

AURIANT

MINING

12 months 2017 Interim Results
Analyst Web Conference
February 28, 2018

Disclaimer

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

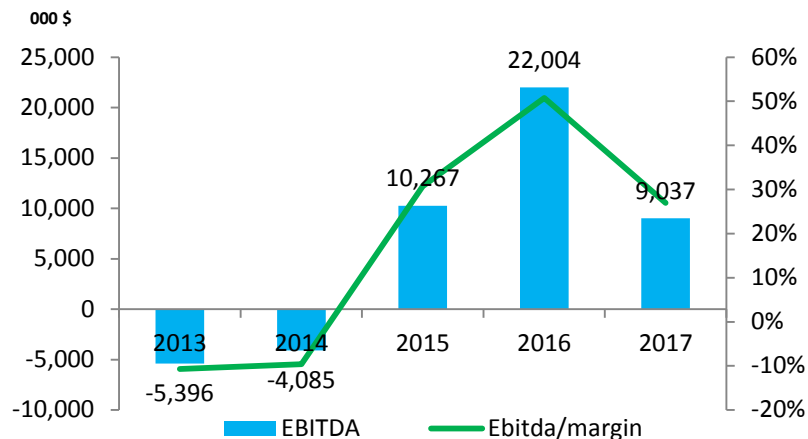
Auriant Mining overview

General Information

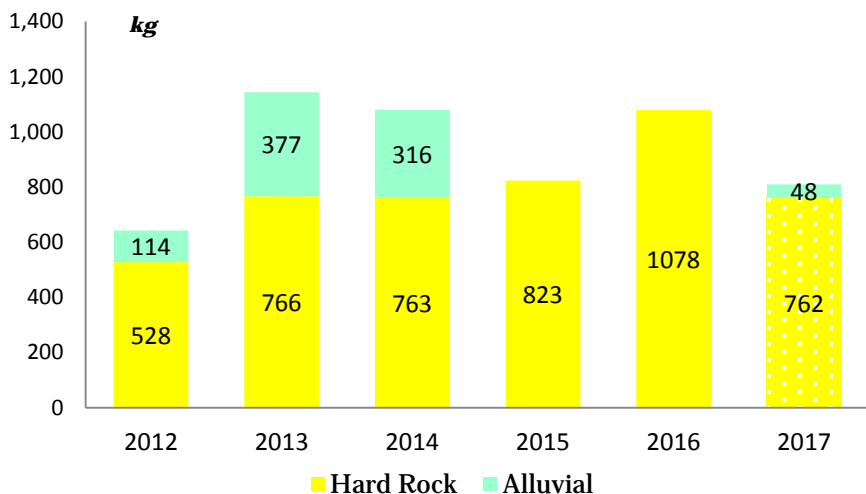
- Public Swedish junior gold producer operating in Russia
- Listed on NASDAQ OMX First North
- 2 producing mines, 2 exploration properties
- 2017 production of 809 kg
- 2017 reserves & recourses of 1.5 Moz
- Great exploration potential



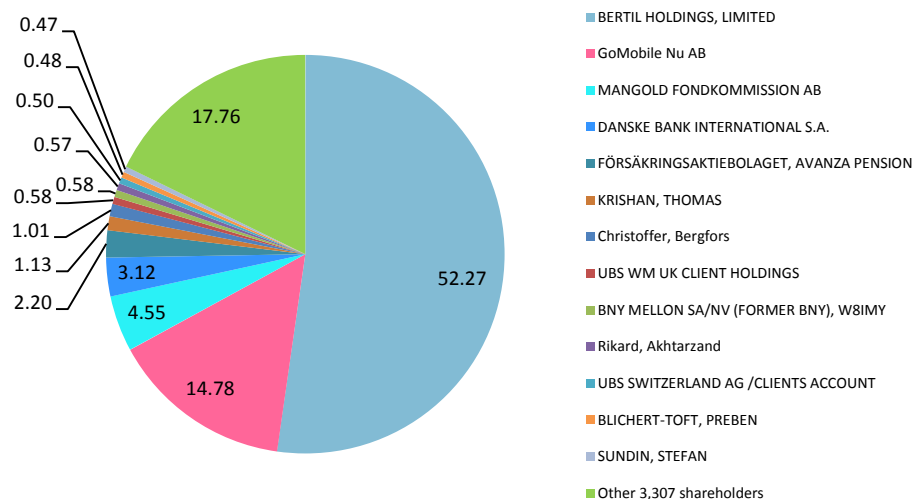
Financial Position



Auriant Gold Production



Shareholder's structure as of January 31, 2018



12 months 2017

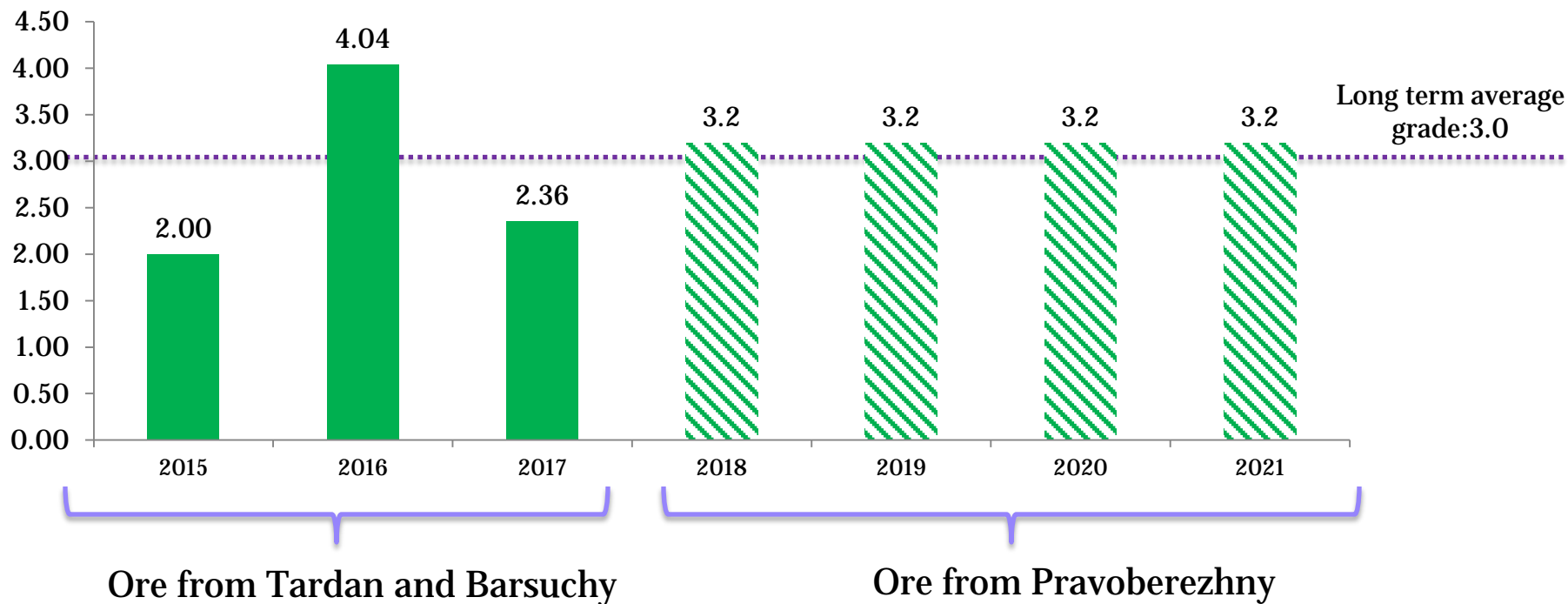
Key Performance Indicators

Key highlights	12m 2017	12m 2016	Change	Change %
Stripping, 000'm3	2,345	3,085	(740)	-24%
Ore mined 000't	394	418	(24)	-6%
Gold grade in ore mined, g/t	2.36	4.04	(1.68)	-42%
AU in ore mined, kg	929	1,688	(759)	-45%
Ore heap leach stacked, 000't	369	322	47	15%
Tailings heap leach stacked, 000't	85	73	12	16%
Ore & tailings average grade, g/t	2.26	3.52	(1.26)	-36%
Gold stacked, kg	1,027	1,391	(364)	-26%
Gold produced through heap leach, kg	721.3	933.5	(212.2)	-23%
Ore processed through grav. plant, 000't	41	77	(37)	-48%
Ore grade, g/t	4.8	7.4	(2.6)	-35%
Gold produced through grav. plant, kg	40.4	144.9	(104.5)	-72%
Hard rock gold produced, kg (Tardan)	761.7	1,078.3	(316.7)	-29%
Hard rock gold produced, Oz (Tardan)	24,487	34,669	(10,181)	-29%
Alluvial gold production, kg (Solcocon)	47.8	-	47.8	100%
Alluvial gold production, oz (Solcocon)	1,536	-	1,537	100%
Total gold production, kg	809.4	1,078.3	(268.9)	-25%
Total gold production, oz	26,023	34,669	(8,646)	-25%
Gold Sales, kg	828	1,056	(228)	-22%
Gold Sales, oz	26,619	33,954	(7,335)	-22%
Gold Sales, th'USD	33,532	43,080	(9,548)	-22%
Price realised (net of comission)	1,260	1,269	(9)	-1%
Total cash cost per oz	915	577	338	59%
Tardan contribution to group EBITDA, US\$ m	8.8	24.4	-15.6	-64%
Solcocon contribution to group EBITDA, US\$ m	2.7	0.0	2.7	100%
Total EBITDA of mining companies, US\$ m	11.5	24.4	(12.9)	-53%

12m 2017 Summary

- **Total 2017 gold production**, including gravitational plant production, was in line with the latest forecast published on October 20, 2017 at 809.4 kg (26,023 oz), which included 761.7 kg (24,487 oz) from Tardan and 47.8 kg (1,536 oz) from Solcocon – This was a decrease of 25% year on year (1,078 kg; (34,669 oz)) reflecting the planned activity pending completion of the CIL Plant.
- **Alluvial production at Solcocon** recommenced in 2017 and amounted to 47.8 kg (1,536 oz) of gold. The Company expects alluvial production in 2018 to increase to 150 kg.
- Gold grade in 2017 was in line with the mineplan at 2.36 g/t (2016 - 4.04 g/t).
- **On deeper horizons** in 2017 we had lesser volumes of ore suitable for processing on gravitational plant and lower grades in those ore. As expected, decrease in volumes and grades resulted into lower production on gravitational plant compared to 2016. Gravitational production was halted in August 2017.
- **Tardan EBITDA decreased to US\$ 8.8 mln** compared to US\$ 24.4 mln.
- **The Group's revenue** from gold sales is **linked to USD**, whereas most of the Group's **operating expenses** are **denominated in roubles**. Despite of RUR appreciation against US\$ in 2017 (average RUR/US ex-rate in 2017 was 58.3 compared to 67.1 in 2016) cash expenses were kept on 2016 level.

Tardan gold grades



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

12 months 2017 Income Statement

	Q4 2017	Q4 2016	12m 2017	12m 2016	Change	Change %
	US\$ 000	US\$ 000	US\$ 000	US\$ 000	US\$ 000	%
Revenue, including:	7,628	9,600	33,532	43,380	(9,848)	-23%
Revenue from hard rock gold sales	7,179	9,600	31,887	43,080	(11,194)	-26%
Revenue from alluvial gold sales	449	-	1,645	-	1,645	100%
Revenue from management services	-	-	-	300	(300)	100%
Cost of sales, including	(8,059)	(6,085)	(31,420)	(25,963)	(5,457)	21%
Alluvial gold costs	(310)	-	(1,099)	-	(1,099)	-100%
Hard rock cash expenses	(4,222)	(5,963)	(22,041)	(22,147)	106	0%
Change in stripping assets	(2,262)	238	(1,241)	996	(2,237)	-225%
Change in work in progress	551	1,421	(679)	1,760	(2,439)	-139%
Depreciation&amortization	(1,816)	(1,781)	(6,359)	(6,571)	212	-3%
Gross profit	(431)	3,516	2,112	17,418	(15,305)	-88%
General and administrative expenses	(425)	(987)	(2,447)	(2,725)	279	-10%
Other operating income	2,157	301	3,288	961	2,327	242%
Other operating expenses	(55)	(50)	(278)	(238)	(41)	17%
Items affecting comparability	(104)	-	(292)	-	(292)	-100%
Operating profit/(loss)	1,142	2,781	2,383	15,416	(13,032)	-85%
Financial income	5	-	6	18	(12)	-65%
Interest expenses	(1,145)	(1,843)	(5,574)	(7,287)	1,713	-24%
Currency gain/(loss)	(126)	(322)	1,028	(308)	1,336	-434%
Profit/(Loss) before income tax	(125)	615	(2,157)	7,839	(9,996)	-128%
Income tax	(30)	2,403	(28)	(1,355)	1,327	-98%
Net profit/(loss) for the period	(155)	3,019	(2,185)	6,484	(8,669)	-134%
EBITDA	3,251	4,566	9,037	22,004	(12,967)	-59%

The Group's revenue from gold sales is linked to USD, whereas most of the Group's operating expenses are denominated in roubles. Accordingly, an appreciation of the rouble against the USD by 13% compared to prior period negatively affect the Group's margins by increasing the USD value of its rouble-denominated costs.

Revenue from hard rock gold sales decreased by US\$ 11.2 mln, or by 26%. Gold sales decreased by 25% or 268 kg (8,616 oz) – from 1,056 kg (33,954 oz) in 2016 down to 788 kg (25,333 oz) in 2017. The average realized gold price per oz decreased by 1% from US\$ 1,269 in 2016 down to US\$ 1,260 in 2017.

Alluvial production at Solcocon was recommenced in 2017. Revenue from alluvial gold sales increased by US\$ 1.6 mln, or 100%. The alluvial gold production on the Solcocon mine is fully outsourced and produces a net margin (after mineral extraction tax) of 29%.

Despite of RUR appreciation against US\$ in 2017 (average RUR/US ex-rate in 2017 was 58.3 compared to 67.1 in 2016) cash expenses were kept on 2016 level.

The main reasons of increase in cost of sales were changes in non-cash expenses. Stripping asset decreased by US\$ -2.2 mln compared to 2016 as result of amortization. Change in work in progress and finished goods decreased by US\$ -2.4 mln in 2017 and mostly related to the decreased balance of gold ready for sale from 60.5 kg at the beginning of 2017 to 2.2 kg on December 31, 2017 and discontinuing of mining operations as the end of 2017 for the purposes to get benefit from increased recovery rate of 92% on CIP technology in 2019.

Revenue under the rent agreement with LLC Urumkan. Rent price was increased in 2.3 times per month since May 2017. In December 2017 Group concluded agreements with Urumkan for sale of mining equipment and vehicles for raising additional cash in the amount of RUR 100 mln or US\$ 1.8 mln (incl. VAT).

Items affecting comparability in 2017 included one-off correction of input VAT.

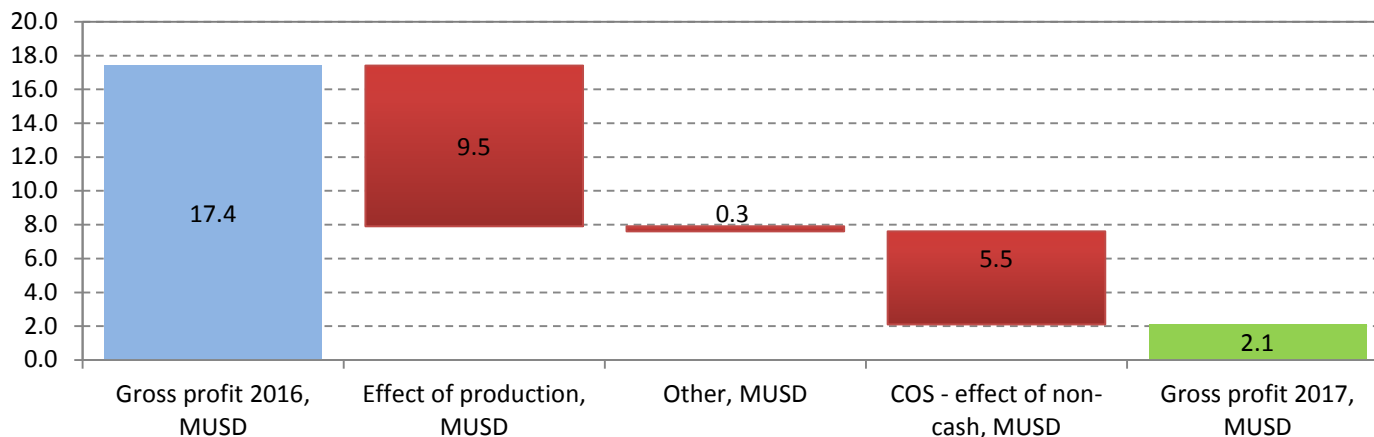
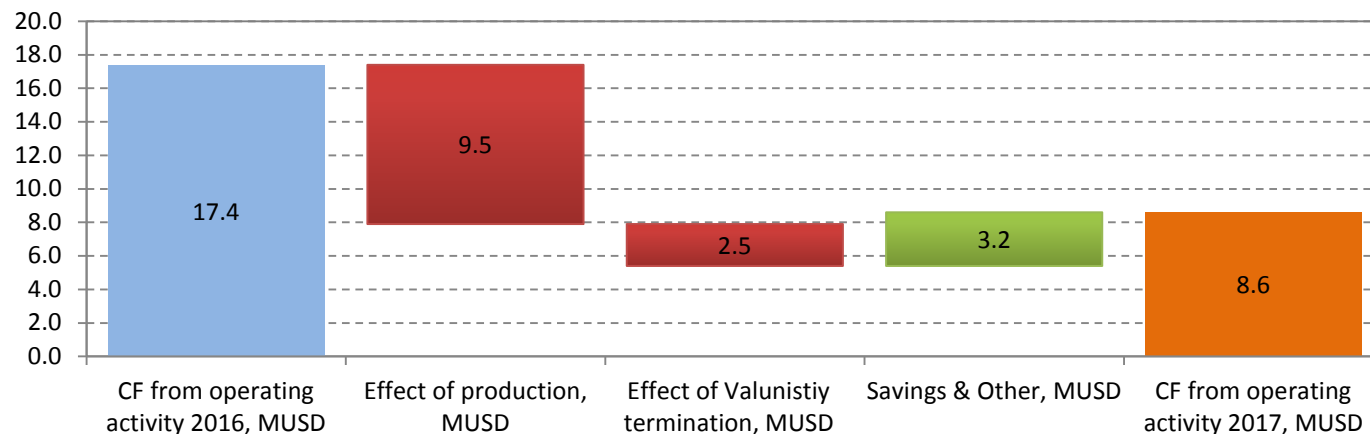
Reduction of interest expenses due to decrease of bank loan principal (effect of US\$ 1.0 mln) and decrease of interest rate in KFM debt from 10 to 2% (effect of US\$ 0.6 mln).

In 12m 2017 income tax was almost nil and related to a change in deferred tax at the subsidiaries level and represented tax loss carry-forward accumulation, set off by deferred tax liabilities increase due to changes in local tax accounting policies.

In 12m 2016 it was a non-cash expense and represented utilization of deferred tax assets against taxable income received by Group subsidiaries – Tardan and Moscow management company.

12 months 2017

Operating activity Cash Flow and Gross profit



Consolidated cash flow statement

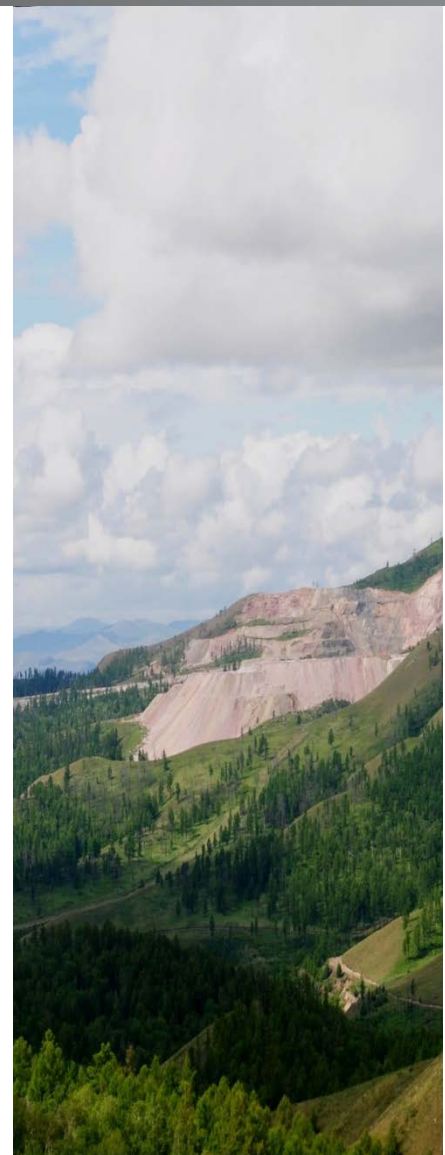
	12 months Jan-Dec 2017	12 months Jan-Dec 2016	Change	Change
	US\$ 000	US\$ 000	US\$ 000	%
Operating activities				
Receipts from customers	33,540	45,544	(12,004)	-26%
VAT and other reimbursement	5,112	3,295	1,817	55%
Payments to suppliers	(18,110)	(19,893)	1,783	-9%
Payments to employees and social taxes	(9,172)	(7,595)	(1,577)	21%
Income tax paid	(79)	(27)	(52)	197%
Other taxes paid	(2,723)	(3,897)	1,173	-30%
Net cash flows from/(used in) operating activities	8,569	17,429	(8,860)	-51%
Investing activities				
Purchase and construction of property plant and equipment	(1,716)	(1,448)	(268)	18%
Exploration and research works	(1,038)	(943)	(95)	10%
Purchases of financial assets	(271)	-	(271)	-100%
Net cash flows used in investing activities	(3,025)	(2,391)	(634)	27%
Financing activities				
Proceeds from borrowings, net	-	2,500	(2,500)	-100%
Receipts from share issue	6,178	-	6,178	100%
Repayment of borrowings, net	(5,608)	(7,723)	2,115	-27%
Interest paid	(3,486)	(4,554)	1,069	-23%
Lease payments	(978)	(1,134)	156	-14%
Transaction costs arising on share issue	(646)	-	(646)	-100%
Other finance income/expenses	-	14	(14)	-100%
Net cash from/(used in) financing activities	(4,539)	(10,899)	6,360	-58%
Net increase/(decrease) in cash and cash equivalents	1,004	4,139	(3,135)	-76%
Net foreign exchange difference	(108)	(10)	(98)	982%
Opening balance cash and cash equivalents	4,173	43	4,130	100%
Closing balance cash and cash equivalents	5,069	4,173	896	21%

During 2017, operating activity was financed by gold sales, reimbursement of VAT and receipts from rent agreements.

Amount of VAT and other reimbursed during the period was US\$ 5.1 mln (2016: US\$ 3.3 mln).

In 2017, the Company received **US\$ 6.2 mln from new shares issue**.

During the period the **Group repaid a bank loan debt of US\$ 3.6 mln** (2016: US\$ 7.7 mln) and **a part of a debt to KFM in amount of US\$ 2.0 mln** in accordance with a schedule. **In 2017 the Company successfully refinanced its 100% loan debt (US\$ 35.4 mln at the end of 20017) with VTB.** The Company's previous loan provider, PSB, has been repaid in full. The new loan is for 5 years with a reduced principal repayment schedule in the first 2 years. Also the interest rate is 1.7 % lower which will produce an annual saving of US\$ 0.6 mln.



Shares issue 2017

Shares before issue

Shares issued to underwriters in September 2017

Shares issued to underwriters as remuneration fees in October 2017

Shares issued to Bertil Holdings in September 2017 through convertibles set off

Shares after issue

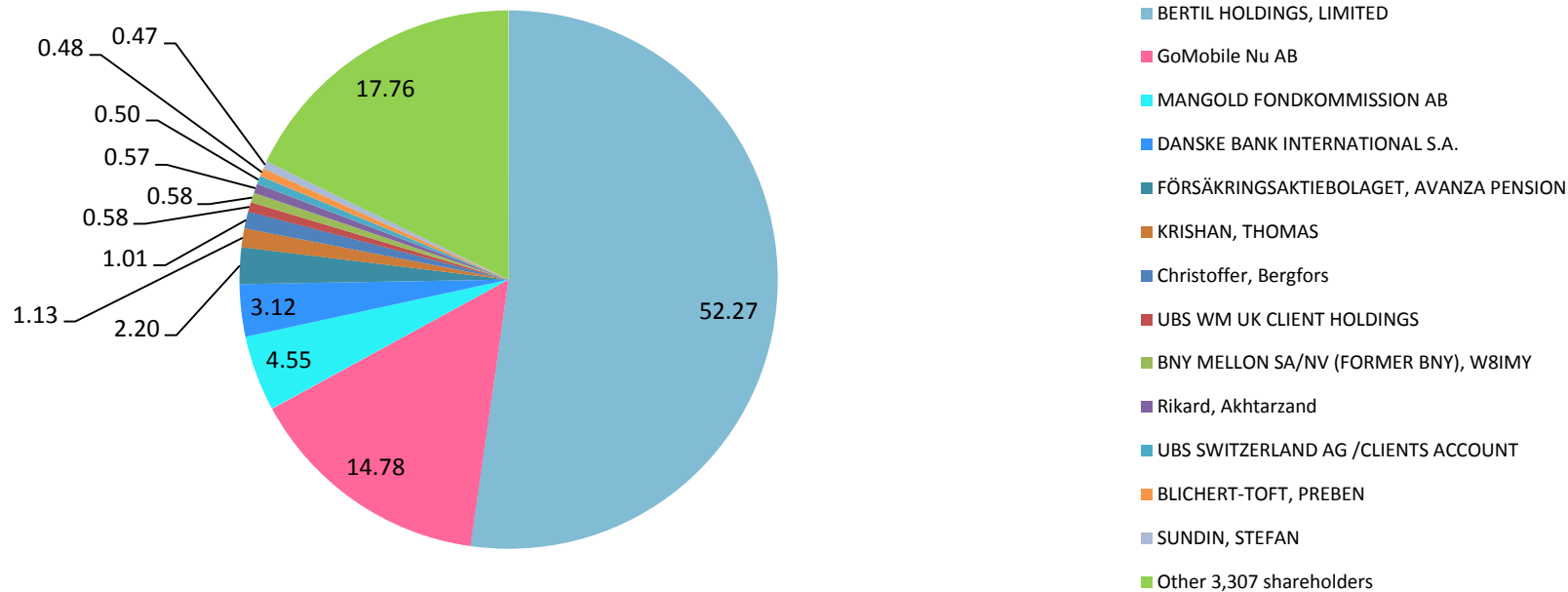
Shares, amount	SEK, mln	US\$ mln
17,802,429		
27,159,876	67.9	8.5
76,980	0.2	0.02
29,807,897	74.5	9.3
74,847,182		

Gross proceeds from the shares issue before commissions, SEK / US\$, mln

67.9 **8.5**

Subscription price for 1 share = 2.5 SEK

Shareholders as of January 31, 2018



Consolidated statement of financial position

	December 31, 2017 US\$ 000	December 31, 2016 US\$ 000	Change	Change, %
ASSETS				
FIXED ASSETS				
Intangible fixed assets	23,460	22,575	885	4%
Tangible fixed assets	19,214	21,897	-2,683	-12%
Stripping assets	2,947	4,001	-1,054	-26%
Deferred tax assets	3,777	3,434	342	10%
Total fixed assets	49,397	51,907	-2,510	-5%
CURRENT ASSETS				
Materials	1,307	1,370	-64	-5%
Work in progress	6,017	4,912	1,105	22%
Finished products	101	1,601	-1,500	-94%
Current receivables	5,148	3,981	1,167	29%
Advanced paid	1,460	1,025	435	42%
Cash and cash equivalents	5,069	4,173	896	21%
Total current assets	19,102	17,062	2,040	12%
TOTAL ASSETS	68,499	68,969	-470	-1%
EQUITY AND LIABILITIES				
EQUITY				
Share capital	1,117	307	810	264%
Additional paid in capital	72,615	59,808	12,807	21%
Retained earnings	(79,788)	(77,603)	-2,185	3%
Translation difference reserve	(13,678)	(12,910)	-768	6%
Total equity	(19,734)	(30,398)	10,664	-35%
Long term liabilities				
Deferred tax liabilities	294	-	294	100%
Bank loans and other notes	33,790	14,833	18,957	128%
Lease payable	64	135	-71	-53%
Debt to shareholder	37,308	43,285	-5,976	-14%
Other long-term liabilities	10,598	6,966	3,632	52%
Total long term liabilities	82,054	65,218	16,836	26%
Current liabilities				
Trade accounts payable	430	695	-265	-38%
Bank loans payable	2,000	24,549	-22,549	-92%
Other interest bearing liabilities	2,174	703	1,472	209%
Shareholder loans payable	-	6,063	-6,063	-100%
Other current liabilities	1,575	2,139	-564	-26%
Total current liabilities	6,179	34,149	-27,970	-82%
TOTAL EQUITY AND LIABILITIES	68,499	68,969	-470	-1%

Stripping costs were amortized during the reporting period in amount of US\$ -1.2 mln in line with actual mining works.

The Company had 2.2 kg of gold ready for sale on December 31, 2017 (December 31, 2016: 60.5 kg) and 31.1 kg of gold produced, but not shipped to refining and accounted as WIP on December 31, 2017.

Current receivables on December 31, 2017 included receivables of US\$ 1.7 mln from sales of Solcocon's mining equipment and vehicles. Company received money in February, 2018.

Amount of shares increased by 57,044,753 as result of share issue during 2017.

Effect of share issue on changes in Equity 2017	\$ mln
New share issue	18.0
Fees and commissions	-2.1
Expenses related to share issue	-0.8
IFRS adj related to early conversion of convertibles	-1.5
Total effect on Equity	13.6
incl.:	
Share capital	0.8
Additional paid in capital	12.8

Auriant Mining refinanced its US\$ 37.5 mln loans with VTB. The Company's previous loan provider, PSB, has been repaid in full. The new loan is for 5 years with a reduced principal repayment schedule in the first 2 years. 2 mln of principal was paid to VTB in 2017. Total bank debt as of December 31, 2017 was US\$ 35.4 mln.

Change in debt to shareholder, due to	\$ mln
Set-off through subscription for new shares	-8.6
Interest accrued on debt (2%)	0.9
IFRS adj discounting of bond (9%)	1.0
IFRS adj related to cancellation of convertibles	0.7
Total effect on debt to shareholder	-6.0

Shareholder loans payable line decreased by 100% or by US\$ 6.1 mln compared to December 31, 2016 and equals to nil as of December 31, 2017. KFM took ownership of the debt previously owed to Mr. Haskell. From 2017 the interest rate on the debt is 2% p.a. (in 2016 – 10%). US\$ 2.0 mln was paid to KFM in 2017. US\$ 2.0 mln payable in 2018 are recorded in Other interest bearing liabilities line and amounts payable in 2019 (approx US\$ 2.2 mln) are recorded in Other long term liabilities line as of December 31, 2017.

Strategy and major steps forward

- The Company's medium term strategy is focused on successful **completion of the construction of the new plant at Tardan and delivery of the significant improvement in financial performance.**
- Progress Auriant Mining has made during 2017 in preparing for turning this strategy into reality:
 - The Company improved its balance sheet through implementation of a **rights issue raising MSEK 142.4** (US\$ 18.0 mln) in new capital.
 - Our major shareholder acquired new shares in exchange for a **reduction of the convertible debt of US\$9.4 million**, and restructured the terms of the remaining outstanding shareholder debt – **maturity date was rolled over to June 30th, 2019 and interest rate continue to be 2%p.a.**
 - The Company successfully refinanced its total outstanding banking loan (US\$ 35.4 mln at the end of 2017) with VTB **rolling over maturity to 2022 and managed to reduce interest from 10% to 8%.**
- Auriant is getting prepared for starting construction of CIL plant on Tardan, with **key technical equipment now ordered and down payments made.** Company managed to obtain permission for **6MWt power supply** to get rid of diesel generation with future **annual saving of \$3mln;**
- Mining operations at Tardan have been discontinued for the first 6 months of 2018 in preparation for this construction phase, with production resuming in Q3 2018.
- Successful exploration campaign on Solcocon – **we add 1.8 tonnes of gold into our resources;**
- Company looks forward to **start engineering studies and design of KB in 2018 in order to make it bankable in 2019**

	Heap Leach*	Carbon in leach*
Gold recovery from ore, %	< 60%	92%
Expected gold production on Pravoberezhny (PB) ore zone, kg	3,000	4,560
Additional revenue, US\$ mln (assuming gold market price @ US\$ 1 250 /oz)	-	63
Expected additional gold production from tailings reprocessing, kg	-	1,000
Additional revenue, US\$ mln (assuming gold market price @ US\$ 1 250 /oz)	-	40
In operation	-	Q1 2019
Mineral and Income Tax exemption for PB, US\$ mln	-	10

*For illustrative purposes PB resources are used only

Thank you

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