



AURIANT  
MINING

*We  
Are  
Auriant*

Interim Report  
January - June 2017

# Highlights

- Total gold production decreased by 20% to 310 kg (9,955 oz), compared to 385 kg (12,389 oz) in H1 2016. On a Q by Q basis, production decreased by 23% in Q1 and by 17% in Q2. The decrease in the production is mainly explained by lower production on the gravitational plant. Lesser volumes of ore suitable for processing on the gravitational plant and lower grades in that ore resulted in decreased production on the gravitational plant. Heap leach will compensate gravitational plant during next months of high season production.
- Alluvial production at Solcocon was recommenced with expected production of 61 kg (1,961 oz) of gold in 2017.
- Gold grades in the ore mined at Tardan in H1 2017 were 2.93 g/t as compared to 4.42 g/t in H1 2016. Grades decrease as expected, according to the 2017 mineplan.
- Consolidated revenue was MSEK 111.3 (US\$ 12.6 mln) (H1 2016 – MSEK 130.3 (US\$ 15.7 mln)).
- Operating result was slightly below breakeven: there was an operating loss of MSEK -3.4 (US\$ -0.4 mln) in H1 2017 compared to operating profit of MSEK 30.6 (US\$ 3.7 mln) in H1 2016.
- EBITDA was positive, however, reduced to MSEK 22.2 (US\$ 2.5 mln) compared to MSEK 59.2 (US\$ 7.1 mln) in H1 2016.
- Net loss after tax increased by 28% from MSEK -17.9 (US\$ -2.150 mln) in H1 2016 to MSEK -24.1 (US\$ -2.761 mln) in H1 2017.

## Key subsequent events:

- On August 2, 2017 it was announced that the Company had successfully refinanced its loans with VTB. The Company's previous loan provider, PSB, has been repaid in full. The new loan is for 5 years with a reduced principal repayment schedule in the first 2 years. Also the interest rate is 1.7 % lower which will produce an annual saving of US\$ 0.6 mln.





# Comments by the CFO

Dear Stakeholders,

During H1 2017, mining activities continued at the Barsuchy and Tardan deposits. The gold grade was 2.93 g/t (4.42 g/t in H1 2016). This reduction in grade was in line with the 2017 mine plan. Reduced ore suitable for the gravitational plant resulted in lower gold production. The lower gravitational gold production will be compensated by heap leach production during the next few months of high season production.

The Company's operating result for the period was slightly below breakeven and exposed to rouble appreciation against US\$ as most of the expenses are denominated in Russian roubles. In the reporting period the rouble strengthened against US\$ by 18% compared to H1 2016, which corresponds to a 16% increase in cash costs for the period from US\$ 9.891mln to US\$ 11.451mln. The Company's EBITDA was US\$ 2.5mln (Q1 2016: US\$ 7.1mln).

The total 2017 production forecast remains unchanged from the target given on 28th June - 0.9 tonnes from hard rock, plus 60 kilograms from alluvial.

All changes in financial results shown in per cent (%) 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\$ 2.800 mln, or 18%, compared to H1 2016. The average realized gold price per ounce increased by 2% from US\$ 1,217 in H1 2016 up to US\$ 1,243 in the current period. Gold sales decreased by 20% or 77 kg (2,515 oz) – from 392 kg (12,619 oz) in H1 2016 down to 314 kg (10,104 oz) in H1 2017.

During 2015, the Group managed five gold properties located in Russia's Chukotka region and owned by Aristus Holdings Ltd. In the beginning of 2016 the management contract was terminated by mutual agreement and was taken on by a company with close ownership links to those of the Chukotka assets. A compensation fee of US\$ 0.300 mln was paid to the Group.

Cost of sales comprising production costs, change in work in progress and movements

in stripping assets increased by 8% from US\$ -11.130 mln in H1 2016 to US\$ -11.975 mln in H1 2017. Cash operating expenses, being a part of cost of sales, increased by 16%. Most of cash expenses are denominated in Russian roubles. In the reporting period, the rouble strengthened against US\$ by 18% compared to H1 2016, which led to an increase in cash expenses. During the period part of production costs were capitalized as work in progress and as stripping assets and will be expensed in the subsequent period. All above, together with savings in amortization expenses led to the growth of costs of sales by 8%, compared to prior period.

General and Administrative expenses are represented by expenses of the company's headquarters and they increased by US\$ 0.280 mln, or 23%, compared to H1 2016. This increase was mainly caused by rouble appreciation against US\$ by 18% in the reporting period compared to H1 2016 and legal services acquired.

Other operating income in both periods primarily consisted of revenue from renting out Solcocon's equipment and providing services to our contractors.

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

Financial expenses were represented by interest expenses and decreased by 18% or by US\$ 0.683 mln to US\$ -3.013 mln compared to prior period of US\$ -3.697mln. Reduction was mainly due to a principal loan repayment and a reduction in the interest rate of the KFM debt from 10% to 2%.

The income tax of US\$ 0.363 mln in H1 2017 was positive and related to a change in deferred tax at the subsidiaries level and represented tax loss carry-forward and temporary differences movements. The income tax of US\$ -2.152mln in H1 2016 was a non-cash expense and represented utilization of deferred tax assets against taxable income received by Group subsidiaries – Tardan and the Moscow management company.

The loss after tax in H1 2017 was US\$ -2.761mln compared to US\$ -2.150 mln in H1 2016. Earnings per share for the period were US\$ -0.16 compared to H1 2016 of US\$ -0.12.

## STATEMENT OF FINANCIAL POSITION

In the reporting period the Company increased its stripping assets by US\$ 1.465 mln as a result of stripping costs capitalization. Assets will be amortized over the current and next production periods.

Tax loss carry-forward and temporary differences movements led to the growth of the deferred tax assets by US\$ 0.291mln.

The shareholder loans payable line decreased by 100% or by US\$ 6.063 mln compared to December 31, 2016 and is down to zero, as at June 30, 2017. It was caused by the Swedish enforcement authority, Kronofogdemyndigheten, (KFM), taking ownership of the debt previously owed by Auriant Mining to Mr. Preston Haskell, the majority shareholder. The debt will be paid by the Group to KFM in accordance with the following schedule: US\$ 2.0 mln in the 2nd half of 2017, US\$ 2.0 mln in the 2nd half of 2018, and the remaining amount by the end of 2019. From 2017 the interest rate on the debt is 2% p.a. (in 2016 – 10%). As a result, US\$ 2.0 mln payable in 2017 is recorded in the Other current liabilities line and amounts payable in 2018-2019 are recorded in the Other long term liabilities line.

## INVESTMENTS, LIQUIDITY AND FINANCING

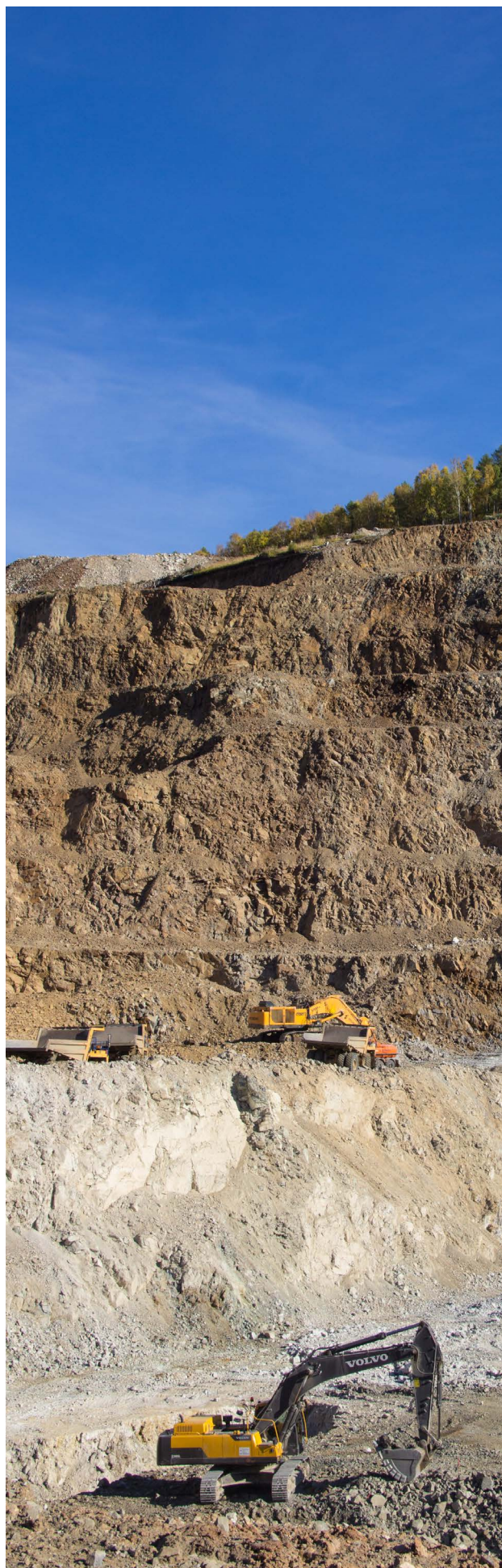
During H1 2017, operating activity was financed by gold sales, reimbursement of VAT and receipts from rent agreements. In the previous period, cash receipts also included US\$ 2.3 mln of cash inflows of receivables for management services of five gold properties located in Russia's Chukotka region and owned by Aristus Holdings Ltd and US\$ 2.5 mln of short-term bank financing.

The amount of VAT and Other reimbursements during the period was US\$ 1.943 mln (H1 2016: US\$ 1.515 mln).

During the period the Group repaid a bank loan debt of US\$ 1.5 mln (H1 2016: US\$ 1.2mln).

The consolidated cash balance as of June 30, 2017 was US\$ 0.060 mln (December 31, 2016 – US\$ 4.173 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 8.9229 and 8.7999 for Q1 2017 and Q2 2017 P&L accounts, US\$/SEK 8.469 for the statement of financial position as of June 30, 2017. For Q1 2016 and Q2 2016 accounts US\$/SEK 8.4567 and 8.2115 for P&L and US\$/SEK 8.4813 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 nominal amount of bond liability to Golden Impala as of June 30, 2017 is US\$ 46.263 mln. The bond liability to Golden Impala at amortised cost as of June 30, 2017 is US\$ 44.281 mln.

Accrued interest expenses for transactions with related parties in H1 2017 amounted to US\$ -0.996 mln, including interest of US\$ -0.542 mln accrued at a discount rate of 9% p.a. for the convertible part of the bond liability.

During H1 2017 the Company received consulting services from company related to Board member in amount of US\$ 0.021 mln and legal services from a company related to the main shareholder in amount of US\$ 0.164 mln.

## EMPLOYEES

The group had on average 516 employees during the reporting period. As of 30 June 2017 the number of

employees in the group was 542 (525 as of December 31, 2016).

## CAPITAL STRUCTURE

The number of issued shares at the end of the reporting period amounted to 17,802,429. The limits of the share capital are a minimum of MSEK 2.0 and a maximum of MSEK 8.0 and the quota value of each share is SEK 0.1125 (US\$ 0.0130). 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.

## RESTATEMENT

Certain amounts in the interim financial statements hereunder do not correspond to the interim financial statements for the respective period of 2016 and caused by changes in accounting policy of Parent Company via application of the Swedish regulation RFR 2. Since January 1, 2016 paragraph relating to the application of IAS 21 The Effects of Changes in Foreign Exchange was removed that means that the exchange differences on monetary items that form part of a company's net investment in a foreign operation should be recognized in income statement in accordance with IAS 21, p. 32 and not in other comprehensive income. With regards to the above, the financial statements have been restated for 2016. The restatement had effect on the reported net income for the Parent company, while the total equity remained unchanged. For the specification please see the table below:

## EFFECT OF CHANGES IN ACCOUNTING PRINCIPLES ON PARENT COMPANY'S FINANCIAL STATEMENTS

	H1 2016 as previously reported	Effect of chang- es in accounting principles	H1 2016 as resta- ted	H1 2016 as previously reported	Effect of chang- es in accoun- ting principles	H1 2016 as restated
	TSEK	TSEK	TSEK	US\$ 000	US\$ 000	US\$ 000
<b>Income State- ment</b>						
Net financial items	(12,313)	30,891	18,578	(1,477)	3,706	2,229
<b>Statement of Comprehensive Income</b>						
Net profit/loss for the period	(15,842)	30,891	15,049	(1,900)	3,706	1,806
Translation diffe- rences	30,891	(30,891)	-	3,256	(3,706)	(450)

	June 30 2016 as previously reported	Effect of changes in accounting principles	June 30, 2016 as restated	June 30 2016 as previously reported	Effect of changes in accounting principles	June 30, 2016 as restated
	TSEK	TSEK	TSEK	US\$ 000	US\$ 000	US\$ 000
<b>Statement of changes in equity</b>						
Translation difference reserve	(95,728)	95,728	-	(20,548)	14,517	(6,031)
Retained earnings	(536,154)	(126,618)	(662,772)	(84,484)	(18,223)	(102,707)
Net result for the period	(15,842)	30,891	15,049	(1,900)	3,706	1,806

## INCOME AND RESULT OF THE PARENT COMPANY

Revenue for consulting services for subsidiary company in H1 2017 was MSEK 0.982 (US\$ 0.111 mln). There was no such revenue in H1 2016.

During the reporting period external expenses increased by MSEK 3.486 (US\$ 0.381 mln) to MSEK -5.203 (US\$ -0.587 mln) mainly as result of legal services from a company related to the main shareholder, PSB Group invoices for loan subordination with Golden Impala and legal services from CIS London and Mangold.

The operating loss for H1 2017 was MSEK -5.019 (US\$ -0.566 mln) compared to H1 2016 of MSEK -3.529 (US\$ -0.423 mln).

Net financial items for H1 2017 amounted to MSEK 9.237 (US\$ 1.042 mln) (H1 2016 MSEK 18.578) (US\$ 2.229 mln)) and included interest expenses related to Golden Impala (the Shareholder's) bond of MSEK -8.831 (US\$ -0.996 mln) and interest expenses of MSEK -0.440 (US\$ -0.050 mln) to Kronofogdemyndigheten, Swedish enforcement authority (further - KFM). KFM took ownership of the US\$ 6.063 mln previously owed by Auriant Mining to Mr. Preston Haskell, a main shareholder. These expenses were compensated by net forex gain of MSEK 14.088 (US\$ 1.590 mln) and intergroup loan interest income in amount of MSEK 4.420 (US\$ 0.498 mln).

Net result for H1 2017 amounted to MSEK 4.218 (US\$ 0.476 mln) compared to H1 2016 of MSEK 15.049 (US\$ 1.806 mln).

## FINANCIAL POSITION OF THE PARENT COMPANY

The decrease in financial fixed assets was due to forex loss in intergroup balances, as a result of RUR devaluation against SEK by 5.0% as most loans to subsidiaries is denominated in RUR.

Total cash balance in the Parent Company was MSEK 0.091 (US\$ 0.011 mln) as of 30 June 2017 (31 December 2016 MSEK 0.057 (US\$ 0.006 mln)).

The change in long term and current liabilities was

caused by reclassification a part of a debt to Kronofogdemyndigheten, Swedish enforcement authority (further - KFM) (previously owed by Auriant Mining to Mr. Preston Haskell, a main shareholder) from current liabilities to long term liabilities. The debt will be paid by the Group to KFM in accordance with the following schedule: US\$ 2.0 mln in the 2nd half of 2017, US\$ 2.0 mln in the 2nd half of 2018, and the remaining amount by the end of 2019. From 2017 the interest rate on the debt is 2% p.a. (in 2016 - 10%). As result, MSEK 16.938 (US\$ 2.000 mln) payable in 2017 were recorded in current liabilities line and amount of MSEK 34.831 (US\$ 4.113 mln) payable in 2018-2019 were recorded in long term liabilities line.

## 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 79 in the annual report for financial year 2016. The evaluations and estimations made by the board of directors and management in preparing the interim report are described on page 87 in the annual report for 2016.

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 2016.

The same accounting principles are applied in this interim report as in the annual report 2016.

## RISKS AND UNCERTAINTIES ASSOCIATED WITH THIS INTERIM REPORT

The group's risk exposure is presented on page 107 of the 2016 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 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 currently 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.

# 6 months 2017 operational update

## HIGHLIGHTS

- Total gold production decreased by 20% to 310 kg (9,955 oz), compared to 385 kg (12,389 oz) in H1 2016. On a Q by Q basis production decreased by 23% in Q1 and by 17% in Q2. The decrease in the production is explained by lower production on the gravitational plant, which, in its turn resulted in lesser volumes of ore suitable for processing on the gravitational plant and lower grades in that ore.
- Alluvial production at Solcocon was recommenced with expected production of 61 kg (1,961 oz) of gold in 2017.
- Gold grades in the ore mined at Tardan in H1 2017 were 2.93 g/t as compared to 4.42 g/t in H1 2016. Grades decrease as expected according to the 2017 mineplan; this is explained by uneven distribution of high grade ore between upper and deeper horizons of ore bodies mined in 2016 and 2017, in particular Barsuchy.
- In 2016 we were supplying ore to the gravitational plant from upper horizons of Barsuchy deposit. On deeper horizons we had lesser volumes of ore suitable for processing on the gravitational plant and lower grades in that ore. As expected, decrease in volumes and grades resulted in lower production on the gravitational plant compared to H1 2016.
- Lesser volumes of gravitational gold production will be compensated by heap leach production during next months of high season production.
- The total 2017 production forecast remains unchanged from the target given on 28th June - 0.9 tonnes from hard rock, plus 60 kilograms from alluvial.

## PRODUCTION

Production unit	H1 2017		H1 2016		Change		
	kg*	oz	kg*	oz	kg*	oz	%
<b>Hard rock</b>							
Tardan (gravitational)	32	1,043	87	2,807	(55)	(1,764)	-63%
Tardan (heap leach)	271	8,698	298	9,582	(27)	(884)	-9%
<b>Alluvial</b>							
Solcocon	7	215	-	-	7	215	100%
<b>Total gold produced</b>	<b>310</b>	<b>9,955</b>	<b>385</b>	<b>12,389</b>	<b>(75)</b>	<b>(2,434)</b>	<b>-20%</b>

\*Rounded to the nearest amount.



## TARDAN

		H1 2017	H1 2016	Change	
Mining					
Waste stripping	000 m3	1,455	1,448	7	1%
Ore mined	000 tonnes	165	205	(40)	-20%
Average grade	g/t	2.93	4.42	(1.49)	-34%
Gravitation					
Throughput	000 tonnes	31	38	(7)	-19%
Average grade	g/t	4.80	8.38	(3.58)	-43%
Recovery	%	22%	27%	-5%	-19%
Gold produced	kg*	32	87	(55)	-63%
Heap Leach					
Stacking					
Ore	000 tonnes	132	160	(28)	-17%
Grade	g/t	2.38	3.26	(0.88)	-27%
Tailings	000 tonnes	34	21	13	62%
Grade	g/t	3.78	5.03	(1.25)	-25%
Gold in ore and tailings stacked	kg*	443	624	(181)	-29%
Gold produced	kg*	271	298	(27)	-9%
Warehouse on June 30					
Ore	000 tonnes	25	12	13	107%
Grade	g/t	3.85	6.50	(2.65)	-41%
Tailings	000 tonnes	28	35	(7)	-20%
Grade	g/t	5.00	6.11	(1.11)	-18%
Gold in ore and tailings	kg*	235	292	(57)	-19%

\*Rounded to the nearest amount.

# Financial reports

## Consolidated income statement

	Q2 Apr-Jun 2017	Q2 Apr-Jun 2016	H1 Jan-Jun 2017	H1 Jan-Jun 2016	12 months Jan-Dec 2016	Q2 Apr-Jun 2017	Q2 Apr-Jun 2016	H1 Jan-Jun 2017	H1 Jan-Jun 2016	12 months Jan-Dec 2016
	TSEK	TSEK	TSEK	TSEK	TSEK	US\$ 000	US\$ 000	US\$ 000	US\$ 000	US\$ 000
Revenue	56,068	73,554	111,320	130,277	371,610	6,370	8,956	12,562	15,663	43,380
Cost of sales	(55,660)	(51,556)	(106,176)	(92,574)	(222,260)	(6,318)	(6,279)	(11,975)	(11,130)	(25,962)
<b>Gross profit</b>	<b>408</b>	<b>21,998</b>	<b>5,144</b>	<b>37,703</b>	<b>149,350</b>	<b>52</b>	<b>2,677</b>	<b>587</b>	<b>4,533</b>	<b>17,418</b>
General and administrative expenses	(7,401)	(5,106)	(13,390)	(10,270)	(23,505)	(841)	(621)	(1,512)	(1,232)	(2,725)
Other operating income	3,760	1,877	5,813	3,872	8,134	426	235	656	487	961
Other operating expenses	(507)	(262)	(966)	(728)	(2,038)	(58)	(32)	(109)	(87)	(238)
<b>Operating profit/(loss)</b>	<b>(3,740)</b>	<b>18,507</b>	<b>(3,399)</b>	<b>30,577</b>	<b>131,941</b>	<b>(421)</b>	<b>2,259</b>	<b>(378)</b>	<b>3,701</b>	<b>15,416</b>
Financial income	-	67	-	109	148	-	8	-	13	18
Financial expenses	(12,629)	(14,887)	(26,702)	(30,819)	(62,370)	(1,436)	(1,813)	(3,013)	(3,697)	(7,287)
FOREX result	622	355	2,820	151	(2,795)	19	8	267	(15)	(308)
<b>Profit/(Loss) before income tax</b>	<b>(15,747)</b>	<b>4,042</b>	<b>(27,281)</b>	<b>18</b>	<b>66,924</b>	<b>(1,838)</b>	<b>462</b>	<b>(3,124)</b>	<b>2</b>	<b>7,839</b>
Income tax	212	(7,890)	3,217	(17,965)	(11,860)	26	(961)	363	(2,152)	(1,355)
<b>Net profit/(loss) for the period</b>	<b>(15,535)</b>	<b>(3,848)</b>	<b>(24,064)</b>	<b>(17,947)</b>	<b>55,064</b>	<b>(1,812)</b>	<b>(499)</b>	<b>(2,761)</b>	<b>(2,150)</b>	<b>6,484</b>
Whereof attributable to:										
The owners of the parent company	(15,535)	(3,848)	(24,064)	(17,947)	55,064	(1,812)	(499)	(2,761)	(2,150)	6,484
Earnings per share before dilution (SEK, US\$)	(0.87)	(0.22)	(1.35)	(1.01)	3.09	(0.10)	(0.03)	(0.16)	(0.12)	0.36
Earnings per share after dilution (SEK, US\$)	(0.84)	(0.22)	(1.35)	(1.01)	2.98	(0.10)	(0.03)	(0.16)	(0.12)	0.35
Number of shares issued at period end	17,802,429	17,802,429	17,802,429	17,802,429	17,802,429	17,802,429	17,802,429	17,802,429	17,802,429	17,802,429
Average number of shares for the period	17,802,429	17,802,429	17,802,429	17,802,429	17,802,429	17,802,429	17,802,429	17,802,429	17,802,429	17,802,429
Average number of shares for the period after dilution	18,494,929	19,740,025	18,494,929	19,740,025	18,494,929	18,494,929	19,740,025	18,494,929	19,740,025	18,494,929

# Consolidated statement of comprehensive income

	Q2 Apr-Jun 2017 TSEK	Q2 Apr-Jun 2016 TSEK	H1 Jan-Jun 2017 TSEK	H1 Jan-Jun 2016 TSEK	12 months Jan-Dec 2016 TSEK	Q2 Apr-Jun 2017 US\$ 000	Q2 Apr-Jun 2016 US\$ 000	H1 Jan-Jun 2017 US\$ 000	H1 Jan-Jun 2016 US\$ 000	12 months Jan-Dec 2016 US\$ 000
Net profit/loss for the period	(15,535)	(3,848)	(24,064)	(17,947)	55,064	(1,812)	(499)	(2,761)	(2,150)	6,484
<b>Other comprehensive income</b>										
Translation difference	10,204	(9,156)	25,634	10,886	(9,261)	(877)	880	(81)	2,157	2,804
<b>Total comprehensive income for the period</b>	<b>(5,331)</b>	<b>(13,004)</b>	<b>1,570</b>	<b>(7,061)</b>	<b>45,803</b>	<b>(2,689)</b>	<b>381</b>	<b>(2,842)</b>	<b>7</b>	<b>9,288</b>



# Consolidated statement of financial position

	June 30, 2017	June 30, 2016	December 31, 2016	June 30, 2017	June 30, 2016	December 31, 2016
	TSEK	TSEK	TSEK	US\$ 000	US\$ 000	US\$ 000
<b>ASSETS</b>						
FIXED ASSETS						
Intangible fixed assets	158,644	159,527	168,583	22,400	22,404	22,575
Tangible fixed assets	170,308	198,643	199,648	20,077	23,374	21,897
Stripping assets	46,292	31,641	36,400	5,466	3,731	4,001
Deferred tax assets	46,596	41,165	45,332	5,502	4,854	5,211
<b>Total fixed assets</b>	<b>421,840</b>	<b>430,976</b>	<b>449,963</b>	<b>53,445</b>	<b>54,362</b>	<b>53,684</b>
<b>CURRENT ASSETS</b>						
Materials	12,167	8,554	12,470	1,437	1,009	1,370
Work in progress	57,530	43,380	44,683	6,793	5,115	4,912
Finished products	7,069	4,661	14,563	835	550	1,601
Current receivables	36,213	31,929	36,219	4,276	3,764	3,981
Advanced paid	9,297	9,709	9,324	1,098	1,144	1,025
Cash and cash equivalents	503	18,528	37,959	60	2,184	4,173
<b>Total current assets</b>	<b>122,779</b>	<b>116,761</b>	<b>155,218</b>	<b>14,499</b>	<b>13,765</b>	<b>17,062</b>
<b>TOTAL ASSETS</b>	<b>544,619</b>	<b>547,737</b>	<b>605,181</b>	<b>67,944</b>	<b>68,128</b>	<b>70,746</b>
<b>EQUITY AND LIABILITIES</b>						
<b>EQUITY</b>						
Share capital	2,003	2,003	2,003	307	307	307
Additional paid in capital	397,333	397,310	397,382	59,802	59,800	59,808
Retained earnings	(576,178)	(625,125)	(552,114)	(80,364)	(86,237)	(77,603)
Translation difference reserve	(129,896)	(135,383)	(155,530)	(12,991)	(13,557)	(12,910)
<b>TOTAL EQUITY</b>	<b>(306,738)</b>	<b>(361,195)</b>	<b>(308,259)</b>	<b>(33,246)</b>	<b>(39,687)</b>	<b>(30,398)</b>
<b>LONG TERM LIABILITIES</b>						
Deferred tax liabilities	8,451	11,366	9,500	1,658	1,986	1,777
Bank loans and other notes	104,931	141,264	134,934	12,390	16,656	14,833
Lease payable	-	3,019	1,227	-	356	135
Debt to shareholder (bond)	375,016	358,653	393,764	44,281	42,287	43,285
Other long-term liabilities	94,144	51,924	63,367	11,117	6,122	6,966
<b>Total long term liabilities</b>	<b>582,542</b>	<b>566,226</b>	<b>602,792</b>	<b>69,446</b>	<b>67,408</b>	<b>66,995</b>
<b>CURRENT LIABILITIES</b>						
Trade accounts payable	13,076	10,455	6,322	1,543	1,233	695
Bank loans payable	222,047	256,496	223,320	26,219	30,243	24,549
Lease payable	3,339	7,022	6,392	394	828	703
Shareholder loans payable	-	49,298	55,158	-	5,813	6,063
Other current liabilities	30,353	19,435	19,456	3,588	2,292	2,139
<b>Total current liabilities</b>	<b>268,815</b>	<b>342,706</b>	<b>310,648</b>	<b>31,744</b>	<b>40,407</b>	<b>34,149</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>544,619</b>	<b>547,737</b>	<b>605,181</b>	<b>67,944</b>	<b>68,128</b>	<b>70,746</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, 2015</b>	<b>2,003</b>	<b>397,634</b>	<b>(146,269)</b>	<b>(607,178)</b>	<b>(353,810)</b>
<b>Comprehensive income</b>					
Net profit/loss for the period				(17,947)	(17,947)
Other comprehensive income			10,886		10,886
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>10,886</b>	<b>(17,947)</b>	<b>(7,061)</b>
<b>Transactions with owners in their capacity as owners</b>					
Warrants and options issue		(324)			(324)
<b>Total transactions with owners in their capacity as owners</b>	<b>-</b>	<b>(324)</b>	<b>-</b>	<b>-</b>	<b>(324)</b>
<b>Equity as at June 30, 2016</b>	<b>2,003</b>	<b>397,310</b>	<b>(135,383)</b>	<b>(625,125)</b>	<b>(361,195)</b>
<b>Comprehensive income</b>					
Net profit/loss for the period				73,011	73,011
Other comprehensive income			(20,146)		(20,146)
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>(20,146)</b>	<b>73,011</b>	<b>52,865</b>
<b>Transactions with owners in their capacity as owners</b>					
Warrants and options issue		72			72
<b>Total transactions with owners in their capacity as owners</b>	<b>-</b>	<b>72</b>	<b>-</b>	<b>-</b>	<b>72</b>
<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				(24,064)	(24,064)
Other comprehensive income			25,634		25,634
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>25,634</b>	<b>(24,064)</b>	<b>1,570</b>
<b>Transactions with owners in their capacity as owners</b>					
Warrants and options issue		(49)			(49)
<b>Total transactions with owners in their capacity as owners</b>	<b>-</b>	<b>(49)</b>	<b>-</b>	<b>-</b>	<b>(49)</b>
<b>Equity as at June 30, 2017</b>	<b>2,003</b>	<b>397,333</b>	<b>(129,896)</b>	<b>(576,178)</b>	<b>(306,738)</b>

# 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
<b>Equity as at December 31, 2015</b>	<b>307</b>	<b>59,838</b>	<b>(15,714)</b>	<b>(84,087)</b>	<b>(39,656)</b>
<b>Comprehensive income</b>					
Net profit/loss for the period				(2,150)	(2,150)
Other comprehensive income			2,157		2,157
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>2,157</b>	<b>(2,150)</b>	<b>7</b>
<b>Transactions with owners in their capacity as owners</b>					
Warrants and options issue		(38)			(38)
<b>Total transactions with owners in their capacity as owners</b>	<b>-</b>	<b>(38)</b>	<b>-</b>	<b>-</b>	<b>(38)</b>
<b>Equity as at June 30, 2016</b>	<b>307</b>	<b>59,800</b>	<b>(13,557)</b>	<b>(86,237)</b>	<b>(39,687)</b>
<b>Comprehensive income</b>					
Net profit/loss for the period				8,634	8,634
Other comprehensive income			647		647
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>647</b>	<b>8,634</b>	<b>9,281</b>
<b>Transactions with owners in their capacity as owners</b>					
Warrants and options issue		8			8
<b>Total transactions with owners in their capacity as owners</b>	<b>-</b>	<b>8</b>	<b>-</b>	<b>-</b>	<b>8</b>
<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				(2,761)	(2,761)
Other comprehensive income			(81)		(81)
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>(81)</b>	<b>(2,761)</b>	<b>(2,842)</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 June 30, 2017</b>	<b>307</b>	<b>59,802</b>	<b>(12,991)</b>	<b>(80,364)</b>	<b>(33,246)</b>



# Consolidated cash flow statement

	Q2 Apr-Jun 2017 TSEK	Q2 Apr-Jun 2016 TSEK	H1 Jan-Jun 2017 TSEK	H1 Jan-Jun 2016 TSEK	Q2 Apr-Jun 2017 US\$ 000	Q2 Apr-Jun 2016 US\$ 000	H1 Jan-Jun 2017 US\$ 000	H1 Jan-Jun 2016 US\$ 000
<b>OPERATING ACTIVITIES</b>								
Receipts from customers	56,057	78,301	111,309	154,121	6,370	9,539	12,562	18,505
VAT and other reimbursement	7,226	8,462	17,235	12,591	821	1,027	1,943	1,515
Payments to suppliers	(43,479)	(50,485)	(78,299)	(83,115)	(4,941)	(6,148)	(8,843)	(10,007)
Payments to employees and social taxes	(21,627)	(18,944)	(40,478)	(35,924)	(2,458)	(2,307)	(4,570)	(4,315)
Income tax paid	(569)	(219)	(569)	(219)	(65)	(27)	(65)	(27)
Other taxes paid	(5,283)	(9,357)	(9,788)	(13,897)	(600)	(1,139)	(1,105)	(1,676)
<b>Net cash flows from/(used in) operating activities</b>	<b>(7,675)</b>	<b>7,758</b>	<b>(590)</b>	<b>33,558</b>	<b>(872)</b>	<b>945</b>	<b>(78)</b>	<b>3,996</b>
<b>INVESTING ACTIVITIES</b>								
Purchase and construction of property plant and equipment	(926)	(4,111)	(2,306)	(8,545)	(105)	(501)	(260)	(1,025)
Exploration and research works	(562)	(3,127)	(3,276)	(3,842)	(64)	(381)	(368)	(465)
<b>Net cash flows used in investing activities</b>	<b>(1,488)</b>	<b>(7,237)</b>	<b>(5,582)</b>	<b>(12,387)</b>	<b>(169)</b>	<b>(881)</b>	<b>(628)</b>	<b>(1,490)</b>
<b>FINANCING ACTIVITIES</b>								
Proceeds from borrowings, net	-	20,531	-	20,531	-	2,500	-	2,500
Repayment of borrowings, net	-	(9,653)	(13,385)	(9,653)	-	(1,176)	(1,500)	(1,176)
Interest paid	(5,205)	(5,389)	(10,386)	(11,484)	(591)	(656)	(1,172)	(1,377)
Lease payments	(2,829)	(2,418)	(5,640)	(4,566)	(321)	(295)	(637)	(548)
Other finance income/expenses	-	113	-	113	-	14	-	14
<b>Net cash from/(used in) financing activities</b>	<b>(8,034)</b>	<b>3,183</b>	<b>(29,411)</b>	<b>(5,060)</b>	<b>(913)</b>	<b>388</b>	<b>(3,309)</b>	<b>(587)</b>
Net increase/(decrease) in cash and cash equivalents	(17,197)	3,704	(35,583)	16,111	(1,954)	451	(4,015)	1,918
Net foreign exchange difference	(891)	1,317	(1,873)	2,056	(67)	75	(98)	223
Opening balance cash and cash equivalents	18,591	13,508	37,959	361	2,081	1,658	4,173	43
<b>Closing balance cash and cash equivalents</b>	<b>503</b>	<b>18,528</b>	<b>503</b>	<b>18,528</b>	<b>60</b>	<b>2,184</b>	<b>60</b>	<b>2,184</b>

# Consolidated Key Ratios

	H1 Jan-Jun 2017 TSEK	H1 Jan-Jun 2016 TSEK	12 months Jan-Dec 2016 TSEK	H1 Jan-Jun 2017 US\$ 000	H1 Jan-Jun 2016 US\$ 000	12 months Jan-Dec 2016 US\$ 000	Definitions
Total assets	544,619	547,737	605,181	67,944	68,128	70,746	Total assets at period end
Total equity	(306,738)	(361,195)	(308,259)	(33,246)	(39,687)	(30,398)	Total equity including non controlling interest at period end
Interest bearing debt	770,992	839,130	834,727	91,037	98,939	91,758	Total interest bearing debt at the period end
Employees at period end	542	527	525	542	527	525	
EBITDA	22,227	59,171	188,462	2,507	7,137	22,004	Earnings Before Interest, Tax, Depreciation, Amortization and any Impairment.
<b>Per share data</b>							
Earnings per share (SEK, USD)	(1.35)	(1.01)	3.09	(0.16)	(0.12)	0.36	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)	(17.23)	(20.29)	(17.32)	(1.87)	(2.23)	(1.71)	Equity excluding non controlling interests at the period end divided by the number of outstanding shares at the period end

# Parent company income statement

	Q2 Apr-Jun 2017 TSEK	Q2 Apr-Jun 2016 TSEK	H1 Jan-Jun 2017 TSEK	H1 Jan-Jun 2016* TSEK	12 months Jan-Dec 2016 TSEK	Q2 Apr-Jun 2017 US\$ 000	Q2 Apr-Jun 2016 US\$ 000	H1 Jan-Jun 2017 US\$ 000	H1 Jan-Jun 2016* US\$ 000	12 months Jan-Dec 2016 US\$ 000
<b>Income</b>										
Operating income	180	-	982	7	1,291	21	-	111	1	151
<b>Total income</b>	<b>180</b>	<b>-</b>	<b>982</b>	<b>7</b>	<b>1,291</b>	<b>21</b>	<b>-</b>	<b>111</b>	<b>1</b>	<b>151</b>
<b>Operating costs</b>										
External expenses	(3,184)	(1,071)	(5,203)	(1,717)	(4,719)	(361)	(130)	(587)	(206)	(551)
Employee benefit expenses	(580)	(1,605)	(798)	(1,819)	(2,306)	(66)	(193)	(90)	(218)	(269)
<b>Total operating costs</b>	<b>(3,763)</b>	<b>(2,675)</b>	<b>(6,001)</b>	<b>(3,536)</b>	<b>(7,025)</b>	<b>(427)</b>	<b>(323)</b>	<b>(677)</b>	<b>(424)</b>	<b>(820)</b>
<b>Operating profit/loss</b>	<b>(3,583)</b>	<b>(2,675)</b>	<b>(5,019)</b>	<b>(3,529)</b>	<b>(5,735)</b>	<b>(406)</b>	<b>(323)</b>	<b>(566)</b>	<b>(423)</b>	<b>(669)</b>
Net financial items	(18,458)	2,616	9,237	18,578	16,714	(2,062)	341	1,042	2,229	1,953
<b>Profit/loss before income tax</b>	<b>(22,041)</b>	<b>(59)</b>	<b>4,218</b>	<b>15,049</b>	<b>10,980</b>	<b>(2,468)</b>	<b>18</b>	<b>476</b>	<b>1,806</b>	<b>1,284</b>
Income tax	-	-	-	-	-	-	-	-	-	-
<b>Net profit/loss for the period</b>	<b>(22,041)</b>	<b>(59)</b>	<b>4,218</b>	<b>15,049</b>	<b>10,980</b>	<b>(2,468)</b>	<b>18</b>	<b>476</b>	<b>1,806</b>	<b>1,284</b>

\*Amounts were restated. For details, refer to "Restatement" paragraph above.

# Parent company statement of comprehensive income

	Q2 Apr-Jun 2017 TSEK	Q2 Apr-Jun 2016 TSEK	H1 Jan-Jun 2017 TSEK	H1 Jan-Jun 2016* TSEK	12 months Jan-Dec 2016 TSEK	Q2 Apr-Jun 2017 US\$ 000	Q2 Apr-Jun 2016 US\$ 000	H1 Jan-Jun 2017 US\$ 000	H1 Jan-Jun 2016* US\$ 000	12 months Jan-Dec 2016 US\$ 000
Net profit/loss for the period	(22,041)	(59)	4,218	15,049	10,980	(2,468)	18	476	1,806	1,284
Translation differences	-	-	-	-	-	1,502	(1,208)	1,983	(450)	(2,328)
<b>Total comprehensive income for the period</b>	<b>(22,041)</b>	<b>(59)</b>	<b>4,218</b>	<b>15,049</b>	<b>10,980</b>	<b>(966)</b>	<b>(1,190)</b>	<b>2,459</b>	<b>1,356</b>	<b>(1,044)</b>

\*Amounts were restated. For details, refer to "Restatement" paragraph above.



# Parent company statement of financial position

	June 30, 2017	June 30, 2016	December 31, 2016	June 30, 2017	June 30, 2016	December 31, 2016
	TSEK	TSEK	TSEK	US\$ 000	US\$ 000	US\$ 000
<b>ASSETS</b>						
<b>FIXED ASSETS</b>						
Financial fixed assets	670,260	654,289	690,488	79,143	77,145	75,902
<b>Total fixed assets</b>	<b>670,260</b>	<b>654,289</b>	<b>690,488</b>	<b>79,143</b>	<b>77,145</b>	<b>75,902</b>
<b>CURRENT ASSETS</b>						
Current receivables	2,825	522	1,949	334	61	214
Cash and bank	91	2,875	57	11	339	6
<b>Total current assets</b>	<b>2,917</b>	<b>3,396</b>	<b>2,006</b>	<b>344</b>	<b>400</b>	<b>220</b>
<b>TOTAL ASSETS</b>	<b>673,177</b>	<b>657,685</b>	<b>692,494</b>	<b>79,487</b>	<b>77,545</b>	<b>76,122</b>
<b>EQUITY AND LIABILITIES</b>						
<b>Total equity</b>	<b>244,773</b>	<b>244,602</b>	<b>240,604</b>	<b>28,902</b>	<b>28,840</b>	<b>26,448</b>
<b>Long term liabilities</b>	<b>410,741</b>	<b>359,546</b>	<b>394,658</b>	<b>48,499</b>	<b>42,393</b>	<b>43,383</b>
<b>Current liabilities</b>	<b>17,663</b>	<b>53,537</b>	<b>57,232</b>	<b>2,086</b>	<b>6,312</b>	<b>6,291</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>673,177</b>	<b>657,685</b>	<b>692,494</b>	<b>79,487</b>	<b>77,545</b>	<b>76,122</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, 2015 Restated*</b>	<b>2,003</b>	<b>266,306</b>	<b>624,340</b>	<b>-</b>	<b>(708,719)</b>	<b>45,947</b>	<b>229,876</b>
Profit/loss brought forward					45,947	(45,947)	-
<b>Comprehensive income</b>							
Net profit/loss for the period						15,049	15,049
Other comprehensive income				-			-
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>15,049</b>	<b>15,049</b>
<b>Transactions with owners in their capacity as owners</b>							
Warrants and options issue			(324)				(324)
<b>Total transactions with owners in their capacity as owners</b>	<b>-</b>	<b>-</b>	<b>(324)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(324)</b>
<b>Equity as at June 30, 2016 Restated*</b>	<b>2,003</b>	<b>266,306</b>	<b>624,016</b>	<b>-</b>	<b>(662,772)</b>	<b>15,049</b>	<b>244,602</b>
<b>Comprehensive income</b>							
Net profit/loss for the period						(4,069)	(4,069)
Other comprehensive income							-
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(4,069)</b>	<b>(4,069)</b>
<b>Transactions with owners in their capacity as owners</b>							
Warrants and options issue			72				72
<b>Total transactions with owners in their capacity as owners</b>	<b>-</b>	<b>-</b>	<b>72</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>72</b>
<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						4,218	4,218
Other comprehensive income				-			-
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,218</b>	<b>4,218</b>
<b>Transactions with owners in their capacity as owners</b>							
Warrants and options issue			(49)				(49)
<b>Total transactions with owners in their capacity as owners</b>	<b>-</b>	<b>-</b>	<b>(49)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(49)</b>
<b>Equity as at June 30, 2017</b>	<b>2,003</b>	<b>266,306</b>	<b>624,039</b>	<b>-</b>	<b>(651,792)</b>	<b>4,218</b>	<b>244,773</b>

\*Amounts were restated. For details, refer to "Restatement" paragraph above.

# 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, 2015 Restated*</b>	<b>307</b>	<b>40,872</b>	<b>94,632</b>	<b>(5,581)</b>	<b>(108,154)</b>	<b>5,447</b>	<b>27,522</b>
Profit/loss brought forward					5,447	(5,447)	-
<b>Comprehensive income</b>							
Net profit/loss for the period						1,806	1,806
Other comprehensive income				(450)			(450)
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(450)</b>	<b>-</b>	<b>1,806</b>	<b>1,356</b>
<b>Transactions with owners in their capacity as owners</b>							
Warrants and options issue			(38)				(38)
<b>Total transactions with owners in their capacity as owners</b>	<b>-</b>	<b>-</b>	<b>(38)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(38)</b>
<b>Equity as at June 30, 2016 Restated*</b>	<b>307</b>	<b>40,872</b>	<b>94,594</b>	<b>(6,031)</b>	<b>(102,707)</b>	<b>1,806</b>	<b>28,840</b>
<b>Comprehensive income</b>							
Net profit/loss for the period						(522)	(522)
Other comprehensive income				(1,878)			(1,878)
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1,878)</b>	<b>-</b>	<b>(522)</b>	<b>(2,400)</b>
<b>Transactions with owners in their capacity as owners</b>							
Warrants and options issue			8				8
<b>Total transactions with owners in their capacity as owners</b>	<b>-</b>	<b>-</b>	<b>8</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>8</b>
<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						476	476
Other comprehensive income				1,983			1,983
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,983</b>	<b>-</b>	<b>476</b>	<b>2,459</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 June 30, 2017</b>	<b>307</b>	<b>40,872</b>	<b>94,596</b>	<b>(5,926)</b>	<b>(101,423)</b>	<b>476</b>	<b>28,902</b>

\*Amounts were restated. For details, refer to "Restatement" paragraph above.



# Parent company cash flow statement

	Q2 Apr-Jun 2017 TSEK	Q2 Apr-Jun 2016 TSEK	H1 Jan-Jun 2017 TSEK	H1 Jan-Jun 2016 TSEK	Q2 Apr-Jun 2017 US\$ 000	Q2 Apr-Jun 2016 US\$ 000	H1 Jan-Jun 2017 US\$ 000	H1 Jan-Jun 2016 US\$ 000
<b>OPERATING ACTIVITIES</b>								
Receipts from customers	-	-	106	-	-	-	12	-
VAT and other reimbursement	112	72	112	104	13	9	13	13
Payments to suppliers	(3,382)	(1,975)	(6,304)	(2,996)	(384)	(240)	(712)	(361)
Payments to employees and the Board members	(574)	(564)	(1,170)	(1,156)	(65)	(69)	(132)	(139)
Income tax paid	-	-	-	-	-	-	-	-
Other taxes paid	-	-	-	-	-	-	-	-
<b>Net cash flows used in operating activities</b>	<b>(3,844)</b>	<b>(2,467)</b>	<b>(7,256)</b>	<b>(4,048)</b>	<b>(436)</b>	<b>(300)</b>	<b>(819)</b>	<b>(487)</b>
<b>INVESTING ACTIVITIES</b>								
Borrowings given	3,560	5,272	7,333	6,887	405	642	827	833
<b>Net cash flows used in investing activities</b>	<b>3,560</b>	<b>5,272</b>	<b>7,333</b>	<b>6,887</b>	<b>405</b>	<b>642</b>	<b>827</b>	<b>833</b>
<b>FINANCING ACTIVITIES</b>								
Proceeds from borrowings	-	-	-	-	-	-	-	-
Repayment of borrowings	-	-	-	-	-	-	-	-
<b>Net cash from financing activities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Net increase/(decrease) in cash and cash equivalents	(283)	2,805	76	2,839	(31)	342	8	346
Net foreign exchange difference	(51)	(31)	(42)	(38)	(6)	(15)	(3)	(16)
Opening balance cash and cash equivalents	426	101	57	73	48	12	6	9
<b>Closing balance cash and cash equivalents</b>	<b>91</b>	<b>2,875</b>	<b>91</b>	<b>2,875</b>	<b>11</b>	<b>339</b>	<b>11</b>	<b>339</b>

# Additional Information

## NEXT REPORTS DUE

Interim report (3) July – September 2017:

November 30, 2017

Interim report (4) October – December 2017:

February 28, 2018

## 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 assets.

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, August 14, 2017

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.