

# AURIANT

## MINING

**Q3 2020 Interim Results  
Analyst Web Conference  
November 30, 2020**

# Disclaimer

Statements and assumptions made in this Presentation with respect to Auriant Mining AB's ("Auriant") current plans, estimates, strategies and beliefs, and other statements that are not historical facts, are forward-looking statements about the future performance of Auriant. Forward-looking statements include, but are not limited to, those using words such as "may", "might", "seeks", "expects", "anticipates", "estimates", "believes", "projects", "plans", "strategy", "forecast" and similar expressions including "E" or "F" marks in charts, graphs and other documents. These statements reflect Auriant's management's expectations and assumptions in light of currently available information. In the light of the many risks and uncertainties surrounding any gold production and exploration company at an early stage of its development, the actual results could differ materially from those presented and forecasted in this Presentation. Auriant undertakes no obligation to update or revise any forward-looking statements or any other information contained in this Presentation, other than as required by applicable law.

# Technical Zoom Information

- 1) The Zoom call will last for a duration of 20 min plus Q&A's
- 2) We have muted your microphones
- 3) We would be grateful if you asked any questions you may have in the Chat, and we will aim to answer all of them after the presentation of the results
- 4) The Agenda for the call is set out on the following slide

# Leadership Team



**Petr Kustikov**  
**COO**



**Danilo Lange**  
**CEO**



**Vladimir Vorushkin**  
**CFO**

# Agenda Q3 Report

- 1) Introduction to this Report and the Team - DL
- 2) Production & Sales update – VV / PK
- 3) Production KPI's - VV / PK
- 4) Income Statement / Cash Flow Statement - VV
- 5) Outlook for the remainder of 2020 – DL

## **Appendices:**

Auriant Mining overview

Long term historical overview

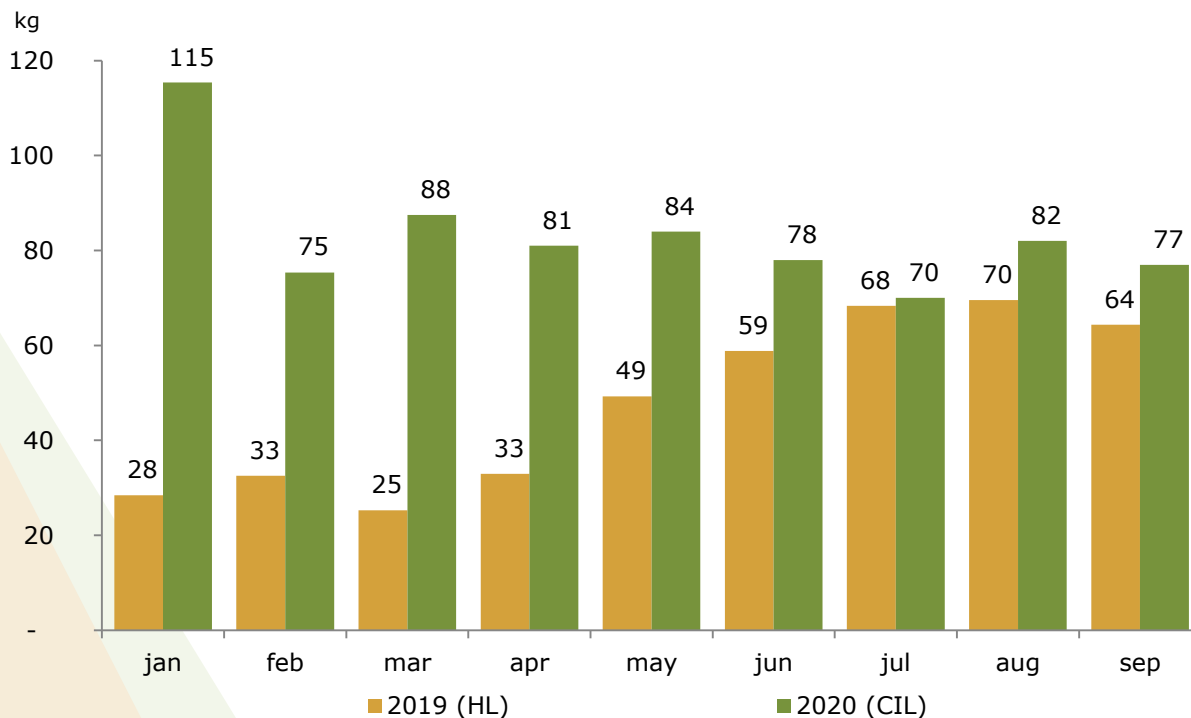
# Introduction

- 1) First quarterly presentation since my appointment as CEO
- 2) Report back on recent visits to all locations
- 3) Produced excellent results in line with forecast for the YTD, showing significant growth over the previous year
- 4) Strong financial performance and improvement in financing terms
- 5) Development of the Group's leadership team with appointments of CFO and COO

# Tardan gold production

- In 9m 2020, the newly built CIL plant started operations. After start up in November 2019, the CIL plant quickly achieved projected throughput per working hour (>50 t/hour) and a recovery rate of 92.9%. Up to the end of January 2020, the CIL plant was fed with high grade ore and was able to produce 115 kg of gold in that month. Since February, the CIL plant feed has been regular ore.
- **Volume of ore processed** through the newly built CIL plant amounted to 291 thousand tonnes with an average grade of 2.77 g/t (total gold in processed ore - 806 kg).
- **Hard rock gold** production at Tardan increased from 430 kg (13,812 oz) in 9m 2019 to 750 kg (24,112 oz) in 9m 2020, or by 75%.

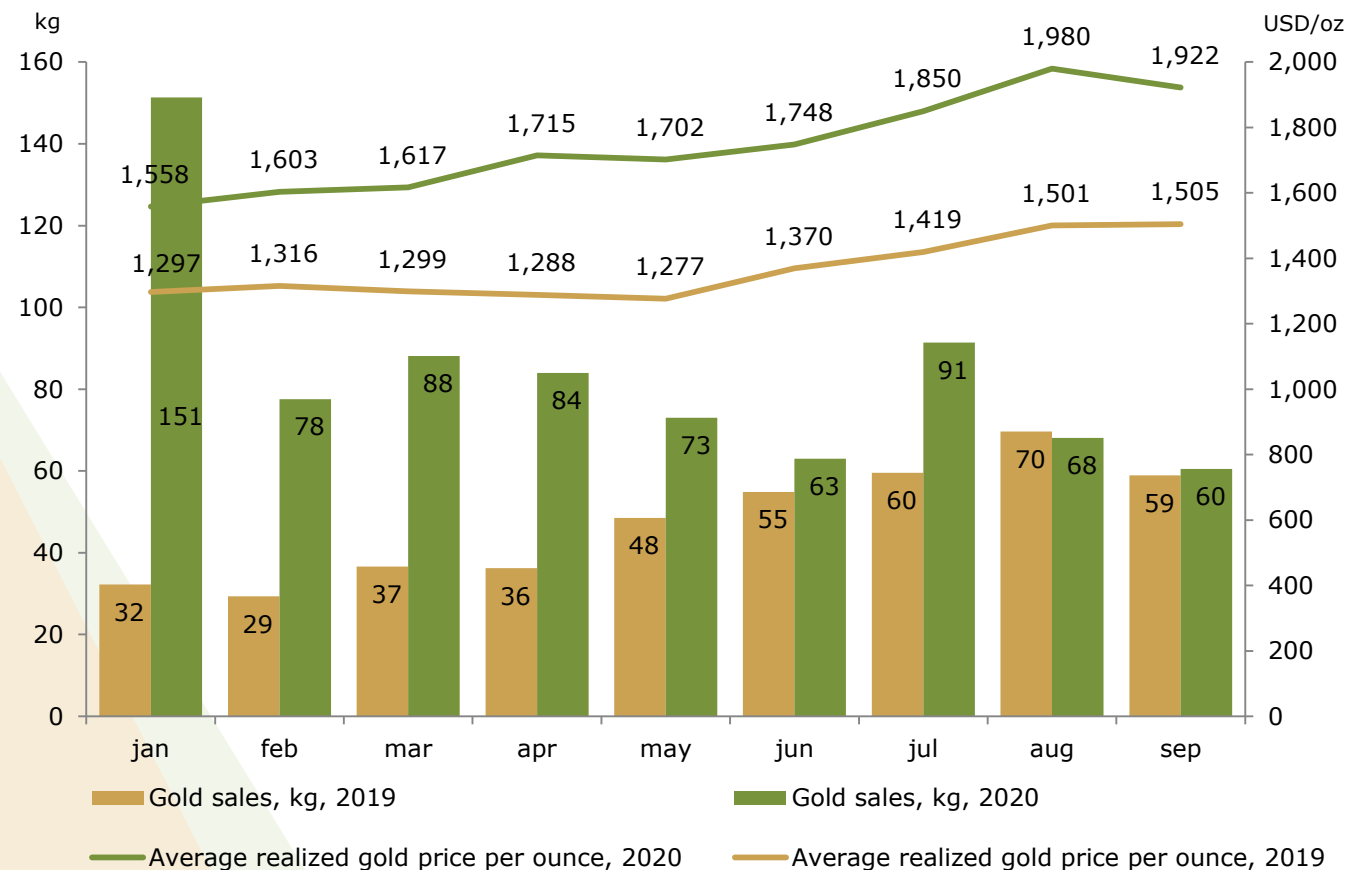
Gold production, kg



# Tardan gold sales

The **average realized gold price per ounce** increased by 24% from US\$ 1,389 in 9m 2019 up to US\$ 1,729 in 9m 2020.

## Gold sales, kUSD





# Key Performance Indicators

	Unit	9m 2020	9m 2019	Change	Change, %
<b>Mining</b>					
Waste stripping	000'm3	684	776	(92)	(12%)
Ore mined	000't	274	333	(59)	(18%)
Gold in ore	kg	676	793	(117)	(15%)
Gold grade in ore mined	g/t	2.47	2.38	0.09	4%
<b>Warehouse on September 30</b>					
Ore	000't	91	29	62	214%
Grade	g/t	2.02	5.31	(3.29%)	(62%)
<b>Heap leach</b>					
Ore stacking	000't	-	307	(307)	(100%)
Grade	g/t	-	2.11	(2.11)	(100%)
Gold in ore stacked	kg	-	648	(648)	(100%)
<b>Gold produced HL</b>	<b>kg</b>	<b>-</b>	<b>430</b>	<b>(430)</b>	<b>(100%)</b>
<b>CIL</b>					
Ore processing	000't	291	-	291	100%
Grade	g/t	2.77	-	2.77	100%
Gold in ore processing	kg	806	-	806	100%
<b>Gold produced CIL</b>	<b>kg</b>	<b>750</b>	<b>-</b>	<b>750</b>	<b>100%</b>
<b>TARDAN Hard rock gold produced</b>	<b>kg</b>	<b>750</b>	<b>430</b>	<b>320</b>	<b>74%</b>
<b>TARDAN Hard rock gold produced</b>	<b>oz</b>	<b>24,112</b>	<b>13,812</b>	<b>10,300</b>	<b>75%</b>
<b>SOLCOCON alluvial gold production</b>	<b>kg</b>	<b>5</b>	<b>52</b>	<b>(46)</b>	<b>(90%)</b>
<b>SOLCOCON alluvial gold production</b>	<b>oz</b>	<b>172</b>	<b>1,655</b>	<b>(1,483)</b>	<b>(90%)</b>
<b>TOTAL GOLD PRODUCTION 9M 2020</b>	<b>kg</b>	<b>755</b>	<b>481</b>	<b>274</b>	<b>57%</b>
<b>TOTAL GOLD PRODUCTION 9M 2020</b>	<b>oz</b>	<b>(24,285)</b>	<b>(15,467)</b>	<b>8,818</b>	<b>57%</b>
<b>Gold Sales</b>					
<b>Gold Sales</b>	<b>kg</b>	<b>761</b>	<b>465</b>	<b>296</b>	<b>64%</b>
<b>Gold Sales</b>	<b>oz</b>	<b>24,285</b>	<b>14,962</b>	<b>9,480</b>	<b>63%</b>
Gold Sales	000'\$	42,262	20,787	21,475	103%
Average price realised	\$/oz	1,729	1,389	340	24%
Tardan cash cost per oz produced	\$/oz	618	981	(362)	(37%)
Tardan contribution to group EBITDA	m\$	27.2	5.9	21.3	360%
Solcocon contribution to group EBITDA	m\$	(0.2)	0.1	(0.4)	(259%)
<b>Total EBITDA of mining companies</b>	<b>m\$</b>	<b>27.0</b>	<b>6.1</b>	<b>20.9</b>	<b>345%</b>

- In 9m 2020, the Company has operated the **newly built CIL plant**. The CIL plant was operating at projected throughput per working hour (>50 t/hour) and higher recovery rate (92.9%).

- Ore mined** amounted to 274 thousand tonnes and was 18% lower than the same period in the previous year (333 thousand tonnes). **Stripping volume** in 9m 2020 was 684 thousand m3 (12% lower than in 9m 2019, 776 thousand m3).

- The **average grade** in ore mined in 9m 2020 was 2.47 g/t, as compared to 2.38 g/t in 9m 2019, in line with the Company's mine plan.

- Heap leach operations were discontinued at the end of December 2019. As a result, the Company finished crushing ore and producing gold from the heap leach.

- Volume of ore processed** through the newly built CIL plant amounted to 291 thousand tonnes with an average grade of 2.77 g/t (total gold in processed ore - 806 kg).

- Gold production at **Solcocon** amounted to 5 kg (172 oz), as compared to 52 kg (1,655 oz) in the same period of the previous year. It is expected to produce 10-12 kg at Solcocon this year. The reduction in production is due to the late start of mining operations because of the corona virus.

- 9m 2020 **total gold production** amounted to 755 kg (24,285 oz), compared to 481 kg (15,467 oz) in 9m 2019, an increase of 57%, or 274 kg (8,818 oz).

- The **average realized gold price per ounce** increased by 24% from US\$ 1,389 in 9m 2019 up to US\$ 1,729 in 9m 2020.

# Income Statement

	Q3 2020 US\$000	Q3 2019 US\$000	9m 2020 US\$000	9m 2019 US\$000	Change US\$000	Change %
<b>Gold production, kg</b>	<b>234</b>	<b>226</b>	<b>755</b>	<b>481</b>	<b>274</b>	<b>57%</b>
<b>Gold sales, kg</b>	<b>224</b>	<b>210</b>	<b>761</b>	<b>465</b>	<b>296</b>	<b>64%</b>
<b>Revenue</b>	<b>13,832</b>	<b>10,007</b>	<b>42,262</b>	<b>20,787</b>	<b>21,475</b>	<b>103%</b>
Revenue from hard rock gold sales	13,597	8,952	42,027	18,985	23,043	121%
Revenue from alluvial gold sales	235	1,056	235	1,803	(1,568)	(87%)
<b>Cost of sales</b>	<b>(7,050)</b>	<b>(7,458)</b>	<b>(20,930)</b>	<b>(18,139)</b>	<b>(2,791)</b>	<b>(15%)</b>
Cash expenses	(5,262)	(6,220)	(15,494)	(14,912)	(582)	(4%)
Alluvial gold cash costs	(171)	(743)	(171)	(1,257)	1,086	86%
Depreciation & amortization	(2,278)	(1,142)	(5,771)	(3,359)	(2,412)	(72%)
Change in stripping assets	(137)	(144)	158	907	(749)	(83%)
Change in work in progress	798	791	348	482	(134)	(28%)
<b>Gross profit/(loss)</b>	<b>6,782</b>	<b>2,549</b>	<b>21,332</b>	<b>2,648</b>	<b>18,684</b>	<b>706%</b>
General and administrative expenses	(873)	(547)	(2,016)	(1,704)	(312)	(18%)
Other operating income	4	24	72	234	(162)	(69%)
Other operating expenses	(911)	(140)	(1,101)	(246)	(855)	(348%)
<b>Operating profit/(loss)</b>	<b>5,002</b>	<b>1,886</b>	<b>18,287</b>	<b>932</b>	<b>17,355</b>	<b>1,862%</b>
Financial income	-	-	-	-	-	-
Financial expenses	(1,339)	(1,066)	(4,520)	(3,190)	(1,330)	(42%)
Currency gain/(loss)	(225)	448	(244)	919	(1,163)	(127%)
<b>Profit/(Loss) before income tax</b>	<b>3,438</b>	<b>1,268</b>	<b>13,523</b>	<b>(1,339)</b>	<b>14,862</b>	<b>1,110%</b>
Income tax	(475)	13	(1,998)	723	(2,721)	(376%)
<b>Net profit/(loss) for the period</b>	<b>2,963</b>	<b>1,281</b>	<b>11,525</b>	<b>(616)</b>	<b>12,141</b>	<b>1,973%</b>
<b>EBITDA</b>	<b>8,079</b>	<b>3,029</b>	<b>24,857</b>	<b>4,291</b>	<b>20,566</b>	<b>479%</b>

Revenue from the sale of gold amounted to US\$ 42.3m, a 103% increase compared to 9m 2019, driven by a higher volume of produced gold at the CIL plant. Total gold sales volumes amounted to 761 kg, which is 64%, or 296 kg, more than in the previous year. In addition, the higher average gold price contributed to an improvement in financial performance Y-o-Y. The average realized gold price per ounce increased by 24% from US\$ 1,389 in 9m 2019 up to US\$ 1,729 in 9m 2020.

In 9m 2020, due to higher production volumes, cash expenses increased by 3%, or MSEK 4.6 (US\$ 0.5 mln), compared to the same period in 2019. In the reporting period, a 9% depreciation of the RUB against the USD positively affected the Group's margin by decreasing the USD value of its RUB-denominated costs. At the same time, the average cash cost per ounce produced at Tardan decreased by 37% from US\$ 981/oz in 9m 2019 to US\$ 618/oz in 9m 2020.

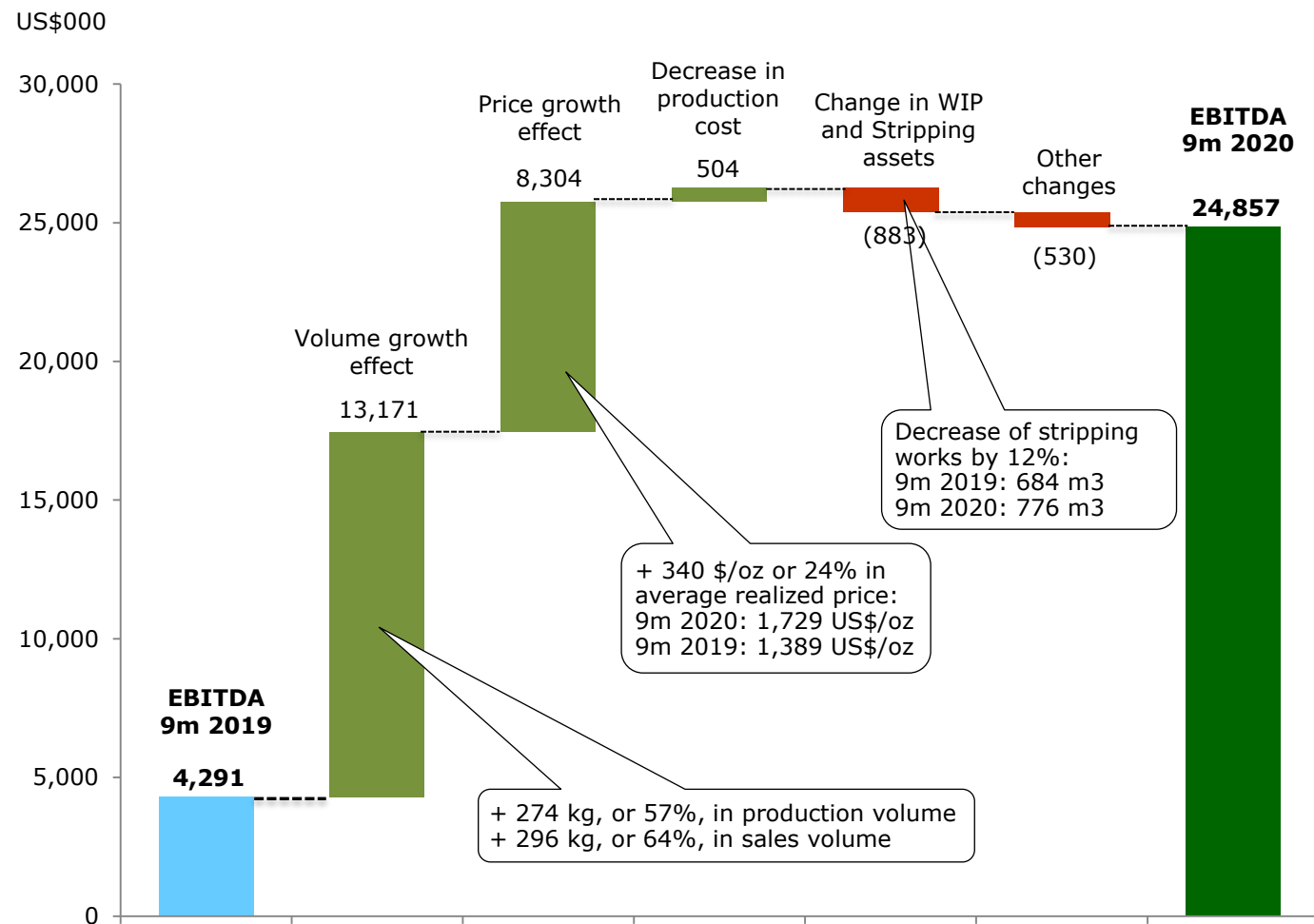
Gold production at Solcocon amounted to 5 kg, as compared to 51 kg in 9m 2019. It is expected to produce 10-12 kg at Solcocon this year. The reduction in production is due to the late start of mining operations because of the corona virus.

Depreciation increased in 9m 2020 due to the newly built CIL plant.

The changes in stripping assets and work in progress in 9m 2020 were in line with mining and production activities. In 9m 2019, the stripping works on the Pravoberezhniy deposit have been pulled forward to secure access to ore.

Financial expenses represented by interest on borrowings and lease liabilities amounted to US\$ 4.5m in 9m2020, an increase of 42% compared to 9m 2019 (US\$ 3.2m). Interest expenses increased mainly due to the interest rate growth on the Golden Impala bond and increase of interest expenses on lease liabilities, which had been capitalized in 9m 2019.

# Volume and production drive EBITDA growth



# Consolidated cash flow statement

	Q3 2020 US\$000	Q3 2019 US\$000	9m 2020 US\$000	9m 2019 US\$000	Change US\$000	Change %
<b>Operating activities</b>						
Receipts from gold sales	13,832	9,997	42,262	20,787	21,475	103%
VAT and other reimbursement	1,464	457	3,625	2,122	1,503	71%
Payments to suppliers	(4,340)	(4,622)	(14,046)	(10,933)	(3,113)	28%
Payments to employees and social taxes	(2,263)	(1,654)	(6,857)	(5,055)	(1,802)	36%
Income tax paid	-	-	(635)	-	(635)	100%
Other taxes paid	(415)	(541)	(1,396)	(1,003)	(393)	39%
<b>Net cash flows from/(used in) operating activities</b>	<b>8,278</b>	<b>3,637</b>	<b>22,953</b>	<b>5,918</b>	<b>(17,035)</b>	<b>288%</b>
<b>Investing activities</b>						
Purchase and construction of property, plant and equipment	(312)	(3,180)	(2,118)	(7,152)	5,034	(70%)
Interest capitalized in construction	-	(142)	-	(304)	304	(100%)
Exploration and research works	(268)	(4)	(708)	(52)	(656)	1,262%
<b>Net cash flows used in investing activities</b>	<b>(580)</b>	<b>(3,326)</b>	<b>(2,826)</b>	<b>(7,508)</b>	<b>4,682</b>	<b>(62%)</b>
<b>Financing activities</b>						
Proceeds from borrowings, net	-	1,405	-	3,593	(3,593)	(100%)
Repayment of borrowings, net	(4,909)	(438)	(13,065)	(438)	(12,627)	2,883%
Proceeds from exercise of share options	43	-	53	-	53	100%
Interest paid	(1,386)	(761)	(3,804)	(2,162)	(1,642)	76%
Lease payments	(516)	(500)	(1,673)	(1,403)	(270)	19%
Proceeds from sale and leaseback transactions	-	-	-	839	(839)	(100%)
<b>Net cash from/(used in) financing activities</b>	<b>(6,768)</b>	<b>(294)</b>	<b>(18,489)</b>	<b>429</b>	<b>(18,918)</b>	<b>(4,410%)</b>
<b>Net decrease in cash and cash equivalents</b>	<b>930</b>	<b>17</b>	<b>1,638</b>	<b>(1,161)</b>	<b>2,799</b>	<b>(241%)</b>
Net foreign exchange difference	(142)	(8)	(312)	1	(313)	31,300%
Opening balance cash and cash equivalents	682	20	144	1,189	(1,045)	(88%)
<b>Closing balance cash and cash equivalents</b>	<b>1,470</b>	<b>29</b>	<b>1,470</b>	<b>29</b>	<b>1,441</b>	<b>4,969%</b>

Net cash flow generated from operating activities increased by US\$ 17.0m, or 288%, and amounted to US\$ 23.0m in the reporting period, compared to US\$ 5.9m in the comparative reporting period.

During 9m 2020, operating activities were financed from the same sources as in the previous reporting period, by gold sales and the reimbursement of VAT.

Strong cash flows from operating activities were used for debt repayment and settlement of outstanding payables to CIL construction contractors in Q1 2020.

- *Total principal debt repayment in 9m 2020 amounted to US\$ 13.1m. Interest paid in 9m 2020 amounted to US\$ 3.8m.*

- *In July 2020, the Group has extinguished its loans in the amount of US\$ 2.6m, which were raised in connection with the CIL plant financing in 2018-2019.*

- *Since 1 July 2020, interest rate for the outstanding VTB loan was reduced to 7.82%. And in October 2020, the Company has negotiated with VTB a further reduction in the interest rate up to 3 months LIBOR plus 4.7% (currently equivalent to an annual interest rate of 4.95%).*

In 9m 2020, US\$ 0.7m was spent on exploration and research works.

The new VTB loan repayment schedule and reduced interest rate will free up cash flows for further investments and exploration.

# Outlook for Remainder of 2020

- 1) Focus on maintaining production levels
- 2) Continued protection of staff and monitoring of COVID-19
- 3) Drilling programme at Tardan
- 4) Preparations for 2021 work programme We believe that the market conditions for 2021 stay the similar as in 2020

**THANK YOU**

# Questions

**Please use the Chat option in ZOOM**

**[Future Financial Calendar and dates]**

- Financial Year End – 31<sup>st</sup> December 2020
- Q4 and Full Year Results 2020 – [February] 2021
  - Annual Report – [April] 2021

Auriant Mining Overview

Auriant Mining Historical Overview



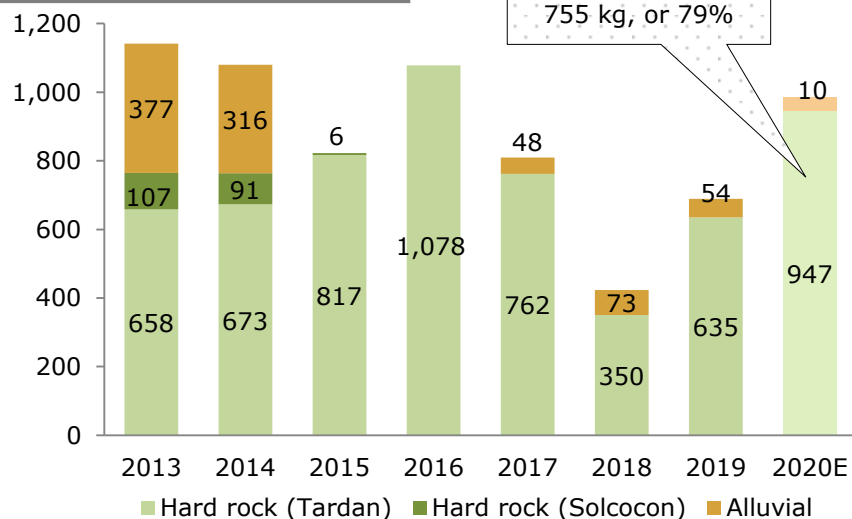
# Auriant Mining overview

## General Information

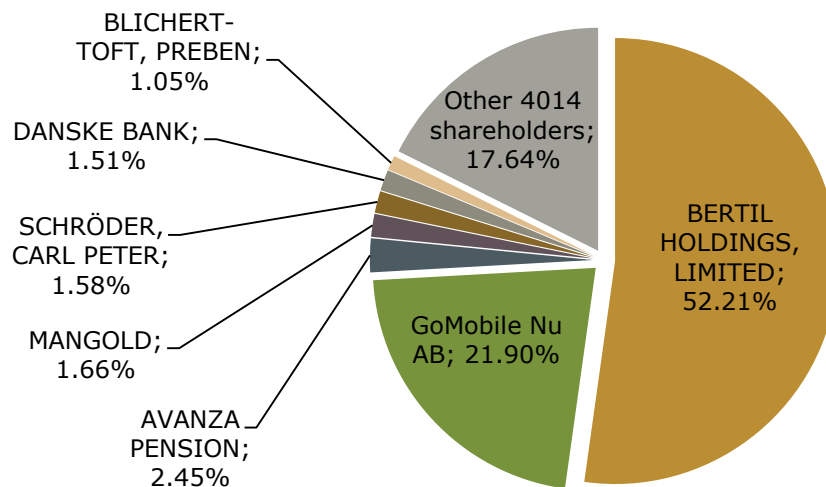
- **Auriant Mining AB** (Nasdaq First North Premier Growth Market: AUR) is a Swedish mining company focused on gold exploration and production in Russia, primarily in Siberia and Far East Russia.
- The company has currently:
  - (1) a producing mine at Tardan (Tyva), which has been successfully updated from heap leach to CIL,
  - (2) Kara-Beldyr (Tyva) deposit having 26 t of AU reserves (under JORC and national standards) with substantial upside potential,
  - (3) Solcocon deposit in Zabaikalye – 15 t of AU resources (under national standards), including 8 t processable on CIL + more than 60 t of Potential resources.
  - (4) Ayen Creek (adjacent to Kara-Beldyr license) and Uzhunzhul (Khakassiya) - green field projects.



## 12m Gold Production, kg



## Shareholders' structure as of September 30, 2020

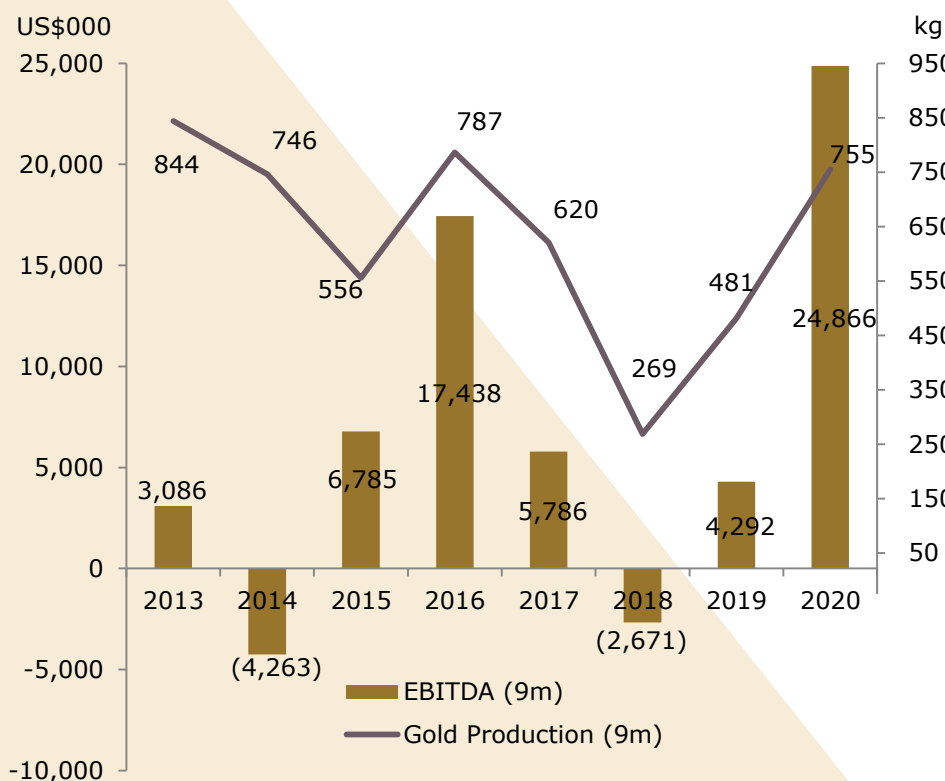




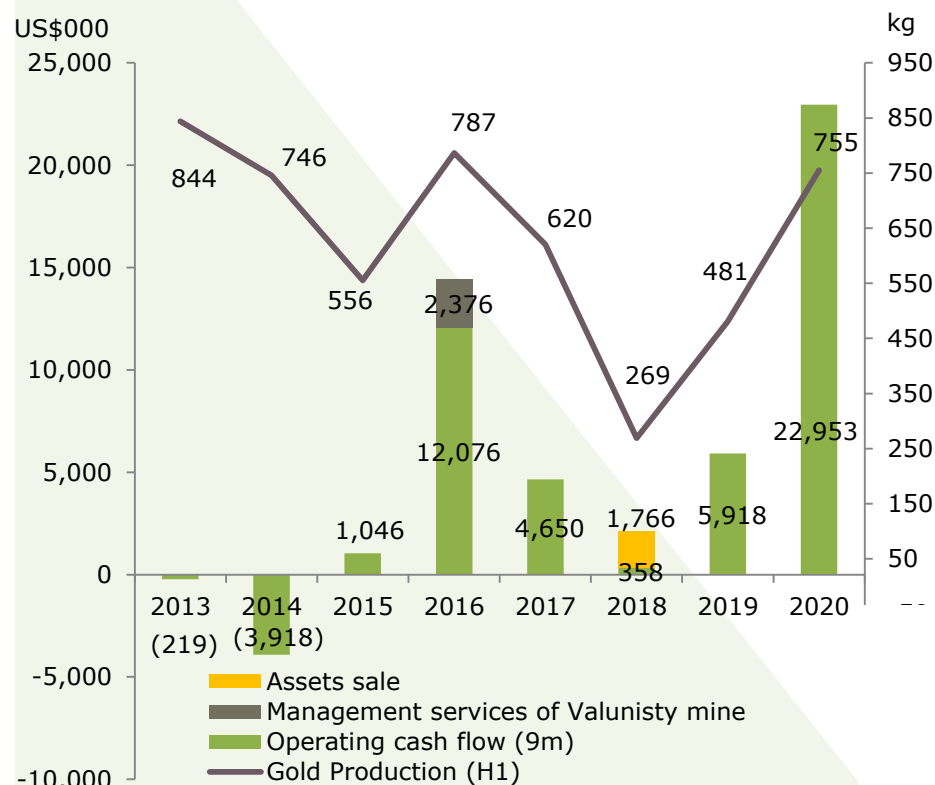
# Auriant Mining long-term historical overview

- Strong increase in **EBITDA**: in 9m 2020 EBITDA amounted to MSEK 234.0 (US\$ 24.9 mln) compared to MSEK 40.4 (US\$ 4.3 mln) in the previous year;
- Strong positive **net cash flow from operating activities** was MSEK 215.4 (US\$ 23.0 mln), up 283% YoY (9m 2019: MSEK 56.2 (US\$ 5.9 mln));
- **Net profit after tax** amounted to MSEK 109.1 (US\$ 11.5 mln) compared to loss of MSEK -0.4 (US\$ -0.6 mln) in 9m 2019.

## 9m EBITDA / 9m Gold Production



## 9m Operating Cash flow / 9m Gold Production



# Thank you

**Danilo Lange**

CEO

[d.lange@auriant.com](mailto:d.lange@auriant.com)

**Vladimir Vorushkin**

CFO

[Vladimir.Vorushkin@auriant.com](mailto:Vladimir.Vorushkin@auriant.com)

**Petr Kustikov**

COO

[Petr.Kustikov@auriant.com](mailto:Petr.Kustikov@auriant.com)

**Auriant Mining AB**

Box 55696

102 15 Stockholm, Sweden

Tel: +7 495 109 0282

[www.auriant.com](http://www.auriant.com)

