AURIANT
MINING

2014

ANNUAL

REPORT

Listed on NASDAQ OMX First North Premier

Russia focused gold miner

2 producing mines

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 was 100% consolidated in 2014.

Auriant's main assets comprise a number of mineral licenses held by the various subsidiaries. The licenses as at the end of December 2014 contained official Russian State Reserves Committee (GKZ) reserves of 829 500, 000troyounces (1 oz = 31.1 g) in the C1 and C2 categories and 500,000 troy ounces in NI 43-101 standard.

In 2014 Auriant employed an average of 802 employees, excluding contractors. In 2014, 1,079 kg (34,689 oz) of gold was produced.

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 2,700 and the company had 17,802,429 ordinary shares in issue as of December 31, 2014 and a market capitalization of approximately MSEK 48.78 (equivalent to US$ 6.2 m).

OUR GOAL

Our long term goal is to become a leading, sustainable and efficient medium sized gold producer. In a low gold price environment, we will achieve this through creating value for our shareholders by minimizing risks related to exploration, mining, and processing of our mineral resources and increasing efficiency. 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 reducing costs and increasing production of our existing assets to full capacity; 2) in 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.

3 exploration properties

2014 production of 1,079 kg of gold (34,689 oz)

802 employees

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. 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 of 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 in which we operate by, among other things, by supporting and contributing to education and infrastructure and by prioritizing the local population when employing staff.

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 close to our operations and, therefore, seeks to minimize the negative impact 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 the maximum level of transparency in our dealing with Government authorities, defending our interests in court when 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 in mining and in running public companies. Going forward, we intend to further strengthen our corporate governance in order to deliver maximum shareholder value.

SIGNIFICANT EVENTS DURING 2014

April 2014

Auriant Mining reported the results of its drilling exploration programme at Tardan and Greater Tardan. An additional 937 kg of gold was added at the Tardan deposit, and 2,517 kg of gold as C1 reserves was added at the Greater Tardan. Also Barsuchy (Greater Tardan) was officially acknowledged as a gold deposit.

May 2014

Sergey Ustimenko became a Chief Financial Officer of Auriant Mining AB

May 2014

The AGM appoints one new Deputy Board Member, James Provoost Smith. Lord Darsebury (Peter) was elected as Chairman of the Board of Directors

June 2014

Shareholder loan has been restructured

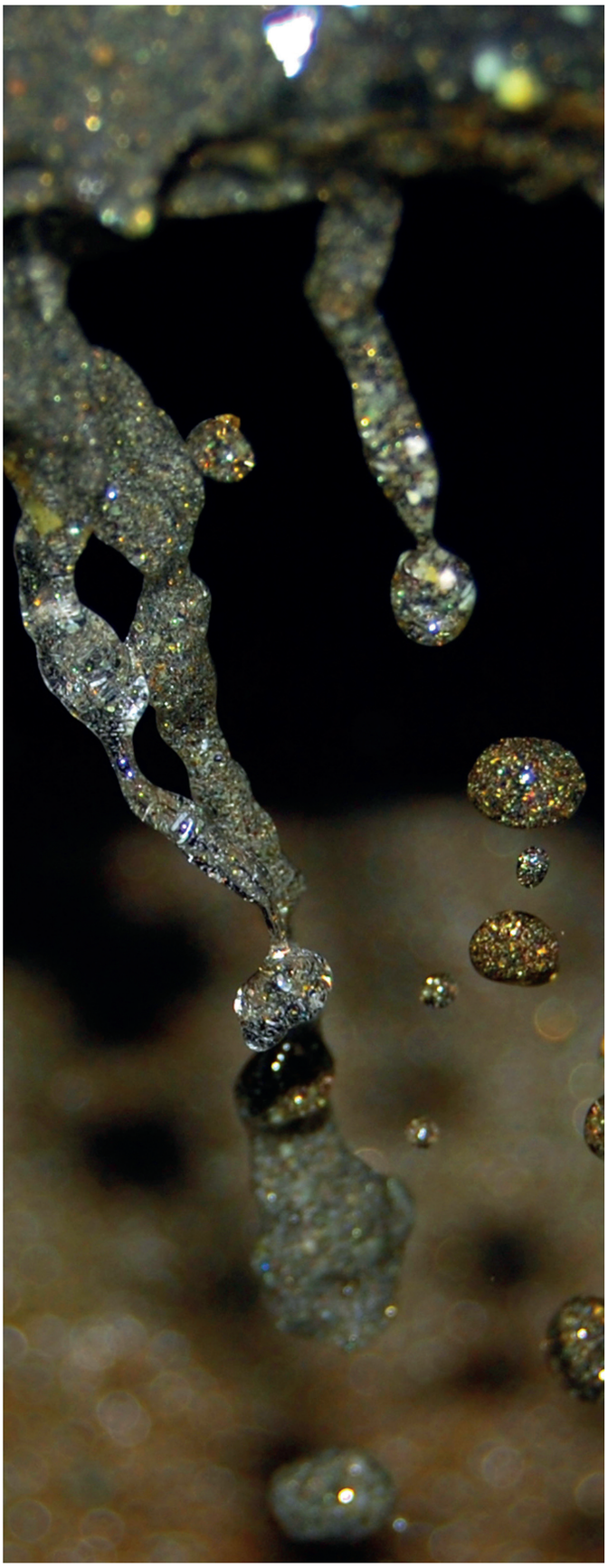
October 2014

Acquisition of the outstanding 70% interest in Kara-Beldyr from Canada's Centerra Gold Inc. Auriant Mining's share of Kara-Beldyr to 100%. As consideration for this transaction, Auriant Mining will pay Centerra Gold a Net Smelter Royalty of 3.5% on any mineral production from Kara-Beldyr in the future.

December 2014

Max Yacoub, Chief Investment Officer, left the Company

Content



Dear Shareholders,

In 2014, Auriant Mining made significant progress achieving its mid term objective of becoming an intermediate gold producer. The Company's flagship mine at Tardan continued to deliver results through its ramp up stage and is on track to achieve its annual production target of 1 tonne of gold per annum. We have also signed two important contracts during 2014. In October, the Company purchased a 70% interest in Kara-Beldyr from Centerra Gold for 3,5% NSR on future revenue. This brings Auriant's stake in the Kara-Beldyr deposit to 100%. In December, we agreed a 3 year management contract for a number of different Chukotka assets, including the producing Valunistoye mine; in addition, there is an attached 12 month option for Auriant to acquire 50% of those assets. As of today, our management team is in full control of the operations at Valunisty and we aim to exercise the option by year end in order to consolidate these assets into Auriant Mining.

Due to the low production and high cost of mining at Solcocon, the Board is currently looking at various options for this mine. This is in line with the stated Board objective of wanting to concentrate on the most profitable operations in order to turn the Company from being loss making to generating profits.

As part of this cost reduction exercise, the major shareholder has agreed to the restructuring of his loan to the Company. The interest rate will be reduced to 2% per annum from the current 10% per annum and a portion of the loan will have a convertible option into Auriant shares at a set price. These agreements are subject to approval at the next AGM and when implemented will significantly reduce the Company's interest expenses. This is obviously very beneficial to Auriant and confirms the support we have from the majority shareholder.

As all the company's operations are in Russia, the Board continues to monitor the macroeconomic situation and assess its impact on Auriant's business. The Company has benefited significantly from the recent devaluation of the Russian Rouble due to its revenue being denominated in US Dollars and most of its costs denominated in Roubles. Although, the interest on bank loan has increased and there is some evidence of increasing inflationary pressure on wages and supplies, we are not experiencing any shortages of these.

Our key objective for 2015 is to become profitable. We will continue to develop Tardan and are excited about the opportunities at Kara-Beldyr and in Chukotka. We remain committed to growth, and to becoming a leading intermediate gold producer.

Peter Daresbury

Lord Daresbury (Peter)
Chairman of the Board, Auriant Mining AB

Dear Stakeholders

Throughout 2014, Auriant continued to deliver the aims and objectives of the strategic plan approved by the Board in 2012. The key goal was for the company to increase production and become an intermediate gold producer. To do this the management team has concentrated on following areas:

1. Improve operational performance at our two current mines, Solcocon and Tardan
2. Increase reserves on our existing areas by continuing exploration
3. Improve management systems and internal controls
4. Seek further growth opportunities through alliances with other industry players

Solcocon

Our 2014 group gold production budget was 1,300 – 1,400 kg.We actually produced 1,079 kg and all underperformance can be attributed to the Solcocon mine. Production at Solcocon was 16% down year on year, with both alluvial and hard rock at 406 kg (484 kg in 2013). Total cash cost per once was $1,400, the same as in 2013,thus, making the mine loss making.

The Staroverenskaya area, where Solcocon is located, includes two deposits with total gold reserves of over 15 tones. We are currently evaluating different scenarios for the development of those reserves. As no impairment issues arise, we continue to account for these investments at cost. Our key goal for 2015 is to eliminate losses at Solcocon and we will be announcing our plans for this deposit by the end of June 2015.

Tardan

The key task for 2014 at Tardan was to catch up with stripping works to reach higher-grade ore bodies. The task was successfully achieved with total mining volumes increased by 75% to 3.5 m cubic meters in 2014. By the end of the year, we started mining high grade ore and re-commissioned the gravitational plant in addition to the current heap leach operations.

The average grade processed through the gravitational plant was 6.3 g/t and grade in ore stacked for heap leaching was 1.5 g/t similar to last year. In 2015, we plan similar grades for the gravitational plant and an improvement in grades for heap leaching to around 2 g/t. That will allow us to increase production by 18% to around 800 kg in 2015 and decrease our cash costs.

Total cash costs at Tardan decreased by 14% year on year to $1,060/oz ($1,239/oz in 2013). This cost reduction was achieved in the following areas:

- 28% decrease in mining costs per cubic meter;
- 32% decrease in processing costs per oz prouced;
- 7% decrease in site general and administrative cost

In 2014, we have invested in a new additional crusher at Tardan, which was delivered on site and commissioned in the 3rd quarter. This has allowed us to improve recoveries from the heap leach operations, as the ore will be crushed to

smaller levels.

Also in 2014, we have increased reserves at Tardan, including a new satellite deposit – Barsuchy, located within 10 km from the existing mine. The final C1-C2 reserves approved by GKZ at that deposit amounted to 2.5 tons of gold with an average grade of 5.4 g/t, all suitable for open pit mining. We plan to upgrade the existing road and prepare the site for mining by the end of 2015. Barsuchy will then underpin a significant potential improvement to the performance at Tardan in the next 3 – 4 years.

Kara-Beldyr (KB)

As part of our 30/70 joint venture with Centerra Gold, all exploration work at Kara-Beldyr was completed in 2014. Since then, we have acquired the remaining 70% stake in the KB asset from Centerra for 3.5% net smelter return (NSR) and thus, consolidated 100% of the project within Auriant Mining. This was the first NSR deal in Russian gold mining history and allowed us to add another promising gold deposit to our portfolio without any cash or share consideration being paid.

KB is an asset located in Tyva region approximately 200 km away from Tardan and although it will be developed as a stand alone mine, there will be some management synergies, as our existing team at Tardan will run it. The key goal for 2015 is to complete a preliminary feasibility study and approve a new reserve report with GKZ.

Chukotka assets

Another key achievement in 2014 was the successful negotiation of a management contract on four assets located in Chukotka including the producing mine, Valunistoye. Under the 3 year contract Auriant Mining will receive a management fee from $1.2 m to $3.6 m per annum and will have a 12 month option to acquire 50% of these assets. This deal represents an excellent opportunity for Auriant to consolidate a producing asset and a good pipe line of promising exploration areas as well as providing the company with a solid revenue stream for providing management services.

Corporate developments

As a part of our commitment to become profitable in 2015, we have negotiated a further reduction of the interest rate from 10% to 2% on the shareholder's loan. At the same time, it is proposed to grant an option to convert $20 m of that loan into Auriant Mining shares during the term of the loan. This deal is subject to approval at the Annual Shareholders Meeting, and if approved, will provide significant savings to the company as well as strengthening the Balance Sheet.

Corporate overheads were reduced by 26% year on year. In 2015, we will continue to focus on reducing costs, but at the same time, maintaining a management team capable of achieving our ambitious long term objectives.

Our growth depends on the support of all of our stakeholders, including local communities, regional governments, our employees and their families, as well as contractors, banks, and the business community. We value our relationship with these stakeholders very highly and will continue to improve them through open, direct and frank dialogue. Despite limited budgets, we continue to provide direct help and support to local communities.

Outlook

We have several important goals ahead of us in 2015. The priority is to make Auriant mining profitable. This will be achieved through the reduction of production costs, decreasing interest expense, and by the introduction of the new revenue stream from the Chukotka management contract. We will also focus on development of the new Kara-Beldyr deposit and execution of the option to acquire 50% of Chukotka assets. This would not be possible without the strong support we have from our major shareholder, members of the Board of Directors, our broad shareholders base and the investment community.

Denis Alexandrov
Chief Executive Officer, Auriant Mining AB

Gold Assets

Auriant Mining is one of the few publicly listed junior gold producers in Russia. The Group owns four gold mining licenses, with two of them, Tardan (Republic of Tyva) and Solcocon (Zabaikalsky Krai), already developed and producing gold. Auriant also owns 100% the perspective Uzhunzhul exploration license in the Republic of Khakassia, and 100% of the Kara-Beldyr exploration property in the Republic of Tyva, about 150 km away from the Tardan mine.

GOLD PRODUCTION

Production unit	License area	2012		2013		2014	
		kg	oz	kg	oz	kg	oz
Hard rock							
Tardan (gravitational)	Tardan	55	1,768	-	-	33.6	1,080
Tardan (heap leach)	Tardan	357	11,478	658	21,155	639.1	20,548
Solcocon	Staroverenskaya	116	3,729	108	3,472	90.6	2,913
Total Hard rock		528	16,975	766	24,627	763.3	24,541
Alluvial							
Borzya	Staroverenskaya	114	3,665	377	12,121	316	1,147
Total		**642**	**20,640**	**1,142**	**36,716**	**1,079**	**34,689**

TARDAN

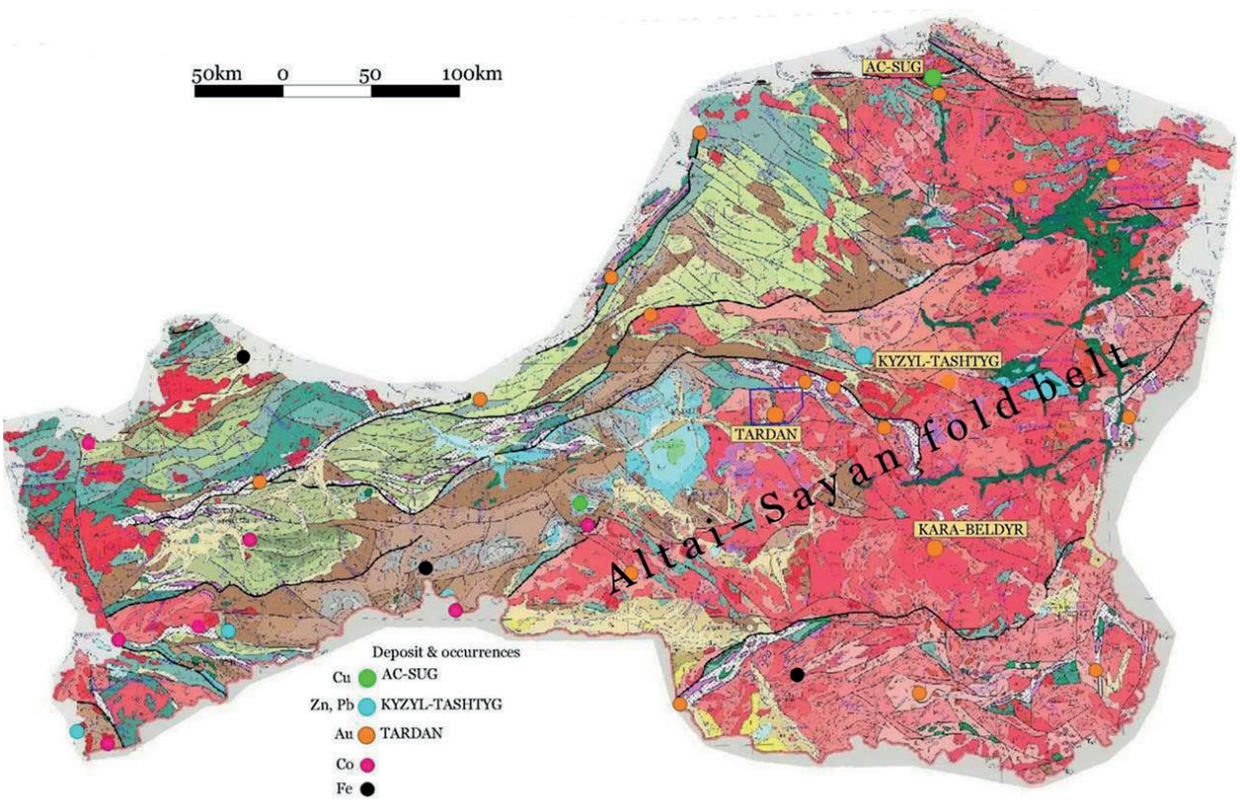
License

The Greater Tardan area covers 540 km2, and contains two licenses. The first is an exploration and mining license for the Greater Tardan license area (see geological map of Tardan license area), issued on August 22, 2007 and valid till 01 August 2032 and in good standing. The second is an exploration and mining license, located within the Greater Tardan license area, for the Tardan deposit and current mine, and covers 3.3 km2. The Tardan exploration and mining license, which is in good standing, was issued on July27, 2004 and is valid till October 1, 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

Regionally, the two license areas (Greater Tardan and the Tardan deposit) are located within the southern Altai-Sayan fold belt, a complex deformed series of Cambrian and Silurian intrusive, sedimentary and metamorphic rocks. Skarn development occurs throughout the region, typically along or close to the contact with the Tannuolsky intrusive complex. The Altai-Sayan fold belt was subjected to multi-stage deformation, with peak deformation related to the collision of the Kazakhstan and Siberian continents during the Carboniferous-Permian period. The region is transected by a series of NW, NNW and ESE trending faults of likely strike slip origin.

GEOLOGICAL AND MINERAL MAP OF TYVA



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

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

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

Within the Greater Tardan area there are several gold mineralization types:

Gold bearing skarns

At the moment this is the best understood type of gold mineralization within the license area. Deposits and occurrences of this type, Tardan, Barsuchy, Kopto, and others, are confined to the skarn zones at the contact of intrusive rocks of the Tannuolsky complex and limestones of the Vadibalinskoy formation of the Lower Cambrian. The Central zone includes the Tardan deposit, Sorulug-Khem, Pravoberezhny, V.Bai-Syutskiy occurrences. Parallel to the Central zone geologists have identified the Eastern zone including Kopto, Barsuchy, Kopto-2 occurrences. In the short term, these occurrences represent major prospects for increasing the reserves of the Tardan mine.

Porphyry type

In the western part of the Greater Tardan license area there are known occurrences of porphyry copper-gold ore bodies, mostly in the area of Kara-Sug. The area is characterized by the presence of features of porphyry copper mineralization:

- Presence of porphyry intrusions
- Argillitic alteration
- Halos of pyrite mineralization
- Copper mineralization (chalcopyrite, malachite, azurite) often in economic concentrate
- Black shale type The geological setting shows that the in the northern part of the license area there might be gold black shale mineralisation. In this area is the Severny prospect, characterized by the presence of gold sulphide mineralization (Sukhoi Log type). In addition to placer gold, the area features gold soil anomalies, halos of altered rocks (beresite) and quartz veinlets.

The long term potential of the license area is associated with the exploration of copper-porphyry (Kara-Sug, Kyzyl-Torg, etc.), and black shale formation (Severny) occurrences. These deposit types (porphyry and black shale) are usually large-volume, with low gold grades

In summary, the Greater Tardan License area has good short-term prospects for increasing reserves of gold skarn ore (Tardan type). Over the longer term there are good indications the possibility of discovering new deposits of the other ore types – primarily of porphyry and black shale.

Geology of the 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 km2 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. Aproximately 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 at the contacts of granites (diorites) with the host and carbonate rocks.

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

- Northeast striking Changysskiy and East faults
- Northwest striking faults with a gentle dip to the southwest
- Northwest striking faults

The relatively simple structure of the deposit is influenced by the Changyssky fault zone of a northeastern direction (40-50°). This fault zone defines the setting of the Tardansky graben, which results in a pronounced asymmetry in the structural plan of the Tardan deposit ore field.

The Tardansky graben is located in the central part of the deposit, and extends diagonally from ore zone 1 to the northeastern part of the license area and further to the northeast to the Barsuchy prospect. The width of the graben varies from 590 m in the vicinity of ore zone 1 to 460 m in the northeastern part. On the northwest the graben is bounded by the Changyssky fault, in the southeast - by the Vostochny fault. The Tardansky graben includes ore zones 1, 3, 6, 7, 8, 13, and these are the main minable gold reserves of the Tardan deposit.

The tectonic faults of the Tardan ore field are represented by thrusts and shifts. According to the geological structure, the structural features and mineral composition of the ore field correspond to gold skarn type deposits.

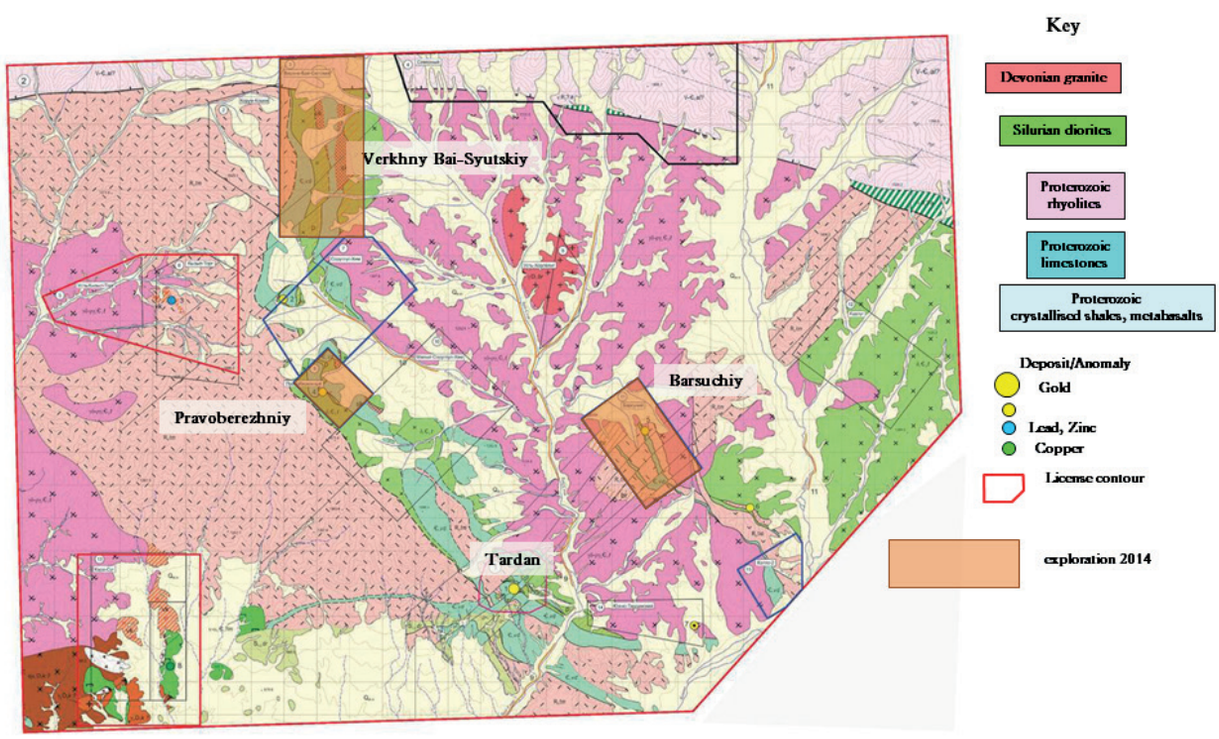
Previous exploration work in the ore field identified 14 ore zones containing 41 ore bodies. Another two ore zones, 6a and 15, were explored in 2013. The ore zones bring together a group of ore bodies, placed in a single metasomatic-hydrothermal field and tectonic structure, with common strike and dipping, and separated from each other by large blocks of unaltered rocks.

Virtually almost all of the ore zones are located in contact limestones of Vadibalinskaya formations and diorite sills of the Tannuolsky complex.

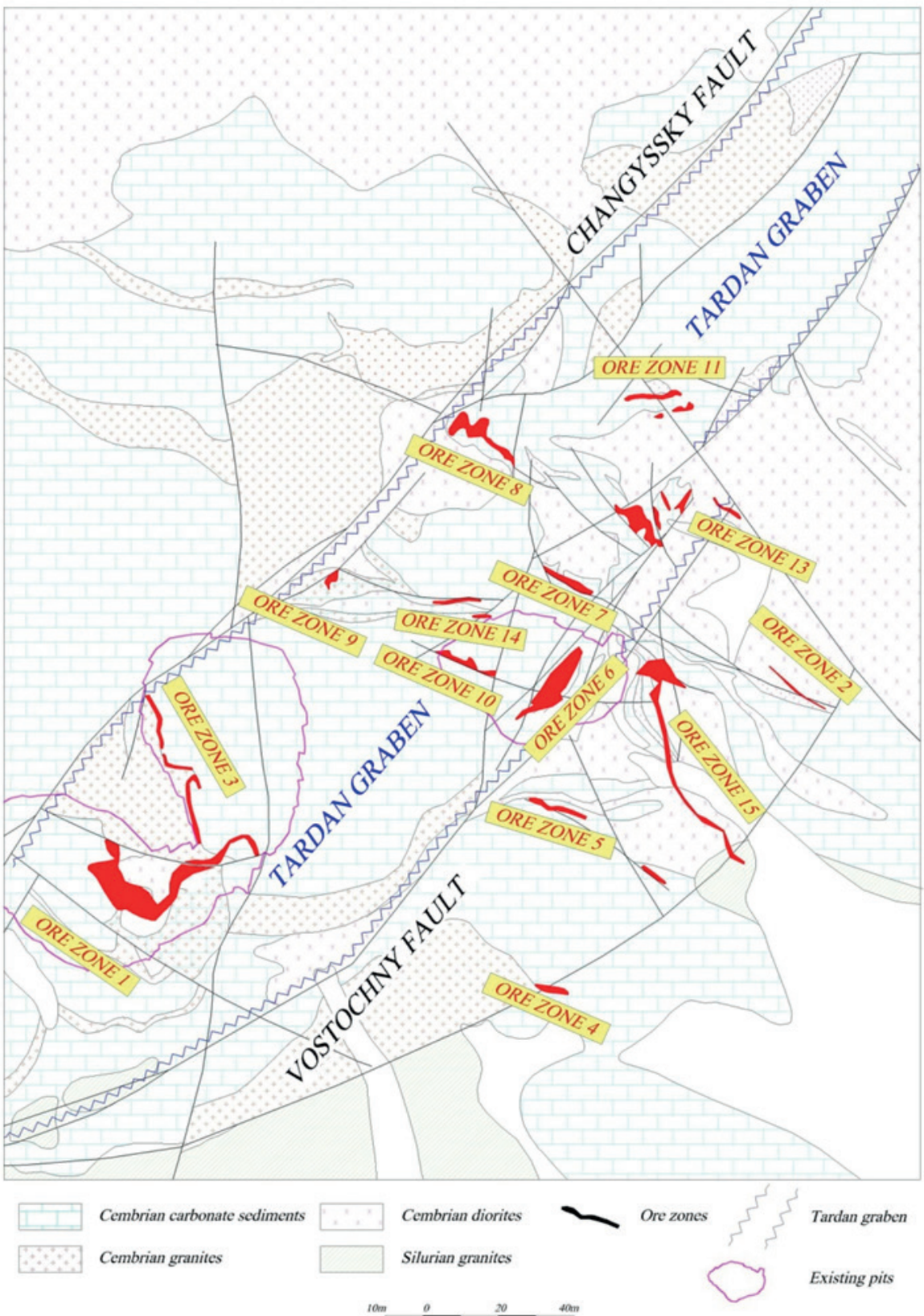
The width of the various ore zones, which include several individual ore bodies, varies from a few metres to 30 -50 m, with strike lengths of hundreds of metres.

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

GEOLOGICAL MAP OF TARDAN LICENSE AREA



GEOLOGY OF THE TARDAN DEPOSIT



EXPLORATION

Tardan

Following the completion of the 2012-2013 exploration programme at Tardan, the following reserve estimate was approved by GKZ (State Reserves Committee) of Russia in 2014.

As a result, ore reserves have increased by 54% to 1.7 million tons, and gold reserves by 18% to 6.2 tonnes (200,000 oz) of gold. In addition, the drilling programme was able to improve the quality of reserves. Previously C1 reserves were 63% of overall reserves. This has now increased to 75%.

In 2014, exploration work in Tardan was not conducted.

Future Exploration Work at Tardan

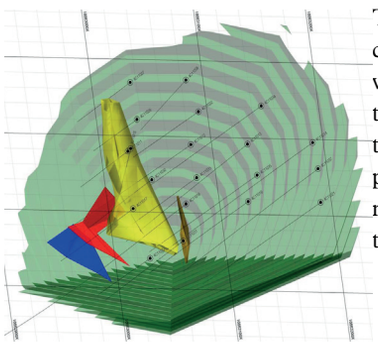
Exploration work needs to be continued on the ore zones 3, 8 and 15

C_1				C_2				C_1+C_2			
Previously Reported Reserves of the Tardan Deposit											
Ore, 000 t	**Au, g/t**	**Au, kg**	**Au, 000 oz**	**Ore, 000 t**	**Au, g/t**	**Au, kg**	**Au, 000 oz**	**Ore,**	**Au, g/t**	**Au, kg**	**Au, 000 uns**
000 t	Au, g/t	Au, kg	Au, 000 oz	328	6	1,969	63	1,078	4.9	5,289	170
Reserves Increase											
585		1,341	43	-3		-404	-13	582		937	30
New Total Reserves of the Tardan Deposit as of April 2014											
1,335	3.5	4,661	150	325	4.8	1,565	50	1,660	3.7	6,226	200

Barsuchy

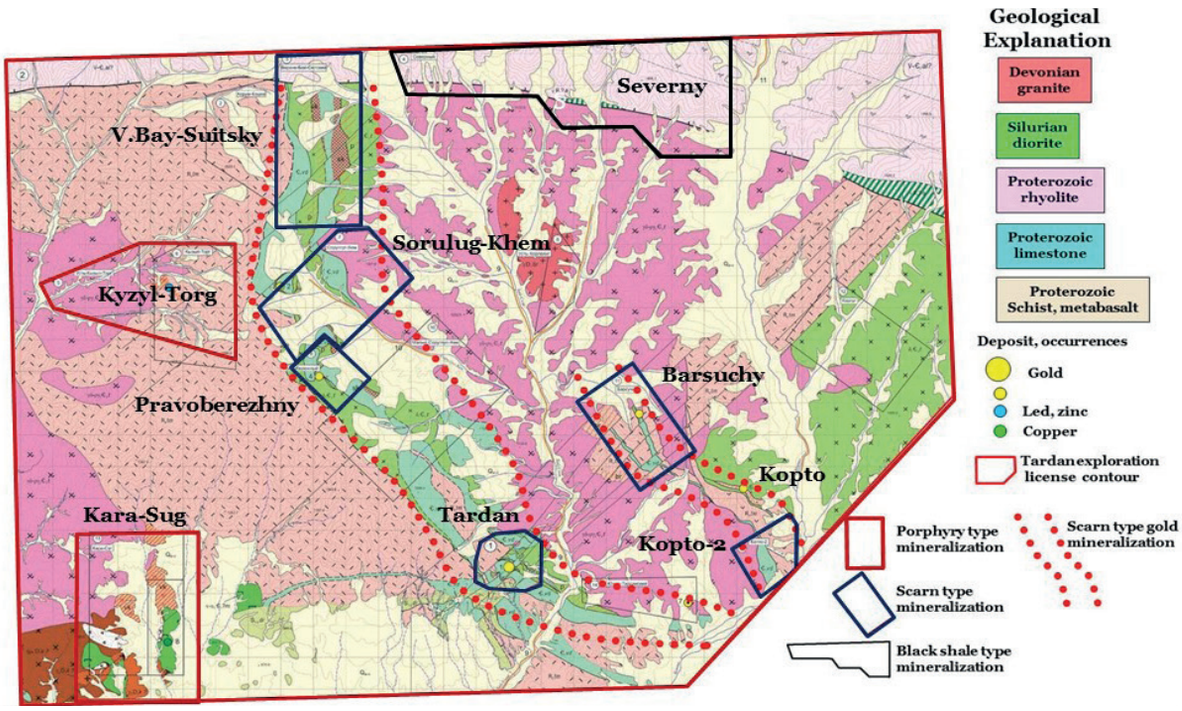
Barsuchy is located on the left bank of Bai–Syut river, 4 km northeast of the Tardan deposit. The metallurgical properties of Barsuchy ore are similar to Tardan ore, and we expect Barsuchy ore to be processed at the Tardan mine in the near future.

Territorial Reserves Commission (Krasnoyarsk) in 2014 has approved the classification of 466,000 tons of ore and 2,517 kg of gold as C1 reserves, and has officially acknowledged the opening of Barsuchy as a gold deposit.



The Barsuchy field development project was drafted and sent to the state examination. According to the project, we are planning to start ore extraction in late 2015

GEOLOGICAL MAP OF GREATER TARDAN



Greater Tardan

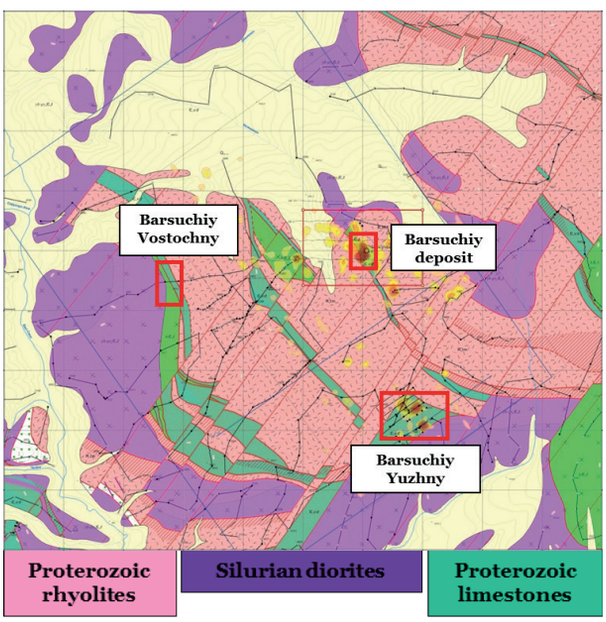
In 2014, exploration works were performed in the Tardan ore cluster on three sites – Barsuchye ore field (including the Barsuchy deposit), Bai-Syut and Pravoberezhniy.

The information belong describes the scope of primary exploration works 2014.

Hand trenching (cub.m)	141.5
Channel sample (meter)	141.5
Ground magnetic survey (km)	278.7
Ground IP (km)	278.7
Electrical tomography (km)	6.5

Based on the result from work undertaken, geophysical abnormalities (magnetic, IP) are distinguished, indicating the presence of skarn-type mineralization.

Two additional perspective site were found within the Barsuchy ore field, Southern and Eastern Barsuchy.



Yuzhny Barsuchiy Site is actually an analogue of the Barsuchy deposit and it is related to the contact zone of diorites with limestones in the zone of scarnified rocks. Scarns are found both in geochemical abnormalities and in geophysical fields (magnetic abnormalities, induced resistance abnormalities).

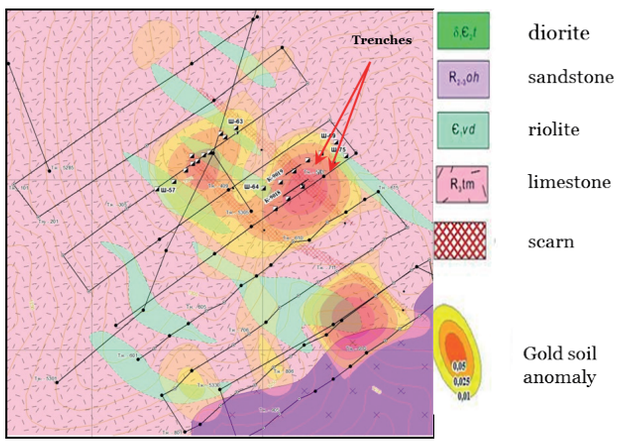
The scope of geophysical works includes:

- Ground magnetic survey – 129 km
- Groun IP – 129 km
- Electric tomography – 3.8 km

Two ore trenches have been dug on the site, with a total length of 56.5m. The following ore intervals have been obtained from the results of channel sampling:

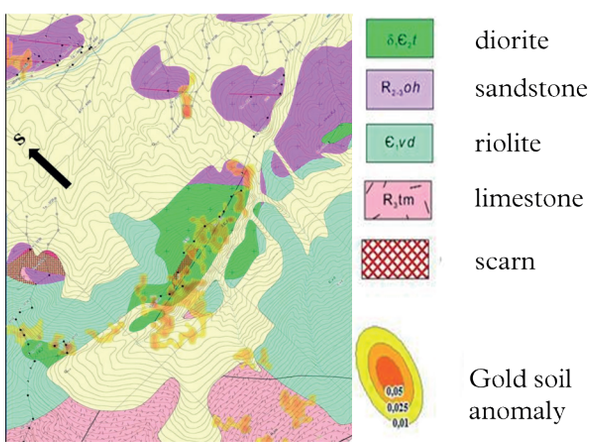
Trench #	Total length (meter)	Ore interval (meter)	Au grade, g/t
		1.7	4.76
K-9018	36.5	6.3	1.59
		1.0	2.77
		2.0	1.24
K-9019	20.0	5.7	1.97
		5.7	1.97

The expected reserves of the Yuzhny Barsuchy site are initially assessed to be similar to the Barsuchy deposit, e.g., 2.5 t.



Pravoberezhniy

Land work (magnetic mapping, IP method mapping, electrotomography) has been performed on the site.
The scope of geophysical works includes:
Ground magnetic survey – 44.2 km
Groun IP – 44.2 km



Scarn mineralization is also forecasted on the site, which, in size, is comparable with the Barsuchy deposit. The geological situation is similar to the Barsuchy deposit – scarns are found in the contact zone of diorites with limestones, contrast lithochemical metamorphic zone of gold, magnetic abnormalities and IP abnormalities.

Upper Bai-Syut site

The site is distinguished by the presence of direct search signs -lithochemical metamorphic zones of gold and alluvial gold mineralization in the head of the Bai-Sut brook. In geological terms, intrusive rocks (diorites) and limestone are also developed on the site, where contact zone scarns have been found.

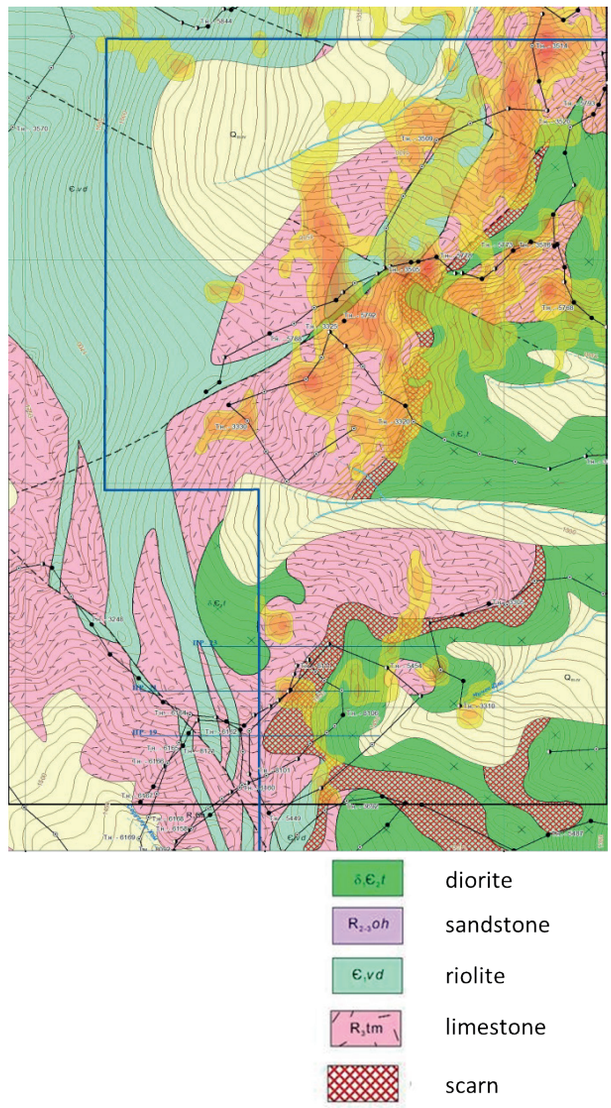
In 2014, geophysical exploration was performed on the site – ground magnetics and IP mapping, as well as electrotomography. The scope of geophysical works:

- Ground magnetic survey – 105.5 km
- Ground IP – 105.5 km
- Electric tomography – 3.0 km

According to the range of direct and indirect search signs (lithochemical and magnetic abnormalities, alluvial gold mineralization, geological signs), scarn-type deposits are also expected on the site, which are comparable in reserves to the Barsuchy deposit.

Contunued geophysical exploration is planned for 2016 and it will include the mining of trenches and drilling of post-mounted holes in the amount necessary to obtain category C2 and C1 reserves.

In 2015, prospecting traverses will be made in the Tardan ore cluster with a selection of grab samples on the Kara-Sug, Small Sorulug-Hem, Kopto-2 sites in order to determine their perspectives for more detailed (mining and drilling) works.



Tardan Reserves

The registered reserves of the Tardan license according the Russian system of classification as of December 31, 2014 is as follows.

	C_1				C_2				C_1+C_2			
	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	1,024	3.5	4,014	129	325	4.8	1,565	50	1,349	4.1	5,579	179
Greater Tardan (Barsuchy)	466	5.4	2,517	81					466	5.4	2,517	81
Total Tardan	**1,490**	**4.4**	**6,531**	**210**	**325**	**4.8**	**1,565**	**50**	**2,815**	**4.5**	**8,096**	**260**

TARDAN GOLD PRODUCTION IN 2014

Mining:

		12m 2014	12m 2013
Mining			
Waste stripping	000 m3	3,404	1,940
Ore mined	000 tonnes	381	269
Average grade	g/t	1.77	1.60

The Tardan deposit is about to reach full rated capacity. For production growth and to achieve planned extraction performance, we increased in 2014 the volume of the mining work. Thus, the stripping volumes amount increased by 75%, the ore production volume – by 42%. The ore mine's technological basis was modernized, a new system for personnel motivation was implemented, and contractors were involved for ore and rock mass transportation.

Ore processing:

		12m 2014	12m 2013
Gravitation			
Throughput	000 tonnes	15	0
Average grade	g/t	6.27	0
Recovery	%	44%	0
Gold produced	kg	34	0
Heap leach			
Crushing			
Ore	000 tonnes	352	282
Grade	g/t	1.53	1.56
Stacking			
Ore	000 tonnes	352	282
Grade	g/t	1.53	1.56
Tailings	000 tonnes	88	141.5
Grade	g/t	2.61	3.15
Gold produced	**kg**	**639**	**658**
Warehouse			
Ore	000 tonnes	28	13
Grade	g/t	2.33	1.73
Tailings	000 tonnes	15	72
Grade	g/t	3.50	2.80

To reach the rated capacity, it is also necessary to increase ore crushing volumes. In 2014, a new rotor crusher was purchased, which allowed for an increase in the crushing performance comparing with the previous year by 25% and achieving the rated crushing class (-5 mm)

In 2014, after conservation, the gravitational plant was restarted. The amount of ore processing was 14,879 tons, and the gold production was 33.6 kg in the concentrate. The factory operates with high concentration ore, and tails, after drying, are forwarded to the dump, which allows increasing the throughout recovery.

Production

In total, gold production in 2014 was 673 kg (in 2013 – 658 kg).

Goldproduction		12m 2014	12m 2013
Gravitation	kg	33.6	0
Heap leach	kg	639.1	658

Solcocon Licenses

The Staroverinskaya license for exploration and mining of hard rock and placer gold in the Zabaikalsky Region was awarded on September 19, 2004 and is valid till May 5, 2029. The license area is 220.4 km² in size. As of December 31, 2014 the registered hard rock reserves at the Staroverinskaya license area contain an estimated 8.6 tonnes of gold at the Kozlovskoye deposit and another 7 tonns at the Bogomolovskoye deposit.

Reserves

The registered reserves of the Staroverenskaya license according the Russian system of classification as of December 31, 2014 is as follows.

	C_1				C_2				C_1+C_2			
	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
Solcocon hard rock												
Kozlovskoye	218	9.3	2,030	65	841	7.8	6,585	212	1,059	8.1	8,615	277
Bogomolov-skoye	-	-	-	-	1,933	3.7	7,060	227	1,933	3.7	7,060	227
Total hard rock	**218**	**9.3**	**2,030**	**65**	**2,774**	**4.9**	**13,645**	**439**	**2,992**	**5.2**	**15,675**	**504**
	Gold sands 000m³	Au g/m³	Au kg	Au 000 oz	Gold sands 000m³	Au g/m³	Au kg	Au 000 oz	Gold sands 000m³	Au g/m³	Au kg	Au 000 oz
Alluvial Solcocon												
Borzya	396	0.8	333	11	505	1.5	757	24	901	1.2	1090	35
			Au kg	Au 000 oz			Au kg	Au 000 oz			Au kg	Au 000 oz
Solcocon total			**2,363**	**76**			**14,402**	**463**			**16765**	**539**

The Staroverinskaya license for exploration and mining of hard rock and placer gold in the Zabaikalsky Region was awarded on September 19, 2004 and is valid till 5 May 2029. The license area is 220.4 km².

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, Bystrinskoye, Klyuchevskoye, all of which contain resources in excess of 3 Moz.

The Staroverinskaya license area features of sediments of different ages, from Precambrian to lower Cretaceous. These sediments are characterised by various 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 localisation 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 monzodiorite-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 (Bystrinskoye) and the northeast-southwest fault zones (Kutomaro-Kozlovskaya and Smirnovsko-Mikhaylovskaya). These are large (hundreds of kilometres long) structures. These first-order fault zones are 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.

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 scarn deposits. The Zhelezny Kryazh deposit belongs to this type. It is located in the northeastern part of the area outside the property. Mineralization is associated with magnetite scarns.

The second type is gold-arsenic. This type includes the Kozlovskoye deposit and a number of other nearby ore occurrences. 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 Podgornoye 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.

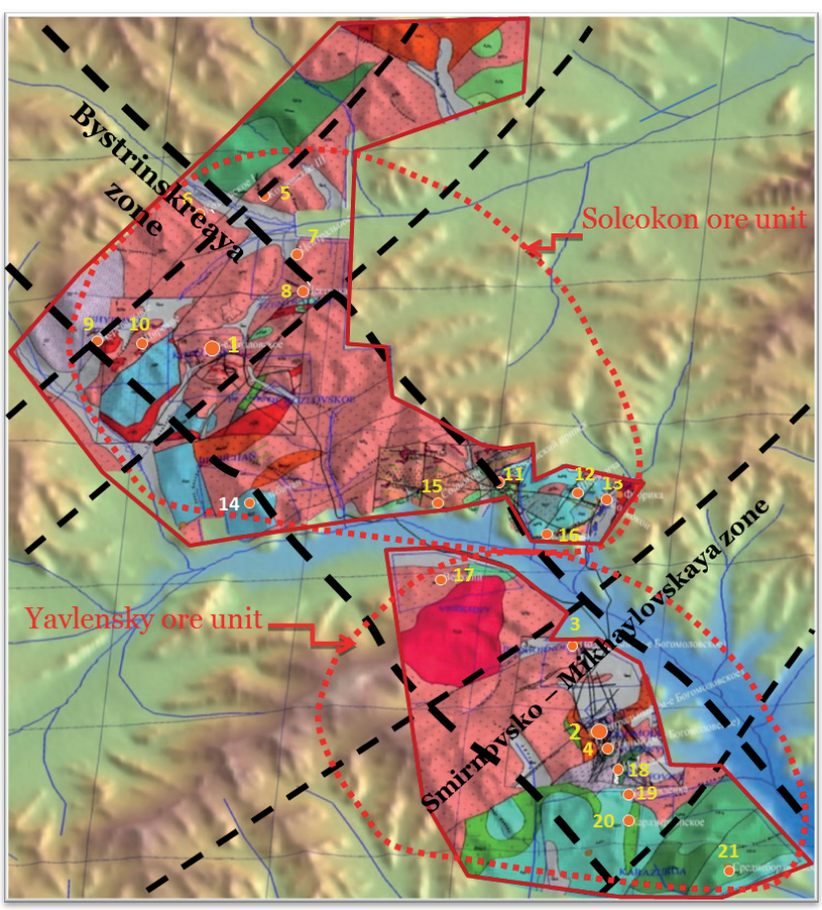
Exploration

In 2014, exploration work wasperformed in the southern flank of the Bogomolovskoye deposit.

In total, 25 bore holes were drilled, with a total length of 2,337 m (2,300 samples), 19 trenches were made with total length of 2,769 m (2,411 channel samples).

Mineralized zones with gold ore content were uncovered in the bore holes and trenches.

The Bogomolovskoye deposit South-Eastern flank mineralization represents an ore - hosting tectonic zone in carbonaceous metamorphic rocks. The zone stretch is meridian, with a width from 100 to 400 m.
Industrial ore bodies in the zone are located as nests, frequently elongated along the OR stretch. The width of ore bodies is below 10-15m. Along the stretch, the zone is traced by workings for 350m. Upon structural signs, to the south, the zone is connected to the Karagyz ore suppression structures, in the south – to the Centralny site structural elements, on its eastern flank, and to the Podgorniy site structures in the following interval.



Gold deposits

Kozlovskoe - 1
Bogomolovskoe, includes:
Centralny – 2; Podgorny – 3;
Yuzhny – 4

Gold occurrences

Kozlovskoe-III - 5
Kozlovskoe-I –
Centralnoe – 7
Degtyanka – 8
Perevalnoe – 9
Shirokoe – 10
Solkoconsky priisk – 11
Scherkuncha – 12
Solkocon – 13
Bilbichan – 14
Solkocon–I – 15
Kulinda – 16
Verkhny – 17
Ivanovskoe – 18
Novoyavlenskoe – 19
Karazuyrga – 20
Sredneborzinskoe – 21

Solcocon mining

The Staroverenskaya license area belonging to Auriant Mining contains two mining operations – the Solcocon hard rock mine and an alluvial operation, collectively referred to as Solcocon.

Solcocon production in 2014:

		12m 2014	12m 2013
Mining			
Waste stripping	000 m3	567.9	344
Ore mined	000 tonnes	157.6	212
Average grade	g/t	0.97	1.42
Heap leach			
Stacking			
Ore	000 tonnes	212.2	168
Grade	g/t	1.06	1.37
Gold produced	**kg**	**91**	**108**
Warehouse			
Ore	000 tonnes	2	57
Grade	g/t	1.03	1.08
Alluvial			
Waste stripping	000 m3	1,996	1,397
Sand washed	000 m3	379	338
Gold produced	kg	**316**	**377**
Total gold produced	kg	**406**	**485**

In 2014 Solcocon mined ore from two pits (Centralny and Podgorny) at the Bogomolovskoe deposit

Reduction of ore production volumes by 49% is related to planned decrease of ore quality and reduced volumes of oxidized ores suitable for heap leaching. The ore mined has other technological parameters, which negatively impact its extraction. Currently, strategic alternatives are being actualized in terms of this asset.

Extraction from alluvial deposits in 2014 decreased as compared with 2013, due to the increased overburden ratio and decreased gold content in sands.

Produktion

In total, the gold production in 2014 was 406 kg (in 2013 – 485 kg).

Kara-Beldyr (KB)

Centerra Arrangement

In 2014 Auriant Mining successfully concluded the acquisition of the outstanding 70% interest in Kara-Beldyr from Canada's Centerra Gold Inc. This brings Auriant Mining's share of Kara-Beldyr to 100%. As consideration for this transaction, Auriant Mining will pay Centerra Gold a Net Smelter Royalty of 3.5% on any mineral production from Kara-Beldyr in the future.

Licence

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.

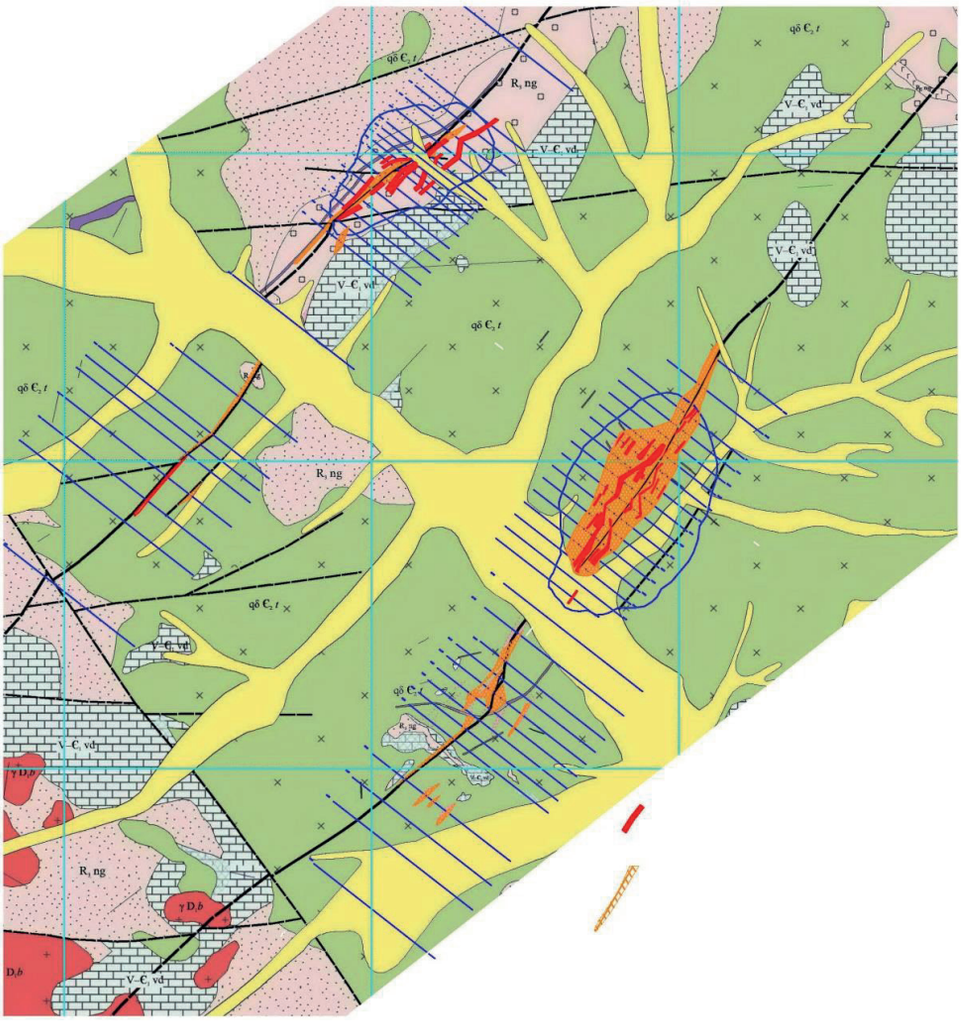
Geology

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 m.

The Kara-Beldyr gold ore field was identified in 1988 by geological mapping on a 1:50,000 scale. Geological structures play 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 scarns in tectonically weakened zones, and diorite-beresites with impregnated and vein-impregnation mineralization within the diorite mass.

Mineralization is hydrothermal and medium-deep in its genesis. Two mineralogical types were identified: gold-scarn and gold-beresite. The ore-hosting rocks are hydrothermally altered scarns 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.

GORDEEVSKOE PROSPECT



The Gordeevskoye prospect is gold-beresite. Seven gold ore bodies 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.

The Gordeevskoye prospect is gold-beresite. Seven gold ore bodies 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-scarn mineralization are spatially combined. Gold mineralization occurs in an area of mineralized garnet scarn. Ore mineralization is controlled by a local zone of intense tectonic activity 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 millimetre to 0.5 mm, 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 ore bodies up to 100 m long, and up to 7 m wide, with gold grades up to 9.5 g/t, have been identified within the Ezen prospect.

Resurses

Kara-Beldyr's resources, estimated in accordance with NI 43-101 as of December 31, 2011, are shown in the table below.

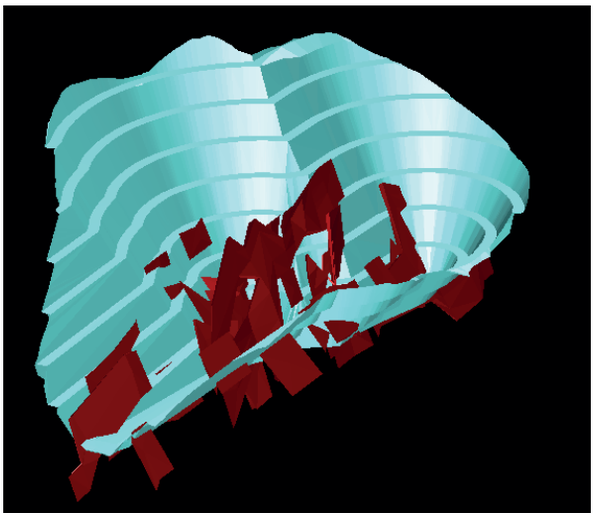
		Measured&Indicated				Inferred				
	Alluvial/ hard rock	Ore, 000 t	Au, g/t	Au, kg	Au, 000 oz	Ore, 000 t	Au, g/t	Au, kg	Au, 000 oz	Licens till och med
Kara-Beldyr										2027
	Hard rock	3,790	2.4	8,989	289	3,354	2.0	6,563	211	
TOTAL		**3,790**	**2.4**	**8,989**	**289**	**3,354**	**2.0**	**6,563**	**211**	

In 2014 exploration was completed and a new reserve calculation will be submitted to GKZ for approval in the 1st half of 2015.

At the end of 2014 were created wireframes ore bodies and mining quarry project.

By the end of 2014 ore body's wire-frame models, as well as projected open pits were created

CAMP ZONE



GORD ZONE

Uzhunzhul License

The 134 km2 license area is located in the Republic of Khakassia (which adjoins the Republic of Tyva), 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 on November 20, 2008 and is valid till November 20, 2031.

The Nemir-Chazygolskoye 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 covers a significant part of the license area and is divided into five types, all of which form intrusive massifs extending in a northeast direction and inclusing 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 metasomatites 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 centimetres to tens of metres, and up to 3 - 4 km in length.

The producing Kuznetsovskoye mine is located several kilometres 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 occurrences.

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 varies 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.

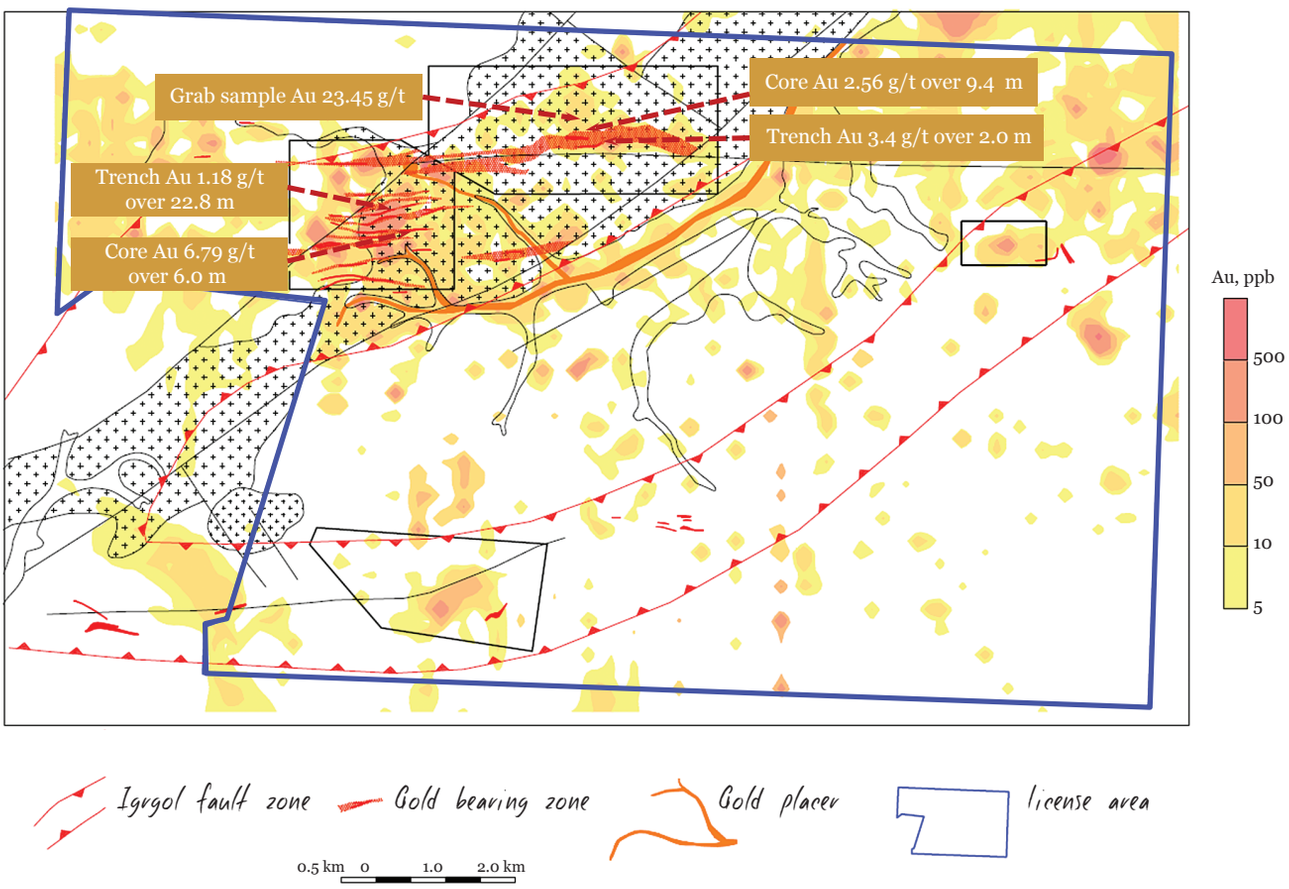
The main mineral found in the ore is pyrite, with occurrences of arsenopyrite, chalcopyrite, galena, and native gold. The maximum gold grade in the ore bodies is 150 g/t, with averages from 3.0 up to 35.3 g/t depending on the zone.

The Vostochny Flank occurrence incorporates ore bodies with widths varying between 4.2 m and 47 m, and lengths up to 520 m. The gold grades vary 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 tonns of gold mined to date.

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

UZHUNZHUL LICENSE



Board of Directors

LORD DARESBURY (PETER)

Board Member since November 27, 2012 and the Chairman of the Board since May 13, 2014. Peter 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 mining operation company (2002 – 2004). Peter is currently Chairman of Stellar Diamonds plc, Nasstar plc, and Mallett plc.. Current directorships include Bespoke Hotels Ltd, and Rusant Ltd , a Russian antimony miner. He is Chairman of The Jockey Club's Haydock Park Racecourse, having held the same position at Aintree Racecourse for 25 years.

Peter has an MA in history from Cambridge University.

As of 31 December 2014, shares in Auriant Mining AB: 0 and share options in Auriant Mining AB: 70,000

PRESTON HASKELL

Chief Executive Officer until May 24, 2012 and Chairman of the Board since May 24, 2012 to May 13, 2014. Born in 1966, Preston Haskell is Saint Kitts and Nevis citizen, 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 2014, shares in Auriant Mining AB: 9,314,968 (52.3% of outstanding shares) and options in Auriant Mining: 0

INGMAR HAGA

Board Member since May 24, 2012. Ingmar Haga is a citizen of Finland, born in 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 December 31, 2014, shares in Auriant Mining AB: 0 and share options in Auriant Mining AB: 70,000

ANDRÉ BEKKER

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

He is one of the most respected geologists and mining executives in Southern Africa. Previously he was an Executive Officer of Sylvania Platinum, a position he has held from 2011 to 2013. His previous experience includes Technical Director of Amaria Holdings (2006 – 2010) another 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 2014, shares in Auriant Mining AB: 0 and share options in Auriant Mining AB: 70,000

BERTIL VILLARD

Board Member since May 15, 2013. Bertil is a Swedish sitizen, born in 1952. He is a senior partner in Vinge law firm, one of Sweden's largest law firms with a solid reputation as a valuable adviser on corporate matters including corporate governance and mergers and acquisitions. He has extensive practical corporate governance experience from previously serving as secretary and Board Member of several publicly listed companies. Prior to Vinge KB, his experience included Head of Corporate and Finance at Alfred Berg Fondkomission AB, General Counsel of Esselte AB, Swedish Match AB and Stora Kopparberg AB. He has also served as the Chairman of several companies: AMF Pension AB, Lernia AB, Salus Ansvar AB, Pergo AB and SEB Trygg Liv (Gamla). He is currently serving as Chairman or Board Member in Novestra AB, Landsort Care AB 1-3(Chairman), Mercuri International AB, Cleanergy AB, Voddler AB and Prior&Nilsson Kapitalförvaltning AB.

Bertil graduated from the University of Stockholm.

As of December 31 2014, shares in Auriant Mining AB: 0 and share options in Auriant Mining AB: 70,000

JAMES P. SMITH

James P. Smith Jr. is a citizen of the United States of America, born in 1944.

Graduated cum laude from Princeton University, Princeton, NJ, USA with a degree in Chemistry in 1965 and completed his Masters in Business Administration with high honors from Stanford University Business School in 1970. After Stanford, Mr. Smith worked for McKinsey & Co. before accepting a position as CFO and head of real estate development operations for the Haskell Company in Jacksonville Fl, one of the largest design and build companies in the USA. Mr. Smith joined the Charter Company, a Fortune 500 Company in 1975 where he headed the Media Division and was responsible for Magazine and Newspaper Publishing, Radio Broadcasting, and Direct Marketing operations. He left Charter in 1982 to become CEO and principal owner of the Hamilton Collection, a Direct Marketer of Collectible products. Mr. Smith sold Hamilton in 1993 to Stanhome Inc and served as Executive VP of Stanhome Inc for 2 years thereafter, before retiring to pursue real estate development opportunities and his personal interests. He continues to serve as President of HGL Properties, an office park developer in Jacksonville Florida, and is a principal owner of the company. JP Smith has served as an advisor to Preston Haskell IV, Chairman of Auriant Mining AB and was chairman of nomination committee of Auriant Mining AB in 2011-2013.

Mr. Smith served in the Marine Corps and Navy Reserves from 1965 to 1971.

As of December 31 2014, shares in Auriant Mining AB: 0 and share options in Auriant Mining AB:0

Group Management

DENIS ALEXANDROV
CEO

Denis Alexandrov, a Russian national, joined Auriant Mining AB as CEO in May 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 PricewaterhouseCoopers. 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 2014, shares in Auriant Mining AB: 435,442 and warrants/ stock options in Auriant Mining AB: 1 055 768

SERGEY USTIMENKO
CFO

Sergey, a Russian national, joint Auriant Mining in May 2014. Over the last 10 years he has held CFO positions in large local and international companies engaged in the sales and services of machinery and equipment, and has worked airline industry and financial services. Prior to this, Sergey was head of internal control at LUKOIL, the largest private Russian oil company. He also has 7 years' experience in auditing with BDO, KPMG and Arthur Andersen.

Sergey graduated from Moscow State Technical University named after Bauman as engineer. He also holds CPA qualification from 2001.

As of December 31 2014, shares in Auriant Mining AB: 0 and stock options in Auriant Mining AB: 0

SERGEI SHUMILOV
HRD

Sergei is an experienced Human Resources and Development professional. He joined Auriant in 2012 as HR Director for the Group. Previously, he was HR Director for 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 the Center for Creative Leadership.

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

As of December 31 2014, shares in Auriant Mining AB: 0 and options in Auriant Mining AB: 193,000

For more details regarding all of Auriant Mining AB's warrants/employee stock options, please refer to the Share Capital and Ownership section of this report.

VLADIMIR CHURIN
Chief Geologist

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 serving as Chief Geologist with Altynalmas in Kazakhstan (2011-2012), Exploration Manager Oxus Resources in Uzbekistan (2010-2011), and Deputy Chief of the Russian Federal Geological Agency in the Buryatiya 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 December 31, 2014, shares in Auriant Mining AB: 0 and options in Auriant Mining AB: 60,000

EKATERINA BABAEVA
Group General Counsel

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 to Colliers International from 2004 to 2009 (a company 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 honours from the Law Department of Moscow State Lomonosov University.

As of December 31 2014, shares in Auriant Mining AB: 235 492 ond stock options in Auriant Mining AB: 100 000

IRINA OLSSON
Deputy CEO

Irina is a Stockholm resident and a Swedish citizen. She joined Auriant in October 2013 as Head of the Stockholm Office of Auriant Mining AB. As of January 2014, in addition to her regular duties, she also fulfills the role of Deputy CEO. Irina has studied economics at university in Russia and has a Russian academic degree from Kaliningrad Technical University which corresponds to the level and scope of the Swedish Master's degree with advanced courses in business administration. In Russia, she worked several years in the banking and finance industry before moving to Sweden. Irina has 9 years of experience in financial work in Sweden and has worked in the auditing industry in a few Swedish companies such as Sundbybergs Revisionsbyra AB, Framtiden AB, BDO, Global Redovisning AB.

As of December 31 2014, shares in Auriant Mining AB: 0 and stock options in Auriant Mining AB: 0

AUDITORS

Öhrlings PricewaterhouseCoopers, Martin Johansson

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.

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 2014.

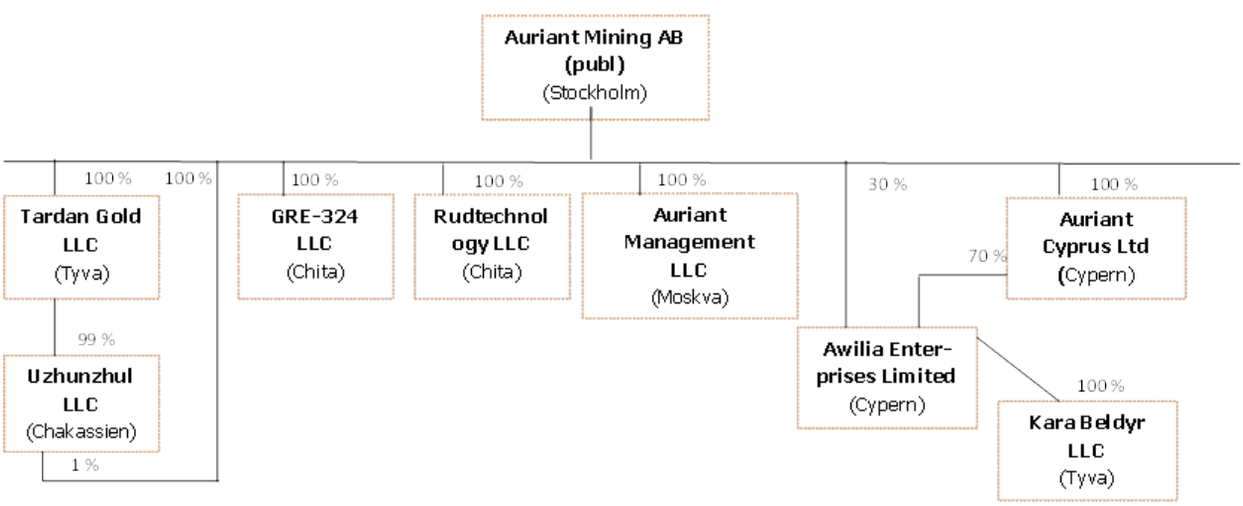
GROUP STRUCTURE AND OPERATIONS

AUR AB is incorporated in Sweden, with mining operations in Eastern Siberia, Russia. Currently, the Group is comprised of the Swedish Parent Company, AUR AB, which controls seven subsidiaries in Russia and participates in a company 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 Zabaikalsky 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 NASDAQ OMX First North Premier stock exchange in Sweden. The number of shareholders as of December 31, 2014 was approximately 2,700.

The operations of the Group are performed via the subsidiaries. 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. All license areas are wholly owned by AUR.

AURIANT MINING GROUP ORGANIZATIONAL STRUCTURE AS AT DECEMBER 31,2014



THE TABLE BELOW SHOWS THE GROUP STRUCTURE OF AUR AB AS OF DECEMBER 31, 2014

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 Rudtechnologiya	Krasnokamensk, Zabaikalsky region, Russia	Owner and operator of the equipment and production at the Solcocon heap leaching plant.	100% owned by AUR AB
LLC Uzhunzhul	Abakan, Republic of Khakassia, 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
Awilia Enterprises Ltd.	Nicosia, Cyprus	Owner of the operating company, LLC Kara-Beldyr.	100% owned by AUR AB (directly and through Auriant Cyprus Ltd)
Auriant Cyprus Ltd.	Nicosia, Cyprus	Co-owner of Awilia Enterprises Ltd. (holds 70% in Awilia)	100% 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.

AURIANT MINING GOLD RESERVES
NI 43-101 Compliant Gold Resources

The resource numbers below represent the overall resources of Kara-Beldyr according to the NI 43-101 assessment.

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**	

GKZ - Compliant Gold Reserves

The GKZ registered reserves of Auriant Mining AB as of December 31, 2014 are as follows

GKZ - COMPLIANT GOLD RESERVES

		C_1					C_2					C_1+C_2					
	Alluvi-al/Hard Rock	Ore, 000 m³	Ore, 000 t	Au g/t, (g/m³)*	Au, kg	Au, 000 oz	Ore, 000 m³	Ore , 000 t	Au g/t, (g/m³)*	Au, kg	Au, 000 oz	Ore, 000 m³	Ore , 000 t	Au g/t, (g/m³)*	Au, kg	Au, 000 oz	License expira-tion
Tardan																	2032
Tardan deposit	Hard Rock		1,024	3.9	4,014	129		325	4.8	1,565	50		1,349	4.1	5,579	179	
Greater Tardan	Hard Rock		466	5.4	2,517	81							466	5.4	2,517	81	
Solcocon																	2029
Kozlov-skoye	Hard Rock		218	9.3	2,030	65		841	7.8	6,585	212		1,059	8.1	8,615	277	
Bogomo-lovskoye	Hard Rock							1,933	3.7	7,060	227		1.933	3.7	7,060	227	
Borzya	Alluvial	396		0.8	333	11	505		1.5	757	24	901		1.2	1,090	35	
Uzhun-zul	Hard Rock																2031
TOTAL		**396**	**1,708**		**8,894**	**286**	**505**	**3,099**		**15,967**	**513**	**901**	**4,807**		**24,861**	**799**	

*(g/m³) applies only to alluvial gold at Borzya.

Environmental policy

Environmental responsibility is a central issue in a company with operations involving 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 risk. In general Russian environmental laws applying 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 termination of mining operations, which must be planned for years in advance. Auriant Mining AB is fully compliant with Russian environmental regulations.

The Auriant Share

The number of outstanding shares as of December 31, 2014 was 17,802,429; the share capital was SEK 200,277,327 with a quotient value per share of SEK 11.25. The limits of the share capital were a minimum of TSEK 150,000 and maximum of TSEK 600,000.

STOCK OPTIONS AND WARRANTS

The Board of Directors of Auriant Mining have found it to be in the interest of all shareholders to increase the level of responsibility, and to create a greater participatory interest for the members of the management team and certain key employees of the Group, as the regards the Company's and its subsidiaries development, and to ensure that these important employees share the goal of generating profitable and value creating growth, and to motivate continuing employment in the Group.

The Company has been successful in recruiting Non-Executive Directors who are highly qualified and experienced. For a company the size of Auriant to be able to attract such quality individuals, a key factor has been the potential of offering warrants. Furthermore, such non-monetary compensation conserves cash for the Company that, as a growing junior mining company, has limited free cashflow and is, therefore, not in a position to offer higher Board fees or synthetic stock to Board Members. Holding warrants, helping to align the interest of the Non-Executive Directors with those of shareholders, is a widely spread practice in the global mining industry.

As of December 31, 2014, there were 1,730,101 outstanding warrants & employee stock options in the Company with the right to subscribe for the same amount of shares. Out of the total amount of warrants & employee stock options 901,768 were issued for a further transfer to the CEO of the Company, Denis Alexandrov.

CHANGES IN SHARE CAPITAL

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
New share issue via issue of warrants	12.04.2013	185,442	17,802,429	11.25	11.25	2,086,223	200,277,327

* Reduction of par value per share to SEK 0.20

LARGEST OWNERS

The 15 largest shareholders in Auriant Mining AB as of December 31,2014

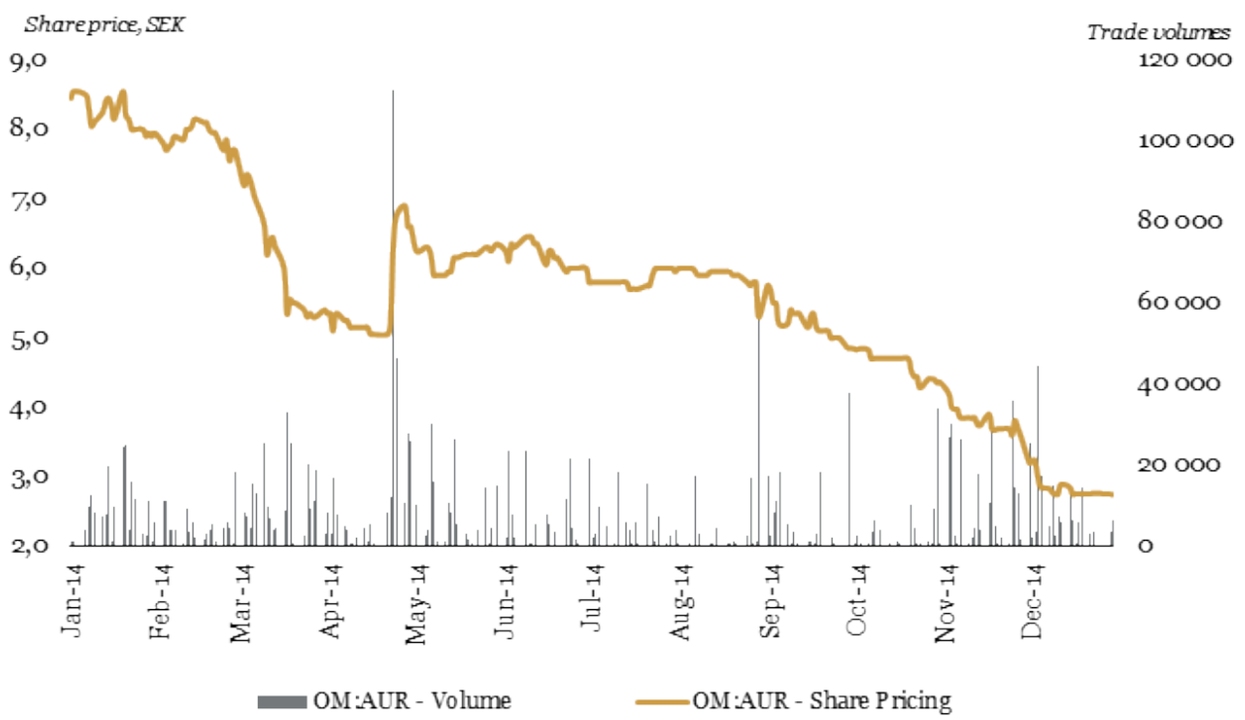
Shareholder	Number of shares	% share of ownership
BERTIL HOLDINGS, LIMITED	9,314,968	52.32%
UBS AG LDN BRANCH A/C CLIENT, IPB	1,164,405	6.54%
SWISS LIFE (LIECHTENSTEIN) AG	933,810	5.25%
SVEA LANDS. S.A	813,149	4.57%
SWISS LIFE LIECHTENSTEIN AG	500,000	2.81%
UBS WM UK CLIENT HOLDINGS	435,442	2.45%
SIX SIS AG, W8IMY	376,543	2.12%
CLEARSTREAM BANKING S.A., W8IMY	362,790	2.04%
PLOTEK, BERNT	332,640	1.87%
GARDEN GROWTH INDUSTRIES AB	300,000	1.69%
AVANZA PENSION	238,528	1.34%
BABAEVA, EKATERINA	235,492	1.32%
BANQUE OHMAN S.A.	200,000	1.12%
KL CAPITAL AKTIEBOLAG	189,797	1.07%
ABRANTE, MIGUEL	177,700	1.00%
Subtotal for 15 largest shareholders	**15,575,264**	**87.49%**
Other 2,672 shareholders	2,227,165	12.51%
Total number of shares outstanding before dilution	**17,802,429**	**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 graph below.

AURIANT MINING AB SHARE PRICE, SEK



Corporate Governance report 2014

Corporate governance concerns the regulations and structure established 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 at providing 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) (in this corporate governance report also referred to as "Auriant" or the "Company") is a Swedish public limited liability 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 have been listed on the Swedish stock exchange, NASDAQ OMX First North Premier. The shares are traded under the abbreviation, "AUR". Auriant applies the majority of the rules of the Swedish Corporate Governance Code (the "Code"). Any significant deviations are detailed in the Company's corporate governance reports. The Code is based on the "comply or explain" principle, which implies that companies applying the Code can deviate from 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 duties 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 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 remuneration for the Chief Executive Officer and senior executives, the election of auditor and, where relevant, the amendment of Articles of Association

SHAREHOLDERS

As of the end of 2014, there were, in total, 17,802,429 shares in the Company and the same number of votes. There were 2,687 shareholders in the Company as of December 31, 2014 and the largest shareholder was Bertil Holdings Ltd with 52.32% of shares. Bertil Holdings Ltd 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 totaled SEK 200,277,326.25.

ANNUAL GENERAL MEETING IN 2013

Auriant's 2014 AGM was held on Tuesday, May 13, 2014 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.
- The Articles of Association were amended to include the election of Deputy Board Members and to allow the Board of Directors to consist of at least 3 and at most 10, ordinary members and not more than 5 Deputy Board Members.
- Board Members Preston Haskell, Andre Bekker, Peter Daresbury, Ingmar Haga, and Bertil Villard were re-elected to the Board for 2014 and James Provoost Smith Jr. was elected Deputy Board Member.
- It was decided that the Board of Directors would themselves elect one of them as the Chairman of the Board.
- Board fees were established for the Chairman of the Board in the amount of SEK 250,000 and for the other Board Members, in the amount of SEK 200,000 each. It was decided that remuneration amounting to SEK 25,000 per year and member shall be paid for participation in each committee established by the Board.
- It was resolved to elect PwC to serve as auditor with Martin Johansson as responsible auditor.
- The AGM approved the principles for appointment of the Nomination Committee in accordance with the Nomination Committee's proposal.
- The AGM approved the Board's proposal on adoption of the guidelines for the remuneration to members of

the executive management.

- The AGM decided to establish the incentive program for certain members of senior management through the issuance of warrants, in accordance with the Board's proposal.
- The AGM decided to establish the incentive program for the members of management and a number of other employees through the issuance of employee stock options and warrants, in accordance with the Board's proposal.
- The AGM decided to establish the incentive program for the Company's Board of Directors through the issuance of stock options and warrants, in accordance with the proposal made by a shareholder representing 52.32% of the shares and votes in the Company.

At the 2014 Annual General Meeting, a total of 13,071,799 shares were represented by 15 shareholders either in person or via proxies. The shares represented comprised approximately 73% of the total number of shares in the Company.

ANNUAL GENERAL MEETING IN 2015

The Annual General Meeting of the shareholders will be held on Tuesday, May 12, 2015, at Näringslivets Hus, Storgatan 19, Stockholm. The AGM will start at 14:30, and the doors will open at 14:00. The annual report for 2014 will be available on the Company's website as of April 21, 2015.

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 regarding principles to be applied in establishing a new Nomination Committee.

The principles for the appointment of the Nomination Committee were approved by the AGM of May 13, 2014, as follows. The Company shall have a Nomination Committee comprised of the Chairman of the Board and four other Members, each representing one of the four owners with the largest voting power. The selection of the four largest shareholders shall be made on the basis of the share register of the Company kept by Euroclear Sweden AB as of the last banking day in September 2014. At the earliest convenient date after the end of September 2014 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 Nomination Committee. If any of the shareholders decline their right to appoint a member to the Nomination Committee, the shareholder with the next largest voting power shall be provided with the opportunity to appoint a member. The Nomination Committee's mandate continues until a new Nomination Committee is appointed. If it proves to be impractical to establish contact with such shareholder within a reasonable period of time, then the Nomination Committee may consist of the Chairman of the Board and three members, each representing one of the three other owners with the largest voting power. Unless the Nomination Committee members decide otherwise, the chairman of the Nomination Committee shall be the member representing the shareholder with the largest voting power in the Company. If a member leaves the Nomination Committee before its work is 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 remuneration shall be paid to the members of the Nomination Committee. The Nomination Committee may charge any reasonable expenses for travel and investigations.

The Nomination Committee, formed in accordance with the above described principles, is as follows: Lord Peter Daresbury, Chairman of the Board, Erik Wigertz representing Bertil Holdings Ltd, Peter Hamberg representing Niclas Eriksson and the family, and Bernt Plotek representing Svea Lands S.A. As one of the four largest shareholders decided not to appoint a member, an opportunity to do so was offered to the fifth largest shareholder, which also chose not appoint a member to the Nomination Committee. It turned out to be impracticable to obtain reliable shareholder information necessary to establish contact with the shareholder with the next largest voting power within a reasonable time, due to a number of shareholders holding their shares through nominees. The Nomination Committee was duly constituted by the four members appointed as above.

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 corresponding 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 adopts written rules of procedure for the Board of Directors, written instructions to the Chief Executive Officer, written instructions regarding financial reporting and a Chart of Authority further detailing the division of work between the Board and the Chief Executive Officer. The rules of procedure 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's and Group's financial position. The written instructions to the Chief Executive Officer together with the Chart of Authority regulate 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 and maximum of ten, ordinary Members, and not more than five Deputy Board Members, elected by the Annual General Meeting.

CHAIRMAN OF THE BOARD OF DIRECTORS

At its first meeting after the AGM on May 13, 2014, the Board of Directors elected Lord Peter Daresbury as Chairman of the Board. During 2014, 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 2014, Auriant's Board was comprised of five ordinary Board Members, Andre Bekker, Peter Daresbury, Ingmar Haga, Preston Haskell and Bertil Villard, and one Deputy Board Member, James Provoost Smith Jr., all elected by the Annual General Meeting on May 13, 2014. The members of the Board are presented in more detail in the Board of Directors section of the annual report, and the details of the members' independence vis á vis the Company and its management are presented below.

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
Andre Bekker	0	70,000	Yes	No
Ingmar Haga	0	70,000	Yes	Yes
Peter Daresbury	0	70,000	Yes	Yes
Bertil Villard	0	70,000	Yes	Yes
James Provoost Smith Jr. (deputy board member)	0	0	Yes	No

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

BOARD MEMBERS' ATTENDANCE AT BOARD MEETINGS IN 2014

Name	Position	Present
Peter Daresbury	Member/ Chairman[1]	23/23
Andre Bekker	Member	23/23
Ingmar Haga	Member	23/23
Preston Haskell	Chairman[2]/ Member	21[3]/23
Bertil Villard	Member	22/23

[1] Elected by the Board on May 13, 2014

[2] Until May 13, 2014

[3] Mr. Haskell refrained from participating in two Board meetings held by correspondence, due to conflict of interest. As the deputy Board member Mr. James Provoost Smith also had a conflict of interest in respect of those matters, he did not participate in the decisions taken at those two meetings as deputy for Mr. Haskell.

THE BOARD'S WORK IN 2013

The Board held 23 meetings in 2014. A total of 14 of them were held by correspondence, 3 by telephone and 6 meetings were held in person. The important issues dealt with by the Board in 2014, in addition to the approval of the annual report and the interim reports, and approval of the budgets, were as follows:

- The Company's financial position and liquidity
- Strategic decision-making
- Approval of the transaction with Centerra Exploration B.V., pursuant to which Auriant Mining AB increased its indirect shareholding in LLC "Kara-Beldir" to 100% in exchange for Auriant Cyprus Limited entering into a net smelter royalty agreement with the seller
- Approval of the main terms of the transaction involving five entities owning a gold producing mine and production and prospecting licenses in the Chukotka region of Russia
- Approval of other major contracts, in accordance with the Chart of Authority
- Preparation for the Annual General Meeting
- Meeting with the auditor without the presence of the Group's management.

BOARD COMMITTEES

Remuneration Committee

In 2014, the Remuneration Committee was comprised of Preston Haskell (chairman of the committee), Peter Daresbury, Bertil Villard and until May 13, 2014, Ingmar Haga. The Remuneration Committee submits proposals for resolution by the Board regarding salary and other terms of employment of the CEO. The committee also approves proposals regarding salaries and other terms of employment of the Group's management, according to the CEO's proposal.

Finance and Audit Committee

The Finance and Audit Committee was initially comprised of Peter Daresbury, Ingmar Haga and Bertil Villard. Following his election as Deputy Board Member at the 2014 AGM, Mr. JP Smith became the forth member of the committee and was elected its Chairman. The members of the committee have the necessary competence and experience in the accounting matters.

Technical Committee

The Technical Committee remained comprised of Ingmar Haga and Andre Bekker, with Mr. Haga serving as Chairman of the committee. The committee's task is to advise the rest of the Board on mining and technical issues.
The committees 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' meeting in 2014: for the Chairman of the Board in SEK 250,000 and for the other Board Members, in the amount of SEK 200,000 each. It was decided that remuneration amounting to SEK 25,000 per year and member shall be paid for participation in each committee established by the Board.

GROUP MANAGEMENT

As of the end of 2014, the Group's management comprised the CEO, deputy CEO, CFO, Head of HR, Chief Geologist, and Group General Counsel. The management of the Company is presented on page 28-29 of the annual report.

The Chief Executive Officer is responsible for the on-going 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.

In the event that the CEO becomes unable to fulfill CEO's duties, the deputy CEO shall substitute for the CEO until the new CEO is appointed. Such events are defined in the written instructions to the CEO, adopted by the Board. The Board of Auriant Mining AB appointed Irina Olsson as Deputy CEO of the Company in January 2014.

REMUNERATION OF EXECUTIVE MANAGEMENT

The AGM on May 13, 2014 approved the following guidelines for remuneration of executive management.

Guidelines

The guidelines shall apply to all employment contracts which are entered into after the meeting's resolution and in those cases where amendments are made to the existing terms and conditions after that point in time. The Company shall aim to offer a total remuneration, which is reasonable and competitive based on the circumstances in the individual country and in that respect shall also be able to

offer a so-called "Sign on" bonus in order to recruit the best personnel. The remuneration shall vary in relation to the performance of the individual and the Group. The total remuneration to the Group Management shall consist of the components stated below.

Fixed salary

The fixed salary ("Base Salary") shall be adjusted to the market and be based on responsibility, competence and performance. The fixed salary shall be revised every year.

Variable salary

The variable salary shall relate to the Company's return on production result, reserves and production goals, and specific goals within each executive's area of responsibility. The variable salary shall be paid annually and shall amount to a maximum of one annual Base Salary.

Long-term incentives

The board of directors intends, on a regular basis, to assess the need of long-term incentive programmes that shall be proposed to the general meeting. For details on the long-term incentive programs established in the Company please see the following section of this corporate governance report.

Insurable benefits

Old-age pension, healthcare benefits and medical benefits shall, if applicable, be prepared in a manner that reflects the rules and practice in the home country. If possible, the pension plans shall be premium determined. In individual cases, depending on the tax and/or social insurance laws which apply to the individual, other adjusted pension plans or pension solutions may be approved.

Other benefits

The company shall be able to provide individual members of the Group Management or the entire Group Management with other benefits. These benefits shall not constitute a substantial part of the total remuneration. The benefits shall further correspond to what is normal on the market.

Termination and severance pay

Notice of termination of employment shall be no more than twelve months upon termination initiated by the Group and no more than six months upon termination initiated by a member of the management. Severance pay may only be paid out upon termination by the Company or when a member of the Group Management resigns due to a significant change of his/her working conditions, which means the he/she cannot perform adequately.

Derogation from the guidelines

The Board shall be entitled to derogate from these guidelines if special reasons exist in an individual case.

For information regarding the Remuneration Policy and the remuneration of the Chief Executive Officer, senior executives and other employees, please see Note 3 on pages 75-76 of the annual report.

LONG-TERM INCENTIVE PROGRAMS

The Board regularly evaluates the need for long-term incentive programs. Currently, the following long-term incentive programs are established in the Company:

- the long-term incentive program for the Chief Executive Officer and the Chief Investment Officer of the Company, adopted at the Extraordinary General Meeting on November 27, 2012;
- the long-term incentive program for the members of management and a number of other employees , adopted at the Annual General Meeting on May 15, 2013;
- the long-term incentive program for the Company's Board of Directors, adopted at the Annual General Meeting on May 15, 2013 upon the proposal of the major shareholder;
- the long-term incentive program for the members of management and a number of other employees , adopted at the Annual General Meeting on May 13, 2014;
- the long-term incentive program for the Company's Board of Directors, adopted at the Annual General Meeting on May 13, 2014 upon the proposal of the major shareholder.

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 administration and management by the Board and the Chief Executive Officer. The AGM of May 13, 2014 appointed, for a period until the 2015 AGM, PwC as the Company´s auditors. The responsible auditor at PwC is Authorized Public Accountant Martin Johansson.

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 February to April of the following year, and also includes a review of the nine-month bookclosing in November of the financial year in question.

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 which provides the discipline and structure necessary to implement 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 written instructions to the Chief Executive Officer and the Chart of Authority. 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 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, by assessing the preventative measures needed to be taken to reduce the Company's risks. This 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 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 results on a weekly and monthly basis. Monitoring is, then, carried out in comparison with budgets. Auriant is a mining company in its early stages, which is why no earnings or sales forecasts are currently provided externally. Targets for the expected volume of gold production for the full year are initially set during the budgeting process at the end of the previous year. Normally, these targets are, again, reviewed and revised if necessary in the summer months when production has begun in earnest.

The Board on a weekly, monthly and quarterly basis receives the operational reports, including plan-to actual analysis, of the Group. In 2014, financial reports of the Group, including profit and loss statements, cash flows, and statement of financial position, were analyzed by the Board on a quarterly basis. 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 budget.

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 2015.

The main instances where Auriant did not comply with the Swedish Corporate Governance Code in 2014 were as follows:

- Code rule 2.5 provides that the company is to announce names of members of the nomination committee on its website no later than 6 months before the Annual General Meeting.

The Company did not update names of members of the Nomination Committee on its website before November 12, 2014, which was the date falling 6 months before the date of the 2015 Annual General Meeting. The requisite information was

not available to the Company as at November 12, 2014 because the selection by the owners with the largest voting power of their representatives on the nomination committee had not been completed by that date. The longer selection process is considered to be in the best interest of all shareholders of the Company as it helps to indentify and attract members for the Committee having the necessary competence and experience.

- Code rule 6.1 provides that the Chairman of the Board is to be elected by the shareholders meeting.

In Auriant, 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.

- Code rule 9.2 provides that except for the Chairman of the Board who may chair the Remuneration Committee, the other shareholders' meeting-elected members of the Committee are to be independent of the company and its executive management.

The Board member, Mr. Preston Haskell, who is not independent in relation to the Company and executive management in accordance with the criteria set out in Code rule 4.4, has continued to serve as a Chairman of the Remuneration Committee after he stepped down as Chairman of the Board in May 2014. Mr. Haskell's involvement in the Remuneration Committee is considered to be in the best interests of all shareholders of the Company for the following reasons. Mr. Haskell is himself the largest shareholder in the Company, holding, through companies, 52.32% of its shares, and has significant knowledge and experience of executive remuneration issues. Mr. Haskell is not a member of the executive management of the Company since May 2012.

- Code rule 9.8 provides that share- and share-price-related incentive programmes are to be designed so that 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 Annual General Meeting on May 13, 2014 approved the incentive program for certain members of senior management through the issuance of warrants, the long-term incentive program for the Company's Board of Directors and the long-term incentive program for the members of management and a number of other employees. Each of those programs, as well as other existing long-term incentive programs listed above in this report, provide for a vesting period that is less than three years.

It was considered to be in the best interest of the Company and all of the shareholders to create a greater participatory interest for the members of the Board of Directors, CEO and a number of other members of management and employees by offering incentive programmes with a shorter period for acquisition of shares and/or shorter vesting period, than the period recommended by the Swedish Code for Corporate Governance. .

- Code rule 9.8 further provides that remuneration of non-executive Board members is not to include share options.

The Annual General Meeting on May, 13 2014 approved the long-term incentive program for the Company's Board of Directors, which includes stock options. It was considered to be in the best interest of the Company and all shareholders to adopt such incentive program for the following reasons. The Company has been successful in recruiting non-executive board members who are highly qualified and experienced. For a company the size of Auriant to be able to attract such quality individuals, a key factor has been the potential offering of stock options. Furthermore, this method of reward will save cash for the Company, which, as a growing junior mining company, has limited free cashflow and thus, is not in a position to offer higher board fees or synthetic stocks to Board members. The ownership of these stock options will also align the interests of the non-executive board members to those of the shareholders.

PROPOSAL FOR LOSS DISTRIBUTION

The Group's equity at year-end 2014 amounted to MSEK – 156.3, of which the share capital is MSEK 200.3.
In the Parent Company the unrestricted shareholders equity amounts to:

	SEK
Share premium reserve	587,962,259
Translation difference reserve	-100,607,474
Retained earnings	-566,522,099
Net income for the year	-41,589,655
Total unrestricted equity	**-120,756,969**

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 Statments

Operational Key Ratios, SEK

	2014	2013	2012	2011	2010	Definitions
Profitability						
Ore processed, 000 tonnes	564	450	365	260	174	Quantity of ore processed
Tailings processed, 000 tonnes	88	142	54	5	-	Quantity of tailings processed
Gold sands processed, 000 m3	379	338	119	89	713	Volume of gold sands processed
Gold production, oz	34,689	36,716	20,641	13,182	23,470	Gold production obtained during the period (troy oz)
Gold sales, oz	34,273	36,779	19,837	12,417	23,786	Actual sold gold production during the period (troy oz)
Revenue, TSEK	297,481	328,970	234,133	131,965	214,037	Revenue from sale of gold and gold equivalents
Average realized gold price, US$/oz	1,244	1,373	1,700	1,610	1,257	Average price received during the period (USD/oz)
Profit before income tax, TSEK	-194,779	-159,404	-105,672	-128,265	17,108	
Return on equity, %	-172.9%	-159.4%	-49.8%	-35.6%	2.6%	Net profit/loss for the period as a percentage of average equity during the period, including minority holdings
Return on total assets, %	-19.7%	-21.6%	-17.3%	-18.9%	1.4%	Net profit/loss for the period as a percentage of average total assets during the period
Capital Structure						
Equity, TSEK	-156,268	7,459	154,380	270,806	405,511	Total equity at the end of the period, including non-controlling interests
Interest-bearing liabilities, TSEK	745,322	489,295	350,530	243,219	118,133	Total interest-bearing liabilities at the end of the period
Equity ratio, %	-22.5%	1.2%	26.5%	42.4%	63.6%	Equity, including non-controlling interests, as a percentage of the balance sheet total
Cash flow and liquidity						
Cash flow before investments, TSEK	-32,967	-7,894	-20,142	-42,694	-95,362	Cash flow from operating activities
Cash flow after investments and financing, TSEK	-13,626	-10,557	11,346	-11,662	-838	Operating cash flow plus cash flow after investments and financing
Liquid assets, TSEK	4,711	10,776	22,266	10,995	22,230	Bank deposits and cash at the end of the period
Total assets, TSEK	695,257	609,814	582,042	638,870	637,488	
Investments						
Capital investments, TSEK	19,510	60,114	55,683	141,727	86,737	Net investments in material fixed assets, less any disinvestments
Employees						
Average number of employees during the period	802	869	720	728	916	
Share data						
Number of outstanding shares before dilution	17,802,429	17,802,429	17,616,987	17,616,987	16,016,987	Number of shares issued 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	17,802,429	17,802,429	17,616,987	16,652,603	5,026,107	Average number of shares during the period, including outstanding warrants with a redemption price lower than the current stock exchange price.
Number of warrants outstanding	1,730,101	1,306,768	1,057,210	510,650,000	510,650,000	Number of non-exercised warrants at the end of the respective period.
Quotient value, SEK	11.25	11.25	11.25	11.25	11.25	Each share's proportion of the total share capital
Earnings per share, SEK	-7.23	-7.24	-6.01	-7.17	1.58	Net profit/loss after tax divided by the average number of outstanding shares during the period
Equity per share, SEK	-8.78	0.42	8.76	15.37	25.23	Total equity, including non-controlling interersts in relation to the number of shares issued at the end of the period.
Market price per share at the end of the period, SEK	2.74	8.45	15.5	22	23	Latest market price paid for the shares on the last trading day of the respective period.

Operational Key Ratios, US$

	2014	2013	2012	2011	2010	Definitions
Profitability						
Ore processed, 000 tonnes	564	450	365	260	174	Quantity of ore processed
Tailings processed, 000 tonnes	88	142	54	5	-	Quantity of tailings processed
Gold sands processed, 000 m3	379	338	119	89	713	Volume of gold sands processed
Gold production, oz	34,689	36,716	20,641	13,182	23,470	Gold production obtained during the period (troy oz)
Gold sales, oz	34,273	36,779	19,837	12,417	23,786	Actual sold gold production during the period (troy oz)
Revenue, US$ 000	42,627	50,502	35,934	20,254	29,727	Revenue from sale of gold and gold equivalents
Average realized gold price, US$/oz	1,244	1,373	1,700	1,610	1,257	Average price received during the period (USD/oz)
Profit before income tax, US$ 000	-26,262	-24,471	-16,219	-19,686	2,376	
Return on equity, %	-196.0%	-159.4%	-49.8%	-35.6%	2.6%	Net profit/loss for the period as a percentage of average equity during the period, including minority holdings
Return on total assets, %	-17.9%	-21.6%	-17.3%	-18.9%	1.4%	Net profit/loss for the period as a percentage of average total assets during the period
Capital Structure						
Equity, US$ 000	-18,078	1,146	23,694	41,563	62,237	Total equity at the end of the period, including non-controlling interests
Interest-bearing liabilities, US$ 000	95,057	75,179	53,799	37,329	18,131	Total interest-bearing liabilities at the end of the period
Equity ratio, %	-19.7%	1.2%	26.5%	42.4%	63.6%	Equity, including non-controlling interests, as a percentage of the balance sheet total
Cash flow and liquidity						
Cash flow before investments, US$ 000	-5,301	-1,212	-2,973	-6,553	-14,636	Cash flow from operating activities
Cash flow after investments and financing, US$ 000	-1,823	-1,621	1,675	-1,790	-129	Operating cash flow plus cash flow after investments and financing
Liquid assets, US$ 000	603	1,656	3,417	1,687	3,412	Bank deposits and cash at the end of the period
Total assets, US$ 000	91,709	93,696	89,330	98,052	93,748	
Investments						
Capital investments, US$ 000	2,782	9,236	8,546	21,752	13,312	Net investments in material fixed assets, less any disinvestments
Employees						
Average number of employees during the period	802	869	720	728	916	
Share data						
Number of outstanding shares before dilution	17,802,429	17,802,429	17,616,987	17,616,987	16,016,987	Number of shares issued 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	17,802,429	17,802,429	17,616,987	16,652,603	5,026,107	Average number of shares during the period, including outstanding warrants with a redemption price lower than the current stock exchange price.
Number of warrants outstanding	1,730,101	1,306,768	1,057,210	510,650,000	510,650,000	Number of non-exercised warrants at the end of the respective period.
Quotient value, US$	1.73	1.73	1.73	1.73	1.73	Each share's proportion of the total share capital
Earnings per share, US$	-0.93	-1.11	-0.92	-1.10	0.24	Net profit/loss after tax divided by the average number of outstanding shares during the period
Equity per share, US$	-1.02	0.06	1.34	2.36	3.87	Total equity, including non-controlling interersts, in relation to the number of issued shares at the end of the period.
Market price per share at the end of the period, US$	0.35	1.30	2.38	3.38	3.53	Latest market price paid for the shares on the last trading day of the respective period.

Comments by the CFO

Dear Stakeholders,

I am pleased to present our financial reports for 2014.

It was a challenging year for the entire industry as it operated under the pressure of declined gold prices and was affected by political and economic issues. The second half of 2014 was marked by extensive Russian rouble depreciation against the US$ dollar, by about 70% compared to the beginning of the year. The rouble devaluation is expected to have a positive effect on the gold industry in Russia in the short and medium term.

In 2014, the Company continued to focus on the further development of its resourse base, as well as on cost control and operational efficiency improvements of the existing production assets. The Company acquired the outstanding 70% interest in Kara-Beldyr from Canada's Centerra Gold Inc. and increased its share in Kara-Beldyr to 100%. As consideration, Auriant Mining will pay Centerra Gold a Net Smelter Royalty of 3.5% on any mineral revenue from Kara-Beldyr in the future. The Kara-Beldyr gold resources are estimated to amount to 500 koz. In 2015, we plan to finalize an approval of the Kara-Beldyr resources with the respective state authorities. The commencement of production is expected in 2019.

We increased reserves at Tardan, which is our main current production asset, up to 8,755 kg (281 koz) as result of exploration works in the Barsuchiy area. We re-launched the gravitational plant at Tardan after grade improvement in the fourth quarter 2014, and expect further grade improvements throughout 2015, with the start of mining in Barsuchiy in 2016.

In 2014, the Company produced 1,079 kg (34,689 oz) of gold, a decrease of 5.5% compared with the 2013 production of 1,142 kg (36,716 oz), which was mainly caused by Solcocon underperformance. Consolidated revenue decreased by US$ 7.8 m, or 16%, compared with 2013 as a result of the reduced volume of gold sold, by 7% from 1,144 kg (36,779 oz) in 2013 down to 1,066 kg (34,273 oz) in 2014, and reduced average realized gold price, by 9% from US$ 1,373 in 2013 down to US$ 1,244 in the current period.

The average cash costs per ounce of gold produced at Tardan reduced by 14% from US$ 1,239/oz in 2013 down to US$ 1,060/oz in 2014.

Despite the drop in revenue, Group EBITDA increased by 24% compared to 2013, however it was still negative at US$ -4.1 m compared to the 2013 negative amount of US$ -5.4 m. Net EBITDA from production assets was

positive (US$ 1.0 m). Tardan generated a positive EBITDA of US$ 2.4 m. While alluvial operations at Solcocon generated a strongly positive EBITDA of US$ 2.3 m, hard rock operations underperformed in 2014, which resulted in a net negative EBITDA at Solcocon amounting to US$ -1.4 m. General and administrative expenses at Group level decreased by 26% in 2014 and amounted to US$ -4.9 m.

Financial expenses increased by US$ 3.9 m, mostly as a result of increase of foreign exchange losses of US$ 2.9 m, and due to the growth in interest expenses, by US$ 1.0 m. The Company's growth is financed from external sources, leading to the interest expenses increasing up to US$ 10.0 m in 2014. However, a major portion of these interest expenses, or US$ 5.5 m, is capitalised and does not require regular payments.

We are still negative as regards net income. According to Russian tax legislation, accrued losses are accumulated in the statement of financial position and can be offset against future taxable earnings. In 2014, Group income tax was positive at US$ 9.7 m and consisted of deferred tax assets on tax losses carried forward. Based on management forecasts, the Group subsidiaries will generate taxable profits that will enable utilisation of the deferred tax asset in the future.

In 2014 the Company fully drew down a credit line of US$ 45 m from Promsvyazbank. The maturity of this debt is fixed until the end of 2018. The shareholder bond, totalling US$ 41 m in May 2014, was reclassified from short-term to long term liabilities as a result of the maturity extension untill the end of 2018. In May 2014, the interest rate on shareholder's debt declined from 18% to 10%. In March 2015, the Company principally agreed with the controlling shareholder to reduce the interest rate on the bond from 10% to 2% and to grant an option to the shareholder to redeem US$ 20 m of the bond outstanding amount in the form of cash or in the form of new shares issue, or both. In case of full conversion of bond liability (including interest to be accrued on the bond until December 31, 2018 at the rate of 2% p.a., which will amount to US$ 21.6 m) a total of 51,581,342 shares will be issued. The agreement is subject to Annual General Meeting approval. The Conversion date is any date at the shareholder's discretion from the date of approval by Annual General Meeting until December 31, 2018.

At the beginning of 2015 the Company received from Aristus Holdings Ltd., an option to purchase a 50% interest in five gold properties located in Russia's Chukotka region, including Valunisty - a producing gold mine with overall C1 + C2 reserves of around 20 tonnes of gold equivalent. As part of the deal, the Company entered into a legally binding agreement with Aristus Holdings Ltd. to manage and develop these assets over the next 3 years. The Company will receive a fixed management fee of US$ 1.2 m p. a. and up to US$ 2.4 m annual bonus linked to the fulfilment of certain production and financial targets.

Chief Financial Officer

Sergey Ustimenko

Consolidated income statement

	Note	2014 TSEK	2013 TSEK	2014 US$ 000	2013 US$ 000
Revenue	1	297,481	328,970	42,627	50,502
Cost of sales	2	-336,598	-368,831	-48,752	-56,621
Gross profit		**-39,117**	**-39,861**	**-6,125**	**-6,119**
General and administrative expenses	4	-34,080	-43,595	-4,976	-6,693
Other operating income	1a	5,195	10,759	769	1,652
Other operating expenses	1a	-6,339	-14,433	-919	-2,216
Operating profit/(loss)		**-74,341**	**-87,130**	**-11,251**	**-13,376**
Financial income	5	-	15	-	2
Financial expenses	6	-120,438	-72,289	-15,011	-11,097
Profit/(Loss) before income tax		**-194,779**	**-159,404**	**-26,262**	**-24,471**
Income tax	7	66,114	30,440	9,671	4,673
Net loss for the period		**-128,665**	**-128,964**	**-16,591**	**-19,798**
of which attributable to:					
the owners of the Parent Company		-128,665	-128,964	-16,591	-19,798
Earnings per share before dilution (SEK, US$)	17	-7.23	-7.24	-0.93	-1.11
Earnings per share after dilution (SEK, US$)		-7.23	-7.24	-0.93	-1.11
Number of shares issued at period end		17,802,429	17,802,429	17,802,429	17,802,429
Average number of shares for the period		17,802,429	17,802,429	17,802,429	17,802,429
Average number of shares for the period after dilution		18,667,480	18,923,755	18,667,480	18,923,755

Consolidated statement of comprehensive income

	2014 TSEK	2013 TSEK	2014 US$ 000	2013 US$ 000
Net profit/loss for the period	-128,665	-128,964	-16,591	-19,798
Other comprehensive income				
Items that may be subsequently reclassified to profit or loss	-	-	-	-
Translation difference	-37,840	-22,721	-3,055	-3,488
Total comprehensive income for the period	**-166,505**	**-151,685**	**-19,646**	**-23,286**

Consolidated statement of financial position

	Note	31-12-2014 TSEK	31-12-2013 TSEK	31-12-2014 US$ 000	31-12-2013 US$ 000
NON-CURRENT ASSETS					
Intangible fixed assets					
Mining permits and capitalised exploration costs	8	242,165	167,733	33,928	25,772
Tangible fixed assets					
Buildings and land	9	86,750	80,843	11,091	12,422
Machinery, equipment and other technical plant	10	163,812	146,604	20,890	22,525
Construction in progress	11	18,031	19,208	2,181	2,951
		268,593	**246,655**	**34,162**	**37,898**
Investments in joint ventures	13	-	24,705	-	3,796
Stripping assets		24,936	-	3,192	-
Deferred taxes recoverable	7	80,441	44,130	10,298	6,780
Total non-current assets		**616,135**	**483,223**	**81,580**	**74,246**
CURRENT ASSETS					
Inventories	14	37,779	61,415	4,836	9,436
Stripping assets		-	13,262	-	2,038
Accounts receivable trade		318	395	41	60
Other current receivables	15	31,029	35,375	3,972	5,435
Prepaid expenses	15	5,285	5,368	677	825
Cash and bank holdings	16	4,711	10,776	603	1,656
Total current assets		**79,122**	**126,590**	**10,129**	**19,450**
TOTAL ASSETS		**695,257**	**609,814**	**91,709**	**93,696**

Consolidated statement of financial position

	Note	31-12-2014 TSEK	31-12-2013 TSEK	31-12-2014 US$ 000	31-12-2013 US$ 000
EQUITY AND LIABILITIES					
EQUITY					
Share capital	17	200,277	200,277	30,738	30,738
Additional paid in capital		162,982	160,204	24,997	24,575
Translation difference reserve		-90,946	-53,106	-11,220	-8,165
Retained earnings		-428,581	-299,916	-62,593	-46,002
TOTAL EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT		**-156,268**	**7,459**	**-18,078**	**1,146**
Non-controlling interest		-	-	-	-
TOTAL EQUITY		**-156,268**	**7,459**	**-18,078**	**1,146**
NON-CURRENT LIABILITIES					
Deferred tax	7	17,530	19,548	2,719	3,003
Provisions	18	6,607	8,297	846	1,275
Long-term loans and notes	19, 20	473,059	35,438	60,558	5,444
Other long-term liabilities		52,100	19,543	6,975	3,004
Total non-current liabilities		**549,296**	**82,826**	**71,098**	**12,726**
CURRENT LIABILITIES					
Trade and other accounts payable	21	22,439	35,304	2,872	5,424
Short-term loans and bonds	19, 20	252,666	451,123	32,344	69,314
Other current liabilities		27,124	33,102	3,473	5,086
Total current liabilities		**302,229**	**519,529**	**38,689**	**79,824**
TOTAL EQUITY AND LIABILITIES		**695,257**	**609,814**	**91,709**	**93,696**
PLEDGED ASSETS	23	-	48,669	-	7,478
CONTINGENT LIABILITIES		-	-	-	-

Consolidated statement of changes in equity

	Attributable to the shareholders of the parent company					
All amounts in TSEK	**Share capital**	**Additional paid**	**Translation difference reserve**	**Retained earnings**	**Non-controlling interest**	**Total equity**
Equity as at December 31,2012	**198,191**	**157,526**	**-30,385**	**-170,952**	**-**	**154,380**
Comprehensive income						
Net profit/loss for the period	-	-	-	-128,964	-	-128,964
New shares issue	2,086	-	-	-	-	2,086
Warrants and options issue	-	2,678	-	-	-	2,678
Translation difference	-	-	-22,721	-	-	-22,721
Total comprehensive income for the period	**2,086**	**2,678**	**-22,721**	**-128,964**	**-**	**-146,921**
Total transactions with owners, recognised directly in equity	2,086	2,678	-	-	-	4,764
Equity as at December 31, 2013	**200,277**	**160,204**	**-53,106**	**-299,916**	**-**	**7,459**
Comprehensive income						
Net profit/loss for the period	-	-	-	-128,665	-	-128,665
New shares issue	-	-	-	-	-	-
Warrants and options issue	-	2,778	-	-	-	2,778
Translation difference	-	-	-37,840	-	-	-37,840
Total comprehensive income for the period	**-**	**2,778**	**-37,840**	**-128,665**	**-**	**-163,727**
Total transactions with owners, recognised directly in equity	-	1,489	-	-	-	1,489
Equity as at December 31, 2014	**200,277**	**162,982**	**-90,946**	**-428,581**	**-**	**-156,268**

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	Retained earnings	Non-controlling interest	Total equity
Equity as at December 31,2012	**30,418**	**24,164**	**-4,684**	**-26,204**	**-**	**23,694**
Comprehensive income						
Net profit/loss for the period				-19,798		-19,798
New shares issue	320					320
Warrants and options issue		411				411
Translation difference			-3,481			-3,481
Total comprehensive income for the period	**320**	**411**	**-3,481**	**-19,798**	**-**	**-22,548**
Total transactions with owners, recognised directly in equity	320	411	-	-	-	731
Equity as at December 31, 2013	**30,738**	**24,575**	**-8,165**	**-46,002**	**-**	**1,146**
Comprehensive income						
Net profit/loss for the period				-16,591		-16,591
New shares issue						
Warrants and options issue		422				422
Translation difference			-3,055			-3,055
Total comprehensive income for the period		**422**	**-3,055**	**-16,591**	**-**	**-19,224**
Total transactions with owners, recognised directly in equity	-	226	-	-	-	226
Equity as at December 31, 2014	**30,738**	**24,997**	**-11,220**	**-62,593**	**-**	**-18,078**

Consolidated cash flow statement

	2014 TSEK	2013 TSEK	2014 US$ 000	2013 US$ 000
OPERATING ACTIVITIES				
Receipts from customers	297,481	327,758	42,627	50,316
VAT and other reimbursements	55,507	54,700	8,200	8,397
Payments to suppliers	-259,529	-258,416	-37,735	-39,671
Payments to employees and social taxes	-96,117	-114,329	-14,022	-17,551
Income tax paid	-2	-	-	-
Other taxes paid	-30,307	-17,607	-4,371	-2,703
Net cash flows used in operating activities	**-32,967**	**-7,894**	**-5,301**	**-1,212**
INVESTING ACTIVITIES				
Proceeds from exercise of share options	-	2,082	-	320
Purchase and construction of property plant and equipment	-17,736	-37,852	-2,687	-5,811
Exploration and research work	-4,790	-28,382	-703	-4,357
Investments in joint ventures	-1,113	-2,034	-168	-312
Net cash flows used in investing activities	**-23,639**	**-66,186**	**-3,558**	**-10,160**
FINANCING ACTIVITIES				
Proceeds from borrowings	376,017	331,240	55,217	50,850
Repayment of borrowings	-291,863	-223,705	-42,210	-34,342
Interest paid	-25,690	-21,709	-3,708	-3,333
Lease payments	-15,482	-20,931	-2,263	-3,213
Other finance expenses	-2	-1,372	-	-210
Net cash from financing activities	**42,980**	**63,523**	**7,036**	**9,752**
Net increase in cash and cash equivalents	-13,626	-10,557	-1,823	-1,620
Net foreign exchange difference	7,561	-933	770	-141
Cash and cash equivalents at 1 January	10,776	22,266	1,656	3,417
Cash and cash equivalents at December 31	**4,711**	**10,776**	**603**	**1,656**

Parent company income statement

	Note	2014 TSEK	2013 TSEK	2014 US$ 000	2013 US$ 000
Income					
Other operating income	1a	44,317	13	6,462	2
Operating costs					
Operating costs					
External expenses	4	-5,690	-5,182	-830	-795
Employee benefit expenses	4	-2,848	-3,503	-415	-538
Operating result		**35,779**	**-8,672**	**5,217**	**-1,331**
Financial income	5	15,477	17,756	2,257	2,726
Financial expenses	6	-92,846	-39,335	-13,539	-6,039
Result after financial items		**-41,590**	**-30,251**	**-6,065**	**-4,644**
Tax on this year's results	7	-	-	-	-
Result for the year		**-41,590**	**-30,251**	**-6,065**	**-4,644**
Earnings per share before dilution, (SEK, US $)		-2.34	-1.70	-0.34	-0.26
Earnings per share after dilution, (SEK, US $)		-2.34	-1.70	-0.34	-0.26
Number of shares at the end of the financial year		17,802,429	17,802,429	17,802,429	17,802,429
Average number of shares outstanding during the financial year		17,802,429	17,802,429	17,802,429	17,802,429
Average number of shares outstanding during the financial year after dilution		18,667,480	18,923,755	18,667,480	18,923,755

Parent company statement of comprehensive income

	2014 TSEK	2013 TSEK	2014 US$ 000	2013 US$ 000
Net results for the year	**-41,590**	**-30,251**	**-6,065**	**-4,644**
Other comprehensive income				
Translation difference	-39,534	-11,576	-9,998	-1,742
Total comprehensive income for the year	**-81,124**	**-41,827**	**-16,063**	**-6,386**

Parent company statement of financial position

	Note	31-12-2014 TSEK	31-12-2013 TSEK*	01-01-2013 TSEK*	31-12-2014 US$000	31-12-2013 US$000*	01-01-2013 US$ 000*
NON-CURRENT ASSETS							
Financial non-current assets							
Investments in subsidiaries	12	402,702	376,734	374,055	51,716	57,870	57,396
Investments in joint ventures	13	-	22,280	20,663	-	3,423	3,171
Loans to subsidiaries	22	119,517	148,456	84,883	15,300	22,810	13,028
Total non-current assets		**522,219**	**547,469**	**479,601**	**67,016**	**84,103**	**73,595**
CURRENT ASSETS							
Other current receivables	15	175	199	318	22	31	49
Prepaid expenses	15	116	248	161	15	38	25
Cash and cash equivalents	16	705	5,752	1,193	90	884	183
Total current assets		**996**	**6,199**	**1,672**	**127**	**953**	**257**
TOTAL ASSETS		**523,215**	**553,668**	**481,273**	**67,143**	**85,056**	**73,852**
EQUITY AND LIABILITIES							
EQUITY	17						
Restricted equity							
Share capital		200,277	200,277	198,191	30,738	30,738	30,418
Statutory reserve		68,032	68,032	68,032	10,441	10,441	10,441
Total restricted equity		**268,309**	**268,309**	**266,223**	**41,179**	**41,179**	**40,859**
Unrestricted equity							
Share premium reserve		587,962	585,184	582,506	90,222	89,800	89,389
Translation difference		-100,607	-61,073	-49,497	-19,332	-9,334	-7,596
Retained earnings		-566,522	-536,271	-290,092	-86,950	-82,306	-44,523
Net results for the year		-41,590	-30,251	-246,179	-6,065	-4,644	-37,783
Total unrestricted equity		**-120,757**	**-42,411**	**-3,262**	**-22,125**	**-6,484**	**-513**
TOTAL EQUITY		**147,552**	**225,898**	**262,961**	**19,054**	**34,695**	**40,346**
NON-CURRET LIABILITIES							
Long-term loans	20	340,422	64,872	215,315	43,578	9,967	33,046
Total non-current liabilities		**340,422**	**64,872**	**215,315**	**43,578**	**9,967**	**33,046**
CURRENT LIABILITIES							
Trade and other accounts payable	21	3,091	2,090	2,820	395	321	433
Short-term loans	20	31,938	260,672	-	4,088	40,052	-
Other short-term liabilities		212	136	177	28	21	27
Total current liabilities		**35,241**	**262,898**	**2,997**	**4,511**	**40,394**	**460**
TOTAL EQUITY AND LIABILITIES		**523,215**	**553,668**	**481,273**	**67,143**	**85,056**	**73,852**
PLEDGED ASSETS	23	498,562	305,000	271,903	63,822	46,862	41,731

* Certain amounts shown here do not correspond to the 2013 financial statements and reflect adjustments made as detailed in the restatement paragraph included in this report.

Parent company statement of changes in equity

(All amounts in TSEK)	Share capital	Statutory reserve	Share premium reserve	Translation difference reserve	Retained earnings	Net income for the period	Total equity
Equity as at December 31, 2012	**198,191**	**68,032**	**580,799**	**-49,497**	**-290,092**	**-246,179**	**261,254**
Changes as result of restatement	**-**	**-**	**1,707**	**-**	**-**	**-**	**1,707**
Equity as at January 1, 2013 Restated*	**198,191**	**68,032**	**582,506**	**-49,497**	**-290,092**	**-246,179**	**262,961**
Profit/loss brought forward					-246,179	246,179	
Comprehensive income							
Net profit/loss for the period	-	-	-	-	-	-30,251	-30,251
New share issue	2,086	-	-	-	-	-	2,086
Warrants and options issue	-	-	2,678	-	-	-	2,678
Translation difference	-	-	-	-11,576	-	-	-11,576
Total comprehensive income for the period	**2,086**		**2,678**	**-11,576**		**-30,251**	**-37,063**
Total transactions with owners, recognised directly in equity	2,086	-	2,678	-		-	4,764
Equity as at December 31, 2013 Restated*	**200,277**	**68,032**	**585,184**	**-61,073**	**-536,271**	**-30,251**	**225,898**
Profit/loss brought forward					-30,251	30,251	
Comprehensive income							
Net profit/loss for the period	-	-	-	-	-	-41,590	-41,590
Warrants and options issue	-	-	2,778	-	-	-	2,778
Translation difference	-	-	-	-39,534	-	-	-39,534
Total comprehensive income for the period			**2,778**	**-39,534**		**-41,590**	**-78,346**
Total transactions with owners, recognised directly in equity	-	-	1,489	-	-	-	1,489
Equity as at December 31, 2014	**200,277**	**68,032**	**587,962**	**-100,607**	**-566,522**	**-41,590**	**147,552**

* Certain amounts shown here do not correspond to the 2013 financial statements and reflect adjustments made as detailed in the restatement paragraph included in this report.

Parent company statement of changes in equity

(All amounts in US$ 000)	Share capital	Statutory reserve	Share premium reserve	Translation difference reserve	Retained earnings	Net income for the period	Total equity
Equity as at December 31, 2012	**30,418**	**10,441**	**89,140**	**-7,596**	**-44,523**	**-37,783**	**40,097**
Changes as result of restatement	**-**	**-**	**249**	**-**	**-**	**-**	**249**
Equity as at January 1, 2013 Restated*	**30,418**	**10,441**	**89,389**	**-7,596**	**-44,523**	**-37,783**	**40,346**
Profit/loss brought forward					-37,783	37,783	
Comprehensive income							
Net profit/loss for the period						-4,644	-4,644
New share issue	320						320
Warrants and options issue			411				411
Translation difference				-1,738			-1,738
Total comprehensive income for the period	**320**		**411**	**-1,738**		**-4,644**	**-5,651**
Total transactions with owners, recognised directly in equity	320		411				731
Equity as at December 31, 2013 Restated*	**30,738**	**10,441**	**89,800**	**-9,334**	**-82,306**	**-4,644**	**34,695**
Profit/loss brought forward					-4,644	4,644	
Comprehensive income							
Net profit/loss for the period						-6,065	-6,065
Warrants and options issue			422				422
Translation difference				-9,998			-9,998
Total comprehensive income for the period			**422**	**-9,998**		**-6,065**	**-15,641**
Total transactions with owners, recognised directly in equity			226				226
Equity as at December 31, 2014	**30,738**	**10,441**	**90,222**	**-19,332**	**-86,950**	**-6,065**	**19,054**

* Certain amounts shown here do not correspond to the 2013 financial statements and reflect adjustments made as detailed in the restatement paragraph included in this report.

Parent company cash flow statement

	2014 TSEK	2013 TSEK	2014 US$ 000	2013 US$ 000
OPERATING ACTIVITIES				
Receipts from customers	7	20	1	3
VAT and other reimbursements	823	681	121	105
Payments to suppliers	-5,360	-6,719	-784	-1,031
Payments to employees and Board Members	-2,789	-3,362	-407	-516
Income tax paid	-	-	-	-
Other taxes paid	-130	-33	-20	-5
Net cash flows utilised in operating activities	**-7,449**	**-9,413**	**-1,088**	**-1,444**
INVESTING ACTIVITIES				
Proceeds from exercise of share options	-	2,086	-	320
Loans provided	-26,748	-10,436	-3,750	-1,602
Investments in JV	-1,042	-1,974	-157	-303
Net cash flows utilised in investing activities	**-27,790**	**-10,324**	**-3,908**	**-1,585**
FINANCING ACTIVITIES				
Proceeds from borrowings	43,471	35,453	6,252	5,443
Repayment of borrowings	-13,316	-11,036	-2,029	-1,694
Net cash from financing activities	**30,154**	**24,417**	**4,224**	**3,749**
Net increase in cash and cash equivalents	**-5,085**	**4,680**	**-771**	**719**
Net foreign exchange difference	38	-121	-21	-18
Cash and cash equivalents at January 1	5,752	1,193	883	182
Cash and cash equivalents at December 31	**705**	**5,752**	**90**	**883**

Notes to the consolidated financial statements and parent company accounts

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 with its head office in Sweden. The address of the head office is Tulegatan 2 A, 113 58 Stockholm. Information on the Group's ultimate parent company is presented in Note 25.

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 21, 2015.

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 2014 have been prepared using the historical cost method and are based on accounting principles assuming that the Group will continue to operate in order to carry out its objectives and commitments and will not be liquidated in the foreseeable future.

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, where 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 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

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 will measure the non-controlling interest in the acquiree 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 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 acquisition date through profit or loss. Any contingent consideration to be transferred by the acquirer will be recognised at fair value at acquisition date. Subsequent changes to the fair value of the contingent consideration deemed to comprise an asset or liability will be recognised in accordance with IAS 39 either in profit or loss or as a change in 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 as 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 acquisition date, allocated to each of the Group's cash-generating units 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 in determining the gain or loss on the disposal of the operation. Goodwill disposed of in this manner 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.

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 in the equity of the joint venture, the Group reports its share of any changes and discloses this, as applicable, in the statement of comprehensive income or the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the joint venture are eliminated to the extent corresponding to the holding 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

In 2014, the Group changed its functional currency from the Russian ruble to the US dollar. Starting from January 1, 2014 the carrying value of assets is accounted for in US dollars. 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), having 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

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.

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 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.

At December 31, 2014 the closing rate of 7.8117 SEK per US$ (0.1985 SEK per Rouble at December 31, 2013) was applied. As a result of the SEK depreciation against the US dollar in the second half of 2014, income and expenses were translated using the following average rates, SEK per US$: first half 2014 – 6.5966, Q3 2014 – 6.9448, Q4 2014 – 7.4065 (2013: 0.2046 SEK per Rouble).

(e) Intangible fixed assets

The intangible assets of Auriant Mining Group consist of mining permits (licenses), exploration and evaluation expenditure 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 conducting the work, materials and fuel consumed, depreciation on machinery and equipment used and administrative expenses directly attributable to the 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 site and the 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 acquisition cost 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 indications 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 for 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 recognised as expenses in the "Other expenses" line of consolidated income statement 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 such costs will produce additional performance gains in the mining property resulting in the likelihood of prospective economic benefits, to 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

As part of its mining operations, the Group incurs stripping (waste removal) costs both during the development phase and production phase of its operations. Stripping costs incurred in the development phase of a mine, before the production phase commences (development stripping), are capitalised as part of the cost of constructing the mine and are subsequently, amortised over the mine's useful life applying a units of production method. The capitalisation of development stripping costs ceases when the mine/component is commissioned and ready for use as intended by management.

Stripping costs incurred during the production phase are generally considered to create two benefits, either the production of inventory or improved access to the ore to be mined in the future. Where the benefits are realised in the form of inventory produced in the period, the production stripping costs are accounted for as part of the cost of producing those inventories. Where the benefits are realised in the form of improved access to ore to be mined in the future, the costs are recognised as a non-current asset, referred to as a stripping activity asset, provided the following criteria are met:

a) The future economic benefits (being improved access to the ore body) are probable

b) The component of the ore body for which access will be improved can be accurately identified

c) The costs associated with the improved access can be reliably measured

If all of the criteria are not met, the production stripping costs are charged to profit or loss as operating costs as they are incurred.

In identifying components of the ore body, the Group works closely with the mining operation personnel for each mining operation to analyse each of the mine plans. Generally, a component will comprise a subset of the total ore body, and a mine may have several components. The mine plans, and therefore the identification of components, can vary between mines for a number of reasons. These include, but are not limited to: the type of commodity, the geological characteristics of the ore body and/or the geographical location.

The stripping activity asset is initially measured at cost, which is comprised of the accumulation of costs directly incurred to perform the stripping activity that improves access to the identified component of ore, plus an allocation of directly attributable overhead costs. If incidental operations are occurring at the same time as the production stripping activity, but are not necessary for the production stripping activity to continue as planned, these costs are not included in the cost of the stripping activity asset.

If the costs of the inventory produced and the stripping activity asset are not separately identifiable, a relevant production measure is used to allocate the production stripping costs between the inventory produced and the stripping activity asset. This production measure is calculated for the identified component of the ore body and is used as a benchmark to identify the extent to which the additional activity of creating a future benefit has taken place. In this context the Group applies the expected volume of waste extracted, compared with the actual volume for a given volume of ore production of each component.

The stripping activity asset is, subsequently, depreciated using the units of production method over the life of the identified component of the ore body that became more accessible as a result of the stripping activity. Economically recoverable reserves are used to determine the expected useful life of the identified component of the ore body. The stripping activity asset is, then, carried at cost less depreciation and any impairment losses.

As of December 31, 2014 the Group recognised the stripping assets in the amount of MSEK 24.936 (US$ 3.192 m) (December 31, 2013: MSEK 13.262 (US$ 2.038 m)).

(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 putting 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 the plant will move 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 is not be recoverable, an impairment loss is reported immediately in 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 as expense on "Other expenses" line of consolidated income statement. 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 net realisable value as at 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 as "finished goods". The consolidated statement of financial position also includes an item covering the spare parts, diesel fuel, etc. which are 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.) and ores, stored at the warehouses. Together "finished goods", "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 include 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 counterparty has rendered a service and a contractual liability 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 manner, 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 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 trading in the receivable in question. These are included in current assets, with the exception of items with a maturity date more than 12 months after balance sheet date, which are classified as fixed assets. The Group's loans receivable and trade receivables consist of trade accounts receivables and cash and cash equivalents.

Accounts receivable are short-term and are, therefore, accounted for at nominal value 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 indicatations 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. These items are included in fixed assets if management does not intend to sell the assets 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 is included in other reserves in equity. The Group did not have such assets on both reporting dates.

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 comprised of 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. Borrowings are subsequently carried at amortised cost using the effective interest method. Interest expenses on borrowings to finance the construction of property, plant and equipment are capitalised during the period of time during which it 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; these items 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 in Russia. Input VAT is recoverable against income tax. Where input VAT is not recoverable the VAT provision is reported in the statement of financial position corresponding with the statement of comprehensive income in the 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 the 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 which

the Group produces, a gold ore concentrate, is 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. Consequently, the MRET is reported as a production cost withing operating expenses. The sale of gold is currently not subject to VAT in Russia.

(b) Other income

Any other income not received in the ordinary course of the Group's business 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) Depreciation and amortisation

Intangible fixed assets

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. Amortisation of a license object is initiated when commercial production from that license object has started.

Tangible fixed assets

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

(p) 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 contractual obligation to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits attributable to employee service in the current period and prior periods. Wages, salaries, contributions to the Russian Federation state pension and social security contributions, 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.

(q) Employee incentive programs

In 2013, the Group started to report employee incentive programs. Incentive programs consist of warrants and options to acquire shares, granted to employees. See Corporate Governance Report for further details. The accounting is undertaken in accordance to the standard IFRS 2 "Share-based Payment".

Employee incentive programs are measured at fair value at grant date using the Black-Scholes model and the Monte-Carlo simulation model, depending on the program.

Programs are recognised in consolidated financial statements as personnel costs additional paid in capital. In the Parent Company financial statements programs are recognized as investments and share premium reserve. Each program consists of three tranches with separate vesting periods, i.e. in accounting terms making up 3 separate programs running simultaneously (with a 1, 2 and 3 year vesting periods respectively). The cost is, therefore, recognized linearly for each tranche over the vesting period. When acquired warrants and options are used by employees to acquire shares and the company issues new shares, this is accounted for in the same manner as other share issues.

(r) 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 applying to other assets of a similar nature.

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

(s) 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 applying the present value and based to 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 reporting date represent 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.

(t) Current and deferred income tax

The tax expenses for the period include 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.

Current tax expenses are reported on the basis of the tax regulations determined as at balance sheet date or which, in practice, were determined in the countries in which the Parent Company subsidiaries operate and generate taxable income. Management regularly assesses reporting of income tax returns in terms of situations where the applicable tax regulations are subject to interpretation. Where 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, deferred tax is not recognised if it arises as a consequence of a transaction, comprising the initial recognition of an asset or liability that is not a business combination and which, at date of the transaction, neither affects the reported or taxable result. Deferred income tax is calculated using the tax rates (and legislation) which have been determined or announced on balance sheet date and which 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 when it is probable that the temporary difference will not reverse in the foreseeable future.

(u) Equity

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

(v) Cash flow statement

Cash flows from operating, investing and financing activities are reported using the direct method.
Interest paid and received is classified as financing activities in the cash flow statement.
Cash and cash equivalents are defined as cash and bank balances, as well as short-term investments with a maturity of three months or less from the date of acquisition and which can easily be transformed into cash.

(w) 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 risk, 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 management have the relevant competence. Consequently, 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 on financial instruments is described further in Note 20.

(x) 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 differentiating 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 differenting them from risks associated with activities in other economic environments. Consequently, the Group is considered to have only one operating segment.

NEW AND AMENDED STANDARDS AND INTERPRETATIONS

The Group has applied, for the first time, certain standards and amendments effective beginning on or after
January 1, 2014.
The nature and the impact of each new standard and amendment is described below:

IAS 8.28 Investment Entities (Amendments to IFRS 10, IFRS 12 and IAS 27)

These amendments provide an exception to the consolidation requirement for entities meeting the definition of an investment entity under IFRS 10 Consolidated Financial Statements and must be applied retrospectively, subject to certain transition relief. The exception to consolidation requires investment entities to account for subsidiaries at fair value through profit or loss. These amendments have no impact on the Group, since none of the entities in the Group qualifies to comprise an investment entity under IFRS 10.

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 and the criteria for non-simultaneous settlement mechanisms of clearing houses to qualify for offsetting and is applied retrospectively. These amendments have no impact on the Group as none of the entities in the Group have any offsetting arrangements.

Novation of Derivatives and Continuation of Hedge Accounting – Amendments to IAS 39

These amendments provide relief from discontinuing hedge accounting when novation of a derivative designated as a hedging instrument meets certain criteria and when retrospective application is required. These amendments have no impact on the Group as the Group have no any derivatives.

Recoverable Amount Disclosures for Non-Financial Assets – Amendments to IAS 36 Impairment of Assets

These amendments remove the unintended consequences of IFRS 13 on the disclosures required under IAS 36. In addition, these amendments require disclosure of the recoverable amounts for the assets or cash generating units for which an impairment loss has been recognized or reversed during the period. These amendments are effective retrospectively for annual periods beginning on or after 1 January 2014 with earlier application permitted, provided IFRS 13 is also applied. These amendments have no impact on the Group as none of non-financial assets have been impaired.

IFRIC 21 Levies

IFRIC 21 states that an entity is to report a liability for a levy when the activity triggering payment, according to the relevant legislation, takes place. For a levy that is triggered upon reaching a minimum threshold, the interpretation states that no liability should be anticipated before the specified minimum threshold has been reached. Retrospective application is required for IFRIC 21. This interpretation has no impact on the Group.

Annual Improvements 2010-2012 Cycle

In the 2010-2012 annual improvements cycle, the IASB issued seven amendments to six standards, which included an amendment to IFRS 13 Fair Value Measurement. The amendment to IFRS 13 is effective immediately and, thus, for periods beginning at 1 January 2014, and there is clarification in the Basis for Conclusions that short-term receivables and payables with no stated interest rates can be measured at invoice amounts when the effect of discounting is immaterial. This amendment to IFRS 13 has no impact on the Group.

Annual Improvements 2011-2013 Cycle

In the 2011-2013 annual improvements cycle, the IASB issued four amendments to four standards, which included an amendment to IFRS 1 First-time Adoption of International Financial Reporting Standards. The amendment to IFRS 1 is effective immediately and, thus, for periods beginning at 1 January 2014, and clarifies in the Basis for Conclusions that an entity may choose to apply either a current standard or a new standard that is not yet mandatory, but permits early application, provided either standard is applied consistently throughout the periods presented in the entity's first IFRS financial statements. This amendment to IFRS 1 has no impact on the Group, since the Group is an existing IFRS preparer.

Restatement

In accordance with changes in accounting policy of the Parent Company as a result of the application of the Swedish regulation RFR 2 regarding warrants and options issued in favor of Company's Board of Directors and employees, the financial statements of the Parent Company for the previous period were restated. Adjustments to comparative figures are disclosed below.

Effect of restatement on the Parent Company Statement of Financial position in SEK is as follows:

	Before restatement January 1,2013	Effect of recognition options and warrants	After restatement January 1,2013	Before restatement December 31,2013	Effect of recognition options and warrants	After restatement December 31, 2013
ASSETS	**TSEK**	**TSEK**	**TSEK**	**TSEK**	**TSEK**	**TSEK**
FIXED ASSETS						
Financial fixed assets	477,894	1,707	479,601	543,084	4,385	547,469
Total non-current assets	**477,894**	1,707	479,601	543,084	4,385	547,469
CURRENT ASSETS						
Current receivables	480	-	480	447	-	447
Cash and bank	1,193	-	1,193	5,752	-	5,752
Total current assets	**1,673**		**1,673**	**6,199**		**6,199**
TOTAL ASSETS	**479,566**	**1,707**	**481,273**	**549,283**	**4,385**	**553,668**
EQUITY AND LIABILITIES						
Total equity	261,254	1,707	262,961	221,513	4,385	225,898
Long term liabilities	215,315	-	215,315	64,872	-	64,872
Current liabilities	2,997	-	2,997	262,898	-	262,898
TOTAL EQUITY AND LIABILITIES	**479,566**	**1,707**	**481,273**	**549,283**	**4,385**	**553,668**

The effect of restatement on the Parent Company Statement of Financial Position in US$ is as follows:

	Before restatement January 1,2013	Effect of recognition options and warrants	After restatement January 1,2013	Before restatement December 31,2013	Effect of recognition options and warrants	After restatement December 31, 2013
ASSETS	**US$ 000**	**US$ 000**	**US$ 000**	**US$ 000**	**US$ 000**	**US$ 000**
FIXED ASSETS						
Financial fixed assets	73,346	249	73,595	83,443	660	84,103
Total non-current assets	**73,346**	249	73,595	83,443	660	84,103
CURRENT ASSETS						
Current receivables	74	-	74	69	-	69
Cash and bank	183	-	183	884	-	884
Total current assets	**257**		**257**	**953**		**953**
TOTAL ASSETS	**73,603**	**249**	**73,852**	**84,396**	**660**	**85,056**
EQUITY AND LIABILITIES						
Total equity	40,097	249	40,346	34,035	660	34,695
Long term liabilities	33,046	-	33,046	9,967	-	9,967
Current liabilities	460	-	460	40,394	-	40,394
TOTAL EQUITY AND LIABILITIES	**73,603**	**249**	**73,852**	**84,396**	**660**	**85,056**

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 historical 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, subsequently, 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 of 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.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. 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 with 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 reported. The provision at reporting date represents management's best estimate of present value of future restoration costs. 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 amount of the restoration costs depends on the type of land on 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 indications of impairment exists, a formal estimate of the recoverable amount is made, which is considered to comprise of the higher of fair value less costs to sell and value in use. These assessments require the application 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, applying 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 comprising an individual mining licence, which is the lowest level where cash inflows are largely independent the cash flows of other assets.

An impairment test was carried out on the Group's productive gold assets as at December 31, 2014. 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 1,250 US$/oz and the yield required is 10% 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 2014.

See Note 8 and Note 11 for further details.

An impairment test of significant assets is also performed at Parent Company level. The impairment test is based on a 5-year cash flow model forecasts prepared for Auriant's production units. Cash flows are discounted to their present value using a discount rate reflecting current market assessments of the time value of funds 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 provided by the Parent Company. Where an indicator of impairment exists, i.e. the book value exceeds the net present value of the forecasted cash flow, a respective impairment provision is reported at year end. The outcome of applying of the base assumptions is that no impairment is required at year-end 2014.

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 sufficient taxable earnings in future periods to be able to utilise reported deferred tax assets. Estimates of future taxable income are based on forecasted earnings from operations and on 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 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 secure 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 reporting date, less estimated costs to complete production and to 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 when 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.

NOTE 1
REVENUE

All revenue from sale of gold is generated by Russian entities of the Group. No revenue is generated in Sweden. In 2014 the Group had the single customer – the Russian bank Promsvyazbank.

NOTE 1a
OTHER INCOME AND EXPENSES

	Group		Parent company		Group		Parent company	
	2014 TSEK	2013 TSEK	2014 TSEK	2013 TSEK	2014 US$000	2013 US$000	2014 US$000	2013 US$000
Other operating income								
Services to contractors (rent, accomodation services, other)	3,303	4,900	-	-	480	752	-	-
Stock-take surplus	1,059	1,845	-	-	154	283	-	-
Reversal of provision	371	-	-	-	54	-	-	-
Reversal of site restoration reserve	-	1,808	-	-	-	278	-	-
Waiver of a liability to Tardan Gold LLC	-	-	44,317	-	-	-	6,462	-
Other	462	2,206	-	13	81	339	-	2
Total other operating income	**5,195**	**10,759**	**44,317**	**13**	**769**	**1,652**	**6,462**	**2**

Services to contractors
Services to contractors refers to property rental services to the alluvial operator LLC Urumkan for the entire years 2014 and 2013 and to sales of fuel, and to the provision of accomodation services for major contractors of LLC Tardan, subsidiary of the Group. Other operating income decreased by 53% mainly due to reduction of sales of materials and services provided to our contractors.

Reversal of site restoration reserve
Reversal of site restoration reserve in year 2013 relates to the re-estimation of costs required to eliminate the impact on the environment caused by the mining activities.

	Group		Parent company		Group		Parent company	
	2014 TSEK	2013 TSEK	2014 TSEK	2013 TSEK	2014 US$000	2013 US$000	2014 US$000	2013 US$000
Other operating expenses								
Bad debt expenses, shortage of materials write-off	-3,033	-2,622	-	-	-440	-403	-	-
Penalties to suppliers and to tax authorities	-1,735	-1,091	-	-	-252	-167	-	-
Write-off of net assets of Gold Borzya	-629	-	-	-	-91	-	-	-
Bank fees	-477	-432	-	-	-69	-66	-	-
Impairment of WIP	-	-8,154	-	-	-	-1,252	-	-
Loss on disposals of fixed assets/materials	-	-334	-	-	-	-52		
Other	-465	-1,800	-	-	-67	-276	-	-
Total other operating expenses	**-6,339**	**-14,433**	**-**	**-**	**-919**	**-2,216**	**-**	**-**

Impairment of WIP and fixed assets
Impairment of WIP in 2013 relates to GRE-324 subsidiary, in the amount -8.154 MSEK (US$ -1.252 m), there is no such amount to be reported in 2014.

Write-off net assets of Gold Borzya
Net assets of Gold Borzya have been written off due to the liquidation of the company in May 2014.

NOTE 2
COST OF SALES

	Group		Group	
	2014 TSEK	2013 TSEK	2014 US$000	2013 US$000
Materials	70,801	76,612	10,300	11,761
External expenses	69,745	54,023	10,065	8,295
Employee benefit expenses	68,622	87,555	10,007	13,441
Alluvial operator costs	64,221	79,260	9,223	12,168
Depreciation, amortization and write downs	48,859	51,779	7,099	7,949
Taxes	25,379	25,928	3,637	3,980
Change in stock of finished and semi-finished goods	10,892	6,936	1,707	1,065
Capitilised stripping work	-21,921	-13,262	-3,286	-2,038
Total cost of sales	**336,598**	**368,831**	**48,752**	**56,621**

External expenses increased in line with mining activities.
There was a decrease in employee benefit expenses related to the reduction of the average number of employees at the production units and due to the devaluation of Russian rouble against the US$ dollar in 2014.
The alluvial operator (Uryumkan) costs related to alluvial gold production decreased by MSEK 15.039 (US$ 2.945 m) in line with the reduction of alluvial activity and sales revenue.
Capitalized stripping works in the amount of MSEK 21.921 (US$ 3.286 m) in 2014 and MSEK 13.262 (US$ 2.038 m) in 2013 relate to excess stripping at pits #1 and #3, respectively, at Tardan.

NOTE 3
EMPLOYEE BENEFIT EXPENSES

	Group		Parent company		Group		Parent company	
	2014 TSEK	2013 TSEK	2014 TSEK	2013 TSEK	2014 US$000	2013 US$000	2014 US$000	2013 US$000
Salaries and remuneration in Sweden								
Board of Directors	1,767	2,027	1,328	2,027	260	311	194	311
including stock options and warrants	439	-	-	-	67	-	-	-
Other employees	851	642	851	642	123	99	124	99
	2,618	**2,669**	**2,179**	**2,669**	**383**	**410**	**318**	**410**
Salaries and remuneration in Russia								
CEO and Senior executives	10,207	15,275	-	-	1,503	2,345	-	-
including stock options and warrants	2,037	2,678	-	-	309	411	-	-
Other employees	61,011	80,475	-	-	8,901	12,354	-	-
including stock options and warrants	302	-	-	-	46	-	-	-
	71,218	**95,750**	**-**	**-**	**10,404**	**14,699**	**-**	**-**
Total salaries and remuneration	**73,836**	**98,419**	**2,179**	**2,669**	**10,787**	**15,109**	**318**	**410**
Social security expenses in Sweden								
Board of Directors	401	649	401	649	58	100	58	100
Other employees	268	186	268	186	39	28	39	28
	669	**835**	**669**	**835**	**97**	**128**	**97**	**128**
Social security expenses in Russia								
CEO	467	665	-	-	68	102	-	-
Senior executives	848	745			124	114		
Other employees	16,812	19,256	-	-	2,452	2,957	-	-
	18,127	**20,666**	**-**	**-**	**2,644**	**3,173**	**-**	**-**
Total social security expenses	**18,796**	**21,501**	**669**	**835**	**2,741**	**3,301**	**97**	**128**
Total employee benefit expenses	**92,632**	**119,920**	**2,848**	**3,503**	**13,528**	**18,410**	**415**	**538**

	Group		Parent company	
	2014	2013	2014	2013
Group – Board of Directors and CEO at year-end				
Women	-	-	-	-
Men	6	6	6	5
Group – Management at year-end				
Women	2	1	1	-
Men	4	5	-	-

Number of employees	Total 2014	of which Woman	Total 2013	of which Woman
Average number of employees				
Parent Company in Sweden	1	1	2	1
Subsidiaries in Russia	801	141	869	142
Total for the Group	**802**	**142**	**871**	**143**
Number of employees at year-end				
Parent Company in Sweden	1	1	2	1
Subsidiaries in Russia	788	163	764	141
Total for the Group	**789**	**164**	**766**	**142**

Remuneration and other benefits of the Board* and Senior executives

	2014 TSEK	2013 TSEK	2014 US$000	2013 US$000
Board of directors				
Lord Daresbury (Peter), Chairman of the Board	390	263	58	40
Preston Haskell	244	660	36	101
Ingmar Haga	360	312	53	48
Andre Bekker	335	248	49	38
Bertill Villard	360	146	53	23
James Provoost Smith	78	-	11	-
Sergey Kashuba**	-	46	-	7
Total Board of directors	**1,767**	**1,675**	**260**	**257**
including stock options and warrants	439	-	67	-
Senior Executives* **				
Senior Executives excluding Chief Executive Officer	**6,528**	**6,856**	**958**	**1,053**
Including stock options and warrants	849	527	129	81
Chief Executive Officer - total:	**3,679**	**8,419**	**545**	**1,292**
Payroll	2,490	2,271	364	349
Bonus	-	1,911	-	293
Parent Company shares acquisition	-	2,086	-	320
Stock options and warrants	1,189	2,151	181	330
Total Senior Executives	**10,207**	**15,275**	**1,503**	**2,345**

*Board fees, remuneration of Chief executive Officer and Senior Executives are approved by AGM.
**Board members who left the board of directors of Auriant Mining AB in 2013.
***Senior Executives includes Chief Executive Officer, Chief Financial Officer,Chief Operating Officer, Chief Investment Officer, Chief Geologist, Chief Legal Counsel, Head of HR.
An incentive program for the Group's Board of Directors, senior executives and employees has been established through the issue of stock options and warrants. For a detailed description of the program, please, refer to Note 17.

NOTE 4
GENERAL AND ADMINISTRATIVE EXPENSES

	Group		Parent company		Group		Parent company	
	2014 TSEK	2013 TSEK	2014 TSEK	2013 TSEK	2014 US$000	2013 US$000	2014 US$000	2013 US$000
Employee benefit expenses	24,010	32,365	2,848	3,503	3,521	4,969	415	538
External expenses*	9,617	10,995	5,690	5,182	1,388	1,688	830	795
Depreciation, amortization and write downs	453	235	-	-	67	36	-	-
Total general and administrative expenses	**34,080**	**43,595**	**8,538**	**8,685**	**4,976**	**6,693**	**1,245**	**1,333**

General and administrative expenses relate to the Management Company and Parent Company.
*External expenses include audit servises. For the remuneration to auditors refer the table below

Audit fees

	Group		Parent company		Group		Parent company	
	2014 TSEK	2013 TSEK	2014 TSEK	2013 TSEK	2014 US$000	2013 US$000	2014 US$000	2013 US$000
PWC								
Audit fees	1,183	1,267	1,183	1,267	172	195	172	195
Audit related services	179	105	179	105	26	16	26	16
Tax consultancy services	57	46	57	46	8	7	8	7
Total fees for audit and related services to PWC	**1,419**	**1,418**	**1,419**	**1,418**	**207**	**218**	**207**	**218**
Other audit firms							-	
Statutory audit and related servises	245	264	-	-	36	41	-	-
Total fees for audit and related services to audit firms	**1,664**	**1,682**	**1,419**	**1,418**	**243**	**258**	**207**	**218**

NOTE 5
FINANCIAL INCOME

	Group		Group		Parent company		Parent company	
	2014 TSEK	2013 TSEK	2014 US$000	2013 US$000	2014 TSEK	2013 TSEK	2014 US$000	2013 US$000
Other interest income	-	15	-	2	-	-	-	-
Interest income from Group companies	-	-	-	-	15,477	17,756	2,257	2,726
Total financial income	**-**	**15**	**-**	**2**	**15,477**	**17,756**	**2,257**	**2,726**

NOTE 6
FINANCIAL EXPENSES

	Group		Group		Parent company		Parent company	
	2014 TSEK	2013 TSEK	2014 US$000	2013 US$000	2014 TSEK	2013 TSEK	2014 US$000	2013 US$000
Interest expenses on loans and borrowings	-64,150	-56,554	-9,336	-8,682	-37,659	-37,027	-5,525	-5,684
Interest expenses on leasing	-4,407	-1,985	-640	-305	-	-	-	-
Other interest expenses	-156	-172	-25	-26	-	-	-	-
Total interest expenses	**-68,713**	**-58,711**	**-10,001**	**-9,013**	**-37,659**	**-37,027**	**-5,525**	**-5,684**
Exchange rate differences	-51,725	-13,578	-5,010	-2,084	-55,187	-2,308	-8,014	-355
Total financial expenses	**-120,438**	**-72,289**	**-15,011**	**-11,097**	**-92,846**	**-39,335**	**-13,539**	**-6,039**

NOTE 7
INCOME TAX AND DEFERRED INCOME TAX

	Group		Parent company		Group		Parent company	
	2014 TSEK	2013 TSEK	2014 TSEK	2013 TSEK	2014 US$ 000	2013 US$ 000	2014 US$ 000	2013 US$ 000
Current tax	-	-	-	-	-	-	-	-
Deferred tax	66,114	30,440	-	-	9,671	4,673	-	-
Total	**66,114**	**30,440**	**-**	**-**	**9,671**	**4,673**	**-**	**-**
							-	
Relationship between tax expense and reported profit/loss								
Pre-tax profit/loss	-194,779	-159,404	-41,590	-30,251	-26,262	-24,471	-6,065	-4,644
Tax according to applicable tax rate	41,606	32,486	9,150	6,655	5,624	4,987	1,334	1,022
Tax effect of expenses that are non-deductible for tax purposes	-36,026	-18,630	-8,327	-34	-5,232	-2,860	-1,209	-5
Tax effect of non-taxable income	71,012	23,392	-	-	10,797	3,591	1,416	-
Impairment of deferred tax assets	-192	-320	-	-	-25	-48	-	-
Reversal of deferred tax liability	-	2,126	-	-	-	326	-	-
Adjustments in respect to income tax of previous years	-	-2,213	-	-	-	-340	-	-
Tax effect of loss carry-forwards for which deferred taxes recoverable are not reported	-10,286	-6,401	-823	-6,621	-1,493	-983	-125	-1,017
Total	**66,114**	**30,440**	**-**	**-**	**9,671**	**4,673**	**-**	**-**

The applicable tax rate for the Parent Company is 22%. The applicable tax rate for the Russian subsidiaries is 20%. The main business activities in the Group are carried out in Russia and the applicable tax rate used for the Group is 20%.

	Group			
	31-12-2014	31-12-2013	31-12-2014	31-12-2013
Deferred tax recoverable	**TSEK**	**TSEK**	**US$ 000**	**US$ 000**
Opening deferred tax recoverables	44,130	22,409	6,780	3,439
Change in deferred tax recoverables	65,193	48,842	7,215	7,504
Impairment of deferred tax	-192	-321	-25	-49
Offset of deferred tax asset against deferred tax liabilities	-28,690	-26,800	-3,672	-4,114
Closing deferred tax recoverables	**80,441**	**44,130**	**10,298**	**6,780**

Currently, tax loss carry-forwards in the Parent Company are not reported as deferred tax assets in the balance sheet as it is uncertain whether such tax losses can be utilised based on the managerial nature of the Parent Company. The total tax losses carried forwards in the Parent Company amount to MSEK 82 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 in which the loss incurred.
The Group has three entities with material amounts of deferred tax assets: LLC Tardan Gold, LLC GRE-324, LLC Rudtechnology The majority of the deferred tax assets refere to tax losses carried forward. Based on the forecast, the above companies will generate taxable profits enabling the deferred tax assets on their tax losses carried forward to be utilised within 3 years.

	Group			
	31-12-2014	31-12-2013	31-12-2014	31-12-2013
Deferred tax liability	**TSEK**	**TSEK**	**US$ 000**	**US$ 000**
Opening deferred tax liabilities	19,548	25,298	3,003	3,883
Change in deferred tax liabilities on mining Licences and capitalised work for own account	-2,549	-3,375	-367	-519
Change in deferred tax liabilities on non-current assets	29,222	24,425	3,755	3,753
Offset of deferred tax assets against deferred tax liabilities	-28,690	-26,800	-3,674	-4,114
Total deferred tax liabilities	**17,530**	**19,548**	**2,719**	**3,003**

Deferred tax is calculated on the difference between the 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	
	31-12-2014	31-12-2013	31-12-2014	31-12-2013
All amounts in TSEK	**TSEK**	**TSEK**	**TSEK**	**TSEK**
Opening balance	205,832	175,137	392	392
Capitalized exploration costs	9,903	35,213	-	-
Acquisition of subsidiary	60,426	-	-	-
Reversal of provisions for site restoration	-	-1,441	-	-
Translation diff	14,413	-3,077	-	-
Closing balance	**290,574**	**205,832**	**392**	**392**
Opening balance amortization and write downs	-38,099	-22,952	-392	-392
Amortization for the period	-10,310	-15,147	-	-
Closing amortization and write downs	-48,409	-38,099	-392	-392
Closing net book value	**242,165**	**167,733**	**-**	**-**

	Group		Parent company	
	31-12-2014	31-12-2013	31-12-2014	31-12-2013
All amounts in US$ 000	**US$ 000**	**US$ 000**	**US$ 000**	**US$ 000**
Opening balance	31,626	26,880	60	60
Capitalized exploration costs	1,438	5,410	-	-
Acquisition of subsidiary	8,196	-	-	-
Reversal of provisions for site restoration	-	-221	-	-
Translation difference	-	-443	-	-
Closing balance	**41,260**	**31,626**	**60**	**60**
Opening balance amortization and write downs	-5,854	-3,523	-60	-60
Amortization for the period	-1,478	-2,331	-	-
Closing amortizations and write downs	-7,332	-5,854	-60	-60
Closing net book value	**33,928**	**25,772**	**-**	**-**

Assets are mainly represented by exploration and mine development costs and are held by the Russian subsidiaries of the Group (no assets are held by the Swedish subsidiary). Intangible assets represent a significant portion of the assets in the Group and impairment tests are regularly carried out by management in order to ensure that the recoverable values of these assets is 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, 2014. The most significant portion of the intangible assets refers to the Tardan license area and the Staroverenskaya license area. The key assumptions applied in the test were the price of gold during the test period of 1,250 USD/oz, and a required yield of 10% per year. The result of the impairment tests were that no impairment of the intangible assets is deemed to be required as at December 31, 2014.

NOTE 9
BUILDINGS AND LAND

	Group			
	31-12-2014	31-12-2013	31-12-2014	31-12-2013
	TSEK	TSEK	US$000	US$000
Opening balance	96,661	103,581	14,852	15,897
Purchases	-	898	-	138
Fixed assets put into usage	2,812	-	408	-
Acquisition of subsidiary	332	-	42	-
Internal transfer	-6,371	-164	-981	-25
Disposals	-	-73	-	-11
Translation difference	19,426	-7,581	-	-1,147
Closing balance accumulated acquisition values	**112,860**	**96,661**	**14,321**	**14,852**
Opening balance	-15,818	-10,998	-2,430	-1,688
Depreciation for the financial year	-6,855	-6,186	-995	-950
Disposals	-	73	-	11
Acquisition of subsidiary	-222	-	-28	-
Internal transfer	1,409	43	223	7
Translation difference	-4,624	1,249	-	190
Closing balance accumulated depreciation	-26,110	-15,818	-3,230	-2,430
Closing net book value	**86,750**	**80,843**	**11,091**	**12,422**

NOTE 10

MACHINERY, EQUIPMENT AND OTHER TECHNICAL PLANTS

	Group			
	31-12-2014 TSEK	**31-12-2013 TSEK**	**31-12-2014 US$000**	**31-12-2013 US$000**
Opening balance	241,616	212,315	37,124	32,586
Purchases	13,249	43,346	1,920	6,660
Fixed assets put into usage	5,808	12,768	844	1,962
Acquisition of subsidiary	2,485	-	318	-
Internal transfer	6,371	1,514	981	233
Disposals	-3,274	-9,627	-476	-1,479
Stocktake write-off	-1,669	-1,741	-243	-268
Translation difference	53,928	-16,959	-	-2,569
Closing accumulated acquisition values	**318,514**	**241,616**	**40,468**	**37,124**
Opening balance	-95,012	-81,398	-14,598	-12,493
Depreciation for the financial year	-32,147	-30,681	-4,692	-4,714
Disposals	598	9,200	87	1,414
Acquisition of subsidiary	-1,416	-	-181	-
Internal transfer	-1,409	310	-223	48
Stocktake write-off	201	1,392	29	214
Translation difference	-25,517	6,166	-	934
Closing accumulated depreciation	**-154,702**	**-95,012**	**-19,578**	**-14,598**
Closing residual value according to plan	**163,812**	**146,604**	**20,890**	**22,525**

The increase in tangible assets is mainly explained by the acquisition of new technical equipment in Tardan Gold.

NOTE 11
CONSTRUCTION IN PROGRESS

	Group			
	31-12-2014 TSEK	31-12-2013 TSEK	31-12-2014 US$000	31-12-2013 US$000
Opening balance	19,208	17,948	2,951	2,755
Purchases during the year	3,444	15,870	501	2,438
Fixed assets put into usage	-8,620	-12,835	-1,252	-1,972
Stocktake write-off	-134	-89	-19	-14
Translation difference	4,133	-1,687	-	-257
Closing book value	**18,031**	**19,208**	**2,181**	**2,951**

All tangible fixed assets are held by the Russian subsidiaries and no assets are held by the Swedish Parent Company.
An impairment test was carried out on the Group's productive gold assets as at December 31, 2014. The most significant portion of the tangible assets refers to the Tardan license area and the Staroverenskaya license area. The key assumptions applied in the test were the price of gold during the test period of 1,250 USD/oz, and a required yield of 10% per year. The result of the impairment tests was that no impairment of the tangible assets was deemed to be required as at December 31, 2014.

NOTE 12
SHARES IN GROUP COMPANIES

Subsidiaries	Co. ID	Regd office	Proportion of ordinary shares directly held by Parent (%)	Proportion of ordinary shares held by the group (%)	Book value of shares in subsidiaries on Parent Company
LLC Tardan Gold	1041700563519	Kyzyl	100%	100%	263,356
LLC Uzhunzhul*	1071901004746	Abakan	0%	100%	-
LLC GRE 324	1037542001441	Chita	100%	100%	21,508
LLC Rudtechnologiya	1077530000570	Krasnokamensk	100%	100%	94,123
LLC Auriant Management	1097746422840	Moscow	100%	100%	420
Auriant Cyprus Ltd	334919	Limassol	100%	100%	0
Awilia Enterprises Ltd**	270158	Limassol	30%	100%	23,295
LLC Kara-Beldyr***	1071701001460	Kyzyl	0%	100%	-
Total					**402,702**

* The subsidiary LLC Uzhunzhul is indirectly owned through the subsidiary LLC Tardan Gold; hence no book value for this company is reported in Auriant Mining AB.
** 70% of Awilia Enterprises Ltd is indirectly owned through the subsidiary Auriant Cyprus Ltd.
*** The subsidiary LLC Kara-Beldyr is indirectly owned through the subsidiary, Awilia Enterprises Ltd; hence no book value is reported for this company in Auriant Mining AB.

All subsidiaries are consolidated in the Group. The percentage of voting rights in the subsidiaries owned directly by the Parent Company does not differ from the owned share of common stock.

The investment in subsidiaries represent a significant portion of the assets in the Parent Company. The Group and the Russian subsidiaries of the Parent Company have negative net assets. The Parent Company carries positive net assets. Impairment tests are regularly carried out by the Board and management of Auriant Mining AB in order to ensure that the recoverable value of these assets is not lower than their reported values. The impairment test is carried out through the application of the discounted cash flow model. The model is sensitive to a number of variables and assesments, 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, 2014 the Board and management have not identified any need for impairment of the shares in subsidiaries.

The Company possesses sufficient gold reserves, and plans to decrease costs of sales as production grows and to return to profitability, even in the current low gold price environment. As a result of sharp rouble devaluation at the end of 2014 we expect production costs reduction in short and medium terms perspective.

NOTE 13

SHARES AND INVESTMENTS IN JOINT VENTURES

All amounts in TSEK	Group, carrying amount		Parent company, carrying amount	
Joint ventures	**31-12-2014 TSEK**	**31-12-2013 TSEK**	**31-12-2014 TSEK**	**31-12-2013 TSEK**
Awilia Enterprises Limited*	-	24,705	-	22.280
Total	**-**	**24,705**	**-**	**22,280**

	Group		Parent company	
Changes in book value of the joint venture	**31-12-2014 TSEK**	**31-12-2013 TSEK**	**31-12-2014 TSEK**	**31-12-2013 TSEK**
Opening balance	24,705	23,969	22,280	20,663
Investment in joint ventures	1,016	1,616	1,015	1,617
Reclassification to investments due to acquisition of subsidiary*	-25,577	-	-23,295	-
Profit/loss from joint ventures	-144	-880	-	-
Closing balance	**-**	**24,705**	**-**	**22,280**

All amounts in US$ 000	Group, carrying amount		Parent company, carrying amount	
Joint ventures	**31-12-2014 US$ 000**	**31-12-2013 US$ 000**	**31-12-2014 US$ 000**	**31-12-2013 US$ 000**
Awilia Enterprises Limited*	-	3,796	-	3,423
Total	**-**	**3,796**	**-**	**3,423**

	Group		Parent company	
Changes in book value of the joint venture	**31-12-2014 US$ 000**	**31-12-20123 US$ 000**	**31-12-2014 US$ 000**	**31-12-2013 US$ 000**
Opening balance	3,796	3,679	3,423	3,171
Investments in joint ventures	130	248	130	248
Reclassification to investments due to acquisition of subsidiary	-3,927	-	-2,982	-
Profit/loss from joint venture	-22	-135	-	-
Translation difference	23	4	-571	4
Closing balance	**-**	**3,796**	**-**	**3,423**

* Awilia Enterprises Ltd. is a Joint Venture company with Centerra Gold Inc, registered in Cyprus. Awilia owns 100% of LLC Kara Beldyr, the company in which the joint venture operations are carried out in Russia.
In October 29, 2014 Auriant Mining increased it's stake in Awilia Enterprises Ltd (Kara-Beldyr joint venture) to 100% by acquiring Centerra Gold's 70% stake for a net smelter royalty of 3.5 % on the future revenue from this gold deposit.

The interest in this joint venture is accounted for using the equity method untill October 29, 2014.
Summarised financial statement information (100% share) for the joint venture, based on its IFRS statement of financial position, and the reconciliation with the carrying amount of the investment as reported in the Group's consolidated financial statement are shown below:

	01-01-2014-29-10-2014 TSEK	2013 TSEK	01-01-2014-29-10-2014 US$ 000	2013 US$ 000
Sales and other operating revenues	9	6	1	1
Interest income	-	1	-	-
Depreciation and amortisation	-15	-22	-2	-3
Other expenses	-872	-3,259	-130	-501
Other financial income and expenses	97	-	13	-
Profit before income tax	**-781**	**-3,274**	**-118**	**-503**
Income tax expenses	-	-	-	-
Deferred tax	301	341	45	52
Profit for the year	**-480**	**-2,933**	**-73**	**-451**
Group's share of profit for the year	**-144**	**-880**	**-22**	**-135**
Current assets	1,117	2,040	153	314
Non-current assets	51,955	57,238	7,075	8,794
Total assets	**53,072**	**59,278**	**7,228**	**9,108**
Current liabilities	58	325	8	50
Non-current liabilities	-	-		
Total liabilities	**58**	**325**	**8**	**50**
Net assets	**53,014**	**58,953**	**7,220**	**9,058**
Proportion of the Group's ownership	30%	30%	30%	30%
Carrying amount of investment in consolidated statement of financial position	**15,904**	**17,686**	**2,166**	**2,717**
2010: Gain on disposal of Kara-beldyr, 50%	7,762	7,762	1,193	1,193
Translation differnce	1,911	-743	568	-114
Total	**25,577**	**24,705**	**3,927**	**3,796**

NOTE 14
INVENTORIES

	Group			
	31-12-2014 TSEK	31-12-2013 TSEK	31-12-2014 US$000	31-12-2013 US$000
Raw materials and consumables, gross	10,430	19,868	1,335	3,053
Impairment of raw materials and consumables	-	-1,589	-	-244
Raw materials and consumables, net	10,430	18,279	1,335	2,809
Finished goods	321	712	41	109
Work in progress*	27,028	42,424	3,460	6,518
Total	**37,779**	**61,415**	**4,836**	**9,436**

The cost of inventories recognised as an expense totalled MSEK 70.801 (US$ 10.300 m) (2013: MSEK 76.612 (US$ 11.761 m)).
*The amount as of December 31, 2013 includes impairment, -8.154 MSEK (US$ -1.252 m); there is no such amount to be reported in 2014

NOTE 15
OTHER CURRENT RECEIVABLES AND PREPAID EXPENSES

	Group		Parent company	
All amounts in TSEK	31-12-2014 TSEK	31-12-2013 TSEK	31-12-2014 TSEK	31-12-2013 TSEK
VAT receivables*	30,503	33,298	145	167
Other current receivables	526	2,077	30	32
Total other current receivables	**31,029**	**35,375**	**175**	**199**
Prepaid expenses	5,285	5,368	116	248
Total prepaid expenses	**5,285**	**5,368**	**116**	**248**

	Group		Parent company	
All amounts in US$ 000	31-12-2014 US$000	31-12-2013 US$000	31-12-2014 US$000	31-12-2013 US$000
VAT receivables*	3,905	5,116	18	26
Other current receivables	67	319	4	5
Total other current receivables	**3,972**	**5,435**	**22**	**31**
Prepaid expenses	677	825	15	38
Total prepaid expenses	**677**	**825**	**15**	**38**

* The sale of gold is subject to 0% output VAT, but the purchase of most materials are subject to input VAT at 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 are presented by advances paid out to suppliers for materials and services to be provided in 2015 during the normal course of the Group's business.

NOTE 16
CASH AND CASH EQUIVALENTS

	Group		Parent company	
All amounts in TSEK	**31-12-2014 TSEK**	**31-12-2013 TSEK**	**31-12-2014 TSEK**	**31-12-2013 TSEK**
Cash at bank	4,711	10,776	705	5,752
Total cash and cash equivalents	**4,711**	**10,776**	**705**	**5,752**

	Group		Parent company	
All amounts in US$ 000	**31-12-2014 US$000**	**31-12-2013 US$000**	**31-12-2014 US$000**	**31-12-2013 US$000**
Cash at bank	603	1,656	90	884
Total cash and cash equivalents	**603**	**1,656**	**90**	**884**

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

a) Before dilution

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			
All amounts in TSEK	**2014 TSEK**	**2013 TSEK**	**2014 US$ 000**	**2013 US$ 000**
Loss attributable to the Parent Company's shareholders	-128,665	-128,964	-16,591	-19,798
Weighted average number of ordinary shares	17,802,429	17,802,429	17,802,429	17,802,429
Earnings per share, SEK, US$	-7.23	-7.24	-0.93	-1.11

b) After dilution

In November 2012, the Extraordinary General Meeting established an incentive program for the Group's Chief Executive Officer Denis Alexandrov, and Chief Investment Office, Max Yacoub, through the issue of warrants with the right to subscribe for shares, in the amount of 1,057,210.
In April 2013, the Chief Executive Officer, Denis Alexandrov, exercised 185,442 options and subscribed to 185,442 shares. The Annual General Meetings in 2014 and 2013 resolved on an incentive program for the Board Members, members of management and other key employees though the issue of stock options with the right to subscribe to shares, in the amount of 860,000 (2013 - 545,000). During 2013 and 2014, some participants in the program resigned from the Group and 326,667 of the stock options were canceled. A total of 220,000 of the stock options expired and not exercised in 2014. The average number of shares outstanding for the period after dilution was 18,667,480.

c) Number of shares outstanding, quotient value per share, and the limits of equity capital

At 2014 and 2013 year-ends, the number of shares was as follows:

	Group		Parent Company	
Number of shares	**2014**	**2013**	**2014**	**2013**
Opening balance	17,802,429	17,616,987	17,802,429	17,616,987
New share issues during the period	-	185,442	-	185,442
Number of shares outstanding at each year-end	17,802,429	17,802,429	17,802,429	17,802,429
Share capital quotient value SEK 11,25 per share	**200,277,326**	**200,277,326**	**200,277,326**	**200,277,326**
Share capital in US $	**30,738,429**	**30,738,429**	**30,738,429**	**30,738,429**

The share capital limits at the 2014 year-end, according to the Articles of Association, were not less than TSEK 150,000 and not more than TSEK 600,000. The limit on the the 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 2014 is 17,802,429.

NOTE 18
PROVISIONS

	Group			
	31-12-2014 TSEK	**31-12-2013 TSEK**	**31-12-2014 US$000**	**01-01-2013 US$000**
Opening provision for restoration costs	8,297	11,825	1,275	1,815
Additional provisions during the year	901	214	122	33
Reversal of provision for site restoration	-	-3,742	-	-573
Translation difference	-2,591	-	-551	-
Total provisions	**6,607**	**8,297**	**846**	**1,275**

The provision for restoration costs referring to the Tardan license area is estimated to be utilised at the end of the mining license period, 2032. The provision relating to the Starovereenskaya 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 have their 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 the technical specialists assessment 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, BONDS AND NOTES

	Group					
All amounts in TSEK	**31-12-2014 TSEK**	**31-12-2014 US$ 000**	**Effective interest rate in 2014**	**31-12-2013 TSEK**	**31-12-2013 US$ 000**	**Effective interest rate in 2013**
Bond payable, USD	339,528	43,464	12.6%	-	-	-
Long-term loans payable, USD	130,729	16,735	9.0-10.5%	31,432	4,829	9.1%
Long-term notes payable, RUR	2,802	359	-	4,006	615	-
Total long-term loans, notes and bond	**473,059**	**60,558**		**35,438**	**5,444**	
Bond payable, USD	-	-	-	247,879	38,086	16.0%
Short-term loans received, RUR	-	-	-	47,595	7,313	12.5%
Short-term loans received, USD	252,666	32,344	7.5-10.5%	155,649	23,915	7.0-9.0%
Total short-term loans and bond	**252,666**	**32,344**		**451,123**	**69,314**	

NOTE 20

FINANCIAL ASSETS, LIABILITIES AND RISKS

This Note contains information regarding financial assets and liabilities, including the risks in the financial instruments to which the Group is exposed.
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	
All amounts in TSEK	**31-12-2014 TSEK**	**31-12-2013 TSEK**	**31-12-2014 TSEK**	**31-12-2013 TSEK**
Bonds payable	339,528	-	339,528	-
Notes and loans payable	133,531	35,437	-	-
Leases payable	13,757	18,651	-	-
Other long-term liabilities	38,343	894	894	64,872
Total long-term financial liabilities	**525,159**	**54,982**	**340,422**	**64,872**
Bonds payable	-	247,879	-	247,879
Loans payable	252,666	203,244	31,938	12,793
Leases payable	5,882	6,722	-	-
Accounts payable-trade	17,743	25,647	1,850	782
Other current liabilities	13,070	22,315	1,130	1,342
Total short-term financial liabilities	**289,361**	**505,807**	**34,918**	**262,796**

	Group		Parent company	
All amounts in US$ 000	**31-12-2014 US$ 000**	**31-12-2013 US$ 000**	**31-12-2014 US$ 000**	**31-12-2013 US$ 000**
Bonds payable	43,464	-	43,464	-
Notes and loans payable	17,094	5,444	-	-
Leases payable	1,761	2,866	-	-
Other long-term liabilities	5,214	138	114	9,967
Total long-term financial liabilities	**67,533**	**8,448**	**43,578**	**9,967**
Bonds payable	-	38,086	-	38,086
Loans payable	32,345	31,228	4,088	1,966
Leases payable	753	1,033	-	-
Accounts payable-trade	2,271	3,941	237	120
Other current liabilities	1,673	3,429	145	206
Total short-term financial liabilities	**37,042**	**77,716**	**4,470**	**40,378**

A maturity analysis for the total contractual, undiscounted cash flows is presented below (TSEK):

	2015 TSEK	2016 TSEK	2017 TSEK	2018 TSEK	after 2018 TSEK
Bank loans	252,666	65,364	65,364	-	-
Bonds payable	-	-	-	339,528	-
Notes payable	-	-	-	-	2,802
Leases liabilities	5,882	6,034	5,794	1,929	-
Other long term liabilities	-	-	-	-	38,343
Accounts payable-trade	17,743	-	-	-	-
Other current liabilities	13,070	-	-	-	-
Total	**289,361**	**71,398**	**71,159**	**341,458**	**41,145**

A maturity analysis for the total contractual, undiscounted cash flows is presented below (US$ 000):

	2015 US$ 000	2016 US$ 000	2017 US$ 000	2018 US$ 000	after 2018 US$ 000
Bank loans	32,345	8,368	8,368	-	-
Bonds payable	-	-	-	43,464	-
Notes payable	-	-	-	-	359
Leases liabilities	753	772	742	246	-
Other long term liabilities	-	-	-	-	5,214
Accounts payable-trade	2,271	-	-	-	-
Other current liabilities	1,673	-	-	-	-
Total	**37,042**	**9,140**	**9,109**	**43,711**	**5,573**

Fair and carrying values of financial liabilities, TSEK	31-12-2014 TSEK Fair value	31-12-2014 TSEK Carrying amount	31-12-2013 TSEK Carrying amount	31-12-2013 TSEK Fair value
Accounts payable-trade	17,743	17,743	25,647	25,647
Other current and long-term liabilities	51,413	51,413	23,209	23,209
Bonds payable	339,528	339,528	247,879	247,879
Loans payable	383,395	383,395	234,676	234,676
Notes payable	2,802	2,802	4,006	4,006
Leases payable	19,640	19,640	25,373	25,373
Total financial liabilities	**814,521**	**814,521**	**560,789**	**560,789**

Fair and carrying values of financial liabilities, US$ 000	31-12-2014 US$ 000 Fair value	31-12-2014 US$ 000 Carrying amount	31-12-2013 US$ 000 Carrying amount	31-12-2013 US$ 000 Fair value
Accounts payable-trade	2,271	2,271	3,941	3,941
Other current and long-term liabilities	6,581	6,581	3,566	3,566
Bonds payable	43,464	43,464	38,086	38,086
Loans payable	49,080	49,080	36,057	36,057
Notes payable	359	359	615	615
Leases payable	2,514	2,514	3,898	3,898
Total financial liabilities	**104,269**	**104,269**	**86,164**	**86,164**

Maturity structure of financial liabilities as at December 31, 2014	< 1 year from reporting date, TSEK	> 1 - < 5 years from reporting date, TSEK	> More than 5 years, TSEK	> 1 year from reporting date, US$000	> 1 - < 5 years from reporting date, US$000	> More than 5 years, US$000
Accounts payable-trade	17,743	-	-	2,271	-	-
Other liabilities	13,070	-	38,343	1,673	-	5,214
Bonds payable	-	339,528	-	-	43,464	-
Loans payable	252,666	130,729	-	32,345	16,735	-
Notes payable	-	-	2,802	-	-	359
Leases payable	5,882	13,757	-	753	1,761	-
Total financial liabilities	**289,361**	**484,014**	**41,145**	**37,042**	**61,960**	**5,573**

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

Finance lease liabilities are payable as follows:

	Group					
	31-12-2014 TSEK	31-12-2014 TSEK	31-12-2014 TSEK	31-12-2014 US$ 000	31-12-2014 US$ 000	31-12-2014 US$ 000
	Minimum lease payments	Interest	Present value of payments	Minimum lease payments	Interest	Present value of payments
Less than one year	9,092	3,210	5,882	1,164	411	753
Between one and five years	16,472	2,715	13,757	2,109	348	1,761
Total	**25,564**	**5,925**	**19,639**	**3,273**	**759**	**2,514**

Financial assets disclosures

Cash and cash equivalents, TSEK	31-12-2014 TSEK Fair value	31-12-2014 TSEK Reported value	31-12-2013 TSEK Reported value	31-12-2013 TSEK Fair value
Cash and cash equivalents in SEK	56	56	270	270
Cash and cash equivalents in USD	4,566	4,566	6,062	6,062
Cash and cash equivalents in RUR	89	89	4,444	4,444
Total cash and cash equivalents	**4,711**	**4,711**	**10,776**	**10,776**

Cash and cash equivalents, US$ 000	31-12-2014 US$000 Fair value	31-12-2014 US$000 Reported value	31-12-2013 US$000 Fair value	31-12-2013 US$000 Reported value
Cash and cash equivalents in SEK	7	7	42	42
Cash and cash equivalents in USD	584	584	931	931
Cash and cash equivalents in RUR	12	12	683	683
Total cash and cash equivalents	**603**	**603**	**1,656**	**1,656**

Fair and carrying values of financial assets

All amounts in TSEK	31-12-2014 TSEK Fair value	31-12-2014 TSEK Reported value	31-12-2014 TSEK Maximum credit risk	31-12-2013 TSEK Fair value	31-12-2013 TSEK Reported value	31-12-2013 TSEK Maximum credit risk
Accounts receivable trade	318	318	318	395	395	395
Less provisions for impairment of trade receivables	-	-	-	-	-	-
Accounts receivable, net	318	318	318	395	395	395
Other current receivables	526	526	526	2,077	2,077	2,077
Cash and cash equivalents	4,711	4,711	-	10,776	10,776	-
Total financial assets	**5,555**	**5,555**	**844**	**13,248**	**13,248**	**2,472**

All amounts in US$ 000	31-12-2014 US$ 000 Fair value	31-12-2014 US$ 000 Reported value	31-12-2014 US$ 000 Maximum credit risk	31-12-2013 US$ 000 Fair value	31-12-2013 US$ 000 Reported value	31-12-2013 US$ 000 Maximum credit risk
Accounts receivable trade	41	41	41	65	65	65
Less provisions for impairment of trade receivables	-	-	-	-	-	-
Accounts receivable, net	41	41	41	65	65	65
Other current receivables	67	67	67	319	319	319
Total cash and cash equivalents	603	603	-	1,656	1,656	-
Total financial assets	**711**	**711**	**108**	**2,040**	**2,040**	**384**

The fair value of the financial instruments is included at the price that would be received in selling an asset or which would be paid to transfer a liability in an orderly transaction between market participants at measurement date. The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments measured at fair value by applying the the valuation technique:
Level 1: Quoted (unadjusted) prices in active markets for identical assets or liabilities
Level 2: Other techniques for which all inputs having a significant effect on the recorded fair value are observable, either directly or indirectly
Level 3: Techniques which use inputs having a significant effect on the recorded fair value that are not based on observable market data
All financial instruments measured at fair value use Level 2 valuation techniques in both years. There have been no transfers between fair value levels during the reporting period.

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 the 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. Consequently, the Company works proactively by carrying out suitable measures to counteract and manage these 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
Through its activities, the Group is exposed 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 this currency and gold price risk. However, under certain circumstances, e.g. if lending banks require hedging or if the Board of Directors considers hedging to be warranted, these risks can be limited, e.g. through 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 Group in 2014 is US dollar (in 21013 – 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 7.8117 SEK per US$ (0.1985 SEK per Rouble at December 31, 2013). As a result of the SEK depreciation against the US dollar in the second half of 2014, income and expenses were translated using the following average rates, SEK per US$: first half of 2014 – 6.5966, Q3 2014 – 6.9448, Q4 2014 – 7.4065 (2013: 0.2046 SEK per Rouble). The translation differences are recognised as a separate component of Other comprehensive income and the cumulative effect is included in other reserves in equity.

Group financial assets and liabilities by currency:

All amounts in TSEK	31-12-2014 TSEK SEK	31-12-2014 TSEK US$	31-12-2014 TSEK RUR	31-12-2014 TSEK Total
Cash and cash equivalents	56	4,566	89	4,711
Trade accounts receivable	-	-	318	318
Other current receivables	30	-	526	556
Total financial assets	**86**	**4,566**	**933**	**5,585**
Accounts payable-trade	1,850	-	15,893	17,743
Other current and long term liabilities	2,024	37,450	11,940	51,413
Bonds payable	-	339,528	-	339,528
Loans payable	-	383,395	-	383,395
Notes payable	-	-	2,802	2,802
Leases payable	-	-	19,640	19,640
Total financial liabilities	**3,874**	**760,373**	**50,275**	**814,522**
Net financial items	**-3,788**	**-755,807**	**-49,342**	**-808,937**

All amounts in US$ 000	31-12-2014 US$ 000 SEK	31-12-2014 US$ 000 US$	31-12-2014 US$ 000 RUR	31-12-2014 US$ 000 Total
Cash and cash equivalents	7	584	12	603
Trade accounts receivable	-	-	41	41
Other current receivables	4	-	67	71
Total financial assets	**11**	**584**	**120**	**715**
Accounts payable-trade	237	-	2,034	2,271
Other current and long term liabilities	259	5,100	1,528	6,887
Bonds payable	-	43,464	-	43,464
Loans payable	-	49,080	-	49,080
Notes payable	-	-	359	359
Leases payable	-	-	2,514	2,514
Total financial liabilities	**496**	**97,644**	**6,435**	**104,575**
Net financial items	**-485**	**-97,060**	**-6,315**	**-103,860**

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

RUR 31-12-2014 Changes in Exchange rate, %	RUR 31-12-2014 Effect on loss Before income tax, TSEK	RUR 31-12-2014 Effect on loss Before income tax, US$ 000	USD 31-12-2014 Changes in Exchange rate, %	USD 31-12-2014 Effect on loss Before income tax, TSEK	USD 31-12-2014 Effect on loss Before income tax, US$ 000
10%	Increase by 4,934	Increase by 632	10%	Increase by 75,820	Increase by 9,706
-10%	Decrease by 4,934	Decrease by 632	-10%	Decrease by 75,820	Decrease by 9,706

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 the sale of gold at a London market spot price agreed upon with the buyer, as well as on a 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 gold prices fluctuate 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 29,748	Decrease by 4,262
-10%, other things being equal	Increase by 29,748	Increase by 4,262

a2) Time lapse
This exposure is primarily refers 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, the transport of workers to remote production sites, etc. This implies that a large proportion of the current year's production costs is 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. As a result, the final price of the gold sold (the sales value) can differ significantly 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 are comprised of loans in Russian banks 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 an interest rate risk.
b) Credit risk
As a rule, surplus liquidity is to be 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 the large, licensed, gold purchasing Russian banks. Payment is usually received within the date of the sales transaction. Auriant has quite small amounts of accounts receivable from parties other than the Russian banks who are subject to bad debt risk. Provisions for bad debts are reported based on the individual estimation of possible payment from each counterparty.
c1) Liquidity risk
Auriant Mining Group is in an early development stage, and, therefore, requires continued high levels of capital expenditure. Funds for these investments cannot only be obtained from internally generated income. The Company's growth, therefore, remains dependent on external financing. External financing may be secured in the form of borrowing or via a capital injection. For companies in an early stage, equity financing is the most common method. Since its formation, the Company has executed preferential or directed new share issues on several occasions. The successful execution of share issues is, however, and 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. Having a positive credit history, Auriant has strengthened its relationships with the banks, which results in confidence in continued further successful cooperation. Due to production seasonality there is a possibility of cash liquidity deficiency in the first half of 2015, which is intended to be covered by short term bank loans repayable till the end of 2015.
c2) Capital risk
Issues concerning capital risk, the 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 in 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 2014, the Group's equity/assets ratio, is at -22.5%, which is insifficient. The Auriant Board of Directors is working actively to strengthen the equity ratio of the Group.

NOTE 21

TRADE AND OTHER ACCOUNTS PAYABLE

	Group		Parent company	
All amounts in TSEK	**31-12-2014 TSEK**	**31-12-2013 TSEK**	**31-12-2014 TSEK**	**31-12-2013 TSEK**
Accounts payable-trade	17,744	25,647	1,752	782
Accrued fees	2,670	741	706	695
Accrual for employee benefit expenses	2,025	8,917	633	613
Total trade and other accounts payable	**22,439**	**35,304**	**3,091**	**2,090**

	Group		Parent company	
All amounts in US$ 000	**31-12-2014 US$000**	**31-12-2013 US$000**	**31-12-2014 US$000**	**31-12-2013 US$000**
Accounts payable-trade	2,271	3,941	224	120
Accrued fees	342	114	90	107
Accrual for employee benefit expenses	259	1,369	81	94
Total trade and other accounts payable	**2,872**	**5,424**	**395**	**321**

NOTE 22
LOANS TO SUBSIDIARIES

	Parent company			
	31-12-2014 TSEK	31-12-2013 TSEK	31-12-2014 US$000	31-12-2013 US$000
Opening balance	148,456	84,883	22,810	13,042
Reclassifications	-	63,978	-	9,830
Loans during the year	26,746	10,426	3,900	1,602
Accrued interest	15,477	17,756	2,257	2,728
Repaid during the year	-14,340	-17,036	-2,091	-2,618
Translation difference	-56,822	-11,551	-11,576	-1,774
Closing book value	**119,517**	**148,456**	**15,300**	**22,810**

Loans to subsidiaries represent a significant portion of total assets in the Parent Company, and impairment tests are regulary carried out by the management of the Parent Company in order to determine whether the recoverable value of these assets is lower than their reported values. The impairment test performed at December 31, 2014 did not indicate a need for impairement of loans granted and investments to subsidiary companies.

NOTE 23
PLEDGED ASSETS

	Group		Parent company	
Pledged assets, TSEK	31-12-2014 TSEK*	31-12-2013 TSEK	31-12-2014 TSEK	31-12-2013 TSEK
Fixed assets	-	48,619	-	-
Shares in subsidiaries	-	-	378,995	258,383
Receivables with subsidiaries	-	-	119,517	46,567
Pledged bank accounts	-	50	50	50
Total	**-**	**48,669**	**498,562**	**305,000**

	Group		Parent company	
Pledged assets, US$ 000	31-12-2014 US$000*	31-12-2013 US$000	31-12-2014 US$000	31-12-2013 US$000
Fixed assets	-	7,470	-	-
Shares in subsidiaries	-	-	48,516	39,700
Receivables on subsidiaries	-	-	15,300	7,154
Pledged bank accounts	-	8	6	8
Total	**-**	**7,478**	**63,822**	**46,862**

*The 100% shares in all production companies are pledged under the loan agreements with Promsvyazbank. The amount of pledged assets as of December 31, 2014 is zero due to the fact that the net assets of production companies are negative.

All assets, except bank accounts in Sweden, are pledged under the US$ loan agreements with Promsviazbank, concluded in 2013 by Tardan Gold and Gre-324.

NOTE 24
BUSINESS COMBINATIONS

Acquisitions
In October 2014, the Group successfully executed the acquisition of the outstanding 70% interest in Kara-Beldyr from Canada's Centerra Gold Inc. and increased it's share in Kara-Beldyr to 100%. As consideration in this transaction, Auriant Mining will pay Centerra Gold a Net Smelter Royalty of 3.5% on any mineral revenues from Kara-Beldyr in the future. As a result, the Company accrued long-term payables totalling MSEK 37 (US$ 5.1 m) as consideration to Centerra Gold Inc. as of December 31, 2014. Please, refer to Note 13 above for details.
The Group did not make any acquisitions in 2013.

Disposals
As alluvial gold production is outsourced, the alluvial mining company, LLC "Gold Borzya", the Group subsidiary, was liquidated in May 2014. The effect of the liquidation of the subsidiary is not sugnificant. There were no disposals in 2013.

NOTE 25
TRANSACTIONS WITH RELATED PARTIES

The majority shareholder and the ultimate Parent Company of Auriant AB is Bertil Holdings Limited owning approximately 53% of the shares in the Company. Bertil Holdings Limited is a company controlled by the Mr. Preston Haskell who is Auriant's ultimate controlling party. The remaining 47% of the shares in Auriant are held by approximately 3,000 shareholders.

Financing

Auriant Mining AB has restructured the terms of the shareholder loan with Golden Impala, an entity affiliated to and controlled by Mr.Preston Haskell (Auriant Mining's main shareholder), on the following terms. Starting from May 2014, the interest rate is reduced to 10% per annum. The interest will be accrued and paid out at maturity which was extended to December 31, 2018. The bond liability to Golden Impala as of December 31, 2014 is MSEK 339.528 (US$ 43.464 m).
During the first half of 2014, the Company fully repaid the loan to the shareholder, Mr. Preston Haskell, totalling MSEK 13.316 (US $ 2.039 m). In the second half of 2014 the Company received a new loan from Mr. Preston Haskell in the amount 31.283 MSEK (US $ 4.000 m). Accrued interest on the new loan during the period was MSEK 0.654 (US $ 0.088 m).The loan liability to Mr. Preston Haskell as of December 31, 2014 is MSEK 31.938 (US$ 4.088 m).
Accrued interest expenses for transactions with related parties in 2014 amounted to MSEK -37.659 (US$ -5.525 m).

Financing Golden Impala	TSEK	US$000
Opening balance, including interest	247,422	38,086
Loans received during the period	-	-
Interest accrued during the period	36,648	5,378
Loans repaid during the period including interests	-	-
Exchange rate differences	55,458	-
Outstanding debt, including interest	**339,528**	**43,464**

Financing from shareholder	TSEK	US$000
Opening balance, including interest	12,793	1,966
Loans received during the period	31,283	4,000
Interest accrued during the period	1,011	147
Loans repaid during the period, including interest	-13,316	-2,039
Exchange rate differences	167	14
Outstanding debt, including interest	**31,938**	**4,088**

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

	Group					
	2014 TSEK	2013 TSEK	2014 US$ 000		2013 US$ 000	
Interest expenses with related parties:						
Interest paid to companies controlled by the ultimate controlling party	36,648	36,534	5,378		5,609	
Shareholders	1,011	492	147		76	
Balances with related parties at the end of the year						
Liabilities to						
Companies related to the ultimate controlling party	341,371	249,571	43,700		38,346	
Shareholders	31,938	12,793	4,088		1,966	

For information regarding remuneration to the Board and Senior Executive please refer to Note 3

NOTE 26

SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

Auriant Mining AB received from Aristus Holdings Ltd. an option to purchase a 50% interest in five gold properties located in Russia's Chukotka region, including Valunisty - a producing gold mine with overall C1 + C2 reserves of around 20 tonnes of gold equivalent. As part of the deal, the Company entered into a legally binding agreement with Aristus Holdings Ltd. to manage and develop these assets over the next 3 years. The Company will receive a fixed management fee of US$ 1.2 m p. a. and up to US$ 2.4 m annual bonus linked to the fulfilment of certain production and financial targets.

In March 2015, the Company principally agreed with the controlling shareholder to reduce the effective interest rate on the bond from 10% to 2% and to grant an option to the shareholder to redeem US$ 20 m of the bond outstanding amount in form of cash or in the form of new shares issue, or both. In case of full conversion of bond liability (including interest to be accrued on the bond until December 31, 2018 at the rate of 2% p.a., which will amount to US$ 21.6 m) a total of 51,581,342 shares are to be issued. The agreement is subject to Annual General Meeting approval. The conversion date is any date at the discretion of the shareholder from the date of approval by the Annual General Meeting until December 31, 2018.

Board Assurance

The Board of Directors and the Chief Executive Officer confirm that the consolidated financial statements and the annual report have been prepared in accordance with International Financial Reporting Standards, IFRS, as adopted by the EU and that they provide 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 provide 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, provide a true and fair view of the Group's and the Parent Company's activities, results and financial position, and describe significant risks and areas of uncertainty faced by the Parent Company and the companies within the Group.

Stockholm, April 21, 2015

Lord Daresbury
Chairman of the Board

Andre Bekker
Board Member

Preston Haskell
Board Member

Ingmar Haga
Board Member

Bertil Villard
Board Member

James Provoost Smith
Board Member

The annual report and the consolidated financial statements have, as stated above, been approved for issue by the Board of Directors on April 21, 2015. The Group's income statement and balance sheet, and the Parent Company's income statement and balance sheet will be subject adoption by the annual general meeting on May 12, 2015.

Our audit report was submitted on April 21, 2015
Öhrlings PricewaterhouseCoopers AB

Martin Johansson
Authorised Public Accountant

Auditor's report

To the annual meeting of the shareholders of Auriant Mining AB, 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 for the year, except for the corporate governance statement on pages 38-44. The annual accounts and consolidated accounts of the company are included in the printed version of this document on pages 30-47 and 50-100

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 in accordance with the Annual Accounts Act

and of the 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 opinions.

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 2014 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 2014 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. Our opinions do not cover the corporate governance statement on pages 38-44. The statutory administration report is 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 (publ) for the year 2014. We have also conducted a statutory examination of the corporate governance statement.

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 and that the corporate governance statement on pages 38-44 has been prepared in accordance with the Annual Accounts 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.

Furthermore, we have read the corporate governance statement and based on that reading and our knowledge of the company and the group we believe that we have a sufficient basis for our opinions. This means that our statutory examination of the corporate governance statement is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden.

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.
A corporate governance statement has been prepared, and its statutory content is consistent with the other parts of the annual accounts and consolidated accounts.

EMPHASIS OF MATTER

Without impact on our conclusions from the audit, we emphasise the fact that social security charges and taxes in some instances have been paid late. This has not materially damaged the company apart from interest charges.
The company has a limited number of employees in Sweden, and therefore the amounts as such are limited from a group perspective. After the incidents, the company altered its organisation and procedures, and the errors have not reoccured.

Stockholm den 21 April 2015
Öhrlings PricewaterhouseCoopers AB

Martin Johansson
Auktoriserad revisor

Additional Information

TRANSLATION

This text is the English version of the 2014 Swedish annual report. If any discrepancies exist between the two versions, the Swedish version shall prevail.

DEFINITIONS

"Auriant Mining", "AUR" and "the Company" refer to Auriant Mining AB (publ) with Swedish Corporate Identity Number 556659-4833 and its subsidiary companies.

DATES FOR FINANCIAL INFORMATION DURING 2014

Auriant Mining AB's financial year is from January 1 to December 31. During 2015, the Company will issue interim financial information as follows:
Interim report (1) Jan–Mar 2015: May 29, 2015
Interim report (2) Jan–Jun 2015: August 31, 2015
Interim report (3) Jan–Sep 2015: November 30, 2015

AURIANT
MINING

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