

# AURIANT

## MINING

**12 months 2015 Results**  
**Analyst Web Conference**  
**26 February 2015**

# Disclaimer

Statements and assumptions made in this Presentation with respect to Auriant Mining AB's ("Auriant") current plans, estimates, strategies and beliefs, and other statements that are not historical facts, are forward-looking statements about the future performance of Auriant. Forward-looking statements include, but are not limited to, those using words such as "may", "might", "seeks", "expects", "anticipates", "estimates", "believes", "projects", "plans", "strategy", "forecast" and similar expressions including "E" or "F" marks in charts, graphs and other documents. These statements reflect Auriant's management's expectations and assumptions in light of currently available information. In the light of the many risks and uncertainties surrounding any gold production and exploration company at an early stage of its development, the actual results could differ materially from those presented and forecasted in this Presentation. Auriant do not assume any unconditional obligation to update any such statements and/or forecasts immediately.

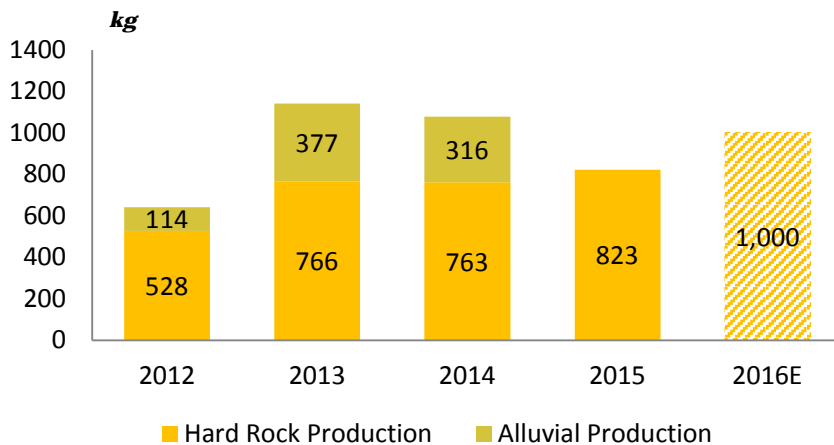
# Auriant Mining overview

## General Information

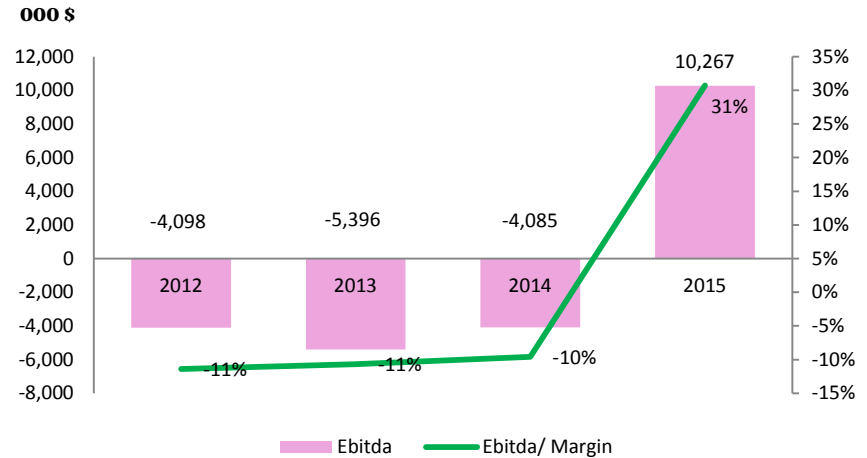
- Public Russian junior gold producer
- Listed on NASDAQ OMX First North
- 1 producing mine, 2 exploration properties
- 2015 production of 823 kg of gold (26,468 oz)
- 2016 expected production of 1 t
- Expected 2016 reserves of 1.5 Moz
- Great exploration potential



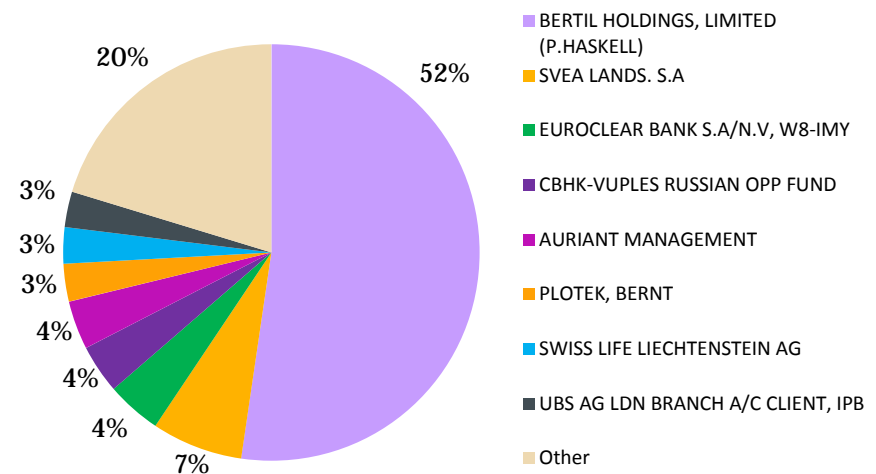
## Auriant Gold Production



## Financial Position



## Shareholder structure as of December 31, 2015



# 12 months 2015

## Consolidated Income Statement

	Q4 2015	Q4 2014	12 months 2015	12 months 2014	Change	Change %
	US\$ 000	US\$ 000	US\$ 000	US\$ 000	US\$ 000	%
Revenue, including:	10,815	13,286	33,429	42,627	(9,198)	-22%
Revenue from gold sales	9,915	13,286	29,829	42,627	(12,798)	-30%
Revenue from management services	900	-	3,600	-	3,600	0%
Cost of sales	(9,007)	(13,883)	(28,683)	(48,752)	20,069	-41%
Gross profit	<b>1,808</b>	<b>(597)</b>	<b>4,746</b>	<b>(6,125)</b>	<b>10,871</b>	<b>-177%</b>
General and administrative expenses	(1,063)	(1,110)	(3,768)	(4,976)	1,208	-24%
Other operating income	269	206	953	769	184	24%
Other operating expenses	(392)	(87)	(1,012)	(919)	(93)	10%
Operating profit before Impairment	<b>622</b>	<b>(1,588)</b>	<b>919</b>	<b>(11,251)</b>	<b>12,170</b>	<b>-108%</b>
Items affecting comparability: Impairment of Solcocon assets	(14,216)	-	(14,216)	-	(14,216)	100%
Operating profit/(loss) after Impairment	<b>(13,594)</b>	<b>(1,588)</b>	<b>(13,297)</b>	<b>(11,251)</b>	<b>(2,046)</b>	<b>18%</b>
Financial income (forex gain)	404	-	602	-	602	100%
Financial expenses, including Forex loss	(2,123)	(5,014)	(7,683)	(15,011)	7,328	-49%
Interest expenses	(2,123)	(2,587)	(7,683)	(10,011)	5,011	-100%
Profit/(Loss) before income tax	<b>(15,313)</b>	<b>(6,602)</b>	<b>(20,378)</b>	<b>(26,262)</b>	<b>5,884</b>	<b>-22%</b>
Income tax	517	4,270	646	9,671	(9,025)	-93%
Solcocon deferred tax assets impairment	(1,762)	-	(1,762)	-	(1,762)	100%
Net profit/(loss) for the period	<b>(16,558)</b>	<b>(2,332)</b>	<b>(21,494)</b>	<b>(16,591)</b>	<b>(4,903)</b>	<b>30%</b>
EBITDA*	<b>3,482</b>	<b>178</b>	<b>10,267</b>	<b>(4,085)</b>	<b>14,352</b>	<b>-351%</b>

	12m 2015	12m 2014	Change	Change
	US\$ 000	US\$ 000	US\$ 000	%
Hard rock gold revenue	29,829	30,388	(559)	-2%
Alluvial gold revenue	-	12,239	(12,239)	-100%
Alluvial gold costs	-	(9,223)	9,223	-100%
Management services	3,600	-	3,600	100%
<b>Net Revenue</b>	<b>33,429</b>	<b>33,404</b>	<b>25</b>	<b>0%</b>
Cost of sales hard rock	(28,683)	(39,529)	10,846	-27%
<b>Gross profit</b>	<b>4,746</b>	<b>(6,125)</b>	<b>10,871</b>	<b>-177%</b>



In 2015, Chukotka management project (Valunisty) with income of US\$ 3.6 m replaced Alluvial production with net income of US\$ 3.0 m in 2014.



Gross profit significantly improved and was positive in 2015 at US\$ 4.7 m compared to a loss in 2014 of US\$ -6.1 m.



G&A expenses decreased by 24% or by US\$ 1.2 m.



Operating profit before Impairment of Solcocon is positive: US\$ 0.9m.



Interest expenses decreased by 23% or by US\$ 2.3 m.



As recommencement of Solcocon hard rock production is not planned in 2016, the Solcocon's assets impairment provision was created in amount of US\$ 16.0 m and recorded it in amount of US\$ 14.2 m as items affecting comparability and of US\$ 1.8 m as income tax expense related to deferred tax asset impairment. Impairment provision is a non-cash expense; management continues to monitor the Solcocon's status and will reverse impairment provision when impairment indicators will no longer exist.

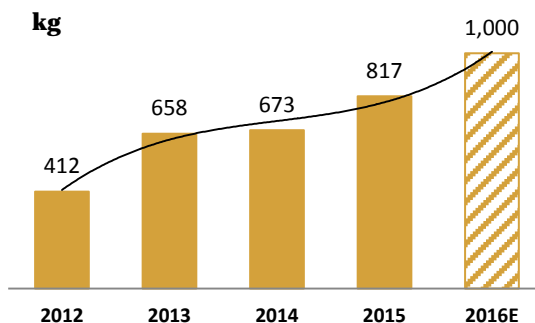
- Earnings Before Interest, Tax, Depreciation, Amortization and any Impairment.

# Tardan mine. Success story

## Location



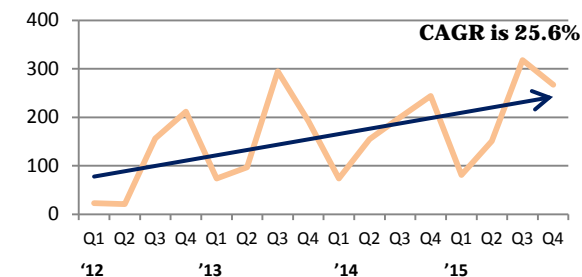
## Gold Production



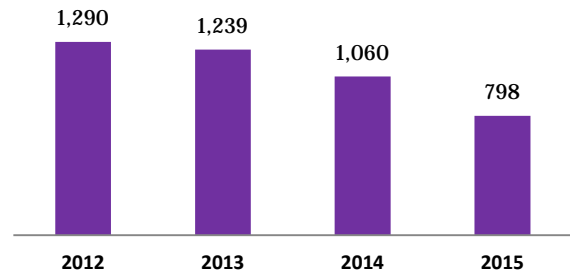
## Open Pit



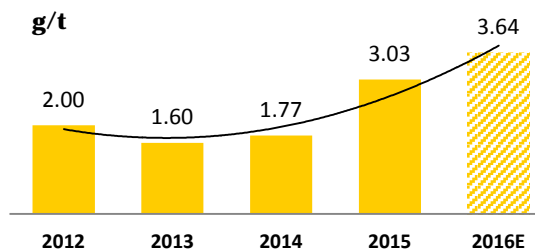
## Tardan Gold Production Q by Q



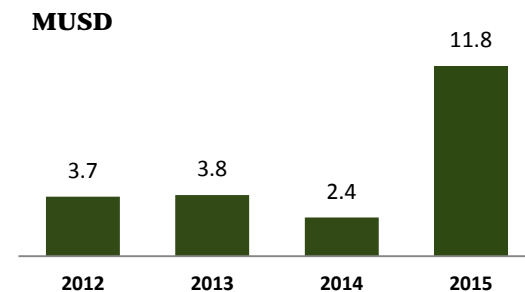
## TCC



## Au grade in ore mined



## EBITDA



## Summary

- **An amount of gold produced has doubled in 4 years**
- **TCC decreased by 2 times in 5 years**
- **Au grade in ore mined increased by 1.5 times in 5 years**
- **EBIDTA increased by 5 times from 2014 to 2015**
- **1 t of gold expected to be produced in 2016**
- Successfully working mine
- Gravitational plant was re-commissioned in 2015
- Working in strict environmental standards
- Strong corporate responsibility program in the region
- upside potential in greater Tardan area

# 12 months 2015

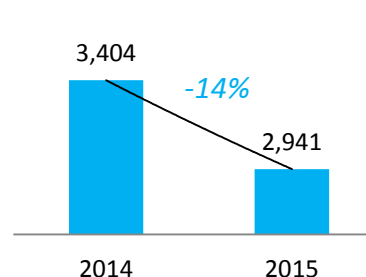
## Tardan Key Performance Indicators

Key highlights	12m 2015 Actual	12m 2014 Actual	Change	Change %
Stripping, 000'm3	2,941	3,404	(463)	-14%
Ore mined 000't	449	381	68	18%
Ore heap leach stacked, 000't	429	352	77	22%
Tailings heap leach stacked, 000't	66	88	(22)	-25%
Ore & tailings average grade, g/t	2.7	1.75	0.9	52%
Gold produced through heap leach, kg	727	639	88	14%
Ore processed through grav. plant, 000't	46	13	33	255%
Ore grade, g/t	6.1	6.3	(0.2)	-2%
Gold produced through grav. plant, kg	90	34	56	166%
<b>Total Gold produced, kg</b>	<b>817</b>	<b>673</b>	<b>144</b>	<b>21%</b>
<b>Total Gold produced, Oz</b>	<b>26,275</b>	<b>21,637</b>	<b>4,638</b>	<b>21%</b>
Gold Sales, kg	799	659	141	21%
Gold Sales, oz	25,698	21,172	4,525	21%
Gold Sales, th'USD	29,722	26,448	3,274	12%
Price realised (net of commission)	1,157	1,249	(93)	-7%
Total cash cost per oz.	798	1,060	(262)	-25%
EBITDA, US\$ m	11.8	2.4	9.4	401%

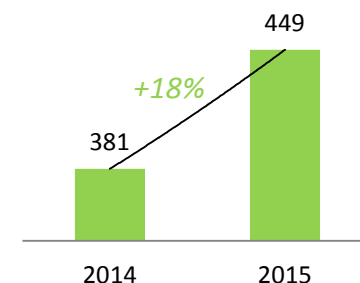
### 12m 2015 VS 12m 2014

- Gold production increased by 21%;
- Gold sales prices decreased by 7%;
- Cash costs per oz are 25% lower;
- EBITDA increased in 5 times and amounts to US\$ 11.8 m.

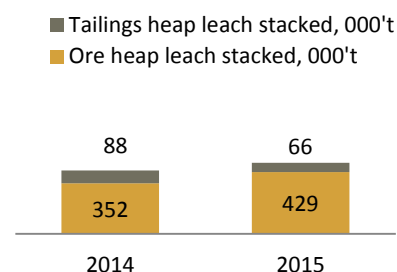
### Stripping, 000 m3



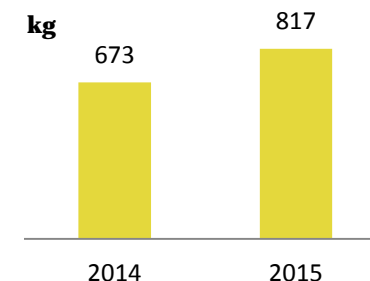
### Ore Mined



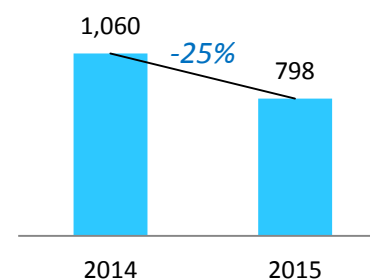
### Ore & tailings stalked



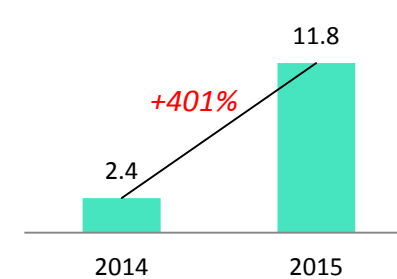
### Gold produced



### TCC \$/oz



### EBITDA US\$ m



# Tardan cash costs analytics 12 months 2015

	Tardan 12m 2015	Tardan 12m 2014	Change, %
a Stripping, 000m3	2,941	3,404	-14%
b Ore mined, 000m3	142	123	15%
c Rock mass total, 000m3 (a+b)	3,082	3,527	-13%
d Ore mined, 000t	449	381	18%
Stripping ratio actual (a/d)	6.6	8.9	-27%
e Mining costs, 000\$	9,238	12,306	-25%
Mining costs, \$/m3 (e/c)	3.0	3.5	-14%
f Stripping asset	392	(3,286)	-112%
g Total period mining costs (e+f)	9,630	9,020	7%
Ore stacked, 000t	428	352	
Grade in ore, g/t	2.6	1.5	
h Gold in ore, kg	1,121	538	
Tailings stacked, 000t	66	88	
Grade in tailings, g/t	3.1	2.6	
i Gold in tailings, kg	201	229	
Ore processed through grav. plant, 000t	46	13	
Grade in ore, g/t	6.5	6.3	
Gold in ore, kg	304	78	
Total ore and tailings processed, 000t	540	453	19%
j Gold produced, kg	817	673	21%
Gold produced, oz	26,281	21,628	21%
k Cost of processing, 000\$	7,498	8,832	-15%
Cost per oz, \$/oz	285	408	-30%
l Refining & Transportation, 000\$	136	159	-14%
m Local General and Administrative expenses, 000\$	1,929	3,269	-41%
n MRET, 000\$	1,769	1,656	7%
Total cash costs, 000\$ (g+k+l+m+n)	20,962	22,936	-9%
Cash Cost per oz, \$	798	1,060	-25%

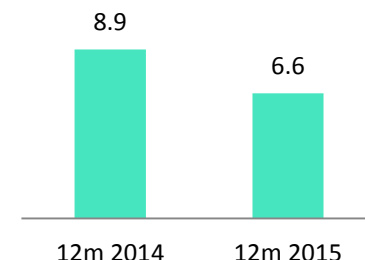
As a result of improved access to the ore in 2015 stripping ratio decreased down to 6.6 from 8.9 in 2014. The volume of ore mined increased by 18%. Almost all mining costs in 2015 were accounted for as current expenses and amount of stripping asset capitalized is close to nil.

Increased grade leads to decrease in costs per oz of gold produced.

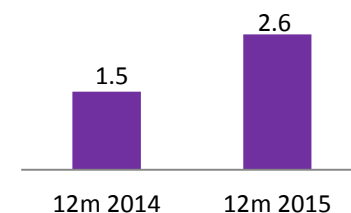
High grade ore was processed through gravitational plant re-launched in 2015. Tails of gravitation process goes on the heap leach – total recovery then reaches up to 80%.

In 2015 the volume of ore and tailings processed increased by 19%. The volume of gold produced increased by 21% accordingly.

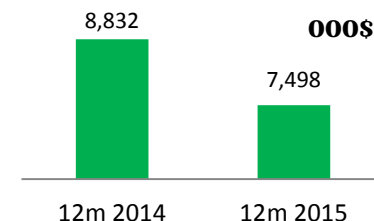
## Stripping ratio



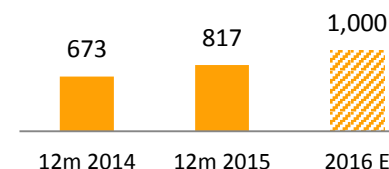
## Grade in ore



## Cost of processing



## Gold production, kg



# Consolidated statement of financial position

	December 31, 2015 US\$ 000	December 31, 2014 US\$ 000
<b>ASSETS</b>		
<b>FIXED ASSETS</b>		
Intangible fixed assets	23,081	33,928
Tangible fixed assets	24,506	34,162
Stripping assets	2,335	3,192
Financial fixed assets	6,270	10,298
<b>Total fixed assets</b>	<b>56,192</b>	<b>81,580</b>
<b>CURRENT ASSETS</b>		
Materials	946	1,335
Work in progress	3,850	3,460
Finished products	37	41
Current receivables	5,246	4,013
Advanced paid	338	677
Cash and cash equivalents	43	603
<b>Total current assets</b>	<b>10,460</b>	<b>10,129</b>
<b>TOTAL ASSETS</b>	<b>66,652</b>	<b>91,709</b>
Share capital	307	30,738
Additional paid in capital	59,838	24,997
Retained earnings	(84,087)	(62,593)
Translation difference reserve	(15,714)	(11,220)
<b>Total equity</b>	<b>(39,656)</b>	<b>(18,078)</b>
<b>Long term liabilities</b>		
Deferred tax	2,224	2,719
Bank loans and other notes	20,073	17,094
Lease payable	691	1,761
Debt to shareholder	41,293	43,464
Other long-term liabilities	6,026	6,060
<b>Total long term liabilities</b>	<b>70,307</b>	<b>71,098</b>
<b>Current liabilities</b>		
Trade accounts payable	2,454	2,271
Bank loans payable	24,537	28,256
Lease payable	673	753
Shareholder loans payable	5,563	4,088
Other current liabilities	2,774	3,321
<b>Total current liabilities</b>	<b>36,001</b>	<b>38,689</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>66,652</b>	<b>91,709</b>

Decrease in a net book value of fixed assets is mainly due to:

- Impairment of Solcocon's assets in amount of US\$ 8.5 m for intangible assets, US\$ 4.3 m for tangible and US\$ 1.8 m for deferred tax financial asset;
- Accrual of amortization and depreciation on Group's assets during 2015.



Stripping asset is amortized in line with ore mining activity as result of improved access to the ore.



Increase in work in progress relates to increased amount of gold stacked on the heap but not yet recovered.



In 2015 the Company registered a reduction of its Share capital in 100 times and funds of US\$ 30.5 m were transferred from Share capital line and recorded as additional paid in capital.



US\$ 4.3 m of bond liability was accounted for as additional paid in capital in accordance with bond option agreement with the Shareholder, approved by AGM 2015.



Growth of bond liability caused by discounting (non-cash expense) and accrual of interest rate of 2% p.a.



In 2015 total bank debt decreased from US\$ 45 m to US\$ 44.3 m or by US\$ 0.7 m as result of repayments made during a period.





# Consolidated cash flow statement

	Q4 2015	Q4 2014	12m 2015	12m 2014	Change	Change
	US\$ 000	US\$ 000	US\$ 000	US\$ 000	US\$ 000	%
<b>Operating activities</b>						
Receipts from customers	10,207	13,286	32,042	42,627	(10,585)	-25%
VAT and other reimbursement	1,011	968	3,915	8,200	(4,286)	-52%
Payments to suppliers	(3,877)	(10,938)	(18,524)	(37,735)	19,211	-51%
Payments to employees and social taxes	(2,245)	(3,359)	(8,860)	(14,022)	5,162	-37%
Income tax paid	-	-	(13)	(0)	(13)	100%
Other taxes paid	(1,029)	(1,352)	(3,446)	(4,371)	925	-21%
<b>Net cash flows from/(used in) operating activities</b>	<b>4,067</b>	<b>(1,396)</b>	<b>5,113</b>	<b>(5,301)</b>	<b>10,414</b>	<b>-196%</b>
<b>Investing activities</b>						
Purchase and construction of property plant and equipment	(1)	(35)	(89)	(2,687)	2,598	-97%
Exploration and research works	-	(219)	(29)	(703)	674	-96%
Investments in JV	-	(3)	-	(168)	168	-100%
<b>Net cash flows used in investing activities</b>	<b>(1)</b>	<b>(257)</b>	<b>(117)</b>	<b>(3,558)</b>	<b>3,441</b>	<b>-97%</b>
<b>Financing activities</b>						
Proceeds from borrowings	-	732	1,000	13,007	(12,007)	-92%
Repayment of borrowings	(2,334)	-	(745)	-	(745)	100%
Interest paid	(1,535)	(1,333)	(4,535)	(3,708)	(827)	22%
Lease payments	(284)	(422)	(1,288)	(2,263)	975	-43%
Other finance expenses	(7)	(0)	(37)	(0)	(36)	100%
<b>Net cash from/(used in) financing activities</b>	<b>(4,159)</b>	<b>(1,024)</b>	<b>(5,604)</b>	<b>7,036</b>	<b>(12,640)</b>	<b>-180%</b>
Net increase in cash and cash equivalents	(93)	(2,677)	(609)	(1,823)	1,215	-67%
Net foreign exchange difference	(36)	720	49	770	(721)	-94%
Cash and cash equivalents at 1 October/1 January	173	2,561	603	1,656	(1,053)	-64%
<b>Cash and cash equivalents at 31 December</b>	<b>43</b>	<b>603</b>	<b>43</b>	<b>603</b>	<b>(560)</b>	<b>-93%</b>

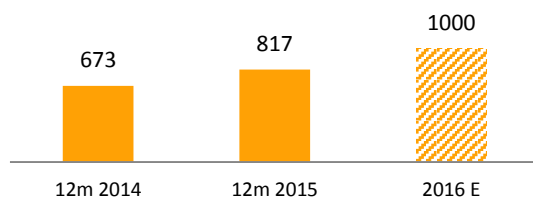
The Group received US\$ 5.1 m of net cash inflows from operating activities, which together with cash opening balance were used in repayments of interest, lease and borrowings.

At the beginning of 2016 the Group received remainder of fees from Valunesty management contract in the amount of US\$ 2.3 m incl. VAT. These funds will be used to finance operating activities in winter season.

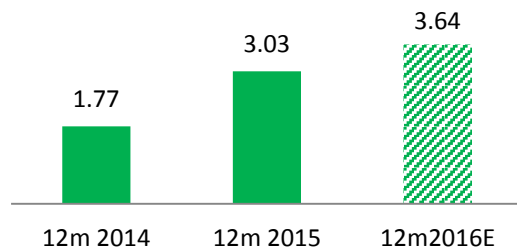
# 12 Months Summary

## Volumes are up

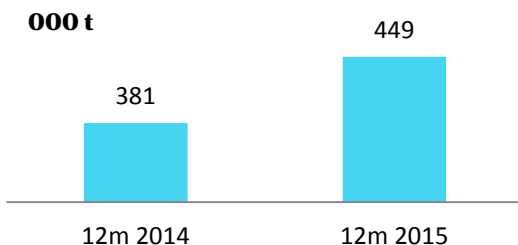
### Tardan Gold Production



### Tardan Gold Grade



### Tardan Volume of Ore Mined



## Costs are down

### Mining cost per m3



- 14%

### Stripping ratio



- 27%

### Processing per oz of gold produced



- 30%

### TCC



- 25%

## Profit & Loss KPI's

**Gross profit** significantly **improved** and was positive in 2015 at **US\$ 4.7 m** compared to a loss in 2014 of US\$ -6.1 m;

**The Group's EBITDA in 2015** amounts to US\$ 10.3m compared to negative EBITDA in 12 months 2014 of US\$ -4.1 m;

Group **admin costs decreased by 24%**;

Consolidated operating profit (before Impairment of Solcocon assets) in 2015 was US\$ 0.9m as compared to operating loss for 2014 in amount of US\$ (11.3)m;

Interest rate on Shareholder bond decreased down to 2% p. a. since March 2015; in the period from May 2014 to February 2015 it was 10% p.a.; prior to May 2014 it was 18% p. a.; the majority Shareholder has been offered an option to redeem US\$ 20 m of the outstanding bond amount in the form of cash or new shares, or a combination of both. The conversion date is at the discretion of the Shareholder until December 31, 2018.

# Thank you

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