

# AURIANT

## MINING

**H1 2016 Interim Results  
Analyst Web Conference  
29 August 2016**

# 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.

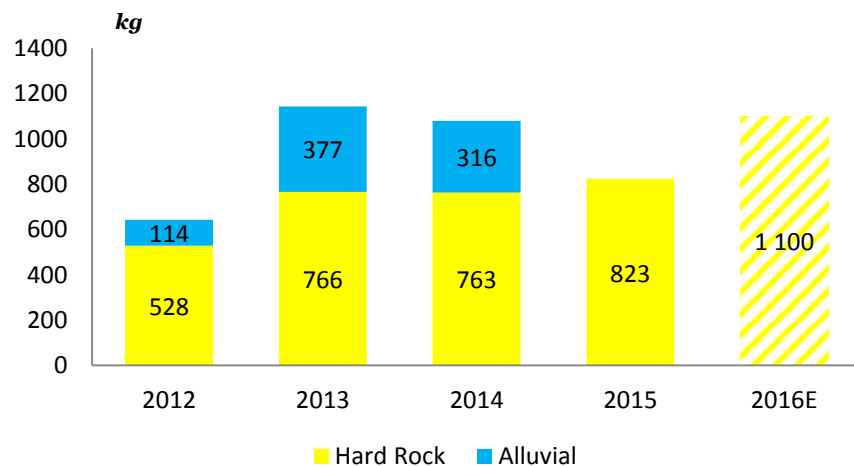
# Auriant Mining overview

## General Information

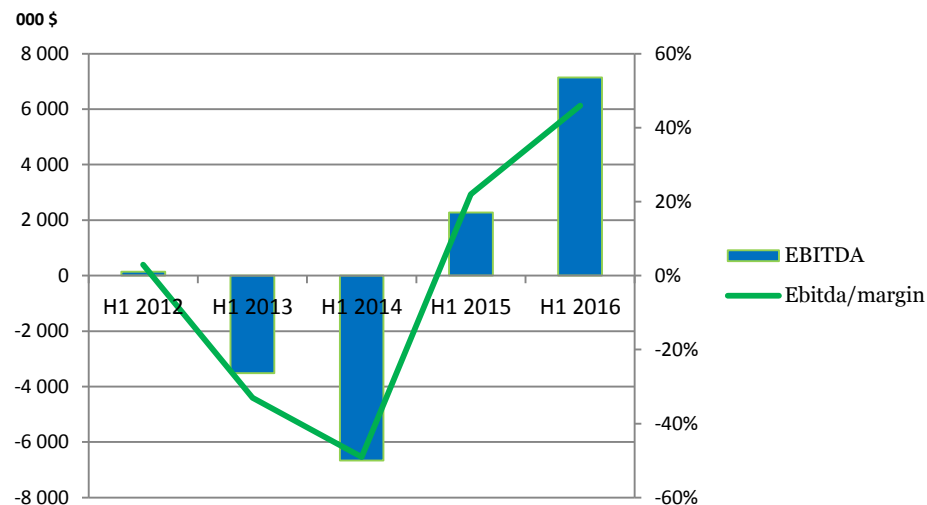
- Public Russian junior gold producer
- Listed on NASDAQ OMX First North
- 1 producing mine, 2 exploration properties
- 2015 production of 823 kg of gold (26,468 oz)
- 2016 expected production of 1.1 t**
- Expected 2016 reserves of 1.5 Moz
- Great exploration potential



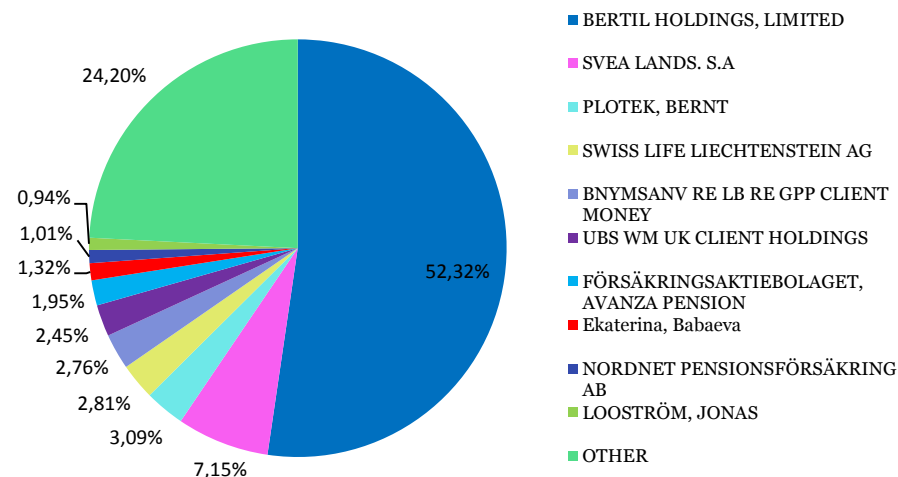
## Auriant Gold Production



## Financial Position

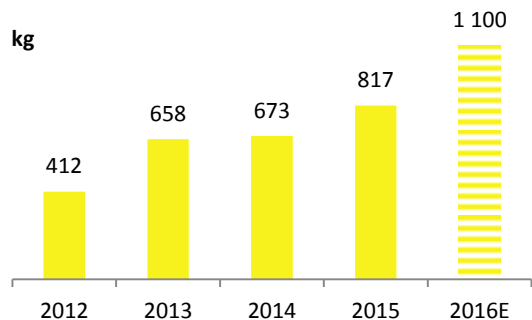


## Shareholder structure as of July 29, 2016

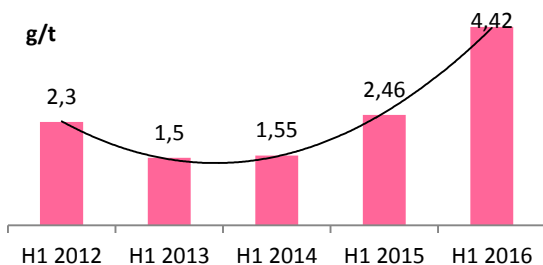


# 5 years Tardan outlook

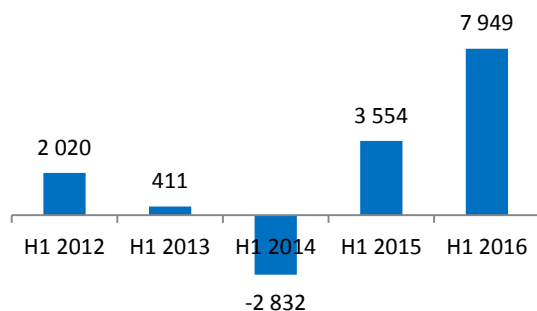
## Gold Production



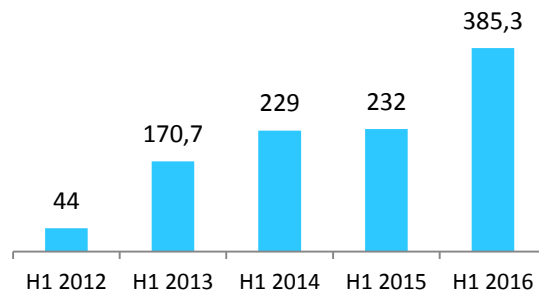
## Au grade in ore mined H1 to H1



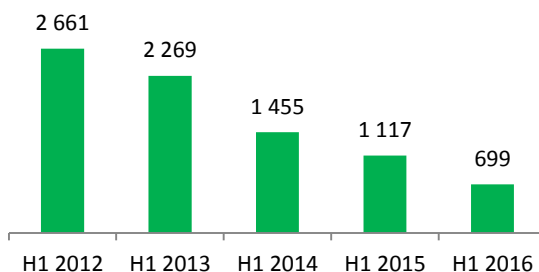
## EBITDA (\$'ooo)



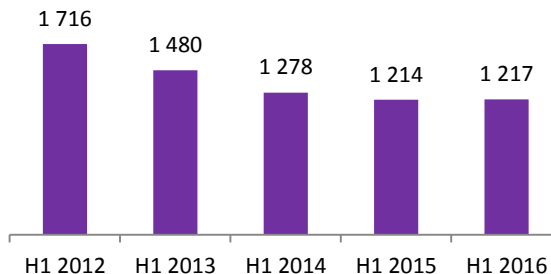
## Gold Production H1 to H1



## TCC H1 to H1 US\$/oz



## Realized price US\$/oz



## H1 2016 Summary

- Tardan gold production, including gravitational plant production, increased by 67%, or 154.2 kg, from 231.1 kg (7,431 oz) in H1 2015 up to 385.3 kg (12,389 oz), in H1 2016. Heap leach production added 87.4 kg and the rest of increase comes from gravitational plant production.
- Gold grades in the ore mined in H1 2016 were 4.42 g/t, which was an 80% increase compared to the same period of previous year (2.46 g/t).
- H1 2016 grade was 4.42 g/t, our expected 2016 grade level in 4.27 g/t
- During 5 years TCC have felt down by 4 times, and by 37% comparing to H1 2015.
- While realized gold price unchanged, in H1 2016 we managed to more than triple EBITDA comparing to H1 2015.

# H1 2016

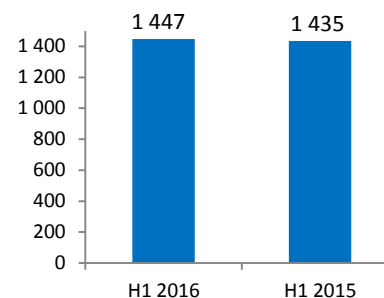
## Tardan Key Performance Indicators

| Key highlights                              | H1 2016       | H1 2015      | Change       | Change %    |
|---|---------------|--------------|--------------|-------------|
| Stripping, 000'm3                           | 1,447         | 1,435        | 12           | 1%          |
| Ore mined 000't                             | 205           | 208          | -2           | -1%         |
| Gold grade in ore mined, g/t                | 4.42          | 2.46         | 1.96         | 80%         |
| AU in ore mined, kg                         | 908           | 511          | 397          | 78%         |
| Ore heap leach stacked, 000't               | 160           | 188          | -28          | -15%        |
| Tailings heap leach stacked, 000't          | 21            | 17           | 4            | 24%         |
| Ore & tailings average grade, g/t           | 3.5           | 2.43         | 1.0          | 42%         |
| Gold stacked, kg                            | 624           | 497          | 126.8        | 25%         |
| Gold produced on heap leach, kg             | 298.0         | 210.6        | 87.4         | 42%         |
| Ore processed through grav. plant, 000't    | 38            | 12           | 26           | 217%        |
| Ore grade, g/t                              | 8.4           | 5.0          | 3.3          | 66%         |
| Gold produced through grav. plant, kg       | 87.3          | 20.5         | 66.8         | 326%        |
| <b>Total Gold produced, kg</b>              | <b>385.3</b>  | <b>231.1</b> | <b>154.2</b> | <b>68%</b>  |
| <b>Total Gold produced, Oz</b>              | <b>12,389</b> | <b>7,431</b> | <b>4,958</b> | <b>68%</b>  |
| Gold Sales, kg                              | 392           | 229          | 164          | 71%         |
| Gold Sales, oz                              | 12,619        | 7,359        | 5,260        | 71%         |
| Gold Sales, th'USD                          | 15,362        | 8,933        | 6,429        | 72%         |
| Price realized (net of commission)          | 1,217         | 1,214        | 3            | 2%          |
| <b>Total cash cost per oz</b>               | <b>699</b>    | <b>1,117</b> | <b>-418</b>  | <b>-37%</b> |
| Tardan contribution to group EBITDA, US\$ m | 8.0           | 3.6          | 4.4          | 122%        |

### H1 2016 VS H1 2015

- Gold production increased by 68%;
- Cash costs per oz are 37% lower;
- Tardan contribution to group EBITDA is 122% higher.

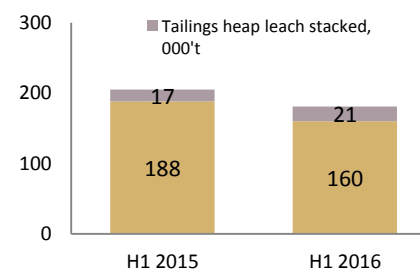
### Stripping, 000 m3



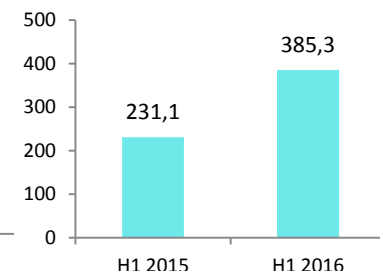
### Ore Mined, 000 t



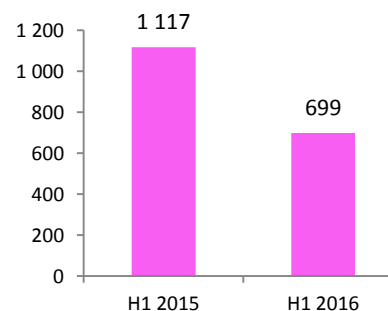
### Ore & tailings stacked



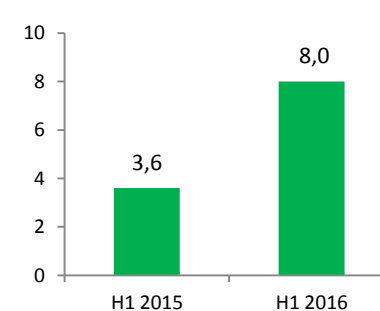
### Gold produced, kg



### TCC \$/oz

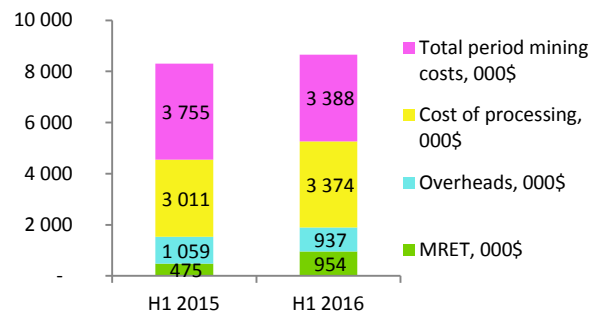


### EBITDA US\$ m

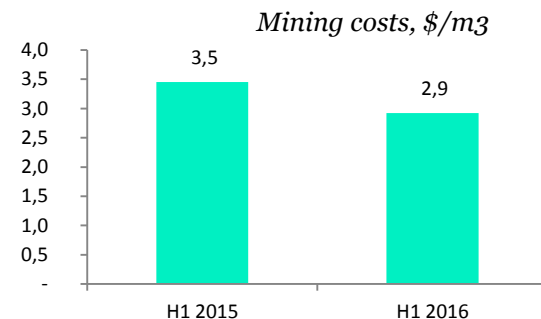
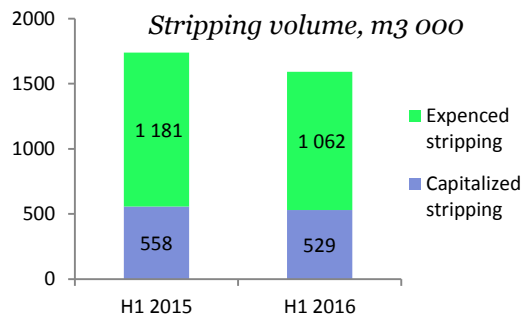


# Tardan cash costs analytics H1 2016

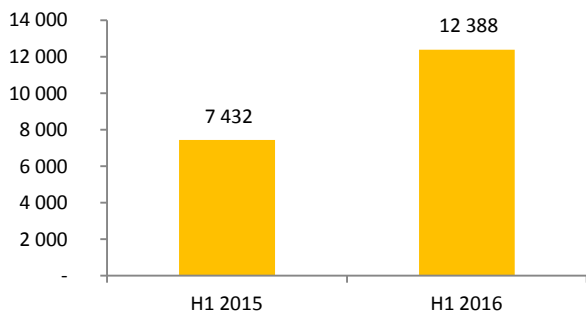
## Total cash cost, 000\$



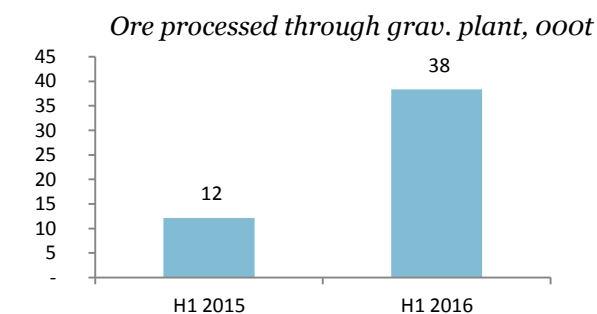
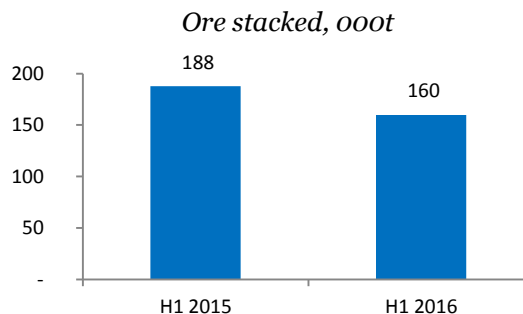
## Mining



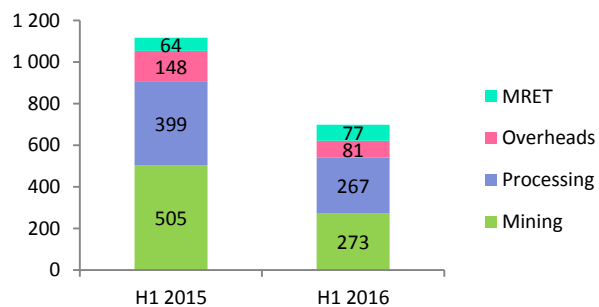
## Gold Produced, oz



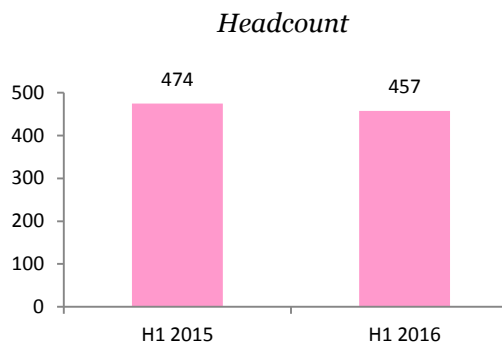
## Processing



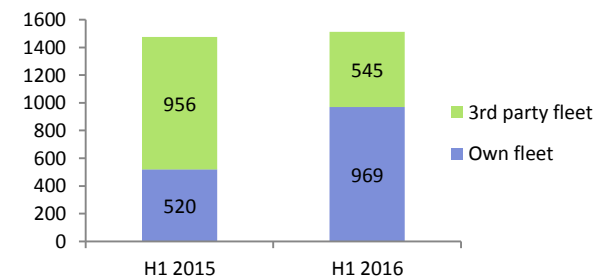
## Cost Structure per oz



## Other



### Own & 3rd party fleet involvement in mining activities



# H1 2016 Income Statement

|   | Q2 2016      | Q2 2015        | H1 2016        | H1 2015        | Change       | Change %     |
|---|--------------|----------------|----------------|----------------|--------------|--------------|
|   | US\$ 000     | US\$ 000       | US\$ 000       | US\$ 000       | US\$ 000     | %            |
| Revenue, including:                     | 8,955        | 5,849          | 15,663         | 10,313         | 5,350        | 52%          |
| <i>Revenue from gold sales</i>          | 8,955        | 4,955          | 15,362         | 9,119          | 6,243        | 68%          |
| <i>Revenue from management services</i> | -            | 894            | 300            | 1,194          | (894)        |              |
| Cost of sales                           | (6,278)      | (6,104)        | (11,130)       | (10,082)       | (1,048)      | 10%          |
| Gross profit                            | <b>2,677</b> | <b>(255)</b>   | <b>4,533</b>   | <b>231</b>     | <b>4,302</b> | <b>1862%</b> |
| General and administrative expenses     | (621)        | (1,118)        | (1,232)        | (1,910)        | 678          | -35%         |
| Other operating income                  | 235          | 311            | 487            | 398            | 89           | 22%          |
| Other operating expenses                | (33)         | (41)           | (87)           | (286)          | 199          | -69%         |
| Operating profit                        | <b>2,259</b> | <b>(1,103)</b> | <b>3,701</b>   | <b>(1,567)</b> | <b>5,267</b> | <b>-336%</b> |
| Financial income                        | 8            | 420            | 13             | 420            | (407)        | -97%         |
| Financial expenses, including           | (1,805)      | (1,722)        | (3,712)        | (3,809)        | 97           | -3%          |
| <i>Forex result</i>                     | 8            | 105            | (15)           | -              | (15)         | -100%        |
| <i>Interest expenses</i>                | (1,813)      | (1,827)        | (3,697)        | (3,809)        | 112          | -3%          |
| Profit/(Loss) before income tax         | <b>462</b>   | <b>(2,405)</b> | <b>2</b>       | <b>(4,956)</b> | <b>4,957</b> | <b>-100%</b> |
| Income tax                              | (961)        | (1,112)        | (2,152)        | (895)          | (1,257)      | 140%         |
| Net profit/(loss) for the period        | <b>(499)</b> | <b>(3,517)</b> | <b>(2,150)</b> | <b>(5,851)</b> | <b>3,700</b> | <b>-63%</b>  |
| <b>EBITDA</b>                           | <b>4,119</b> | <b>896</b>     | <b>7,137</b>   | <b>2,280</b>   | <b>4,857</b> | <b>213%</b>  |

Revenue from gold sales increased by US\$ 6.3 mln, or 68% as a result of a 68% increase in sales volume from 233 kg (7,497 oz) in H1 2015 to 392 kg (12,619 oz) in H1 2016 with the realized gold price unchanged. Consolidated revenue only increased by 52% to US\$ 15.7 mln (H1 2015: US\$ 10.3 mln), due to the absence of any management contract revenue in 2016.

Cost of sales increased by only 10% in H1 2016 to US\$ 11.130 mln compared to US\$ 10.082 mln in H1 2015, while gold production increased by 64%.

General and administrative expenses in H1 2016 decreased by 35% mostly as a result of reduction the number of management team in Moscow office since January 2016.

The income tax is a non-cash expense and represents utilization of deferred tax asset against taxable income received by the Group subsidiaries - Tardan and Moscow management company.

# Consolidated statement of financial position

|                                     | June 30,<br>2016<br>US\$ 000 | December 31,<br>2015<br>US\$ 000 |
|-------------------------------------|------------------------------|----------------------------------|
| <b>ASSETS</b>                       |                              |                                  |
| <b>FIXED ASSETS</b>                 |                              |                                  |
| Intangible fixed assets             | 22,404                       | 23,081                           |
| Tangible fixed assets               | 23,374                       | 24,506                           |
| Stripping assets                    | 3,731                        | 2,335                            |
| Deferred tax assets                 | 4,854                        | 6,270                            |
| <b>Total fixed assets</b>           | <b>54,362</b>                | <b>56,192</b>                    |
| <b>CURRENT ASSETS</b>               |                              |                                  |
| Materials                           | 1,009                        | 946                              |
| Work in progress                    | 5,115                        | 3,850                            |
| Finished products                   | 550                          | 37                               |
| Current receivables                 | 3,764                        | 5,246                            |
| Advanced paid                       | 1,144                        | 338                              |
| Cash and cash equivalents           | 2,184                        | 43                               |
| <b>Total current assets</b>         | <b>13,765</b>                | <b>10,460</b>                    |
| <b>TOTAL ASSETS</b>                 | <b>68,128</b>                | <b>66,652</b>                    |
| <b>EQUITY</b>                       |                              |                                  |
| Share capital                       | 307                          | 307                              |
| Additional paid in capital          | 59,800                       | 59,838                           |
| Retained earnings                   | (86,237)                     | (84,087)                         |
| Translation difference reserve      | (13,557)                     | (15,714)                         |
| <b>Total equity</b>                 | <b>(39,687)</b>              | <b>(39,656)</b>                  |
| <b>Long term liabilities</b>        |                              |                                  |
| Deferred tax liabilities            | 1,986                        | 2,224                            |
| Bank loans and other notes          | 16,656                       | 20,073                           |
| Lease payable                       | 356                          | 691                              |
| Debt to shareholder                 | 42,287                       | 41,293                           |
| Other long-term liabilities         | 6,122                        | 6,026                            |
| <b>Total long term liabilities</b>  | <b>67,408</b>                | <b>70,307</b>                    |
| <b>Current liabilities</b>          |                              |                                  |
| Trade accounts payable              | 1,233                        | 2,454                            |
| Bank loans payable                  | 30,243                       | 24,537                           |
| Lease payable                       | 828                          | 673                              |
| Shareholder loans payable           | 5,813                        | 5,563                            |
| Other current liabilities           | 2,292                        | 2,774                            |
| <b>Total current liabilities</b>    | <b>40,407</b>                | <b>36,001</b>                    |
| <b>TOTAL EQUITY AND LIABILITIES</b> | <b>68,128</b>                | <b>66,652</b>                    |

Stripping works were capitalized at pit # 1.3 and #1.1 of Tardan and will be amortized in future in line with ore mining.

Work in progress balance increased due to higher volume of gold in process, which will be recovered in future periods.

25.9 kg of gold were realised on the 1st of July.

Cash balance increased due to receiving a short-term loan of US\$ 2.5 mln from PSB in Q2 2016.

Reclassification of a part of bank debt in the amount of US\$ 3.4 mln from long to short-term liability in accordance with the schedule. Receiving a new tranche from PSB in the amount of US\$ 2.5 mln, and partial repayment of bank debt in the amount of US\$ 1.2 mln.

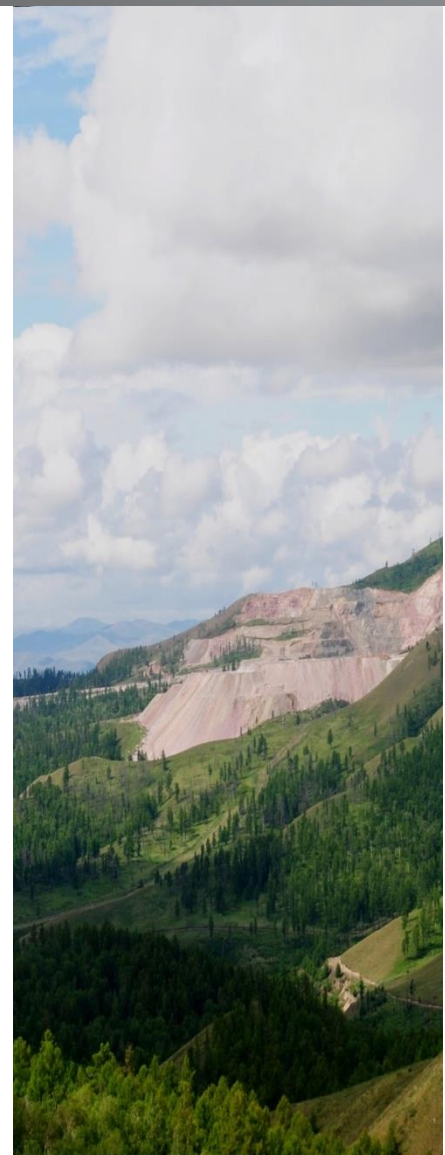




# Consolidated cash flow statement

| CONSOLIDATED CASH FLOW STATEMENT                            | Q2 2016      | Q2 2015        | H1 2016        | H1 2015        | Change         | Change       |
|---|--------------|----------------|----------------|----------------|----------------|--------------|
|   | US\$ 000     | US\$ 000       | US\$ 000       | US\$ 000       | US\$ 000       | %            |
| <b>Operating activities</b>                                 |              |                |                |                |                |              |
| Receipts from customers                                     | 9,803        | 5,324          | 18,769         | 9,718          | 9,050          | 93%          |
| VAT and other reimbursement                                 | 329          | 917            | 817            | 1,943          | (1,126)        | -58%         |
| Payments to suppliers                                       | (6,148)      | (5,346)        | (10,007)       | (8,303)        | (1,704)        | 21%          |
| Payments to employees and social taxes                      | (2,307)      | (2,266)        | (4,315)        | (3,990)        | (325)          | 8%           |
| Income tax paid   | (27)         | (13)           | (27)           | (13)           | (14)           | 110%         |
| Other taxes paid  | (705)        | (658)          | (1,242)        | (1,216)        | (26)           | 2%           |
| <b>Net cash flows from/(used in) operating activities</b>   | <b>945</b>   | <b>(2,041)</b> | <b>3,996</b>   | <b>(1,860)</b> | <b>5,856</b>   | <b>-315%</b> |
| <b>Investing activities</b>                                 |              |                |                |                |                |              |
| Purchase and construction of property plant and equipment   | (501)        | (15)           | (1,025)        | (56)           | (969)          | 1727%        |
| Exploration and research works                              | (381)        | -              | (465)          | -              | (465)          | -100%        |
| <b>Net cash flows used in investing activities</b>          | <b>(881)</b> | <b>(15)</b>    | <b>(1,490)</b> | <b>(56)</b>    | <b>(1,434)</b> | <b>2556%</b> |
| <b>Financing activities</b>                                 |              |                |                |                |                |              |
| Proceeds from borrowings, net                               | 2,500        | 3,500          | 2,500          | 3,500          | (1,000)        | -29%         |
| Repayment of borrowings, net                                | (1,176)      | (285)          | (1,176)        | (218)          | (958)          | 439%         |
| Interest paid   | (656)        | (577)          | (1,377)        | (1,193)        | (184)          | 15%          |
| Lease payments  | (295)        | (439)          | (548)          | (667)          | 119            | -18%         |
| Other finance expenses                                      | 14           | (7)            | 14             | (10)           | 24             | -231%        |
| <b>Net cash from/(used in) financing activities</b>         | <b>388</b>   | <b>2,193</b>   | <b>(587)</b>   | <b>1,412</b>   | <b>(1,999)</b> | <b>-142%</b> |
| <b>Net increase/(decrease) in cash and cash equivalents</b> | <b>451</b>   | <b>138</b>     | <b>1,918</b>   | <b>(504)</b>   | <b>2,422</b>   | <b>-481%</b> |
| Net foreign exchange difference                             | 75           | (42)           | 223            | 58             | 164            | 281%         |
| Opening balance cash and cash equivalents                   | 1,658        | 61             | 43             | 603            | (560)          | -93%         |
| <b>Closing balance cash and cash equivalents</b>            | <b>2,184</b> | <b>157</b>     | <b>2,184</b>   | <b>157</b>     | <b>2,027</b>   | <b>1294%</b> |

In H1 2016 all operating activity were financed via cash flows generated by the Company.

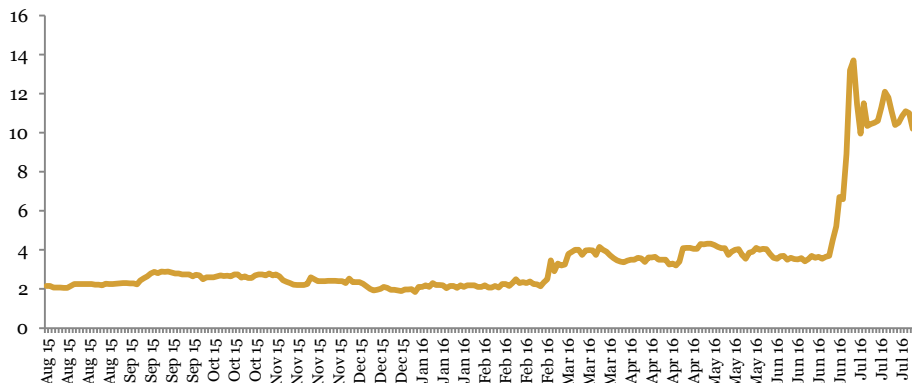


# Auriant Market Update

## OMXN40 Index



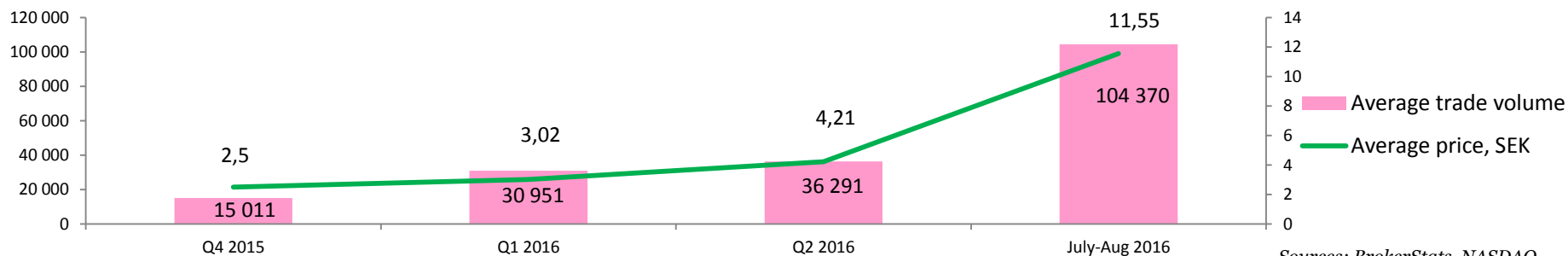
## Auriant Mining Share Price, SEK



## Share Performance

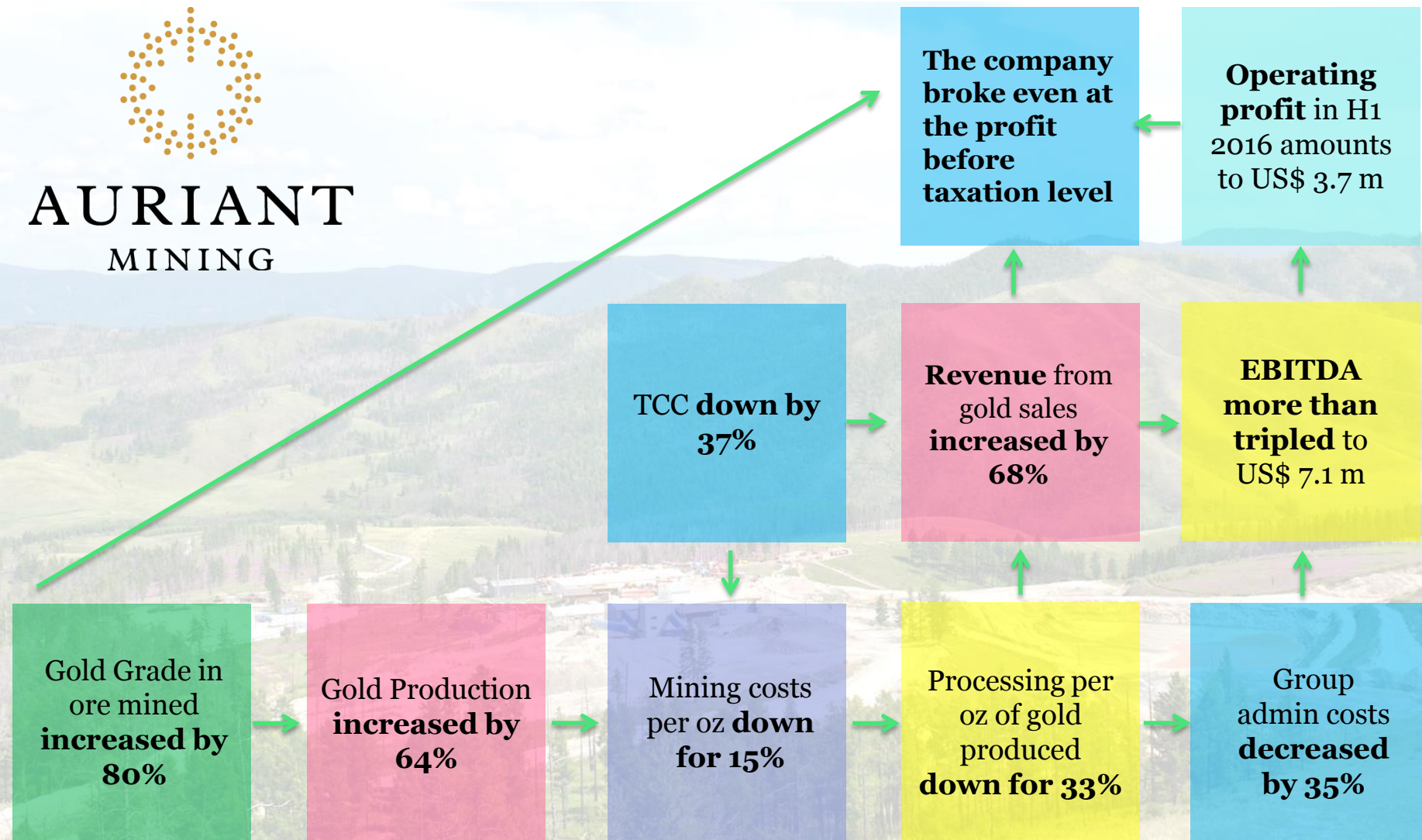
- On the rising gold price and historical record production performance, share price goes up;
- During June-August 2016 Auriant practically recovered fundamental undervaluation of shares;
- We thank our shareholders for the confidence and all the support during last periods of low share price.

## Average Trade Volume and Average Share Price



Sources: BrokerStats, NASDAQ

# H1 2016 Summary



# Thank you

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