

**AURIANT**  
MINING

**6 months 2017 Interim Results**  
**Analyst Web Conference**  
**August 14<sup>th</sup>, 2017**

# 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. 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.

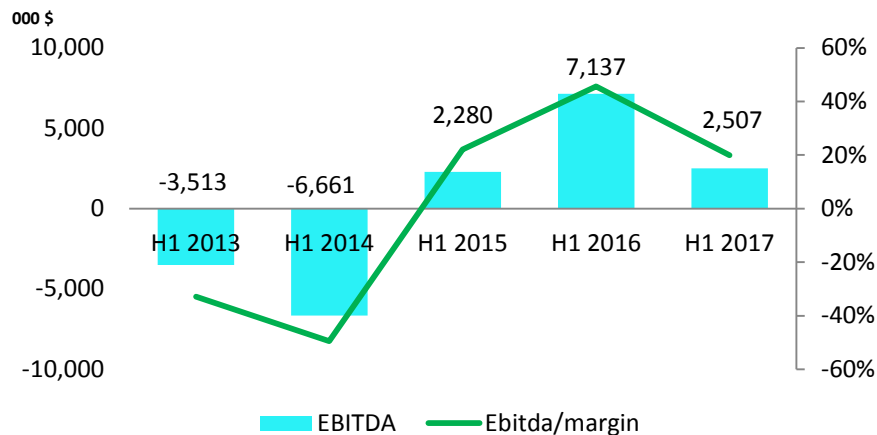
# Auriant Mining overview

## General Information

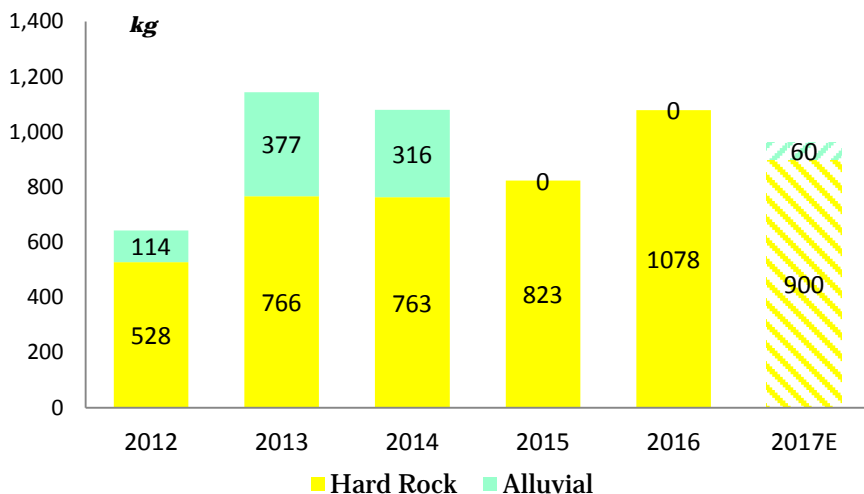
- Public Swedish junior gold producer operating in Russia
- Listed on NASDAQ OMX First North
- 2 producing mines, 2 exploration properties
- 2016 production of 1,078 kg
- 2017 reserves & recourses of 1.5 Moz
- Great exploration potential



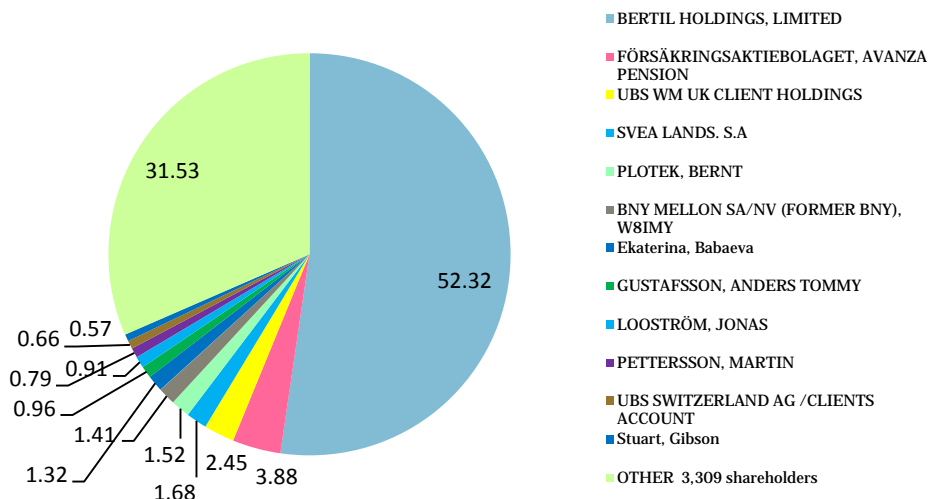
## Financial Position



## Auriant Gold Production



## Shareholder's structure as of July 30, 2017



# 6 months 2017

## Key Performance Indicators

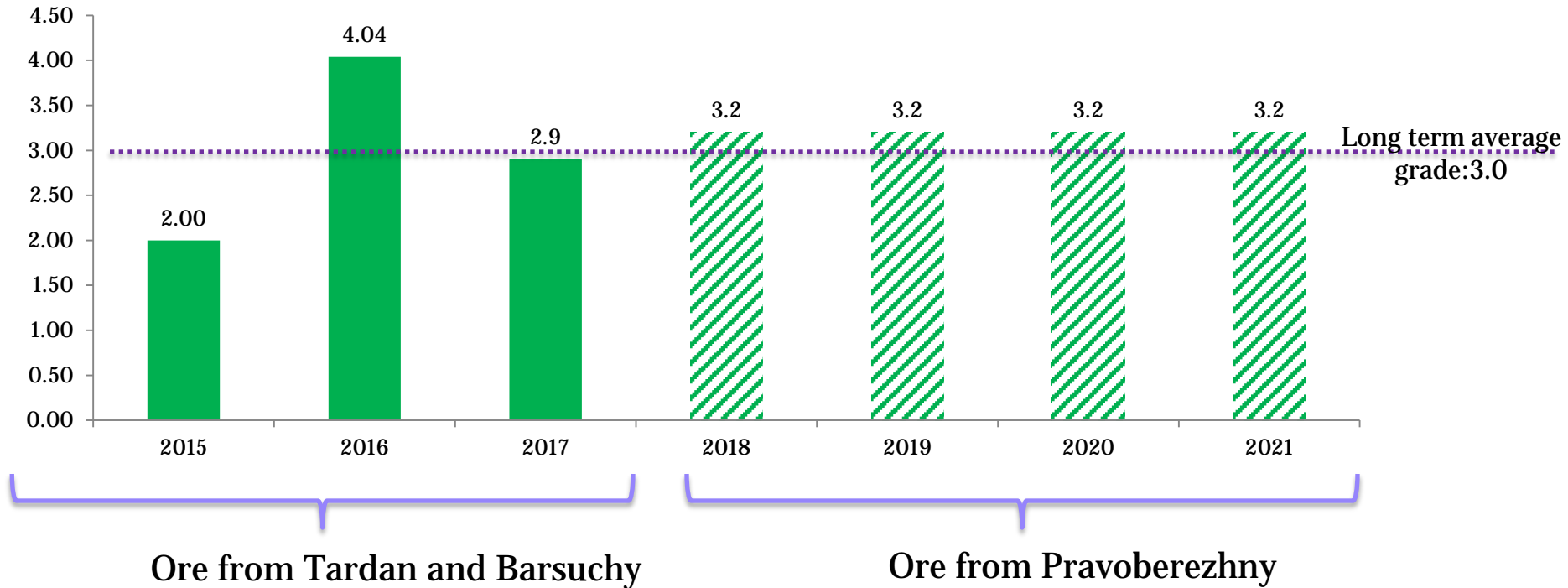
Key highlights	H1 2017	H1 2016	Change	Change %
Stripping, 000'm3	1,455	1,447	8	1%
Ore mined 000't	165	205	(41)	-20%
Gold grade in ore mined, g/t	2.93	4.42	(1.49)	-34%
AU in ore mined, kg	481	908	(428)	-47%
Ore heap leach stacked, 000't	132	160	(28)	-17%
Tailings heap leach stacked, 000't	34	21	14	66%
Ore & tailings average grade, g/t	2.7	3.5	(0.8)	-23%
Gold stacked, kg	444	624	(181)	-29%
Gold produced through heap leach, kg	270.5	298.0	(27.5)	-9%
Ore processed through grav. plant, 000't	31	38	(7)	-19%
Ore grade, g/t	4.8	8.4	(3.6)	-43%
Gold produced through grav. plant, kg	32.4	87.3	(54.9)	-63%
<b>Hard rock gold produced, kg (Tardan)</b>	<b>302.9</b>	<b>385.3</b>	<b>(82.4)</b>	<b>-21%</b>
<b>Hard rock gold produced, Oz (Tardan)</b>	<b>9,740</b>	<b>12,389</b>	<b>(2,649)</b>	<b>-21%</b>
<b>Alluvial gold production, kg (Solcocon)</b>	<b>6.7</b>	<b>-</b>	<b>6.7</b>	<b>100%</b>
<b>Alluvial gold production, oz (Solcocon)</b>	<b>215</b>	<b>-</b>	<b>215</b>	<b>100%</b>
<b>Total gold production, kg</b>	<b>309.6</b>	<b>385.3</b>	<b>(75.7)</b>	<b>-19%</b>
<b>Total gold production, oz</b>	<b>9,955</b>	<b>12,389</b>	<b>(2,434)</b>	<b>-19%</b>
Gold Sales, kg	314	392	(78)	-20%
Gold Sales, oz	10,104	12,619	(2,515)	-20%
Gold Sales, th'USD	12,562	15,362	(2,800)	-18%
Price realised (net of comission)	1,243	1,217	26	2%
Tardan contribution to group EBITDA, US\$ m	3.9	7.9	-4.1	-51%

### H1 2017 Summary

- **Tardan H1 2017** gold production was 302.9 kg (9,740 oz), a **planned decrease** of 21% compared with 385.3 kg (12,389 oz) in H1 2016.
- Gold grades in the ore mined at Tardan in H1 2017 were 2.93 g/t as compared to 4.42 g/t in H1 2016. Grades decrease as expected according to the 2017 mineplan; this is explained by uneven distribution of high grade ore between upper and deeper horizons of ore bodies mined in 2016 and 2017, in particular Barsuchy.
- **On deeper horizons** in H1 2017 we had lesser volumes of ore suitable for processing on gravitational plant and lower grades in those ore. As expected, decrease in volumes and grades resulted into lower production on gravitational plant compared to H1 2016.
- **Tardan EBITDA decreased to US\$ 3.9 mln** compared to US\$ 7.9 mln.
- Realized **gold price** in H1 2017 **increased by 2%** compared to H1 2016.
- **The Group's revenue** from gold sales is **linked to USD**, whereas most of the Group's **operating expenses** are **denominated in roubles**. Appreciation of the rouble against the USD negatively affect the Group's margins by increasing the USD value of its rouble-denominated costs.

Alluvial production at Solcocon was recommenced in Q2 2017 with expected production of 61 kg (1,961 oz) of gold in 2017.

# Tardan gold grades



- Gold grades are not distributed evenly;
- 2016 was exceptionally good as we were mining at upper horizons of Barsuchy. Those had substantially bigger grades than bottom horizons where we are mining now;
- Periodically golds grades are fluctuate up and down around long term average grade which is 3.0 g/t for Tardan.

# 6 months 2017 Income Statement

	Q2 2017	Q2 2016	H1 2017	H1 2016	Change	Change %
	US\$ 000	US\$ 000	US\$ 000	US\$ 000	US\$ 000	%
Revenue,including:	6,370	8,955	12,562	15,663	(3,100)	20%
Revenue from gold sales	6,370	8,955	12,562	15,362	(2,800)	-18%
Revenue from management services	-	-	-	300	(300)	100%
Cost of sales	(6,318)	(6,279)	(11,974)	(11,130)	(846)	8%
<b>Gross profit</b>	<b>54</b>	<b>2,676</b>	<b>588</b>	<b>4,533</b>	<b>(3,946)</b>	<b>-87%</b>
General and administrative expenses	(841)	(621)	(1,512)	(1,232)	(280)	23%
Other operating income	426	235	656	487	169	35%
Other operating expenses	(58)	(32)	(109)	(87)	(22)	25%
<b>Operating profit/(loss)</b>	<b>(419)</b>	<b>2,259</b>	<b>(377)</b>	<b>3,701</b>	<b>(4,078)</b>	<b>-110%</b>
Financial income	-	8	-	13	(13)	-100%
Interest expenses	(1,436)	(1,813)	(3,013)	(3,697)	683	-18%
Forex result	19	8	267	(15)	282	-1860%
<b>Profit/(Loss) before income tax</b>	<b>(1,837)</b>	<b>462</b>	<b>(3,124)</b>	<b>2</b>	<b>(3,126)</b>	<b>-100%</b>
Income tax	26	(961)	363	(2,152)	2,516	-117%
<b>Net profit/(loss) for the period</b>	<b>(1,812)</b>	<b>(499)</b>	<b>(2,761)</b>	<b>(2,150)</b>	<b>(611)</b>	<b>28%</b>
<b>EBITDA</b>	<b>1,103</b>	<b>4,119</b>	<b>2,507</b>	<b>7,137</b>	<b>(4,630)</b>	<b>-65%</b>

Revenue from gold sales decreased by US\$ 2.8 mln, or by 18%. Gold sales decreased by 20% or 77 kg (2,515 oz) – from 392 kg (12,619 oz) in H1 2016 down to 314 kg (10,104 oz) in H1 2017. The average realized gold price per oz increased by 2% from US\$ 1,217 in H1 2016 up to US\$ 1,243 in the current period.

Cash operating expenses, being a part of cost of sales, increased by 16%. Most of cash expenses are denominated in the Russian roubles. In the reporting period the rouble strengthened against US\$ by 18% compared to H1 2016, which led to increase in cash expenses. During the period part of production costs were capitalized as work in progress and as stripping assets and will be expensed in subsequent period. All above together with savings in amortization expenses led to growth of costs of sales by 8% compared to prior period.

General and Administrative expenses are represented by expenses of the company's headquarters and they increased by US\$ 0.280mln, or 23%, compared to H1 2016. This increase was mainly caused by rouble appreciation against US\$ by 18% in the reporting period compared to H1 2016 and legal services acquired.

Interest expenses decreased by 18% or by US\$ 0.683 mln to US\$ -3.013 mln compared to prior period of US\$ -3.697 mln. Reduction was mainly caused by loan principal repayment and decrease of interest rate in KFM debt from 10% to 2%.

The income tax of US\$ 0.363 mln in H1 2017 was positive and related to a change in deferred tax at the subsidiaries level and represented tax loss carry-forward and temporary differences movements. The income tax of US\$ -2.152 mln in H1 2016 was a non-cash expense and represented utilization of deferred tax assets against taxable income received by Group subsidiaries – Tardan and Moscow management company.

**The Group's revenue from gold sales is linked to USD, whereas most of the Group's operating expenses are denominated in roubles. Accordingly, an appreciation of the rouble against the USD negatively affect the Group's margins by increasing the USD value of its rouble-denominated costs.**

# 6 months 2017 Income Statement

**Gross profit H1 2016**



4.5 MUSD

Effect of lesser  
production volume  
-3.1 MUSD

$$3.1 = 2,515 \text{ oz} \times 1,217 \text{ US\$/oz}$$

Effect of RUR appreciation  
-0.8 MUSD

**Gross profit H1 2017**



0.6 MUSD

**Cost of sales H1 2016**



11.1 MUSD

Effect of RUR  
appreciation against  
US\$ +1.7 MUSD

Effect of cost cutting  
- 0.8 MUSD

**Cost of sales H1 2017**



12.0 MUSD



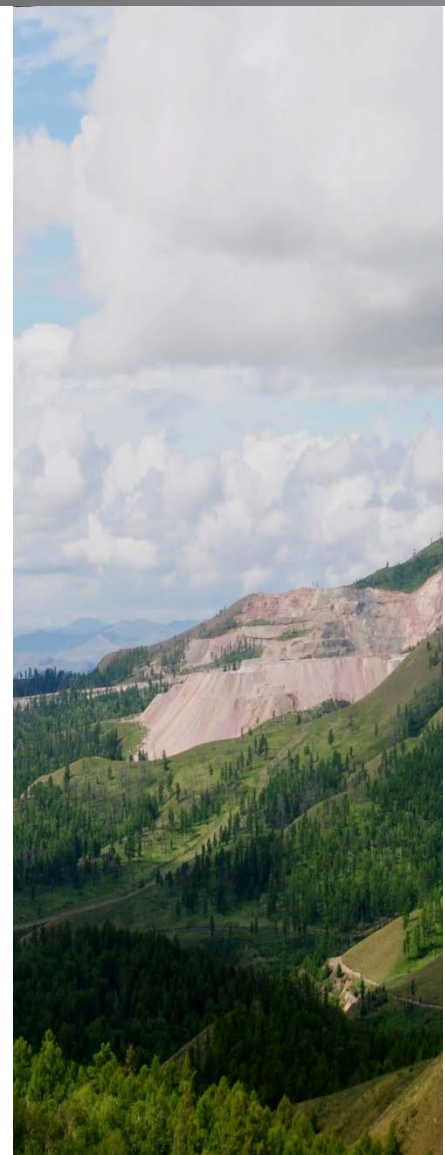
# Consolidated cash flow statement

	H1 2017 US\$ 000	H1 2016 US\$ 000	Change US\$ 000	Change %
<b>Operating activities</b>				
Receipts from customers	12,562	18,505	(5,943)	-32%
VAT and other reimbursement	1,943	1,515	428	28%
Payments to suppliers	(8,843)	(10,007)	1,163	-12%
Payments to employees and social taxes	(4,570)	(4,315)	(255)	6%
Income tax paid	(65)	(27)	(38)	143%
Other taxes paid	(1,105)	(1,676)	571	-34%
<b>Net cash flows from/(used in) operating activities</b>	<b>(78)</b>	<b>3,996</b>	<b>(4,074)</b>	<b>-102%</b>
<b>Investing activities</b>				
Purchase and construction of property plant and equipment	(260)	(1,025)	765	-75%
Exploration and research works	(368)	(465)	97	-21%
<b>Net cash flows used in investing activities</b>	<b>(628)</b>	<b>(1,490)</b>	<b>862</b>	<b>-58%</b>
<b>Financing activities</b>				
Proceeds from borrowings, net	-	2,500	(2,500)	-100%
Repayment of borrowings, net	(1,500)	(1,176)	(324)	28%
Interest paid	(1,172)	(1,377)	205	-15%
Lease payments	(637)	(548)	(88)	16%
Other finance expenses	-	14	(14)	-100%
<b>Net cash from/(used in) financing activities</b>	<b>(3,309)</b>	<b>(587)</b>	<b>(2,722)</b>	<b>464%</b>
Net decrease in cash and cash equivalents	(4,015)	1,918	(5,933)	-309%
Net foreign exchange difference	(98)	223	(320)	-144%
Opening balance cash and cash equivalents	4,173	43	4,130	9604%
<b>Closing balance cash and cash equivalents</b>	<b>60</b>	<b>2,184</b>	<b>(2,124)</b>	<b>-97%</b>

**During H1 2017, operating activity was financed by gold sales, reimbursement of VAT and receipts from rent agreements. In previous period cash receipts also included US\$ 2.3 mln of cash inflows of receivables for management services of five gold properties located in Russia's Chukotka region and owned by Aristus Holdings Ltd and US\$ 2.5 mln of short-term bank financing.**

**Amount of VAT and other reimbursed during the period was US\$ 1.943 mln (H1 2016: US\$ 1.515 mln).**

**During the period the Group repaid a bank loan debt of US\$ 1.5 mln (H1 2016: US\$ 1.2 mln).**





# Thank you

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