

# AURIANT

## MINING

**9 months 2022 Interim Results (January-September)**  
**Analyst Web Conference**  
**November 30, 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

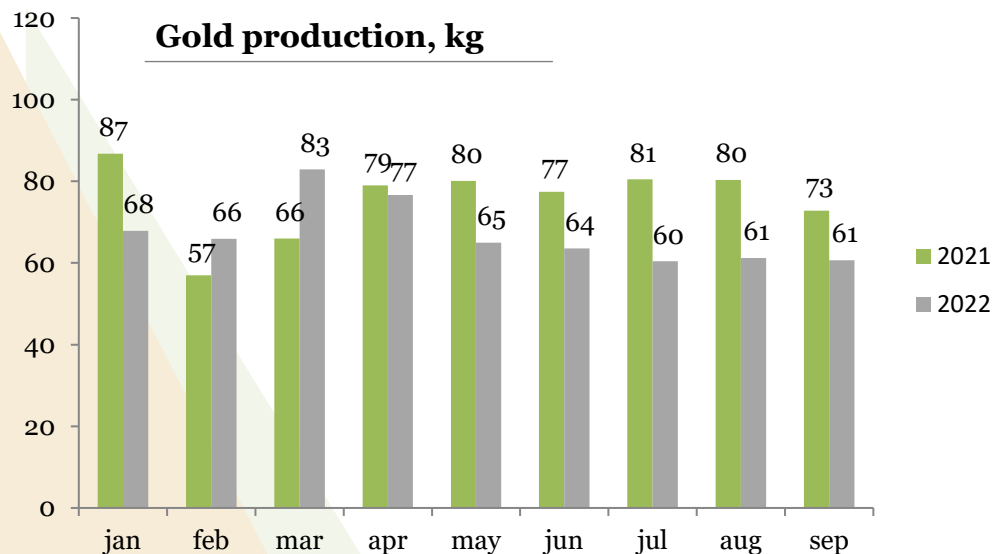
- 1) Danilo Lange – CEO
- 2) Alexander Buchnev – CFO
- 3) Petr Kustikov – COO

# Agenda 9 months 2022 Interim Report

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

# Tardan gold production

- Ore throughput in 9m 2022 amounted to 297,911 tonnes
  - 9m 2021: 324,220 tonnes
  - YoY decrease of 8%
- Average grade 9m 2022 estimated at 2.17 g/t
  - 9m 2021: 2.17 g/t
- Recovery rate amounted to 93% in 9m 2022
  - 9m 2021: 93%
- **9m 2022 hard rock gold production – 604.2 kg / 19,427 oz** in line with production forecast:
  - 9m 2021: 680.0 kg / 21,862 oz
  - YoY decrease of 11 %



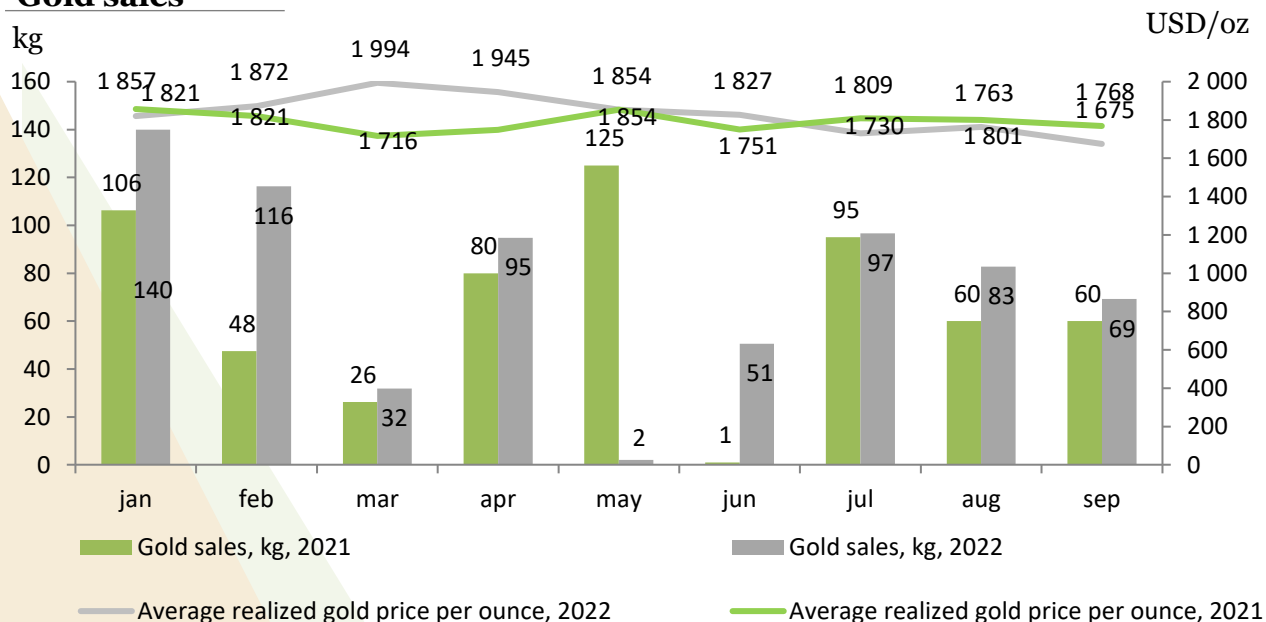
## KPI's

- **Stripping volume** – 1,655 thousand m<sup>3</sup>
  - 9m 2021: 1,299 thousand m<sup>3</sup>, YoY increase of 27%
  - Stripping at Tardan has been continuing to secure the access to ore in 2022-2024.
- **Ore mined** – 298,7 ktonnes
  - 9m 2021: 316,3 ktonnes
  - YoY decrease of 6%
- **Average grade** – 2.02 g/tonne
  - 9m 2021: 2.16 g/tonne
  - YoY decrease of 6%
- **Hard rock gold production** – 604 kg / 19,427 oz
  - 9m 2021: 680 kg / 21,862
  - YoY decrease of 11%
- **Alluvial gold production**
  - Alluvial gold production amounted to 6.3 kg (203 oz) compared to 15.4 kg (494 oz) a decrease of 59%, or 9.1 kg (291 oz). The mining contractor was not able to get all his equipment in time as breaking logistic caused by the current situation. This together with a delayed start of the gold sands mining (because of the late ground defrosting) caused the decrease in production.
- **The average cash cost per ounce produced** at Tardan increased by 53% from US\$ 756/oz in 9m 2021 to US\$ 1,156/oz in 9m 2022.

# Tardan gold sales

- **9m 2022 Tardan gold sales – 684 kg / 21,995 oz**
  - ✓ YoY increase of 14% (9m 2021: 601 kg / 19,323 oz)
- **9m 2022 average selling price for gold – US\$ 1,820/oz**
  - ✓ YoY increase of 0.2% (9m 2021: US\$ 1,816/oz)
- Tardan Gold continue to sell gold with discounts to the LBMA gold price, as previously reported. The discounts have risen following the decision of G7 to stop gold import into its countries. This together with the LBMA gold price decrease and strengthened Ruble are factors currently strongly negatively affecting the Group's financial performance.

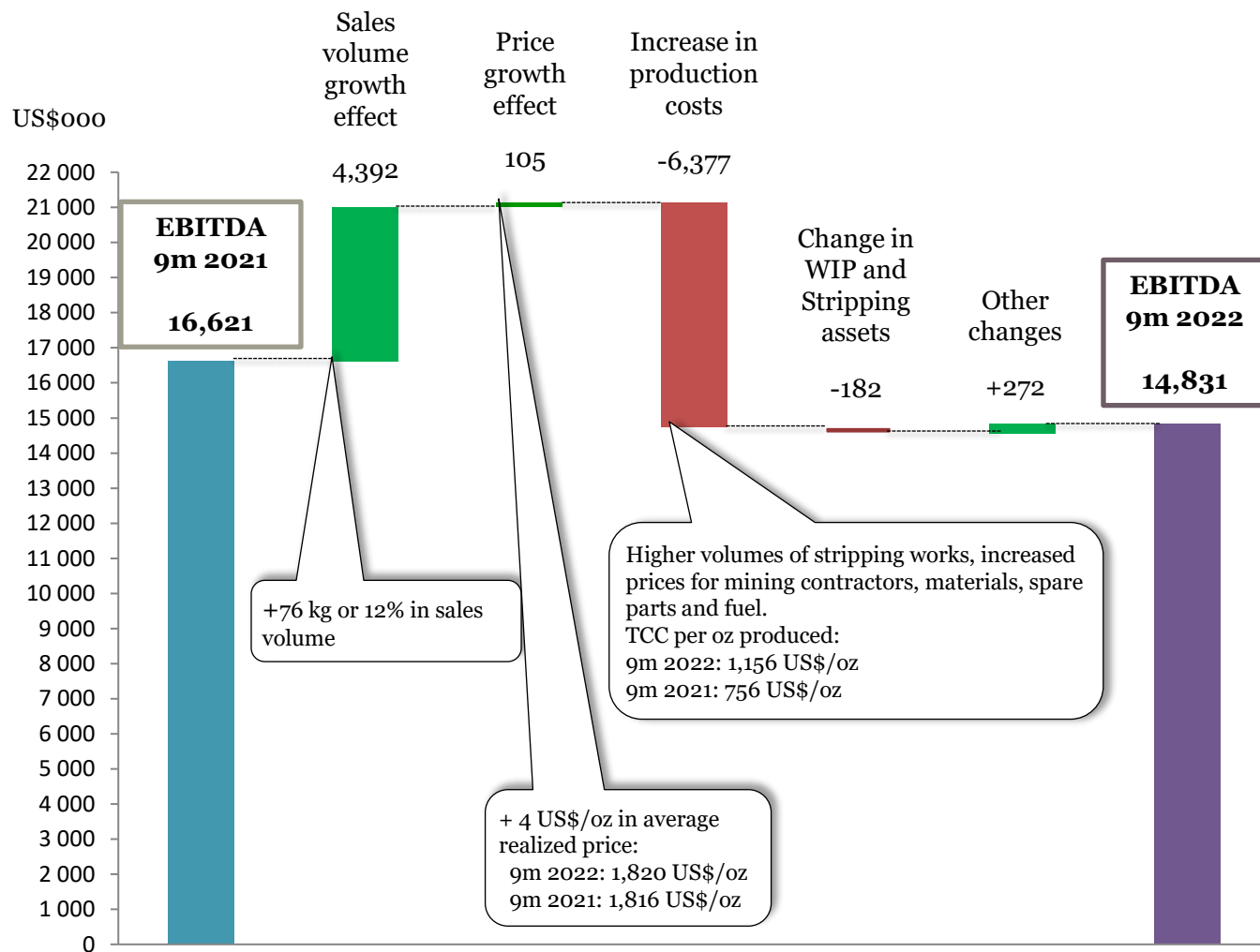
## Gold sales



# Income Statement

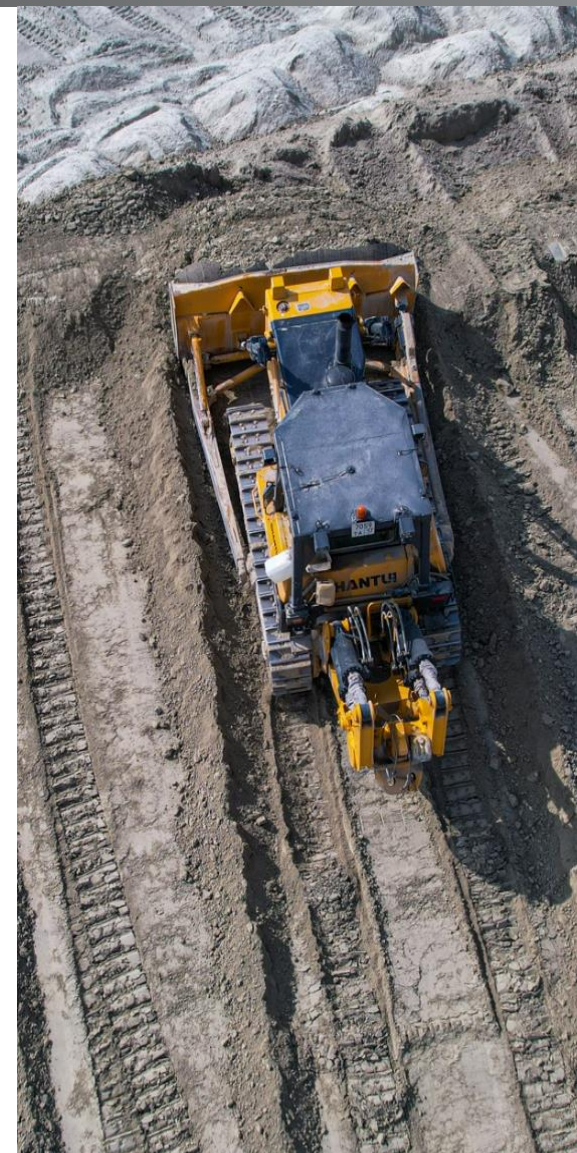
- 9m 2022 **Revenue from gold sales** (hard rock gold and alluvial gold) was US\$ 40.4m, a 13% (by US\$ 4.5 m) increase compared to 9m 2021:
  - Sales volume increased by 12% or 76 kg (2,419 oz)
  - The average realized gold price per ounce increased from US\$ 1,816 in 9m 2021 up to US\$ 1,820 in 9m 2022.
- In 9m 2022, **the Group's cost of sales** increased by 16% compared to 9m 2021, to US\$ 26.5m, while **cash operating expenses** increased by 35%, to US\$ 24.7 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 9m 2022 had a negative effect on the Group's margin. In Q1 2022, the average USD/RUB exchange rate amounted to 87.35, in Q2 2022 the average USD/RUB exchange rate fell to 66.51 and continue to fall down to 59.48 in Q3 2022 (Q1 2021: 74.37; Q2 2021: 74.29; Q3 2021: 73.47)
- Deferred stripping at Tardan 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 9m 2022 led to the growth of the cash cost per ounce. The **average cash cost per ounce produced** at Tardan increased by 53% from US\$ 756/oz in 9m 2021 to US\$ 1,156/oz in 9m 2022.
- Other operating expenses** in 9m 2022 decreased by US\$ 2.5 m and amounted to US\$ 0.2m compared to US\$ 2.7m in 9m 2021. Other operating expenses in previous year were mainly represented by additional provision for waste disposal in the amount of US\$ 2.2m, accrued by LLC "Tardan Gold" for 2019-2021.
- The Group's **financial expenses** represented by interest on loans and borrowings and lease liabilities amounted to US\$ 2.7m in 9m 2022, a net increase of 9% compared to the previous period (9m 2021: US\$ 2.5m). Bank interest expenses reduced due to decrease of loan liabilities to the bank (US\$ 7.8m were repaid during 9m 2022). However, the above-mentioned reduction was offset by the increase of loan liability to Golden Impala and related average interest rate increase from 6.0% to 7.7%.
- 9m 2022 **EBITDA** decreased by 11% and amounted to US\$ 14.8m (9m 2021: US\$ 16.6m).
- In 9m 2022, the Group recognized **net profit** of US\$ 9.3m compared to US\$ 4.3m in 9m 2021.

# EBITDA Bridge



# Consolidated Cash Flow Statement

- **Gold sales revenue** increased by US\$ 5.6 m or 16% mainly due to higher gold sales volume (690 kg in 9m 2022 vs 614 kg in 9m 2021) and absence of cash receivables in 9m 2022.
- **Payments to suppliers** increased by US\$ 6.6 m. The growth was caused by strong local currency strengthening, increase of mining activities by 27% and prices inflation for contractors, spare parts and materials compared to prior period.
- **Income taxes paid** by LLC “Tardan Gold” in 9m 2022 amounted to US\$ 3.0 m (US\$ 1.9 m in 9m 2021 - the income tax charge was partially offset against deferred tax asset related to tax loss carry forward).
- **Net cash flow generated from operating activities** decreased by US\$ 2.6 m, or 20%, and amounted to US\$ 10.3 m in the reporting period vs US\$ 12.9 m in the comparative period.
- Positive cash flows are **used to decrease the debt**:
  - repay US\$ 7.8m principal bank debt
  - repay US\$ 1.1m of principal amount and interest to KFM
  - US\$ 0.5m interest payments
  - US\$ 0.5m lease payments



# Outlook for 2022

- 1) The Company expects to achieve its annual production guidance of around 800 kg of gold.
- 2) The Company continues stripping at Tardan to get an access for future ore but anticipates higher total cash costs caused by extended mining activities inflation.
- 3) The Company finished explorational drilling at “Bay Suit” and moved to Ore Zone 15 aiming to confirm historical data. Results of drilling are expected by the end of 2022.
- 4) The Company’s subsidiaries continue to sell gold with discounts to the LBMA gold price.
- 5) Due to industrial inflation the Company expects significant cost increases in spare parts, chemicals, consumables and services.
- 6) Further cost increases, due to governmental obligations, such as increase in base salaries are to be expected.
- 7) Any other long-term forecasting under the current volatile geopolitical situation remains difficult.

# Questions

**Please use the Chat option in ZOOM**

**[Future Financial Calendar and dates]**

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

Auriant Mining Overview

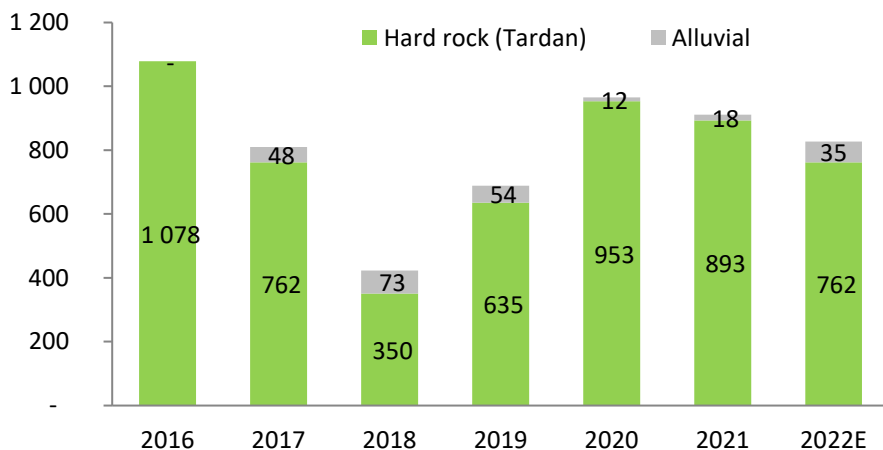
Auriant Mining Historical Overview

# Auriant Mining overview

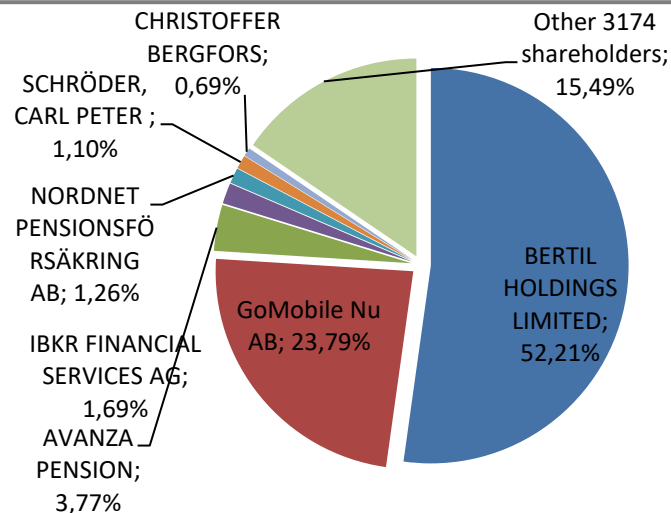
## General Information

- **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) Starovernskaya 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



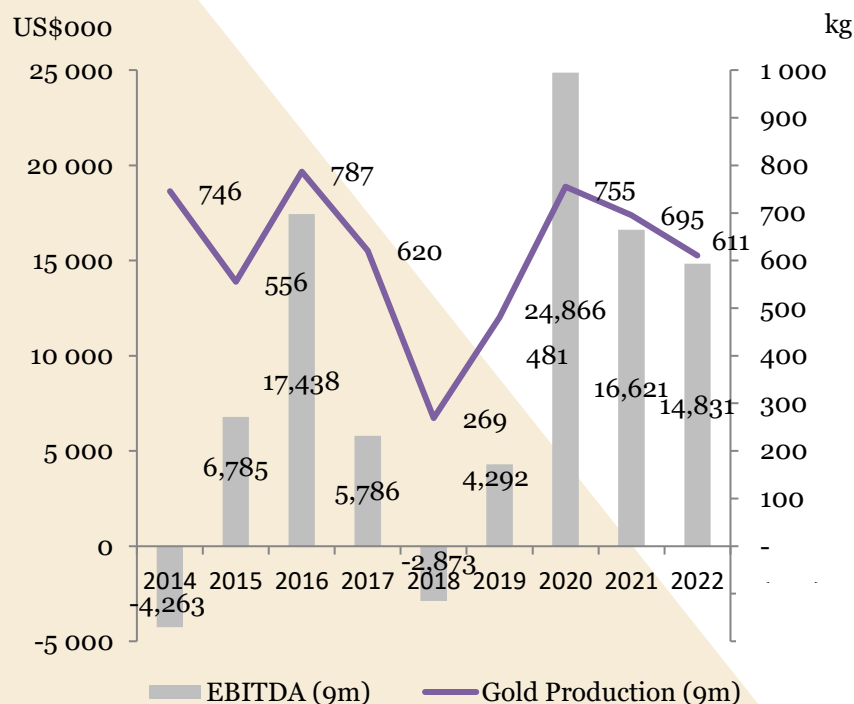
## Shareholders' structure as of September 30, 2022



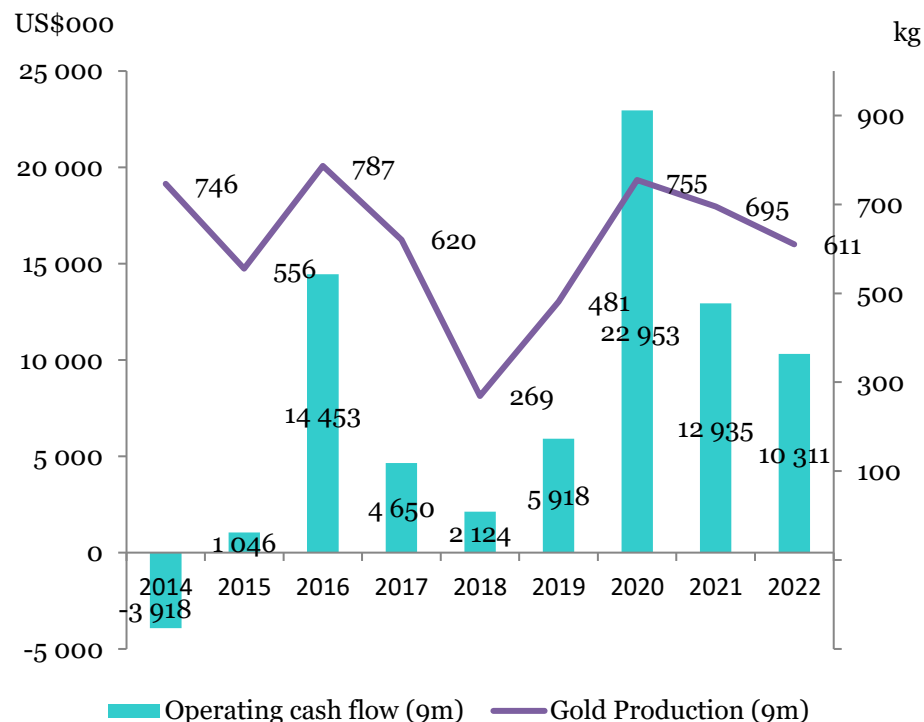
# Auriant Mining long-term historical overview

- **EBITDA decreased** by 11% and amounted to US\$ 14.8 m in 9m 2022 (US\$ 16.6 m in the comparative period)
- Positive **net cash flow from operating activities** US\$ 10.3m, decreased by 20% YoY (9m 2021: US\$ 12.9m).
- In 9m 2022, the Group recognized **net profit of US\$ 9.3m** compared to US\$ 4.3m in 9m 2021.

**9m EBITDA / 9m Gold Production**



**9m Operating Cash flow / 9m Gold Production**



# Key Performance Indicators

Key highlights	Unit	9m 2022	9m 2021	Change	Change%
<b>Mining</b>					
Waste stripping	000'm3	1,655	1,299	355	27%
Ore mined	000't	299	316	-18	-6%
Gold in ore	kg	604	684	-80	-12%
Gold grade in ore mined	g/t	2.02	2.16	-0.14	-6%
<b>CIL</b>					
Ore processed	000't	298	324	-26	-8%
Average grade	g/t	2.17	2.17	0.00	0%
Gold in ore processing	kg	647	703	-57	-8%
<b>Gold produced CIL</b>	kg	<b>604</b>	<b>680</b>	<b>-76</b>	<b>-11%</b>
<b>Gold produced CIL</b>	oz	<b>19,427</b>	<b>21,862</b>	<b>-2,435</b>	<b>-5%</b>
<b>Warehouse on September 30</b>					
Ore	000't	132	93.5	38.8	41%
Grade	g/t	1.85	1.999	-0.15	-7%
<b>SOLCOCON alluvial gold production</b>	<b>kg</b>	<b>6</b>	<b>15</b>	<b>-9</b>	<b>-59%</b>
<b>SOLCOCON alluvial gold production</b>	<b>oz</b>	<b>203</b>	<b>494</b>	<b>-291</b>	<b>-59%</b>
<b>TOTAL GOLD PRODUCTION</b>	<b>kg</b>	<b>611</b>	<b>695</b>	<b>-85</b>	<b>-12%</b>
<b>TOTAL GOLD PRODUCTION</b>	<b>oz</b>	<b>19,630</b>	<b>22,355</b>	<b>-2,725</b>	<b>-12%</b>
<b>Gold Sales</b>	<b>kg</b>	<b>690</b>	<b>614</b>	<b>76</b>	<b>12%</b>
<b>Gold Sales</b>	<b>oz</b>	<b>22,168</b>	<b>19,749</b>	<b>2,419</b>	<b>12%</b>
Gold Sales	000'\$	40,355	35,859	4,496	13%
Average price realized	\$/oz	1,820	1,816	4	0%
Tardan cash cost	\$/oz	-1,156	-756	-400	53%
Tardan contribution to group EBITDA	m\$	17.4	19.2	-1.8	-9%
Solcocon contribution to group EBITDA	m\$	-0.4	-0.6	0.1	-26%
<b>Total EBITDA of mining companies</b>	<b>m\$</b>	<b>17.0</b>	<b>18.7</b>	<b>-1.7</b>	<b>-9%</b>

• **Stripping volume** was 27% higher at 1,655 thousand m3 (9m 2021: 1,299 thousand m3). This obviously had an adverse impact on the cost of production, however, it was made to secure the access to ore in 2022-2024.

• **Ore mined** was 6% lower and amounted to 299 thousand tonnes (9m 2021: 316 thousand tonnes).

• The **average grade in ore mined** was 6% lower at 2.02 g/t, compared to 2.16 g/t in 9m 2021.

• **Volume of ore processed** through the CIL plant amounted to 298 thousand tonnes with an average grade of 2.17 g/t (total gold in processed ore – 647 kg). The volume of ore processed in 9m 2021 was 324 thousand tonnes with an average grade of 2.17 g/t (total gold in processed ore – 703 kg).

• **Alluvial gold production** amounted to 6 kg (203 oz) (9m 2021: 15 kg (494 oz)).

• 9m 2022 **total gold production** amounted to 611 kg (19,630 oz), compared to 695 kg (22,355 oz) in 9m 2021, a decrease of 12%, or 85 kg (2,725 oz).

• 9m 2022 **total gold sales** amounted to 690 kg (22,168 oz), compared to 614 kg (19,749 oz) in 9m 2021, an increase of 12%, or 76 kg (2,419 oz).

• The **average realized gold price per ounce** increased from US\$ 1,816 in 9m 2021 up to US\$ 1,820 in 9m 2022.

# Income Statement

	9m 2022	9m 2021	Change	Change
	US\$000	US\$000	US\$000	%
<b>Gold production, kg</b>	<b>611</b>	<b>695</b>	<b>(85)</b>	<b>(12%)</b>
<b>Gold sales, kg</b>	<b>690</b>	<b>614</b>	<b>76</b>	<b>12%</b>
<b>Revenue, including:</b>	<b>40,355</b>	<b>35,859</b>	<b>4,496</b>	<b>13%</b>
Revenue from hard rock gold sales	40,062	35,093	4,969	14%
Revenue from alluvial gold sales	293	766	(473)	(62%)
<b>Cost of sales, including</b>	<b>(26,492)</b>	<b>(22,919)</b>	<b>(3,573)</b>	<b>16%</b>
Cash expenses	(24,493)	(17,786)	(6,707)	(38%)
Alluvial gold costs	(207)	(537)	330	61%
Depreciation&amortization	(3,121)	(6,106)	2,985	49%
Change in stripping assets	1,418	528	890	168%
Change in FG and WIP	(89)	982	(1,071)	(109%)
<b>Gross profit</b>	<b>13,863</b>	<b>12,940</b>	<b>923</b>	<b>7%</b>
General and administrative expenses	(2,067)	(2,016)	(51)	(3%)
Other operating income	92	56	36	64%
Other operating expenses	(192)	(2,722)	2,530	93%
<b>Operating profit/(loss)</b>	<b>11,696</b>	<b>8,258</b>	<b>3,438</b>	<b>42%</b>
Financial income	267	-	267	100%
Interest expenses	(2,726)	(2,500)	(226)	(9%)
Currency gain/(loss)	1,266	530	736	139%
<b>Profit/(Loss) before income tax</b>	<b>10,503</b>	<b>6,288</b>	<b>4,215</b>	<b>67%</b>
Income tax	(1,232)	(1,977)	745	38%
<b>Net profit/(loss) for the period</b>	<b>9,271</b>	<b>4,311</b>	<b>4,960</b>	<b>115%</b>
<b>EBITDA</b>	<b>14,831</b>	<b>16,621</b>	<b>(1,790)</b>	<b>(11%)</b>

Revenue from gold sales amounted to US\$ 40.4m, a 13% increase compared to 9m 2021 (US\$ 35.9m), as result of a higher volume of gold sold. 9m 2022 gold sales volumes amounted to 690 kg (22,168 oz), which is 12%, or 76 kg (2,419 oz), more than in 9m 2021. The average realized gold price per ounce increased from US\$ 1,816 in 9m 2021 up to US\$ 1,820 in 9m 2022.

The Group's cost of sales increased by 16% compared to 9m 2021, to US\$ 26.5m, while cash operating expenses increased by 38%, to US\$ 24.5m. 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 9m 2022 led to the growth of the cash cost per ounce. The average cash cost per ounce produced at LLC "Tardan Gold" increased by 53% from US\$ 756/oz in 9m 2021 to US\$ 1,156/oz in 9m 2022.

Decrease of Depreciation & amortization charge by US\$ 3m (non-cash expense) mainly caused by completion of amortization period of Company's assets.

Deferred stripping at Tardan has been pulled forward to secure access to ore in 2022-2024. The change in work in progress in 9m 2022 and 9m 2021 was in line with mining and production activities.

Other operating expenses in 9m 2022 amounted to US\$ 0.2m compared to US\$ 2.7m in 9m 2021. Other operating expenses in previous year were represented by additional provision for waste disposal in the amount of US\$ 2.2m, accrued by LLC "Tardan Gold" for 2019-2021.

The Company's financial expenses represented by interest on loans and borrowings and lease liabilities amounted to US\$ 2.7m in 9m 2022, a net increase of 9% compared to the previous period (9m 2021: US\$ 2.5m). Bank interest expenses reduced due to decrease of loan liabilities to the bank. However, the above mentioned reduction was offset by the increase of loan liability to Golden Impala and related average interest rate increase from 6.0% to 7.7%.

# Consolidated cash flow statement

	9 months Jan-Sep 2022 US\$000	9 months Jan-Sep 2021 US\$000	Change US\$000	Change %
<b>OPERATING ACTIVITIES</b>				
Receipts from gold sales	40,355	34,718	5,637	16%
VAT and other reimbursement	4,149	2,143	2,006	94%
Payments to suppliers	(20,834)	(14,246)	(6,588)	46%
Payments to employees and social taxes	(9,084)	(7,302)	(1,782)	24%
Income tax paid	(3,013)	(1,890)	(1,123)	59%
Other taxes paid	(1,262)	(488)	(774)	159%
<b>Net cash flows from/(used in) operating activities</b>	<b>10,311</b>	<b>12,935</b>	<b>(2,624)</b>	<b>(20%)</b>
<b>INVESTING ACTIVITIES</b>				
Purchase and construction of property plant and equipment	(769)	(966)	197	(20%)
Exploration and research works	(365)	(2,279)	1,914	(84%)
<b>Net cash flows used in investing activities</b>	<b>(1,134)</b>	<b>(3,245)</b>	<b>2,111</b>	<b>(65%)</b>
<b>FINANCING ACTIVITIES</b>				
Proceeds from borrowings, net	60	-	60	100%
Repayment of borrowings, net	(8,830)	(6,946)	(1,884)	27%
Interest paid	(582)	(1,001)	419	(42%)
Lease payments	(525)	(1,567)	1,042	(66%)
Other finance income/expenses	(33)	(123)	90	(73%)
<b>Net cash from/(used in) financing activities</b>	<b>(9,910)</b>	<b>(9,637)</b>	<b>(273)</b>	<b>3%</b>
Net increase/(decrease) in cash and cash equivalents	(733)	53	(786)	(1483%)
Effect of foreign exchange rate changes on cash and cash equivalents	360	67	293	434%
Opening balance cash and cash equivalents	1,474	422	1,052	249%
<b>Closing balance cash and cash equivalents</b>	<b>1,102</b>	<b>542</b>	<b>559</b>	<b>103%</b>

Gold sales revenue increased by US\$ 5.6m or 16% due to higher gold sales volume (690 kg in 9m 2022 vs 614 kg in 9m 2021) and absence of receivables in 2022 (in PY there was 1 day of receivables at the end of reporting period).

Payments to suppliers increased by US\$ 6.6 m. The growth was caused by local currency strengthening by 5%, increase of mining activities by 27% and prices inflation for contractors, spare parts and materials compared to prior period

Income taxes paid by LLC “Tardan Gold” in 9m 2022 amounted to US\$ 3.0m (US\$ 1.9m in 9m 2021 - income tax charge was partially offset against the balance of deferred tax asset related to tax loss carry forward, which reduced tax paid amount).

Net cash flow generated from operating activities decreased by US\$ 2.6m, or 20%, and amounted to US\$ 10.3m in the reporting period vs US\$ 12.9m in the comparative reporting period.

During 9m 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 9m 2022.

*Total principal debt repayment in 9m 2022 amounted to US\$ 8.8m incl.:*

➤ US\$ 7.8m of bank loans

➤ US\$ 1.0m of debt to KFM

• The interest paid amounted to US\$ 0.6m.

# Thank you

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