

# AURIANT

## MINING

**Q4 2021 Interim Results (January-December)**  
**Analyst Web Conference**  
**February 28, 2022**

# Disclaimer

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

# Technical Zoom Information

- 1) The Zoom call will last for approx. 20 mins + Q&A's
- 2) We have muted your microphones
- 3) Please ask any questions through the chat facility

# Auriant Team

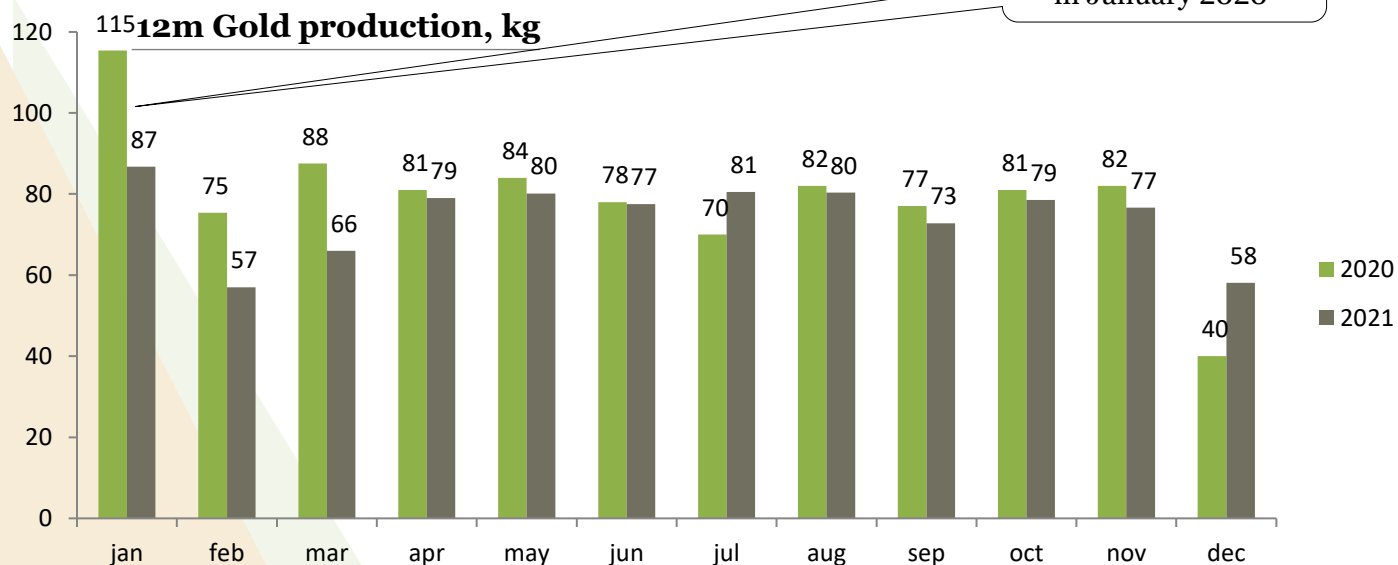
- 1) Danilo Lange – CEO
- 2) Vladimir Vorushkin – CFO
- 3) Petr Kustikov – COO

# Agenda 12 months 2021 Interim Report

- 1) Production and KPI's – PK
- 3) Sales update - VV
- 4) Financials – VV
- 5) Outlook - DL

# Tardan gold production

- Ore throughput in 12m 2021 amounted to 428,326 tonnes
  - 12m 2020: 393,547 tonnes
  - YoY increase of 9%
- Average grade in 12m 2021 estimated at 2.30 g/t
  - 12m 2020: 2.66 g/t
  - YoY decrease of 14%
- Recovery rate amounted to 91.2% in both periods
- **12m 2021 gold production - 893 kg / 28,720 oz** in line with annual production forecast:
  - 12m 2020: 953 kg / 30,629 oz
  - YoY decrease of 6 %

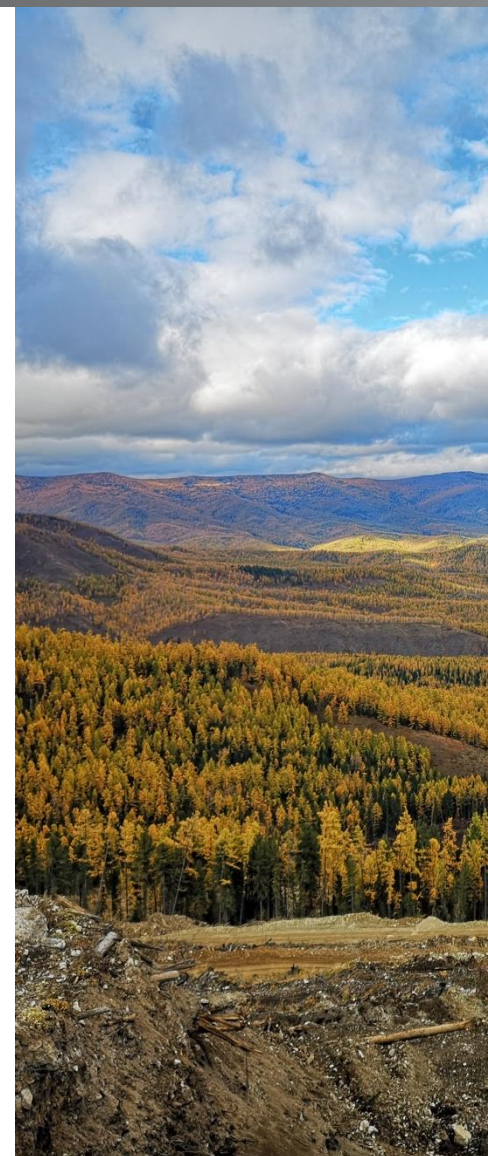
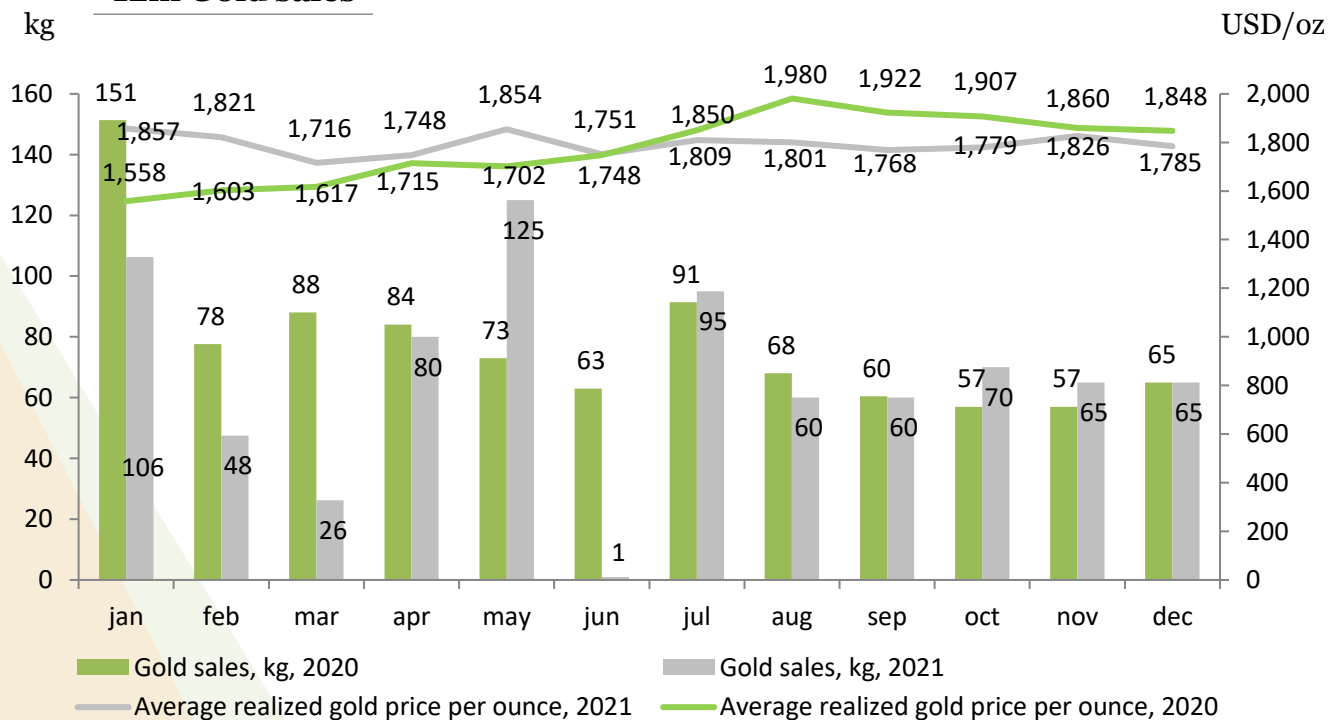


- **Stripping volume** - 1,859 thousand m<sup>3</sup>
  - 12m 2020: 902 thousand m<sup>3</sup>, YoY increase of 106%
  - higher stripping activities at Ore zone 3 and 26 in Tardan deposit aiming to ensure an access to the ore of Tardan in 2022 and further
- **Ore mined** – 458,492 tonnes
  - 12m 2020: 387,181 tonnes
- **Average grade** – 2.32 g/tonne
  - 12m 2020: 2.42 g/tonne
  - YoY decrease of 4%, in line with the mine plan
- **Hard rock gold production** – 893 kg / 28,720 oz
  - 12m 2020: 953 kg / 30,629
  - YoY decrease of 6%, in line with 2021 production plan
- **Alluvial gold production** – 18 kg / 563 oz
  - 12m 2020: 12 kg (386 oz)
  - YoY increase of 46%, due to COVID-19 the late start of mining operations was in 2020.
- The **average cash cost per ounce produced** at Tardan increased by 19% from US\$ 676/oz in 12m 2020 to US\$ 806/oz in 12m 2021, driven by higher volumes of stripping and exploratory drilling, lower average grade, indexation of salaries, which were in line with the Company's plan, as well as first time maintenance costs on the CIL plant which had a short scheduled shut down for maintenance in Q1 2021.

# Tardan gold sales

- **12m 2021 Tardan gold sales – 801 kg / 25,753 oz**
  - ✓ YoY decrease of 14% (12m 2020: 936 kg / 30,077 oz)
- **12m 2021 average selling price for gold – US\$ 1,812/oz**
  - ✓ YoY increase of 5% (12m 2020: US\$ 1,755/oz)
  - ✓ We treat gold as cash equivalent and sell on “as needed” basis

## 12m Gold sales

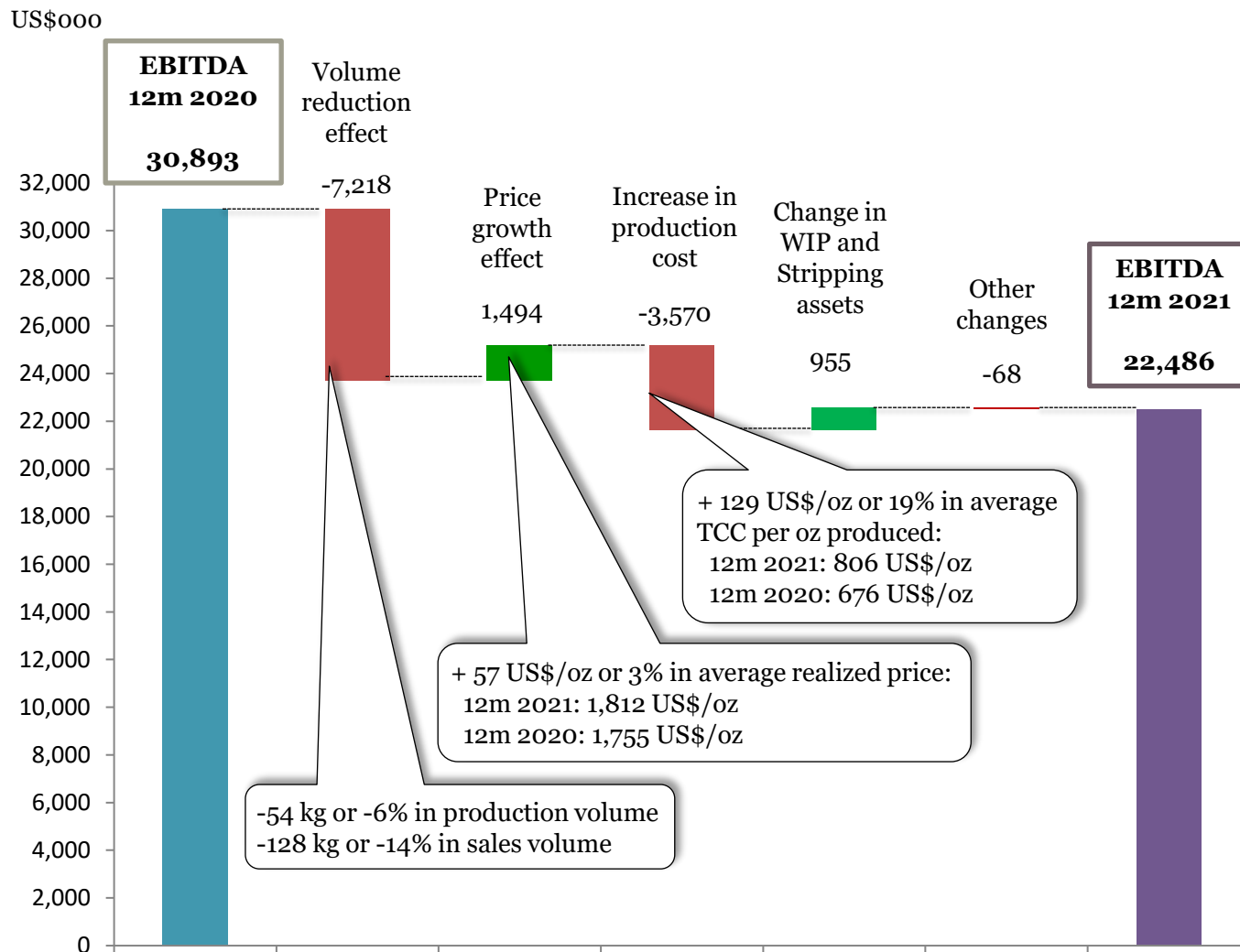




# Income Statement

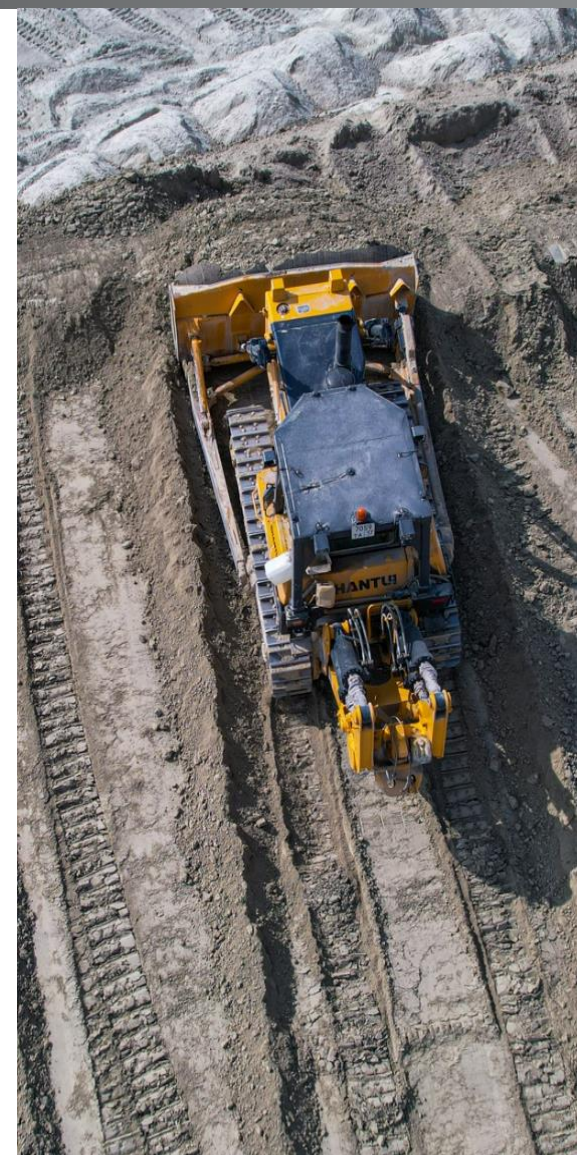
- 12m 2021 **Revenue from gold sales** (hard rock gold and alluvial gold) was US\$ 47.7m, a 11% decrease compared to 12m 2020:
  - Sales volume reduction by 14% or 128 kg (4,112 oz)
- The **average cash cost per ounce produced** at Tardan increased by 19% from US\$ 676/oz in 12m 2020 to US\$ 806/oz in 12m 2021, driven by higher volumes of stripping and exploratory drilling, lower average grade, indexation of salaries, which were in line with the Company's plan, as well as first time maintenance costs on the CIL plant which had a short scheduled shut down for maintenance in Q1 2021.
- The lower gold sales were partly offset by increased gold in stock (finished products), which increased by 65.9 kg (2,119 oz), corresponding to a sales value of US\$ 3.8m, based on the average realized gold price for 12m 2021, and would be realized in January.
- 12m 2021 **EBITDA** was US\$ 22.5m, down by 27% (or US\$ 8.4m) vs 12m 2020 of US\$ 30.9m.
- 12m 2021 **Net Profit** was US\$ 7.1m, down by 32% (or US\$ 3.3m) vs 12m 2020 of US\$ 10.4m. Following the reduction in production and sales volumes, additional provision for waste disposal in the amount of US\$ 2.3m, accrued by LLC "Tardan Gold" for 2019-2021.

# EBITDA Bridge



# Consolidated Cash Flow Statement

- **Net cash flow generated from operating activities** decreased by US\$ 9.7m, or 35%, and amounted to US\$ 17.8m in the reporting period vs US\$ 27.5m in the comparative reporting period. This is due to the decline in gold sales volume by 14% over the last 12 months, higher stripping volumes and income taxes paid by LLC “Tardan Gold” in Q2-Q4 2021 because a tax loss carry forward was fully used up in Q1 2021.
- Positive cash flows are used to decrease the debt:
  - repay US\$ 8.4m principal debt to VTB
  - US\$ 1.0m interest payments to VTB
  - US\$ 1.2m interest payments to Golden Impala
  - US\$ 2.1m lease payments
- US\$ 2.4m invested in exploration and research, drilling at Staroverinskaya and Eastern Tardan License areas.



# Outlook for 2022

- 1) The Company expects to produce a total of 800 – 830 kg (25,720 – 26,685 oz) at Tardan and Solcocon in 2022. The source of ore for the Tardan CIL plant will be the Pravoberezhniy and Tardan deposits.
- 2) We will continue to strip at Tardan deposit.
- 3) During 9m 2021, 9,891 m were drilled at Staroverinskaya License area and 4,500 m at Eastern Tardan. We are in the process of receiving and analyzing the results. Based on the results received, we will decide whether to continue drilling further.
- 4) We are waiting for the Tyva Region electricity line, to be taken into the Federal Budget as a result of this the KB line can be commissioned.
- 5) The COVID-19 vaccination programme / prevention at Tardan continues.
- 6) For what concerns the political situation, we are monitoring closely and try to adjust on a daily basis if necessary.

# Questions

**Please use the Chat option in ZOOM**

**[Future Financial Calendar and dates]**

- Q4 2021 Interim Report (January-December) – 28 February 2022

Auriant Mining Overview

Auriant Mining Historical Overview



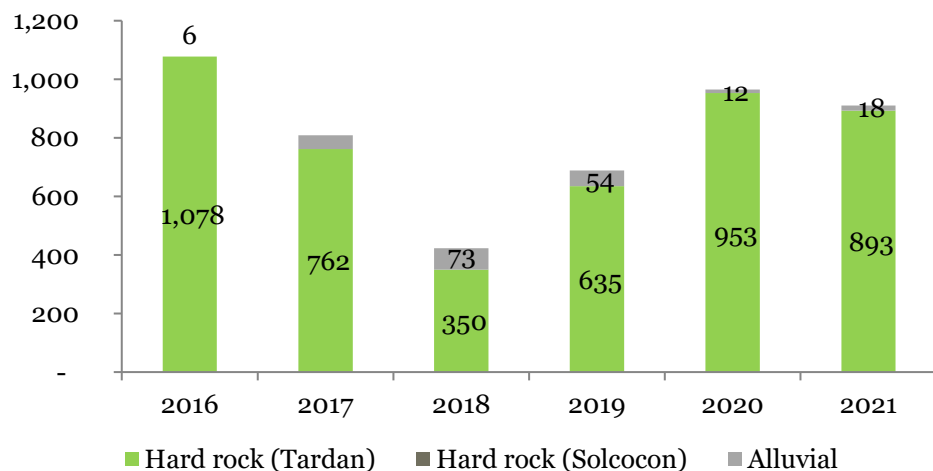
# Auriant Mining overview

## General Information

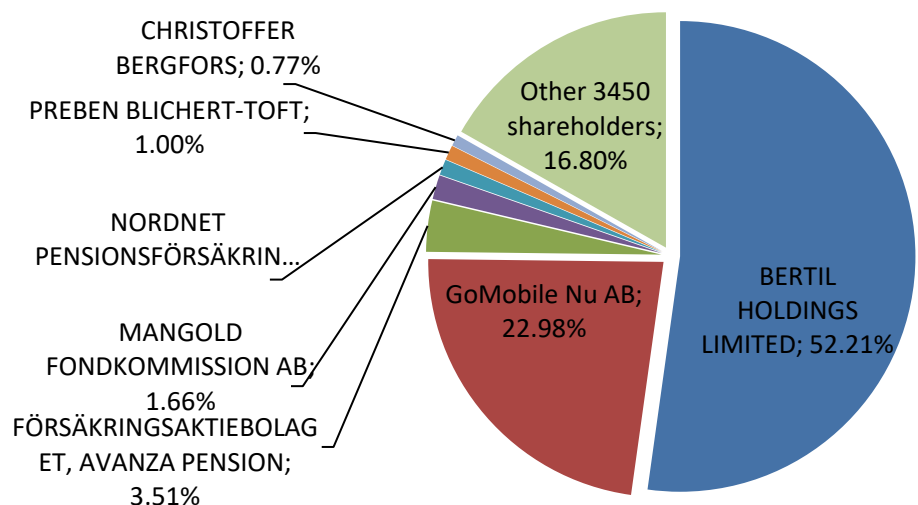
- **Auriant Mining AB** (Nasdaq First North Premier Growth Market: AUR) is a Swedish mining company focused on gold exploration and production in Russia, primarily in Siberia and Far East Russia.
- The company has currently:
  - (1) a producing mine at Tardan (Tyva), which has been successfully updated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



## 12m Gold Production, kg



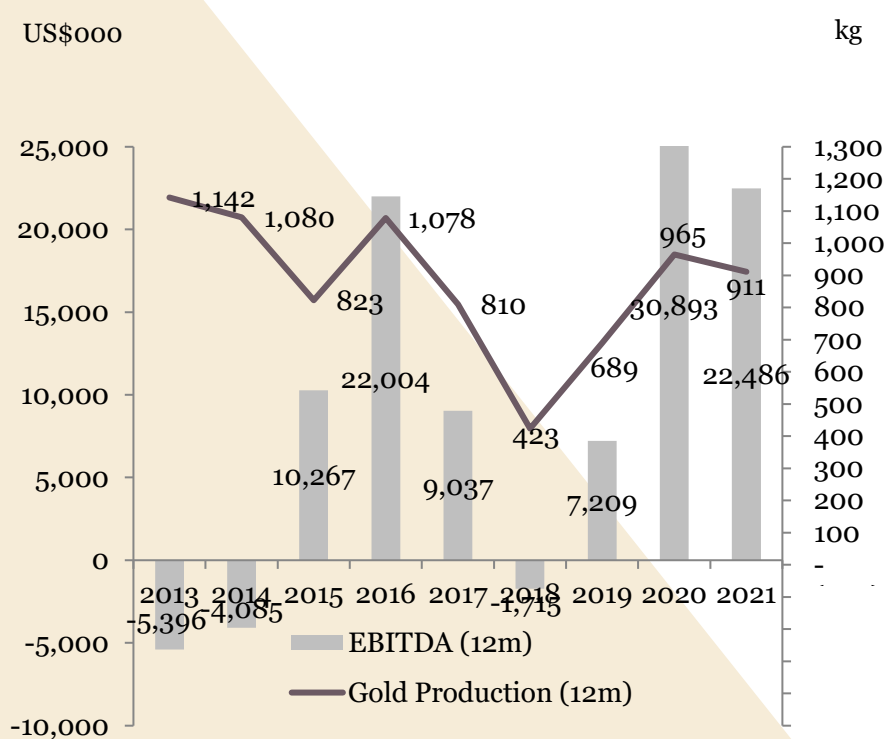
## Shareholders' structure as of December 31, 2021



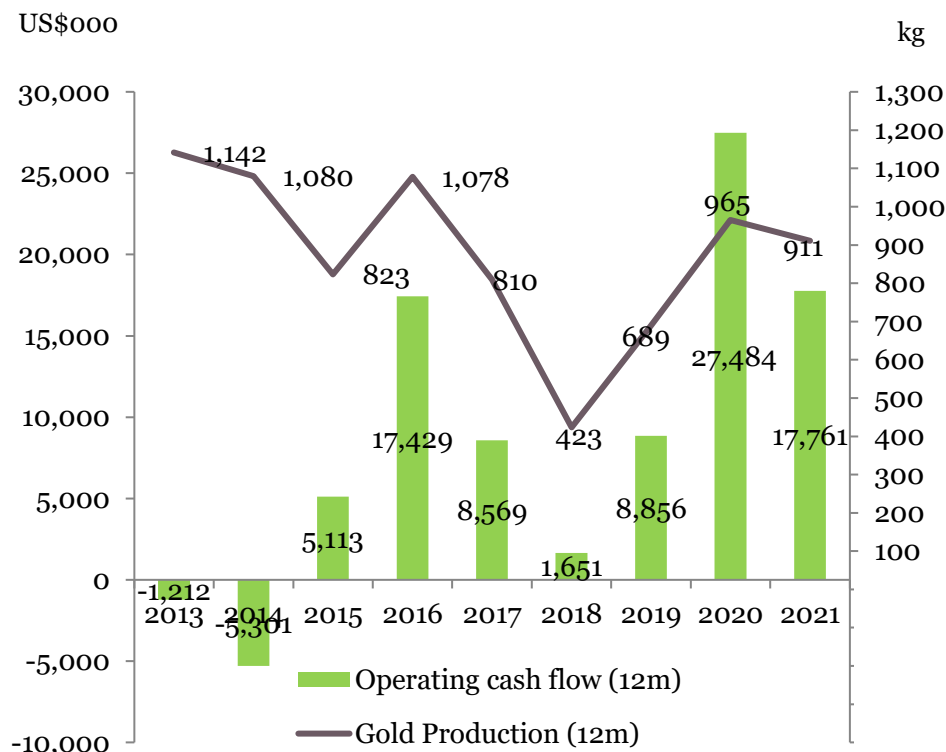
# Auriant Mining long-term historical overview

- Following the reduction in production and sales volumes, **EBITDA** decreased by 27% and amounted to US\$ 22.5m in 12m 2021 as compared to US\$ 30.9m in 12m 2020.
- Positive **net cash flow from operating activities** US\$ 17.8m, down 35% YoY (12m 2020: US\$ 27.5m).
- In 12m 2021, the Group recognized **net profit** of US\$ 7.1m compared to US\$ 10.4m in 12m 2020. The net profit decline primarily reflects the change in EBITDA.

**12m EBITDA / 12m Gold Production**



**12m Operating Cash flow / 12m Gold Production**





# Key Performance Indicators

	Unit	12m 2021	12m 2020	Change	Change %
<b>Mining</b>					
Waste stripping	000'm3	1,859	902	957	106%
Ore mined	000't	459	387	71	18%
Gold in ore	kg	1066	937	129	14%
Gold grade in ore mined	g/t	2.32	2.42	-0.10	-4%
<b>CIL</b>					
Ore processed	000't	428	394	35	9%
Average grade	g/t	2.30	2.66	-0.36	-14%
Gold in ore processed	kg	984	1,045	-61	-6%
<b>Gold produced CIL</b>	kg	<b>893</b>	<b>953</b>	<b>-60</b>	<b>-6%</b>
<b>Gold produced CIL</b>	oz	<b>28,720</b>	<b>30,629</b>	<b>-1,909</b>	<b>-6%</b>
<b>Warehouse on December 31</b>					
Ore	000't	132	101	30.6	30%
Grade	g/t	2.19	2.03	0.16	8%
<b>SOLCOCON alluvial gold production</b>	<b>kg</b>	<b>18</b>	<b>12</b>	<b>6</b>	<b>46%</b>
<b>SOLCOCON alluvial gold production</b>	<b>oz</b>	<b>563</b>	<b>386</b>	<b>177</b>	<b>46%</b>
<b>TOTAL GOLD PRODUCTION</b>	<b>kg</b>	<b>911</b>	<b>965</b>	<b>-54</b>	<b>-6%</b>
<b>TOTAL GOLD PRODUCTION</b>	<b>oz</b>	<b>29,283</b>	<b>31,015</b>	<b>-1,732</b>	<b>-6%</b>
<b>Gold Sales</b>	<b>kg</b>	<b>819</b>	<b>946</b>	<b>-128</b>	<b>-14%</b>
<b>Gold Sales</b>	<b>oz</b>	<b>26,316</b>	<b>30,428</b>	<b>-4,112</b>	<b>-14%</b>
Gold Sales	000'\$	47,685	53,409	-5,724	-11%
Average price realized	\$/oz	1,812	1,755	57	3%
Tardan cash cost	\$/oz	-806	-676	-129	19%
Tardan contribution to group EBITDA	m\$	26.0	26.0	0.0	0%
Solcocon contribution to group EBITDA	m\$	-0.7	-0.3	-0.4	154%
<b>Total EBITDA of mining companies</b>	<b>m\$</b>	<b>25.3</b>	<b>25.7</b>	<b>-0.4</b>	<b>-2%</b>

• In 12m 2021, the Company focused on renewal of stripping activities at Tardan deposit, which will be the main source of ore in the future. **Stripping volume** was 106% higher at 1,859 thousand m3 (12m 2020: 902 thousand m3). This obviously had an adverse impact on the cost of production.

• **Ore mined** amounted to 459 thousand tonnes (12m 2020: 387 thousand tonnes).

• The **average grade in ore mined** was 4% lower at 2.32 g/t, compared to 2.42 g/t in 12m 2020, in line with the Company's mine plan.

• **Volume of ore processed** through the CIL plant amounted to 428 thousand tonnes with an average grade of 2.30 g/t (total gold in processed ore – 984 kg). In 12m 2020, volume of ore processed through the CIL plant amounted to 394 thousand tonnes with an average grade of 2.66 g/t (total gold in processed ore – 1,045 kg).

• **Alluvial gold production** amounted to 18 kg (563 oz).

• 12m 2021 **total gold production** amounted to 911 kg (29,283 oz), compared to 965 kg (31,015 oz) in 12m 2020, a decrease of 6%, or 54 kg (1,732 oz), but in line with the 2021 production plan.

• 12m 2021 **total gold sales** amounted to 819 kg (26,316 oz), compared to 946 kg (30,428 oz) in 12m 2020, a decrease of 14%, or 128 kg (4,112 oz).

• The **average realized gold price per ounce** increased by 3% from US\$ 1,755 in 12m 2020 up to US\$ 1,812 in 12m 2021.

# Income Statement

	12m 2021 US\$000	12m 2020 US\$000	Change US\$000	Change %
<b>Gold production, kg</b>	<b>911</b>	<b>965</b>	<b>(54)</b>	<b>(6%)</b>
<b>Gold sales, kg</b>	<b>819</b>	<b>946</b>	<b>(128)</b>	<b>(14%)</b>
<b>Revenue</b>	<b>47,685</b>	<b>53,409</b>	<b>(5,724)</b>	<b>(11%)</b>
Hard rock gold sales	46,672	52,736	(6,064)	(11%)
Alluvial gold sales	1,013	673	340	50%
<b>Cost of sales</b>	<b>(30,241)</b>	<b>(27,378)</b>	<b>(2,863)</b>	<b>(10%)</b>
Cash expenses	(24,670)	(21,334)	(3,337)	(16%)
Alluvial gold costs	(709)	(475)	(233)	(49%)
Depreciation and amortization	(8,302)	(8,054)	(248)	(3%)
Change in stripping assets	588	(3)	591	19700%
Change in work in progress	2,852	2,488	364	15%
<b>Gross profit</b>	<b>17,444</b>	<b>26,031</b>	<b>(8,587)</b>	<b>(33%)</b>
General and administrative expenses	(2,754)	(2,945)	191	6%
Other operating income	99	96	3	3%
Other operating expenses	(2,962)	(3,059)	97	3%
<b>Operating profit/(loss)</b>	<b>11,827</b>	<b>20,123</b>	<b>(8,296)</b>	<b>(41%)</b>
Financial income	4	-	4	100%
Financial expenses	(3,159)	(5,671)	2,512	44%
Currency gain/(loss)	911	(935)	1,846	197%
<b>Profit/(Loss) before income tax</b>	<b>9,583</b>	<b>13,517</b>	<b>(3,934)</b>	<b>(29%)</b>
Income tax	(2,497)	(3,075)	578	19%
<b>Net profit/(loss) for the period</b>	<b>7,086</b>	<b>10,442</b>	<b>(3,356)</b>	<b>(32%)</b>
<b>EBITDA, kUSD</b>	<b>22,486</b>	<b>30,893</b>	<b>(8,407)</b>	<b>(27%)</b>

Revenue from the sale of gold amounted to US\$ 47.7m, a 11% decrease compared to 12m 2020 (US\$ 53.4m), due to a lower volume of gold sold. 12m 2021 gold sales volumes amounted to 819 kg (26,316 oz), which is 14%, or 128 kg (4,112 oz), less than in 12m 2020.

In a strong gold price environment, the average realized gold price per ounce increased by 3% from US\$ 1,755 in 12m 2020 up to US\$ 1,812 in 12m 2021.

In 12m 2021, the Group's cost of sales increased by 10% compared to 12m 2020, to US\$ 30.2 m, while cash operating expenses increased by 16%, to US\$ 25.4 m. Higher stripping volumes and lower gold grades negatively impacted the cost performance during the reporting period. The average cash cost per ounce produced at Tardan increased by 19% from US\$ 676/oz in 12m 2020 to US\$ 806/oz in 12m 2021, driven by higher volumes of stripping and exploratory drilling, lower average grade, indexation of salaries, which were in line with the Company's plan, as well as first time maintenance costs on the CIL plant which had a short scheduled shut down for maintenance in Q1 2021.

In 12m 2021, deferred stripping at Ore Zone #26 and Ore Zone #3 has been pulled forward to secure access to ore in 2022-2023. The changes in work in progress in 12m 2021 and 12m 2020 were in line with mining and production activities.

Other operating expenses in 12m 2021 amounted to US\$ 3.0 m (US\$ 3.1 m in the previous reporting period). These were mainly US\$ 2.3 m additional provision for waste disposal, accrued by LLC "Tardan Gold" for 2019-2021. In 12m 2020, other operating expenses included write off of US\$ 0.8 m VAT refund asset in LLC "Rudtechnology" and US\$ 1.9 m stripping assets in LLC "Tardan Gold".

The Company's financial expenses represented by interest on loans and borrowings and lease liabilities amounted to US\$ 3.2 m in 12m 2021, a 44% decline compared to the previous period (12m 2020: US\$ 5.7 m). Interest expenses reduced significantly due to repayments of VTB loans, as well as reduction in the average interest rate on VTB loans from 8.4% to 4.4%.

In 12m 2021, income tax charge of US\$ 3.0 m was offset by US\$ 0.6 m against the balance sheet amount of deferred tax asset related to tax loss carry forward in LLC "Tardan Gold".

# Consolidated cash flow statement

	12m 2021 US\$000	12m 2020 US\$000	Change US\$000	Change %
<b>Operating activities</b>				
Receipts from gold sales	47,708	53,409	(5,701)	(11%)
VAT and other reimbursement	4,153	4,497	(344)	(8%)
Payments to suppliers	(20,998)	(18,970)	(2,028)	11%
Payments to employees and social taxes	(9,785)	(9,357)	(428)	5%
Income tax paid	(2,645)	(674)	(1,971)	292%
Other taxes paid	(672)	(1,421)	749	(53%)
<b>Net cash flows from/(used in) operating activities</b>	<b>17,761</b>	<b>27,484</b>	<b>(9,723)</b>	<b>(35%)</b>
<b>Investing activities</b>				
Purchase and construction of property plant and equipment	(1,193)	(2,343)	1,150	(49%)
Exploration and research works	(2,720)	(1,479)	(1,241)	84%
<b>Net cash flows used in investing activities</b>	<b>(3,913)</b>	<b>(3,822)</b>	<b>(91)</b>	<b>2%</b>
<b>Financing activities</b>				
Repayment of borrowings, net	(8,448)	(14,997)	6,549	(44%)
Proceeds from exercise of share options	-	10	(10)	(100%)
Interest paid	(2,188)	(5,702)	3,514	(62%)
Lease payments	(2,053)	(2,413)	360	(15%)
Other finance income/expenses	(123)	-	(123)	(100%)
<b>Net cash from/(used in) financing activities</b>	<b>(12,812)</b>	<b>(23,102)</b>	<b>10,290</b>	<b>-45%</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>1,036</b>	<b>560</b>	<b>476</b>	<b>85%</b>
Effect of foreign exchange rate changes on cash and cash equivalents	16	(282)	298	(106%)
Opening balance cash and cash equivalents	422	144	278	193%
<b>Closing balance cash and cash equivalents</b>	<b>1,474</b>	<b>422</b>	<b>1,052</b>	<b>249%</b>

Net cash flow generated from operating activities decreased by US\$ 9.7m, or 35%, and amounted to US\$ 17.8m in the reporting period vs US\$ 27.5m in the comparative reporting period. This is due to the decline in gold sales volume by 14% over the last 12 months, higher stripping volumes and income taxes paid by LLC "Tardan Gold" in Q2-Q4 2021 because a tax loss carryforward was fully used up in Q1 2021.

During 12m 2021, operating activities were financed from the same sources as in the previous reporting period, i.e. by gold sales and the reimbursement of VAT.

Positive cash flows from operating activities were used for loan repayments, finance lease payments and financing of exploration and research in 12m 2021.

- Total principal debt repayment in 12m 2021 amounted to US\$ 8.4m. The interest paid amounted to US\$ 2.2m (incl. VTB US\$ 1.0m and Golden Impala US\$ 1.2m).

- Interest expenses reduced significantly due to VTB loans repayment and resulting decrease in loan principal amounts, as well as reduction in the average interest rate on VTB loans from 8.4% to 4.4% during 12m 2021 compared to 12m 2020.

- US\$ 2.7m invested in exploration and research, including US\$ 2.4m drilling works at Staroverinskaya and Eastern Tardan License areas.

# Thank you

**Danilo Lange**

CEO

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

**Vladimir Vorushkin**

CFO

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

**Petr Kustikov**

COO

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

**Auriant Mining AB**

Box 55696

102 15 Stockholm, Sweden

Tel: +7 495 109 0282

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

