

# AURIANT MINING

**H1 2022 Interim Results (January-June)**  
**Analyst Web Conference**  
**August 31, 2022**

# 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.

# Technical Zoom Information

- 1) The Zoom call will last for approx. 20 mins + Q&A's
- 2) We have muted your microphones
- 3) Please ask any questions through the chat facility

# Auriant Team

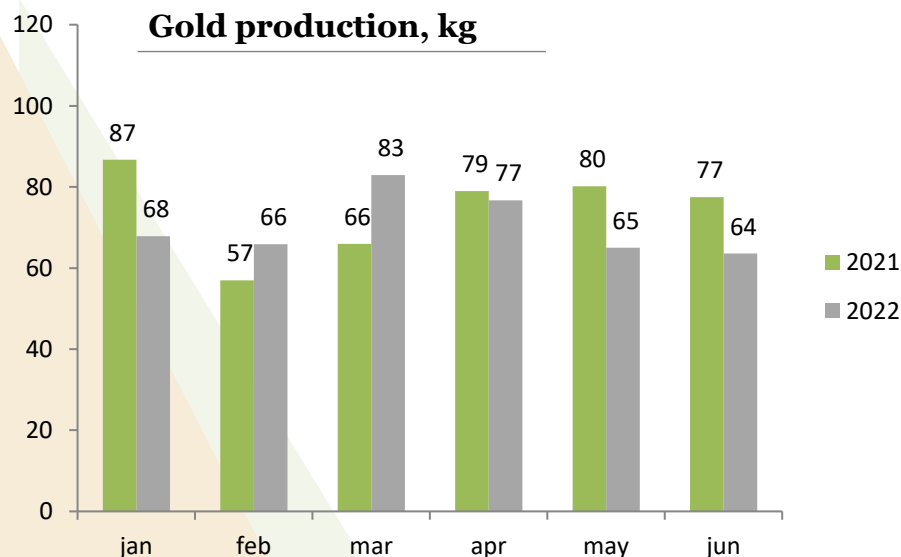
- 1) Danilo Lange – CEO
- 2) Vladimir Vorushkin – CFO
- 3) Petr Kustikov – COO

# Agenda H1 2022 Interim Report

- 1) Production and KPI's – PK
- 3) Sales update - VV
- 4) Financials – VV
- 5) Outlook - DL

# Tardan gold production

- Ore throughput in H1 2022 amounted to 192,571 tonnes
  - H1 2021: 206,871 tonnes
- Average grade H1 2022 estimated at 2.46 g/t
  - H1 2021: 2.24 g/t
  - YoY increase of 10%
- Recovery rate amounted to 90% in H1 2022
  - H1 2021: 92.9%
- **H1 2022 gold production – 421.9 kg / 13,566 oz** in line with production forecast:
  - H1 2021: 446.3 kg / 14,349 oz
  - YoY decrease of 5 %



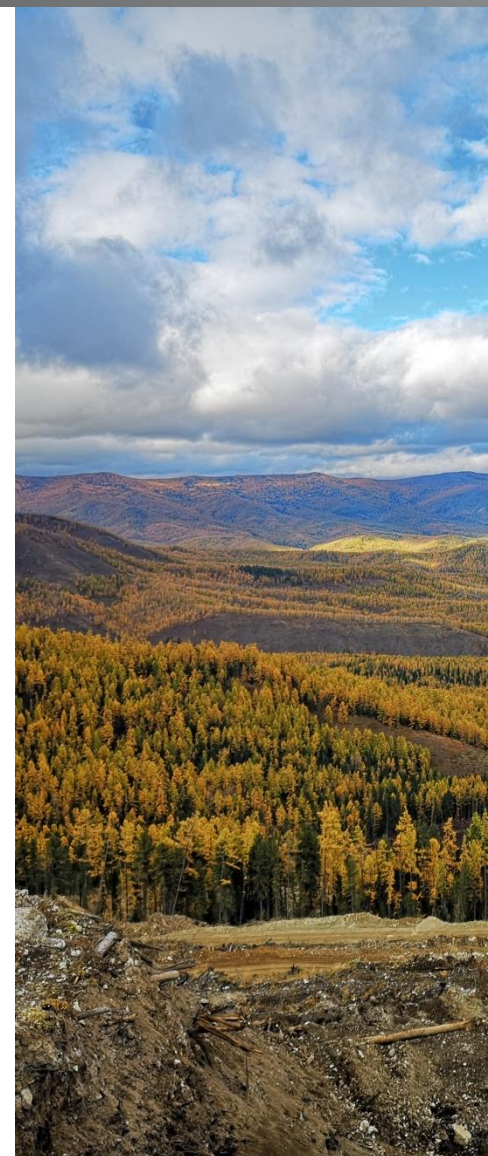
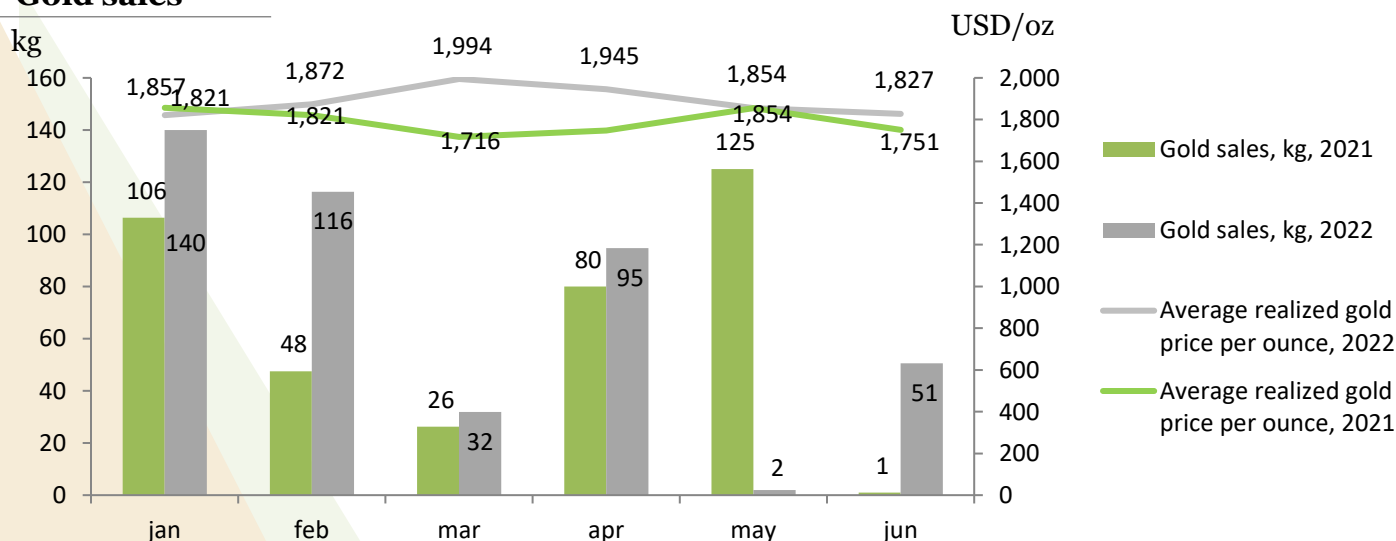
## KPI's

- **Stripping volume** – 1,103 thousand m<sup>3</sup>
    - H1 2021: 774 thousand m<sup>3</sup>, YoY increase of 43%
    - Stripping of orebody 26 and ore zone 6 at Tardan has been continuing to secure the access to ore in 2022-2024.
  - **Ore mined** – 177,7 tonnes
    - H1 2021: 159,0 tonnes
    - YoY increase of 12%
  - **Average grade** – 2.42 g/tonne
    - H1 2021: 2.27 g/tonne
    - YoY increase of 7%
  - **Hard rock gold production** – 422 kg / 13,566 oz
    - H1 2021: 446 kg / 14,349
    - YoY decrease of 5%
  - **Alluvial gold production**
    - Alluvial gold production amounted to 1.2 kg (39 oz) compared to 8.6 kg (277 oz) a decrease of 86%, or 7.4 kg (239 oz) because of delayed start of the gold sands mining caused by late ground defrosting and heavy rains in June.
- The average cash cost per ounce produced** at Tardan increased by 43% from US\$ 705/oz in H1 2021 to US\$ 1,011/oz in H1 2022.

# Tardan gold sales

- **H1 2022 Tardan gold sales – 435 kg / 14,000 oz**
  - ✓ YoY increase of 13% (H1 2021: 386 kg / 12,410 oz)
- **H1 2022 average selling price for gold – US\$ 1,878/oz**
  - ✓ YoY increase of 3% (H1 2021: US\$ 1,821/oz)
- **In H1 2022 LLC “Tardan Gold” diversified its gold sales channels.**
  - Three new sales contracts with refinery plants were signed.
  - LLC “Tardan Gold” obtained the Gold Sales Export license in May 2022.
  - LLC “Tardan Gold” continued selling gold to a new bank under a new gold sales contract at discounts that were lower than those offered by alternative sales channels.

## Gold sales

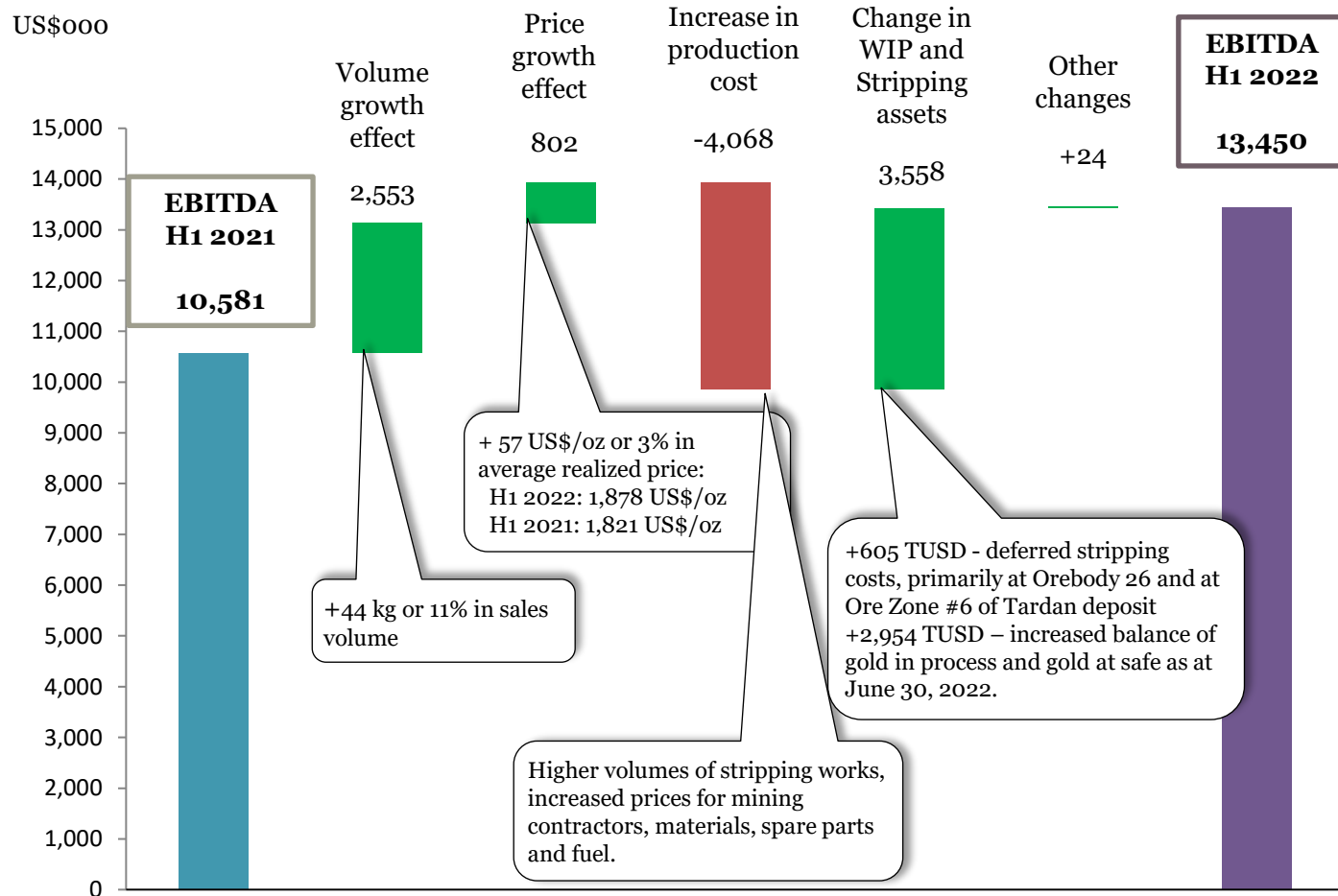




# Income Statement

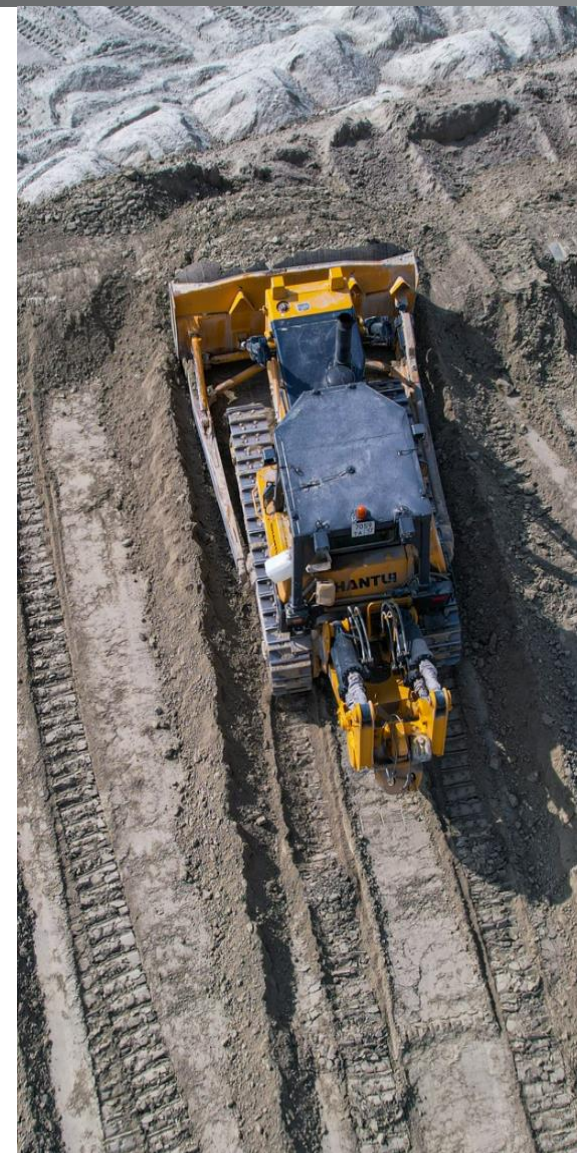
- H1 2022 **Revenue from hard rock gold sales** was US\$ 26.3m, a 15% increase compared to H1 2021:
  - Sales volume increased by 11% or 44 kg (1,402 oz)
  - The average realized gold price per ounce increased by 3% from US\$ 1,821 in H1 2021 up to US\$ 1,878 in H1 2022.
- In H1 2022, the Group's **cost of sales** decreased by 8% compared to H1 2021, to US\$ 13.6m, while **cash operating expenses increased** by 36%, to US\$ 15.5 m. Cash expenses increased mainly due to higher stripping volumes and prices for mining contractors, materials, spare parts and fuel. The Group's revenue from gold sales is linked to the US dollar (USD), whereas most of the Group's operating expenses are denominated in Russian roubles (RUB). Significant RUB strengthening against the USD during Q2 2022 had a negative effect on the Group's margin. In Q1 2022, the average USD/RUB exchange rate amounted to 87.35, while in Q2 2022 the average USD/RUB exchange rate fell to 66.51 (Q1 2021: 74.37; Q2 2021: 74.29)
- Deferred stripping at Orebody 26 and at Ore zone #6 has been pulled forward to secure access to ore in 2022-2024.
- Higher cash operating expenses as well as lower volume of hard rock gold produced during H1 2022 led to the growth of the cash cost per ounce. The **average cash cost per ounce produced** at Tardan increased by 43% from US\$ 705/oz in H1 2021 to US\$ 1,011/oz in H1 2022.
- H1 2022 **EBITDA** increased by 26% and amounted to US\$ 13.5m (H1 2021: US\$ 10.6m).
- In H1 2022, the Group recognized **net profit** of US\$ 9.7 mln compared to US\$ 3.7 mln in H1 2021.

# EBITDA Bridge



# Consolidated Cash Flow Statement

- **Gold sales revenue** increased by US\$ 3.4m or 15% due to higher gold sales volume (435 kg in H1 2022 vs 392 kg in H1 2021).
- **Income taxes paid** by LLC “Tardan Gold” in H1 2022 amounted to US\$ 2.0m (nil in H1 2021 because the income tax charge was fully offset against the balance of deferred tax asset related to tax loss carry forward).
- **Net cash flow generated from operating activities** decreased by US\$ 3.3m, or 31%, and amounted to US\$ 7.4m in the reporting period vs US\$ 10.7m in the comparative reporting period.
- Positive cash flows are used to decrease the debt:
  - repay US\$ 5.1m principal bank debt
  - repay US\$ 1.1m of principal amount and interest to KFM
  - US\$ 0.4m interest payments
  - US\$ 0.3m lease payments



# Outlook for 2022

- 1) The Company expects to achieve its annual production guidance of 800kg of gold with production TCC to be approximately US\$ 1,280 per oz in 2022. Any long-term forecasting under the current volatile geopolitical situation remains difficult.
- 2) With the objective of increasing the quality and the extent of gold reserves as well as possibly extending the life of mine at Tardan, explorational drilling continued in Q2 2022 in particular at the “Bay Suit” area, which is located in close range to the CIL plant.
- 3) In view of the geopolitical issues, our cautious estimate is that production at Kara-Beldyr will commence as targeted in Q4 2025, subject to sufficient electrical power being obtained. We are hopeful despite the background of the current situation that the regional development program for electricity will be partly state funded, and that the powerline will be built and provide sufficient electrical power.
- 4) The Company diversifies its gold sales channels:
  - Three new sales contracts with refinery plants were signed.
  - LLC “Tardan Gold” obtained the Gold Sales Export license in May 2022.
  - LLC “Tardan Gold” continued selling gold to a new bank under a new gold sales contract at discounts that were lower than those offered by alternative sales channels.
- 5) The Parent Company’s new bank account with an international bank secured a replacement for its previous bank account, frozen as a result of termination of business operations of the previous bank in Austria. This enabled the Company to ensure sustainable financing of the Parent Company.

# Questions

**Please use the Chat option in ZOOM**

**[Future Financial Calendar and dates]**

Q3 2022 Interim report (January – September) - November 30, 2022

Q4 2022 Interim report (January – December) - February 28, 2023

Auriant Mining Overview

Auriant Mining Historical Overview

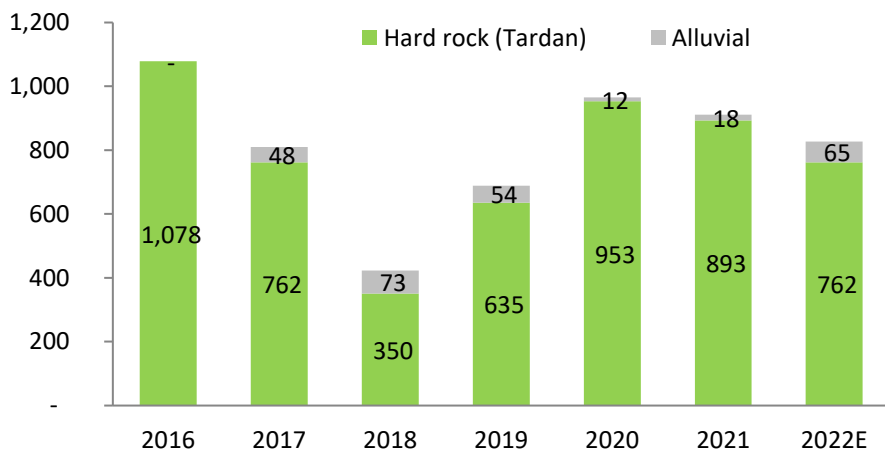


# Auriant Mining overview

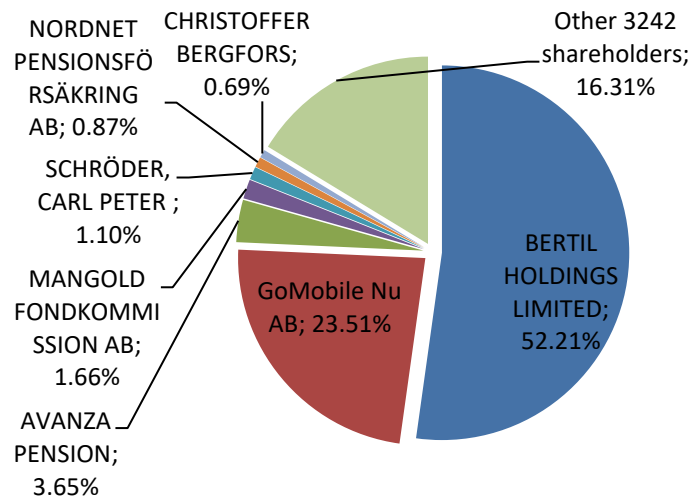
## General Information

- **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:
  - (1) a producing mine at Tardan (Tyva), which has been successfully updated from heap leach to CIL,
  - (2) Kara-Beldyr (Tyva) deposit having 26 t of AU resources (under JORC and national standards) with substantial upside potential,
  - (3) Starovernenskaya deposit in Zabaikalye – 15 t of AU resources (under national standards) + more than 60 t of Potential resources.
  - (4) Ayen Creek (adjacent to Kara-Beldyr license) and Uzhunzhul (Khakassiya) - green field projects.

## 12m Gold Production, kg



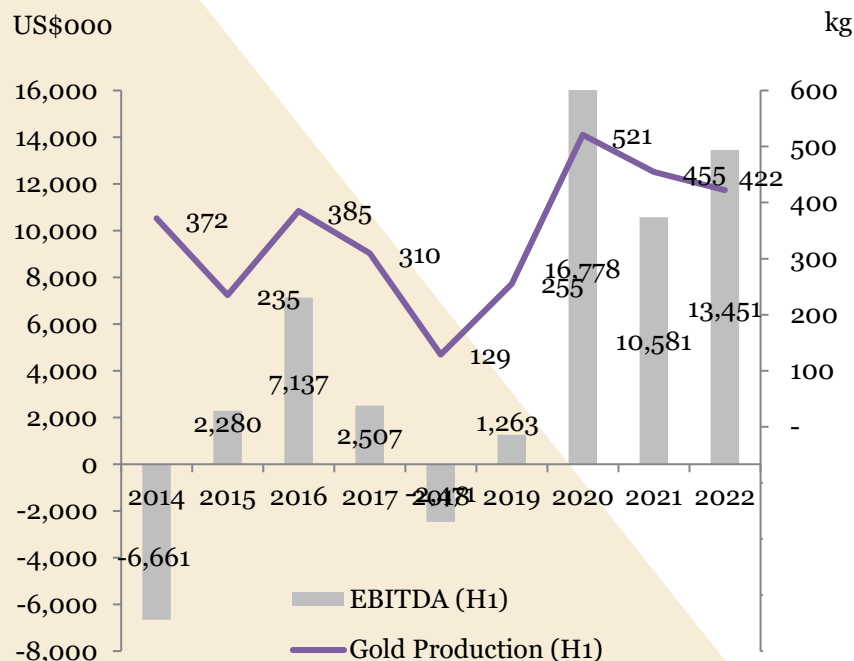
## Shareholders' structure as of June 30, 2022



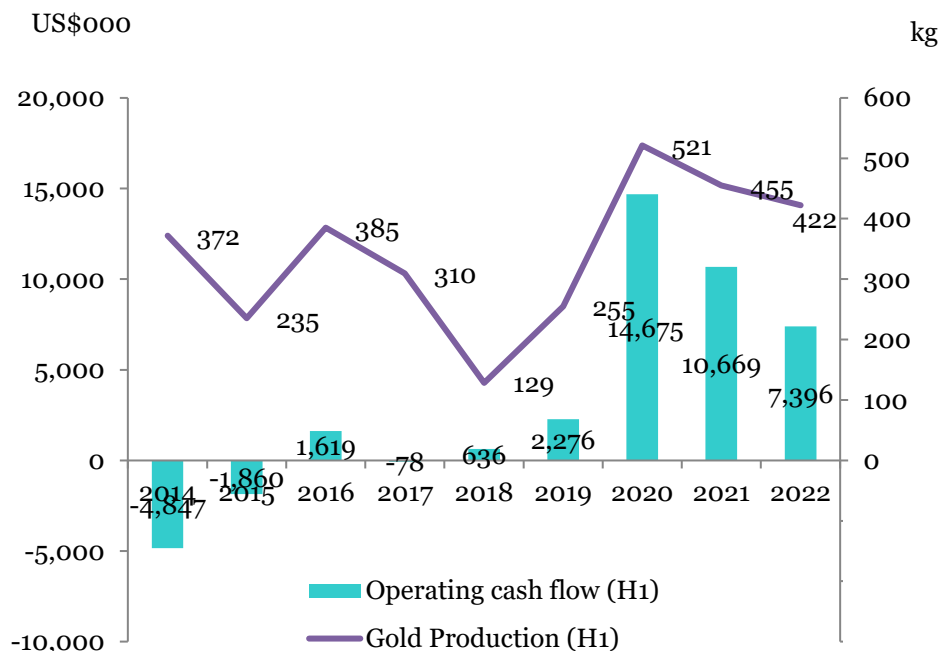
# Auriant Mining long-term historical overview

- **EBITDA increased by 26%** and amounted to US\$ 13.5 mln in H1 2022 (US\$ 10.6 mln in the previous reporting period)
- Positive **net cash flow from operating activities** US\$ 7.4m, decreased by 31% YoY (H1 2021: US\$ 10.7m).
- In H1 2022, the Group recognized **net profit of US\$ 9.7m** compared to US\$ 3.7m in H1 2021.

## H1 EBITDA / H1 Gold Production



## H1 Operating Cash flow / H1 Gold Production





# Key Performance Indicators

Key highlights	Unit	H1 2022	H1 2021	Change	Change%
<b>Mining</b>					
Waste stripping	000'm3	1,103	774	330	43%
Ore mined	000't	178	159	19	12%
Gold in ore	kg	430	362	69	19%
Gold grade in ore mined	g/t	2.42	2.27	0.15	7%
<b>CIL</b>					
Ore processed	000't	193	207	-14	-7%
Average grade	g/t	2.46	2.24	0.22	10%
Gold in ore processing	kg	473	463	10	2%
<b>Gold produced CIL</b>	kg	<b>422</b>	<b>446</b>	<b>-24</b>	<b>-5%</b>
<b>Gold produced CIL</b>	oz	<b>13,566</b>	<b>14,349</b>	<b>-783</b>	<b>-5%</b>
<b>Warehouse on June 30</b>					
Ore	000't	117	50	66.66	133%
Grade	g/t	2.10	2.0	0.10	5%
<b>SOLCOCON alluvial gold production</b>	kg	<b>1</b>	<b>9</b>	<b>-7</b>	<b>-86%</b>
<b>SOLCOCON alluvial gold production</b>	oz	<b>39</b>	<b>277</b>	<b>-239</b>	<b>-86%</b>
<b>TOTAL GOLD PRODUCTION</b>	kg	<b>423</b>	<b>455</b>	<b>-32</b>	<b>-7%</b>
<b>TOTAL GOLD PRODUCTION</b>	oz	<b>13,605</b>	<b>14,626</b>	<b>-1,021</b>	<b>-7%</b>
<b>Gold Sales</b>	kg	<b>435.5</b>	<b>391.8</b>	<b>44</b>	<b>11%</b>
<b>Gold Sales</b>	oz	<b>14,000</b>	<b>12,598</b>	<b>1,402</b>	<b>11%</b>
Gold Sales	000'\$	26,297	22,942	3,356	15%
Average price realized	\$/oz	1,878	1,821	57	3%
Tardan cash cost	\$/oz	-1,011	-705	-306	43%
Tardan contribution to group EBITDA	m\$	15.2	12.2	3.0	24%
Solcocon contribution to group EBITDA	m\$	-0.2	-0.2	0.0	11%
<b>Total EBITDA of mining companies</b>	m\$	<b>14.9</b>	<b>12.0</b>	<b>3.0</b>	<b>25%</b>

- **Stripping volume** was 43% higher at 1,103 thousand m3 (H1 2021: 774 thousand m3). This obviously had an adverse impact on the cost of production.

- **Ore mined** was 12% higher and amounted to 178 thousand tonnes (H1 2021: 159 thousand tonnes).

- The **average grade in ore mined** was 7% higher at 2.42 g/t, compared to 2.27 g/t in H1 2021.

- **Volume of ore processed** through the CIL plant amounted to 193 thousand tonnes with an average grade of 2.46 g/t (total gold in processed ore – 473 kg). The volume of ore processed in H1 2021 was 207 thousand tonnes with an average grade of 2.24 g/t (total gold in processed ore – 463 kg).

- H1 2022 **total gold production** amounted to 423 kg (13,605 oz), compared to 455 kg (14,626 oz) in H1 2021, a decrease of 7%, or 32 kg (1,021 oz).

- H1 2022 **total gold sales** amounted to 436 kg (14,000 oz), compared to 392 kg (12,598 oz) in H1 2021, an increase of 11%, or 44 kg (1,402 oz).

- The **average realized gold price per ounce** increased by 3% from US\$ 1,821 in H1 2021 up to US\$ 1,878 in H1 2022.

# Income Statement

	<b>H1 2022</b>	<b>H1 2021</b>	<b>Change</b>	<b>Change</b>
	<b>US\$000</b>	<b>US\$000</b>	<b>US\$000</b>	<b>%</b>
<b>Gold production, kg</b>	<b>423</b>	<b>455</b>	<b>-32</b>	<b>(7%)</b>
<b>Gold sales, kg</b>	<b>435</b>	<b>392</b>	<b>44</b>	<b>11%</b>
<b>Revenue, including:</b>	<b>26,297</b>	<b>22,942</b>	<b>3,356</b>	<b>15%</b>
<i>Revenue from hard rock gold sales</i>	26,297	22,601	3,696	16%
<i>Revenue from alluvial gold sales</i>	-	340	(340)	(100%)
<b>Cost of sales, including</b>	<b>(13,649)</b>	<b>(14,890)</b>	<b>1,241</b>	<b>-8%</b>
<i>Cash expenses</i>	(15,454)	(11,151)	(4,303)	(39%)
<i>Alluvial gold costs</i>	-	(235)	235	100%
<i>Depreciation&amp;amortization</i>	(2,279)	(4,029)	1,750	43%
<i>Change in stripping assets</i>	1,314	709	605	85%
<i>Change in work in progress</i>	2,770	(184)	2,954	1605%
<b>Gross profit</b>	<b>12,648</b>	<b>8,052</b>	<b>4,596</b>	<b>57%</b>
<i>General and administrative expenses</i>	(1,449)	(1,328)	(121)	(9%)
<i>Other operating income</i>	59	34	25	74%
<i>Other operating expenses</i>	(128)	(206)	78	38%
<b>Operating profit/(loss)</b>	<b>11,130</b>	<b>6,552</b>	<b>4,578</b>	<b>70%</b>
<i>Financial income</i>	252	-	252	100%
<i>Interest expenses</i>	(1,662)	(1,785)	123	7%
<i>Currency gain/(loss)</i>	405	351	54	15%
<b>Profit/(Loss) before income tax</b>	<b>10,125</b>	<b>5,118</b>	<b>5,007</b>	<b>98%</b>
<i>Income tax</i>	(465)	(1,465)	1,000	68%
<b>Net profit/(loss) for the period</b>	<b>9,660</b>	<b>3,653</b>	<b>6,007</b>	<b>164%</b>
<b>EBITDA</b>	<b>13,451</b>	<b>10,581</b>	<b>2,870</b>	<b>27%</b>

Revenue from the sale of gold amounted to US\$ 26.3 m, a 15% increase compared to H1 2021 (US\$ 22.9 m), due to a higher volume of gold sold. H1 2022 gold sales volumes amounted to 435 kg (14,000 oz), which is 11%, or 44 kg (1,402 oz), more than in H1 2021. In a strong gold price environment, the average realized gold price per ounce increased by 3% from US\$ 1,821 in H1 2021 up to US\$ 1,878 in H1 2022.

In H1 2022, the Group's cost of sales decreased by 8% compared to H1 2021, to US\$ 13.6 m, while cash operating expenses increased by 36%, to US\$ 15.5 m. Cash expenses increased mainly due to higher stripping volumes and prices for mining contractors, materials, spare parts and fuel. Higher cash operating expenses as well as lower volume of hard rock gold produced during H1 2022 led to the growth of the cash cost per ounce. The average cash cost per ounce produced at LLC "Tardan Gold" increased by 43% from US\$ 705/oz in H1 2021 to US\$ 1,011/oz in H1 2022.

Deferred stripping at Orebody 26 and at Ore zone #6 has been pulled forward to secure access to ore in 2022-2024. The change in work in progress in H1 2022 and H1 2021 was in line with mining and production activities.

The Company's financial expenses represented by interest on loans and borrowings and lease liabilities amounted to US\$ 1.7 mln in H1 2022, a net decrease of 7% compared to the previous period (H1 2021: US\$ 1.8 mln). Interest expenses reduced due to repayments of bank loans, as well as reduction in the average interest rate on bank loans from 4.9% to 4.1%. The above mentioned reduction was partially offset by the increase of loan liability to Golden Impala and average interest rate increase from 5.9% to 7.0%.

# Consolidated cash flow statement

	H1 Jan-Jun 2022 US\$000	H1 Jan-Jun 2021 US\$000	Change US\$000	Change %
<b>OPERATING ACTIVITIES</b>				
Receipts from gold sales	26,297	22,942	3,355	15%
VAT and other reimbursement	2,601	2,043	558	27%
Payments to suppliers	(12,915)	(9,265)	(3,650)	39%
Payments to employees and social taxes	(5,801)	(4,737)	(1,064)	22%
Income tax paid	(2,001)	(13)	(1,988)	15292%
Other taxes paid	(785)	(301)	(484)	161%
<b>Net cash flows from/(used in) operating activities</b>	<b>7,396</b>	<b>10,669</b>	<b>(3,273)</b>	<b>-31%</b>
<b>INVESTING ACTIVITIES</b>				
Purchase and construction of property plant and equipment	(627)	(747)	120	-16%
Exploration and research works	(200)	(1,682)	1,482	-88%
<b>Net cash flows used in investing activities</b>	<b>(827)</b>	<b>(2,429)</b>	<b>1,602</b>	<b>-66%</b>
<b>FINANCING ACTIVITIES</b>				
Repayment of borrowings, net	(6,182)	(4,694)	(1,488)	32%
Interest paid	(396)	(697)	301	-43%
Lease payments	(344)	(1,077)	733	-68%
Other finance income/expenses	-	(123)	123	-100%
<b>Net cash from/(used in) financing activities</b>	<b>(6,922)</b>	<b>(6,591)</b>	<b>(331)</b>	<b>5%</b>
			-	
Net increase/(decrease) in cash and cash equivalents	(353)	1,649	(2,002)	-121%
Effect of foreign exchange rate changes on cash and cash equivalents	798	43	755	1755%
Opening balance cash and cash equivalents	1,474	422	1,052	249%
<b>Closing balance cash and cash equivalents</b>	<b>1,919</b>	<b>2,114</b>	<b>(195)</b>	<b>-9%</b>

Gold sales revenue increased by US\$ 3.4 mln or 15% due to higher gold sales volume (435.5 kg in H1 2022 vs 391.8 kg in H1 2021) and higher average realized gold price.

Income taxes paid by LLC "Tardan Gold" in H1 2022 amounted to US\$ 2.0 mln (nil in H1 2021 because the income tax charge was fully offset against the balance of deferred tax asset related to tax loss carry forward).

Net cash flow generated from operating activities decreased by US\$ 3.3 mln, or 31%, and amounted to US\$ 7.4 mln in the reporting period vs US\$ 10.7 mln in the comparative reporting period.

During H1 2022, operating activities were financed from the same sources as in the previous reporting period, i.e. by gold sales and the reimbursement of VAT.

Positive cash flows from operating activities were used for loan repayments and finance lease payments in H1 2022.

- Total principal debt repayment in H1 2022 amounted to US\$ 6.2m incl.:
- US\$ 5.1m of bank loans
- US\$ 1.1m of debt to KFM
- The interest paid amounted to US\$ 0.4m.

# Thank you

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