

Auriant Mining

# INTERIM REPORT

January-March 2018



**AURIANT**  
MINING

# Highlights

- During Q1 2018, no mining took place. Gold was produced from ore stacked on the heap leach in 2017, in line with the production plan.
- Q1 2018, production was 70.6 kg (2,270 oz) compared to 95.2 kg (3,061 oz) produced from the heap leach in Q1 2017, a decrease of 26%. Total gold production in Q1 2017, both from the heap leach and from the gravitational plant, was 110.9 kg (3,565 oz).
- Warrants subscription period, issued in connection with the rights issue in September 2017, ended on 30 March 2018. Additional capital of US\$ 7.1 mln was raised (before transaction costs), of which US\$ 3.7 mln was subscribed through a set off of shareholder debt and US\$ 3.4 mln was raised in cash. New shares were registered at the Swedish Companies Registration Office in April 2018. The warrant subscription proceeds will fully finance the construction of the CIL plant at Tardan and the study at Kara-Beldyr.
- In March 2018, the Company reached an agreement with Golden Impala Ltd to extend the maturity date of the shareholder debt from June 30, 2019 to December 31, 2021, when Kara-Beldyr is expected to start operations. Other terms remained unchanged.
- Consolidated revenue was MSEK 18.9 (US\$ 2.3 mln) (Q1 2017 – MSEK 55.3 (US\$ 6.2 mln)).
- EBITDA was below breakeven: MSEK -8.2 (US\$ -1.0 mln) compared to MSEK 12.5 (US\$ 1.4 mln) in Q1 2017.
- Net loss after tax was MSEK -21.4 (US\$ -2.6 mln) (Q1 2017 – MSEK -8.5 (US\$ -0.9 mln)).

## **SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD**

- In April 2018, the Company raised US\$ 3.0 mln of lease finance with the leasing company LLC Delta, which will be used for the acquisition of equipment for CIL plant.
- In May 2018, alluvial production commenced at Solcocon.





# Comments by the CFO

Dear Stakeholders,

During the first quarter of 2018, mining activities at Tardan were put on hold. Gold was produced from ore stacked on the heap leach in 2017. Mining operations at Tardan were put on hold in order to minimize the ore processed through the heap leach, and to maximize the ore processed through the CIL plant, from Q1 2019 onwards. This will allow the Company to benefit from the higher CIL recovery rate of 92%. Mining operations at the Pravoberezhny deposit will be resumed in Q3 2018. The 2018 production plan is to produce 500 kg of gold, including 350 kg at Tardan and 150 kg of alluvial gold at Solcocon, where alluvial production has already commenced.

The Company's EBITDA for the period was (US\$ -1.0 mln) with lower production and sales volumes compared to Q1 2017. During this period, the Company has been focusing on the construction of the CIL plant and capital raising: as a result of the warrants subscription programme, additional capital of US\$ 7.1 mln before transaction costs were raised, including US\$ 3.4 mln on a cash basis. As the registration of new shares only completed in April 2018, the interim financial statements for Q1 2018 do not show the new shares issue.

In April 2018, the Company raised US\$ 3.0 mln of lease finance with LLC Delta, which was used for the acquisition of CIL equipment.

During the remainder of 2018, we will continue to focus on the CIL construction, commencement of mining at Pravoberezhny and the study at Kara-Beldyr.

All changes in financial results shown in percent (%) relate to changes in US\$ amounts.

## INCOME, FINANCIAL RESULTS AND FINANCIAL POSITION FOR THE GROUP

### INCOME AND RESULT

During Q1 2018, no mining activities were carried out by the Company. Q1 2018 production was from the ore stacked on the heap leach in 2017 and amounted to 71 kg (2,270 oz) compared to 111 kg (3,565 oz) in Q1 2017. As a result, revenue from gold sales was US\$ 2.3 mln (Q1 2017 - US\$ 6.2 mln) and gold sales were 54 kg (1,743 oz) (Q1 2017 - 158 kg (5,070 oz)). The average realized gold price per ounce was US\$ 1,335 (Q1 2017 - US\$ 1,221).

Absence of mining operations at Tardan in Q1 2018, resulted in a reduction in cost of sales of 34%, or US\$ 1.9 mln. Cash expenses reduced by 52% or US\$ 2.7 mln. Change in stripping assets in Q1 2018 was nil, while in Q1 2017, it was capitalized by US\$ 1.0 mln in line with mining activity.

|                                       | Q1 2018        | Q1 2017        | Change       | Change %    |
|---------------------------------------|----------------|----------------|--------------|-------------|
| <b>Cost of sales, including</b>       | <b>(3,724)</b> | <b>(5,657)</b> | <b>1,934</b> | <b>-34%</b> |
| Cash expenses                         | (2,422)        | (5,078)        | 2,655        | -52%        |
| Depreciation&amortization (non-cash)  | (1,083)        | (1,360)        | 278          | -20%        |
| Change in stripping assets (non-cash) | -              | 1,012          | (1,012)      | -100%       |
| Change in work in progress (non-cash) | (218)          | (231)          | 13           | -6%         |



General and administrative expenses (cost of the Company's HQ) were similar to 2017 and amounted to US\$ 0.7 mln.

Other operating income in Q1 2018 related to revenue from sales of equipment at Solcocon.

In the previous period, other income consisted of revenue from renting out Solcocon's mining equipment, which was sold for US\$ 1.7 mln (incl VAT) at the end of 2017.

Other operating expenses included bank commissions and other expenses (each of them were not significant by themselves), which have not changed significantly.

Financial expenses reduced by 40% compared to prior period and amounted to US\$ 0.9 mln (Q1 2017 - US\$ 1.6 mln). This was due to the repayment of the loan principal, a decrease in the interest rate on the Company's bank loan from 10% to 8.3%, and a reduction in the principal amount of debt to the Shareholder (through set-off of shareholder debt for new shares issued in 2017) and a decrease in the interest rate from 4.3% in Q1 2017 down to 2% in Q1 2018.

Income tax of US\$ 0.6 mln in Q1 2018 and US\$ 0.3 mln in Q1 2017 was positive in both periods and related to a change in deferred tax at the subsidiaries level and represented deferred tax timing differences and tax loss carry-forward accumulation.

The loss after tax in Q1 2018 was US\$ -2.6 mln compared to US\$ -1.0 mln in Q1 2017.

Earnings per share for the period were US\$ -0.04 compared to Q1 2017 of US\$ -0.05.

## STATEMENT OF FINANCIAL POSITION

Current receivables of US\$ 5.1 mln as at 31 December 2017 included US\$ 1.7 mln from the sale of mining equipment and vehicles (received by the Company in February 2018), and US\$ 1.8 mln of VAT which was reimbursed in Q1 2018.

As of March 31, 2018 the Company had 43.4 kg of gold ready for sale.

## INVESTMENTS, LIQUIDITY AND FINANCING

During Q1 2018, operating activity was financed by gold sales, reimbursement of VAT and receipts from the sale of Solcocon equipment (sold in 2017 for US\$ 1.7 mln). In the previous period, cash receipts included gold sales and reimbursement of VAT.

Amount of VAT reimbursed during the period was US\$ 1.8 mln – an increase compared to Q1 2017: US\$ 1.1 mln.

US\$ 1.0 mln of down payments were made for the CIL construction and for engineering studies for

Pravoberezhniy.

The consolidated cash balance as of March 31, 2018 was US\$ 5.1 mln (December 31, 2017 – US\$ 5.1 mln).

Chief Financial Officer  
Alexander Buchnev

# Other financial information

We are reporting all our financial numbers in SEK and in US dollars. The exchange rates used in this report were US\$/SEK 8.1068 for Q1 2018 P&L accounts and US\$/SEK 8.3596 for the statement of financial position as of March 31, 2018. For Q1 2017 accounts US\$/SEK 8.9229 for P&L and US\$/SEK 8.9334 for the statement of financial position was used.

## SEGMENT INFORMATION

The company accounts for segments in accordance with IFRS 8. At present the company only has one segment, as only one product, gold, is produced and all operations are performed in one economic environment, Russia.

## TRANSACTIONS WITH RELATED PARTIES

The amount of bond liability to Golden Impala as of March 31, 2018 was US\$ 37.4 mln.

Accrued interest expenses for transactions with related parties in Q1 2018 amounted to US\$ -0.180 mln. During Q1 2018 US\$ 0.075 mln was repaid to Golden Impala.

During Q1 2018, the Company received consulting services from a company related to a Board member in the amount of US\$ 0.023 mln and legal services from a company related to the main shareholder in the amount of US\$ 0.025 mln.

## EMPLOYEES

The group had on average 443 employees during the reporting period. As of 31 March 2018 the number of employees in the group was 426 (483 as of December 31, 2017).

## CAPITAL STRUCTURE

The number of shares in issue as at 31 March 2018 was 74,847,182. The limits of the share capital are a minimum of MSEK 5.3 and a maximum of MSEK 21.3 and the quota value of each share is SEK 0.1125 (US\$ 0.0137). Each share carries one vote.

## THE PARENT COMPANY

The parent company is a holding company without significant operations. It supports the subsidiaries with financing, investor relations, strategy formulation, etc. Thus, usually has no income other than interest on loans extended to the subsidiaries from time to time or in respect of bank deposits.

## INCOME AND RESULT OF THE PARENT COMPANY

Revenue for consulting services provided to a subsidiary company in Q1 2018 was MSEK 0.180 (US\$ 0.022 mln) (Q1 2017 – MSEK 0.802 (US\$ 0.09 mln)).

External expenses decreased by MSEK 0.608 (US\$ 0.052 mln) down to MSEK -1.411 (US\$ -0.174 mln) mostly as a result of a lower volume of legal services, which were connected with the rights issue in the previous year.

The operating loss for Q1 2018 was MSEK -1.927 (US\$ -0.238 mln) compared to Q1 2017 of MSEK -1.436 (US\$ -0.160 mln)

Net financial items for Q1 2018 amounted to MSEK -1.290 (US\$ -0.159 mln) (Q1 2017 MSEK 27.695 (US\$ 3.104 mln)) and included interest expenses related to the Golden Impala bond (the major Shareholder) of MSEK -1.463 (US\$ -0.180 mln); interest expenses of MSEK -0.166 (US\$ -0.020 mln) to KFM and net forex loss of MSEK -3.554 (US\$ -0.439 mln). These expenses were compensated by intergroup loan interest income in amount of MSEK 3.893 (US\$ 0.480 mln).

Interest expenses to Golden Impala decreased by 64% or MSEK 2.972 (US\$ 0.317 mln) as a result of reduction of principal amount of debt to the Shareholder (through set-off of shareholder debt for new shares issued in 2017) and change in the effective interest rate from 4.3% in Q1 2017 down to 2% in Q1 2018.

The effect of forex on net financial items in Q1 2018 was not significant due to a decrease of the subsidiaries' liabilities under the loan agreements denominated in RUR. Intercompany liabilities were restructured in 2017 by partial conversion of loans into equity of subsidiaries and by setting-off of mutual liabilities.

Net loss for Q1 2018 amounted to MSEK -3.216 (US\$ -0.397 mln) compared to net profit of MSEK 26.259 (US\$ 2.944 mln) Q1 2017.

## FINANCIAL POSITION OF THE PARENT COMPANY

Total cash balance in the Parent Company was MSEK 0.392 (US\$ 0.047 mln) as of 31 March 2018 (31 December 2017 MSEK 0.257 (US\$ 0.031 mln)).

## ACCOUNTING PRINCIPLES AND BASIS OF PREPARATION

The consolidated accounts for Auriant Mining AB have been prepared in accordance with International Financial Reporting Standards (IFRS) as described on page 73 in the annual report for financial year 2017. The evaluations and estimations made by the board of directors and management in preparing the interim report are described on page 80 in the annual report for 2017.

This interim report has been prepared in accordance with IAS 34, Interim Financial Reporting and in accordance with the Swedish Annual Accounts Act and the Swedish Financial Reporting Board's recommendation RFR 1, Supplementary accounting regulations for groups. 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 are the same as for the group with the exceptions described in the annual report 2017.

The same accounting principles are applied in this interim report as in the annual report 2017.

No material changes in accounting principles have tak-



en place since the Annual Report for 2017, other than the information below.

### CHANGES IN ACCOUNTING PRINCIPLES APPLIED FROM JANUARY 1, 2018

From January 1, 2018, the Group applied two new accounting standards, IFRS 9 Financial instruments and IFRS 15 Revenue from contracts with customers.

#### *IFRS 9 Financial Instruments*

The Group applies IFRS 9 from January 1, 2018. IFRS 9 replaces IAS 39, Financial instruments; Recognition and measurement. IFRS 9 involves changes in how financial assets are classified and measured, introduces an impairment model for expected credit losses and changes in hedge accounting requirements. IFRS 9 introduces a new model to calculate the credit loss reserve based on expected loan losses.

The new impairment model affects the Group regarding the calculation of the credit loss reserve for accounts receivable, including those that have yet to fall due. The standard has no significant impact on the Group and no adjustment to the opening balance of equity has been made.

#### *IFRS 15 Revenue from contracts with customers.*

This standard applies from January 1, 2018. The Group applies IFRS 15 from January 1, 2018. IFRS 15 is the new standard for revenue recognition and replaces IAS 18 Revenue and IAS 11 Construction Contracts and all the relevant interpretations (IFRIC and SIC). The new standard is based on the principle that revenue is recognised when control of a good or service transfers to a customer – so the notion of control replaces the existing notion of risks and rewards.

The Group estimates that it will not have significant impact on the Group due to the revenue cycle specifics and no adjustment to the opening balance of equity has been made.

### RISKS AND UNCERTAINTIES ASSOCIATED WITH THIS INTERIM REPORT

The group's risk exposure is presented on page 102 of the 2017 annual report. The Board of Directors believes that the most important risk factors for the time being are:

- a. Gold price risk: The fluctuations of the international gold price directly influence the revenues of a gold producing company.
- b. Currency risk: Auriant Mining operations and reporting is influenced by the gold price which is quoted in US\$, whereas production costs are in RUB, and reporting in SEK. Fluctuations in exchange rates could have a major impact on both local operational results and the SEK reported results.
- c. Inflation risk: The Russian economy has been subject to significant inflation pressure during the last few years. This directly impacts on the production costs in a gold mining company.
- d. Geological risk: The recoverable gold reserves of a gold exploration and production company are influenced by geological and economic factors. The

estimation of reserves is therefore at all times dependent on the international gold price, costs associated with the extraction of the gold, etc. Therefore, the estimated gold reserves of any gold company may change at any point in time. In particular, the alluvial subsidiaries of the Auriant Mining group are sensitive to cost increases.

- e. Financial and project risk: Auriant Mining AB is a gold mining company and is involved in the production of gold as well as exploration. The company is still dependent on external financing for the development of its business. If the availability of external financing were to be reduced, it would negatively influence the future outlook of the company. The current poor sentiments on global capital markets must be taken in to account.
- f. Legal risks: Auriant Mining operates in a complicated and challenging legal environment in Russia. Changes in the interpretations of tax legislation and in the legal environment may have significant impact on the company.

# 3 months 2018 operational update

During Q1 2018, no mining activities were carried out by the Company. Gold was produced in Q1 2018 out of ore stacked on the heap leach in 2017. Q1 2018 production was 70.6 kg (2,270 oz), compared to 95.2 kg (3,061 oz) produced on the heap leach in Q1 2017, a 26% decrease (total gold production in Q1 2017, both from heap leaching and from the gravitational plant, was 110.9 kg (3,565 oz)).

On 20th of October 2017, Auriant Mining announced plans to temporarily halt mining operations at Tardan in the first half of 2018. During Q1, the Company carried out preparatory work for the construction of the CIL plant. The Company also continued construction of the road to the Pravoberezhniy deposit (10 km), which is expected to be completed in Q2 2018. This will secure access to the deposit, so that mining operations can commence in Q3 2018. The Company is confident in achieving its production plans of 500 kg of gold in 2018.

# Financial reports

## Consolidated income statement

|  | Q1<br>Jan-Mar<br>2018<br>TSEK | Q1<br>Jan-Mar<br>2017<br>TSEK | 12 months<br>Jan-Dec<br>2017<br>TSEK | Q1<br>Jan-Mar<br>2018<br>US\$ 000 | Q1<br>Jan-Mar<br>2017<br>US\$ 000 | 12 months<br>Jan-Dec<br>2017<br>US\$ 000 |
|--|-------------------------------|-------------------------------|--------------------------------------|-----------------------------------|-----------------------------------|--|
| Revenue  | 18,865                        | 55,252                        | 286,494                              | 2,327                             | 6,192                             | 33,532                                   |
| Cost of sales  | (30,210)                      | (50,516)                      | (268,381)                            | (3,724)                           | (5,657)                           | (31,420)                                 |
| <b>Gross profit</b>                                    | <b>(11,345)</b>               | <b>4,736</b>                  | <b>18,113</b>                        | <b>(1,397)</b>                    | <b>535</b>                        | <b>2,112</b>                             |
| General and administrative expenses                    | (5,496)                       | (5,989)                       | (21,064)                             | (678)                             | (671)                             | (2,447)                                  |
| Other operating income                                 | 406                           | 2,053                         | 27,628                               | 50                                | 230                               | 3,288                                    |
| Other operating expenses                               | (548)                         | (459)                         | (2,379)                              | (68)                              | (51)                              | (278)                                    |
| Items affecting comparability                          | -                             | -                             | (2,493)                              | -                                 | -                                 | (292)                                    |
| <b>Operating profit/(loss)</b>                         | <b>(16,983)</b>               | <b>341</b>                    | <b>19,805</b>                        | <b>(2,093)</b>                    | <b>43</b>                         | <b>2,383</b>                             |
| Financial income                                       | 41                            | -                             | 53                                   | 5                                 | -                                 | 6  |
| Financial expenses                                     | (7,618)                       | (14,073)                      | (47,644)                             | (940)                             | (1,577)                           | (5,574)                                  |
| Currency gain/loss                                     | (1,817)                       | 2,198                         | 8,867                                | (225)                             | 248                               | 1,028                                    |
| <b>Profit/(Loss) before income tax</b>                 | <b>(26,377)</b>               | <b>(11,534)</b>               | <b>(18,919)</b>                      | <b>(3,253)</b>                    | <b>(1,286)</b>                    | <b>(2,157)</b>                           |
| Income tax   | 4,967                         | 3,005                         | (192)                                | 608                               | 337                               | (28)                                     |
| <b>Net profit/(loss) for the period</b>                | <b>(21,410)</b>               | <b>(8,529)</b>                | <b>(19,111)</b>                      | <b>(2,645)</b>                    | <b>(949)</b>                      | <b>(2,185)</b>                           |
| Whereof attributable to:                               |                               |                               |                                      |                                   |                                   |  |
| The owners of the parent company                       | (21,410)                      | (8,529)                       | (19,111)                             | (2,645)                           | (949)                             | (2,185)                                  |
| Earnings per share before dilution (SEK, US\$)         | (0.29)                        | (0.48)                        | (0.54)                               | (0.04)                            | (0.05)                            | (0.06)                                   |
| Earnings per share after dilution (SEK, US\$)          | (0.29)                        | (0.48)                        | (0.54)                               | (0.04)                            | (0.05)                            | (0.06)                                   |
| Number of shares issued at period end                  | 74,847,182                    | 17,802,429                    | 74,847,182                           | 74,847,182                        | 17,802,429                        | 74,847,182                               |
| Average number of shares for the period                | 74,847,182                    | 17,802,429                    | 35,609,445                           | 74,847,182                        | 17,802,429                        | 35,609,445                               |
| Average number of shares for the period after dilution | 74,847,182                    | 18,494,929                    | 35,609,445                           | 74,847,182                        | 18,494,929                        | 35,609,445                               |



# Consolidated statement of comprehensive income

|   | Q1<br>Jan-Mar<br>2018<br><br>TSEK | Q1 12 months<br>Jan-Mar Jan-Dec<br>2017 2017<br><br>TSEK TSEK | Q1<br>Jan-Mar<br>2018<br><br>US\$ 000 | Q1 12 months<br>Jan-Mar Jan-Dec<br>2017 2017<br><br>US\$ 000 US\$ 000 |
|---|-----------------------------------|---|---------------------------------------|---|
| Net profit/loss for the period            | (21,410)                          | (8,529) (19,111)  | (2,645)                               | (949) (2,185)   |
| <b>Other comprehensive income</b>         |                                   |   |                                       |   |
| Translation difference                    | (2,068)                           | 15,430 33,487   | 229                                   | 797 (768)   |
| Total comprehensive income for the period | (23,478)                          | 6,901 14,376  | (2,415)                               | (152) (2,953)   |

# Consolidated statement of financial position

|                                     | March 31,<br>2018<br>TSEK | March 31,<br>2017<br>TSEK | December 31,<br>2017<br>TSEK | March 31,<br>2018<br>US\$ 000 | March 31,<br>2017<br>US\$ 000 | December 31,<br>2017<br>US\$ 000 |
|-------------------------------------|---------------------------|---------------------------|------------------------------|-------------------------------|-------------------------------|----------------------------------|
| <b>ASSETS</b>                       |                           |                           |                              |                               |                               |                                  |
| FIXED ASSETS                        |                           |                           |                              |                               |                               |                                  |
| Intangible fixed assets             | 165,171                   | 167,329                   | 164,186                      | 23,331                        | 22,672                        | 23,460                           |
| Tangible fixed assets               | 168,957                   | 187,452                   | 158,366                      | 20,190                        | 20,940                        | 19,214                           |
| Stripping assets                    | 24,783                    | 47,860                    | 24,264                       | 2,965                         | 5,357                         | 2,947                            |
| Deferred tax assets                 | 39,870                    | 50,499                    | 36,288                       | 4,127                         | 5,653                         | 3,777                            |
| <b>Total fixed assets</b>           | <b>398,781</b>            | <b>453,140</b>            | <b>383,104</b>               | <b>50,613</b>                 | <b>54,622</b>                 | <b>49,397</b>                    |
| <b>CURRENT ASSETS</b>               |                           |                           |                              |                               |                               |                                  |
| Materials                           | 10,416                    | 12,526                    | 10,755                       | 1,246                         | 1,402                         | 1,307                            |
| Work in progress                    | 25,390                    | 59,614                    | 49,531                       | 3,037                         | 6,673                         | 6,017                            |
| Finished products                   | 24,224                    | 831                       | 830                          | 2,898                         | 93                            | 101                              |
| Current receivables                 | 16,484                    | 34,355                    | 42,393                       | 1,971                         | 3,846                         | 5,148                            |
| Advanced paid                       | 4,033                     | 12,226                    | 12,010                       | 483                           | 1,368                         | 1,460                            |
| Cash and cash equivalents           | 42,485                    | 18,591                    | 41,730                       | 5,082                         | 2,081                         | 5,069                            |
| <b>Total current assets</b>         | <b>123,032</b>            | <b>138,143</b>            | <b>157,249</b>               | <b>14,717</b>                 | <b>15,463</b>                 | <b>19,102</b>                    |
| <b>TOTAL ASSETS</b>                 | <b>521,813</b>            | <b>591,283</b>            | <b>540,353</b>               | <b>65,330</b>                 | <b>70,085</b>                 | <b>68,499</b>                    |
| <b>EQUITY AND LIABILITIES</b>       |                           |                           |                              |                               |                               |                                  |
| <b>EQUITY</b>                       |                           |                           |                              |                               |                               |                                  |
| Share capital                       | 8,420                     | 2,003                     | 8,420                        | 1,117                         | 307                           | 1,117                            |
| Additional paid in capital          | 498,862                   | 397,417                   | 498,856                      | 72,616                        | 59,812                        | 72,615                           |
| Retained earnings                   | (592,635)                 | (560,643)                 | (571,225)                    | (82,433)                      | (78,552)                      | (79,788)                         |
| Translation difference reserve      | (124,111)                 | (140,100)                 | (122,043)                    | (13,449)                      | (12,113)                      | (13,678)                         |
| <b>TOTAL EQUITY</b>                 | <b>(209,464)</b>          | <b>(301,323)</b>          | <b>(185,992)</b>             | <b>(22,149)</b>               | <b>(30,546)</b>               | <b>(19,734)</b>                  |
| <b>LONG TERM LIABILITIES</b>        |                           |                           |                              |                               |                               |                                  |
| Deferred tax liabilities            | -                         | 9,124                     | 2,422                        | -                             | 1,735                         | 294                              |
| Bank loans and other notes          | 282,489                   | 110,831                   | 278,167                      | 33,792                        | 12,406                        | 33,790                           |
| Lease payable                       | 487                       | 665                       | 527                          | 58                            | 74                            | 64                               |
| Debt to shareholder (bond)          | 312,762                   | 391,118                   | 307,128                      | 37,414                        | 43,782                        | 37,308                           |
| Other long-term liabilities         | 88,835                    | 99,300                    | 87,238                       | 10,627                        | 11,116                        | 10,598                           |
| <b>Total long term liabilities</b>  | <b>684,573</b>            | <b>611,038</b>            | <b>675,482</b>               | <b>81,891</b>                 | <b>69,113</b>                 | <b>82,054</b>                    |
| <b>CURRENT LIABILITIES</b>          |                           |                           |                              |                               |                               |                                  |
| Trade accounts payable              | 3,232                     | 8,541                     | 3,542                        | 387                           | 956                           | 430                              |
| Bank loans payable                  | 16,719                    | 231,679                   | 16,464                       | 2,000                         | 25,934                        | 2,000                            |
| Other interest bearing liabilities  | 17,605                    | 5,245                     | 17,899                       | 2,106                         | 587                           | 2,174                            |
| Other current liabilities           | 9,148                     | 36,103                    | 12,958                       | 1,095                         | 4,041                         | 1,575                            |
| <b>Total current liabilities</b>    | <b>46,704</b>             | <b>281,568</b>            | <b>50,863</b>                | <b>5,588</b>                  | <b>31,518</b>                 | <b>6,179</b>                     |
| <b>TOTAL EQUITY AND LIABILITIES</b> | <b>521,813</b>            | <b>591,283</b>            | <b>540,353</b>               | <b>65,330</b>                 | <b>70,085</b>                 | <b>68,499</b>                    |

# Consolidated statement of changes in equity

| All amounts in TSEK   | Attributable to the shareholders of the parent company |                            |                                |                   |                  |
|---|--|----------------------------|--------------------------------|-------------------|------------------|
|   | Share capital  | Additional paid in capital | Translation difference reserve | Retained earnings | Total equity     |
| <b>Equity as at December 31, 2016</b>                             | <b>2,003</b>   | <b>397,382</b>             | <b>(155,530)</b>               | <b>(552,114)</b>  | <b>(308,259)</b> |
| <b>Comprehensive income</b>                                       |  |                            |                                |                   |                  |
| Net profit/loss for the period                                    |  |                            |                                | (8,529)           | (8,529)          |
| Other comprehensive income  |  |                            | 15,430                         |                   | 15,430           |
| <b>Total comprehensive income for the period</b>                  | <b>-</b>   | <b>-</b>                   | <b>15,430</b>                  | <b>(8,529)</b>    | <b>6,901</b>     |
| <b>Transactions with owners in their capacity as owners</b>       |  |                            |                                |                   |                  |
| Warrants and options issue  |  | 35                         |                                |                   | 35               |
| <b>Total transactions with owners in their capacity as owners</b> | <b>-</b>   | <b>35</b>                  | <b>-</b>                       | <b>-</b>          | <b>35</b>        |
| <b>Equity as at March 31, 2017</b>                                | <b>2,003</b>   | <b>397,417</b>             | <b>(140,100)</b>               | <b>(560,643)</b>  | <b>(301,323)</b> |
| <b>Comprehensive income</b>                                       |  |                            |                                |                   |                  |
| Net profit/loss for the period                                    |  |                            |                                | (10,582)          | (10,582)         |
| Other comprehensive income  |  |                            | 18,057                         |                   | 18,057           |
| <b>Total comprehensive income for the period</b>                  | <b>-</b>   | <b>-</b>                   | <b>18,057</b>                  | <b>(10,582)</b>   | <b>7,475</b>     |
| <b>Transactions with owners in their capacity as owners</b>       |  |                            |                                |                   |                  |
| Proceeds from share issued  | 6,418  | 113,965                    |                                |                   | 120,383          |
| Convertible part of bond  |  | (12,455)                   |                                |                   | (12,455)         |
| Warrants and options issue  |  | (72)                       |                                |                   | (72)             |
| <b>Total transactions with owners in their capacity as owners</b> | <b>6,418</b>   | <b>101,439</b>             | <b>-</b>                       | <b>-</b>          | <b>107,856</b>   |
| <b>Equity as at December 31, 2017</b>                             | <b>8,420</b>   | <b>498,856</b>             | <b>(122,043)</b>               | <b>(571,225)</b>  | <b>(185,992)</b> |
| <b>Comprehensive income</b>                                       |  |                            |                                |                   |                  |
| Net profit/loss for the period                                    |  |                            |                                | (21,410)          | (21,410)         |
| Other comprehensive income  |  |                            | (2,068)                        |                   | (2,068)          |
| <b>Total comprehensive income for the period</b>                  | <b>-</b>   | <b>-</b>                   | <b>(2,068)</b>                 | <b>(21,410)</b>   | <b>(23,478)</b>  |
| <b>Transactions with owners in their capacity as owners</b>       |  |                            |                                |                   |                  |
| Warrants and options issue  |  | 6                          |                                |                   | 6                |
| <b>Total transactions with owners in their capacity as owners</b> | <b>-</b>   | <b>6</b>                   | <b>-</b>                       | <b>-</b>          | <b>6</b>         |
| <b>Equity as at March 31, 2018</b>                                | <b>8,420</b>   | <b>498,862</b>             | <b>(124,111)</b>               | <b>(592,635)</b>  | <b>(209,464)</b> |



# Consolidated statement of changes in equity

| All amounts in US\$'000   | Attributable to the shareholders of the parent company |                            |                                |                   |                 |
|---|--|----------------------------|--------------------------------|-------------------|-----------------|
|   | Share capital  | Additional paid in capital | Translation difference reserve | Retained earnings | Total equity    |
| <b>Equity as at December 31, 2016</b>                             | <b>307</b>   | <b>59,808</b>              | <b>(12,910)</b>                | <b>(77,603)</b>   | <b>(30,398)</b> |
| <b>Comprehensive income</b>                                       |  |                            |                                |                   |                 |
| Net profit/loss for the period                                    |  |                            |                                | (949)             | (949)           |
| Other comprehensive income  |  |                            | 797                            |                   | 797             |
| <b>Total comprehensive income for the period</b>                  | <b>-</b>   | <b>-</b>                   | <b>797</b>                     | <b>(949)</b>      | <b>(152)</b>    |
| <b>Transactions with owners in their capacity as owners</b>       |  |                            |                                |                   |                 |
| Warrants and options issue  |  | 4                          |                                |                   | 4               |
| <b>Total transactions with owners in their capacity as owners</b> | <b>-</b>   | <b>4</b>                   | <b>-</b>                       | <b>-</b>          | <b>4</b>        |
| <b>Equity as at March 31, 2017</b>                                | <b>307</b>   | <b>59,812</b>              | <b>(12,113)</b>                | <b>(78,552)</b>   | <b>(30,546)</b> |
| <b>Comprehensive income</b>                                       |  |                            |                                |                   |                 |
| Net profit/loss for the period                                    |  |                            |                                | (1,236)           | (1,236)         |
| Other comprehensive income  |  |                            | (1,565)                        |                   | (1,565)         |
| <b>Total comprehensive income for the period</b>                  | <b>-</b>   | <b>-</b>                   | <b>(1,565)</b>                 | <b>(1,236)</b>    | <b>(2,801)</b>  |
| <b>Transactions with owners in their capacity as owners</b>       |  |                            |                                |                   |                 |
| Proceeds from share issued  | 810  | 14,326                     |                                |                   | 15,136          |
| Convertible part of bond  |  | (1,515)                    |                                |                   | (1,515)         |
| Warrants and options issue  |  | (8)                        |                                |                   | (8)             |
| <b>Total transactions with owners in their capacity as owners</b> | <b>810</b>   | <b>12,803</b>              | <b>-</b>                       | <b>-</b>          | <b>13,613</b>   |
| <b>Equity as at December 31, 2017</b>                             | <b>1,117</b>   | <b>72,615</b>              | <b>(13,678)</b>                | <b>(79,788)</b>   | <b>(19,734)</b> |
| <b>Comprehensive income</b>                                       |  |                            |                                |                   |                 |
| Net profit/loss for the period                                    |  |                            |                                | (2,645)           | (2,645)         |
| Other comprehensive income  |  |                            | 229                            |                   | 229             |
| <b>Total comprehensive income for the period</b>                  | <b>-</b>   | <b>-</b>                   | <b>229</b>                     | <b>(2,645)</b>    | <b>(2,416)</b>  |
| <b>Transactions with owners in their capacity as owners</b>       |  |                            |                                |                   |                 |
| Warrants and options issue  |  | 1                          |                                |                   | 1               |
| <b>Total transactions with owners in their capacity as owners</b> | <b>-</b>   | <b>1</b>                   | <b>-</b>                       | <b>-</b>          | <b>1</b>        |
| <b>Equity as at March 31, 2018</b>                                | <b>1,117</b>   | <b>72,616</b>              | <b>(13,449)</b>                | <b>(82,433)</b>   | <b>(22,149)</b> |

# Consolidated cash flow statement

|   | Q1<br>Jan-Mar<br>2018<br>TSEK | Q1<br>Jan-Mar<br>2017<br>TSEK | 12 months<br>Jan-Dec<br>2017<br>TSEK | Q1<br>Jan-Mar<br>2018<br>US\$ 000 | Q1<br>Jan-Mar<br>2017<br>US\$ 000 | 12 months<br>Jan-Dec<br>2017<br>US\$ 000 |
|---|-------------------------------|-------------------------------|--------------------------------------|-----------------------------------|-----------------------------------|--|
| <b>OPERATING ACTIVITIES</b>                               |                               |                               |                                      |                                   |                                   |  |
| Receipts from customers                                   | 33,134                        | 55,252                        | 283,509                              | 4,087                             | 6,192                             | 33,540                                   |
| VAT and other reimbursement                               | 14,502                        | 10,009                        | 43,274                               | 1,789                             | 1,122                             | 5,112                                    |
| Payments to suppliers                                     | (13,183)                      | (34,821)                      | (154,304)                            | (1,626)                           | (3,902)                           | (18,110)                                 |
| Payments to employees and social taxes                    | (13,765)                      | (18,851)                      | (78,307)                             | (1,698)                           | (2,113)                           | (9,172)                                  |
| Income tax paid   | (73)                          | -                             | (687)                                | (9)                               | -                                 | (79)                                     |
| Other taxes paid  | (3,389)                       | (4,504)                       | (23,066)                             | (418)                             | (505)                             | (2,723)                                  |
| <b>Net cash flows from/(used in) operating activities</b> | <b>17,226</b>                 | <b>7,085</b>                  | <b>70,419</b>                        | <b>2,125</b>                      | <b>794</b>                        | <b>8,569</b>                             |
| <b>INVESTING ACTIVITIES</b>                               |                               |                               |                                      |                                   |                                   |  |
| Purchase and construction of property plant and equipment | (7,561)                       | (1,380)                       | (14,360)                             | (933)                             | (155)                             | (1,716)                                  |
| Exploration and research works                            | (2,124)                       | (2,713)                       | (8,777)                              | (262)                             | (304)                             | (1,038)                                  |
| Purchases of financial assets                             | -                             | -                             | (2,206)                              | -                                 | -                                 | (271)                                    |
| <b>Net cash flows used in investing activities</b>        | <b>(9,685)</b>                | <b>(4,094)</b>                | <b>(25,343)</b>                      | <b>(1,195)</b>                    | <b>(459)</b>                      | <b>(3,025)</b>                           |
| <b>FINANCING ACTIVITIES</b>                               |                               |                               |                                      |                                   |                                   |  |
| Proceeds from borrowings, net                             | -                             | -                             | -                                    | -                                 | -                                 | -  |
| Receipts from share issue                                 | -                             | -                             | 51,158                               | -                                 | -                                 | 6,178                                    |
| Repayment of borrowings, net                              | -                             | (13,385)                      | (47,364)                             | -                                 | (1,500)                           | (5,608)                                  |
| Interest paid   | (6,493)                       | (5,181)                       | (29,349)                             | (801)                             | (581)                             | (3,486)                                  |
| Lease payments  | (823)                         | (2,812)                       | (8,443)                              | (101)                             | (315)                             | (978)                                    |
| Transaction costs arising on share issue                  | -                             | -                             | (5,267)                              | -                                 | -                                 | (646)                                    |
| <b>Net cash from/(used in) financing activities</b>       | <b>(7,316)</b>                | <b>(21,378)</b>               | <b>(39,265)</b>                      | <b>(902)</b>                      | <b>(2,396)</b>                    | <b>(4,540)</b>                           |
| Net increase/(decrease) in cash and cash equivalents      | 225                           | (18,386)                      | 5,811                                | 28                                | (2,061)                           | 1,004                                    |
| Net foreign exchange difference                           | 530                           | (981)                         | (2,039)                              | (15)                              | (32)                              | (108)                                    |
| Opening balance cash and cash equivalents                 | 41,730                        | 37,959                        | 37,959                               | 5,069                             | 4,173                             | 4,173                                    |
| <b>Closing balance cash and cash equivalents</b>          | <b>42,485</b>                 | <b>18,591</b>                 | <b>41,730</b>                        | <b>5,082</b>                      | <b>2,081</b>                      | <b>5,069</b>                             |

# Consolidated Key Ratios

|                               | 3 months<br>Jan-Mar<br>2018<br>TSEK | 3 months<br>Jan-Mar<br>2017<br>TSEK | 12 months<br>Jan-Dec<br>2017<br>TSEK | 3 months<br>Jan-Mar<br>2018<br>US\$ 000 | 3 months<br>Jan-Mar<br>2017<br>US\$ 000 | 12 months<br>Jan-Dec<br>2017<br>US\$ 000 | Definitions  |
|-------------------------------|-------------------------------------|-------------------------------------|--------------------------------------|---|---|--|--|
| Total assets                  | 521,813                             | 591,283                             | 540,353                              | 65,330                                  | 70,085                                  | 68,499                                   | Total assets at period end   |
| Total equity                  | (209,464)                           | (301,323)                           | (185,992)                            | (22,149)                                | (30,546)                                | (19,734)                                 | Total equity including non controlling interest at period end  |
| Interest bearing debt         | 645,350                             | 810,850                             | 635,089                              | 77,199                                  | 90,766                                  | 77,147                                   | Total interest bearing debt at the period end  |
| Employees at period end       | 426                                 | 532                                 | 483                                  | 426                                     | 532                                     | 483                                      |  |
| EBITDA                        | (8,179)                             | 12,528                              | 76,587                               | (1,009)                                 | 1,404                                   | 9,037                                    | Earnings Before Interest, Tax, Depreciation, Amortization and any Impairment.  |
| <b>Per share data</b>         |                                     |                                     |                                      |   |   |  |  |
| Earnings per share (SEK, USD) | (0.29)                              | (0.48)                              | (0.54)                               | (0.04)                                  | (0.05)                                  | (0.06)                                   | Net result after tax for the period divided by the divided by the average number of outstanding shares at the period end   |
| Equity per share (SEK, USD)   | (2.80)                              | (16.93)                             | (2.48)                               | (0.30)                                  | (1.72)                                  | (0.26)                                   | Equity excluding non controlling interests at the period end divided by the number of outstanding shares at the period end |



## Parent company income statement

|                                       | Q1<br>Jan-Mar<br>2018<br><br>TSEK | Q1<br>Jan-Mar<br>2017<br><br>TSEK | 12 months<br>Jan-Dec<br>2017<br><br>TSEK | Q1<br>Jan-Mar<br>2018<br><br>US\$ 000 | Q1<br>Jan-Mar<br>2017<br><br>US\$ 000 | 12 months<br>Jan-Dec<br>2017<br><br>US\$ 000 |
|---------------------------------------|-----------------------------------|-----------------------------------|--|---------------------------------------|---------------------------------------|--|
| <b>Income</b>                         |                                   |                                   |  |                                       |                                       |  |
| Operating income                      | 180                               | 802                               | 1,342                                    | 22                                    | 90                                    | 157  |
| <b>Total income</b>                   | <b>180</b>                        | <b>802</b>                        | <b>1,342</b>                             | <b>22</b>                             | <b>90</b>                             | <b>157</b>                                   |
| <b>Operating costs</b>                |                                   |                                   |  |                                       |                                       |  |
| External expenses                     | (1,411)                           | (2,019)                           | (5,274)                                  | (174)                                 | (226)                                 | (617)  |
| Employee benefit expenses             | (695)                             | (218)                             | (2,304)                                  | (86)                                  | (24)                                  | (270)  |
| <b>Total operating costs</b>          | <b>(2,107)</b>                    | <b>(2,238)</b>                    | <b>(7,577)</b>                           | <b>(260)</b>                          | <b>(250)</b>                          | <b>(887)</b>                                 |
| <b>Operating profit/loss</b>          | <b>(1,927)</b>                    | <b>(1,436)</b>                    | <b>(6,235)</b>                           | <b>(238)</b>                          | <b>(160)</b>                          | <b>(730)</b>                                 |
| Net financial items                   | (1,290)                           | 27,695                            | 21,833                                   | (159)                                 | 3,104                                 | 2,555  |
| <b>Profit/loss before income tax</b>  | <b>(3,216)</b>                    | <b>26,259</b>                     | <b>15,598</b>                            | <b>(397)</b>                          | <b>2,944</b>                          | <b>1,825</b>                                 |
| Income tax                            | -                                 | -                                 | -  | -                                     | -                                     | -  |
| <b>Net profit/loss for the period</b> | <b>(3,216)</b>                    | <b>26,259</b>                     | <b>15,598</b>                            | <b>(397)</b>                          | <b>2,944</b>                          | <b>1,825</b>                                 |

## Parent company statement of comprehensive income

|  | Q1<br>Jan-Mar<br>2018<br><br>TSEK | Q1<br>Jan-Mar<br>2017<br><br>TSEK | 12 months<br>Jan-Dec<br>2017<br><br>TSEK | Q1<br>Jan-Mar<br>2018<br><br>US\$ 000 | Q1<br>Jan-Mar<br>2017<br><br>US\$ 000 | 12 months<br>Jan-Dec<br>2017<br><br>US\$ 000 |
|--|-----------------------------------|-----------------------------------|--|---------------------------------------|---------------------------------------|--|
| Net profit/loss for the period                   | (3,216)                           | 26,259                            | 15,598                                   | (397)                                 | 2,944                                 | 1,825  |
| Translation differences                          | -                                 | -                                 | -  | (662)                                 | 481                                   | 2,338  |
| <b>Total comprehensive income for the period</b> | <b>(3,216)</b>                    | <b>26,259</b>                     | <b>15,598</b>                            | <b>(1,059)</b>                        | <b>3,425</b>                          | <b>4,163</b>                                 |

# Parent company statement of financial position

|                                     | March 31,<br>2018<br>TSEK | March 31,<br>2017<br>TSEK | December 31,<br>2017<br>TSEK | March 31,<br>2018<br>US\$ 000 | March 31,<br>2017<br>US\$ 000 | December 31,<br>2017<br>US\$ 000 |
|-------------------------------------|---------------------------|---------------------------|------------------------------|-------------------------------|-------------------------------|----------------------------------|
| <b>ASSETS</b>                       |                           |                           |                              |                               |                               |                                  |
| <b>FIXED ASSETS</b>                 |                           |                           |                              |                               |                               |                                  |
| Financial fixed assets              | 708,047                   | 711,017                   | 705,452                      | 84,699                        | 79,591                        | 85,694                           |
| <b>Total fixed assets</b>           | <b>708,047</b>            | <b>711,017</b>            | <b>705,452</b>               | <b>84,699</b>                 | <b>79,591</b>                 | <b>85,694</b>                    |
| <b>CURRENT ASSETS</b>               |                           |                           |                              |                               |                               |                                  |
| Current receivables                 | 1,785                     | 2,786                     | 1,884                        | 213                           | 312                           | 229                              |
| Cash and bank                       | 392                       | 426                       | 257                          | 47                            | 48                            | 31                               |
| <b>Total current assets</b>         | <b>2,176</b>              | <b>3,212</b>              | <b>2,141</b>                 | <b>260</b>                    | <b>360</b>                    | <b>260</b>                       |
| <b>TOTAL ASSETS</b>                 | <b>710,224</b>            | <b>714,230</b>            | <b>707,594</b>               | <b>84,959</b>                 | <b>79,950</b>                 | <b>85,954</b>                    |
| <b>EQUITY AND LIABILITIES</b>       |                           |                           |                              |                               |                               |                                  |
| <b>Total equity</b>                 | <b>360,883</b>            | <b>266,899</b>            | <b>364,093</b>               | <b>43,170</b>                 | <b>29,877</b>                 | <b>44,228</b>                    |
| <b>Long term liabilities</b>        | <b>331,890</b>            | <b>428,530</b>            | <b>325,810</b>               | <b>39,702</b>                 | <b>47,969</b>                 | <b>39,577</b>                    |
| <b>Current liabilities</b>          | <b>17,451</b>             | <b>18,800</b>             | <b>17,691</b>                | <b>2,087</b>                  | <b>2,104</b>                  | <b>2,149</b>                     |
| <b>TOTAL EQUITY AND LIABILITIES</b> | <b>710,224</b>            | <b>714,230</b>            | <b>707,594</b>               | <b>84,959</b>                 | <b>79,950</b>                 | <b>85,954</b>                    |

# 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    |
|---|---------------|-------------------|-----------------------|--------------------------------|-------------------|---------------------------|-----------------|
| <b>Equity as at December 31, 2016</b>                             | <b>2,003</b>  | <b>266,306</b>    | <b>624,088</b>        | <b>-</b>                       | <b>(662,772)</b>  | <b>10,980</b>             | <b>240,604</b>  |
| Profit/loss brought forward                                       |               |                   |                       |                                | 10,980            | (10,980)                  | -               |
| <b>Comprehensive income</b>                                       |               |                   |                       |                                |                   |                           |                 |
| Net profit/loss for the period                                    |               |                   |                       |                                |                   | 26,259                    | 26,259          |
| Other comprehensive income  |               |                   |                       | -                              |                   |                           | -               |
| <b>Total comprehensive income for the period</b>                  | <b>-</b>      | <b>-</b>          | <b>-</b>              | <b>-</b>                       | <b>-</b>          | <b>26,259</b>             | <b>26,259</b>   |
| <b>Transactions with owners in their capacity as owners</b>       |               |                   |                       |                                |                   |                           |                 |
| Warrants and options issue  |               |                   | 35                    |                                |                   |                           | 35              |
| <b>Total transactions with owners in their capacity as owners</b> | <b>-</b>      | <b>-</b>          | <b>35</b>             | <b>-</b>                       | <b>-</b>          | <b>-</b>                  | <b>35</b>       |
| <b>Equity as at March 31, 2017</b>                                | <b>2,003</b>  | <b>266,306</b>    | <b>624,123</b>        | <b>-</b>                       | <b>(651,792)</b>  | <b>26,259</b>             | <b>266,899</b>  |
| <b>Comprehensive income</b>                                       |               |                   |                       |                                |                   |                           |                 |
| Net profit/loss for the period                                    |               |                   |                       |                                |                   | (10,661)                  | (10,661)        |
| Other comprehensive income  |               |                   |                       |                                |                   |                           | -               |
| <b>Total comprehensive income for the period</b>                  | <b>-</b>      | <b>-</b>          | <b>-</b>              | <b>-</b>                       | <b>-</b>          | <b>(10,661)</b>           | <b>(10,661)</b> |
| <b>Transactions with owners in their capacity as owners</b>       |               |                   |                       |                                |                   |                           |                 |
| Proceeds from share issued  | 6,418         |                   | 113,965               |                                |                   |                           | 120,383         |
| Convertible part of bond  |               |                   | (12,455)              |                                |                   |                           | (12,455)        |
| Warrants and options issue  |               |                   | (72)                  |                                |                   |                           | (72)            |
| <b>Total transactions with owners in their capacity as owners</b> | <b>6,418</b>  | <b>-</b>          | <b>101,439</b>        | <b>-</b>                       | <b>-</b>          | <b>-</b>                  | <b>107,856</b>  |
| <b>Equity as at December 31, 2017</b>                             | <b>8,420</b>  | <b>266,306</b>    | <b>725,562</b>        | <b>-</b>                       | <b>(651,792)</b>  | <b>15,598</b>             | <b>364,093</b>  |
| Profit/loss brought forward                                       |               |                   |                       |                                | 15,598            | (15,598)                  | -               |
| <b>Comprehensive income</b>                                       |               |                   |                       |                                |                   |                           |                 |
| Net profit/loss for the period                                    |               |                   |                       |                                |                   | (3,216)                   | (3,216)         |
| Other comprehensive income  |               |                   |                       | -                              |                   |                           | -               |
| <b>Total comprehensive income for the period</b>                  | <b>-</b>      | <b>-</b>          | <b>-</b>              | <b>-</b>                       | <b>-</b>          | <b>(3,216)</b>            | <b>(3,216)</b>  |
| <b>Transactions with owners in their capacity as owners</b>       |               |                   |                       |                                |                   |                           |                 |
| Warrants and options issue  |               |                   | 6                     |                                |                   |                           | 6               |
| <b>Total transactions with owners in their capacity as owners</b> | <b>-</b>      | <b>-</b>          | <b>6</b>              | <b>-</b>                       | <b>-</b>          | <b>-</b>                  | <b>6</b>        |
| <b>Equity as at March 31, 2018</b>                                | <b>8,420</b>  | <b>266,306</b>    | <b>725,568</b>        | <b>-</b>                       | <b>(636,194)</b>  | <b>(3,216)</b>            | <b>360,883</b>  |



# 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   |
|---|---------------|-------------------|-----------------------|--------------------------------|-------------------|---------------------------|----------------|
| <b>Equity as at December 31, 2016</b>                             | <b>307</b>    | <b>40,872</b>     | <b>94,602</b>         | <b>(7,909)</b>                 | <b>(102,707)</b>  | <b>1,284</b>              | <b>26,448</b>  |
| Profit/loss brought forward                                       |               |                   |                       |                                | 1,284             | (1,284)                   | -              |
| <b>Comprehensive income</b>                                       |               |                   |                       |                                |                   |                           |                |
| Net profit/loss for the period                                    |               |                   |                       |                                |                   | 2,944                     | 2,944          |
| Other comprehensive income  |               |                   |                       | 481                            |                   |                           | 481            |
| <b>Total comprehensive income for the period</b>                  | <b>-</b>      | <b>-</b>          | <b>-</b>              | <b>481</b>                     | <b>-</b>          | <b>2,944</b>              | <b>3,425</b>   |
| <b>Transactions with owners in their capacity as owners</b>       |               |                   |                       |                                |                   |                           |                |
| Warrants and options issue  |               |                   | 4                     |                                |                   |                           | 4              |
| <b>Total transactions with owners in their capacity as owners</b> | <b>-</b>      | <b>-</b>          | <b>4</b>              | <b>-</b>                       | <b>-</b>          | <b>-</b>                  | <b>4</b>       |
| <b>Equity as at March 31, 2017</b>                                | <b>307</b>    | <b>40,872</b>     | <b>94,606</b>         | <b>(7,428)</b>                 | <b>(101,423)</b>  | <b>2,944</b>              | <b>29,877</b>  |
| <b>Comprehensive income</b>                                       |               |                   |                       |                                |                   |                           |                |
| Net profit/loss for the period                                    |               |                   |                       |                                |                   | (1,119)                   | (1,119)        |
| Other comprehensive income  |               |                   |                       | 1,856                          |                   |                           | 1,856          |
| <b>Total comprehensive income for the period</b>                  | <b>-</b>      | <b>-</b>          | <b>-</b>              | <b>1,856</b>                   | <b>-</b>          | <b>(1,119)</b>            | <b>737</b>     |
| <b>Transactions with owners in their capacity as owners</b>       |               |                   |                       |                                |                   |                           |                |
| Proceeds from share issued  | 810           |                   | 14,326                |                                |                   |                           | 15,136         |
| Convertible part of bond  |               |                   | (1,515)               |                                |                   |                           | (1,515)        |
| Warrants and options issue  |               |                   | (8)                   |                                |                   |                           | (8)            |
| <b>Total transactions with owners in their capacity as owners</b> | <b>810</b>    | <b>-</b>          | <b>12,803</b>         | <b>-</b>                       | <b>-</b>          | <b>-</b>                  | <b>13,613</b>  |
| <b>Equity as at December 31, 2017</b>                             | <b>1,117</b>  | <b>40,872</b>     | <b>107,409</b>        | <b>(5,571)</b>                 | <b>(101,423)</b>  | <b>1,825</b>              | <b>44,228</b>  |
| Profit/loss brought forward                                       |               |                   |                       |                                | 1,825             | (1,825)                   | -              |
| <b>Comprehensive income</b>                                       |               |                   |                       |                                |                   |                           |                |
| Net profit/loss for the period                                    |               |                   |                       |                                |                   | (397)                     | (397)          |
| Other comprehensive income  |               |                   |                       | (662)                          |                   |                           | (662)          |
| <b>Total comprehensive income for the period</b>                  | <b>-</b>      | <b>-</b>          | <b>-</b>              | <b>(662)</b>                   | <b>-</b>          | <b>(397)</b>              | <b>(1,059)</b> |
| <b>Transactions with owners in their capacity as owners</b>       |               |                   |                       |                                |                   |                           |                |
| Warrants and options issue  |               |                   | 1                     |                                |                   |                           | 1              |
| <b>Total transactions with owners in their capacity as owners</b> | <b>-</b>      | <b>-</b>          | <b>1</b>              | <b>-</b>                       | <b>-</b>          | <b>-</b>                  | <b>1</b>       |
| <b>Equity as at March 31, 2018</b>                                | <b>1,117</b>  | <b>40,872</b>     | <b>107,410</b>        | <b>(6,233)</b>                 | <b>(99,598)</b>   | <b>(397)</b>              | <b>43,170</b>  |

# Parent company cash flow statement

|  | Q1<br>Jan-Mar<br>2018<br>TSEK | Q1<br>Jan-Mar<br>2017<br>TSEK | 12 months<br>Jan-Dec<br>2017<br>TSEK | Q1<br>Jan-Mar<br>2018<br>US\$ 000 | Q1<br>Jan-Mar<br>2017<br>US\$ 000 | 12 months<br>Jan-Dec<br>2017<br>US\$ 000 |
|--|-------------------------------|-------------------------------|--------------------------------------|-----------------------------------|-----------------------------------|--|
| <b>OPERATING ACTIVITIES</b>                          |                               |                               |                                      |                                   |                                   |  |
| Receipts from customers                              | 359                           | 106                           | 1,621                                | 44                                | 12                                | 198                                      |
| VAT and other reimbursement                          | 145                           | -                             | 727                                  | 18                                | -                                 | 87                                       |
| Payments to suppliers                                | (2,121)                       | (2,922)                       | (6,881)                              | (262)                             | (328)                             | (778)                                    |
| Payments to employees and the Board members          | (710)                         | (596)                         | (2,532)                              | (88)                              | (67)                              | (297)                                    |
| Income tax paid                                      | -                             | -                             | -                                    | -                                 | -                                 | -  |
| Other taxes paid                                     | -                             | -                             | -                                    | -                                 | -                                 | -  |
| <b>Net cash flows used in operating activities</b>   | <b>(2,327)</b>                | <b>(3,413)</b>                | <b>(7,065)</b>                       | <b>(288)</b>                      | <b>(383)</b>                      | <b>(791)</b>                             |
| <b>INVESTING ACTIVITIES</b>                          |                               |                               |                                      |                                   |                                   |  |
| Borrowings given/proceeds from borrowing given       | 3,125                         | 3,773                         | (22,097)                             | 385                               | 423                               | (2,706)                                  |
| <b>Net cash flows used in investing activities</b>   | <b>3,125</b>                  | <b>3,773</b>                  | <b>(22,097)</b>                      | <b>385</b>                        | <b>423</b>                        | <b>(2,706)</b>                           |
| <b>FINANCING ACTIVITIES</b>                          |                               |                               |                                      |                                   |                                   |  |
| Proceeds from borrowings                             | -                             | -                             | -                                    | -                                 | -                                 | -  |
| Receipts from share issue                            | -                             | -                             | 51,158                               | -                                 | -                                 | 6,178                                    |
| Repayment of borrowings                              | -                             | -                             | (16,481)                             | -                                 | -                                 | (2,000)                                  |
| Interest paid  | (627)                         | -                             | -                                    | (75)                              | -                                 | -  |
| Transaction costs arising on share issue             | -                             | -                             | (5,267)                              | -                                 | -                                 | (646)                                    |
| <b>Net cash from financing activities</b>            | <b>(627)</b>                  | <b>-</b>                      | <b>29,410</b>                        | <b>(75)</b>                       | <b>-</b>                          | <b>3,532</b>                             |
| Net increase/(decrease) in cash and cash equivalents | 171                           | 360                           | 248                                  | 22                                | 40                                | 34                                       |
| Net foreign exchange difference                      | (36)                          | 9                             | (48)                                 | (6)                               | 2                                 | (9)                                      |
| Opening balance cash and cash equivalents            | 257                           | 57                            | 57                                   | 31                                | 6                                 | 6  |
| <b>Closing balance cash and cash equivalents</b>     | <b>392</b>                    | <b>426</b>                    | <b>257</b>                           | <b>47</b>                         | <b>48</b>                         | <b>31</b>                                |

# Additional Information

## NEXT REPORTS DUE

Interim report (2) April – June 2018:

[August 28, 2018](#)

Interim report (3) July – September 2018:

[November 30, 2018](#)

Interim report (4) October – December 2018:

[February 28, 2019](#)

## COMPANY INFORMATION

Auriant Mining AB (AUR) is a Swedish junior mining company focused on gold exploration and production in Russia, primarily in Zabaikalye and the Republics of Khakassia and Tyva. The company has currently four assets, including two operating mines (Tardan and Solcocon), one early stage exploration asset and one development asset.

Since July 19, 2010, Auriant Mining's shares are traded on First North Premier at the NASDAQ OMX Nordic Exchange under the short name AUR. For more information please visit [www.auriant.com](http://www.auriant.com). Mangold Fondkommission is Certified Adviser to Auriant, for more information please call +46 8 503 015 50 or visit [www.mangold.se](http://www.mangold.se).

## BOARD ASSURANCE

The board of directors and the managing director confirm that the interim report provides an accurate overview of the company's and the group's operations, position, results and that it describes significant risks and uncertainties that the company and group companies are exposed to.

Stockholm, May 31, 2018

Auriant Mining AB (publ.)

Lord Daresbury  
Chairman of the Board

Preston Haskell  
Board Member

Ingmar Haga  
Board Member

Patrik Perenius  
Board Member

Sergey Ustimenko  
CEO

This quarterly report has not been reviewed by the auditors.

Cautionary Statement: Statements and assumptions made in this report with respect to Auriant Mining AB's ("AUR") current plans, estimates, strategies and beliefs, and other statements that are not historical facts, are forward-looking statements about the future performance of AUR. 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 management's expectations and assumptions in light of currently available information. They are subject to a number of risks and uncertainties, including, but not limited to, (i) changes in the economic, regulatory and political environments in the countries where AUR operates; (ii) changes relating to the geological information available in respect of the various projects undertaken; (iii) AUR's continued ability to secure enough financing to carry on its operations as a going concern; (iv) the success of its potential joint ventures and alliances, if any; (v) exchange rates, particularly between the Russian rouble and the U.S. dollar. 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 forecast in this report. AUR assumes no unconditional obligation to immediately update any such statements and/or forecasts. This press release shall not, directly or indirectly, be released, published or distributed in or to the United States, Australia, Japan, Canada, New Zealand, Hong Kong, South Africa or other country where such action as a whole or in part is subject to legal restrictions. Nothing in this press release should be considered as an offer to invest or otherwise trade in shares of Auriant Mining AB (publ.). The proposed issue will not be directed at residents or those living in the United States, Australia, Japan, Canada, New Zealand, Hong Kong, South Africa or other country where such action would require further prospectus, other offering documentation, registration or other measures beyond those required by Swedish law. No securities will be registered under the United States Securities Act of 1933, a similar law in any state in the United States, or under any provincial law in Canada, nor under the applicable law of another country.