

# AURIANT MINING

**12 months 2013 Interim Results  
Analyst Web Conference  
February 28, 2014**

# 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. 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 do not assume any unconditional obligation to update any such statements and/or forecasts immediately.

# Auriant Mining overview

## General information

**Auriant Mining AB** is a Swedish junior mining company focused on gold production in Russia

Gold Reserves – **32 tons (1 Moz)** according to Russian C1+C2 categories

**2012** production – **642 kg**

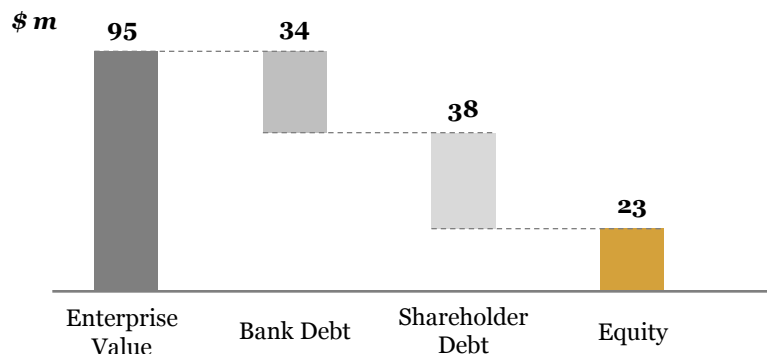
**2013** production – **1,142 kg**

Headquartered in **Stockholm, Sweden**

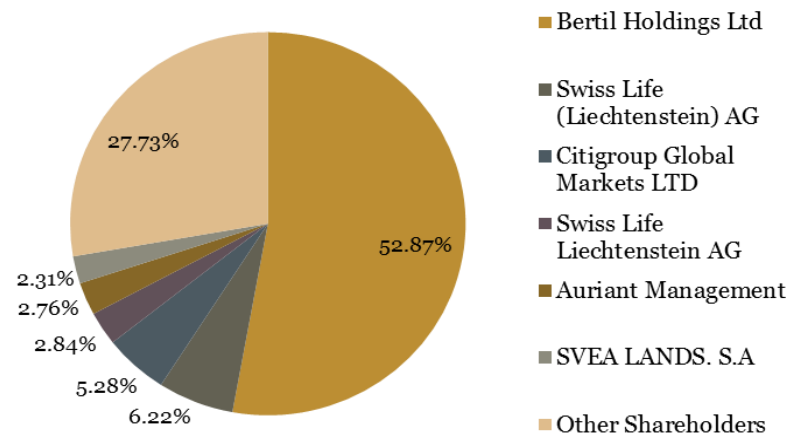
Auriant Mining is listed at **NASDAQ OMX First North Premier**

Auriant Mining AB is one of **only few publicly listed junior** mining companies in Russia

## Capital structure



## Shareholder structure

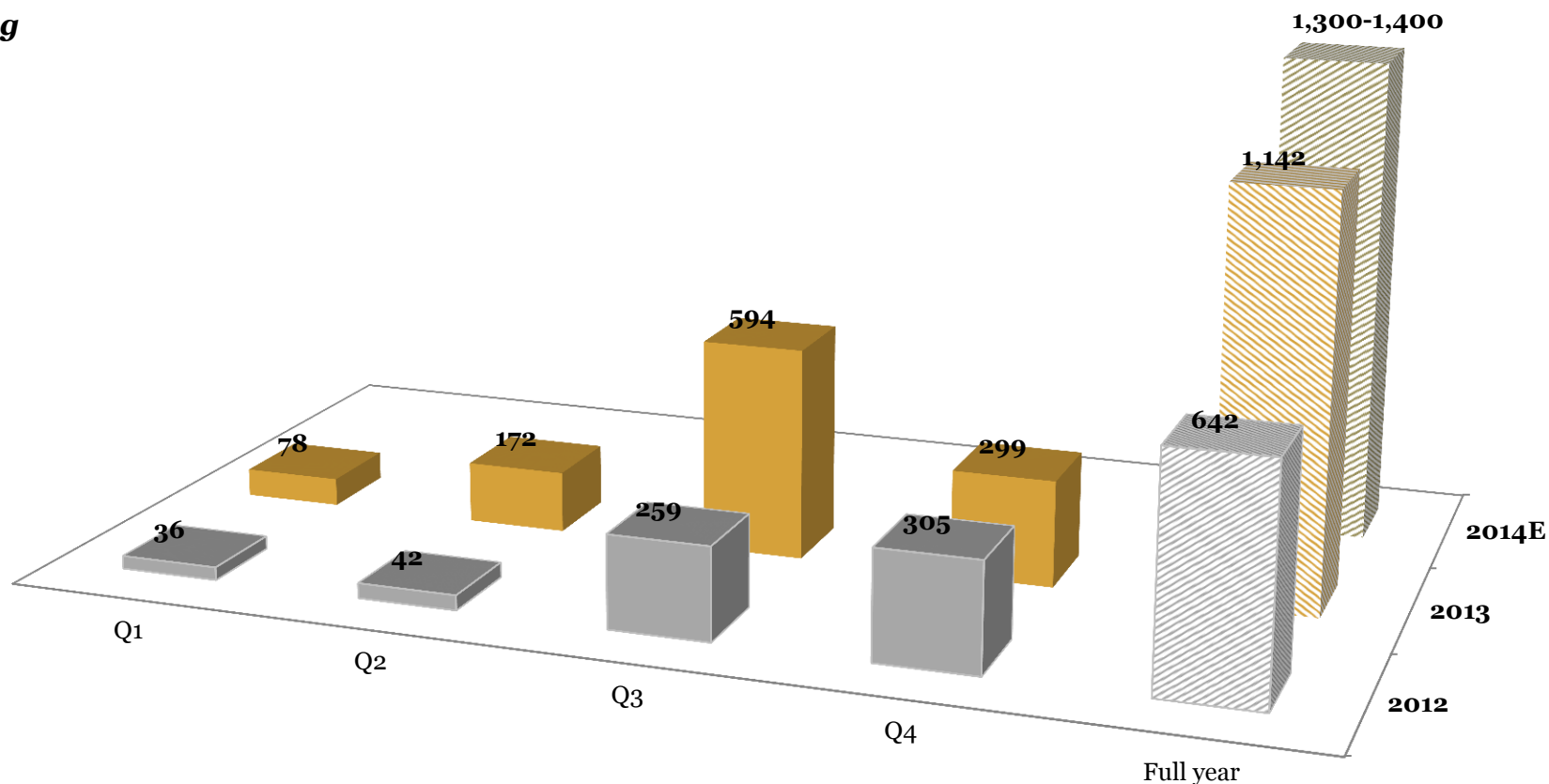


## Management shareholding

- As of March 2013 Auriant Mining management holds **690 229 shares – 3.9% of total**
- Total amount of warrants holds by company's management is **1,157,768**
- Total management shareholding on a fully diluted basis - **9.7%**

# Quarterly production growth

kg



- The Group met production targets for 12m – total production was **1,142 kg (36,716 oz)**, **78% more than in 2012**
- Plan to increase production in 2014 to **1,300 - 1,400 kg**

# 12m 2013 Production

## Key Performance Indicators

\$US 000		Tardan		Solcocon		Total		Change, %
		12m 2013	12m 2012	12m 2013	12m 2012	12m 2013	12m 2012	
<b>Mining</b>								
Waste stripping	000 m <sup>3</sup>	1,940	424	344	581	2,284	1,005	127%
Ore mined	000 tonnes	269	168.5	212	123	481	292	65%
Average grade	g/t	1.60	2.0	1.42	2.01			
<b>Heap leach</b>								
<b>Crushing</b>								
Ore	000 tonnes	282	240.7	168	131	450	372	21%
Grade	g/t	1.56	2.01	1.37	1.64			
<b>Stacking</b>								
Ore	000 tonnes	282	234	168	131	450	365	23%
Grade	g/ton	1.56	1.8	1.37	1.64			
Tailings	000 tonnes	141.5	54.4			142	54	
Grade	g/t	3.15	3.6					
<b>Gold produced from heap leaching</b>	<b>kg</b>	<b>658</b>	<b>357</b>	<b>107</b>	<b>116</b>	<b>765</b>	<b>473</b>	<b>62%</b>
<b>Gravitation</b>								
Throughput	000 tonnes	-	34.3					
Average grade	g/ton	-	4.5					
Extraction	%	-	35%					
<b>Gold produced from Gravitation</b>	<b>kg</b>	<b>-</b>	<b>55</b>			<b>-</b>	<b>55</b>	<b>-</b>
<b>Production Hard Rock</b>	<b>kg</b>	<b>658</b>	<b>412</b>	<b>107</b>	<b>116</b>	<b>765</b>	<b>528</b>	<b>45%</b>
<b>Production Alluvial</b>	<b>kg</b>	<b>-</b>	<b>-</b>	<b>377</b>	<b>114</b>	<b>377</b>	<b>114</b>	<b>231%</b>
<b>Total Production</b>	<b>kg</b>	<b>658</b>	<b>412</b>	<b>484</b>	<b>230</b>	<b>1,142</b>	<b>642</b>	<b>78%</b>

# 12m 2013 Production Key Performance Indicators

- Total mining volumes **increased by 121% to 2,470,000 m<sup>3</sup>**
- Total ore processed **increased by 41% to 592,000 tonnes**
- Overall gold production **increased by 78% and reached 1,142 kg (36,716 oz)**

## Tardan

- Gold grade in ore mined **dropped by 20%**
- Usage of additional tailings with average **grade 3.15 g/t** allowed an **increase in the average grade of stacked ore to 2.09 g/t**
- Overall gold production **increased by 84% and reached 658 kg (21,155 oz)**

## Solcocon

- Gold grade in ore mined **dropped by 30%**
- Hard rock gold production **decreased by 8% to 107 kg (3,440 oz)**
- Alluvial gold production **increased by 231% to 377 kg (12,120 oz)**
- Overall gold production **increased by 110% to 484 kg (15,561 oz)**

# Restatement of 2012 accounts

## Rationale

1. Need to comply with the new IFRIC (International Financial Reporting Interpretation Committee) 20 standard “Stripping Costs in the Production Phase of a Surface Mine”, which entered into effect 1 January 2013
2. Need to develop proper cost accounting base in order to benchmark cash costs going forward

## Effects

1. Expense of prior years stripping, according to IFRIC 20, reposted to 2012 – **US\$ 1.67 mln**
2. Accrual of bonuses for 2012 reposted to 2012 – **US\$ 1 mln**
3. Tailings accumulated since the start of operation of the gravitational plant at Tardan not expensed, value of **US\$ 5.7 mln** in retained earnings and **US\$ 2.3 mln** in the Income statement

# 12m 2013 Income Statement

<i>\$US 000</i>	12m 2013	12m 2012
Hard rock gold revenue	34,370	29,533
Alluvial gold revenue	16,132	6,401
<b>Total revenue</b>	<b>50,502</b>	<b>35,934</b>
Alluvial gold cost	-13,136	-4,828
<b>Total income</b>	<b>37,366</b>	<b>31,106</b>
Cost of Hard Rock production	-42,631	-33,082
<b>Gross profit</b>	<b>-5,265</b>	<b>-1,976</b>
Management company	-6,693	-6,214
Other operating income	1,652	3,302
Other operating expenses	-3,070	-6,450
<b>Operating profit/loss</b>	<b>-13,376</b>	<b>-11,338</b>
Net financial items	-11,095	-4,881
<b>Profit/loss before income tax</b>	<b>-24,471</b>	<b>-16,219</b>
Income tax	4,673	-34
<b>Net profit/loss for the period</b>	<b>-19,798</b>	<b>-16,252</b>

<i>\$US 000</i>	12m 2013	12m 2012	Change
<b>Cost of Hard Rock production, incl.</b>	<b>42,631</b>	<b>33,082</b>	28%
Cost of production	34,682	25,843	34%
DD&A	7,949	7,239	10%

<i>Production KPI's</i>		12m 2013	12m 2012	Change
Total rock mass mined	000 m <sup>3</sup>	2,470	1,117	121%
Ore processed	000 t	592	419	41%
Gold produced	000 oz	24.6	16.9	45%

- Operating expenses grew mostly due to significant increase in mining volumes and heap leach production of gold



# Operating cost breakdown

<b>\$US 000</b>	<b>12m 2013</b>	<b>12m 2012</b>	<b>Change</b>
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<b>Cost of hard rock sales, incl.:</b>	<b>34,682</b>	<b>25,843</b>	<b>7,839</b>
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Change in stock of finished and semi-finished goods	1,065	848	217
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External expenses	6,208	2,206	4,002
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Increase of blasting and drilling services and hiring of transportation contractors at Tardan

Mineral extraction and other taxes	2,810	2,518	292
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Materials	11,216	10,301	915
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Employee benefit expenses	13,383	9,969	3,414
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Average number of employees grew from 675 to 869

# Group EBITDA contribution analysis

	US\$ 000
<b>Group EBITDA total:</b>	<b>(5,396)</b>
incl:	
Tardan	3,821
Solcocon	(5,168)
Alluvial production	2,996
<b>Net EBITDA from producing assets</b>	<b>1,649</b>
Moscow	(5,374)
Sweden	(1,334)
Others	(336)

# Group Hard rock cash costs

			Total Hard Rock	Tardan	Solcocon hard rock gold
<b>Direct Mining costs</b>					
	Rock mass	US\$ 000	12,532	9,780	2,752
		000 m3	2,446	2,031	415
		\$/m³	5.1	4.8	6.6
	Stripping capitalised	US\$ 000	(1,966)	(1,966)	-
	Cost of ore	US\$ 000	10,566	7,814	2,752
	Ore	000 t	481	269	212
		\$/t	22	29	13
<b>Direct Processing costs</b>					
	Cost of ore and tailings processed	US\$ 000	10,566	7,814	2,752
	Ore and tailings used in recovery	000 t	592	424	168
	Cost of processing	US\$ 000	15,650	13,166	2,484
		\$/t	26	31	15
<b>Indirect costs</b>		US\$ 000	5,687	2,888	2,799
<b>Cash operating costs</b>		US\$ 000	31,903	23,868	8,035
		\$/oz	1,297	1,119	2,335
<b>Taxes</b>		US\$ 000	2,779	2,339	440
<b>Total cash costs</b>		US\$ 000	34,682	26,207	8,475
		\$/oz	1,410	1,239	2,463
<b>EBITDA</b>		US\$ 000	(1,347)	3,821	(5,168)

# Consolidated statement of financial position

US\$ 000	December 31, 2013	December 31, 2012
	US\$ 000	US\$ 000
<b>ASSETS</b>		
<b>FIXED ASSETS</b>		
Intangible fixed assets	25,772	23,357
Tangible fixed assets	37,898	37,057
Financial fixed assets	10,576	7,118
<b>Total fixed assets</b>	<b>74,246</b>	<b>67,532</b>
<b>CURRENT ASSETS</b>		
Inventories	9,436	12,714
Stripping asset*	2,038	-
Current receivables	6,321	5,667
Cash and cash equivalents	1,656	3,417
<b>Total current assets</b>	<b>19,450</b>	<b>21,799</b>
<b>TOTAL ASSETS</b>	<b>93,696</b>	<b>89,330</b>
Equity	1,146	23,694
Non-controlling interest	-	-
<b>Total equity</b>	<b>1,146</b>	<b>23,694</b>
<b>Long term liabilities</b>	<b>12,726</b>	<b>39,578</b>
<b>Current liabilities</b>	<b>79,824</b>	<b>26,058</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>93,696</b>	<b>89,330</b>

Increase due to the capitalization of exploration costs at Tardan in the amount of US\$ 3.451 and at Solcocon in the amount of US\$ 1.46

Acquisition of additional vehicle mining fleet and modernization of pit roads at Tardan and renovation of equipment and new stacks at Solcocon

Reclassification of the part of bank debt from short term into long term with additional borrowings from banks and shareholder

\*Stripping expenses were capitalised in the total amount of \$2.0 mln in 2013

# Consolidated cash flow statement

	12 months 2013	12 months 2012
	US\$ 000	US\$ 000
<b>Operating activities</b>		
Receipts from customers	50,502	33,838
VAT and other reimbursement	8,397	5,773
Payments to suppliers	(39,671)	(24,510)
Payments to employees and social taxes	(17,551)	(15,039)
Income tax paid	-	(83)
Other taxes paid	(2,703)	(2,952)
<b>Net cash flows used in operating activities</b>	<b>(1,026)</b>	<b>(2,973)</b>
<b>Investing activities</b>		
Proceeds from sale of property, plant and equipment	-	4
Proceeds from exercise of share options	320	-
Purchase and construction of property plant and equipment	(5,811)	(4,157)
Exploration and research works	(4,357)	(549)
Investments in JV	(312)	(867)
<b>Net cash flows used in investing activities</b>	<b>(10,161)</b>	<b>(5,569)</b>
<b>Financing activities</b>		
Proceeds from borrowings	50,850	32,867
Repayment of borrowings	(34,342)	(19,099)
Interest paid	(3,333)	(1,974)
Lease payments	(3,213)	(1,286)
Other finance expenses	(210)	(292)
<b>Net cash from financing activities</b>	<b>9,752</b>	<b>10,217</b>
Net increase in cash and cash equivalents	(1,435)	1,675
Net foreign exchange difference	(326)	55
Cash and cash equivalents at 1 October / 1 January	3,417	1,687
<b>Cash and cash equivalents at 31 December</b>	<b>1,656</b>	<b>3,417</b>

# Summary

- 12m gold production **increased by 78%** compared with previous year
- Cumulative 12m 2013 gold production was **1,142 kg (36,716 oz)** – in line with expectations
- All major **CAPEX has been undertaken**
- **Positive Net EBITDA from producing assets** for 12m 2013 of **US\$ 1.649**
- **Exploration drilling** at Tardan is complete, results to be reported by April
- **Decreased interest rate** on shareholder loan to **10% p.a.**
- **Refinancing of bank debt** in progress
- Outlook for 2014 production in a range of **1,300 – 1,400 kg**

# Thank you

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