

Auriant Mining AB (publ.)

H1 2013 Operational Update

Highlights

- **Production for the Group increased by c. 220% compared to H1 2012 and amounted to 249.5 kg (8,021 oz.), including 115 kg (3,698 oz) produced in June, on target to achieve the range for the year set by the company of 1,000 – 1,200 kg (c. 32,150 – 38,580 oz.)**
- **All renovations to the Solcocon heaps, crushing complex and factory are complete. Full mining and processing operations were restarted in June.**
- **Tardan’s exploration drilling is almost complete with a new resource estimation expected by the end of 2013**
- **Seasonal production from the Zolotaya Borzuya alluvial operations has started ahead of schedule and is currently exceeding set targets.**

Denis Alexandrov, CEO of Auriant Mining AB, commenting on the results said, “The production results for the first six month of operations in 2013 were as expected. Tardan did a good job in preparing for the summer season and both mining and stacking is currently exceeding previously set targets. New mining equipment is on the way to start stripping for future periods in the second half of 2013.

Renovations at Solcocon are complete, with the first kilograms of gold produced from the new heap at the end of June. Gold from alluvial operations is already half of that produced throughout the whole of 2012. The Group is at full speed to meet the production targets for the year of 1,000 – 1,200 kg.

The recent drop in the gold price continues to have a negative effect on our Profit and Loss statement. Being at the ramp up stage, our fixed cost per ounce of production is still significant, but will reduce as we reach full capacity. Therefore, scale will be our major cost reducer this year and next. As such, we continue to focus most of our efforts on bringing existing production facilities to full capacity and completing the ramp up stage, as planned, by 2015. In addition, we have started several cost cutting initiatives at all our mines and our head office. These initiatives were carefully considered in order to maintain set production targets, nevertheless all non core activities will be reduced to a bare minimum. 2013 will be the year when we lay down the foundations for profitable operations in future. ”

Production

Production unit	License area	H1 2013		H1 2012	
		kg	oz	kg	oz
Hard rock					
Tardan (gravitational)	Tardan	-	-	44	1,415
Tardan (heap leach)	Tardan	170.7	5,487	-	-
Solcocon		7.4	237	34	1,093
Total hard rock gold production		178.1	5,73	78	2,508
Alluvial	Borzya	71.4	2,296	-	-
Total Production for the Group		249.5	8,02	78	2,508

Production for the first 6 months of 2013 amounted to 249.5 kg (8,021 oz) and represents a significant increase of 220% if compared to the first 6 months of 2012. The majority of the increase comes from the Tardan heap leaching plant. Another contributing factor is the early start this year of alluvial gold production. The Solcocon operations were resumed in late June after a planned stoppage to complete renovations. Please refer to the section on Solcocon for more details.

Tardan

		H1 2013	H1 2012
Mining			
Waste stripping	000 m ³	909.1	185
Ore mined	000 tonnes	92.4	55.5
Average grade	g/t	1.5	2.3
Heap leach			
Crushing			
Ore	000 tonnes	82	82.9
Grade	g/t	2.0	1.5
Stacking			
Ore	000 tonnes	82	76

Grade	g/ton	2.0	1.4
Tailings	000 tonnes	47.8	14.6
Grade	g/t	3.5	3.4
Gold produced from heap leaching	kg	170.7	
Gravitation			
Throughput	000 tonnes	-	28.8
Average grade	g/ton	-	4.1
Extraction	%	-	33%
Gold produced from Gravitation	kg	-	44
Total Production from Tardan	kg	170.7	44
Warehouse			
Ore	000 tonnes	73.9	171.2
Grade	g/t	1.3	1.4
Tailings	000 tonnes	213.6	250.1
Grade	g/t	2.99	2.1

As in the first quarter, all production at Tardan came from heap leaching operations. Overall, production was 170.7 kg (5,487 oz) an increase of c. 288% if compared to 6 month production in 2012. There wasnt any production at the gravitational circuit, as Tardan continues to accumulate sufficient amounts of high grade ore.

This year, Tardan started stripping operations at ore body Number One which the Company expects will be the source of ore for a minimum of two years of production. This, and limited mining activities in 2012, drove the increase of waste removal (724k tonnes vs. 185k tons) and ore mining (92.4k tonnes vs 55.5k tonnes). As a result, some waste removal will be carried out this year to secure 2014 production. To cope with increased mining volumes, Tardan purchased 5 additional heavy trucks, a heavy front loader and a bulldozer that are scheduled to arrive in July-August. Moreover, blasting, waste / ore removal contractors continue to operate at the site to speed up ore preparation.

Crushing remained at the levels of 2012 or c. 82k tonnes, whilst stacking of ore and tailings rose to c. 130k tonnes, an increase of 43%.

Contractors continued exploration drilling both on the flanks of the Tardan deposit and within the Greater Tardan area. The Company plans to continue with drilling through the summer, with results available by the end of 2013.

Solcocon

		H1 2013	H1 2012
Mining			
Waste stripping	000 m ³	228	475.9
Ore mined	000 tonnes	104	54.1
Average grade	g/t	1.7	1.4
Heap leach			
<i>Crushing / Stacking</i>			
Ore	000 tonnes	45.5	13.7
Grade	g/t	1.6	1.3
<i>Gold produced</i>	kg	7.4	34
Warehouse			
Ore	000 tonnes	99	5.9
Grade	g/t	1.64	1.3
Alluvial			
Gold produced	kg	71.4	0

As communicated earlier, Solcocon underwent a major renovation to its production facilities: heap leach pads were rebuilt from scratch, with new heaps currently being stacked; the crushing facilities were upgraded and the leaching plant renovated. All of the upgrades have been completed, and, as planned, production restarted in June.

Total production for 6 months dropped by c. 78% to 7.4 kg (237.4 oz). This was a planned decrease in order to complete renovations and upgrades to boost capacity. On the other hand, alluvial operations resumed in April with 71.4 kg (2,296 oz) of alluvial gold produced.

The Group confirms the production targets for Solcocon at 300 – 350 kg (9,600 – 12,800 oz) for the year.

The lower stripping ratio at the current ore bodies resulted in a decrease of ore removal volumes (228k tonnes vs. 475.9k tonnes) and an increase of mined ore (104k tonnes vs. 54.1 k tonnes). Crushed and stacked ore also increased by 232% to 45.5k tonnes, with 99k tonnes of ore remaining in the ore warehouse that will be stacked in July - August.

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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) and two early stage exploration assets, one of which, Kara-Beldyr, is a joint venture with the major Canadian gold producer Centerra Gold. The group's mineral licenses are estimated to contain almost 1,000,000 troy ounces of gold reserves according to the Russian standards (GKZ).

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 (before June 25, 2012 - under the short name CAG). 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.

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