

Auriant Mining

INTERIM REPORT

January-September 2018

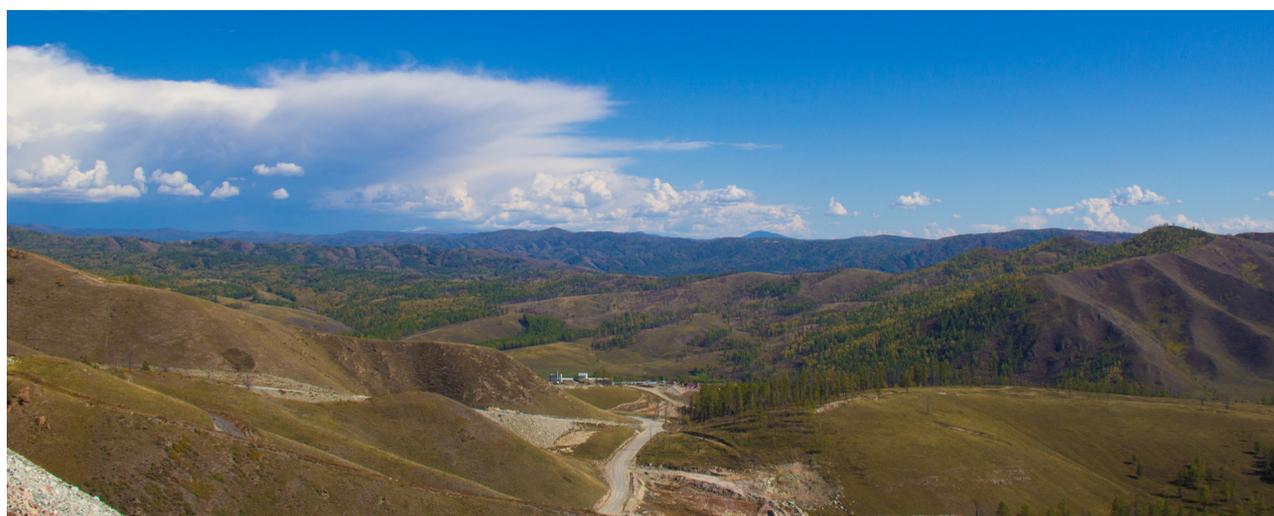


AURIANT
MINING

reg. no. 556659-4833

Highlights

- Auriant recommenced mining operations at Tardan in July. In Q3 2018, the Company mined 65,000 tonnes of ore with an average grade of 2.79 g/t and this ore was stacked on the heap leach. Total gold production from the heap leach for 9 months, 2018 was 206.3 kg (6,632 oz), compared to 538.9 kg (17,326 oz) in the same period in the previous year (-61%). The Company expects that Tardan production for the whole of 2018 will be 380 kg (12,217 oz), which is slightly above the previously announced forecast of 350 kg (11,252 oz).
- The CIL project is going according to plan and has passed the State Ecological Expertise, which means that the plant complies with environmental protection standards. As of today, the project is approximately 60% complete and we will continue building through the winter. We expect that production will commence at the CIL plant in July 2019, with a production target of 1 tonne of gold in 2019. The heap leach will continue to be in operation until the CIL plant starts.
- In May 2018, alluvial production resumed at Solcocon. This production is 100% outsourced and generates a net margin of approximately 29% of sales. In the current period, the Company engaged 2 contractors working on 2 placers, while 1 contractor was involved in 2017. During the reporting period, the Company produced 62.7 kg (2,015 oz) of alluvial gold compared to 41.2 kg (1,324 oz) in the previous period. Expected production of alluvial gold in 2019 is 90 kg.
- Consolidated revenue in 9 months 2018 was MSEK 94.7 (US\$ 11.0 mln) (9 months 2017 – MSEK 223.3 (US\$ 25.9 mln)).
- EBITDA in 9 months 2018 was: MSEK -24.4 (US\$ -2.9 mln) compared to MSEK 49.8 (US\$ 5.8 mln) in 9 months 2017.
- Net loss after tax was MSEK -72.9 (US\$ -8.5 mln) (9 months 2017 – MSEK -17.6 (US\$ -2.0 mln)).
- In November 2018, the Company has reached an agreement with Golden Impala Limited on a new revolving bridging loan facility of US\$ 3 mln in order to provide short-term working capital during the low production season and to secure continuous funding of the CIL project.



Comments by the CFO

Dear Stakeholders,

During H1 2018, Tardan gold production from the heap leach (stacked in 2017) was in line with plan. In July 2018, mining operations at Tardan were resumed. During Q3 2018, mining activities were in line with the production plan: 65,000 tonnes of ore with an average grade 2.79 g/t was mined and this ore was stacked on the heap leach. Overall, we expect to produce 380 kg of gold at Tardan in 2018, which is an increase of 9% from the forecast previously announced.

Production at Solcocon increased by 52%, compared to the prior period: 62.7 kg of gold was produced compared to 41.2 kg. During 2018, alluvial production was interrupted by heavy rainfall and flooding in July. This led to the decline in alluvial gold production from 150 kg to 73 kg during the 2018 alluvial season. Alluvial contractors have already started mining and exploration activities for 2019.

The Company's EBITDA for 9m 2018 was: US\$ -2.9 mln, including a reduction in work in progress and finished goods of US\$ -2.7 mln. However, operating cash flow for the period was positive and amounted to US\$

2.1 mln, including US\$ 1.8 mln from 2017 receivables.

The CIL project is on track. US\$ 8.3 mln was invested in the CIL plant during 9m 2018. In October 2018, the project passed the State Ecological Expertise.

The two key priorities for Management for the last few weeks of 2018 are to achieve the gold production forecast for the year and to ensure that the CIL project remains on time and on budget.

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

Revenue from gold sales decreased by US\$ 14.9 mln, or 57%, compared to 9 months 2017. Gold sales decreased by 58% or 369 kg (11,852 oz) – from 641 kg (20,610 oz) in 9 months 2017 down to 272 kg (8,758 oz) in 9 months 2018. The average realized gold price per ounce was almost unchanged: US\$ 1,261 in 9 months 2018 (US\$ 1,257 in the previous period).

	9m 2018	9m 2017	Change	Change
	US\$ 000	US\$ 000	US\$ 000	%
Revenue from sale of Hard rock gold	9,328	24,708	(15,379)	-62%
Revenue from Alluvial gold sales	1,713	1,196	517	43%
Revenue	11,041	25,904	(14,863)	-57%
Alluvial gold costs	(1,186)	(789)	(397)	50%
Revenue net of alluvial costs	9,855	25,115	(15,259)	-61%

Temporarily halting mining operations at Tardan in the first half of 2018, resulted in the reduction of hard rock cost of sales by US\$ 8.5 mln or 38%, meanwhile, cash expenses reduced by 53% or US\$ 9.5 mln. The change in stripping assets in 9 months 2018 was insignificant, while in 9 months 2017, it was capitalized by US\$ 1.0

mln, which was in line with the mining activity. A decrease in stock of finished and semi-finished goods was caused by a lower balance of gold ready for sale and gold in process, compared to prior period.

	9m 2018	9m 2017	Change	Change
	US\$ 000	US\$ 000	US\$ 000	%
Hard rock cost of sales, including:				
Cash expenses	(8,290)	(17,820)	9,530	-53%
Change in stripping asset (non-cash)	156	1,021	(865)	-85%
Change in stock of finished and semi-finished goods (non-cash)	(2,728)	(1,230)	(1,498)	122%
Depreciation & amortization (non-cash)	(3,237)	(4,543)	1,306	-29%
Total hard rock cost of sales	(14,098)	(22,571)	8,474	-38%

General and administrative expenses (expenses of the Company's headquarters) were virtually unchanged, and amounted US\$ -2.0 mln.

Other operating income in 9 months 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 (inclVAT) at the end of 2017.

Other operating expenses in both periods included bank commissions, fees and other expenses (each of them were not significant by themselves), which reduced significantly. This was because in 9 months 2017, other operating expenses included a one-off correction of input VAT of US\$ -0.2 mln.

Financial expenses, represented by interest costs, reduced by 36% compared to prior period and amounted to US\$ -2.8 mln (9 months 2017: US\$ -4.4 mln). The reduction was due to the repayment of loan principal, decrease of interest rate on the Company's bank loan from 9.5% to 8.2%, as well as a reduction in the principal amount of debt to the Principal Shareholder (through the set-off of shareholder debt for new shares issued in 2017-2018) and a decrease of the interest rate from 4.9% in 9 months 2017 to 2% in 9 months 2018.

As a result of US\$ appreciation against SEK and RUR by 8% and 14% respectively from the beginning of 2018, the Company had a forex loss of US\$ 1.4 mln.

Income tax of US\$ 1.8 mln in 9 months 2018 was positive, and related to a change in the deferred tax at the subsidiaries level and represented deferred tax timing differences and tax loss carry-forward accumulation. The income tax in the previous period was almost nil and related to a change in deferred tax at the subsidiary level. This represented a tax loss carry-forward accumulation, set off by the increase of deferred tax liabilities, due to changes in local tax accounting policies.

The loss after tax in 9 months 2018 was US\$ -8.5 mln, compared to US\$ -2.0 mln in 9 months 2017.

Earnings per share in 9 months 2018 and 9 months 2017 was US\$ -0.09.

The Company's 9m 2018 EBITDA was US\$ -2.9 mln (9 months 2017: US\$ 5.8 mln), including work in progress and finished goods reduction of US\$ -2.7 mln.

STATEMENT OF FINANCIAL POSITION

The CIL project, financed through a new share issue in 2017-2018 and leasing agreements signed in 2018, led to growth of tangible fixed assets up to US\$ 25.0 mln. A total of US\$ 8.3 mln was invested in the CIL during 9 months 2018.

US\$ 1.9 mln of liabilities to KFM were reclassified from short-term to long-term liabilities, as a new schedule for repayment of debt was signed in July 2018. In accordance with the schedule, US\$ 0.1 mln will be paid in 2018 and the remaining debt will be paid in December 2019.

INVESTMENTS, LIQUIDITY AND FINANCING

During 9 months 2018, operating activity was financed by gold sales, reimbursement of VAT and receipts of US\$ 1.7 mln from customers for Solcocon's equipment sold in 2017. In previous period, cash receipts included gold sales, reimbursement of VAT and receipts from rent agreements.

In April 2018, the Company received US\$ 3.2 mln of cash from the new share issue. Total net cash funds received through a new share issue programme in 2017-2018 were equal to US\$ 9.5 mln.

Total VAT and other reimbursements during the period were US\$ 2.3 mln.

US\$ 8.3 mln including lease financing were invested in the CIL plant during 9 months 2018. Lease agreements of CIL key processing equipment acquisition were signed in April 2018; amount of lease financing is US\$ 3.0 mln.

The consolidated cash balance as of September 30, 2018 was US\$ 1.8 mln (December 31, 2017 – US\$ 5.1 mln).

In November 2018, the Company has reached an agreement with Golden Impala Limited (a company related to the main shareholder) on a new revolving bridging loan facility of US\$ 3 mln in order to provide short-term working capital during the low production season and to secure continuous funding of the CIL project.

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 8.5743 for 9 months 2018 P&L accounts and US\$/SEK 8.8573 for the statement of financial position as of September 30, 2018. For 9 months 2017 accounts US\$/SEK 8.6200 for P&L and US\$/SEK 8.1086 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 September 30, 2018 was US\$ 34.2 mln (December 31, 2017 – US\$ 37.3 mln)

Accrued interest expenses for transactions with related parties in 9 months 2018 amounted to US\$ -0.521 mln. During 9 months 2018 US\$ 0.075 mln was repaid to Golden Impala and the amount of US\$ 3.7 mln was set-off through subscription for new shares.

During 9 months 2018 the Company received consulting services from company related to Board member in amount of US\$ 0.089 mln and legal services from a company related to the main shareholder in amount of US\$ 0.087 mln.

EMPLOYEES

The group had on average 432 employees during the reporting period. As of 30 September 2018 the number of employees in the group was 463 (483 as of December 31, 2017).

CAPITAL STRUCTURE

The number of shares in issue as at 30 September 2018 was 98,648,502. The registered share capital is of MSEK 11.1. 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\$ 0.0146). 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 subsidiary company during 9 months 2018 was MSEK 0.540 (US\$ 0.063 mln) (9 months 2017 – MSEK 1.162 (US\$ 0.135 mln).

The operating loss for 9 months 2018 was MSEK -7.269 (US\$ -0.848 mln) compared to 9 months 2017 of MSEK -5.744 (US\$ -0.666 mln)

Net financial items for 9 months 2018 amounted to MSEK -26.546 (US\$ -3.096 mln) (9 months 2017 MSEK 20.878) (US\$ 2.422 mln)) and included interest expenses related to Golden Impala (the Shareholder's) bond of MSEK -4.461 (US\$ -0.521 mln); interest expenses of MSEK -0.532 (US\$ -0.062 mln) to KFM and net forex loss of MSEK -34.073 (US\$ -3.974 mln). These expenses were partly compensated by intergroup loan interest income in amount of MSEK 12.520 (US\$ 1.460 mln).

Interest expenses to Golden Impala decreased by 66% or MSEK 8.712 (US\$ 1.009 mln) as result of reduction of principal amount of debt to Shareholder (through set-off of shareholder debt for new shares issued in 2017-2018) and change an effective interest rate from 4.9% in 9 months 2017 down to 2% in 9 months 2018.

Effect of forex on net financial items in 9 months 2018 was negative mostly due to SEK depreciation against US\$ by 8% as liability to Golden Impala and KFM denominated in US\$ and RUR depreciation against SEK by 6% as receivables from subsidiaries denominated in RUR.

Net loss for 9 months 2018 amounted to MSEK -33.815 (US\$ -3.944 mln) compared to net profit of MSEK 15.134 (US\$ 1.756 mln) 9 months 2017.

FINANCIAL POSITION OF THE PARENT COMPANY

Total cash balance in the Parent Company was MSEK 0.084 (US\$ 0.009 mln) as of 30 September 2018 (31 December 2017 MSEK 0.257 (US\$ 0.031 mln)).

Warrants subscription period, issued in connection with the rights issue in September 2017, ended on 30 March 2018. Additional capital of MSEK 59.5 (US\$ 7.1 mln) was raised (before transaction costs), of which MSEK 31.1 (US\$ 3.7 mln) was subscribed through a set off of shareholder debt and MSEK 28.4 (US\$ 3.4 mln) was raised in cash.

MSEK 16.980 (US\$ 1.917 mln) of liabilities to KFM were reclassified from short-term into long-term liabilities as new schedule for repayment of debt was signed in July 2018. In accordance with the schedule, US\$ 0.1 mln will be paid in 2018 and the remaining debt will be paid in December 2019.

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 taken 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 applies 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 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 therefore no adjustment to the opening balance of equity has been made.

IFRS 15 Revenue from contracts with customers.

This standard applies commencing 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 recognized 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 has no significant impact on the Group due to the revenue cycle specifics and therefore no adjustment to the opening balance of equity has been made.

UPCOMING CHANGES IN ACCOUNTING PRINCIPLES APPLICABLE FROM JANUARY 1, 2019

IFRS 16 Leasing.

This standard applies from January 1, 2019. IFRS 16 is the new standard for the recognition, measurement, presentation and disclosure of leases. The Group es-

timates that it will have no significant impact on the Group as existing leasing contracts are accounted as financial leases with the exception for short-term leases payments for which are recognized on a straight-line basis.

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.

9 months 2018 operational update

Auriant Mining AB (publ.) resumed mining at Tardan in July as planned. In Q3 2018, the Company mined 65,000 tonnes of ore with an average grade 2.79 g/t and this ore was stacked on the heap leach. Total gold production from the heap leach for 9 months of 2018 was 206.3 kg (6,632 oz), compared to 538.9 kg (17,326 oz) in the same period in the previous year (-61%). The main reason for this decline in production was that no mining or crushing operations were carried out in the first 6 months of 2018, in order to save the ore for the more efficient CIL plant, for when it starts to operate in 2019. The Company expects that Tardan production for the whole of 2018 will be 380 kg, (12,217 oz) which is slightly above the previously announced forecast of 350 kg (11,252 oz)

The Tardan CIL project is proceeding according to plan. As recently announced, the CIL project complies with Russian Federation environmental protection standards and has been passed by the State Ecological Expertise. The Company aims to start production from the CIL plant in Q3 2019 and produce 1 tonne (32,150 oz) of gold in the year.

In May 2018, alluvial production was resumed at Solcocon. This production is 100% outsourced and generates a net margin of 29% of sales for the Company. In the current period, the Company engaged 2 contractors working on 2 placers, while 1 contractor was involved in 2017. During the reporting period, the Company produced 62.7 kg (2,015 oz) of alluvial gold compared to 41.2 kg (1,324 oz) produced in the previous period. Production at Solcocon in July was interrupted by heavy rainfall, which has led to widespread flooding in the Zabaikalsky region. Despite growth in production in Q3 2018 as compared to Q2 2018 (46.6 kg vs 16.1 kg) and continued mining in October as the weather was favourable, the alluvial production forecast of 150 kg (4,822 oz) will not be met. 2018 production is expected to reach 75 kg (2,411 oz).

Financial reports

Consolidated income statement

	Q3 Jul-Sep 2018 TSEK	Q3 Jul-Sep 2017 TSEK	9 months Jan-Sep 2018 TSEK	9 months Jan-Sep 2017 TSEK	12 months Jan-Dec 2017 TSEK	Q3 Jul-Sep 2018 US\$ 000	Q3 Jul-Sep 2017 US\$ 000	9 months Jan-Sep 2018 US\$ 000	9 months Jan-Sep 2017 US\$ 000	12 months Jan-Dec 2017 US\$ 000
Revenue	44,915	111,971	94,671	223,291	286,494	5,108	13,342	11,041	25,904	33,532
Cost of sales	(56,154)	(95,158)	(131,160)	(201,334)	(268,381)	(6,345)	(11,386)	(15,284)	(23,361)	(31,420)
Gross profit	(11,239)	16,813	(36,489)	21,957	18,113	(1,237)	1,956	(4,243)	2,543	2,112
General and administrative expenses	(4,461)	(4,154)	(17,162)	(17,544)	(21,064)	(496)	(510)	(2,003)	(2,022)	(2,447)
Other operating income	1,146	3,936	3,154	9,749	27,628	97	475	336	1,131	3,288
Other operating expenses	2,118	(2,578)	(1,720)	(3,544)	(2,379)	257	(302)	(201)	(411)	(278)
Items affecting comparability	-	-	-	-	(2,493)	-	-	-	-	(292)
Operating profit/(loss)	(12,436)	14,017	(52,217)	10,618	19,805	(1,379)	1,619	(6,111)	1,241	2,383
Financial income	-	10	44	10	53	-	1	5	1	6
Financial expenses	(7,878)	(11,438)	(24,260)	(38,150)	(47,644)	(875)	(1,414)	(2,830)	(4,428)	(5,574)
Currency gain/loss	(640)	7,103	(11,960)	9,923	8,867	(82)	888	(1,350)	1,155	1,028
Profit/(Loss) before income tax	(20,954)	9,692	(88,393)	(17,599)	(18,919)	(2,336)	1,094	(10,286)	(2,031)	(2,157)
Income tax	4,788	(3,232)	15,465	(15)	(192)	536	(361)	1,815	2	(28)
Net profit/(loss) for the period	(16,166)	6,460	(72,928)	(17,614)	(19,111)	(1,800)	733	(8,471)	(2,029)	(2,185)
Whereof attributable to:										
The owners of the parent company	(16,166)	6,460	(72,928)	(17,614)	(19,111)	(1,800)	733	(8,471)	(2,029)	(2,185)
Earnings per share before dilution (SEK, US\$)	(0.16)	0.21	(0.80)	(0.79)	(0.54)	(0.02)	0.02	(0.09)	(0.09)	(0.06)
Earnings per share after dilution (SEK, US\$)	(0.16)	0.20	(0.80)	(0.79)	(0.54)	(0.02)	0.02	(0.09)	(0.09)	(0.06)
Number of shares issued at period end	98,648,502	74,770,202	98,648,502	74,770,202	74,847,182	98,648,502	74,770,202	98,648,502	74,770,202	74,847,182
Average number of shares for the period	98,648,502	31,425,157	90,801,913	22,393,239	35,609,445	98,648,502	31,425,157	90,801,913	22,393,239	35,609,445
Average number of shares for the period after dilution	99,341,002	32,117,657	91,494,413	23,085,739	35,609,445	99,341,002	32,117,657	91,494,413	23,085,739	35,609,445

Consolidated statement of comprehensive income

	Q3 Jul-Sep 2018 TSEK	Q3 Jul-Sep 2017 TSEK	9 months Jan-Sep 2018 TSEK	9 months Jan-Sep 2017 TSEK	12 months Jan-Dec 2017 TSEK	Q3 Jul-Sep 2018 US\$ 000	Q3 Jul-Sep 2017 US\$ 000	9 months Jan-Sep 2018 US\$ 000	9 months Jan-Sep 2017 US\$ 000	12 months Jan-Dec 2017 US\$ 000
Net profit/loss for the period	(16,166)	6,460	(72,928)	(17,614)	(19,111)	(1,800)	733	(8,471)	(2,029)	(2,185)
Other comprehensive income										
Translation difference	748	10,658	(16,550)	36,292	33,487	(229)	(749)	(171)	(829)	(768)
Total comprehensive income for the period	(15,418)	17,118	(89,478)	18,678	14,376	(2,030)	(16)	(8,642)	(2,858)	(2,953)

Consolidated statement of financial position

	September 30, 2018 TSEK	September 30, 2017 TSEK	December 31, 2017 TSEK	September 30, 2018 US\$ 000	September 30, 2017 US\$ 000	December 31, 2017 US\$ 000
ASSETS						
FIXED ASSETS						
Intangible fixed assets	173,010	152,265	164,186	23,327	22,215	23,460
Tangible fixed assets	221,798	157,520	158,366	25,023	19,401	19,214
Stripping assets	24,307	42,188	24,264	2,744	5,203	2,947
Deferred tax assets	51,189	33,433	36,288	5,093	3,507	3,777
Total fixed assets	470,304	385,406	383,104	56,187	50,327	49,397
CURRENT ASSETS						
Materials	9,359	11,431	10,755	1,057	1,409	1,307
Work in progress	21,311	44,333	49,531	2,406	5,468	6,017
Finished products	1,679	422	830	190	52	101
Current receivables	26,859	82,122	42,393	3,032	10,128	5,148
Advanced paid	4,469	9,408	12,010	504	1,160	1,460
Cash and cash equivalents	16,307	16,199	41,730	1,841	1,997	5,069
Total current assets	79,984	163,915	157,249	9,030	20,214	19,102
TOTAL ASSETS	550,288	549,321	540,353	65,217	70,541	68,499
EQUITY AND LIABILITIES						
EQUITY						
Share capital	11,098	8,412	8,420	1,436	1,116	1,117
Additional paid in capital	553,720	507,955	498,856	79,160	73,763	72,615
Retained earnings	(644,154)	(569,728)	(571,225)	(88,259)	(79,632)	(79,788)
Translation difference reserve	(138,593)	(119,238)	(122,043)	(13,849)	(13,739)	(13,678)
TOTAL EQUITY	(217,929)	(172,599)	(185,992)	(21,512)	(18,492)	(19,734)
LONG TERM LIABILITIES						
Deferred tax liabilities	-	-	2,422	-	-	294
Bank loans and other notes	298,911	291,069	278,167	33,747	35,896	33,790
Lease payable	18,192	565	527	2,054	70	64
Debt to shareholder (bond)	302,478	293,633	307,128	34,150	36,213	37,308
Other long-term liabilities	109,829	90,540	87,238	12,400	11,166	10,598
Total long-term liabilities	729,410	675,807	675,482	82,351	83,345	82,054
CURRENT LIABILITIES						
Trade accounts payable	5,712	7,955	3,542	645	980	430
Bank loans payable	17,715	16,217	16,464	2,000	2,000	2,000
Other interest bearing liabilities	5,234	10,284	17,899	591	1,268	2,174
Other current liabilities	10,146	11,657	12,958	1,143	1,440	1,575
Total current liabilities	38,807	46,113	50,863	4,379	5,688	6,179
TOTAL EQUITY AND LIABILITIES	550,288	549,321	540,353	65,217	70,541	68,499

Consolidated statement of changes in equity

Attributable to the shareholders of the parent company

All amounts in TSEK	Share capital	Additional paid in capital	Translation difference reserve	Retained earnings	Total equity
Equity as at December 31, 2016	2,003	397,382	(155,530)	(552,114)	(308,259)
Comprehensive income					
Net profit/loss for the period				(17,614)	(17,614)
Other comprehensive income			36,292		36,292
Total comprehensive income for the period	-	-	36,292	(17,614)	18,678
Transactions with owners in their capacity as owners					
Proceeds from share issued	6,409	116,641			123,050
Convertible part of bond		(6,025)			(6,025)
Warrants and options issue		(43)			(43)
Total transactions with owners in their capacity as owners	6,409	110,573	-	-	116,982
Equity as at September 30, 2017	8,412	507,955	(119,238)	(569,728)	(172,599)
Comprehensive income					
Net profit/loss for the period				(1,497)	(1,497)
Other comprehensive income			(2,805)		(2,805)
Total comprehensive income for the period	-	-	(2,805)	(1,497)	(4,302)
Transactions with owners in their capacity as owners					
Proceeds from share issued	9	(2,676)			(2,667)
Convertible part of bond		(6,430)			(6,430)
Warrants and options issue		6			6
Total transactions with owners in their capacity as owners	9	(9,100)	-	-	(9,091)
Equity as at December 31, 2017	8,420	498,856	(122,043)	(571,225)	(185,992)
Comprehensive income					
Net profit/loss for the period				(72,928)	(72,928)
Other comprehensive income			(16,550)		(16,550)
Total comprehensive income for the period	-	-	(16,550)	(72,928)	(89,478)
Transactions with owners in their capacity as owners					
Proceeds from share issued	2,678	54,855			57,533
Warrants and options issue		9			9
Total transactions with owners in their capacity as owners	2,678	54,864	-	-	57,542
Equity as at September 30, 2018	11,098	553,720	(138,593)	(644,154)	(217,929)

Consolidated statement of changes in equity

Attributable to the shareholders of the parent company

All amounts in US\$'000	Share capital	Additional paid in capital	Translation difference reserve	Retained earnings	Total equity
Equity as at December 31, 2016	307	59,808	(12,910)	(77,603)	(30,398)
Comprehensive income					
Net profit/loss for the period				(2,029)	(2,029)
Other comprehensive income			(829)		(829)
Total comprehensive income for the period	-	-	(829)	(2,029)	(2,859)
Transactions with owners in their capacity as owners					
Proceeds from share issued	809	14,717			15,526
Convertible part of bond		(757)			(757)
Warrants and options issue		(5)			(5)
Total transactions with owners in their capacity as owners	809	13,955	-	-	14,764
Equity as at September 30, 2017	1,116	73,763	(13,739)	(79,632)	(18,493)
Comprehensive income					
Net profit/loss for the period				(155)	(155)
Other comprehensive income			61		61
Total comprehensive income for the period	-	-	61	(155)	(94)
Transactions with owners in their capacity as owners					
Proceeds from share issued	1	(390)			(389)
Convertible part of bond		(759)			(759)
Warrants and options issue		1			1
Total transactions with owners in their capacity as owners	1	(1,148)	-	-	(1,147)
Equity as at December 31, 2017	1,117	72,615	(13,678)	(79,788)	(19,734)
Comprehensive income					
Net profit/loss for the period				(8,471)	(8,471)
Other comprehensive income			(171)		(171)
Total comprehensive income for the period	-	-	(171)	(8,471)	(8,642)
Transactions with owners in their capacity as owners					
Proceeds from share issued	319	6,544			6,863
Warrants and options issue		1			1
Total transactions with owners in their capacity as owners	319	6,545	-	-	6,864
Equity as at September 30, 2018	1,436	79,160	(13,849)	(88,259)	(21,512)

Consolidated cash flow statement

	Q3 Jul-Sep 2018 TSEK	Q3 Jul-Sep 2017 TSEK	9 months Jan-Sep 2018 TSEK	9 months Jan-Sep 2017 TSEK	Q3 Jul-Sep 2018 US\$ 000	Q3 Jul-Sep 2017 US\$ 000	9 months Jan-Sep 2018 US\$ 000	9 months Jan-Sep 2017 US\$ 000
OPERATING ACTIVITIES								
Receipts from customers	45,717	102,288	110,100	213,597	5,109	12,571	12,801	25,133
VAT and other reimbursement	3,307	14,376	19,015	31,612	370	1,767	2,298	3,710
Payments to suppliers	(33,586)	(50,174)	(62,243)	(128,473)	(3,753)	(6,166)	(7,163)	(15,009)
Payments to employees and social taxes	(14,493)	(19,901)	(39,271)	(60,379)	(1,620)	(2,446)	(4,588)	(7,016)
Income tax paid	-	(67)	(499)	(636)	-	(8)	(58)	(73)
Other taxes paid	(3,437)	(8,053)	(9,977)	(17,841)	(384)	(990)	(1,166)	(2,095)
Net cash flows from/(used in) operating activities	(2,492)	38,469	17,125	37,880	(278)	4,728	2,124	4,650
INVESTING ACTIVITIES								
Purchase and construction of property plant and equipment	(19,202)	(2,368)	(44,480)	(4,674)	(2,146)	(291)	(5,122)	(551)
Interest capitalized in CIP	(1,049)	-	(1,766)	-	(117)	-	(200)	-
Exploration and research works	(1,875)	(3,124)	(4,747)	(6,400)	(210)	(384)	(558)	(752)
Purchases of financial assets	-	(2,206)	-	(2,206)	-	(271)	-	(271)
Net cash flows used in investing activities	(22,126)	(7,698)	(50,993)	(13,280)	(2,473)	(946)	(5,880)	(1,574)
FINANCING ACTIVITIES								
Proceeds from borrowings, net	-	-	-	-	-	-	-	-
Receipts from share issue	-	9,352	27,224	9,352	-	1,149	3,173	1,149
Repayment of borrowings, net	-	(8,137)	-	(21,522)	-	(1,000)	-	(2,500)
Interest paid	(6,652)	(12,548)	(19,615)	(22,934)	(743)	(1,542)	(2,291)	(2,714)
Lease payments	(84)	(1,694)	(1,712)	(7,334)	(9)	(208)	(204)	(845)
Transaction costs arising on share issue	-	(2,410)	(644)	(2,410)	(0)	(296)	(76)	(296)
Other finance income/expenses	-	-	499	-	-	-	58	-
Net cash from/(used in) financing activities	(6,736)	(15,437)	5,752	(44,848)	(752)	(1,897)	660	(5,206)
Net increase/(decrease) in cash and cash equivalents	(31,354)	15,334	(28,116)	(20,248)	(3,503)	1,885	(3,096)	(2,130)
Net foreign exchange difference	(351)	362	2,693	(1,512)	(15)	52	(132)	(46)
Opening balance cash and cash equivalents	48,012	503	41,730	37,959	5,359	60	5,069	4,173
Closing balance cash and cash equivalents	16,307	16,199	16,307	16,199	1,841	1,997	1,841	1,997

Consolidated Key Ratios

	9 months Jan-Sep 2018 TSEK	9 months Jan-Sep 2017 TSEK	12 months Jan-Dec 2017 TSEK	9 months Jan-Sep 2018 US\$ 000	9 months Jan-Sep 2017 US\$ 000	12 months Jan-Dec 2017 US\$ 000	Definitions
Total assets	550,288	549,321	540,353	65,217	70,541	68,499	Total assets at period end
Total equity	(217,929)	(172,599)	(185,992)	(21,512)	(18,492)	(19,734)	Total equity including non controlling interest at period end
Interest bearing debt	676,473	649,890	635,089	76,375	80,148	77,147	Total interest bearing debt at the period end
Employees at period end	463	539	483	463	539	483	
EBITDA	(24,350)	49,762	76,587	(2,873)	5,786	9,037	Earnings Before Interest, Tax, Depreciation, Amortization and any Impairment.
Per share data							
Earnings per share (SEK, USD)	(0.80)	(0.79)	(0.54)	(0.09)	(0.09)	(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)	(2.21)	(2.31)	(2.48)	(0.22)	(0.25)	(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

	Q3 Jul-Sep 2018 TSEK	Q3 Jul-Sep 2017 TSEK	9 months Jan-Sep 2018 TSEK	9 months Jan-Sep 2017 TSEK	12 months Jan-Dec 2017 TSEK	Q3 Jul-Sep 2018 US\$ 000	Q3 Jul-Sep 2017 US\$ 000	9 months Jan-Sep 2018 US\$ 000	9 months Jan-Sep 2017 US\$ 000	12 months Jan-Dec 2017 US\$ 000
Income										
Operating income	180	180	540	1,162	1,342	20	24	63	135	157
Total income	180	180	540	1,162	1,342	20	24	63	135	157
Operating costs										
External expenses	(792)	(179)	(5,573)	(5,382)	(5,274)	(80)	(37)	(650)	(624)	(617)
Employee benefit expenses	(814)	(726)	(2,237)	(1,524)	(2,304)	(91)	(87)	(261)	(177)	(270)
Total operating costs	(1,607)	(905)	(7,809)	(6,906)	(7,577)	(171)	(124)	(911)	(801)	(887)
Operating profit/loss	(1,427)	(725)	(7,269)	(5,744)	(6,235)	(151)	(100)	(848)	(666)	(730)
Net financial items	(3,597)	11,640	(26,546)	20,878	21,833	(360)	1,380	(3,096)	2,422	2,555
Profit/loss before income tax	(5,023)	10,916	(33,815)	15,134	15,598	(511)	1,280	(3,944)	1,756	1,825
Income tax	-	-	-	-	-	-	-	-	-	-
Net profit/loss for the period	(5,023)	10,916	(33,815)	15,134	15,598	(511)	1,280	(3,944)	1,756	1,825

Parent company statement of comprehensive income

	Q3 Jul-Sep 2018 TSEK	Q3 Jul-Sep 2017 TSEK	9 months Jan-Sep 2018 TSEK	9 months Jan-Sep 2017 TSEK	12 months Jan-Dec 2017 TSEK	Q3 Jul-Sep 2018 US\$ 000	Q3 Jul-Sep 2017 US\$ 000	9 months Jan-Sep 2018 US\$ 000	9 months Jan-Sep 2017 US\$ 000	12 months Jan-Dec 2017 US\$ 000
Net profit/loss for the period	(5,023)	10,916	(33,815)	15,134	15,598	(511)	1,280	(3,944)	1,756	1,825
Translation differences	-	-	-	-	-	453	1,014	(3,363)	2,997	2,338
Total comprehensive income for the period	(5,023)	10,916	(33,815)	15,134	15,598	(58)	2,294	(7,307)	4,753	4,163

Parent company statement of financial position

	September 30, 2018 TSEK	September 30, 2017 TSEK	December 31, 2017 TSEK	September 30, 2018 US\$ 000	September 30, 2017 US\$ 000	December 31, 2017 US\$ 000
ASSETS						
FIXED ASSETS						
Financial fixed assets	727,193	664,951	705,452	82,101	82,006	85,694
Total fixed assets	727,193	664,951	705,452	82,101	82,006	85,694
CURRENT ASSETS						
Current receivables	1,364	43,348	1,884	154	5,346	229
Cash and bank	84	1,080	257	9	133	31
Total current assets	1,448	44,428	2,141	163	5,479	260
TOTAL ASSETS	728,641	709,379	707,594	82,264	87,485	85,954
EQUITY AND LIABILITIES						
Total equity	387,820	372,720	364,093	43,785	45,966	44,228
Long term liabilities	339,146	328,080	325,810	38,290	40,461	39,577
Current liabilities	1,675	8,579	17,691	189	1,058	2,149
TOTAL EQUITY AND LIABILITIES	728,641	709,379	707,594	82,264	87,485	85,954

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
Equity as at December 31, 2016	2,003	266,306	624,088	-	(662,772)	10,980	240,604
Profit/loss brought forward					10,980	(10,980)	-
Comprehensive income							
Net profit/loss for the period						15,134	15,134
Other comprehensive income				-			-
Total comprehensive income for the period	-	-	-	-	-	15,134	15,134
Transactions with owners in their capacity as owners							
Proceeds from share issued	6,409		116,641				123,050
Convertible part of bond			(6,025)				(6,025)
Warrants and options issue			(43)				(43)
Total transactions with owners in their capacity as owners	6,409	-	110,573	-	-	-	116,982
Equity as at September 30, 2017	8,412	266,306	734,661	-	(651,792)	15,134	372,720
Comprehensive income							
Net profit/loss for the period						464	464
Other comprehensive income							-
Total comprehensive income for the period	-	-	-	-	-	464	464
Transactions with owners in their capacity as owners							
Proceeds from share issued	9		(2,676)				(2,667)
Convertible part of bond			(6,430)				(6,430)
Warrants and options issue			6				6
Total transactions with owners in their capacity as owners	9	-	(9,099)	-	-	-	(9,091)
Equity as at December 31, 2017	8,420	266,306	725,562	-	(651,792)	15,598	364,093
Profit/loss brought forward					15,598	(15,598)	-
Comprehensive income							
Net profit/loss for the period						(33,815)	(33,815)
Other comprehensive income				-			-
Total comprehensive income for the period	-	-	-	-	-	(33,815)	(33,815)
Transactions with owners in their capacity as owners							
Proceeds from share issued	2,678		54,855				57,533
Warrants and options issue			9				9
Total transactions with owners in their capacity as owners	2,678	-	54,864	-	-	-	57,542
Equity as at September 30, 2018	11,098	266,306	780,426	-	(636,194)	(33,815)	387,820

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
Equity as at December 31, 2016	307	40,872	94,602	(7,909)	(102,707)	1,284	26,448
Profit/loss brought forward					1,284	(1,284)	-
Comprehensive income							
Net profit/loss for the period						1,756	1,756
Other comprehensive income				2,997			2,997
Total comprehensive income for the period	-	-	-	2,997	-	1,756	4,753
Transactions with owners in their capacity as owners							
Proceeds from share issued	809		14,717				15,526
Convertible part of bond			(757)				(757)
Warrants and options issue			(5)				(5)
Total transactions with owners in their capacity as owners	809	-	13,955	-	-	-	14,764
Equity as at September 30, 2017	1,116	40,872	108,557	(4,912)	(101,423)	1,756	45,966
Comprehensive income							
Net profit/loss for the period						69	69
Other comprehensive income				(660)			(660)
Total comprehensive income for the period	-	-	-	(660)	-	69	(591)
Transactions with owners in their capacity as owners							
Proceeds from share issued	1		(390)				(389)
Convertible part of bond			(759)				(759)
Warrants and options issue			1				1
Total transactions with owners in their capacity as owners	1	-	(1,148)	-	-	-	(1,147)
Equity as at December 31, 2017	1,117	40,872	107,409	(5,571)	(101,423)	1,825	44,228
Profit/loss brought forward					1,825	(1,825)	-
Comprehensive income							
Net profit/loss for the period						(3,944)	(3,944)
Other comprehensive income				(3,363)			(3,363)
Total comprehensive income for the period	-	-	-	(3,363)	-	(3,944)	(7,307)
Transactions with owners in their capacity as owners							
Proceeds from share issued	319		6,544				6,863
Warrants and options issue			1				1
Total transactions with owners in their capacity as owners	319	-	6,545	-	-	-	6,864
Equity as at September 30, 2018	1,436	40,872	113,954	(8,935)	(99,598)	(3,944)	43,785

Parent company cash flow statement

	Q3 Jul-Sep 2018 TSEK	Q3 Jul-Sep 2017 TSEK	9 months Jan-Sep 2018 TSEK	9 months Jan-Sep 2017 TSEK	Q3 Jul-Sep 2018 US\$ 000	Q3 Jul-Sep 2017 US\$ 000	9 months Jan-Sep 2018 US\$ 000	9 months Jan-Sep 2017 US\$ 000
OPERATING ACTIVITIES								
Receipts from customers	744	1,515	1,104	1,621	83	186	128	198
VAT and other reimbursement	196	298	521	409	22	37	61	49
Payments to suppliers	(463)	(1,081)	(4,950)	(7,385)	(52)	(133)	(585)	(845)
Payments to employees and the Board members	(701)	(634)	(2,124)	(1,804)	(78)	(78)	(248)	(210)
Income tax paid	-	-	-	-	-	-	-	-
Other taxes paid	-	-	-	-	-	-	-	-
Net cash flows used in operating activities	(224)	98	(5,449)	(7,159)	(25)	12	(644)	(808)
INVESTING ACTIVITIES								
Borrowings given/Proceeds from borrowings given	-	2,071	(18,850)	9,403	-	254	(2,150)	1,082
Net cash flows used in investing activities	-	2,071	(18,850)	9,403	-	254	(2,150)	1,082
FINANCING ACTIVITIES								
Proceeds from borrowings	-	-	-	-	-	-	-	-
Receipts from share issue	-	9,352	27,224	9,352	-	1,149	3,173	1,149
Repayment of borrowings	-	(8,114)	-	(8,114)	-	(1,000)	-	(1,000)
Interest paid	-	-	(627)	-	-	-	(75)	-
Transaction costs arising on share issue	-	(2,410)	(644)	(2,410)	-	(296)	(76)	(296)
Other finance income/expenses (Arrangement fee GI)	-	-	(1,789)	-	-	-	(210)	-
Net cash from financing activities	-	(1,172)	24,164	(1,172)	-	(147)	2,811	(147)
Net increase/(decrease) in cash and cash equivalents	(224)	997	(135)	1,072	(25)	119	17	127
Net foreign exchange difference	(4)	(8)	(38)	(49)	(1)	3	(39)	0
Opening balance cash and cash equivalents	312	91	257	57	35	11	31	6
Closing balance cash and cash equivalents	84	1,080	84	1,080	9	133	9	133

Auditor's report

Auriant Mining AB (publ) corp. reg. no. 556659-4833

INTRODUCTION

We have reviewed the condensed interim financial information (interim report) of Auriant Mining AB (publ) as of 30 September 2018 and the nine-month period then ended. The board of directors and the CEO are responsible for the preparation and presentation of the interim financial information in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

SCOPE OF REVIEW

We conducted our review in accordance with the International Standard on Review Engagements ISRE 2410, Review of Interim Report Performed by the Independent Auditor of the Entity. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing, ISA, and other generally accepted auditing standards in Sweden. The procedures performed in a review do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the interim report is not prepared, in all material respects, in accordance with IAS 34 and the Swedish Annual Accounts Act, regarding the Group, and with the Swedish Annual Accounts Act, regarding the Parent Company.

Stockholm, 30 november 2018

PricewaterhouseCoopers AB

Anna Rozhdestvenskaya

Authorized Public Accountant

Additional Information

NEXT REPORTS DUE

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 Nordic Exchange under the short name AUR. For more information please visit 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.

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, November 30, 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

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.