

# AURIANT

## MINING

**Q4 2019 Interim Results**  
**February 28, 2020**

# Disclaimer

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

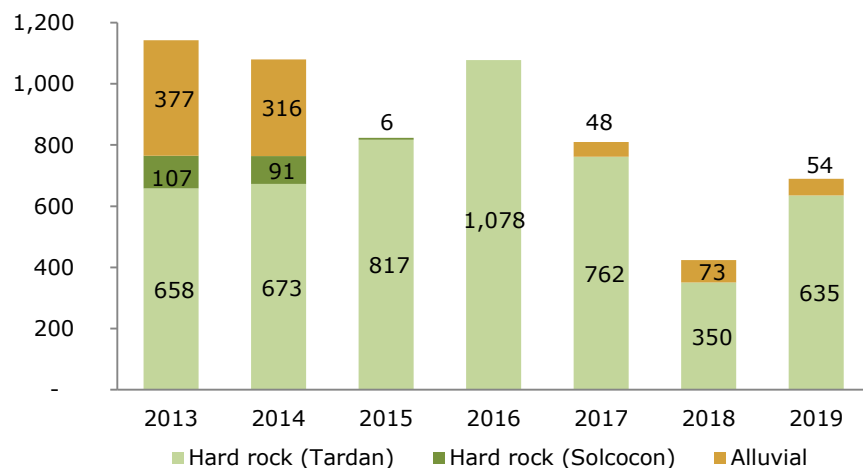
# Auriant Mining overview

## General Information

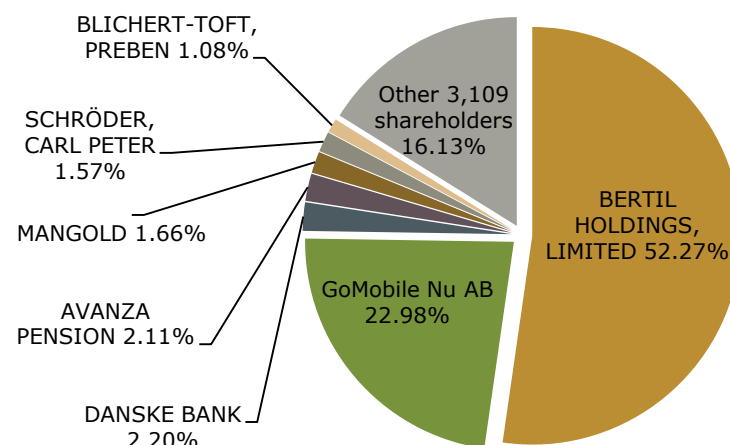
- Auriant Mining AB (Nasdaq First North Premier Growth Market: AUR) is a Swedish mining company focused on gold exploration and production in Russia, primarily in Siberia and Far East Russia.
- The company has currently:
  - a producing mine at Tardan (Tyva), which has been successfully updated from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



## 12m Gold Production, kg



## Shareholders' structure as of December 31, 2019

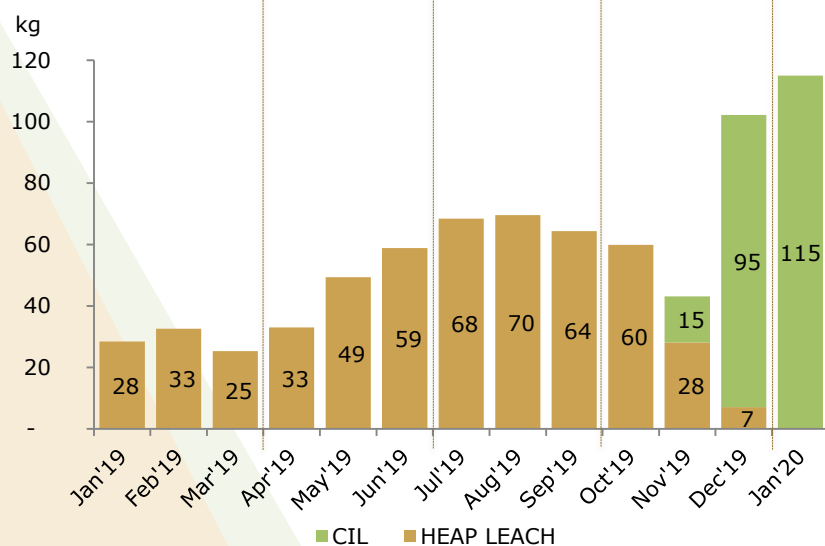


# Tardan gold production and CIL ramp up

- The construction of the CIL plant at Tardan was completed in mid November 2019.
- High grade ore (4.7 g/t) had been fed into the plant during the ramp up period, from mid November 2019 until end of January 2020.
- The **plant reached its projected throughput** of 50 tonnes per working hour **and recovery rate** by the end of December 2019.
- Total **CIL production for 2019 amounted to 110 kg** (15 kg in November; 95 kg in December). **Total production over ramp up period amounted to 225 kg**
- From February 2020, the Company will be feeding regular ore into the CIL plant.
- Ore on the heap leach was irrigated until the end of December 2019 when heap leach production was ceased.

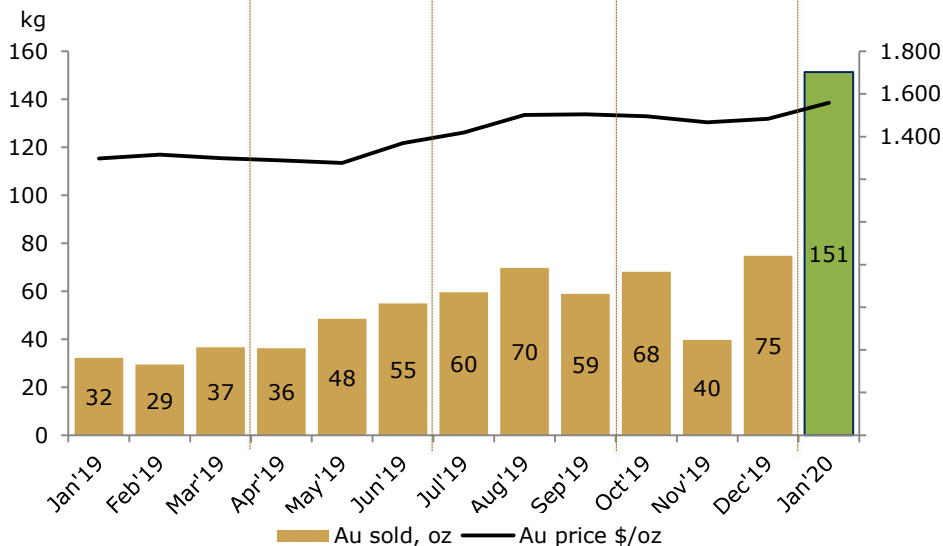
Gold production by types, kg

	Q1 2019	Q2 2019	Q3 2019	Q4 2019	Year
HL	86	141	202	95	<b>525</b>
CIL	-	-	-	110	<b>110</b>
Total	86	141	202	205	<b>635</b>



Gold sales by month, kg

	Q1 2019	Q2 2019	Q3 2019	Q4 2019	Year
kg	98	140	188	183	<b>609</b>
oz	3,157	4,488	6,050	5,875	<b>19,571</b>
\$000	4,115	5,907	8,932	8,723	<b>27,676</b>



# 12 months 2019

## Key Performance Indicators

	Unit	12m 2019	12m 2018	Change	Change, %
<b>Mining</b>					
Waste stripping	000'm3	982	358	624	174%
Ore mined	000't	473	219	254	116%
Gold grade in ore mined	g/t	2.42	2.58	(0.16)	(6%)
<b>Heap leach</b>					
Ore stacked	000't	334	214	120	56%
Average grade	g/t	2.08	2.59	(0.51)	(20%)
Gold ore stacked	kg	694	554	140	25%
Gold produced HL	kg	525	350	175	50%
<b>CIL</b>					
Ore processed	000't	38	-	38	100%
Average grade	g/t	3.94	-	3.94	100%
Gold ore stacked	kg	151	-	151	100%
Gold produced CIL	kg	110	-	110	100%
<b>TARDAN Hard rock gold produced total</b>	<b>kg</b>	<b>635</b>	<b>350</b>	<b>285</b>	<b>81%</b>
<b>TARDAN Hard rock gold produced total</b>	<b>oz</b>	<b>20,407</b>	<b>11,267</b>	<b>9,140</b>	<b>81%</b>
<b>Warehouse on December 31</b>					
Ore	000't	108	5	103	100%
Grade	g/t	2.90	2.29	0.61	100%
<b>SOLCOCON alluvial gold production</b>	<b>kg</b>	<b>54</b>	<b>73</b>	<b>(19)</b>	<b>-26%</b>
<b>SOLCOCON alluvial gold production</b>	<b>oz</b>	<b>1,730</b>	<b>2,337</b>	<b>(607)</b>	<b>-26%</b>
<b>TOTAL GOLD PRODUCTION</b>	<b>kg</b>	<b>689</b>	<b>423</b>	<b>266</b>	<b>63%</b>
<b>TOTAL GOLD PRODUCTION</b>	<b>oz</b>	<b>22,137</b>	<b>13,604</b>	<b>8,533</b>	<b>63%</b>
Gold Sales	kg	654	440	214	49%
Gold Sales	oz	21,021	14,147	6,874	49%
Gold Sales	000'\$	29,762	17,373	12,390	71%
Average price realized	\$/oz	1,416	1,228	188	15%
Tardan cash cost	\$/oz	884	1,059	(175)	(17%)
Tardan contribution to group EBITDA	m\$	9.5	0.5	9.0	1,871%
Solcocon contribution to group EBITDA	m\$	0.0	0.3	(0.2)	(87%)
Total EBITDA of mining companies	m\$	<b>9.5</b>	<b>0.7</b>	<b>8.8</b>	<b>1,196%</b>

• In the reporting period, mining activities were focused on the Pravoberezhniy deposit, which was the main source of ore in 2019. The Company mined 473 thousand tonnes of ore with an average grade of 2.42 g/t (total gold in ore was 1,144 kg) in 2019, compared to 219 thousand tonnes of ore at an average grade of 2.58 g/t in 2018. Volume of stripping works amounted to 982 thousand m3 compared to 358 thousand m3 in 2018.

• In 2019, Tardan continued production on the heap leach. The Company stacked 334 thousand tonnes of ore with an average grade of 2.08 g/t. Total gold production from the heap leach for 2019 was 525 kg (16,867 oz), an increase of 50% compared to 350 kg (11,267 oz) in 2018. The Company stopped crushing ore for the heap leach in the middle of October, but continued irrigating the heap leach up to the end of the year. Heap leach operations were discontinued at the end of December.

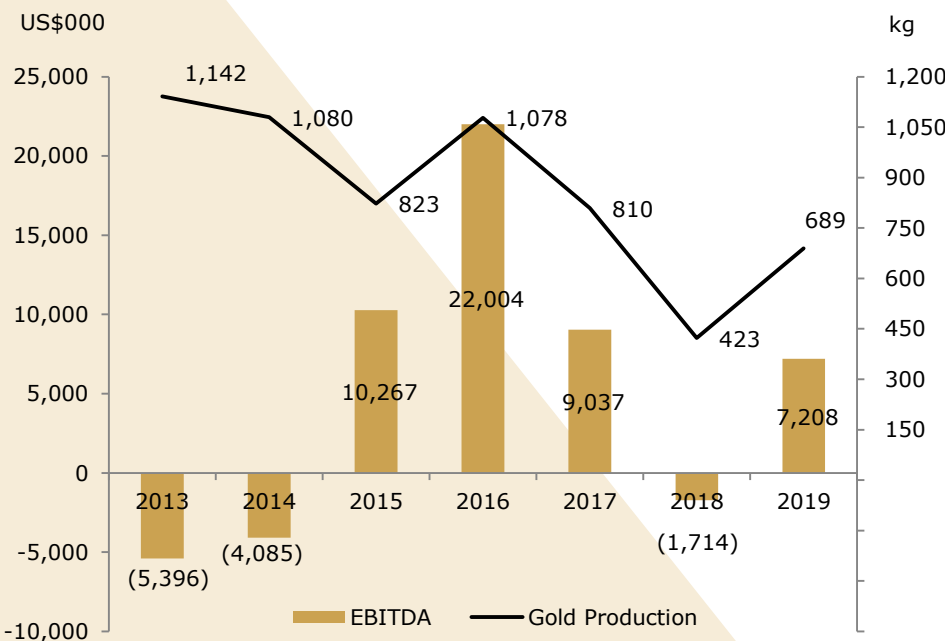
• In May 2019, alluvial production resumed at Solcocon. During the reporting period, the Company produced 54 kg (1,730 oz) of alluvial gold, a decrease of 26% compared to 73 kg (2,337 oz) produced in the previous period.

• Total gold production was 689 kg (22,137 oz), up 63% YoY (12m 2018: 423 kg (13,604 oz)).

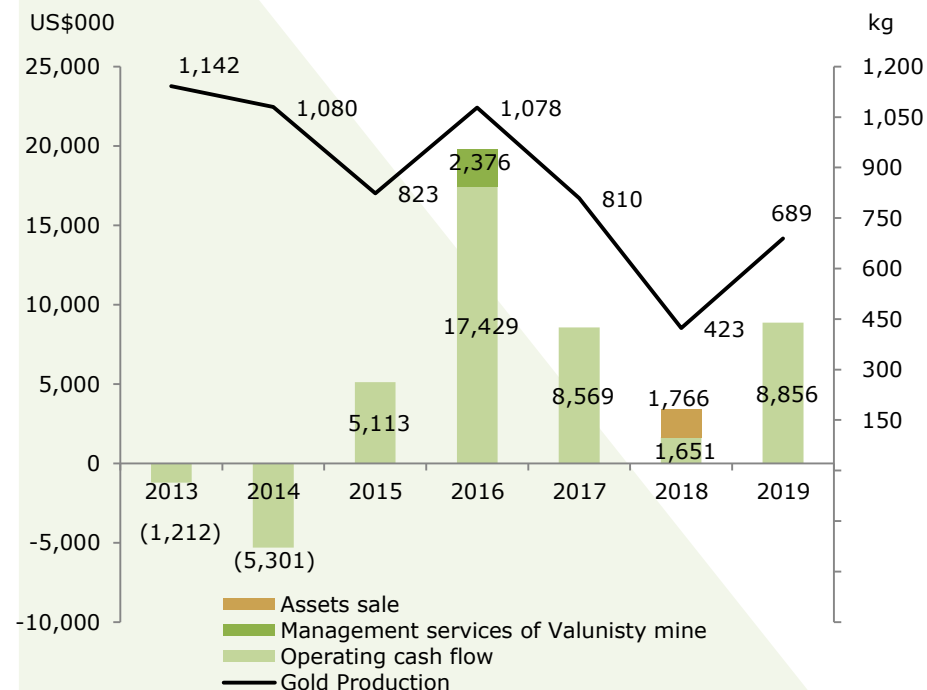
# Auriant Mining long-term historical overlook

- The Company returned to positive **EBITDA** (US\$7.2m);
- Strong positive **cash flow from operating activities** (US\$8.9m) used for financing capital expenditures (CIL construction);
- In 2019 the Company had **operating profit** of US\$2.2m compared to operating loss of US\$-6.4m in 2018;
- **Net loss after tax** of US\$-1.2m decreased by 88% YoY (12m 2018: US\$-10.1m).

## 12m EBITDA / 12m Gold Production



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



# 12 months 2019 Income Statement

	Q4 2019 US\$000	Q4 2018 US\$000	12m 2019 US\$000	12m 2018 US\$000	Change US\$000	Change %
<b>Gold production, kg</b>	<b>208</b>	<b>155</b>	<b>689</b>	<b>423</b>	<b>266</b>	<b>63%</b>
<b>Gold sales, kg</b>	<b>188</b>	<b>168</b>	<b>654</b>	<b>440</b>	<b>214</b>	<b>49%</b>
<b>Revenue</b>	<b>8,975</b>	<b>6,332</b>	<b>29,762</b>	<b>17,373</b>	<b>12,389</b>	<b>71%</b>
Revenue from hard rock gold sales	8,698	5,509	27,683	14,837	12,846	87%
Revenue from alluvial gold sales	277	823	2,079	2,536	(457)	(18%)
<b>Cost of sales</b>	<b>(6,481)</b>	<b>(6,165)</b>	<b>(24,621)</b>	<b>(21,449)</b>	<b>(3,172)</b>	<b>15%</b>
Cash expenses	(4,627)	(4,584)	(19,540)	(12,874)	(6,666)	52%
Alluvial gold costs	(184)	(492)	(1,441)	(1,678)	237	(14%)
Depreciation & amortization	(1,652)	(1,422)	(5,011)	(4,659)	(352)	8%
Change in stripping assets	(80)	(8)	827	148	679	459%
Change in work in progress	62	342	544	(2,386)	2,930	(123%)
<b>Gross profit/(loss)</b>	<b>2,494</b>	<b>167</b>	<b>5,141</b>	<b>(4,076)</b>	<b>9,217</b>	<b>(226%)</b>
General and administrative expenses	(480)	(616)	(2,184)	(2,417)	233	(10%)
Other operating income	7	131	241	467	(226)	(48%)
Other operating expenses	(755)	(146)	(1,001)	(347)	(654)	188%
<b>Operating profit/(loss)</b>	<b>1,266</b>	<b>(464)</b>	<b>2,197</b>	<b>(6,373)</b>	<b>8,570</b>	<b>(134%)</b>
Financial income	-	-	-	5	(5)	(100%)
Financial expenses	(1,200)	(965)	(4,390)	(3,997)	(393)	10%
Currency gain/(loss)	(240)	(219)	679	(1,569)	2,248	(143%)
<b>Profit/(Loss) before income tax</b>	<b>(174)</b>	<b>(1,648)</b>	<b>(1,514)</b>	<b>(11,934)</b>	<b>10,420</b>	<b>(87%)</b>
Income tax	(445)	16	278	1,831	(1,553)	(85%)
<b>Net profit/(loss) for the period</b>	<b>(619)</b>	<b>(1,632)</b>	<b>(1,236)</b>	<b>(10,103)</b>	<b>8,867</b>	<b>(88%)</b>
EBITDA	2,918	959	7,208	(1,714)	8,922	(521%)

Gold sales increased by US\$ 12.4 mln, or 71%:

- Total gold sales volume increased by 49%, or 214 kg (21,021 oz) – from 440 kg (14,147 oz) in 2018 up to 654 kg (21,021 oz) in 2019;
- The average realized gold price per ounce increased by 15%: US\$ 1,416 in 2019 (US\$ 1,228 in 2018).

In 2019, cash expenses increased by 44%, or US\$ 6.4 mln, due to higher production volumes and growth of mining operations (waste stripping increased by 174% and ore stacking by 56% compared to 2018).

Stripping works on Pravoberezhniy deposit in 2019 were pulled forward to secure access to ore which would be mined in the future, which resulted in increased stripping assets compared to the beginning of the period.

Change in work in progress in 2019 is driven by the start of CIL gold production.

Other operating expenses in 2019 amounted to US\$ 1.0 mln (+188% the previous period). The increase was attributable to waste disposal fees accrued for previous periods.

The Company's financial expenses represented by the interest on borrowings and amounted to US\$ 4.4 mln in 2019, which slightly increased by 10% compared to the previous period (2018: US\$ 4.0 mln).

As the result of US\$ appreciation against the SEK by 4% and depreciation against the RUB by 11% from the beginning of 2019 the Company benefited from a forex gain of US\$ 0.7 mln.

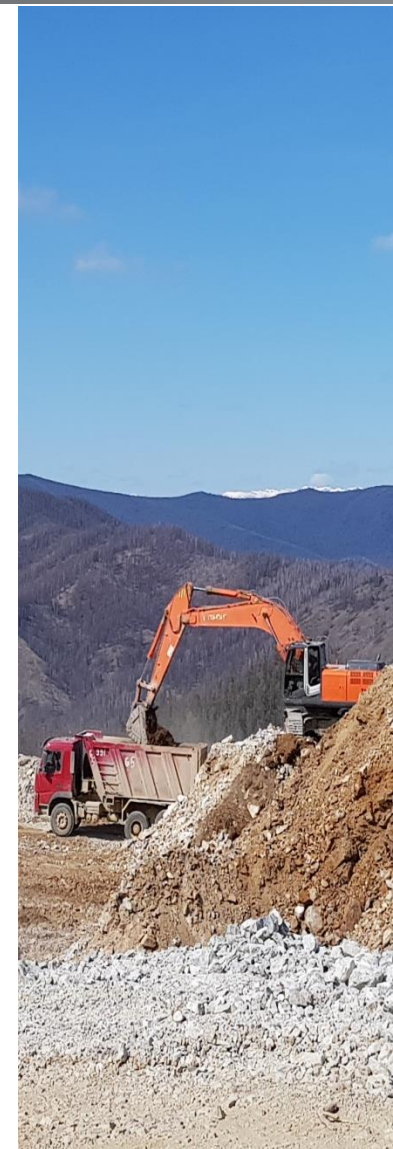
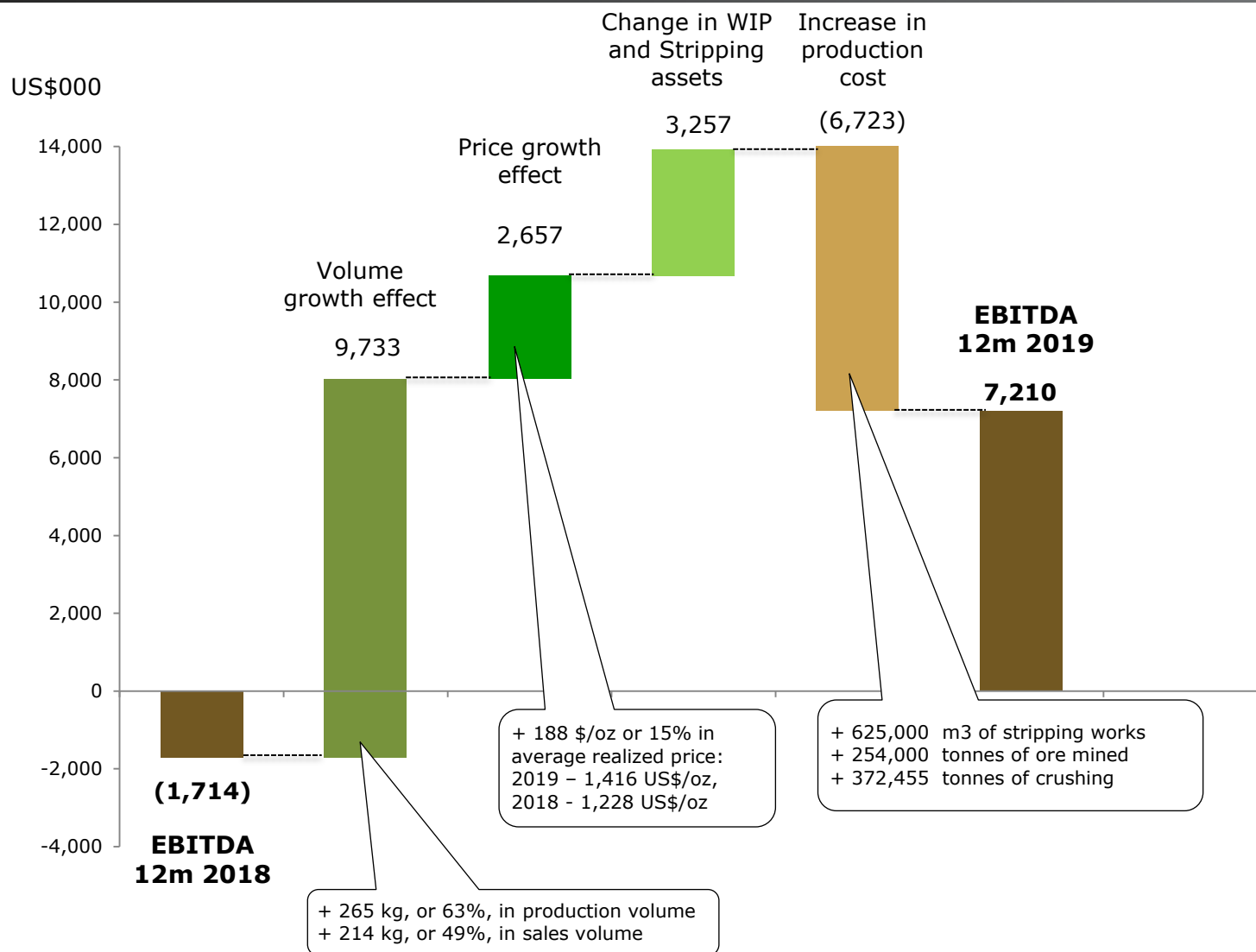
Income tax of US\$ 0.3 mln in 2019 and US\$ 1.8 mln in 2018 was positive in both periods and related to a change in the deferred tax at the subsidiaries level and represented deferred tax timing differences and tax loss carry (forward accumulation).

# Income Statement 2019 by quarter

	Q1 2019	Q2 2019	Q3 2019	Q4 2019	12M 2019
	US\$000	US\$000	US\$000	US\$000	US\$000
<b>Revenue, including:</b>	<b>4,142</b>	<b>6,638</b>	<b>10,007</b>	<b>8,975</b>	<b>29,762</b>
Revenue from hard rock gold sales	4,142	5,891	8,952	8,698	27,683
Revenue from alluvial gold sales	-	747	1,055	277	2,079
<b>Cost of sales, including:</b>	<b>(4,476)</b>	<b>(6,205)</b>	<b>(7,459)</b>	<b>(6,481)</b>	<b>(24,621)</b>
Cash expenses	(3,827)	(4,865)	(6,221)	(4,627)	(19,540)
Alluvial gold costs	-	(515)	(742)	(184)	(1,441)
Depreciation and amortization	(1,233)	(984)	(1,142)	(1,652)	(5,011)
Change in stripping assets	1,199	(148)	(144)	(80)	827
Change in work in progress	(615)	307	790	62	544
<b>Gross profit</b>	<b>(334)</b>	<b>433</b>	<b>2,548</b>	<b>2,494</b>	<b>5,141</b>
General and administrative expenses	(630)	(527)	(547)	(480)	(2,184)
Other operating income	20	190	24	7	241
Other operating expenses	(61)	(45)	(140)	(755)	(1,001)
<b>Operating profit/(loss)</b>	<b>(1,005)</b>	<b>51</b>	<b>1,885</b>	<b>1,266</b>	<b>2,197</b>
Financial income	-	-	-	-	-
Financial expenses	(1,004)	(1,120)	(1,066)	(1,200)	(4,390)
Currency gain/(loss)	262	209	448	(240)	679
<b>Profit/(Loss) before income tax</b>	<b>(1,747)</b>	<b>(860)</b>	<b>1,267</b>	<b>(174)</b>	<b>(1,514)</b>
Income tax	102	608	13	(445)	278
<b>Net profit/(loss) for the period</b>	<b>(1,645)</b>	<b>(252)</b>	<b>1,280</b>	<b>(619)</b>	<b>(1,236)</b>
EBITDA	228	1,035	3,027	2,918	7,208

- In Q3 2019, the Company had net profit of US\$ 1.3m.
- As of 31 December 2019, the Company had 40 kg (1,286 oz) of unsold gold, which was sold in the beginning of January 2020 for US\$ 2.0m at the selling price of 1,550 \$/oz.
- Production, sales, revenue, gross profit and EBITDA in Q3 and Q4 2019 were almost at the same level.
- Principal impact on net loss for Q4 2019 was due to waste disposal fees accrued for previous periods and 40 kg of unsold gold as at 31 December 2019.

# Volume and production drive EBITDA growth



# 12 months 2019

## Consolidated cash flow statement

	12m 2019 US\$000	12m 2018 US\$000	Change US\$000	Change %
<b>Operating activities</b>				
Receipts from gold sales	29,762	15,864	13,899	88%
Receipts from assets sale	-	1,766	(1,766)	(100%)
VAT and other reimbursement	3,217	4,462	(1,245)	(28%)
Payments to suppliers	(15,743)	(10,560)	(5,183)	49%
Payments to employees and social taxes	(6,897)	(6,499)	(398)	6%
Income tax paid	-	(58)	58	(100%)
Other taxes paid	(1,484)	(1,558)	74	(5%)
<b>Net cash flows from/(used in) operating activities</b>	<b>8,856</b>	<b>3,417</b>	<b>5,439</b>	<b>159%</b>
<b>Investing activities</b>				
Purchase and construction of property, plant and equipment	(8,999)	(7,621)	(1,378)	18%
Interest capitalized in construction	(480)	(315)	(165)	52%
Exploration and research works	(77)	(669)	592	100%
<b>Net cash flows used in investing activities</b>	<b>(9,556)</b>	<b>(8,605)</b>	<b>(951)</b>	<b>11%</b>
<b>Financing activities</b>				
Proceeds from borrowings, net	4,576	4,285	291	100%
Receipts from share issue	-	3,173	(3,173)	(100%)
Repayment of borrowings, net	(870)	(2,062)	1,192	-
Interest paid	(2,943)	(3,126)	183	(6%)
Lease payments	(1,957)	(213)	(1,744)	819%
Proceeds from sale and leaseback transactions	839	-	839	100%
Transaction costs arising on share issue	-	(76)	76	(100%)
Other finance income / expenses	-	58	(58)	(100%)
<b>Net cash from/(used in) financing activities</b>	<b>(355)</b>	<b>2,039</b>	<b>(2,394)</b>	<b>(117%)</b>
Net decrease in cash and cash equivalents	(1,055)	(3,149)	2,094	(66%)
Net foreign exchange difference	11	(731)	742	(102%)
Opening balance cash and cash equivalents	1,189	5,069	(3,880)	(77%)
<b>Closing balance cash and cash equivalents</b>	<b>145</b>	<b>1,189</b>	<b>(1,044)</b>	<b>(88%)</b>

During 2019, cash flow from operating activities increased by 159% and amounted to US\$ 8.9 mln, compared to US\$ 3.4 mln in 2018.

In 2019, operating activities were financed by gold sales and the reimbursement of VAT. During 2018, operating activities were financed from the same sources and through the sale of Solcocon's equipment for US\$ 1.8 mln.

In 2019, besides its operating activities the Company was focused on the CIL construction project. During 2019, the Company invested US\$ 9.0 mln in the CIL plant. Total capitalized borrowing costs amounted to US\$ 0.5 mln in 2019.

Purchase of equipment and construction of the CIL plant were mainly financed by the loan facilities provided by VTB, at the amount of US\$ 4.6 mln, received in three tranches during 2019 and the proceeds from the sale and leaseback transaction (US\$ 0.8 mln), received in March, 2019. Also in 2019, the company attracted US\$ 0.4 million in leasing financing.

In 2019, the Company repaid US\$ 0.9 mln to VTB in line with the repayment schedule.

# Thank you

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