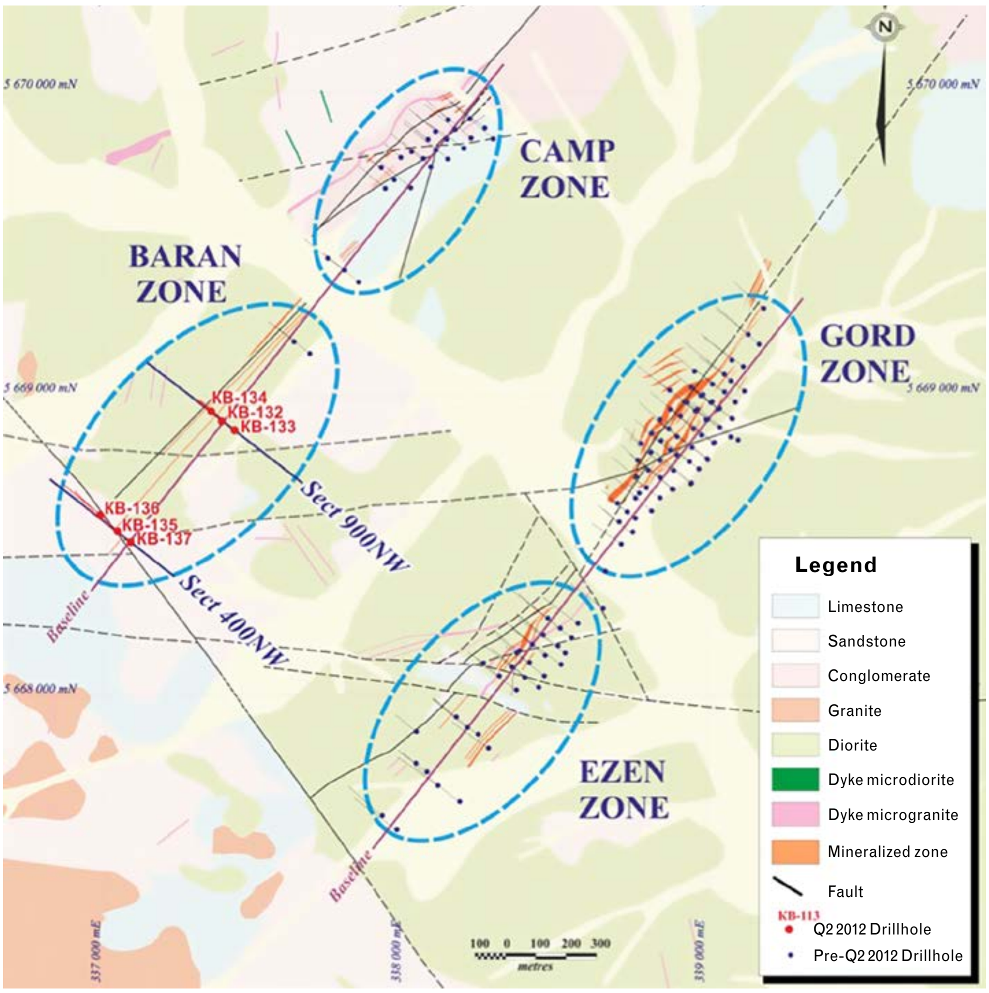
Mineralization is hydrothermal and mediuvm-deep in its genesis. Two mineralogical types were identified: gold-skarn and gold-beresite. The ore-hosting rocks are hydrothermally altered skarns in the former case and metasomatites (beresites, beresitized rocks) in quartz diorites in the latter. Mineralization favours zones with major northeast-striking faults and is best in areas where these faults cross tectonic fractures trending in a northwestern direction. Linear stockwork-like metasomatic ore zones are formed within these joints. The largest ore bearing zone discovered is 2.3 km along strike and 100-400 m wide. The Gordeyevskoye and Ezen prospects were identified within this zone.

The Gordeyevskoye prospect is gold-beresite. Seven gold orebodies averaging 80–180 m long, 1–16 m wide, and with gold grades up to 18 g/t have been identified in the Gordeyevskoye prospect. The ore is oxidized on the surface and the oxidation zone is well defined to a depth of 40 m and partially delineated to a depth of 85 m.

Primary ores are formed by pyrite, chalcopyrite, sphalerite, galena, arsenopyrite, enargite, arsenoferrite and sometimes by fahl ore and bismuth minerals. Free gold is observed only in quartz veins in the form of individual grains not more than 0.5 mm in size, as well as in the form of microscopic gold precipitated inside and around the pyrite grains.

In the Ezen prospect, gold-beresite and gold-skarn mineralization are spatially combined. Gold mineralization occur in an area of mineralized garnet skarn. Ore mineralization is controlled by a local zone of intense tectonic activity

KARA-BELDYR LICENSE AREA



KARA-BELDYR RESOURCES

		Measured & Indicated				Inferred				
License	Ore Type	Ore, 000 t	Au, g/t	Au, kg	Au, 000 oz	Ore, 000 t	Au,g/t	Au, kg	Au, 000 oz	License expiration
Kara-Beldyr	Hard Rock	3,790	2.4	8,989	289	3,354	2.0	6,563	211	2027
TOTAL		**3,790**		**8,989**	**289**	**3,354**		**6,563**	**211**	

and cataclastic alteration. The total amount of metallic minerals is 10-15%. In polished sections and heavy mineral fractions solid gold particles vary in size from a few hundredths of a millimeter to 0.5mm, in different forms in the micro-fractures in non-metal minerals such as limonite and malachite. The most promising occurrences in the Ezen area are in beresite-gold mineralized bodies. Gold grades in these beresites in the central part of the area may be up to 34.3 g/t. The spatial and genetic combination of the two mineralization types, as well as their localization in one mineralization-controlling structure, allows for their evaluation as a single gold project. Two gold and two gold-copper orebodies up to 100m long, and up to 7m wide, with gold grades up to 9.5 g/t, have been identified within the Ezen prospect.

Resources

Kara-Beldyr's resources, estimated in accordance with NI 43-101, are given in the table above.

UZHUNZHUL

License

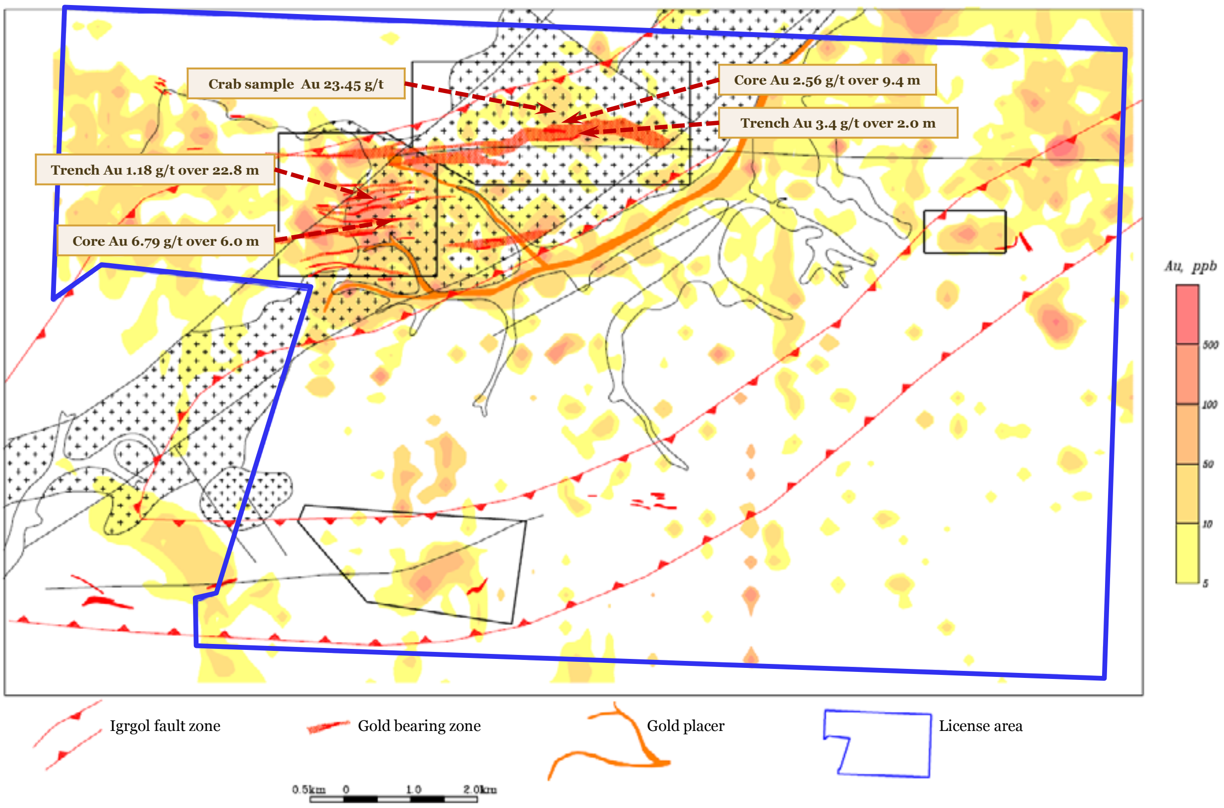
The 134 km² license area is located in the Republic of Khakassiya, 80 km from the capital Abakan, an economically well-developed region, with large mining and metallurgical companies. The license for the exploration and mining of hard rock gold in the Uzhunzhulsk ore cluster was awarded 20 November 2008 and is valid till 20 November 2031.

The Nemir-Chazygolskoe ore field, which covers the eastern part of the license area, is itself located on the southeast flank of the Uybatsky gold bearing area. The Yurkovsky, Vostochny, and Paraspan occurrences have been discovered within the Uzhunzhul license area. In addition, the license area features placer deposits of gold.

The ore field is in the contact zone of the Basino-Uzhunzhul granite massif and extends in a northeast direction for 20 km with a width ranging from 4 to 10 km.

Intrusive rock cover a significant part of the license area and is divided into five types, all of which form intru-

UZHUNZHUL LICENSE AREA



sive massifs extending in a northeast direction and small stocks of syenite, granite, granodiorite, gabbro, gabbro-diorite and diorite porphyry.

The northeast strike faults trend in the same direction as the Uybatsky zone structures. Numerous faults are associated with milonites and cataclasites, and are associated with dykes, alteration zones, gold, lead-zinc, copper and molybdenic mineralizations.

Northwest and north-south faults are less well developed. They, as a rule, cross and displace fault zones of other directions.

Within the license area sulphidic metasomatite are located within fault zones, developing along contacts with granite massifs and are characterized by intensive pyrite mineralization and silicification. The depth of the oxide zone is 130–150 m from the surface.

Beresitic and propylitic zones are widely represented in the intrusive rocks, developing along northeast and east-west faults. The width of such zones varies from tens of centimeters to tens of meters, and up to 3–4 km in length.

The producing Kuznetsovskoye mine is located several kilometers southeast of the border of the Uzhunzhul license. The Igrgol fault zone controls the gold ore bearing structure on the license area. It represents a set of faults running in a northeast and east west direction. All of the gold ore bearing bodies occur within this zone.

The license area features predominantly two ore types: gold-quartz and gold-quartz-sulphide. Gold-quartz ore types are localized within the intrusive massif. Gold-quartz-sulphide ore types are found in the contact parts of the intrusive massifs.

Gold-quartz ore types occur primarily in the Vostochny Flank and Yurkovsky occurences.

The Yurkovsky prospect contains 12 gold-bearing zones found in steeply dipping tectonic cracks that run in a northeast and east-west direction. The length of the zones vary from 400 m to 2,500 m, and are up to 350 m deep. The widths of the ore zones vary from 0.3 m up to 150 m. The zones are composed of beresite and propylite with gold-quartz veinlets.

The main mineral found in the ore is pyrite, with occurences of arsenopyrite, chalcopyrite, galena, and native gold. The maximum gold grade in the ore bodies is 150 g/t, with averages from 3.0 up to 35.3 g/t depending on the zone.

The Vostochny Flank occurrence incorporates ore bodies with widths varying between 4.2–47.0 m, and lengths up to 520 m. Gold grade varies up to 4.8 g/t. The Paraspan occurrence has grades up to 30 g/t.

Historically, placer mining on the current Uzhunzhul license area started in 1835, with approximately 1.9 tonnes of gold mined to date.

The best prospects for discovering gold deposits within the Uzhunzhul area are the Yurkovsky, Vostochny Flank, Vostochny and Paraspan occurences.

The Russian gold industry in 2012

Official Russian gold production calculated by the Russian Union of Gold Miners increased during 2012 by almost 6.8 % and totaled 225.8 tonnes (7.2 Moz). In 2012, Russia was the world's fourth largest gold-producing country.

80% of Russian gold production in 2012 was distributed across 24 regions (of a total 83 in Russia) and since 2003, the leading region has been Krasnoyarsk followed by the Amur region. In third place is the Yakutia region, followed by the Magadan region, which becomes the fourth largest gold region. Unlike oil reserves, of which approximately two thirds are located in western Siberia, the eastern areas of Russia (eastern Siberia, the far east and north east) have the largest gold deposits.

THE LEADING GOLD PRODUCING REGIONS IN RUSSIA, 2012

Region, Production (tonnes)	2012	2011
1. Krasnoyarskiy Region	43.9	39.5
2. Amurskaya Oblast	29.1	29.1
3. Sakha (Yakutia)	20.1	19.3
4. Magadanskaya Oblast	19.6	15.3
5. Irkutskaya Oblast	18.9	16.9
6. Chukotka	17.9	20.0
7. Khabarovskiy Region	14.9	13.5
8. Sverdlovskaya oblast	7.6	8.5
9. Zabaikalsky Region	6.7	6.3
10. Buryatiya	6.0	6.5

Source: Russian Union of Gold Miners

INDUSTRIAL STRUCTURE – REDUCED FRAGMENTATION

The Russian gold sector is highly fragmented, with the 25 top companies accounting for about 80% of the country's total production in 2012. The clear leading producer is Polyus Zoloto, formerly Norilsk Nickel's gold division, whose shares since 2006 have been listed on the London stock exchange.

RUSSIA'S 25 LEADING GOLD PRODUCERS, 2012

Company, Production (tonnes)	2012	2011
1. Polyus Gold	52.2	42.8
2. Petropavlovsk	22.1	19.6
3. Polymetal	18.3	10.9
4. Kinross (Kupol)	17.9	16.1
5. Nordgold NV	10.2	10.6
6. Highland Gold Mining	6.7	5.7
7. Yuzhuralzoloto GK	6.3	5.1
8. GV Gold	5.3	4.4
9. Sovrudnik	4.0	3.5
10. Susumanzoloto	3.6	3.3
11. Seligdar	2.9	3.0
12. Priisk Solovevskij	2.5	2.8
13. Poisk	2.3	2.2
14. Vitim	2.2	2.3
15. Zapadnaya	2.2	2.3
16. Zoloto Kamchatki	1.5	2.0
17. Rudnik Karalveem	1.4	1.4
18. Dalnevostochnye resursy	1.3	1.3
19. Omsukchanskaya	1.2	1.2
20. Oyna	1.2	1.2
21. Druza	1.2	1.3
22. Yantar	1.2	0.6
23. Maiskaya	1.2	1.0
24. Amur Zoloto	1.1	1.7
25. Koncern Arbat	1.1	1.1
Total production of 25 leading producers	**161.2**	**147.7**

Source: Russian Union of Gold Miners

REFINING GOLD

There are about ten certified refining companies in Russia enriching gold and other precious metals to final market quality. These companies compete and together have a capacity that significantly exceeds current production volumes. Therefore the cost of refining is low, amounting to some 1% of the market price. The most modern facilities are the ones in Prioksk (south of Moscow) and in Krasnoyarsk (eastern Siberia).

LEGAL FACTORS

The main law regulating the Russian mining sector is the Law of the Russian Federation "On Subsoil" enacted in 1992 and subsequently amended. Russian minerals always remain in state ownership. A license holder is only granted the right to exploit the minerals. Precisely as in the oil sector, these licenses can pertain to prospecting, production or both. A prospecting license is currently awarded for a five-year term, whereas production and combined licenses are awarded for a term of gold deposit exploitation based on a feasibility study. A mine development programme must be approved by the Russian state mining inspection (Rostechnadzor). A second legal act of significance is the Federal Law "On Precious Metals and Gems" enacted in 1998 and subsequently amended. This law in principle says that the rights to any precious metals and gems produced belong to the holder of the production license (unless otherwise explicitly stated in the license agreement).

JUNIOR GOLD MINERS IN RUSSIA

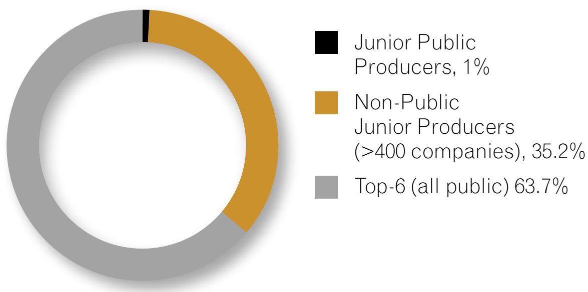
The junior gold mining sector in Russia is composed of hundreds of companies conducting exploration and some limited production. Of these, there are only 5 publicly listed companies, of which three are actually producing gold, including Auriant. Total production of gold in 2012 by these three companies amounted to 2,068 kg (66,500 oz).

FOREIGN GOLD PRODUCERS IN RUSSIA (KG PER YEAR)

Company	2009	2010	2011	2012
Kinross Gold Corp	28,786	22,975	20,312	17,985
Petropavlovsk Plc.	15,147	15,761	19,596	22,093
Highland Gold Mining	5,076	6,221	5,726	6,714
Leviev Group	1,969	1,893	1,401	1,445
Angara Mining Plc.	949	850		0
Auriant Mining AB	436	571	410	642
White Tiger Gold Ltd.	0	0	527	568
Trans-Siberian Gold	0	0	204	858
High River Gold Mines	0	0	0	0
Bema Gold Corp.	0	0	0	0
Total	**52,363**	**48,271**	**48,176**	**50,305**

Source: Russian Union of Gold Miners; Company Data

RUSSIAN GOLD PRODUCTION, 2012



Board of Directors

PRESTON HASKELL

Chief Executive Officer until May 24, 2012 and Chairman of the Board since May 24, 2012. Preston Haskell is Saint Kitts and Nevis citizen, born 1966, and has been active as a businessman in Russia since the early 1990s.

Preston has a Degree in Economics from the University of Southern California in the U.S.

As of 31 December, 2012, shares in Auriant Mining AB: 9,314,968 and warrants in Auriant Mining: 0

LORD PETER DARESBURY

Board member since November 27, 2012. Peter Daresbury is a citizen of the United Kingdom, born in 1953. He has held many senior positions in the mining industry, including Directorships in Sumatra Copper & Gold Ltd (2007–2012); Evraz Group S.A., Russia's largest steel producer (2005–2006); as well as Chairman of Kazakhgold Group Ltd (2005–2007); and Chairman of Highland Gold Mining Ltd, a major Russian gold miner (2002–2004). Peter is currently Chairman of Mallett PLC, Aintree Racecourse Ltd and Nasstar PLC. Current directorships include Bespoke Hotels Ltd, Rusant Ltd, a Russian antimony miner, and Pesto Restaurants. Since 2005, Peter Daresbury has been a member of Fleming Family and Partners Private Equity Investment Committee and since 1998 he serves as the Chairman of Aintree Racecourse Ltd.

Peter has an MA in history from Cambridge University.

As of 31 December, 2012, shares in Auriant Mining AB: 0 and warrants in Auriant Mining AB: 0

INGMAR HAGA

Board member since May 24, 2012. Ingmar Haga is a citizen of Finland, born 1951. Ingmar is currently Vice President Europe of Agnico Eagle Mines Limited, a position he has held since 2006. He has held various executive and corporate positions with the Outokumpu Group in Finland and Canada. Prior to joining Agnico Eagle, he was President of Polar Mining Oy, a Finnish subsidiary of Dragon Mining NL of Australia. He has also served as a board member of the Finnish Mining Association from 2007–2008 and as their Chairman in 2009. Since 2010 he has been a member of the Euromines Steering Committee.

Ingmar has an MSc from Åbo Akademi, Finland.

As of 31 December, 2012, shares in Auriant Mining AB: 0 and warrants in Auriant Mining AB: 0

ANDRÉ BEKKER

Board member since November 27, 2012. André is a citizen of South Africa, born 1959.

He is one of the most respected geologists and mining executives in Southern Africa. He is currently an Executive Officer of Sylvania Platinum, a position he has held since 2011. His previous experience includes Technical Director of Amaria Holdings (2006–2010) a major resource investment company with projects in platinum, manganese, nickel and coal; Senior Operations Manager of Royal Bafokeng Resources (2005–2006), a major mining investor; Head of Mining for the Industrial Development Corporation of South Africa (1991–2005); as well as serving as the Assistant Resident Geologist for a major Anglo American South African gold mine, and geologist of Rand Mines (1983–1986).

André has a BSc (Hons) from the University of Free State and a management diploma from Unisa. He is a member of the Geological Society of South Africa.

As of 31 December, 2012, shares in Auriant Mining AB: 0 and warrants in Auriant Mining AB: 0

DENIS ALEXANDROV

(see presentation under group management below)

Group Management

DENIS ALEXANDROV

Denis Alexandrov, a Russian national, joined Auriant Mining AB as CEO June 2012 having previously held senior positions in two Russia-focused investment companies, A1 one of Russian's largest investment funds where he was CFO and acting CEO, and Arlan, one of Russia's largest gold focused investment funds. From 2001 to 2003 he was CFO of Highland Gold Mining plc, following two years at Alfa Group in London. Previously he spent 5 years with Pricewaterhouse Coopers. His Board appointments have included Highland Gold, Timan Oil and Gas, Stellar Diamonds, Systematika Group, Remet and Silver Bear PLC.

Denis holds an MBA from the Moscow School of Management (Skolkovo).

As of 31 December, 2012, shares in Auriant Mining AB: 250,000 and warrants/employee stock options in Auriant Mining AB: 927,210

MIHAIL FEDULOV

Mihail joined Auriant Mining AB in April 2012 as Deputy CFO, and from August as CFO of the Group. His previous experience includes Head of Strategic Development for the Russian Mortgage bank (2009–2012). Prior to that he spent 4 years as an auditor with Ernst & Young Russia, and 2 years in corporate finance with leading auditing firms.

Mihail, a citizen of Latvia, graduated with honours in International Business from the Amsterdam School of Business.

As of 31 December, 2012, shares in Auriant Mining AB: 0 and warrants in Auriant Mining AB: 0.

MAX YACOUB

Max Yacoub, a dual British/Russian national, joined Auriant Mining AB as Chief Investment Officer in November 2012. His previous experience includes 8 years with the International Finance Corporation (IFC) where he was an Investment Officer focusing on investments in the gold mining sector in Russia and the CIS as well as Head of Office for IFC in Belarus. He also has experience of private equity in Russia.

Max graduated from the University of Birmingham in the UK with a B.Eng in Manufacturing Engineering and a B.Com in Economics. He also has an MBA from Harvard Business School.

As of 31 December, 2012, shares in Auriant Mining AB: 0 and employee stock options in Auriant Mining AB: 130,000

IGOR OGLOV

Igor, a Russian national, has 20 years experience as a Mine Surveyor and Mining Engineer. He joined Auriant Mining in 2011 as Deputy CEO for Mining (and General Manager for Tardan Gold), and in 2012 was made COO of Auriant Mining. Prior to Auriant from 2009–2011 he was a Managing Director of Gortekhproyekt a mining consultancy. In 2008–2009 he was Head of Project Development for Atomredmetzoloto, a Russian state owned uranium producer. Prior to that he was a State Mining Inspector at Gosgortekhnadzor, the main Russian state mining regulatory agency.

Igor graduated from the Kazakh Polytechnic Universtity with an MSc in Mining Engineering and Surveying.

As of 31 December, 2012, shares in Auriant Mining AB: 0 and warrants in Auriant Mining AB: 0

VLADIMIR CHURIN

Vladimir, a Russian national, has more than 30 years experience as a gold geologist in gold exploration and deposit discovery. He joined Auriant Mining as Chief Geologist in October 2012. His previous experience includes being Chief Geologist with Altynalmas in Kazakhstan (2011–2012), Exploration Manager Oxus Resources in Uzbekistan (2010–2011), Deputy Chief of the Russian Federal Geological Agency in the Buryatia Republic (2009–2010). Additionally, he worked as Exploration Manager for Severstal Resurs (now called Nordgold, a major Russian gold producer), Ilmenit (a Siberian junior miner), and Kinross Gold.

Vladimir graduated from the Leningrad Mining Institute with an MSc in Geology with a concentration in Exploration Geology.

As of 31 December, 2012, shares in Auriant Mining AB: 0 and warrants in Auriant Mining AB: 0

SERGEI SHUMILOV

Sergei is an experienced Human Resources and Development professional. He joined Auriant in 2011 as HR Director for the Group. Previously he was an HR Director with Lafarge Russia (a leader in construction materials) from 2009–2011, as Plant Training and Development Manager for Lafarge's Voskresenskcement plant (2007–2009). Prior to Lafarge he worked in sales, marketing and merchandising at Philip Morris Russia from 1998–2006). In addition, since 2009 he is an Executive Coach with Center for Creative Leadership.

Sergei graduated from the Saratov State University with an MSc in Radio Engineering.

As of 31 December, 2012, shares in Auriant Mining AB: 0 and warrants in Auriant Mining AB: 0

EKATERINA BABAEVA

Ekaterina Babaeva, a Russian national, joined Auriant Mining in April 2012 as acting Group General Counsel and was then appointed Group General Counsel in August 2012. Previously Ekaterina was Legal Advisor with Colliers International from 2004 to 2009 (a company then associated with Preston Haskell), having previously worked as a lawyer in a company providing audit and legal advisory services. Ekaterina has focused on Russian and international corporate and M&A matters, and has experience in real estate and mining law. At present, in addition to her role at Auriant, Ekaterina continues to work as Head of Legal Department at Haskell Group.

Ekaterina graduated with honors from the Law Department of Moscow State Lomonosov University.

As of 31 December, 2012, shares in Auriant Mining AB: 235,492 and warrants in Auriant Mining AB: 0

AUDITORS

Auriant Mining's auditors are Öhrlings PricewaterhouseCoopers, represented by authorised public accountant, Martin Johansson, born 1967. Martin Johansson has been the company´s auditor since 2010. Martin Johansson's audit engagement in addition to Auriant, include Kraft Foods Sverige, Sotkamo Silver AB, Petrogrand AB, etc.

Directors Report

The Board of Directors and the Chief Executive Officer of Auriant Mining AB (publ) (hereafter referred to as ”AUR AB”) hereby submit the annual financial statements for financial year 1 January – 31 December 2012.

GROUP STRUCTURE AND OPERATIONS

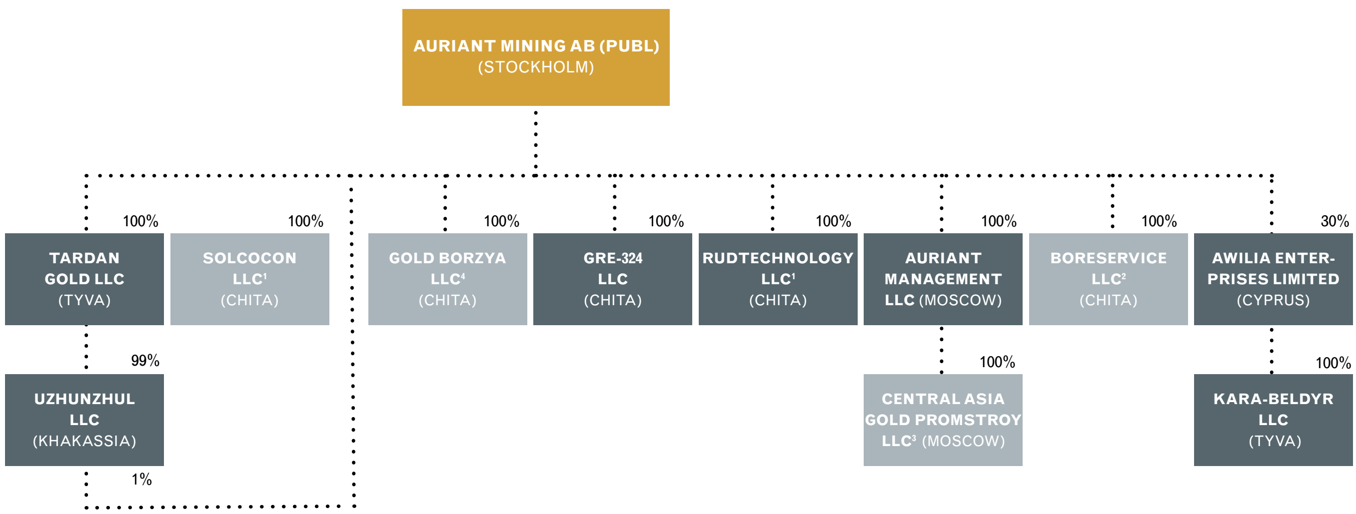
AUR AB is incorporated in Sweden, with mining operations in Eastern Siberia, Russia. As of today, the Group is comprised of the Swedish Parent Company, AUR AB, which controls nine subsidiaries in Russia and participates in a joint venture incorporated under the laws of Cyprus. The Russian subsidiaries are limited liability companies (”LLC”). The operations involve exploration and production of gold, primarily in the Tyva, and Zaibaikalsk regions in eastern Siberia in Russia.

From March 29, 2005 until July 2010, AUR AB was publicly listed on the Nordic Growth Market stock exchange in Sweden and since July 19, 2010, AUR AB is listed on the Swedish stock exchange NASDAQ OMX First North Premier in Sweden. The number of shareholders as of December 31, 2012 was approximately 3,200.

The operations of the Group are performed via the subsidiaries and a joint venture. The Group's main assets comprise a number of mineral mining permits (licenses) held by the various subsidiaries. The license areas operated are Tardan, Staroverinskaya, Uzhunzhul and Kara-Beldyr. Kara-Beldyr is operated through a joint venture with the Canadian company, Centerra Gold Inc., AUR's ownership in the joint venture as at December 31, 2012 is 30%. The other license areas are wholly owned by AUR.

The table below shows the group structure of AUR AB as of December 31, 2012.

AURIANT MINING GROUP ORGANIZATIONAL STRUCTURE AS OF DECEMBER 31, 2012



1 Solcocon LLC is in the process of merging into Rudtechnology LLC. Rudtechnology LLC will continue its existence after the merger.
2 Boreservice LLC is being liquidated.
3 Central Asia Gold Promstroy LLC is being liquidated.
4 To be wound up in 2013.

THE TABLE BELOW SHOWS THE GROUP STRUCTURE OF AUR AB AS OF DECEMBER 31, 2012

Company	Location	Operations	Ownership
Auriant Mining AB	Stockholm, Sweden	Parent company, supports the subsidiaries with financing, investor relations and strategic decisions etc.	
SUBSIDIARIES			
LLC Tardan Gold	Kyzyl, Republic of Tyva, Russia	License holder and operator of production and exploration at the Tardan license area.	100% owned by AUR AB
LLC GRE 324	Chita, Zabaikalsky region, Russia	License holder of the Staroverinskaya license area.	100% owned by AUR AB
LLC Solcocon	Chita, Zabaikalsky region, Russia	Owner of the Solcocon heap leaching plant and related equipment.	100% owned by AUR AB
LLC Rudtechnologiya	Krasnokamensk, Zabaikalsky region, Russia	Operator of the production at the Solcocon heap leaching plant and the exploration at the Starovereneskaya license area.	100% owned by AUR AB
LLC Gold Borzya	Krasnokamensk, Zabaikalsky region, Russia	Dormant company, was used as operator of the production at the Gold Borzya alluvial production unit on the Staroverinskaya license area (to be liquidated in 2013).	100% owned by AUR AB
LLC Uzhunzhul	Abakan, Republic of Khahassiya, Russia	License holder and operator of the exploration at the Uzhunzhul license area.	100%, owned by LLC Tardan Gold
LLC Auriant Management	Moscow, Russia	Management company for the Russian subsidiaries.	100% owned by AUR AB
LLC CAG Promstroy	Moscow, Russia	Dormant company, was used as general contractor for the construction of the Tardan heap leaching plant.	100%, owned by LLC Auriant Management
LLC Boreservice	Chita, Zabaikalsky region, Russia	Dormant company, used to perform drilling services.	100% owned by AUR AB
JOINT VENTURE			
Awilia Enterprises Ltd.	Nicosia, Cyprus	Joint venture company with Centerra Gold Inc., owner of the operating JV company, LLC Kara-Beldyr.	30% owned by AUR AB
LLC Kara-Beldyr	Kyzyl, Republic of Tyva, Russia	License holder and operator of the exploration at the Kara-Beldyr license area.	100% owned by Awilia Enterprises Ltd.

NI 43-101 COMPLIANT GOLD RESOURCES

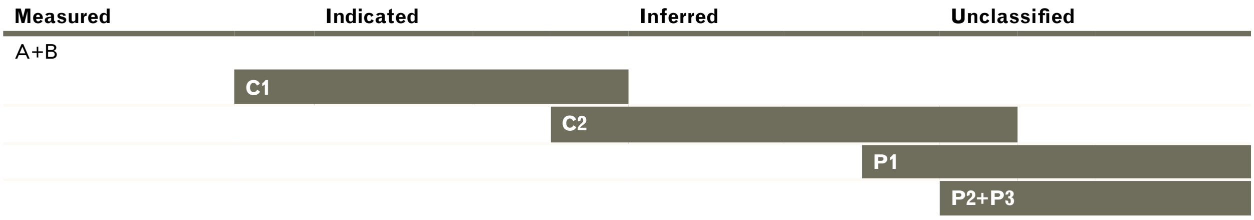
		Measured & Indicated				Inferred				
License	Ore Type	Ore, 000 t	Au, g/t	Au, kg	Au, 000 oz	Ore, 000 t	Au, g/t	Au, kg	Au, 000 oz	License expiration
Kara-Beldyr	Hard Rock	3,790	2.4	8,989	289	3,354	2.0	6,563	211	2027
Total		**3,790**		**8,989**	**289**	**3,354**		**6,563**	**211**	

*The resource numbers above represent Auriant's 30% share in the Kara-Beldyr joint venture.

GKZ - COMPLIANT GOLD RESOURCES

				C1					C2				
License	Deposits	Ore type	Ore, 000 m^3	Ore, 000 t	Au g/t , (g/m^3)	Au, kg	Au, 000 oz	Ore, 000 m^3	Ore , 000 t	Au g/t, (g/m^3)	Au , kg	Au, 000 oz	License expiration
Tardan													2032
	Tardan deposit	Hard Rock		1,490	3.07	4,574	147		794	5.02	3,988	128	
Staroverinskaya													2029
	Kozlovskoye	Hard Rock		228	9.09	2,073	67		841	7.83	6,585	212	
	Bogomolov-skoye	Hard Rock							1,991	3.54	7,046	227	
	Borzya	Alluvial	166		1.34	222	7	994		1.39	1,383	44	
Uzhunzul		Hard Rock											2031
TOTAL			**166**	**1,718**		**6,869**	**221**	**994**	**3,626**		**19,002**	**611**	

COMPARISON OF JORC AND FSU RESOURCE CLASSIFICATIONS



Source: adopted after SPK Consulting.

Note: Categories A, B, C1 and C2 can be JORC reserves as well.

FSU	International reporting Code, JORC, etc.
A, B	Proved Reserve/Measured Resource
C1	Proved or Probable Reserve/Indicated Resource
C2	Probable Reserve/Indicated Resource/Inferred Resource
P1	Inferred Resource
P2	Reconnnaissance Mineral Resource /UNFC code 334)
P3	No equivalent

Source: Resources Computing International Ltd

REFERENCES

Mineral deposit evaluation, Alwyn Annels, Chapman & Hall, 1996.
Russian Resource & Reserve Estimates & Feasibility Studies - An SRK View, Mike Armitage, Presentation to the Association of Mining Analysts, London, 23 March 2004.
The Russian Reserves & Resources reporting system, Stephen Hanley, Resources Computing International Ltd, April 2004.
The JORC Code and Guidelines, www.jorc.org.
Apophysis Now, Victor Flores, HSBC Research, 30 October 2003.

ENVIRONMENTAL POLICY

Environmental responsibility is a central issue in a company with operations that involve environmental risks. In the case of Auriant Mining AB, risks can arise, for example when ore is extracted using heavy equipment or when explosives are used. In addition, the ore enrichment process employs various chemical compounds that carry environmental risks. In general Russian environmental laws that apply to the mineral resources sector are quite strict and the environmental authorities carry out frequent inspections of Auriant's operations. Any violations are dealt with by the issue of warnings, instructions or, ultimately, the stoppage of operations. In addition, the mining licenses contain detailed environmental regulations, including land remediation and recultivation measures following the end of mining operations, which must be planned for years in advance. Auriant Mining AB is fully compliant with Russian environment regulations.

The Auriant share

The number of outstanding shares as of December 31, 2012 was 17,616,987 and the share capital was SEK 198,191,104 with a quota value per share of SEK 11.25. The limits of the share capital were minimum TSEK 150,000 and maximum TSEK 600,000.

As of December 31, 2012 there were 1,057,210 outstanding warrants in the Company with the right to subscribe for the same amount of shares. Out of the total amount of warrants, 927,210 warrants were issued for a further transfer to the CEO of the Company, Denis Alexandrov, and 130,000 warrants for a further transfer to the Chief Investment Officer Max Yacoub.

Out of 927,210 warrants issued for a further transfer to Denis Alexandrov:

- 185,442 warrants 2012/2013 series I were held by the subscriber as of December 31, 2012. Each of those warrants entitles the holder to subscribe for one share in the Company at a strike price of SEK 11.25;
- 92,721 warrants 2012/2017 series I may be received before 1 June 2016 subject to the total market capitalization of the Company having reached SEK 463,605,000; or during the period from 1 June 2016 to 1 June 2017 at any time. Each of those warrants entitles the holder to subscribe for one share in the Company at a strike price of SEK 11.25 subject to the abovementioned level of market capitalization having been reached, or otherwise from 1 June 2016 to 1 June 2017 at a strike price of SEK 250 per share;
- 92,721 warrants 2012/2017 series II may be received before 1 June 2016 subject to the total market capitalization of the Company having reached SEK 649,047,000; or during the period from 1 June 2016 to 1 June 2017 at any time. Each of those warrants entitles the holder to subscribe for one share in the Company at a strike price of SEK 11.25 subject to the abovementioned level of market capitalization having been reached, or otherwise from 1 June 2016 to 1 June 2017 at a strike price of SEK 250 per share;

and

- 556,326 warrants 2012/2017 series III may be received upon vesting of the respective number of employee stock options, secured by them. The employee stock options will be vested one third on June 1, 2013, one third on June 1, 2014 and the final third on June 1, 2015. Each of those warrants entitles the holder to subscribe for one (1) share at a strike price of SEK 15 per share.

Warrants issued for a further transfer to Max Yacoub:

- 130,000 warrants 2012/2017 series IIII may be received upon vesting of the respective number of employee stock options, secured by them. The employee stock options will be vested one third on November 12, 2013, one third on November 12, 2014 and the final third on November 12, 2015. Each warrant entitles the holder to subscribe for one share at a strike price of 15 SEK per share.

For a detailed description of the rules applicable to each type of the warrants, please refer to Appendix 4 and Appendix 5 to the Minutes from the Extraordinary General Meeting held on November 27, 2012 (which can be found on the Company's website www.auriant.com).

CHANGES IN SHARE CAPITAL

There were no changes in the share capital of Auriant Mining AB in 2012.

Event	Date	Change in number of shares	Outstanding number of shares	Quotient value/ share	Offer price/ share	Change	Closing share capital
Formation of the company	24.02.2004	1,000	1,000	100	100	100,000	100,000
New share issue *	13.07.2004	2,000,000	2,500,000	0.2	0.4	400,000	500,000
New share issue	20.09.2004	88,774	2,588,774	0.2	0.4	17,755	517,755
Issue in kind	20.09.2004	85,500,000	88,088,774	0.2	0.4	17,100,000	17,617,755
New share issue	15.11.2004	50,000,000	138,088,774	0.2	0.4	10,000,000	27,617,755
New share issue	16.03.2005	25,000,000	163,088,774	0.2	0.48	5,000,000	32,617,755
New share issue	20.06.2005	36,000,000	199,088,774	0.2	0.57	7,200,000	39,817,755
New share issue via share warrants	12.07.2005	36,756	199,125,530	0.2	0.6	7,351	39,825,106
New share issue via issue of warrants	03.10.2005	5,483,272	204,608,802	0.2	0.6	1,096,654	40,921,760
New share issue	13.10.2005	24,000,000	228,608,802	0.2	1.21	4,800,000	45,721,760
New share issue via issue of warrants	17.01.2006	2,143,677	230,752,479	0.2	0.6	428,735	46,150,496
New share issue via issue of warrants	22.06.2006	6,000,000	291,196,923	0.2	0.4	1,200,000	58,239,385
Offset share issue	06.07.2006	54,444,444	285,196,923	0.2	1.44	10,888,889	57,039,385
New share issue	03.10.2006	75,000,000	366,196,923	0.2	2.02	15,000,000	73,239,385
New share issue	01.02.2007	36,000,000	402,196,923	0.2	1.86	7,200,000	80,439,384
Offset share issue	07.05.2007	10,013,147	412,210,070	0.2	2.03	2,002,629	82,442,014
New share issue	24.07.2008	117,774,304	529,984,374	0.2	0.55	23,554,861	105,996,875
New share issue via share warrants	03.10.2008	135,388	530,119,762	0.2	0.55	27,078	106,023,952
New share issue via share warrants	04.11.2008	7,314	530,127,076	0.2	0.55	1,463	106,025,415
New share issue via share warrants	11.12.2008	660	530,127,736	0.2	0.55	132	106,025,547
New share issue	15.12.2008	497,264	530,625,000	0.2	0.2	99,453	106,125,000
Reduction of quotient value	17.03.2009	–	530,625,000	0.05	–	-79,593,750	26,531,250
Issue in kind	17.03.2009	3,000,000,000	3,530,625,000	0.05	0.06	150,000,000	176,531,250
Reversed split	15.07.2009	-3,512,971,875	17,653,125	10	–	0	176,531,250
Reduction of share capital	01.09.2010	–	17,653,125	1.125	–	-156,671,484	19,859,766
Nee share issue	01.09.2010	139,492,384	157,145,509	1.125	1.6	156,928,932	176,788,698
New share issue	14.09.2010	1,732,616	158,878,125	1.125	1.6	1,949,193	178,737,891
New share issue	08.10.2010	1,291,742	160,169,867	1.125	1.7031	1,453,210	180,191,101
New share issue	08.10.2010	3	160,169,870	1.125	1.125	3	180,191,104
Reversed split	20.10.2010	144,152,883	16,016,987	11.25	–	–	180,191,104
New share issue	28.07.2011	1,600,000	17,616,987	11.25	17.50	18,000,000	198,191,104

* Reduction of par value per share to SEK 0.20

LARGEST OWNERS

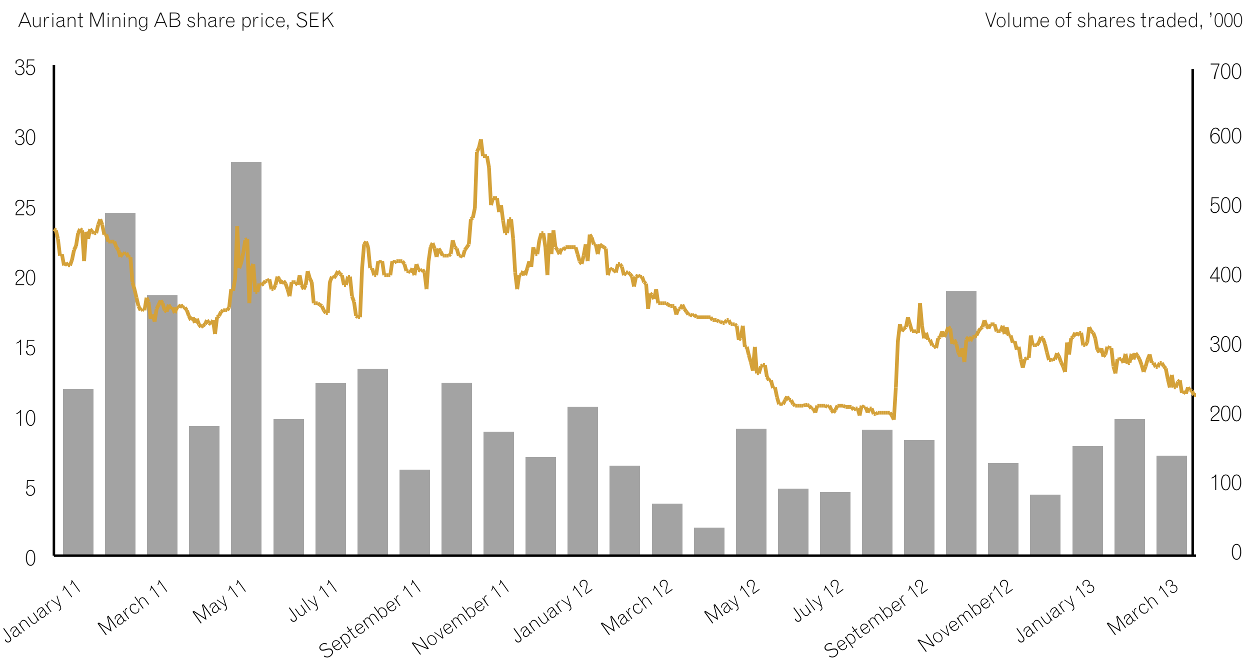
The 15 largest shareholders in Auriant Mining AB as of 31st December, 2012

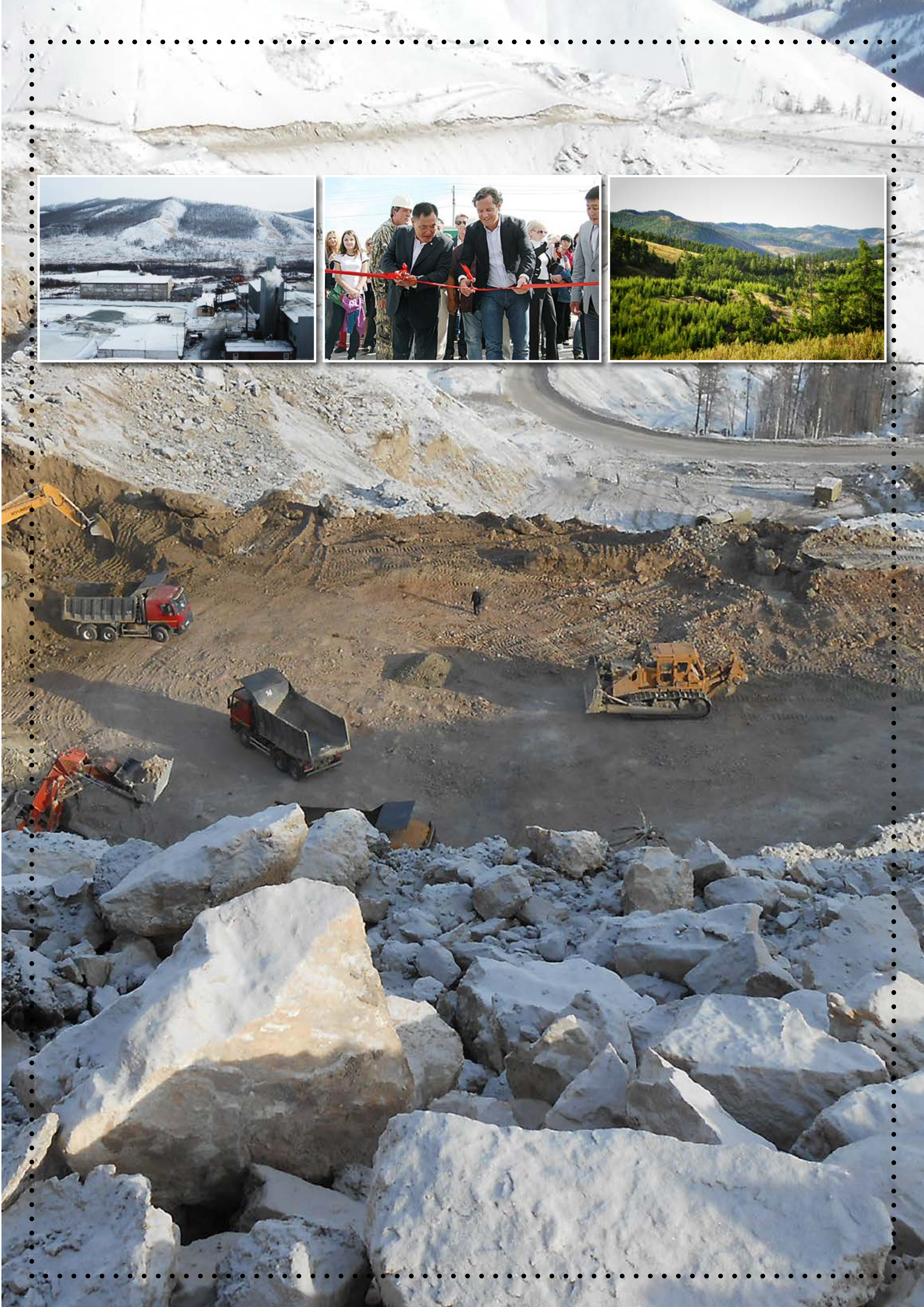
Shareholder	Number of shares	% share of ownership
BERTIL HOLDINGS, LIMITED	9,314,968	52.87
SWISS LIFE (LIECHTENSTEIN) AG	1,095,000	6.22
CGML IPB CUST COLL AC	929,665	5.28
SWISS LIFE LIECHTENSTEIN AG	500,000	2.84
SVEA LANDS. S.A	406,345	2.31
SIX SIS AG, W8IMY	397,148	2.25
CLEARSTREAM BANKING S.A., W8IMY	362,670	2.06
PLOTEK, BERNT	327,500	1.86
ROBUST AB	300,000	1.70
ROYAL SKANDIA LIFE	297,818	1.69
GGB 4100, VICTORY LIFE	291,651	1.66
UBS WM UK CLIENT HOLDINGS	250,000	1.42
BABAEVA, EKATERINA	235,492	1.34
BANQUE ÖHMAN S.A.	200,000	1.14
KL CAPITAL AKTIEBOLAG	189,797	1.08
Subtotal for 15 largest shareholders	**15,098,054**	**85.72**
Other 3,238 shareholders	2,518,933	14.28
Total number of shares outstanding before dilution	**17,616,987**	**100.00**

Source: Euroclear AB

SHARE PRICE

The Auriant share is listed on Nasdaq OMX First North Premier (ticker AUR). The share price and daily numbers of shares traded are displayed in the grafs below.





Corporate governance report 2012

Corporate governance concerns the regulations and structure existing to govern and manage a company in an effective and controlled manner. Corporate governance is primarily aimed at meeting the shareholders' requirements with regard to returns on their investment and to provide all interested parties with comprehensive and correct information about the company and its development. The Corporate governance of Auriant Mining AB (publ) is based on the Swedish Companies Act, the Swedish Corporate Governance Code, the Articles of Association and other relevant laws and rules. Auriant Mining AB (publ) ("Auriant", the "Company") is a Swedish public limited company with its registered office in Stockholm, Sweden and with business operations primarily in Siberia, Russia. Auriant was formed in 2004 and listed on the NGM Equity, Nordic Growth Market on March 29, 2005 under the name Central Asia Gold AB (publ). Since July 19, 2010 Auriant´s shares are listed at the Swedish stock exchange NASDAQ OMX First North Premier. The shares are traded under the abbreviation, "AUR". Auriant has applied the Swedish Corporate Governance Code (the Code) since July 1, 2008, except for the deviations detailed in its corporate governance reports. The Code is based on the principle of "comply or explain", which implies that companies applying the Code can deviate from the specific rules, but they must provide an explanation for such deviation. Governance, management and control responsibilities in Auriant are divided between the shareholders at the Annual General Meeting of shareholders (or any Extraordinary General Meeting), the Board of Directors and the Chief Executive Officer.

THE SHAREHOLDERS' MEETING

The shareholders' right to decide on Auriant's business is exercised at the Shareholders' Meeting of the Company, which is the Company's highest decision-making body. The Board of Directors is appointed by the Shareholders' meeting and the Chief Executive Officer is appointed by the Board of Directors. The Shareholders' Meeting has a sovereign role over the Board of Directors and the Chief Executive Officer. The mandates of the Shareholders' Meeting include the election of Members of the Board, the approval of principles for the appointment of the Nomination Committee, the adoption of the Income Statement and Balance Sheet, resolutions on appropriation of profits and discharge from liability for the Members of the Board and the Chief Executive Officer of the company, the determination of fees payable to the Members of the Board and to the auditors and the principles governing conditions of employment and remuneration for the Chief Ececutive Officer and senior executives and, where relevant, the amending of Articles of Association and the election of auditor.

SHAREHOLDERS

As of the end of 2012 there were in total 17,616,987 shares in the Company and the same amount of votes. There were 3,238 shareholders in the Company as of December 31, 2012 and the largest shareholder was Bertil Holdings Ltd holding 52.87% of shares and who is the only shareholder representing more than one tenth of the voting rights of all shares in the company. The share capital of the Company as at that date amounted to SEK 198,191,103.

ANNUAL GENERAL MEETING IN 2012

Auriant's 2012 AGM was held on Thursday, May 24, 2012 in Stockholm. The minutes from the meeting are available at www.auriant.com.

The following principal resolutions were adopted:

- The Board of Directors and the Chief Executive Officer were discharged from liability for the past financial year.
- Board members Lars Guldstrand, Preston Haskell, Nick Harwood were re-elected to the Board for 2012 and Denis Alexandrov and Ingmar Haga were elected.
- Preston Haskell was elected Chairman of the Board.
- Board fees were established for Lars Guldstrand, Nick Harwood and Ingmar Haga at TSEK 200 each and TSEK 250 to the Chairman of the Board Preston Haskell. It was decided that Board member and CEO Denis Alexandrov would not receive any Board fees.
- Remuneration for the Company's auditor Öhrlings PricewaterhouseCoopers was to be paid according to the invoiced amount according to agreement.

- The AGM approved the shareholders' proposal for the establishment of principles for appointment of the Nomination Committee.
- The AGM approved the Board's proposal on adoption of the guidelines for the remuneration of members of the executive management.
- The AGM approved to amend the articles of association in accordance with the Board of Directors' proposal.
- The AGM authorized, for the period until the next Annual General Meeting, on one or more occasions, with or without preferential rights for shareholders, to issue new shares, warrants and/or convertibles. Decisions related to the authorization could result in increase of the capital by a maximum of 28,125,000 SEK, representing a maximum of 2,500,000 shares of the Company, upon full exercise of the warrants and convertible bonds issued under the authorization and prior to any conversion in accordance to its terms. The share issue was authorized for financing of acquisitions of a Company, part of it or assets, which the board deems to be of value for the Company, as payment substitution for the Company's strategic partnerships, raising capital either for such acquisitions, partnerships or other investments, or for strengthening the Company's financial position, if necessary, and for the implementation of financial restructuring, such as a loan repayment.
- The AGM approved annulment of warrants issued to the employees of the Company according to the Board of Directors proposal.

At the 2012 Annual General Meeting 11,647,169 shares were represented by 8 shareholders either in person or via proxies. The shares represented comprised approximately 66% of the total number of shares in the Company.

EXTRAORDINARY GENERAL MEETING IN 2012

An Extraordinary General Meeting was held on Tuesday, November 27, 2012 in Stockholm. The minutes from this meeting are available at www.auriant.com.

The following principal resolutions were adopted:

- Lord Peter Daresbury and Andre Bekker were elected to the Board of Directors.
- The EGM decided to change the payment order for the Directors' fees.
- The EGM decided to change the guidelines for remuneration of executive management in accordance with the proposal.
- The EGM decided to establish an incentive program to the company's CEO Denis Alexandrov and the Chief Investment Officer Max Yacoub.

At the Extraordinary General Meeting 9,314,969 shares were represented by 2 shareholders either in person or via proxies. The shares represented comprised approximately 53% of the total number of shares in the Company.

ANNUAL GENERAL MEETING IN 2013

The Annual General Meeting of the Shareholders will be held on Wednesday May 15, 2013 at Näringslivets Hus, Storgatan 19, Stockholm. The AGM will start at 15:00, and the doors will open at 14:30. The annual report for 2012 will be available on the Company's website as of April 22, 2013.

NOMINATION COMMITTEE

The role of the Nomination Committee is to present proposals to the AGM for: (i) the election of AGM Chairman; (ii) the number of members of the Board; (iii) the election of the Chairman of the Board and other Board members; (iv) Board fees, allocated between the Chairman and other members; (v) any remuneration for committee work; and (vi) the election and payment of auditors and alternate auditors (where applicable). In addition, the Nomination Committee shall make proposals for decisions about principles for establishing a new Nomination Committee.

The principles for the appointment of the Nomination Committee were approved by the AGM of May 24, 2012, as follows. The Company shall have a Nomination Committee comprised of the Chairman of the Board and four other members representing each of the four owners holding the largest number of voting rights. Those shareholders with the largest number of voting rights will be contacted on the basis of the Company's record provided by the Swedish Central Securities Depository of registered shareholders (by owner group) as at October 31, 2012. Those shareholders who are not registered with the Swedish Central Securities Depository, and who wish to exercise their voting rights, should apply to the Chairman of the Board and must be able to evidence ownership of shares. At the earliest convenient date after the end of October the Chairman of the Board shall contact the four shareholders with the largest number of voting rights, as determined above, and will request that they each appoint

a member to the Committee. If any of the shareholders decline their right to appoint a member to the Nomination Committee, the shareholder with the next most voting rights shall be provided with the opportunity to appoint a member. The names of the owner representatives and the names of the shareholders they represent shall be made public no less than six months prior to the AGM and shall be published on the Company's website as soon as possible upon their appointment. The Nomination Committee's mandate continues until a new Nomination Committee is appointed. The Chairman of the Nomination Committee shall, unless the members agree otherwise, be the member representing the largest shareholder. If a member resigns from the Nomination Committee prior to the work for that mandate being completed, and if the Nomination Committee deems that it is necessary to replace this member, then the Nomination Committee shall appoint a new member. No fees shall be paid to the members of the Nomination Committee.

The Nomination Committee may charge fair and reasonable expenses for travel and for reporting to the Company.

The Nomination Committee has been formed in accordance with the above described principles, as follows: Preston Haskell, the Chairman of the Board, James Smith representing Bertil Holdings Ltd, Peter Hamberg representing Niclas Eriksson with the family, Martin Diggle representing Vulpes Russian Opportunities Fund, and Bernt Plotek representing himself. The Nomination Committee has met a total of two times during 2012 and 2013 and has also had telephone contact.

The Nomination Committee works in the best interests of all shareholders of the Company and focuses on ensuring that the Company's Board of Directors is comprised of members who possess the knowledge and experience which corresponds to the needs of the Company.

BOARD OF DIRECTORS

In accordance with the Swedish Companies Act, the Board of Directors is responsible for the organisation of the Company and the administration of the Company's business, and shall continually assess the Company's and the Group's financial situation. The Board of Directors deals with issues of material significance, such as business plans including profitability targets, budgets, interim reports and annual reports, the acquisition or sale of companies, significant property acquisitions or sales, the establishment of important policies, the structure of internal control systems, and significant organisational changes. Each year, Auriant's Board establishes terms of reference of the Board of Directors, written instructions regarding financial reporting and the division of work between the Board and the Chief Executive Officer. The terms of reference regulate, among other things, the Board's duties, the minimum number of Board meetings each year, the manner in which meetings are to be notified and the documents required to be distributed before Board meetings and the manner in which the minutes of Board meetings are to be drawn up. The written instructions regarding financial reporting regulate the reporting system in place, as the Board needs to be able to continually assess the Company and Group's financial position. A Chart of Authority, approved by the Board, regulates the division of work, authorities, and responsibilities, between the Board and the Chief Executive Officer.

According to the Articles of Association, the Board of Directors shall comprise a minimum of three members and maximum of ten members, without deputy members, elected by the Annual General Meeting.

CHAIRMAN OF THE BOARD OF DIRECTORS

During 2012, Auriant's Chairman of the Board led the Board's work and ensured that the Board fulfilled its duties. The Chairman of the Board has continually followed the Group's business and development through contact with the Chief Executive Officer.

MEMBERS OF THE BOARD OF DIRECTORS

At year-end 2012, Auriant's Board was comprised of five Board members, where Preston Haskell, Denis Alexandrov, Ingmar Haga were elected by the Annual General Meeting, and Andre Bekker and Peter Daresbury were elected by the Extraordinary General Meeting. The Chief Executive Officer Denis Alexandrov is a member of the Board of Directors. The members of the Board are presented in more detail on page 21 of the Annual Report, and the details of the members' independence vis á vis the Company and its management are presented below.

BOARD'S DIVISION OF WORK

There was no verbal or written division of work for the members of the Board during the 2012 financial year.

THE BOARD'S WORK IN 2012

The Board held 24 meetings in 2012, 16 of which were held by correspondence, 1 per telephone and 7 meetings were held in person. The important issues dealt with by the Board in 2012, in addition to the approval of the annual report and the interim reports, establishing a business plan and the related budgets, were as follows:

- The Company's financial position and liquidity
- Strategic decision-making
- Cooperation with Centerra Gold Inc.
- Reorganisation of the management team
- Preparation for the Annual General Meeting
- Meeting with the auditor without presence of the Group's management.

BOARD COMMITTEES

Auriant's Board of Directors resolved to establish a remuneration committee in 2012, initially consisting of the Board members Peter Daresbury and Andre Bekker. Further, the Board decided in January 2013 that the remuneration committee shall be constituted by all non-executive Board members and shall be chaired by the Chairman of the Board. The remuneration committee submits propo-

BOARD MEMBERS' INDEPENDENCE AND SHARES IN AURIANT

Board member	Shares in Auriant	Warrants in Auriant	Independent of the company and management*	Independent of the major shareholders*
Preston Haskell	9,314,968	0	No	No
Denis Alexandrov	250,000	927,210	No	Yes
Ingmar Haga	0	0	Yes	Yes
Andre Bekker	0	0	Yes	No
Peter Daresbury	0	0	Yes	Yes
Lars Guldstrand	189,797	0	Yes	No
Nick Harwood	0	0	Yes	Yes

* Independence as defined by the Swedish Code of Corporate Governance.

BOARD MEMBERS' ATTENDANCE AT BOARD MEETINGS IN 2012

Name	Position	Present
Preston Haskell	Chairman	23/24
Denis Alexandrov	Member, CEO	17/17
Ingmar Haga	Member	15/17
Peter Daresbury	Member	3/3
Andre Bekker	Member	3/3
Lars Guldstrand	Member	15/17
Nick Harwood	Member	14/17
Tom Baring*	Member	6/7
Gordon Wylie*	Member	5/7
Niclas Eriksson*	Member	5/7

* Board members elected at the AGM 2011.

sals for resolution by the Board regarding salary and other terms of employment for the CEO. The committee also approves proposals regarding salaries and other terms of employment for the Group's management, according to the CEO's proposal.

The Board chose not establish an audit committee in 2012, when the Board considered it more appropriate to allow the Board to perform the tasks of the audit committee along with the ordinary Board work. The finance and audit committee was established in January 2013, consisting of the Board members Peter Daresbury and Ingmar Haga, with Mr. Daresbury serving as the chairman of the committee. The members of the committee have the necessary competence and experience in the accounting matters.

In January 2013 the Board established a new Technical Committee comprised of Ingmar Haga and Andre Bekker to advise the rest of Board on mining and technical issues.

The commitees report to the Board on a regular basis and on any major decisions taken.

BOARD FEES

The Board of Directors' fees are decided by the Shareholders' meeting. The following Board fees were approved by the Shareholders' meetings in 2012: the Board fees for Ingmar Haga, Andre Bekker and Peter Daresbury at TSEK 200 each and for the Chairman Preston Haskell at TSEK 250. No Board fees shall be paid to the Board member and the Chief Executive Officer Denis Alexandrov.

GROUP MANAGEMENT

The Group's management comprises the CEO, CFO, CIO, COO, Head of HR, Chief Geologist, and Group General Counsel. The Group management has regular meetings in order to discuss the strategic and operational issues related to the management of the Auriant Group. The management of the Company is presented on page 22 of the Annual Report.

The Chief Executive Officer is responsible for the ongoing management of the Company. The CEO's work is evaluated once a year. Denis Alexandrov is Chief Executive Officer for Auriant Mining AB since May 2012.

REMUNERATION OF EXECUTIVE MANAGEMENT

For information regarding the remuneration policy and the remuneration of the Chief Executive Officer, senior executives and other employees, please see Note 3 on page 69 of the annual report.

LONG-TERM INCENTIVE PROGRAMS

The Board regularly evaluates the need for long-term incentive programs. Currently there are long-term incentive programs for the Chief Executive Officer and the Chief Investment Officer of the Company, adopted at the Extraordinary General Meeting on November 27, 2012.

AUDITOR

The AGM appoints an auditor of the Company. The auditor's task is to examine the Company's annual financial statements and accounts, as well as the management by the Board and the Chief Executive Officer. The AGM of May 24, 2012 appointed, for a period until the 2013 AGM, Öhrlings PricewaterhouseCoopers AB as the Company´s auditors. The responsible auditor at Öhrlings PricewaterhouseCoopers AB is Authorized Public Accountant Martin Johansson. Martin's audit engagements, in addition to Auriant, include Kraft Foods Sverige AB, Sotkamo Silver AB, PetroGrand AB, etc.

The audit is conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden.

The audit of the annual accounts is conducted during the period from January to April. The process is initiated, however, when the examination of the nine-month accounts is initiated in October of the financial year in question. The 9 months interim report was subject to review during the financial year.

INTERNAL CONTROL

Internal control is often defined as a process that is influenced by the Board, the company management and other staff, and which is developed to provide reasonable assurance that the company's targets are being met in terms of the business operations being both appropriate to the goals of the company and being efficient. Reasonable assurance is also to be provided as regards the reliability of the financial reporting and compliance with relevant laws and regulations. Internal control consists of various aspects: control environment, risk assessment, control activities, information and communication, as well as monitoring.

CONTROL ENVIRONMENT

Internal control is underpinned by the control environment, which comprises the culture communicated by the Board and Company management, and according to which they operate, and that provides the discipline and structure for the other aspects of internal control. The control environment primarily consists of the organisational structure, the assignment of responsibility and powers, management philosophy, ethical values, staff competence, policies and guidelines, as well as routines. In addition to the relevant legislation, the framework within which Auriant's Board and management work is comprised of the owners' aims and the Swedish Corporate Governance Code. The formal decision-making procedure is based on the division of responsibility between the Board and the CEO which the Board establishes each year in the form of the Chart of Authority. The Board has established procedures for its work. The CEO is able to delegate a degree of decision-making to other senior executives. Two members of the Board have the authority to sign on behalf of the Company. Furthermore, the CEO, in his normal business activities, is also entitled to sign on behalf of the Company.

RISK ASSESSMENT

All business operations involve risk. A structured risk assessment makes it possible to identify the material risks having an effect on internal control with regard to financial reporting and where these risks exist within the organisation. Auriant's Board continually assesses the Company's risk management. This work consists in assessing the preventative measures which need to be taken to reduce the Company's risks, which involves, for example, ensuring that the Company has appropriate insurance and that the Company has the necessary policies and guidelines in place.

CONTROL ACTIVITIES

Control measures are required to prevent, detect and correct errors and discrepancies. Each quarter, Auriant Mining's Finance Department compiles financial reports providing details of earnings and cash flow for the most recent accounting period at subsidiary and Group level. Deviations from budget and forecasts are analysed and commented on. Documented processes exist for the compiling of the information on which the financial reports are based. Detected errors and discrepancies are analyzed and followed up.

MONITORING

Financial monitoring is carried out on a quarterly basis for all profit centres and at Group level. In addition, Group management receives operational reports on a weekly and monthly basis. Monitoring is, then, carried out in comparison with budgets. Auriant Mining AB is a mining company that is in its early stages, which is why no earnings or sales forecasts are currently provided externally. Instead, the financial report in February of each year stipulates targets for the expected volume of gold production for the full year. These targets are subsequently revised as often as is deemed necessary. As the gold production is currently highly seasonal, this usually occurs, at the earliest, in the summer months when production has begun in earnest. The Board continuously evaluates the information provided by the Company management. Each month the CEO reports to the Board on the Company's performance with regard to the targets in the Business Plan. Given its size, the Company has chosen not to establish a separate internal audit unit. If the Board finds it appropriate, internal control will be further expanded. The issue of internal control and a separate internal audit unit is annually reviewed by the Board and will be discussed again in 2013.

AURIANT HAS NOT COMPLIED WITH THE CODE AS REGARDS THE FOLLOWING POINTS:

- The Nomination Committee's proposals are to be presented in the notice of a general meeting where the election of Board members or auditor is to be held and on the Company's website.

Due to the fact that the Board of Directors had not been informed by the Nomination Committee on its proposals before May 24, 2012, the Nomination Committee's proposal could not be included in the notice.

- The Company's Nomination Committee is to propose a Chairman for the Annual General Meeting. The proposal is to be presented in the notice of the meeting.

The Board of Directors was not informed by the nomination committee on its proposal regarding the appointment of the Chairman of the meeting in a timely manner so it could be included in the notice of the meeting. The proposal was announced on May 24, 2012.

- Share- and share-price-related incentive programmes are to be designed with the aim of achieving increased alignment between the interests of the participating individual and the company's shareholders. Programmes that involve acquisition of shares are to be designed so that a personal holding of shares in the Company is promoted. The vesting period or the period from the commencement of an agreement to the date for acquisition of shares is to be no less than three years.

The Extraordinary General Meeting on 27 November 2012 approved the incentive program to the CEO of the Company and Chief Investment Officer where the date for acquisition of shares is less than three years.

It was considered to be in the best interests of the Company and all shareholders to create a greater participatory interest for the CEO and the Chief Investment Officer by offering an incentive programme with the shorter period for acquisition of shares, than what the Swedish Code for Corporate Governance recommends.

- The Chairman of the Board is to be elected by the shareholders meeting.

The Board is responsible to elect its Chairman. It is believed to be in the Company´s best interest that the Board is responsible for the election of the Chairman since this increases the flexibility of the Board´s work.

Also it minimizes the cost for convening an extraordinary shareholders' meeting if the Chairman is to resign during the mandate period.

According to Sw Companies Act there is no obstacles of the board to elect the chairman, unless is stated in the articles of association that the chairman should be elected by the general meeting.

PARENT COMPANY

The Parent Company is a holding company without significant operational activities. The Parent Company supports the subsidiaries with financing, investor relations and strategic decisions, etc. and has no revenue other than other operating income and interest on loans to the subsidiaries and on bank accounts.

The operating result for 2012 was MSEK -3.4 (US$ -0.5 m) (2011: MSEK –13.7 (US$ –2.1 m)). The difference from last year is mainly due to significant non-recurring operating income in 2012 of MSEK 8.1, where MSEK 6.7 referred to sale of 20% ownership in the joint venture Awilia to Centerra Gold.

Net financial items for 2012 amounts to MSEK –242.7 (US$ –37.3 m) (2011: MSEK –228.4 (US$ –35.1 m)) and includes write down of intercompany loan receivables of MSEK –238.9 (US$ –36.7) (2011: MSEK –224.2 (US$ –34.4 m) relating to the production units Tardan in 2012 and Solcocon for 2011.

Net result for the reporting period amounted to TSEK –246.2 (US$ –37.8 m) (2011: MSEK –242.1 (US$ –37.1 m).

Total cash balance in the parent company was MSEK 1.2 (US$ 0.2 m) (2011: MSEK 8.2 (US$ 1.2 m) at the end of December 2012.

In December 2012 the loans liability to the shareholder was restructed into bond. As of December 31, 2012 bond liability equaled MSEK 214.4 (US$ 32.9 m) (2011: MSEK 165.7 (US$ 25.4 m).

PROPOSAL FOR PROFIT DISTRIBUTION

The Group's equity at year-end 2012 amounted to MSEK 225.2, of which the share capital is MSEK 198.2.

IN THE PARENT COMPANY THE UNRESTRICTED SHAREHOLDERS EQUITY AMOUNTS TO:

	SEK
Share premium reserve	580,798,838
Translation difference reserve	–49,497,037
Retained earnings	–290,091,923
Net income for the year	–246,179,421
Total unrestricted equity	–4,969,543

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

Financial Statements

Operational Key Ratios, SEK

	2012	2011	2010	2009	Definitions
Profitability					
Ore processed, 000 tonnes	442.3	260.2	174	20	Quantity of ore processed
Gold sands processed, 000 m^3	118.9	88.7	713	935	Volume of gold sands processed
Gold production, oz	20,641	13,182	23,470	21,636	Gold produced
Gold sales, oz	19,837	12,417	23,786	21,411	Actuall colume of gold sales
Average realized gold price, US$/oz	1,700	1,610	1,257	951	Average price per ounce received during the period
Return on equity, %	–27.7	–39.0	2.6	86.4	Net profit/loss for the period as a percentage of average equity during the period, including minority holdings
Capital Structure					
Equity , TSEK	225,163	308,031	405,511	200,745	Total equity at the end of the period, including non-controling interests
Interest-bearing liabilities, TSEK	350,530	243,219	118,133	140,594	Total interest-bearing liabilities at the end of the period
Equity ratio, %	34.8	45.6	63.6	44.5	Equity, including non-controlling interests, as a percentage of the balance sheet total
Cash flow and liquidity					
Cash flow before investments, TSEK	47,053	–42,694	–95,362	4,586	Operational profit/loss plus depreciation, minus change in working capital
Cash flow after investments and financing, TSEK	11,742	–11,662	–838	22,662	Operating profit/loss plus depreciation, minus change in working capital and investments, and after financing
Liquid assets, TSEK	22,266	10,995	22,230	22,732	Bank deposits and cash at the end of the period
Investments					
Capital investments, TSEK	48,401	141,727	86,737	80	Net investments in material fixed assets, minus any disinvestments
Employees					
Average number of employees during the period	720	728	916	932	
Share data					
Number of outstanding shares before dilution	17,616,987	17,616,987	16,016,987	1,765,312	Number of issued shares at the end of the period, excluding the effect of outstanding warrants and any incentive options
Average number of outstanding shares during the period before dilution	17,616,987	16,652,603	5,026,107	1,720,246	Number of shares at the end of the period, inclu-ding outstanding warrants with a redemption price lower than the current stock exchange price
Number of warrants outstanding	1,057,210	510,650,000	510,650,000	2,500,000	Number of non-exercised warrants at the end of the period
Qoutient value, SEK	11.25	11.25	11.25	10	Each share's portion of the total share capital
Earnings per share, SEK	–4.20	–7.17	1.58	85.37	Net profit/loss after tax divided by the average number of outstanding shares during the period
Equity per share, SEK	12.78	17.48	25.23	110.13	Total equity, including non-controlling interests, in relation to the number of issues shares at the end of the period
Market price per share, SEK	15.5	22	23	12.9	Latest market price paid for shares on the last trading day of the period

Operational Key Ratios, USD

	2012	2011	2010	2009	Definitions
Profitability					
Ore processed, 000 tonnes	442.3	260.2	174	20	Quantity of ore processed
Gold sands processed, 000 m^3	118.9	88.7	713	935	Volume of gold sands processed
Gold production, oz	20,641	13,182	23,470	21,636	Gold produced
Gold sales, oz	19,837	12,417	23,786	21,411	Actuall colume of gold sales
Average realized gold price, US$/oz	1,700	1,610	1,257	951	Average price per ounce received during the period
Return on equity, %	–27.7	-39.0	2.6	86.4	Net profit/loss for the period as a percentage of average equity during the period, including minority holdings
Capital Structure					
Equity, US$ 000	34,558	47,276	62,237	30,810	Total equity at the end of the period, including non-controling interests
Interest-bearing liabilities, US$ 000	53,799	37,329	18,131	21,578	Total interest-bearing liabilities at the end of the period
Equity ratio, %	34.8	45.6	63.6	44.5	Equity, including non-controlling interests, as a percentage of the balance sheet total
Cash flow and liquidity					
Cash flow before investments, US$ 000	7,222	–6,553	–14,636	704	Operational profit/loss plus depreciation, minus change in working capital
Cash flow after investments and financing, US$ 000	1,802	–1,790	–129	3,478	Operating profit/loss plus depreciation, minus change in working capital and investments, and after financing
Liquid assets, US$ 000	3,417	1,687	3,412	3,489	Bank deposits and cash at the end of the period
Investments					
Capital investments, US$ 000	7,428	21,752	13,312	12	Net investments in material fixed assets, minus any disinvestments
Employees					
Average number of employees during the period	720	728	916	932	
Share data					
Number of outstanding shares before dilution	17,616,987	17,616,987	16,016,987	1,765,312	Number of issued shares at the end of the period, excluding the effect of outstanding warrants and any incentive options
Average number of outstanding shares during the period before dilution	17,616,987	16,652,603	5,026,107	1,720,246	Number of shares at the end of the period, including outstanding warrants with a redemption price lower than the current stock exchange price
Number of warrants outstanding	1,057,210	510,650,000	510,650,000	2,500,000	Number of non-exercised warrants at the end of the period
Qoutient value, US$ 000	1.73	1.73	1.73	1.53	Each share's portion of the total share capital
Earnings per share, US$ 000	–0.64	–1.10	0.24	13.10	Net profit/loss after tax divided by the average number of outstanding shares during the period
Equity per share, US$ 000	1.96	2.68	3.87	16.90	Total equity, including non-controlling interests, in relation to the number of issues shares at the end of the period
Market price per share, US$ 000	2.38	3.38	3.53	1.98	Latest market price paid for shares on the last trading day of the period

Comments by the CFO

This is the first year we started to report all of our financial numbers in US$ in addition to our historic SEK reporting. We believe that as investors in global mining are truly international and as gold is traded in US$, we are also presenting our figures in US$. We hope this will make our financial statements easier to understand and allow for more effective benchmarking against our international peers. The exchange rates used in this report is US$/SEK 6.5156 for both 2012 and 2011.

Revenue from gold sales grew by 77% from MSEK 131.9 (US$ 20.3 m) to MSEK 234.1 (US$ 35.9 m) due to an increase in volume of gold sold of 54% and a average gold price increase of 6%. The increase in sold volumes was a result of total production increasing by 57% – 642 kg (20,641 oz) in 2012 up from 410 kg (13,182 oz) in 2011. The new Tardan heap leach operation, that was commissioned in August 2012, contributed the majority of this increase.

In May 2012, a contract to outsource all production of alluvial gold at Borzya was signed with an experienced alluvial operator - Urumkan. Although they started late in the season 114 kg (3,665 oz) was produced in 2012, an increase of 38 kg (1,222 oz) if compared to the previous year, which resulted in alluvial sales of MSEK 43.3 (US$ 6.6 m). Under our agreement Urumkan is paid 89% of revenue from gold sales and an amount of MSEK 32.6 (US$ 5.0 m) is reflected in Aurian Mining accounts as External Expenses. In sum Auriant receives a net of VAT margin of 24.5% of sales, less 6% mineral extraction tax.

2012 was a challenging year for Solcocon. Production decreased from 238 kg (7,652 oz) to 116 kg (3,729 oz). The primary reasons were a lack of available financing at the start of the year due to all of the Company's financial resources allocation to the completion of the new Tardan heap plant, as well poor reserve preparation that resulted in insufficient ore for the heap leach operation and higher grade dilution.

As we entered the production stage at Tardan and with most of the construction completed the depreciation charge increased by MSEK 15 (US$ 2 m) and includes both the Tardan heap leach plant and equipment charges as well as amortization of the capitalized exploration and mine development expenses. Both depreciation and amortization are charged to the income statement on a per unit of production basis.

Currency fluctuations resulted in the appreciation of the Swedish Krona to the US Dollar and Russian rouble. As Auriant's entire loan portfolio is US$ or RUR denominated, the Group recorded a foreign exchange gain of MSEK 16 (US$ 2.4 m) versus MSEK 10 (US$ 1.5 m) losses in the previous year, both reflected in Financial income and expenses lines respectively.

The growth of the Company was supported and financed both by a shareholder loan and financing from banks. As a result, loans and borrowings increased from MSEK 249.4 (US$ 38.3 m) in 2011 to MSEK 348.5 (US$ 53.5 m) in 2012, and interest expense rose to MSEK 46.1 (US$ 7.1 m) from MSEK 11.5 (US$ 1.8 m). The reason for the large increase in interest expense is due to the fact that most of the financing of 2011 was raised at the end of that year and consequently most of the interest expense arose in 2012.

During 2012, the Group successfully refinanced all of its MSEK 65.3 (US$ 10.0 m) bank loans and secured additional loans of MSEK 65 (US$ 10 m), decreasing the interest rate from 13–15% to 10–13% per annum. The short-term shareholder debt, which carried an interest rate of 18%, was converted into a bond, with a reduced interest rate of 11.5–13% per annum. The repayment date was also extended to June 2014. As a result the Company's effective interest rate decreased from 16% to 12.5% per annum.

According to Russian tax legislation, accrued losses are accumulated in the statement of financial position and can be offset against future taxable earnings. In 2011 the Group income tax was MSEK 7.9 (US$ 1.2 m) consisting of a net deferred tax position of MSEK 9.2 (US$ 1.4 m) that resulted in a gain in the consolidated income statement and current income tax expense of MSEK -1.3 (US$ -0.2 m).

In 2012 Group income tax was MSEK -1.9 (US$ -0.3 m) that included current expense of MSEK -0.6 (US$ 0.09 m) and net deferred tax position of MSEK - 1.3 (US$ -0.2 m). Although the Group is still loss making, net income tax is an expense due to deferred tax asset impairment in the amount of MSEK 8.6 (US$ 1.3 m). Given the early stage of the Company's development, management does not consider it prudent to carry the full amount of the deferred tax asset at Solcocon and the Management Company. We will continue to monitor the deferred tax assets arising in different projects and assess the timing and recoverability in the future.

In 2012 the Group continued development of the Kara-Beldyr project jointly with Centerra Gold and invested MSEK 6.6 (US$ 1.0 m) in exploration. In 2012 Centerra, via an investment of US$ 4 m, exercised their option to

increase their stake in the joint venture to 70%, resulting in a gain of MSEK 6.7 (US$ 1 m) to Auriant, reflected in other income in the consolidated income statement. EBITDA for 2012, calculated as an operating result of MSEK -40.2 (US$ -6.2 m) less depreciation and amortisation of MSEK 40.6 (US$ 6.2) is at a breakeven level and amounts to MSEK 0.4 (US$ 0.07 m) compared to negative MSEK 34.4 (US$ 5.3 m) in 2011.

The increase in total liabilities, excluding changes in deferred taxes, amounted to MSEK 77.9 (US$ 11.9 m), that were used for additions to fixed assets of MSEK 55.7 (US$ 8.5 m) (gross of depreciation) and to finance net interest expense of MSEK 31.8 (US$ 4.9 m).

Mihail Fedulov
CFO
Auriant Mining AB

Consolidated income statement

	Note	2012 TSEK	2011 TSEK	2012* US$ 000	2011* US$ 000
Income					
Revenue from sale of gold	1	234,133	131,965	35,934	20,254
Other income	1a	18,307	18,175	2,810	2,789
		252,440	**150,140**	**38,744**	**23,043**
Operating costs					
Change in work in progress and finished goods		24,965	42,663	3,832	6,548
Capitalized work for own account	8	–	4,112	–	631
External expenses	2	–157,737	–133,558	–24,209	–20,498
Employee benefit expenses	3	–78,960	–84,409	–12,119	–12,955
Depreciation of tangible and intangible fixed assets	4	–40,661	–26,081	–6,241	–4,003
Write-downs	4	–29,631	–37,766	–4,548	–5,796
Other expenses	1a	–10,647	–16,266	–1,634	–2,496
		–292,671	**–251,305**	**–44,918**	**–38,570**
Operating result		**–40,231**	**–101,164**	**–6,175**	**–15,526**
Financial income	5	16,012	466	2,457	72
Financial expenses	6	–47,813	–27,567	–7,338	–4,231
Profit before income tax		**–72,032**	**–128,265**	**–11,055**	**–19,686**
Income tax	7	–1,923	7,869	–295	1,208
Net result for the year		**–73,955**	**–120,396**	**–11,350**	**–18,478**
Whereof attributable to:					
The owners of the parent		–73,955	–119,325	–11,350	–18,314
Non-controlling interest		–	–1,071	–	–164
Earnings per share before dilution, SEK	17	–4.20	–7.17	–0.64	–1.10
Earnings per share after dilution, SEK		–4.20	–7.17	–0.64	–1.10
Number of shares at the end of the financial year		17,616,987	17,616,987		
Average number of shares outstanding during the financial year		17,616,987	16,652,603		
Average number of shares outstanding for the period after dilution		18,674,197	16,652,603		

*US$ amounts are provided for convenience only and are non–IFRS figures of the Group and non–RFR-2 figures of the Parent company statements. The exchange rate used here and below in this report is US$/SEK 6.5156 for both 2012 and 2011.

Consolidated statement of comprehensive income

	Note	2012 TSEK	2011 TSEK	2012 US$ 000	2011 US$ 000
Net result for the year		–73,955	–120,396	–11,350	–18,478
Other comprehensive income					
Translation difference		–8,913	–6,739	–1,368	–1,034
Total comprehensive income for the year		**–82,868**	**–127,135**	**–12,718**	**–19,512**
Total comprehensive income for the year attributable to:					
Owners of the parent		–82,868	–126,064	–12,718	–19,348
Non-controlling interest		–	–1,071	–	–164

Consolidated statement of financial position

	Note	31-12-2012 TSEK	31-12-2011 TSEK	31-12-2012 US$ 000	31-12-2011 US$ 000
NON-CURRENT ASSETS					
Intangible fixed assets					
Mining permits and capitalised exploration costs	8	152,184	159,496	23,357	24,479
Tangible fixed assets					
Buildings and land	9	92,583	19,879	14,210	3,051
Machinery, equipment and other technical plant	10	134,622	97,647	20,661	14,987
Construction in progress	11	17,948	111,839	2,755	17,165
		245,154	**229,365**	**37,626**	**35,202**
Investments in joint ventures	13	23,969	28,919	3,679	4,438
Other financial fixed assets		–	307	–	47
Deferred taxes recoverable	7	22,409	50,879	3,439	7,809
Total non-current assets		**443,716**	**468,966**	**68,101**	**71,976**
CURRENT ASSETS					
Inventories	14	143,217	153,620	21,981	23,577
Accounts receivable trade		509	986	78	151
Loans receivable					
Other current receivables	15	22,795	29,146	3,499	4,473
Prepaid expenses	15	13,623	12,382	2,091	1,900
Cash and cash equivalents	16	22,266	10,995	3,417	1,687
Total current assets		**202,409**	**207,129**	**31,065**	**31,790**
TOTAL ASSETS		**646,125**	**676,095**	**99,166**	**103,766**

Consolidated statement of financial position

	Note	31-12-2012 TSEK	31-12-2011 TSEK	31-12-2012 US$ 000	31-12-2011 US$ 000
EQUITY AND LIABILITIES					
EQUITY	17				
Share capital		198,191	198,191	30,418	30,418
Additional paid in capital		155,819	155,819	23,915	23,915
Translation difference reserve		–27,057	–18,143	–4,153	–2,785
Retained earnings		–101,791	–27,836	–15,623	–4,272
TOTAL EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT		**225,163**	**308,031**	**34,557**	**47,276**
Non-controlling interest		–	–	–	–
TOTAL EQUITY		**225,163**	**308,031**	**34,557**	**47,276**
NON-CURRENT LIABILITIES					
Deferred tax	7	25,298	50,318	3,883	7,723
Provisions	18	11,825	10,261	1,815	1,575
Long-term loans and notes	19	218,728	18,365	33,570	2,819
Other long-term liabilities		2,027	6,469	311	993
Total non-current liabilities		**257,877**	**85,413**	**39,578**	**13,109**
CURRENT LIABILITIES					
Trade and other accounts payable	21	9,248	19,519	1,419	2,996
Short-term loans	19	129,758	231,090	19,915	35,467
Other current liabilities		24,079	32,042	3,696	4,918
Total current liabilities		**163,085**	**282,651**	**25,030**	**43,381**
TOTAL EQUITY AND LIABILITIES		**646,125**	**676,095**	**99,166**	**103,766**
PLEDGED ASSETS	24	162,059	188,816	24,872	28,979
CONTINGENT LIABILITIES		–	–	–	–

Consolidated statement of changes in equity

(All amounts in TSEK)	Share capital	Additional paid in capital	Translation difference reserve	Retained earnings	Non-controlling interest	Total equity
	Attributable to the shareholders of the parent company					
Equity as of January 1, 2011	**180,191**	**143,705**	**–11,405**	**91,614**	**1,405**	**405,510**
Comprehensive income						
Net result for the year	–	–		–119,325	–1,071	–120,396
Translation difference	–	–	–6,739	–	–	–6,739
Total comprehensive income	**–**	**–**	**–6,739**	**–119,325**	**–1,071**	**–127,135**
Change in non-controlling interests				–125	–334	–459
Proceeds from rights issue	18,000	10,000	–	–	–	28,000
Costs for rights issue	–	–108	–	–	–	–108
Adjustment of costs for rights issue	–	2,222	–	–	–	2,222
Total transactions with shareholders	**18,000**	**12,114**	**–**	**–**	**–**	**30,114**
Equity as at December 31, 2011	**198,191**	**155,819**	**–18,144**	**–27,836**	**–**	**308,030**
Comprehensive income						
Net result for the year	–	–	–	–73,955	–	–73,955
Translation difference	–	–	–8,913	–	–	–8,913
Total comprehensive income	**–**	**–**	**–8,913**	**–73,955**	**–**	**–82,868**
Equity as at December 31, 2012	**198,191**	**155,819**	**–27,057**	**–101,791**	**–**	**225,162**

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	Non-controlling interest	Total equity
Equity as of January 1, 2011	**27,655**	**22,056**	**–1,750**	**14,061**	**216**	**62,237**
Comprehensive income						
Net result for the year	–	–		–18,314	–164	–18,478
Translation difference	–	–	–1,034	–	–	–1,034
Total comprehensive income	**–**	**–**	**–1,034**	**–18,314**	**–164**	**–19,512**
Change in non-controlling interests				–19	–51	–70
Proceeds from rights issue	2,763	1,535	–	–	–	4,297
Costs for rights issue	–	–17	–	–	–	–17
Adjustment of costs for rights issue	–	341	–	–	–	341
Total transactions with shareholders	**2,763**	**1,859**	**–**	**–**	**–**	**4,622**
Equity as at December 31, 2011	**30,418**	**23,915**	**–2,785**	**–4,272**	**–**	**47,276**
Comprehensive income						
Net result for the year	–	–	–	–11,350	–	–11,350
Translation difference	–	–	–1,368	–	–	–1,368
Total comprehensive income	**–**	**–**	**–1,368**	**–11,350**		**–12,718**
Equity as at December 31, 2012	**30,418**	**23,915**	**–4,153**	**–15,623**	**–**	**34,557**

Consolidated cash flow statement

	Note	2012 TSEK	2011 TSEK	2012 US$ 000	2011 US$ 000
Operating activities					
Operating result		–40,231	–101,164	–6,175	–15,526
Adjustment for items not included in the cash flow	22	50,494	60,465	7,750	9,280
Interest received		–	292	–	45
Interest paid		–10,867	–13,615	–1,668	–2,090
Paid income tax		–	–	–	–
Cash flow from operations before changes in working capital		**–603**	**–54,022**	**–93**	**–8,291**
Changes in working capital					
Decrease(+)/increase(–)in stock		10,403	–23,642	1,597	–3,628
Decrease(+)/increase(–)in current receivables		5,588	42,914	858	6,586
Decrease(–)/increase(+)in current liabilities		31,664	–7,945	4,860	–1,219
Total change in working capital		**47,656**	**11,328**	**7,314**	**1,739**
Net cash flow from/used in operating activities		**47,053**	**–42,694**	**7,222**	**–6,553**
Investment activities					
Sale of subsidiary		–	21,466	–	3,295
Purchases of intangible fixed assets		–	–4,112	–	–631
Purchases of tangible fixed assets		–48,401	–141,727	–7,428	–21,752
Investment in subsidiaries		–8,413	–	–1,291	–
Loan repayments		–	365	–	56
Net cash flow from investing activities		**–56,814**	**–124,008**	**–8,720**	**–19,032**
Financing activities					
Proceeds from borrowings		160,902	265,748	24,695	40,786
Repayment of borrowings		–139,398	–138,600	–21,395	–21,272
Proceeds from rights issue		–	27,892	–	4,281
Net cash flow generated from financing activities		**21,504**	**155,040**	**3,300**	**23,795**
Cash flow for the year		**11,742**	**–11,662**	**1,802**	**–1,790**
Cash and cash equivalents at the beginning of the period	16	10,995	22,230	1,687	3,412
Exchange rate difference on liquid assets		–471	428	–72	66
Cash and cash equivalents at the end of the period	16	**22,266**	**10,995**	**3,417**	**1,688**

Parent company income statement

	Note	2012 TSEK	2011 TSEK	2012 US$ 000	2011 US$ 000
Income					
Other operating income	1a	8,062	198	1,237	30
Operating costs					
External expenses	2	–10,104	–11,586	–1,551	–1,778
Employee benefit expense	3	–1,395	–2,289	–214	–351
Operating result		**–3,437**	**–13,677**	**–528**	**–2,099**
Financial income	5	28,555	17,745	4,383	2,723
Financial expenses	6	–271,297	–246,148	–41,638	–37,778
Result after financial items		**–246,179**	**–242,080**	**–37,783**	**–37,154**
Tax on this year's result	7	–	–	–	–
Net result for the year		**–246,179**	**–242,080**	**–37,783**	**–37,154**
Earnings per share before dilution, SEK		–13.97	–14.54	–2.14	–2.23
Earnings per share after dilution, SEK		–13.97	–14.54	–2.14	–2.23
Number of shares at the end of the financial year		17,616,987	17,616,987	17,616,987	17,616,987
Average number of shares outstanding during the financial year		17,616,987	16,652,603	17,616,987	16,652,603
Average number of shares outstanding for the period after dilution		18,674,197	16,652,603	17,616,987	16,652,603

Parent company statement of comprehensive income

	Note	2012 TSEK	2011 TSEK	2012 US$ 000	2011 US$ 000
Net result for the year		**–246,179**	**–242,080**	**–37,783**	**–37,154**
Other comprehensive income					
Translation differences		–17,580	–825	–2,698	–127
Total comprehensive income for the year		**–263,760**	**–242,905**	**–40,481**	**–37,154**

Parent company statement of financial position

	Note	31-12-2012 TSEK	31-12-2011 TSEK	31-12-2012 US$ 000	31-12-2011 US$ 000
NON-CURRENT ASSETS					
Financial non-current assets					
Investments in subsidiaries	12	372,348	443,993	57,147	68,143
Investments in joint ventures	13	20,663	22,215	3,171	3,410
Loans to subsidiaries	14	84,883	237,111	13,028	36,391
Other financial non-current assets			123		19
Total non-current assets		**477,894**	**703,442**	**73,346**	**107,963**
CURRENT ASSETS					
Other current receivables	16	318	313	49	48
Prepaid expenses	16	161	89	25	14
Cash and cash equivalents	17	1,193	8,119	183	1,246
Total current assets		**1,673**	**8,521**	**257**	**1,308**
TOTAL ASSETS		**479,566**	**711,963**	**73,603**	**109,271**
EQUITY AND LIABILITIES					
EQUITY	18				
Restricted equity					
Share capital		198,191	198,191	30,418	30,418
Statutory reserve		68,032	68,032	10,441	10,441
Total restricted equity		**266,223**	**266,223**	**40,859**	**40,859**
Unrestricted equity					
Share premium reserve		580,799	580,799	89,140	89,140
Translation difference		–49,497	–31,917	–7,597	–4,899
Retained earnings		–290,092	–48,012	–44,523	–7,369
Net result for the year		–246,179	–242,080	–37,783	–37,154
Total unrestricted equity		**–4,970**	**258,790**	**–763**	**39,719**
TOTAL EQUITY		**261,254**	**525,013**	**40,097**	**80,578**
NON-CURRET LIABILITIES					
Long-term loans	20	215,315	14,914	33,046	2,289
Total non-current liabilities		**215,315**	**14,914**	**33,046**	**2,289**
CURRENT LIABILITIES					
Trade and other accounts payable	21	2,820	6,137	433	942
Short-term loans	20	–	165,702	–	25,432
Other short-term liabilities		177	197	27	30
Total current liabilities		**2,997**	**172,036**	**460**	**26,404**
TOTAL EQUITY AND LIABILITIES		**479,566**	**711,963**	**73,603**	**109,271**
PLEDGED ASSETS	24	469,081	405,885	71,993	62,294
CONTINGENT LIABILITIES		–	79,550	–	12,209

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 of December 31, 2010	**180,191**	**68,032**	**568,685**	**–31,092**	**–62,511**	**14,499**	**737,804**
Profit/loss brought forward					14,499	–14,499	
Transactions with shareholders							
Proceeds from share issuance	18,000		10,000				28,000
Costs for share issuance			–108				–108
Adjustment of costs for share issuance			2,222				2,222
Total transactions with shareholders for the period	**18,000**		**12,114**				**30,114**
Comprehensive income							
Net result for the year						–242,080	–242,080
Exchange rate difference				–825			–825
Total comprehensive income for the period				**–825**		**–242,080**	**–242,905**
Equity as of December 31, 2011	**198,191**	**68,032**	**580,799**	**–31,917**	**–48,012**	**–242,080**	**525,013**
Profit/loss brought forward					–242,080	242,080	
Comprehensive income							
Net result for the year						–246,179	–246,179
Exchange rate difference				–17,580			–17,580
Total comprehensive income for the period				**–17,580**		**–246,179**	**–263,760**
Equity as at December 31 , 2012	**198,191**	**68,032**	**580,799**	**–49,497**	**–290,092**	**–246,179**	**261,253**

Parent company statement of changes in equity

(All amounts in US$ 000)	Share capital	Stat-utory reserve	Share premium reserve	Translation difference reserve	Retai-ned ear-nings	Net income for the period	Total equity
Equity as of December 31, 2010	**27,655**	**10,441**	**87,281**	**–4,772**	**–9,594**	**2,225**	**113,237**
Profit/loss brought forward					2,225	–2,225	
Transactions with shareholders							
Proceeds from share issuance	2,763		1,535				4,297
Costs for share issuance			–17				–17
Adjustment of costs for share issuance			341				341
Total transactions with shareholders for the period	**2,763**		**1,859**				**4,622**
Comprehensive income							
Net result for the year						–37,154	–37,154
Exchange rate difference				–127			–127
Total comprehensive income for the period				**–127**		**–37,154**	**–37,281**
Equity as of December 31, 2011	**30,418**	**10,441**	**89,140**	**–4,899**	**–7,369**	**–37,154**	**80,578**
Profit/loss brought forward					–37,154	37,154	
Comprehensive income							
Net result for the year						–37,783	–37,783
Exchange rate difference				–2,698			–2,698
Total comprehensive income for the period				**–2,698**		**–37,783**	**–40,481**
Equity as at December 31 , 2012	**30,418**	**10,441**	**89,140**	**–7,597**	**–44,523**	**–37,783**	**40,097**

Parent company cash flow statement

	Note	2012 TSEK	2011 TSEK	2012 US$ 000	2011 US$ 000
Cash flows from operating activities					
Operating loss		–3,437	–13,677	–528	–2,099
Adjustment for non-cash items	22	–7,978	–	–1,224	–
Received interest		–	174	–	27
Paid interest		–	–2,080	–	–319
Cash flow from operations before changes in working capital		**–11,415**	**–15,583**	**–1,752**	**–2,392**
Changes in working capital					
Change in current receivables		–78	237	–12	36
Change in current liabilities		3,337	9,149	512	1,404
Net cash used in operating activities		**–8,156**	**–6,197**	**–1,252**	**–951**
Cash flows from investing activities					
Investment in subsidiaries		–8,083	–	–1,241	–
Investment in joint venture	13	–8,413	–	–1,291	–
Loans granted to subsidiaries	23	–7,131	–178,057	–1,094	–27,328
Net cash used in investing activities		**–23,627**	**–178,057**	**–3,626**	**–27,328**
Cash flows from financing activities					
New share issue proceeds, net after issue cost			27,892		4,281
Loans received		25,646	153,116	3,936	23,500
Net cash generated from financing activities		**25,646**	**181,008**	**3,936**	**27,781**
Net change in cash		**–6,137**	**–3,246**	**–942**	**–498**
Cash and cash equivalents at the beginning of the period	16	8,119	10,945	1,246	1,680
Translation difference in cash		–790	420	–121	64
Cash and cash equivalents at the end of the period	16	**1,192**	**8,119**	**183**	**1,246**

Accounting policies

CORPORATE 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”) currently engage in the exploration for and production of mineral gold in different regions of the Russian Federation. The Parent Company is a registered public limited liability company registered and with its head office in Sweden. The address of the head office is Engelsbrektsplan 2, 4 fl, 114 34 Stockholm. Information on the Group's ultimate parent is presented in Note 26.

AUR AB was publicly listed on the Swedish NGM Nordic Growth Market stock exchange on March 29, 2005 and has been listed on the Swedish stock exchange NASDAQ OMX First North Premier since July 19, 2010. At present, the Company has approximately 3,500 shareholders.

The Board of directors approved these consolidated accounts for publication on April 22, 2013.

BASIS OF PREPARATION

The consolidated accounts for the Auriant Mining Group are prepared in accordance with the Annual Accounts Act, International Financial Reporting Standards, as adopted by the EU, interpretations from International Financial Reporting Interpretations Committee, IFRIC, and the Swedish Financial Reporting Board´s recommendation RFR 1 “Supplementary accounting regulations for groups”.

The financial reports for 2012 have been prepared using the historical cost method.

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 company are the same as for the group with a few exceptions. These exceptions are, were applicable, described under each section below.

BASIS OF CONSOLIDATION

The consolidated accounts are prepared in accordance with the Group´s accounting principles and include the accounts of the Parent Company and all subsidiaries (including special purpose entities) over which the Group holds the power to govern the financial and operating policies, generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are taken into consideration when assessing whether the Group has a controlling interest in another entity.

Subsidiaries are fully consolidated from the date on which controlling interest is transferred to the Group. They are deconsolidated from the date on which such controlling interest ceases. The Group uses the acquisition method of accounting to report business combinations. The consideration transferred for the acquisition of a subsidiary is comprised of the fair values of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are initially measured at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the Group reports any non-controlling interest in the acquired entity either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net assets. Inter-company transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated. The accounting principles of subsidiaries have been changed, where necessary, to ensure consistency with the accounting principles adopted by the Group.

In the parent company accounts, investments in subsidiaries are reported at cost less any impairment charges. Cost is adjusted to reflect changes in consideration arising from contingent consideration amendments. The excess of the consideration transferred the amount of any non-controlling interest in the acquired entity and the fair value on the acquisition date of any previous equity interest in the acquired entity exceeding the fair value of the Group's share of the identifiable net assets acquired is reported as goodwill. If this amount is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in the statement of comprehensive income.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any non-controlling interest in the acquiree. For each business combination, the Group elects whether it measures the non-controlling interest in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition costs incurred are expensed and included in administrative expenses. When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date through profit or loss. Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability will be recognised in accordance with IAS 39 either in profit or loss or as a change to other comprehensive income. If the contingent consideration is classified as equity, it will not be remeasured. Subsequent settlement is accounted for within equity. In instances where the contingent consideration does not fall within the scope of IAS 39, it is measured in accordance with the appropriate IFRS.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred, the amount recognised for non-controlling interest and the acquisition date fair value of any previously held equity interest in the acquiree over the net identifiable assets acquired and liabilities assumed. If this consideration is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognised in profit or loss. After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units. Where goodwill forms part of a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative values of the operation disposed of and the portion of the cash-generating unit retained.

(b) Interests in joint ventures

A joint venture, or jointly controlled entity, is a corporation, partnership or other entity in which each participant holds an interest. A jointly controlled entity operates in the same way as other entities, except that a contractual arrangement establishes joint control. A jointly controlled entity controls the assets of the joint venture, earns its own income and incurs its own liabilities and expenses. Interests in jointly controlled entities are reported using the equity method. Under the equity method, the investment in the joint venture is reported in the statement of financial position at cost plus post acquisition changes in the Group's share of net assets of the joint venture.

The profit or loss reflects the Group's share of the results of the operations of the joint venture. When there has been a change reported directly in other comprehensive income or equity of the joint venture, the Group reports its share of any changes and discloses this, when applicable, in the statement of comprehensive income or the statement of changes in equity, as appropriate. Unrealised gains and losses resulting from transactions between the Group and the joint venture are eliminated to an extent corresponding with the interest in the joint venture. The financial statements of the jointly controlled entity are prepared for the same reporting period as the participant. Where necessary, adjustments are made to bring the accounting principles in line with those of the Group.

(c) Non-controlling interests

Non-controlling interests are recognised as a separate item in the Group´s equity. For purchases of non-controlling interests, the difference between any consideration paid and the relevant acquired share of the reported value of net assets of the subsidiary is reported in equity. Gains or losses on sales to non-controlling interests are also reported in equity. When the Group ceases to have control or significant influence, any retained interest in the entity is re-measured to fair value, with the change in the reported value reported in profit or loss. In addition, any amounts previously reported in other comprehensive income in respect of that entity are reported as if the Group had directly disposed of the related assets or liabilities. This may imply that amounts previously reported in other comprehensive income are reclassified to profit or loss. If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously reported in other comprehensive income is reclassified to profit or loss, where appropriate.

(d) Translation of foreign currency

Functional currency and reporting currency

Items that are included in the financial statements for the various entities in the Group are valued in the currency used in the economic environment in which the respective entity is primarily active (functional currency). This is currently the rouble, as almost all subsidiaries (except Awilia Enterprises Limited) are currently located in Russia and primarily use the rouble in their daily activities. The consolidated accounts are presented in Swedish Krona (SEK), which is the Swedish Parent Company's functional currency and the reporting currency.

Translation of foreign subsidiaries and other foreign operations
The earnings and the financial positions of all Group companies (none of which have a high-inflation currency) that have a different functional currency from the reporting currency are translated to the Group's reporting currency as follows:

(a) assets and liabilities for each of the statements of financial position are converted at the closing rate;
(b) income statements for each of the subsidiaries are converted at the average exchange rate (provided that this average rate constitutes a reasonable approximation of the accumulated effect of the rates applying on the date of the transaction, otherwise assets and liabilities are converted at the rate on the date of the transaction), and
(c) all exchange rate differences arising are recognised as a separate component of other comprehensive income and the cumulative effect is included in the translation difference reserve in equity.

Goodwill and adjustments to the fair value arising upon the acquisition of a foreign company are treated as assets and liabilities attributable to this operation and are converted at the closing rate.

Receivables and liabilities in foreign currency
Receivables and liabilities in foreign currency are valued at the exchange rate on the balance sheet date. Exchange rate differences for operational receivables and operational liabilities are included in operating income, while exchange rate differences for financial receivables and liabilities are reported in financial items. Unrealised exchange rate gains and losses relating to operational receivables and liabilities are reported net under other operating income/expenses.

The principal exchange rates against SEK that were applied are:

	31 December, 2012	31 December, 2011
Average, RUR	4.5844	4.5248
Closing, RUR	4.6866	4.6436

(e) Intangible fixed assets

The intangible assets of Auriant Mining Group consist of mining permits (licenses), exploration and evaluation expenditures and mine development costs.

Licenses
Licences for mining permits are initially reported at acquisition value. Such licences are acquired in Russia (the Group's only area of operation at present) usually at an open, public licence auction, at which the winning auction price is the acquisition value.

Exploration and evaluation expenditures
Exploration costs are reported in accordance with IFRS 6, Exploration for and Evaluation of Mineral Resources. The Group applies the so-called Successful effort method for its exploration costs, implying that all expenses for licensing, exploration and evaluation are initially capitalised.

Exploration work is reported at acquisition value and includes various activities, such as drilling of various natural areas, geochemical and magnetic surveys and analyses in laboratories. Exploration work can, in addition, include salary costs for staff that conduct the work, materials and fuel used, depreciation on machinery and equipment used and administrative expenses that are directly attributable to sites subject to exploration work. Borrowing costs directly attributable to exploration projects commencing after January 1, 2009, are included in the capitalised amount of exploration costs.

When it has been established that there is extractable ore at an individual mining or placer property and technical possibilities and commercial potential for extraction of the ore body can be proven, the capitalised exploration costs are reported in accordance with IAS 38, Intangible assets.

Purchased exploration and evaluation assets are recognized as assets at their cost of acquisition or at fair value if purchased as part of a business combination. An impairment review is performed, either individually or at the cash-generating unit level (license areas), when there are indicators that the carrying amount of the assets may exceed their recoverable amounts.

Mine development costs
Mine development costs are capitalised and include expenditure incurred to develop new ore bodies, to define future mineralisation in existing ore bodies, to expand the capacity of a mine and to maintain production, and also interest and financing costs relating to the construction of mineral property.

Mine development costs are, upon commencement of production, amortised using a unit of production method based on the estimated proven and probable mineral reserves to which they relate, or are written off if the property is abandoned. The net carrying amounts of mine development costs at each mine property are reviewed for impairment either individually or at the cash-generating unit level (license areas) when events and changes in circumstances indicate that the carrying amount may not be recoverable. To the extent that these values exceed their recoverable amounts, that excess is fully provided against the statement of comprehensive income in the financial year in which this is determined.

Costs for development of a mining property where production has commenced are capitalised if it is likely that they will produce additional performance gains in the mining property resulting in the likelihood of prospective economic benefits, which include future revenue from newly discovered gold, cost savings or other benefits resulting from the use of the asset. If this is not the case, these expenses are reported as production costs in the period in which they are incurred.

Intangible fixed assets are subject to amortisation according to the unit of production method. According to the unit of production method, amortisation is reported at the same rate as production. This means that the total expected production of gold from each license object is evaluated during the licence object's expected useful economic lifetime and amortisation in each period is carried out corresponding to the period's proportional share of the total expected production. The amortisation of a license object starts when commercial production from that license object has commenced.

(f) Stripping costs

Stripping costs incurred in open pit operations during the production phase to remove waste ore are charged to operating costs on the basis of the average life of mine stripping ratio and the average life of mine cost per cubic metre. The average stripping ratio is calculated as the number of cubic metres of waste material expected to be removed during the life of mine per tonne of ore mined. The average life of mine cost per cubic metre is calculated as the total expected costs to be incurred to mine the ore body, divided by the number of cubic metres expected to be mined. The average life of mine stripping ratio and the average life of mine cost per cubic metre are recalculated annually in the light of additional knowledge and changes in estimates. The cost of the "excess stripping" is capitalised on the statement of financial position when the actual mining costs exceed the sum of the adjusted tonnes mined, being the actual ore tonnes plus the product of the actual ore tonnes multiplied by the average life of mine stripping ratio, multiplied by the life of mine cost per cubic metres. When the actual mining costs are below the sum of the adjusted tonnes mined, being the actual ore tonnes plus the product of the actual ore tonnes multiplied by the average life of mine stripping ratio, multiplied by the life of mine cost per cubic metres, previously capitalised costs are expensed to increase the cost up to the average.

The cost of stripping in any period will be reflective of the average stripping rates for the ore body as a whole. Changes in the life of mine stripping ratio are accounted for prospectively as a change in estimate.

(g) Tangible fixed assets

Tangible fixed assets consist of buildings, machinery, office equipment, tools, technical plants and construction in progress. All tangible fixed assets are reported at historical cost less depreciation. The initial cost of an asset is comprised of its purchase price or construction cost, any costs directly attributable to bringing the asset into operation and the initial estimate of the Restoration obligation. The purchase price or construction cost is the aggregate amount paid and the fair value of any other consideration provided to acquire the asset. Borrowing costs directly attributable to tangible assets acquired after January 1, 2009 are also included in the acquisition value. The capitalised value of a financial lease is also included within tangible fixed assets. Expenditure for improvement of the performance of the assets over and above the original performance increases the reported value of these assets. Expenditure for repair and maintenance is reported as an expense in the period in which it is incurred.

Russian legislation does not yet permit the ownership of land within the license area. Land owned by the Company consists of plots at which office buildings or warehouses are situated. Land is not depreciated.

Construction in progress is represented mostly by new plant construction. The Group assesses the degree of completion of the plant under construction to determine when it moves into gold production. Upon completion of construction, the assets are transferred into buildings or machinery, equipment and other technical plants. The assets' residual value and useful life are reviewed on each balance sheet date and adjusted when necessary. When an asset's reported value may not be recoverable, an impairment loss is reported immediately to its recoverable amount.

Gains and losses on disposals are determined by comparing sales revenues with the reported value. These are reported under other operating income and other operating expenses, respectively, in the income statement.

At each reporting date, management assess whether there is any indication of impairment within the categories of property, plant and equipment. If any such indication exists, management estimates the recoverable amount, which is determined as the higher of an asset's fair value less costs to sell and its value in use. The carrying amount is reduced to the recoverable amount and an impairment loss is recognised in the statement of comprehensive income. An impairment loss recognised for an asset in prior years is reversed if there has been a change in the estimates used to determine the asset's value in use or fair value less costs to sell.

Tangible fixed assets are depreciated according to the particular asset's estimated useful lifetime. If applicable, the asset's residual value is taken into account when establishing the depreciable amount of the asset.

The straight-line method of depreciation is applied for tangible fixed assets, based on the following expected useful lifetimes:

Buildings	10–60 years
Processing plants	2–10 years
Machinery	2–10 years
Computers	3 years

(h) Inventory

Inventory is valued, with application of the weighted average method, at the lower of the acquisition value and the net realisable value on the balance sheet date. Pure gold and semi-finished products comprise direct manufacturing costs such as lining material, wages and also assignable production overhead costs. Borrowing costs are not included in the valuation. The net sale value is comprised of the normal sales price with deductions for usual selling expenses.

Auriant Mining manufactures, via its subsidiaries, gold concentrate at various advanced levels. The gold concentrate is usually smelted by the subsidiary into Doré class gold ingots prior to delivery to external refineries (smelting works) for final enrichment to sale quality (24 carat). This gold is designated "finished goods" in the statement of financial position. Furthermore, a semi-finished product or "tailings" containing gold was produced during

2007–2010 at the Tardan gravitational plant within the Tardan mining deposit. These tailings cannot be sold, but are stored pending further processing at the heap leaching plant where the gold can be chemically extracted. This semi-finished product together with mined ore is designated ”ores and tailings” in the statement of financial position. The consolidated statement of financial position also includes an item that covers the spare parts, diesel fuel, etc. that is consumed during gold manufacture. This category of assets is referred to as “raw materials and consumables”. Furthermore, the consolidated statement of financial position includes work in progress, such as preparation works (overburden, etc.). Together ”finished goods”, ”ores and tailings”, ”raw materials and consumables” and ”work in progress” constitute the statement of financial position item ”inventory”.

(i) Financial instruments

Financial instruments recognised in the statement of financial position includes cash and cash equivalents, trade receivables and other receivables, trade payables and other payables and loans.

A financial instrument is recognised in the statement of financial position when the Company becomes party to the instrument’s return conditions. Customer receivables are reported once delivery has been made. A liability is entered when the counterpart has rendered a service and a contractual liability to pay exists, even if an invoice has not been received. A financial asset is removed from the statement of financial position when the rights under the contract have been realised, have expired or the Company has lost control over them. A financial liability is removed from the statement of financial position when the liabilities under the agreement have been fulfilled or in any other way rescinded.

Classification

The Group classifies its financial instruments in the following categories: a) financial assets valued at fair value via profit and loss, b) loans receivable and trade receivables, c) financial assets available for sale and d) financial liabilities. The classification depends on the purpose for which the financial asset was acquired. The management determines the classification of the financial assets when they are first reported.

a) *Financial assets valued at fair value via profit and loss*
Financial assets valued at fair value via profit and loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the near future. Derivatives are classified as held for trading unless they are designated as hedges. Assets in this category are classified as current assets. The Group currently has no financial assets valued at fair value via the profit and loss.

b) *Loans receivable and trade receivables*
Loans receivable and trade receivables are non-derivative financial assets with determined or determinable payments that are not listed on an active market. Receivables arise when the Company supplies money, goods or services directly to a customer without any intention of dealing in the receivable arising. They are included in current assets, with the exception of items with a maturity date more than 12 months after the balance sheet date, which are classified as fixed assets. The Group’s loans receivable and trade receivbles consist of trade accounts receivables and cash and cash equivalents.
Accounts receivable are short-term and are, therefore, accounted for at nominal values less any provision for impairment. A provision for impairment of accounts receivable is made when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivable. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation or default or delinquency in payment (due for more than 30 days) are considered as indicators that the account receivable is impaired.

c) *Financial assets available for sale*
Financial assets available for sale are assets that are non-derivative and for which the assets identified as available for sale are not classified in any of the other categories. They are included in fixed assets if management does not intend to sell the asset within 12 months after the reporting period. Assets in this category are continuously measured at fair value and changes in fair value are recognised as other comprehensive income and the cumulative effect included in other reserves in equity.

d) *Financial liabilities*
Financial liabilities include trade creditors and borrowings. Trade creditors are short-term and, therefore, reported at nominal value. Borrowings are initially reported at fair value, which is the issue proceeds net of transaction costs, and, thereafter, at accrued acquisition value with application of the effective interest method.

Fair value hierarchy

When the fair value of financial assets and financial liabilities reported in the statement of financial position cannot be derived from active markets, their fair value is determined using valuation techniques including the discounted cash flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. The judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

(j) Cash and cash equivalents

Cash and cash equivalents are defined as cash and bank balances, as well as short-term investments with maturity of three months or less from the date of acquisition, which can easily be transformed into cash.

(k) Borrowings
Borrowings are initially recognised at fair value, net of transaction costs incurred. Subsequently, borrowings are carried at amortised cost using the effective interest method. Interest costs on borrowings to finance the construction of property, plant and equipment are capitalised, during the period of time that is required to complete and prepare the asset for its intended use. All other borrowing costs are expensed.

(l) Trade and other payables
Trade payables are accrued when the counterparty has performed its obligations under the contract; they are carried at amortised cost using the effective interest method.

(m) Value added tax
Gold production and subsequent sales are not subject to output value added tax. Input VAT is recoverable against income tax. Where input VAT is not recoverable the VAT provision is created on the statement of financial position corresponding with the statement of comprehensive income in a relevant period.

(n) Revenue recognition
Revenue comprises the fair value of the consideration received or to be received for the sale of goods in the ordinary course of the Group's activities. Revenue is shown net of value added tax and after elimination of inter-company sales. The Group recognises revenue when the amount of income can be reliably measured and it is probable that future economic benefits will flow to the entity.

(a) *Sale of gold*
Revenue from the sale of gold is reported when a binding purchase agreement has been concluded and when delivery to the buyer has been completed, usually to a Russian licensed commercial bank. Reporting is preceded by the semi-finished product that the Group produces, a gold ore concentrate, being delivered to a refinery that enriches the ore concentrate into the end product, 24 carat pure gold and a certain residual amount of silver. Sales are reported gross before Mineral resources extraction tax (MRET). The MRET amounts to 6% of the produced volume of gold, multiplied by the latest sales price. The MRET is, thus, directly related to the volume of gold produced, but not to the actual volume sold. Therefore, the MRET is reported separately as a production cost among operating expenses. Sale of gold is currently not subject to value added tax in Russia.

(b) *Other income*
Any other income not received as in the ordinary course of the Group's activities is reported as "other operating income".

(c) *Interest income*
Interest income is recognised using the effective interest method. When a loan and receivable is impaired, the Group reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument, and continues unwinding the discount as interest income. Interest income on impaired loan and receivables are recognised using the original effective interest rate.

(o) Employee benefits
All of the Group's pension plans are defined contribution plans, in which the Group pays fixed contributions into a separate entity. The Group has no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current period and prior periods. Wages, salaries, contributions to the Russian Federation state pension and social security funds, paid annual leave and sick leave and bonuses are accrued in the period in which the associated services are rendered by the employees of the Group.

(p) Leasing
A financial leasing contract is one in which, in all-significant respects, the economic risks and benefits associated with ownership of an object are transferred from the lessor to the lessee. Those leasing contracts that are not financial are classified as operational leasing contracts. Assets that are held according to financial leasing contracts are reported as fixed assets in the consolidated statement of financial position at the lowest of the market value of the assets and the present value of the prospective lease payments. The liability that the Group has in relation to the lessor is recognised in the statement of financial position as a liability and is allocated between a short-term and a long-term component. Lease payments are allocated between interest and amortisation of the debt. The interest is distributed over the leasing period so that each accounting period is charged with an amount equivalent to a fixed interest rate on the debt reported during the respective period. The leased asset is written off according to the same principles that apply for other assets of the same kind.

Leasing fees for operational leasing contracts are expensed on a straight-line basis over the leasing period.

(q) Provisions
Provisions are reported when an obligation arises resulting from events that have occurred, and where it is probable that payment will be required to fulfil the obligation. It is also a prerequisite that it is possible to make a reliable assessment of the amount to be paid out. The amount in question is calculated by the executive management at the present value given the reasonable assumptions that can be made at the end of each reporting period. The Group reviews its mine restoration provisions annually. The provisions at the reporting date represents management's best estimate of the present value of the future restoration costs required. Changes to estimated future costs are reported in the statement of financial position by either increasing or decreasing the restoration liability and restoration asset.

(r) Current and deferred income tax

The tax expense for the period includes current and deferred tax. Taxes are recognised in the income statement, except when the tax refers to items recognised in other comprehensive income or directly in equity. In such cases, the tax is also recognised in the statement of other comprehensive income or in equity.

The current tax expense is reported on the basis of the tax regulations that were determined on the balance sheet date or which, in practice, were determined in the countries in which the Parent Company subsidiaries operate and generate taxable income. The management regularly assesses the applications made in income tax returns in relation to situations where applicable tax regulations are the subject of interpretation. When considered appropriate, provisions are made for amounts that are likely to be payable to the Tax Agency.

Deferred income taxes are recognised, using the liability method, on all temporary differences arising between the taxable value of assets and liabilities and their reported values in the consolidated financial statements. However, the deferred tax is not recognised if it arises as a consequence of a transaction, which constitutes the initial recognition of an asset, or liability that is not a business combination and which, at the date of the transaction, neither affects the recognised or the taxable result. Deferred income tax is calculated using the tax rates (and legislation) which have been determined or announced on the balance sheet date and that are expected to apply when the deferred tax asset in question is realised or the deferred tax liability is settled.

Deferred tax assets are recognised to the extent it is probable that future tax surpluses will be available, against which the temporary differences can be offset.

Deferred tax is reported on the basis of the temporary differences arising on participations in subsidiaries and joint ventures, except when the Group controls the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

(s) Equity

Transaction costs directly related to the issue of new shares or options are recognised in equity as a reduction of the issue proceeds.

(t) Cash flow statement

Cash flows from operating activities are reported using the indirect method whereby profit or loss is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments, and items of income or expense associated with investing or financing cash flows.

Interest paid and received is classified as operating activities in the cash flow statement.

Cash and cash equivalents are defined as cash and bank balances, as well as short-term investments with maturity of three months or less from the date of acquisition, which can easily be transformed into cash.

(u) Management of financial risks

Policy for the management of financial risks

The Group's activities expose it to a variety of financial risks: a) market risk (including currency and gold price risk, time lapse, translation exposure and interest rate risk), b) credit risk and c) liquidity risk including capital risk. The Group's overall risk management policy focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

The Group attempts to mitigate the effects of these risks by ensuring that the Board and the management have the relevant competence. Thus, the Company works proactively by carrying out suitable measures to counteract and manage the risks and in addition, the Group obtains advice from consultants, when necessary. The Company does not use derivative instruments to hedge financial risks.

The Group's assessed risk exposure relating to financial instruments is described further in note 23.

(v) Segment reporting

Operating segments are recognised in a manner that complies with the internal reporting submitted to the highest decision-making authoritative function. At the Group, this function has been identified as the CEO, who is responsible for and manages the day-to-day administration of the Group in accordance with the guidelines of the Board.

Since the date of its formation, the Group has only extracted one product, gold, in one economic environment, Russia. An operating segment is a group of assets and performed activities that are exposed to risks and rewards that differentiate them from other operating segments. A geographical area is an area in which assets, goods or services are exposed to risks relating to a certain economic environment that differentiates them from risks associated with activities in other economic environments. Hence, the Group is only considered to have one operating segment.

New and amended standards and interpretations

The accounting policies adopted are consistent with those of the previous financial year, except for the following amendments to IFRS effective as of 1 January 2012:

IAS 12 Income Taxes (Amendment) – Deferred Taxes: Recovery of Underlying Assets

IFRS 1 First-Time Adoption of International Financial Reporting Standards (Amendment) – Severe Hyperinflation and Removal of Fixed Dates for First-Time Adopters (Amendments)

IFRS 7 Financial Instruments: Disclosures – Enhanced Derecognition Disclosure Requirements

The adoption of these standards has no effect on the Group's financial position or its disclosures:

Standards issued but not yet effective

The standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Group's financial statements are disclosed below. The Group intends to adopt these standards, if applicable, when they become effective.

IAS 1 Presentation of Items of Other Comprehensive Income – Amendments to IAS 1

The amendments to IAS 1 change the grouping of items presented in other comprehensive income (OCI). Items that could be reclassified (or 'recycled') to profit or loss at a future point in time (for example, net gain on hedge of net investment, exchange differences on translation of foreign operations, net movement on cash flow hedges and net loss or gain on available-for-sale financial assets) would be presented separately from items that will never be reclassified (for example, actuarial gains and losses on defined benefit plans and revaluation of land and buildings). The amendment affects presentation only and has no impact on the Group's financial position or performance. The amendment becomes effective for annual periods beginning on or after 1 July 2012, and will therefore be applied in the Group's first annual report after becoming effective.

IAS 19 Employee Benefits (Revised)

The IASB has issued numerous amendments to IAS 19. These range from fundamental changes such as removing the corridor mechanism and the concept of expected returns on plan assets to simple clarifications and re-wording. The amended standard will impact the net benefit expense as the expected return on plan assets will be calculated using the same interest rate as applied for the purpose of discounting the benefit obligation. The amendment becomes effective for annual periods beginning on or after 1 January 2013 and have no effect on the Group.

IAS 28 Investments in Associates and Joint Ventures (as revised in 2011)

As a consequence of the new IFRS 11 Joint Arrangements, and IFRS 12 Disclosure of Interests in Other Entities, IAS 28 Investments in Associates, has been renamed IAS 28 Investments in Associates and Joint Ventures, and describes the application of the equity method to investments in joint ventures in addition to associates. The revised standard becomes effective for annual periods beginning on or after 1 January 2014. The revised standard will have no significant effect on the Group.

IAS 32 Offsetting Financial Assets and Financial Liabilities — Amendments to IAS 32

These amendments clarify the meaning of "currently has a legally enforceable right to set-off". The amendments also clarify the application of the IAS 32 offsetting criteria to settlement systems (such as central clearing house systems) which apply gross settlement mechanisms that are not simultaneous. These amendments are not expected to impact the Group's financial position or performance and become effective for annual periods beginning on or after 1 January 2014.

IFRS 1 Government Loans – Amendments to IFRS 1

These amendments require first-time adopters to apply the requirements of IAS 20 Accounting for Government Grants and Disclosure of Government Assistance, prospectively to government loans existing at the date of transition to IFRS. Entities may choose to apply the requirements of IFRS 9 (or IAS 39, as applicable) and IAS 20 to government loans retrospectively if the information needed to do so had been obtained at the time of initially accounting for that loan. The exception would give first-time adopters relief from retrospective measurement of government loans with a below-market rate of interest. The amendment is effective for annual periods on or after 1 January 2013. The amendment has no impact on the Group.

IFRS 7 Disclosures — Offsetting Financial Assets and Financial Liabilities — Amendments to IFRS 7

These amendments require an entity to disclose information about rights to set-off and related arrangements (e.g., collateral agreements). The disclosures would provide users with information that is useful in evaluating the effect of netting arrangements on an entity's financial position. The new disclosures are required for all recognized financial instruments that are set off in accordance with IAS 32 Financial Instruments: Presentation.

The disclosures also apply to recognized financial instruments that are subject to an enforceable master netting arrangement or similar agreement, irrespective of whether they are set off in accordance with IAS 32. These amendments will not impact the Group's financial position or performance and become effective for annual periods beginning on or after 1 January 2013.

IFRS 9 Financial Instruments: Classification and Measurement

IFRS 9, as issued, reflects the first phase of the IASB's work on the replacement of IAS 39 and applies to classification and measurement of financial assets and financial liabilities as defined in IAS 39. The standard was initially effective for annual periods beginning on or after 1 January 2013, but Amendments to IFRS 9 Mandatory Effective Date of IFRS 9 and Transition Disclosures, issued in December 2011, moved the mandatory effective date to 1 January 2015. In subsequent phases, the IASB will address hedge accounting and impairment of financial assets. The adoption of the first phase of IFRS 9 will have an effect on the classification and measurement of the Group's financial assets, but will not have an impact on classification and measurements of financial liabilities. The Group will quantify the effect in conjunction with the other phases, when the final standard including all phases is issued.

IFRS 10 Consolidated Financial Statements, IAS 27 Separate Financial Statements
IFRS 10 replaces the portion of IAS 27 Consolidated and Separate Financial Statements that addresses the accounting for consolidated financial statements. It also addresses the issues raised in SIC-12 Consolidation — Special Purpose Entities.

IFRS 10 establishes a single control model that applies to all entities including special purpose entities. The changes introduced by IFRS 10 will require management to exercise significant judgment to determine which entities are controlled and therefore are required to be consolidated by a parent, compared with the requirements that were in IAS 27. Based on the preliminary analyses performed, IFRS 10 is not expected to have any impact on the currently held investments of the Group.

This standard becomes effective for annual periods beginning on or after 1 January 2014.

IFRS 11 Joint Arrangements
IFRS 11 replaces IAS 31 Interests in Joint Ventures and SIC-13 Jointly-controlled Entities — Non-monetary Contributions by Venturers. IFRS 11 removes the option to account for jointly controlled entities (JCEs) using proportionate consolidation. Instead, JCEs that meet the definition of a joint venture must be accounted for using the equity method. This standard becomes effective for annual periods beginning on or after 1 January 2014 and has no effect for the Group as no proportionate consolidation is used for JCE accounting.

IFRS 12 Disclosure of Interests in Other Entities
IFRS 12 includes all of the disclosures that were previously in IAS 27 related to consolidated financial statements, as well as all of the disclosures that were previously included in IAS 31 and IAS 28. These disclosures relate to an entity's interests in subsidiaries, joint arrangements, associates and structured entities. A number of new disclosures are also required, but has no impact on the Group's financial position or performance. This standard becomes effective for annual periods beginning on or after 1 January 2014.

IFRS 13 Fair Value Measurement
IFRS 13 establishes a single source of guidance under IFRS for all fair value measurements. IFRS 13 does not change when an entity is required to use fair value, but rather provides guidance on how to measure fair value under IFRS when fair value is required or permitted. The Group is currently assessing the impact that this standard will have on the financial position and performance, but based on the preliminary analyses, no material impact is expected. This standard becomes effective for annual periods beginning on or after 1 January 2013.

IFRIC 20 Stripping Costs in the Production Phase of a Surface Mine
This interpretation applies to waste removal (stripping) costs incurred in surface mining activity, during the production phase of the mine. The interpretation addresses the accounting for the benefit from the stripping activity. The interpretation is effective for annual periods beginning on or after 1 January 2013. The Group is currently assessing the impact that this standard will have on the financial position and performance.

Annual Improvements May 2012
These improvements will not have an impact on the Group, but include:
IFRS 1 First-time Adoption of International Financial Reporting Standards
This improvement clarifies that an entity that stopped applying IFRS in the past and chooses, or is required, to apply IFRS, has the option to re-apply IFRS 1. If IFRS 1 is not re-applied, an entity must retrospectively restate its financial statements as if it had never stopped applying IFRS.

IAS 1 Presentation of Financial Statements
This improvement clarifies the difference between voluntary additional comparative information and the minimum required comparative information. Generally, the minimum required comparative information is the previous period.

IAS 16 Property Plant and Equipment
This improvement clarifies that major spare parts and servicing equipment that meets the definition of property, plant and equipment are not inventory.

IAS 32 Financial Instruments, Presentation
This improvement clarifies that income taxes arising from distributions to equity holders are accounted for in accordance with IAS 12 Income Taxes.

IAS 34 Interim Financial Reporting
The amendment aligns the disclosure requirements for total segment assets with total segment liabilities in interim financial statements. This clarification also ensures that interim disclosures are aligned with annual disclosures.

These improvements are effective for annual periods beginning on or after 1 January 2013.

Estimations and evaluations in the financial statements
In order to prepare financial statements in accordance with IFRS, estimations and assumptions must be made that affect the reported asset and liability amounts, as well as income and expenses and other information submitted in the annual financial statements. The evaluations and estimations made by the Board of Directors and the management are based on historic experience and forecasts of

future developments. The actual outcome may differ from these estimations.

In particular, information about significant areas of uncertainty regarding the estimations considered by management in preparing the consolidated financial statements is described below.

Ore calculation principles
The Group reports ore reserves in accordance with Russian geological standards. In short this means that, after the initial exploration period for a mining licence, all mineral licence holders in Russia most undergo an ore classification inspection (roughly equivalent to a western feasibility study) by the Russian State Committee on Reserves, GKZ, either in Moscow or at GKZ's appropriate regional office. This ore classification is performed once and can then be updated as required. If the ore reserves are approved, they are entered in the Russian state register of reserves and will provide the basis for production requirements that are, consequently, drawn up for the licence holder. The Russian principles for ore classification are similar, but not identical, to western standards.

The Russian registered ore reserves form the basis for the Group's amortisation of mining permits and exploration costs in accordance with the Unit of production method. Such amortisation has been carried out for the Tardan deposit since 2005. For Tardan, the calculation of the amortisation for the years 2005–2008 was based on gold reserves of 6.8 tonnes established in the early 1990s. In 2008, a new examination of reserves was carried out at Tardan and the established gold reserves were determined at 8.5 tonnes. These gold reserves have formed the basis for the calculation of the amortisation according to the unit of production method since 2009. For the Staroverinskaya license area, gold reserves for the Bogomolovskoye deposit are 7 tonnes and, together with the 8.7 tonnes of reserves at the Kozlovskoye deposit, form the basis for the calculation of the amortisation for the Staroverinskaya license area according to the unit of production method.

The registered ore reserves are, thus, established by an external, governmental body (GKZ), that is independent of the Group. The calculation of the reserves is based on a very comprehensive range of geological and financial data summarised in a Russian feasibility study. Ore reserves are not static, but may vary over time depending on factors such as the price of gold, new geological information, currency exchange rates and cost levels. A change in ore reserves can have a considerable impact on such matters as amortisation, restoration costs and the value of assets.

An impairment test was carried out on the Group's productive gold assets as at 31 December 2012. The most significant portion of the intangible- and tangible fixed assets relates to the Tardan and Staroverinskaya license areas. For this purpose, a discounted cash flow model has been used extending over a 5-year period together with a consideration of the value of registered reserves. A number of variables are simulated in the model. Among the more important assumptions are the price of gold and the yield required. The base assumption regarding the price of gold during the period is a value of 1,700 US$/oz and the yield required is 15% per year. A number of other assumptions are also important. The result of the base assumptions is that no impairment is required at year-end 2012.

Restoration costs
An obligation regarding future restoration costs arises when there is an environmental impact due to a mining operation in the form of exploration, evaluation, development or on-going production. The restoration costs are calculated on the basis of a restoration plan. The Group reviews its mine restoration provision annually. Significant estimates and assumptions are made in determining the provision for mine restoration, as there are numerous factors affecting the ultimate liability payable. These factors include estimates of the extent and costs of restoration activities, technological changes, regulatory changes, cost increases as compared to the inflation rates, and changes in discount rates. These uncertainties may result in future actual expenditure differing from the amounts for which current provisions have been made. The provision at reporting date represents management's best estimate of the present value of the future restoration costs required. Changes to estimated future costs are reported in the statement of financial position by either increasing or decreasing the restoration liability and restoration asset if the initial estimate was originally reported as part of an asset measured in accordance with IAS 16 Property, Plant and Equipment. Any reduction in the restoration liability and, therefore, any deduction from the restoration asset may not exceed the reported value of that asset. If it does, any excess over the reported value is reported immediately in profit or loss. If the change in the estimate results in an increase in the restoration liability and, therefore, an increase in the reported value of the asset, the entity is required to consider whether this is an indication of impairment of the asset as a whole and test for impairment in accordance with IAS 36.

The size of the restoration costs depends on the type of land in which the mining operation is located. If the mining operation is located within an area originally classified as agricultural, forestry or building land, the restoration requirements are more extensive. If, on the other hand, the land in question did not have any particular alternative use at the time of the initiation of the mining operation, the restoration requirements are more modest. At present, none of the different mining licences in eastern Siberia held by the Group are located on agricultural, forestry or building land.

See Note 18 for further details.

Impairment of assets
The Group reviews each cash generating unit annually, in order to determine whether any indication of impairment exists. Where an indicator of impairment exists, a

formal estimate of the recoverable amount is made, which is considered to be the higher of the fair value less costs to sell and value in use. These assessments require the use of estimates and assumptions such as long-term commodity prices, discount rates, future capital requirements, exploration potential and operating performance. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction between knowledgeable and willing parties. Fair value for mineral assets is generally determined as the present value of estimated future cash flows arising from the continued use of the asset, which includes estimates such as the cost of future expansion plans and eventual disposal, using assumptions that an independent market participant may take into account. Cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Management has assessed its cash generating units as being an individual mining licence, which is the lowest level for which cash inflows are largely independent of those of other assets.

See Note 8 for further details.

An impairment tests of significant assets is also performed at the Parent company level. The impairment test is based on 5 year cash flow model forecasts prepared for Auriant's production units. Cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. The net present value of the forecasted cash flow is compared to the book values of shares and loans given by the Parent company. Where an indicator of impairment exists, i.e. book value exceeds the net present value of the forecasted cash flow, a respective impairment provision is created at the year end date.

See Note 6 for further details.

Recovery of deferred tax assets

Judgment is required in determining whether deferred tax assets are to be reported in the statement of financial position. Deferred tax assets, including those arising from unutilised tax losses, require management to assess the likelihood that the Group will generate taxable earnings in future periods, in order to utilise recognised deferred tax assets. Estimates of future taxable income are based on forecasted earnings from operations and the application of existing tax laws in each jurisdiction. To the extent that actual taxable income differs significantly from estimated, forecasted taxable income, the ability of the Group to realise the net deferred tax assets reported at the reporting date could be impacted. Additionally, future changes in tax laws in the jurisdictions in which the Group operates could limit the ability of the Group to obtain tax deductions in future periods.

See Note 7 for further details.

Inventories

Net realisable value tests are performed at least once per year and represent the estimated future sales price of the product, based on prevailing spot metal prices at the reporting date, less estimated costs to complete production and bring the product to sale. Stockpiles are measured by estimating the number of tonnes added and removed from the stockpile, the number of contained gold ounces based on assay data, and the estimated recovery percentage based on the expected processing method. Stockpile tonnages are verified by means of periodic surveys.

See Note 14 for further details.

Fair value of financial instruments

When the fair value of financial assets and financial liabilities reported in the statement of financial position cannot be derived from active markets, their fair value is determined using valuation techniques including the discounted cash flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. The judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions regarding these factors could affect the reported fair value of the financial instruments.

See Note 20 for further details.

Notes to the consolidated financial statements and parent company accounts

NOTE 1 REVENUE

All revenue from sale of gold is generated by Russian entities of the Group. No revenue is generated in Sweden. In 2011 and 2012 the Group had a single customer – the Russian bank Svyazbank.

NOTE 1a OTHER INCOME AND EXPENSES

	Group		Parent company		Group		Parent company	
	2012 TSEK	2011 TSEK	2012 TSEK	2011 TSEK	2012 US$ 000	2011 US$ 000	2012 US$ 000	2011 US$ 000
Other income								
Reversal of provision	2,490	–	–	–	382	–	–	–
Profit from sale of subsidiaries and joint venture	6,753	11,858	6,753	–	1,037	1,820	1,037	–
Stock-take surplus	2,970	–	–	–	456	–	–	–
Other	6,095	6,317	1,310	198	935	970	201	30
Total other income	**18,307**	**18,175**	**8,062**	**198**	**2,810**	**2,789**	**1,238**	**30**
Other expenses								
Loss on disposals of fixed assets/materials	–1,346	–2,605	–	–	–207	–400	–	–
Bank fees	–1,473	–	–	–	–226	–	–	–
Bad debt expenses	–	–2,990	–	–		–459	–	–
Other	–7,827	–10,671	–	–	–1,201	–1,638	–	–
Total other expenses	**–10,647**	**–16,266**	**–**	**–**	**–1,634**	**–2,496**	**–**	**–**

Reversal of provision relates to reversal of interest accrued on loans to employees of Artel Lena at Tardan.

The profit from sale of subsidiaries in 2011 relates to the sale of LLC Artel Lena and LLC Kara-Beldyr. For further information refer to 2011 Annual report.

The profit from sale of joint venture relates to a transfer of 20% ownership in the joint venture Awilia to Centerra Gold.

NOTE 2 EXTERNAL EXPENSES

	Group		Parent company		Group		Parent company	
	2012 TSEK	2011 TSEK	2012 TSEK	2011 TSEK	2012 US$ 000	2011 US$ 000	2012 US$ 000	2011 US$ 000
External expenses								
Fuel	14,857	23,193	–	–	2,280	3,560	–	–
Materials	47,733	37,420	–	–	7,326	5,743	–	–
Mineral resources extraction tax	14,010	7,743	–	–	2,150	1,188	–	–
Exploration costs	756	11,506	–	–	116	1,766	–	–
Third party services	67,405	32,976	–	–	10,345	5,061	–	–
Audit fees*	1,994	2,234	1,428	1,819	306	343	219	279
Other	10,983	18,486	8,676	9,767	1,686	2,837	1,332	1,499
Total external expenses	**157,737**	**133,558**	**10,104**	**11,586**	**24,209**	**20,498**	**1,551**	**1,778**

* For the remuneration to auditors refer the table below.

Decrease in fuel expenses is due to the Gold Borzya alluvial deposit being operated by an external contractor Urumkan starting from 2012. This also explains the significant increase in third parties services costs compared to 2011. Third parties services include services of Uruumkan in the amount of TSEK 32,646 (US$ 5.010 m) which corresponds to TSEK 43,283 (US$ 6.643 m) revenue from alluvial gold sales

The higher mineral reasource extraction tax is caused by the overall increase in production in 2012. This also accounts for the higher material costs in 2012.

Audit fees	Group		Parent company		Group		Parent company	
	2012 TSEK	2011 TSEK	2012 TSEK	2011 TSEK	2012 US$ 000	2011 US$ 000	2012 US$ 000	2011 US$ 000
PWC								
Audit assignments	1,278	1,597	1,278	1,597	196	245	196	245
Audit related assignments	–	–	–	–	–	–	–	–
Tax consultancy services	–	58	–	58	–	9	–	9
Other consulting services	150	164	150	164	23	25	23	25
Total PWC	**1,428**	**1,819**	**1,428**	**1,819**	**219**	**279**	**219**	**279**
Other auditors								
Statutory audit assignments	566	415	–	–	87	64	–	–
Total other auditors	**566**	**415**	**–**	**–**	**87**	**64**	**–**	**–**
Total audit fees	**1,994**	**2,234**	**1,428**	**1,819**	**306**	**343**	**219**	**279**

NOTE 3 EMPLOYEE BENEFIT EXPENSES

	Group		Parent company		Group		Parent company	
	2012 TSEK	2011 TSEK	2012 TSEK	2011 TSEK	2012 US$ 000	2011 US$ 000	2012 US$ 000	2011 US$ 000
Salaries and remuneration in Sweden								
Board of Directors	517	1,050	517	1,050	79	161	79	161
Other employees	395	637	395	637	61	98	61	98
	912	**1,687**	**912**	**1,687**	**140**	**259**	**140**	**259**
Salaries and remuneration in Russia								
CEO and Senior executives	5,575	–	–	–	856	–	–	–
Other employees	57,806	67,323	–	–	8,872	10,333	–	–
	63,381	**67,323**	**–**	**–**	**9,728**	**10,333**	**–**	**–**
Total salaries and remuneration	**64,292**	**69,010**	**912**	**1,687**	**9,867**	**10,592**	**140**	**259**
Social security expenses in Sweden								
Board of Directors	187	289	187	289	29	44	29	44
Other employees	143	176	143	176	22	27	22	27
	330	**465**	**330**	**465**	**51**	**71**	**51**	**71**
Social security expenses in Russia								
CEO and Senior executives	642	–	–	–	98	–	–	–
Other employees	13,543	14,612	–	–	2,078	2,243	–	–
	14,184	**14,612**	**–**	**–**	**2,177**	**2,243**	**–**	**–**
Total social security expenses	**14,515**	**15,077**	**330**	**465**	**2,228**	**2,314**	**51**	**71**
Other employee benefit expenses	153	322	153	137	23	49	23	21
Total employee benefit expenses	**78,960**	**84,409**	**1,395**	**2,289**	**12,119**	**12,955**	**214**	**351**

	Group		Parent company	
	2012	2011	2012	2011
Group – Board of Directors and CEO at year-end				
Women	–	–	–	–
Men	5	6	5	6
Group – Management at year-end				
Women	1	–	–	–
Men	5	2	–	2

Number of employees	Total 2012	Of which woman	Total 2011	Of which woman
Average number of employees				
Parent company in Sweden	1	1	2	2
Subsidiaries in Russia	685	127	726	135
Total for the group	**686**	**128**	**728**	**137**
Number of employees at year-end				
Parent company in Sweden	2	1	1	1
Subsidiaries in Russia	714	140	696	89
Total for the group	**716**	**141**	**697**	**90**

Decrease in average number of employees compared to 2011 is caused by Gold Borzya alluvial production being outsourced in 2012. Increase in the number of employees in Russian subsidiaries at year-end relates to the start-up of Tardan heap leaching factory.

Remuneration and other benefits for 2012 of the Board and Senior executives	Remuneration TSEK	Remuneration salary US$ 000
Board of directors		
Preston Haskell, Chairman of the Board	155	24
Lars Guldstrand*	98	15
Tom Baring*	68	10
Nick Harwood*	59	9
Gordon Wylie*	56	9
Niclas Eriksson*	58	9
Ingmar Haga	23	4
Peter Daresbury	–	–
Andre Bekker	–	–
Total Board of directors	**517**	**79**
Senior Executives**		
Senior Executives excluding Chief Executive Officer	1,976	303
Chief Executive Officer ***	3,599	552
Total Senior Executives	**5,575**	**856**

* Board members who left the board of directors of Auriant Mining AB in 2012
** Senior Executives includes Chief Executive Officer, Chief Financial Officer, Chief Operating Officer, Chief Investment Officer, Chief Geologist, Chief Legal Counsel, Head of HR
*** CEO remunderation does not include consulting of fees of TSEK 273 (US$ 41,900) paid to Denis Alexandrov priot to his appointment as CEO in May 2012.

At the November 2012 Extraordinary General Meeting established an incentive program for the Group's Chief Executive Office Denis Alexandrov and Chief Investment Office Max Yacoub through issue of warrants. For warrants detailed description, please, refer to "Share capital and ownership" paragraph above. The effect of this incentive programme on the Group financial statements will be accounted for in the Q1 2013 report.

NOTE 4 DEPRECIATION, AMORTIZATION AND IMPAIRMENT

	Group		Parent company		Group		Parent company	
	2012 TSEK	2011 TSEK	2012 TSEK	2011 TSEK	2012 US$ 000	2011 US$ 000	2012 US$ 000	2011 US$ 000
Depreciation on buildings	–5,627	–3,094	–	–	–864	–475	–	–
Depreciation on machinery, equipment, and other technical plant	–27,058	–20,900	–	–	–4,153	–3,208	–	–
Capitalized depreciation on machinery, equipment, and other technical plant	3,426	2,952	–	–	526	453	–	–
Amortization of intangible non-current assets	–11,404	–4,496	–	–	–1,750	–690	–	–
Total depreciation	**–40,661**	**–26,081**	**–**	**–**	**–6,241**	**–4,003**	**–**	**–**
Impairment of tangible fixed assets	–	–14,526	–	–	–	–2,229	–	–
Impairment of work in progress*	–24,467	–16,601	–	–	–3,755	–2,548	–	–
Write-down of other current assets **	–5,164	–6,639	–	–	–793	–	–	–
Total write-downs	**–29,631**	**–37,766**	**–**	**–**	**–4,548**	**–5,796**	**–**	**–**
TOTAL	**–70,292**	**–63,847**	**–**	**–**	**–10,788**	**–9,799**	**–**	**–**

* The recoverable value of work-in progress at GRE-324, relating to the Bogomolovskoye ore deposit, appeared significantly lower than the reported value and it was decided to make one-time write-off.
** Write-down of other current assets is mostly represented by write-down of other accounts receivables with expired period of limitation.

NOTE 5 FINANCIAL INCOME

	Group		Group		Parent Company		Parent company	
	2012 TSEK	2011 TSEK	2012 US$ 000	2011 US$ 000	2012 TSEK	2011 TSEK	2012 US$ 000	2011 US$ 000
Interest income from group companies	–	–	–	–	19,232	17,539	2,952	2,692
Exchange rate differences	15,956	142	2,449	22	9,323	–	1,431	–
Other interest income	56	292	9	45	–	175	–	27
Other financial income	–	32	–	5	–	32	–	5
Total financial income	**16,012**	**466**	**2,457**	**72**	**28,555**	**17,746**	**4,383**	**2,724**

NOTE 6 FINANCIAL EXPENSES

	Group		Group		Parent Company		Parent company	
	2012 TSEK	2011 TSEK	2012 US$ 000	2011 US$ 000	2012 TSEK	2011 TSEK	2012 US$ 000	2011 US$ 000
Exchange rate differences**	–	–10,067	–	–1,545	–	–9,685	–	–1,486
Interest expense on loans and borrowings	–46,107	–11,536	–7,076	–1,771	–32,410	–7,851	–4,974	–1,205
Interest expense on leasing	–1,706	–1,560	–262	–239	–	–	–	–
Impairment of financial assets	–	–4,404	–	–676	–	–4,404	–	–676
Impairment of intercompany loans*	–	–	–	–	–238,888	–224,208	–36,664	–34,411
Total financial expenses	**–47,813**	**–27,567**	**–7,338**	**–4,231**	**–271,297**	**–246,148**	**–41,638**	**–37,778**

* The impairment test performed on 31 December, 2012 indicated a need for impairment of loans granted to the Tardan Gold business unit totalling TSEK -238,888 (US$ -36.664 m) wheareas the 2011 impairment was TSEK -224,208 (US$ -34.411 m) for the Solcocon business unit.

** In 2011 exchange rate differences were reported on gross basis, in 2012 – on net basis. Due to exchange rate fluctuations the Group received exchange rate income for 2012 in the amount of TSEK 15,956 (US$ 2.449 m) and net forex loss in amount of TSEK 9,925 (US$ 1.523 m) for 2011.

NOTE 7 INCOME TAX AND DEFERRED INCOME TAX

	Group		Group		Parent company		Parent company	
	2012 TSEK	2011 TSEK	2012 US$ 000	2011 US$ 000	2012 TSEK	2011 TSEK	2012 US$ 000	2011 US$ 000
Current tax	–628	–1,314	–96	–202	–	–	–	–
Deferred tax	–1,295	9,183	–199	1,409	–	–	–	–
	–1,923	**7,869**	**–295**	**1,208**	**–**	**–**	**–**	**–**
Connection between tax expense and reported profit/loss								
Pre-tax loss	–72,032	–128,265	–11,055	–19,686	–246,179	–242,080	–37,783	–37,154
Tax according to applicable tax rate	14,406	25,653	2,211	3,937	64,745	63,667	9,937	9,771
Tax effect of expenses that are non-deductible for tax purposes	–6,387	–2,941	–980	–451	–64,028	–60,137	–9,827	–9,230
Tax effect of non-taxable income	1,415	2,401	217	369	–	29	–	4
Impairment of deferred tax assets/reversal of impaired deferred tax assets	–8,647	–14,533	–1,327	–2,230	–	–	–	–
Reversal of deferred tax liability	–10,579	–	–1,624	–	–	–	–	–
Difference between the Group's tax rate and the individual companies' tax rates	–	853		131	–	–	–	–
Utilisation of previously unrecognised tax losses	9,077	–	1,393	–	–	–	–	–
Adjustments in respect to income tax of previous years	–1,208	–	–185	–	–	–	–	–
Tax effect of loss carry-forwards for which deferred taxes recoverable are not reported:	–	–3,564		–547	–717	–3,559	–110	–546
	–1,923	**7,869**	**–295**	**1,208**	**–**	**–**	**–**	**–**

The applicable tax rate for the Parent Company is 26.3%. The applicable tax rate for the Russian subsidiaries is 20%. The Group's main business activities in the Group are carried out in Russia and the applicable tax rate used for the Group is 20%.

	Group			
	31-12-2012 TSEK	31-12-2011 TSEK	31-12-2012 US$ 000	31-12-2011 US$ 000
Deferred tax recoverable relating to tax losses carried forward				
Incoming deferred tax recoverable	50,879	36,171	7,809	5,551
Change in deferred tax recoverable	–10,292	22,402	–1,580	3,438
Impairment of deferred tax on tax losses carried forward	–8,647	–14,533	–1,327	–2,230
Offset of deferred tax asset against deferred tax liability	–9,531	–	–1,463	–
Closing deferred tax recoverable	22,409	50,879	3,439	7,809
Total deferred tax recoverable	**22,409**	**50,879**	**3,439**	**7,809**

Currently, tax loss carry-forwards in the Parent Company are not reported as deferred tax assets in the statement of financial position, as it is uncertain whether such tax losses can be utilised based on the economic character of the Parent Company. The total tax losses carried forward in the parent company amounts to TSEK 128,800 and are not limited in time.

In the subsidiaries, deferred tax assets on tax losses carried forward are reported when it is probable that the subsidiary will generate sufficient taxable profits to utilise the tax losses within the foreseeable future. According to Russian tax law, tax losses can be utilised within a period of 10 years from the year when the loss was incurred.

The Group has only two entities with material amounts of deferred tax assets: LLC Tardan Gold and LLC GRE-324. The majority of the deferred tax assets relate to tax losses carried forward to be utilised until 2017. Based on the forecast for LLC Tardan Gold, the company will generate taxable profits that enable the deferred tax asset on their tax losses carried forward to be utilised within 3 years. For LLC GRE-324, the forecast is uncertain and hence an impairment of TSEK 4,853 of deferred tax on the tax losses carried forward for GRE 324 has been made. The rest of the deferred tax impairment of TSEK 3,794 (US$ 582,295) relates to other Group subsidiaries and is not significant for each of them. It is also uncertain these accumulated tax losses carried forward can be utilized in the future.

	Group			
	31-12-2012 TSEK	31-12-2011 TSEK	31-12-2012 US$ 000	31-12-2011 US$ 000
Deferred tax liabilities with regard to temporary differences				
Incoming deferred tax liability	50,318	45,570	7,723	6,994
Change in deferred tax liability on the acquired mining licences and capitalised work for own account	–2,419	230	–371	35
Disposal values from sold subsidiaries	–	–10,052	–	–1,543
Change in deferred tax liability on the acquired non-current assets	–13,070	14,570	–2,006	2,236
Offset of deferred tax asset against deferred tax liability	–9,531	–	–1,463	–
Total deferred tax liability	**25,298**	**50,318**	**3,883**	**7,723**

Deferred tax is calculated on the difference between reported values and taxable values of assets and liabilities. There is no deferred tax attributable to items reported directly in equity or other comprehensive income.

NOTE 8 MINING PERMITS AND CAPITALISED EXPLORATION COSTS

	Group				Parent company			
	31-12-2012 TSEK	31-12-2011 TSEK	31-12-2012 US$ 000	31-12-2011 US$ 000	31-12-2012 TSEK	31-12-2011 TSEK	31-12-2012 US$ 000	31-12-2011 US$ 000
Opening balance	171,044	161,353	26,251	24,764	392	392	60	60
Capitalized provision for site restoration	1,564	4,081	240	626	–	–	–	–
Acquisitions and capitalised exploration costs	–	4,112	–	631	–	–	–	–
Translation difference	2,529	1,498	388	230	–	–	–	–
Closing balance accumulated value	**175,137**	**171,044**	**26,880**	**26,251**	**392**	**392**	**60**	**60**
Opening balance amortisations and write-downs	–11,548	–7,052	–1,772	–1,082	–392	–392	–60	–60
Amortisation for the period	–11,404	–4,496	–1,750	–690	–	–	–	–
Closing balance accumulated amortisation	**–22,952**	**–11,548**	**–3,523**	**–1,772**	**–392**	**–392**	**–60**	**–60**
Closing net book value	**152,184**	**159,496**	**23,357**	**24,479**	**–**	**–**	**–**	**–**

Assets are mainly represented by exploration and mine development costs held by the Russian subsidiaries of the Group (no assets are held by Sweden subsidiary). The intangible assets represent a significant portion of the assets in the Group and impairment tests are regularly carried out by the management in order to review the recoverable values of these assets are not lower than their carrying values. The impairment tests are carried out through the use of a discounted cash flow model over the calculated lifetime of the asset/deposit and with consideration of the registered reserves on the deposit/license area. A number of variables are simulated in the model. Among the more important variables are the price of gold and the yield required.

An impairment test was carried out on the Group's productive gold assets as at 31 December 2012. The most significant portion of the intangible assets refers to the Tardan license area and the Staroverinskaya license area. The key assumptions applied in the test were the price of gold during the test period of 1,700 US$/oz, and a required yield of 15% per year. The result of the impairment tests was that no impairment of the intangible assets was required as of 31 December 2012.

NOTE 9 BUILDINGS AND LAND

	Group			
	31-12-2012 TSEK	31-12-2011 TSEK	31-12-2012 US$ 000	31-12-2011 US$ 000
Opening balance	25,525	34,132	3,917	5,239
Purchases	0	1,825	0	280
Fixed assets put into operation	78,155	–	11,995	–
Internal transfer	2,007	–9,336	308	–1,433
Disposals	–81	–3,490	–12	–536
Translation difference	–2,026	2,393	–311	367
Closing balance accumulated acquisition values	**103,581**	**25,525**	**15,897**	**3,917**
Opening balance	–5,646	–5,854	–867	–898
Depreciation for the financial year	–5,627	–3,094	–864	–475
Disposals	66	90	10	14
Internal transfer	–4	3,348	–1	514
Translation difference	213	–135	33	–21
Closing balance accumulated depreciation	**–10,998**	**–5,646**	**–1,688**	**–866**
Closing net book value	**92,583**	**19,879**	**14,210**	**3,051**

NOTE 10 MACHINERY, EQUIPMENT AND OTHER TECHNICAL PLANTS

	Group			
	31-12-2012 TSEK	31-12-2011 TSEK	31-12-2012 US$ 000	31-12-2011 US$ 000
Opening balance	154,592	82,671	23,726	12,688
Purchases	7,452	42,045	1,144	6,453
Fixed assets put into operation	65,098	24,223	9,991	3,718
Internal transfer	–2,007	20,770	–308	3,188
Disposals	–6,235	–9,435	–957	–1,448
Translation difference	–2,880	–5,682	–442	–872
Closing accumulated acquisition values	**216,020**	**154,592**	**33,154**	**23,726**
Opening balance	–56,945	–20,984	–8,740	–3,221
Depreciation for the financial year	–27,058	–20,900	–4,153	–3,208
Disposals	2,686	5201	412	798
Internal transfer	4	–14,782	1	–2,269
Impairment for the year	–	–3,488	–	–535
Translation difference	–85	–1,992	–13	–306
Closing accumulated depreciation	**–81,398**	**–56,945**	**–12,493**	**–8,740**
Closing net book value	**134,622**	**97,647**	**20,661**	**14,987**

NOTE 11 CONSTRUCTION IN PROGRESS

	Group			
	31-12-2012 TSEK	31-12-2011 TSEK	31-12-2012 US$ 000	31-12-2011 US$ 000
Opening balance	111,840	53,122	17,165	8,153
Purchases during the year	48,231	97,857	7,402	15,019
Fixed assets put into operation	–143,253	–24,223	–21,986	–3,718
Impairment for the year	–	–11,038	–	–1,694
Translation difference	1,131	–3,879	174	–595
Closing net book value	**17,948**	**111,839**	**2,755**	**17,165**

Decrease of the construction in progress balance at year end 2012 was caused by the launch of the Tardan Heap leaching plant in August 2012. During 2012 TSEK 11,246 (US$ 1.726 m) of interest on the loan from Svyaz bank was capitalized and increased the value of fixed assets put into usage after commissioning of the Tardan Heap Leaching plant. All tangible fixed assets are held by the Russian subsidiaries and no assets are held by the Swedish Parent Company.

NOTE 12 SHARES IN GROUP COMPANIES

Subsidiaries	Co. ID	Office	Proportion of equity/ Share of voting power	Book value 2012-12-31
LLC Tardan Gold	1041700563519	Kyzyl	100%	258,384
LLC Uzhunzhul*	1071901004746	Abakan	100%	-
LLC GRE 324	1037542001441	Chita	100%	0
LLC Solcocon	1077530000239	Chita	100%	0
LLC Borservice	1077536005601	Chita	100%	105
LLC Gold Borzya	1077530001174	Krasnokamensk	100%	21,102
LLC Rudtechnologiya	1077530000570	Krasnokamensk	100%	92,346
LLC Auriant Management	1097746422840	Moscow	100%	413
LLC CAG Promstroy *	1107746472525	Moscow	100%	-
				372,349

* The subsidiaries LLC Uzhunzhul and LLC CAG Promstroy are indirectly owned through the subsidiaries LLC Tardan Gold and LLC Auriant Management. Hence there is no book value for these companies in Auriant Mining AB.

The investment in subsidiaries represents a significant portion of the assets in the parent company and impairment tests are regularly carried out by the board and management of Auriant mining AB in order to asses that the recoverable value of these assets is not lower than their reported values. The impairment test is carried out through the application of a discounted cash flow model. The model is sensitive to a number of variables and assessments, with some of the more important being the price of gold and the yield required. Based on the impairment tests performed as at December 31, 2012, the board and management has not identified any need for impairment of the shares in subsidiaries.

NOTE 13 SHARES AND INVESTMENTS IN JOINT VENTURES

	Group, carrying amount				Parent company, carrying amount			
Joint ventures	**31-12-2012 TSEK**	**31-12-2011 TSEK**	**31-12-2012 US$ 000**	**31-12-2011 US$ 000**	**31-12-2012 TSEK**	**31-12-2011 TSEK**	**31-12-2012 US$ 000**	**31-12-2011 US$ 000**
Awilia Enterprises Limited**	23,969	28,919	3,679	4,438	20,663	22,216	3,171	3,410
	23,969	**28,919**	**3,679**	**4,438**	**20,663**	**22,216**	**3,171**	**3,410**

	Group				Parent company			
Changes in book value of the joint venture	**31-12-2012 TSEK**	**31-12-2011 TSEK**	**31-12-2012 US$ 000**	**31-12-2011 US$ 000**	**31-12-2012 TSEK**	**31-12-2011 TSEK**	**31-12-2012 US$ 000**	**31-12-2011 US$ 000**
Opening balance	28,919	24,652	4,438	3,784	22,216	16,924	3,410	2,597
Formation of joint venture	–	–	–	–	–	–	–	–
Investment in joint venture	8,413	5,292	1,291	812	8,413	5,292	1,291	812
Joint venture investment disposal	–12,735	–	–1,955	–	–9,966	–	–1,530	–
Profit/loss from joint venture	–628	–1,025	–96	–157	–	–	–	–
Closing balance	**23,969**	**28,919**	**3,679**	**4,438**	**20,663**	**22,216**	**3,171**	**3,410**

** Awilia Enterprises Ltd. Is a Joint Venture company with Centerra Gold Inc, registered in Cyprus. Awilia owns 100% of LLC Kara-Beldyr, the company that carries out the joint venture operations in Russia. In January 2012, Centerra Gold Inc. fulfilled the second phase of investments in the joint venture, thereby earning another 20% ownership in the joint venture. Profit from sale of 20% ownership in the joint venture Awilia to Centerra Gold in 2012 equalled to TSEK 6,753 (US$ 1.037 m), see Note 1a for details. Auriant ownership in Awilia as of the reporting date is therefore 30%.

NOTE 14 INVENTORIES

	Group			
	31-12-2012 TSEK	**31-12-2011 TSEK**	**31-12-2012 US$ 000**	**31-12-2011 US$ 000**
Raw materials and consumables, gross	16,435	23,646	2,522	3,629
Impairment of raw materials and consumables	–352	–3,129	–54	–480
Raw materials and consumables, net	16,083	20,517	2,468	3,149
Ores and tailings*	112,372	111,800	17,247	17,159
Finished goods	3,098	648	475	99
Work in progress	11,664	20,655	1,790	3,170
Total	**143,217**	**153,620**	**21,981**	**23,577**

The cost of inventories recognized as an expense amounted to TSEK 62,590 (US$ 9.606 m) (2011: TSEK 60,613 (US$ 9.303 m)

*Net amount includes one-time write-off of ore stacked at GRE-324 in the amount of TSEK 24,467 (US$ 3.755 m). For details refer to Note 4.

NOTE 15 OTHER CURRENT RECEIVABLES AND PREPAID EXPENSES

	Group				Parent company			
	31-12-2012 TSEK	31-12-2011 TSEK	31-12-2012 US$ 000	31-12-2011 US$ 000	31-12-2012 TSEK	31-12-2011 TSEK	31-12-2012 US$ 000	31-12-2011 US$ 000
VAT receivable*	21,239	23,267	3,260	3,571	272	254	42	39
Other current receivables	1,556	5,878	239	902	46	59	7	9
Total other current receivables	**22,795**	**29,146**	**3,499**	**4,473**	**318**	**313**	**49**	**48**

* The sale of gold is subject to 0% output VAT but purchase of most materials is subject to input VAT at a rate of 18%. Therefore Auriant Mining companies always have significant amount of VAT receivable from the state. Usually it takes 3-6 months to recover VAT.

Prepaid expenses	13,623	12,382	2,091	1,900	161	89	25	14
Total prepaid expenses	**13,623**	**12,382**	**2,091**	**1,900**	**161**	**89**	**25**	**14**

Prepaid expenses are presented by advances paid out to suppliers for materials and services to be provided in 2013 which is in the normal course of business of the Group

NOTE 16 CASH AND CASH EQUIVALENTS

	Group				Parent company			
	31-12-2012 TSEK	31-12-2011 TSEK	31-12-2012 US$ 000	31-12-2011 US$ 000	31-12-2012 TSEK	31-12-2011 TSEK	31-12-2012 US$ 000	31-12-2011 US$ 000
Cash at bank	2,715	10,995	417	1,687	1,193	8,119	183	1,246
Bank deposits*	19,551	–	3,001	–	–	–	–	–
Total cash and cash equivalents	**22,266**	**10,995**	**3,417**	**1,687**	**1,193**	**8,119**	**183**	**1,246**

* Bank deposits are short term investments with a maturity of three months or less which can easily be transformed into cash.

NOTE 17 EARNINGS PER SHARE AND OTHER INFORMATION REGARDING SHARES AND EQUITY

a) Before dilution
The earnings per share before dilution are calculated by dividing the profit/loss attributable to the Parent Company's shareholders by the weighted average number of ordinary shares during the period.

	Group			
	2012 TSEK	2011 TSEK	2012 US$ 000	2011 US$ 000
Loss attributable to the Parent Company's shareholders (TSEK)	–73,955	–119,325	–11,350	–18,314
Weighted average number of ordinary shares	17,616,987	16,652,603		
Earnings per share, SEK	–4.20	–7.17	–0.64	–1.10

b) After dilution
At year-end 2011, there were 510,650,000 outstanding warrants with the right to subscribe for 1,315,000 shares. 250,000 shares had a strike price of SEK 221.10 per share with the last exercise date in January 2012. 1,065,000 shares had a strike price of SEK 25 per share and were exercisable until August 2012. The warrants with last exercise of January 2012 expired without any warrants being exercised. The warrants exercisable till August 2012 relate to a warrant program for employees of the group. The warrants in this program have not been allocated to any employees and were cancelled by a decision of the Annual General Meeting on 24 May, 2012. At the November 2012 Extraordinary General Meeting an incentive program for the Group's Chief Executive Office Denis Alexandrov and Chief Investment Office Max Yacoub was established through the issue of warrants with the right to subscribe for the same amount of shares. For a detailed description of the warrants please refer to the "Share capital and ownership" section of this report. The average number of shares outstanding for the period after dilution is 18,674,197 as result.

c) Number of shares outstanding, quotient value per share, and the limits of equity capital
At the 2012 and 2011 year-ends, the number of shares was as follows.

	Group				Parent company			
	2012	2012 US$	2011	2011 US$	2012	2012 US$	2011	2011 US$
Opening balance	17,616,987		16,016,987		17,616,987		16,016,987	
New share issues during the period	–		1,600,000		–		1,600,000	
Number of shares outstanding at each year-end	17,616,987		17,616,987		17,616,987		17,616,987	
Share capital (Quotient value SEK 11,25 per share)	**198,191,104**	**30,417,936**	**198,191,104**	**30,417,936**	**198,191,104**	**30,417,936**	**198,191,104**	**30,417,936**

The Company completed a rights issue in July 2011. The number of shares increased by 1,600,000 through a rights issue, which corresponds to an increase in share capital of TSEK 18,000.

The share capital limits at 2012 year-end according to the articles of association were not less than TSEK 150,000 and not more than TSEK 600,000. The limit for number of shares was not less than 15,000,000 and not more than 60,000.000. The number of authorised and fully paid shares at the year-end 2012 was 17,616,987.

	Group			
	31-12-2012 TSEK	**31-12-2011 TSEK**	**31-12-2012 US$ 000**	**31-12-2011 US$ 000**
Share capital	198,191	198,191	30,418	30,418
Additional paid in capital	155,819	155,819	23,915	23,915
Translation difference reserve	–27,057	–18,143	–4,153	–2,785
Retained earnings, including profit/loss for the year	–101,791	–27,836	–15,623	–4,272
Total equity attributable to the Parent Company's owners	**225,162**	**308,031**	**34,557**	**47,276**
Equity per share, SEK, US$	12.78	17.48	1.96	2.68

NOTE 18 PROVISIONS

	Group			
	31-12-2012 TSEK	**31-12-2011 TSEK**	**31-12-2012 US$ 000**	**31-12-2011 US$ 000**
Opening provision for restoration costs	10,261	5,599	1,575	859
Disposal values of sold subsidiaries	–	–1,004	–	–154
Additional provisions during the year	1,564	5,666	240	870
Total provisions	**11,825**	**10,261**	**1,815**	**1,575**

The provision for restoration costs associated with the Tardan license area is estimated to be utilised at the end of the mining license period in 2032. The provision associated with the Staroverinskaya license area is estimated to be utilized at the end of the mining license period, 2029.

The amount of the restoration costs for each individual license area is largely dependent on the type of land on which the mining operation is located. None of the Group's productive units has its facilities located on land that is sensitive from an environmental or other perspective. The assessment of future restoration costs has primarily been based on the assumptions stated in each license agreement.

A calculation of the present value of restoration costs is performed for each license in each subsidiary on a yearly basis and is based on assessments by technical specialists of the amount of work and machinery needed to comply with the restoration requirements in each license agreement.

NOTE 19 LONG TERM AND SHORT TERM LOANS AND NOTES

	Group					
	31-12-2012 TSEK	**31-12-2012 US$ 000**	**31-12-2012 Effective interest rate**	**31-12-2011 TSEK**	**31-12-2011 US$ 000**	**31-12-2011 Effective interest rate**
Long-term bond issued, US$	214,422	32,909	11.5–13%	–	–	–
Long-term loans received, US$	–	–	0%	14,020	2,152	0%
Long-term notes payable, RUR	4,306	661	0%	3,451	530	0%
Interest payable, RUR	–	–	–	–	–	–
Interest payable, US$	–	–	–	894	137	–
Total long-term loans and notes	**218,728**	**33,570**		**18,365**	**2,819**	
Short-term loans received, RUR	69,422	10,655	13%	65,348	10,029	13%
Short-term loans received, US$	60,335	9,260	10%	159,931	24,546	18%
Interest payable, RUR	–	–	–	40	6	–
Interest payable, US$	–	–	–	5,771	886	–
Total short-term loans, including interest payable	**129,758**	**19,915**		**231,090**	**35,467**	
Total loans received, including interest payable	**348,486**	**53,485**		**249,455**	**38,286**	

In December 2012 the Group Management restructured the loans received from the shareholder into bond. The overall interest rate for the loan was reduced from 18% to the range of 11.5-13% per annum. The bond is payable in 2014.

NOTE 20 FINANCIAL ASSETS, LIABILITIES AND RISKS

This note contains disclosure information regarding financial assets and liabilities including the risks in these financial instruments that the group is exposed to.

Financial instruments categories, classifications and holdings
The Group classifies its financial assets in the following categories: financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, available-for-sale financial assets. The Group currently has no assets classified as financial assets at fair value through profit or loss, held-to-maturity investments and available-for-sale financial assets. The Group's financial liabilities include trade, lease and other payables, bond, notes and loans.

Financial liabilities disclosures

	Group				Parent company			
Long-term loans and short-term finance liabilities	**31-12-2012 TSEK**	**31-12-2011 TSEK**	**31-12-2012 US$ 000**	**31-12-2011 US$ 000**	**31-12-2012 TSEK**	**31-12-2011 TSEK**	**31-12-2012 US$ 000**	**31-12-2011 US$ 000**
Bond issued	214,422	–	32,909	–	214,422	–	32,909	–
Loan from Centerra Gold Inc. under joint venture agreement	–	14,020	–	2,152	–	14,020	–	2,152
Notes and other loans payable	4,306	4,345	661	667	893	984	137	151
Lease liability	1,134	5,575	174	856	–	–	–	–
Total long-term financial liabilities	**219,862**	**23,940**	**33,744**	**3,674**	**215,315**	**14,914**	**33,046**	**2,289**
Loans from shareholder	–	165,702	–	25,432	–	165,702	–	25,432
Bank loans	129,758	65,388	19,915	10,036	–	–	–	–
Lease liability	5,217	8,874	801	1,362	–	–	–	–
Total short-term financial liabilities	**134,974**	**239,964**	**20,716**	**36,830**	**–**	**165,702**	**–**	**25,432**

Maturity analysis in relation to the total contractual, undiscounted cash flows is presented below:

	2013 TSEK	**2014 TSEK**	**2013 US$ 000**	**2014 US$ 000**
Bank loans	139,940	–	21,478	–
Bond issued	–	243,615	–	37,390
Notes payable	–	4,306	–	661
Lease liability	5,679	1,176	872	180
Total	**145,619**	**249,097**	**22,349**	**38,231**

Fair and carrying values of financial liabilities	**31-12-2012 TSEK Fair value**	**31-12-2012 TSEK Carrying amount**	**31-12-2012 US$ 000 Fair value**	**31-12-2012 US$ 000 Carrying amount**	**31-12-2011 TSEK Fair value**	**31-12-2011 TSEK Fair value**	**31-12-2011 US$ 000 Fair value**	**31-12-2011 US$ 000 Fair value**
Accounts payable to suppliers	7,530	7,530	1,156	1,156	13,527	13,527	2,076	2,076
Other current liabilities	18,863	18,863	2,895	2,895	8,719	8,719	1,338	1,338
Bond issued	214,422	214,422	32,909	32,909	–	–	–	–
Loans received and accrued interest	129,757	134,063	19,915	20,576	230,742	230,742	35,414	35,414
Notes payable	4,306	4,306	661	661	3,451	3,451	530	530
Lease liabilities	6,350	6,350	975	975	14,449	14,449	2,218	2,218
Total financial liabilities	**381,228**	**381,228**	**58,510**	**58,510**	**270,888**	**270,888**	**41,575**	**41,575**

Maturity structure of financial liabilities as at 31 December 2012:	**< 1 year from reporting date, TSEK**	**> 1 year but < 5 years from reporting date, TSEK**	**> More than 5 years, TSEK**	**< 1 year from reporting date, US$ 000**	**> 1 year but < 5 years from reporting date, US$ 000**	**> More than 5 years, US$ 000**
Accounts payable to suppliers	7,530	–	–	1,156	–	–
Other current liabilities	18,863	–	–	2,895	–	–
Bond issued	–	214,422	–	–	32,909	–
Loans received and accrued interest	129,758	–	–	19,915	–	–
Notes payable	–	4,306	–	–	661	–
Lease liabilities	5,217	1,134	–	801	174	–
Total financial liabilities	**161,367**	**219,862**	**–**	**24,766**	**33,744**	**–**

Interest rates for lease liabilities are fixed. Interests rates on loans received from banks and shareholders are fixed for the terms of the loans and the Group is therefore not currently directly exposed to any interest rate risk.

Finance lease liabilities are payable as follows:

	Group					
	31-12-2012 TSEK Minimum lease payments	31-12-2012 TSEK Interest	31-12-2012 TSEK Present value of payments	31-12-2012 US$ 000 Minimum lease payments	31-12-2012 US$ 000 Interest	31-12-2012 US$ 000 Present value of payments
Less than one year	5,679	462	5,217	872	71	801
Between one and five years	1,176	43	1,134	180	7	174
Total	**6,855**	**505**	**6,351**	**1,052**	**78**	**975**

Financial assets disclosures

Cash and cash equivalents	31-12-2012 TSEK Fair value	31-12-2012 TSEK Reported value	31-12-2012 US$ 000 Fair value	31-12-2012 US$ 000 Reported value	31-12-2011 TSEK Fair value	31-12-2011 TSEK Reported value	31-12-2011 US$ 000 Fair value	31-12-2011 US$ 000 Reported value
Cash and cash equivalents in SEK	790	790	121	121	1,880	1,880	289	289
Cash and cash equivalents in US$	6	6	1	1	6,239	6,239	958	958
Cash and cash equivalents in RUR	21,470	21,470	3,295	3,295	2,876	2,876	441	441
Total cash and cash equivalents	**22,266**	**22,266**	**3,417**	**3,417**	**10,995**	**10,995**	**1,687**	**1,687**

Fair and carrying values of financial assets

All amounts in TSEK	31-12-2012 TSEK Fair value	31-12-2012 TSEK Reported value	31-12-2012 TSEK Maximum credit risk	31-12-2011 TSEK Fair value	31-12-2011 TSEK Reported value	31-12-2011 TSEK Maximum credit risk
Accounts receivable trade	508	508	–	986	986	–
Less, provision for impairment of trade accounts receivable	–	–	–	–	–	–
Accounts receivable, net	508	508	508	986	986	986
Other current receivables	1,556	1,556	1,556	5,878	5,878	5,878
Total cash and cash equivalents	22,266	22,266	–	10,995	10,995	–
Total financial assets	**24,330**	**24,330**	**2,064**	**17,859**	**17,859**	**6,864**

All amounts in US$ 000	31-12-2012 US$ 000 Fair value	31-12-2012 US$ 000 Reported value	31-12-2012 US$ 000 Maximum credit risk	31-12-2011 US$ 000 Fair value	31-12-2011 US$ 000 Reported value	31-12-2011 US$ 000 Maximum credit risk
Accounts receivable trade	78	78	–	151	151	–
Less, provision for impairment of trade accounts receivable	–	–	–	–	–	–
Accounts receivable, net	78	78	78	151	151	151
Other current receivables	239	239	239	902	902	902
Total cash and cash equivalents	3,417	3,417	0	1,687	1,687	0
Total financial assets	**3,734**	**3,734**	**317**	**2,741**	**2,741**	**1,053**

Policy for the management of financial risks

The Group's activities expose it to a variety of financial risks: a) market risk (including currency and gold price risk, time lapse and interest rate risk), b) credit risk and c) liquidity risk including capital risk. The Group's overall risk management policy focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

The Group attempts to mitigate the effects of these risks by ensuring that the Board and the management have the relevant competence to assess these risks. Thus, the Company works proactively by carrying out suitable measures to counteract and manage risks and in addition, the Group obtains advice from consultants, when necessary. The Company does not use derivative instruments to hedge financial risks.

a1) Currency and gold price risk

The Group is exposed, through its activities, to both currency risk and gold price risk, as changes in exchange rates and gold prices affect the Group's results and cash flow. The Group's policy is, in general, not to hedge currency and gold price risks. However, under certain circumstances, for example if required by creditor banks or if the Board of Directors considers it to be warranted, the risks can be limited by, for example, forward sales of gold or through currency hedging measures.

Currency exposure and analysis
The Group is exposed to foreign exchange risk in relation to net financial items denominated in foreign currencies.

The functional currency of the subsidiaries is the Russian rouble, the reporting currency is SEK. Assets and liabilities are translated from the functional currency to the reporting currency at the closing rate of 0.2134 SEK per Rouble (0.2154), income and expenses are translated using the average rate of 0.2181 SEK per Rouble (0.2210). The translation differences are recognised as a separate component of other comprehensive income and the cumulative effect is included in other reserves in shareholders' equity.

Financial assets and liabilities of the Group by currency:

	2012-12-31 TSEK SEK	2012-12-31 TSEK USD	2012-12-31 TSEK RUR	2012-12-31 TSEK Total	2012-12-31 US$ 000 SEK	2012-12-31 US$ 000 USD	2012-12-31 US$ 000 RUR	2012-12-31 US$ 000 Total
Cash and cash equivalents	790	6	21,470	22,266	121	1	3,295	3,417
Accounts receivable	–	–	508	508	–	–	78	78
Other current receivables	318	–	1,238	1,556	49	–	190	239
Total financial assets	**1,108**	**6**	**23,216**	**24,330**	**170**	**1**	**3,563**	**3,734**
Accounts payable	1,381	–	6,149	7,530	212	–	944	1,156
Other current liabilities	177	–	18,686	18,863	27	–	2,868	2,895
Bond issued	–	214,422	–	214,422	–	32,909	–	32,909
Loans, including interest payable	–	60,335	69,422	129,757	–	9,260	10,655	19,915
Notes payable	–	–	4,306	4,306	–	–	661	661
Financial lease	–	4,282	2,068	6,350	–	657	317	975
Total financial liabilities	**1,557**	**279,039**	**100,632**	**381,228**	**239**	**42,826**	**15,445**	**58,510**
Net financial items	**–449**	**–279,033**	**–77,416**	**–356,898**	**–69**	**–42,825**	**–11,882**	**–54,776**

The sensitivity analysis of loss before tax to foreign exchange risk is shown in the table below:

RUR 31-12-2012 Changes in Exchange rate, %	RUR 31-12-2012 Effect on loss before income tax, TSEK	RUR 31-12-2012 Effect on loss before income tax, US$ 000	USD 31-12-2012 Changes in Exchange rate, %	USD 31-12-2012 Effect on loss before income tax, TSEK	USD 31-12-2012 Effect on loss before income tax, US$ 000
10%	Increase by 7,741	Increase by 1,188	10%	Increase by 27,903	Increase by 4,283
–10%	Decrease by 7,741	Decrease by 1,188	–10%	Decrease by 27,903	Decrease by 4,283

Price risk analysis
The Group is exposed to the risk of fluctuations in market prices on the gold it produces. The Group's policy is to manage these risks through sales of gold at a London market spot price agreed with the buyer, as well as on the basis of the London AM/PM fixing or tradebook market orders (stop-loss or take-profit).

The table below summarises the impact on profit before tax for changes in gold prices. The analysis is based on the assumption that the gold prices move 10% with all other variables held constant.

Change in price of gold in USD by:	Effect on operating loss, TSEK	Effect on operating loss, US$ 000
+10%, other things being equal	Decrease by 23,413	Decrease by 3,593
–10%, other things being equal	Increase by 23,413	Increase by 3,593

a2) Time lapse
This exposure primarily related to the Group's alluvial gold production. Alluvial gold production is highly seasonal and takes place during the warm period of the year (May–October). The rest of the year is devoted to preparing for production and, during the first four months of the calendar year, there are substantial expenses prior to the initiation of production. This includes the purchase of large amounts of fuel, service overhauls of all equipment, transport of workers to the remote production sites, etc. This implies that a large proportion of the current year's production costs are determined during the first six months of the year, while actual gold production predominantly takes place during the third quarter. Sales subsequently take place during both the third and fourth quarters. Hence, the final price of the gold sold (the sales value) can differ markedly from the acquisition value of the gold produced.

This risk is no longer applicable as in 2012 the Group outsourced its alluvial gold production to an experienced operator, with Auriant receiving an effective royalty of 24.5% on all gold sales and 18.5% net of MRET.

a3) Interest rate risk
The Group's interest-bearing loans refer to short-term RUR and US$ loans from Russian banks (Svyazbank and Promsvyazbank respectively) and loans from shareholders/related parties. Currently, all interest-bearing loans have fixed interest rates during the terms of the loans and, therefore, the Group is not currently directly exposed to any interest rate risk.

b) Credit risk
As a rule, surplus liquidity is invested in savings accounts or in short-term interest-bearing instruments without any significant credit risk.

With respect to pure gold sales, there are generally no bad debts. The purchasers are comprised of large, licensed, gold purchasing Russian banks. Payment is usually received within 30 days. Auriant has quite small amounts of accounts receivable from parties other than the Russian banks that are subject to bad debt risks. Provisions for bad debt are made based on individual estimations of possible payments from each counterparty.

c1) Liquidity risk
Auriant Mining Group is at an early development stage, and, therefore, requires continued high levels of capital expenditure. Internally generated income is not sufficient to fund these investments . The Company's growth, therefore, remains dependent on external financing. External financing may be received in the form of borrowing or via an injection of equity. For companies at an early stage, equity financing is the most common method. Since its formation, the Company has implemented preferential or directed new equity issues on several occasions. Successful implementation of share issues is, however, to a large extent, dependent on the market climate. However, external financing in the form of bank loans has become for the Group one of the most important sources of working capital and has also ensured investment activity growth. Due its positive credit history, Auriant has strengthened its relationships with the banks, which allows for confidence as regards receiving future bank financing.

In December 2012 the Group Management restructured the loans received from the main shareholder into a bond. As of 31 December, 2012 the debt to the shareholder equalled MSEK 214.4 (US$32m). The overall interest rate for the debt was reduced from 18% to 11.5-13% per annum. The bond is payable is 2014.

As part of the debt restructuring programme, in February 2013 Auriant Mining repaid a loan to Svyazbank in the amount of MSEK 35 (US$5m). This did not reduce the amount of Company debt but lowered the interest burden.

c2) Capital risk
Issues concerning capital risk, optimum capital structure and the cost of capital are central in all companies. The Board of Auriant AB always tries to optimise the cost of capital. However, in accordance with the above, it must also take into account that, at present, the Group is at an early stage of development and the equity/assets ratio must, consequently, be maintained at a relatively high level. The Board of Directors currently considers that the equity ratio of the Group, at least during the start-up phase (before large-scale production has started) shall be a minimum of 50%. The ratio may be reduced at a later stage. As at year-end 2012, the Group's equity/assets ratio, is at 34.8%, which is insufficient. The Auriant board of directors are working actively to strengthen the equity ratio of the Group.

NOTE 21 TRADE AND OTHER ACCOUNTS PAYABLE

	Group				Parent company			
	31-12-2012 TSEK	31-12-2011 TSEK	31-12-2012 US$ 000	31-12-2011 US$ 000	31-12-2012 TSEK	31-12-2011 TSEK	31-12-2012 US$ 000	31-12-2011 US$ 000
Trade accounts payable	7,530	13527	1,156	2,076	1,381	148	212	23
Accrued fees	600	1,200	92	184	600	1,200	92	184
Accrual for employee benefit expenses	1,118	824	172	126	840	824	129	126
Other accruals	–	3,968	–	609	–	3,968	–	609
Total accrued expenses	1,718	5,992	264	920	1,440	5,992	221	920
Total trade and other accounts payable	**9,248**	**19,519**	**1,419**	**2,996**	**2,820**	**6,137**	**433**	**942**

NOTE 22 ADJUSTMENTS FOR NON-CASH ITEMS

	Group				Parent company			
	2012 TSEK	2011 TSEK	2012 US$ 000	2011 US$ 000	2012 TSEK	2011 TSEK	2012 US$ 000	2011 US$ 000
Depreciation and amortization	40,661	26,081	6,241	4,003	–	–	–	–
Impairment/write-downs	29,631	37,766	4,548	5,796	–	–	–	–
Loss on sale of fixed assets		2,605	–	400	–	–	–	–
Income from sale of subsidiaries	–6,753	–11,858	–1,036	–1,820	–6,753	–	–1,036	–
Stock take surplus	–2,970	–	–456	–				
Other income	–1,225	–	–188	–	–1,225	–	–188	
Other non-cash items	–8,850	5,871	–1,358	901	–	–	–	–
Total	**50,494**	**60,465**	**7,750**	**9,280**	**–7,978**	**–**	**–1,224**	**–**

NOTE 23 LOANS TO SUBSIDIARIES

	Parent company			
	31-12-2012 TSEK	31-12-2011 TSEK	31-12-2012 US$ 000	31-12-2011 US$ 000
Opening balance	237,111	274,563	36,391	42,139
Reclassifications	184,541	–	–	–
Loans during the year	19,645	178,057	3,015	27,328
Accrued interest	19,232	17,539	2,952	2,692
repaid during the year	–12,514	–	–1,921	–
Translation difference	–14,947	–4,736	–2,294	–727
Net off of loans given to Artel Starateley Lena*	–	–4,107	–	–630
Loans converted into equity	–109,298	–	–16,775	–
Provision/write down of loan receivables	–238,888	–224,205	–36,664	–34,410
Closing book value	**84,883**	**237,111**	**–15,295**	**36,391**

* Artel Starateley Lena had been excluded from the Group since September 2011

Loans to subsidiaries represent a significant part of the assets of the Parent Company, and impairment tests are regularly carried out by the management of the Parent Company in order to determine that the recoverable value of these assets is not lower than their reported values. The impairment test performed at December 31 2012 has indicated a need for impairment of loans granted to the subsidiary Tardan Gold in the total amount of TSEK – 238,888 (TSEK –224,205).

NOTE 24 PLEDGED ASSETS

	Group				Parent company			
Pledged assets	31-12-2012 TSEK	31-12-2011 TSEK	31-12-2012 US$ 000	31-12-2011 US$ 000	31-12-2012 TSEK	31-12-2011 TSEK	31-12-2012 US$ 000	31-12-2011 US$ 000
Fixed assets	138,434	119,006	21,247	18,265	–	–	–	–
Net assets of pledged subsidiaries (excluding directly pledged fixed assets)	23,575	69,810	3,618	10,714	–	–	–	–
Shares in subsidiaries	–	–	–	–	336,016	289,415	51,571	44,419
Receivables on subsidiaries	–	–	–	–	133,015	116,420	20,415	17,868
Pledged bank accounts	50	50	8	8	50	50	8	8
Total	**162,059**	**188,866**	**24,872**	**28,987**	**469,081**	**405,885**	**71,993**	**62,294**

All assets except bank accounts in Sweden are pledged under the loan agreements with Promsvyazbank (USD) and Svyazbank (RUR) concluded in 2012 by GRE-324 and Tardan Gold. For details refer to Note 19.

NOTE 25 BUSINESS COMBINATIONS

Acquisitions
The Group did not acquire any subsidiaries in 2012 and 2011.

Disposals
In 2012 the Group sold a 20% ownership in Awilia Enterprises Ltd. (further – "Awilia") to Centerra Gold Inc. Awilia is a joint venture company with Centerra Gold Inc. Awilia owns 100% of LLC Kara-Beldyr, the company that owns the Kara-Beldyr license area and in which the joint venture operations are carried out in Russia. In January 2012, Centerra Gold Inc. fulfilled the second phase of investments in the joint venture by investing US$ 4 m and earned an additional 20% ownership in the joint venture nder the Option and Shareholders Agreement. The Consideration was paid by means of a set-off of the Phase Two Advances provided to the Group in the total amount of US$ 4 m against the Consideration. The Group's ownership in Awilia as of the reporting date decreased from 50% to 30% and the intention of the Group is to keep this share of the joint venture and continue to be involved in the future exploration of the Kara-Beldyr license area.

Sale of subsidiaries in 2011
During 2011, the Group disposed of all its shares in LLC Artel Lena. The sale of LLC Artel Lena was made in two tranches to LLC Sibirskoye Zoloto for a total consideration of TSEK 21,726 (US$$ 3.334 m). The disposal resulted in the following derecognition from Group's consolidated statement of financial position.

	Amounts in TSEK	Amounts in US$ 000
Property, plant and equipment	7,041	1,081
Financial fixed assets	69	11
Inventory	48,056	7,376
Other current assets	29,628	4,547
Cash	260	40
Long term liabilities	–10,052	–1,543
Current liabilities	–65,134	–9,997
Proceeds from sales	**21,726**	**3,334**
Gain on disposal	**11,858**	**1,820**
Impact on consolidated cash flow	**21,466**	**3,295**

NOTE 26 TRANSACTIONS WITH RELATED PARTIES

The majority shareholder and the ultimate parent of Auriant Mining AB is Bertil Holdings Limited owning approximately 53% of the shares in the Company. Bertil Holdings Limited is a company controlled by the Board Chairman, Preston Haskell who is Auriant Mining's ultimate controlling party. The remaining 47% of the shares in Auriant Mining are held among approximately 3 500 shareholders.

Financing
During 2011-2012, Auriant Mining AB was provided with financing from a company related to the ultimate controlling party in a total amount of US$$ 28.7 m (MSEK 192.8). The interest rate on the loans varied from 18% to 24% and as security for part of the loans, 50% of the shares in the subsidiary LLC Tardan Gold and 100% of the shares in the subsidiary LLC Uzhunzhul were pledged.

Financing Golden Impala	TSEK	US$ 000
Opening balance including interests	165,701	23,934
Loans received during the period	32,869	5,603
Interest accrued for the period	32,409	4,878
Loans repaid during the period including interests	–7,222	–1,179
Exchange rate differences	–9,335	–
Outstanding debt including interests	**214,422**	**33,235**

On November 21, 2012 Auriant Mining AB reached a principal agreement on restructuring the terms of the loans received from the majority shareholder. Under the terms of the restructuring the loans were consolidated into one bond maturing in 2014. The restructured debt is unsecured and the overall interest rate was reduced from 18% to 13%. The minimum monthly interest payment is 5% p.a. with the remainder 8% capitalized. Any monthly interest payment in excess of 5% will be at a rate of less than 8% p.a. such that the overall interest rate for the debt will be in the range of 11.5%–13%.

The table below summarise transactions undertaken with related parties during the year:

	Group			
	2012 TSEK	2011 TSEK	2012 US$ 000	2011 US$ 000
Financial income from related parties:				
Interest received from companies related to the ultimate controlling party	–	71	–	11
Purchases from related parties:				
Purchases from companies related to the ultimate controlling party	36	31	6	5
Purchases from management personnel	–	1,059	–	163
Interest expenses to related parties:				
Interest to companies controlled by the ultimate controlling party	32,409	7,429	4,974	1,140
Balances with related parties at the end of the year				
Receivables from				
Companies related to the ultimate controlling party	112	1,216	17	187
Liabilities to				
Companies related to the ultimate controlling party	215,338	177,055	33,050	27,174

For Board and Senior Executive remuneration please refer to Note 3.

NOTE 27 SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

As a part of the debt restructuring programme, in February 2013 LLC Tardan Gold repaid a loan to Svyazbank in amount of MSEK 35 (US$5 m). This did not reduce the amount of Group debt but lowered the interest burden.

In March 2013 as a part of the restructuring programme, the Group subsidiary LLC Solcocon was merged with subsidiary LLC Rudtechnologiya. Per Group Management decision, LLC CAG Promstroy and LLC Borservice, the Group subsidiaries, due to absence of operational activity were liquidated in February and April 2013 respectively.

During the Q1 2013 a new share issue was performed. The share issue refers to 185 000 warrants issued to the CEO. The CEO has subscribed for the shares.

Board assurance

The Board and the Chief Executive Officer confirm that the consolidated financial statements and the annual report, respectively, have been prepared in accordance with International Financial Reporting Standards, IFRS as adopted by the EU and give a true and fair view of the Group's results and financial position.

The financial statements of the Parent Company have been prepared in accordance with generally excepted accounting principles in Sweden and give a true and fair view of the Parent Company's results and financial position.

The directors' report for the Group and the Parent Company, respectively, gives a true and fair view of the Group's and the Parent Company's activities, results and financial positions, and describes significant risks and points of uncertainty faced by the Parent Company and the companies within the Group.

Stockholm, April 23, 2013

Preston Haskell
Chairman of the Board

Denis Alexandrov
Chief Executive Officer
Board member

Andre Bekker
Board member

Peter Daresbury
Board member

Ingmar Haga
Board member

The annual report and the consolidated financial statements have, as stated above, been approved for issue by the Board on April 23, 2013. The Group's income statement and balance sheet, and the Parent Company's income statement and balance sheet will be subject to ratification at the annual general meeting on May 15, 2013.

Our audit report was submitted on April 23, 2013
Öhrlings PricewaterhouseCoopers AB

Martin Johansson
Authorised Public Accountant

Auditor's report

To the annual meeting of the shareholders of Auriant Mining AB (publ), corporate identity number 556659-4833

REPORT ON THE ANNUAL ACCOUNTS AND CONSOLIDATED ACCOUNTS

We have audited the annual accounts and consolidated accounts of Auriant Mining AB (publ) for the year 2012. The annual accounts and consolidated accounts of the company are included in the printed version of this document on pages 24–37 and 44–83.

Responsibilities of the Board of Directors and the Managing Director for the annual accounts and consolidated accounts.

The Board of Directors and the Managing Director are responsible for the preparation and fair presentation of these annual accounts and consolidated accounts in accordance with International Financial Reporting Standards , as adopted by the EU, and the Annual Accounts Act, and for such internal control as the Board of Directors and the Managing Director determine is necessary to enable the preparation of annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these annual accounts and consolidated accounts based on our audit. We conducted our audit in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the annual accounts and consolidated accounts are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the annual accounts and consolidated accounts. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the annual accounts and consolidated accounts, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation and fair presentation of the annual accounts and consolidated accounts in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors and the Managing Director, as well as evaluating the overall presentation of the annual accounts and consolidated accounts.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinions

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the parent company as of 31 December 2012 and of its financial performance and its cash flows for the year then ended in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the group as of 31 December 2012 and of their financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards, as adopted by the EU, and the Annual Accounts Act. A corporate governance statement has been prepared. The statutory administration report and the corporate governance statement are consistent with the other parts of the annual accounts and consolidated accounts.

We therefore recommend that the annual meeting of shareholders adopt the income statement and balance sheet for the parent company and the group.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the proposed appropriations of the company's profit or loss and the administration of the Board of Directors and the Managing Director of Auriant Mining AB for the year 2012.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss, and the Board of Directors and the Managing Director are responsible for administration under the Companies Act.

Auditor's responsibility

Our responsibility is to express an opinion with reasonable assurance on the proposed appropriations of the company's profit or loss and on the administration based on our audit. We conducted the audit in accordance with generally accepted auditing standards in Sweden.

As a basis for our opinion on the Board of Directors' proposed appropriations of the company's profit or loss, we examined whether the proposal is in accordance with the Companies Act.

As a basis for our opinion concerning discharge from liability, in addition to our audit of the annual accounts and consolidated accounts, we examined significant decisions, actions taken and circumstances of the company in order to determine whether any member of the Board of Directors or the Managing Director is liable to the company. We also examined whether any member of the Board of Directors or the Managing Director has, in any other way, acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Opinions

We recommend to the annual meeting of shareholders that the loss be dealt with in accordance with the proposal in the statutory administration report and that the members of the Board of Directors and the Managing Director be discharged from liability for the financial year.

Stockholm 23 April 2013
Öhrlings PricewaterhouseCoopers AB

Martin Johansson
Authorized Public Accountant

Additional information

TRANSLATION
This English annual report is a translation of the Swedish annual report for 2012. If any discrepancies exist in the translation, the Swedish language version shall prevail.

DEFINITIONS
"Auriant Mining AB", "AUR" and "the Company" refer to Auriant Mining AB (publ) with Swedish corporate registration number 556659-4833 and its subsidiary companies.

BUSINESS CONCEPT
To become a medium-sized profitable gold producer by global standards by using existing knowledge of and contacts in Russia. The Company's operations may diversify into other minerals and countries over time.

DATES FOR FINANCIAL INFORMATION DURING 2013
Auriant Mining AB's financial year runs from 1 January to 31 December. During 2013, the Company will issue interim financial information as follows:

Interim report (1) Jan–Mar 2013: 30 May 2013
Interim report (2) Jan–Jun 2013: 29 August 2013
Interim report (3) Jan–Sep 2013: 28 November 2013

2013 ANNUAL GENERAL MEETING
The Annual General Meeting will be held on Wednesday, May 15, 2013 at. 15.00 in Näringslivets Hus, Storgatan 19, 114 85 Stockholm. Registration for the meeting commences at 14.30. Shareholders wishing to participate in the meeting must:

(i) Be entered in the shareholders' register kept by Euroclear Sweden AB (the Swedish Central Securities Depositary & Clearing Organization) on the record day Wednesday May 8, 2013. Shareholders who have had their shares registered in the name of a nominee must, well in advance of May 8, 2013, through the nominee, temporarily register the shares in their own name in order to be entitled to participate in the meeting.

(ii) Notify the Company of their attendance no later than 4 pm on May 8, 2013, via email at the address agm@auriant.se or via letter to Auriant Mining AB, Engelbrektsplan 2, 4 tr, 114 34 Stockholm. Notification must include full name, personal ID number or corporate registration number, address and telephone number and, if applicable, information about proxy, representative and assistant.

In order to facilitate entry to the meeting, notification should, when appropriate, be accompanied by powers of attorney, registration certificate and other authorization documents. Forms for power of attorney can be down loaded from the Company's website www.auriant.se. A person representing a legal entity must present a registration certificate, not older than one year, or equivalent documentation indicating the signatory right

AURIANT
MINING

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