

AURIANT

MINING

**Q4 2020 Interim Results
Analyst Web Conference
February 26, 2021**

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
- 4) The Agenda for the call is set out on the following slide

Auriant Team

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

Agenda Q4 Report

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

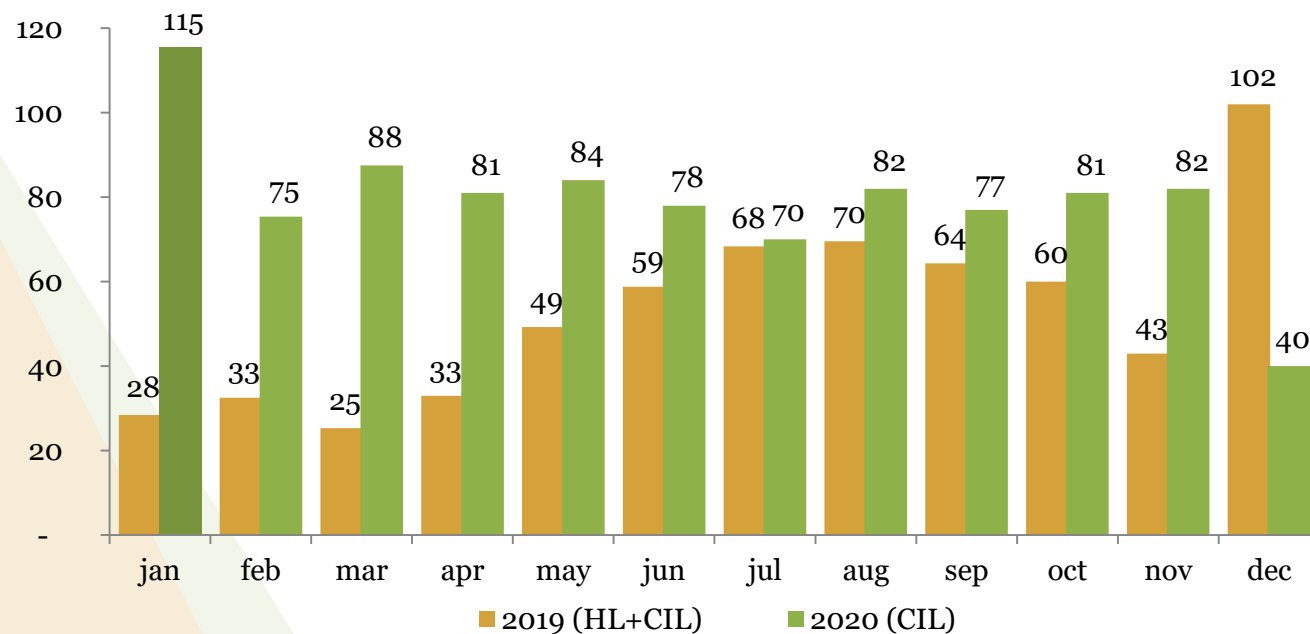
Introduction

- 1) Second quarterly presentation since my appointment as CEO
- 2) Excellent results
 - Significant YoY growth
 - In line with forecast
- 3) Strong financial performance and improved loan terms

Tardan gold production

- 2020 Production:
953kg / 30,629 oz
YoY increase of 50%
- First full year of CIL plant
- Heap Leach discontinued
- Ore throughput of 394,000 tonnes
- Average grade of 2.66 g/t
- Recovery of 91%
- High grade ore in January (Jan production - 115kg)
- Regular ore for remaining 11 months
- Tardan cash costs per oz produced reduced – \$676/oz

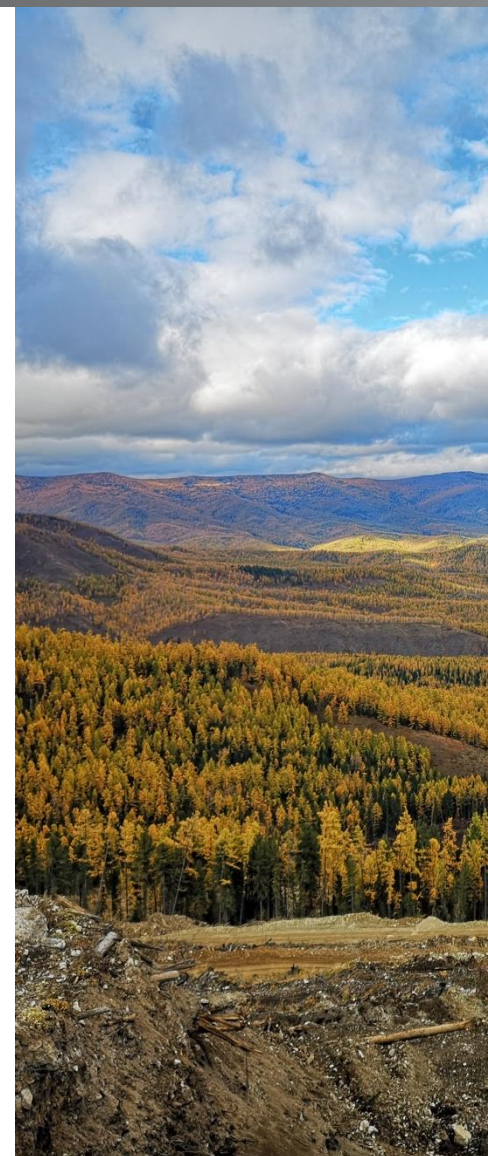
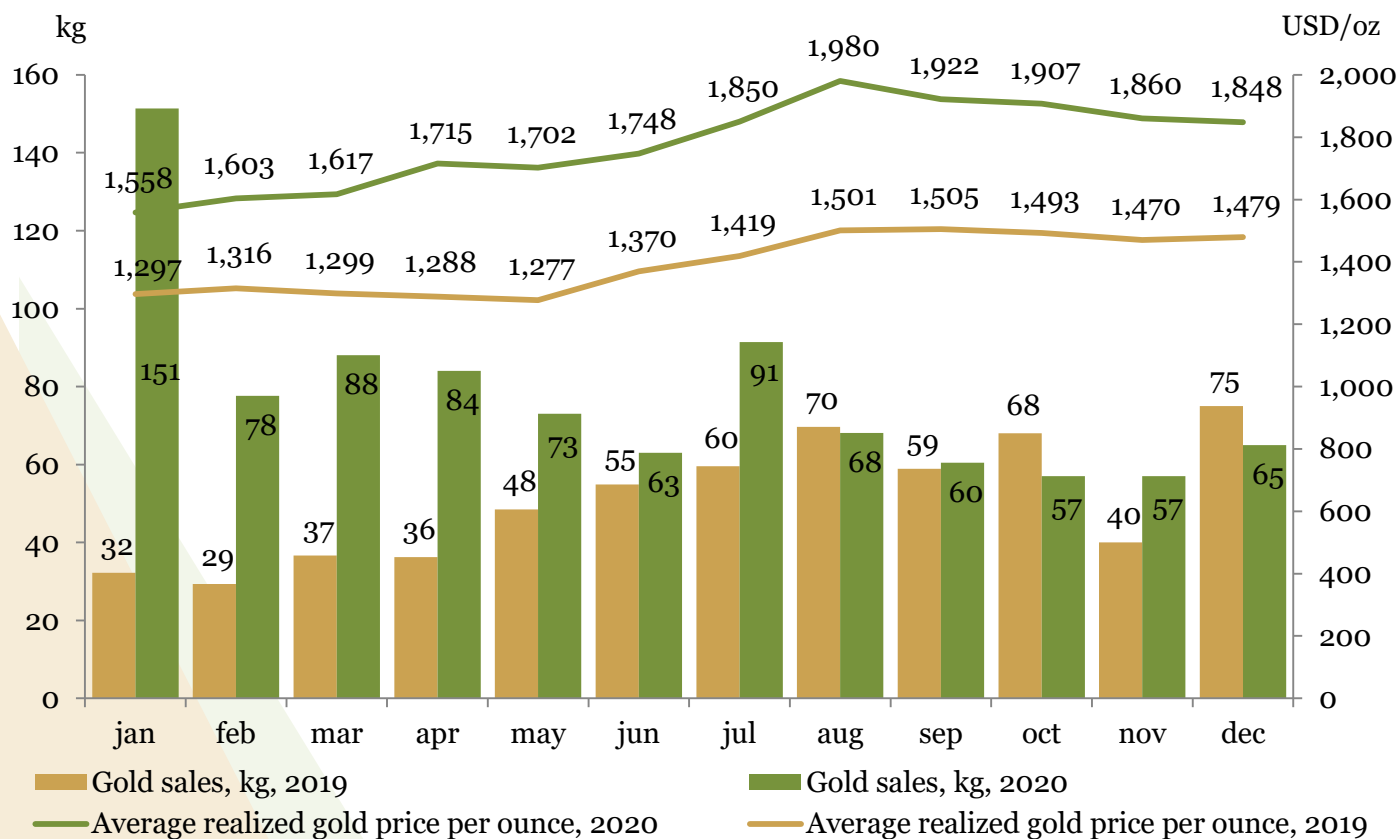
Gold production, kg



Tardan gold sales

- **2020 Tardan gold sales** - 936kg / 30,077 oz
✓ YoY increase of 54% (2019: 609kg / 19,580 oz)
- **2020 average selling price for gold** US\$ 1,755/oz
✓ YoY increase of 24% (2019: US\$ 1,416/oz)

Gold sales



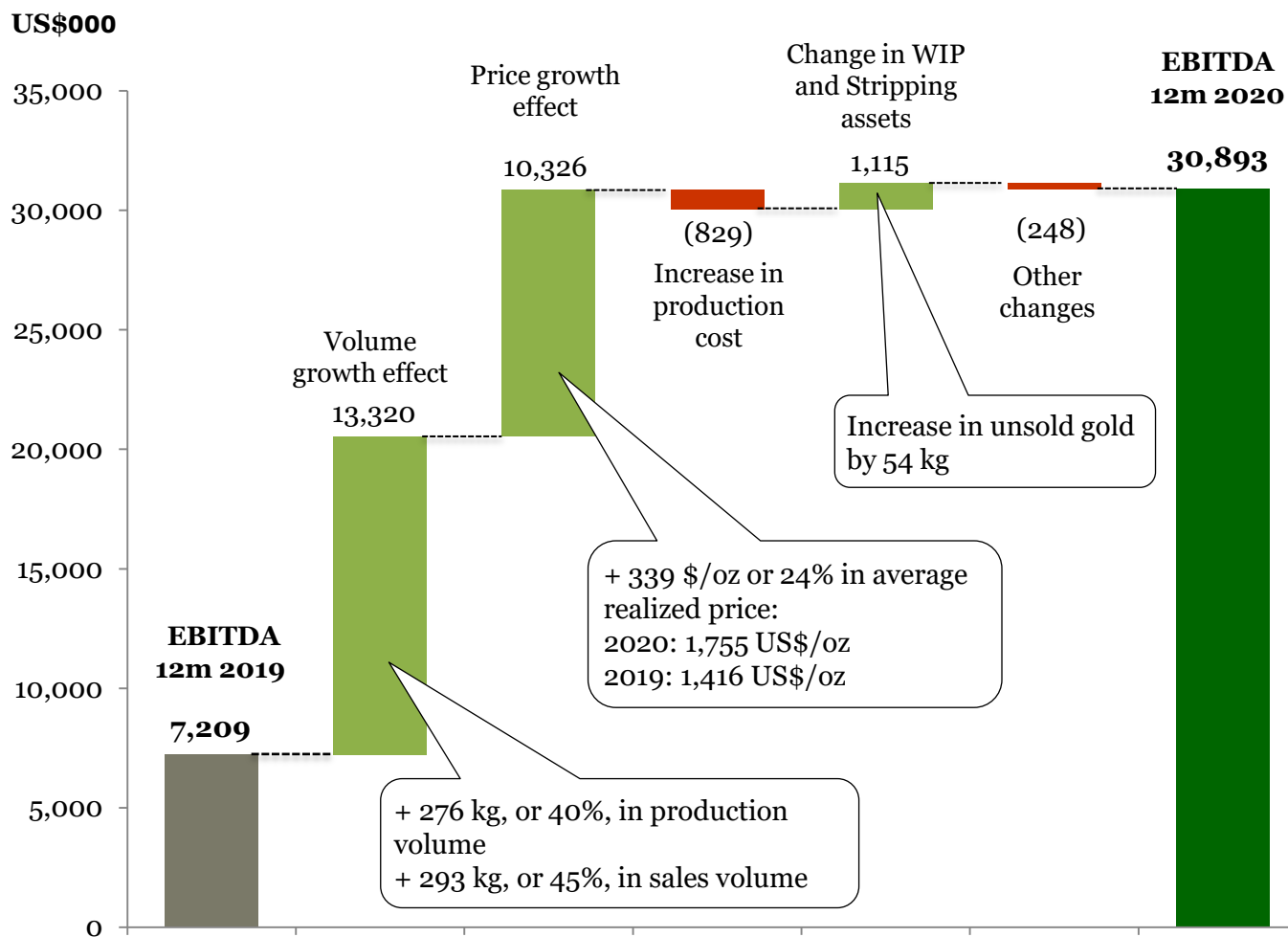
KPI's

- Waste stripping decreased due to licensing issues, now resolved
- Ore mined – 387,000 tonnes
 - 18% lower than 2019
- Average grade – 2.42 g/tonne
 - In line with the mine plan
- Solcocon Production
 - Outsourced to 3rd party contractor
 - 2020 Gold Production 12 kg / 386 oz (54 kg / 1,730 oz in 2019)
 - Decrease caused by COVID-19
 - Reduced production has minimal impact on Auriant profitability
- 2020 total gold production – 965 kg / 31,014 oz (689 kg / 22,137 oz in 2019)
 - YoY increase of 40%
- Average cash cost/oz produced at Tardan decreased by 24% from US\$ 884/oz in 2019 to US\$ 676/oz in 2020

Income Statement

- 2020 Revenue from gold sales is US\$ 53.4m, a 79% increase compared to 2019:
 - Sales volume increase 45% or 293kg (9,408 oz)
 - Average gold price higher by 24%
- Average cash cost/oz produced at Tardan decreased by 24% from US\$ 884/oz in 2019 to US\$ 676/oz in 2020
- Increased depreciation due to the commissioning of the new CIL Plant
- Changes in 2020 WIP and stripping assets increased by US\$ 1.1 m due to 56.3 kg of unsold gold compared to 2.3 kg as of 31 December 2019
- 2020 EBITDA is US\$ 30.9 m, up by 329% (or US\$ 23.7 m) vs 2019
- 2020 Net Profit is US\$ 10.7 m vs 2019 Net Loss of US\$1.2 m

Volume and production drive EBITDA growth



Consolidated Cash Flow Statement

- 2020 Net cash flow from operating activities increased by US\$ 18.6m, or 210%, and amounted to US\$ 27.5m in 2020, compared to US\$ 8.9m in 2019
- Strong cash flows are used to decrease the debt:
 - repay US\$ 15m principal debt and
 - extinguish the Group's loans in the amount of US\$ 2.6m, which were raised in connection with the CIL plant financing in 2018-2019
- US\$1.5m invested in exploration and research
- In October 2020 - interest rate on the outstanding loan from VTB is down to 3 months LIBOR plus 4.7% (equivalent to an annual interest rate of 4.92%) from 7.82% in July

Outlook for 2021

- 1) Total gold production forecast of 900 kg – 930 kg
- 2) Increase stripping costs due to licensing restrictions in 2020
- 3) Further exploration drilling at Tardan and Solcocon
- 4) Continuing to prepare documentation for permitting at KB

Questions

Please use the Chat option in ZOOM

[Future Financial Calendar and dates]

- Financial Year End – 31st December 2020
 - Annual Report – 30th April 2021

Auriant Mining Overview

Auriant Mining Historical Overview

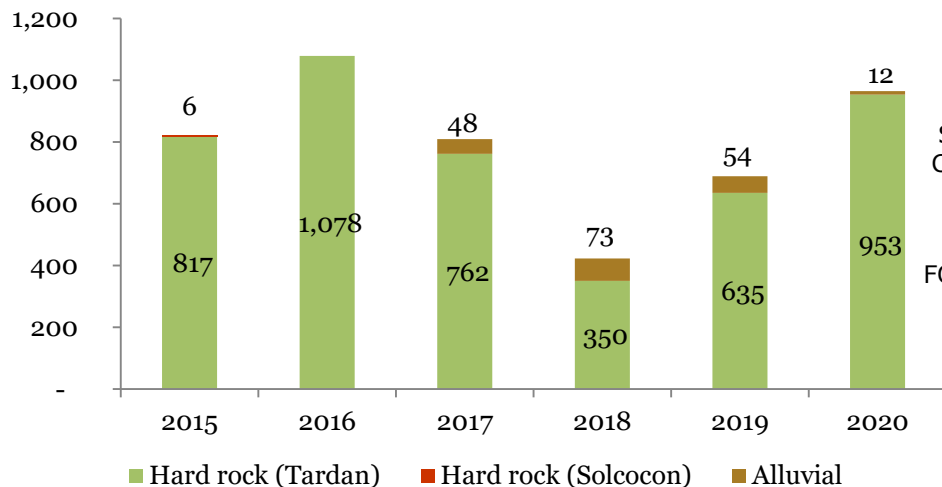
Auriant Mining overview

General Information

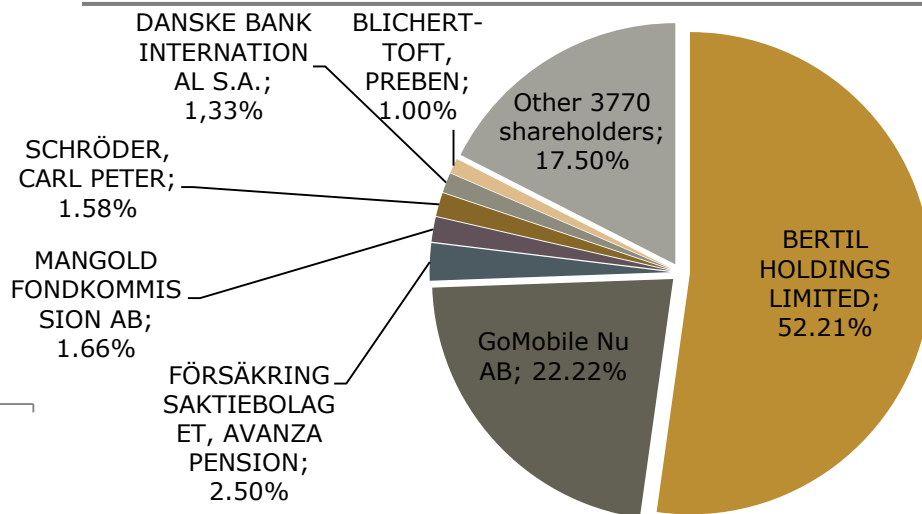
- **Auriant Mining AB** (Nasdaq First North Premier Growth Market: AUR) is a Swedish mining company focused on gold exploration and production in Russia, primarily in Siberia and Far East Russia.
- The company has currently:
 - (1) a producing mine at Tardan (Tyva), which has been successfully updated from heap leach to CIL,
 - (2) Kara-Beldyr (Tyva) deposit having 26 t of AU reserves (under JORC and national standards) with substantial upside potential,
 - (3) Solcocon deposit in Zabaikalye – 15 t of AU resources (under national standards), including 8 t processable on CIL + 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



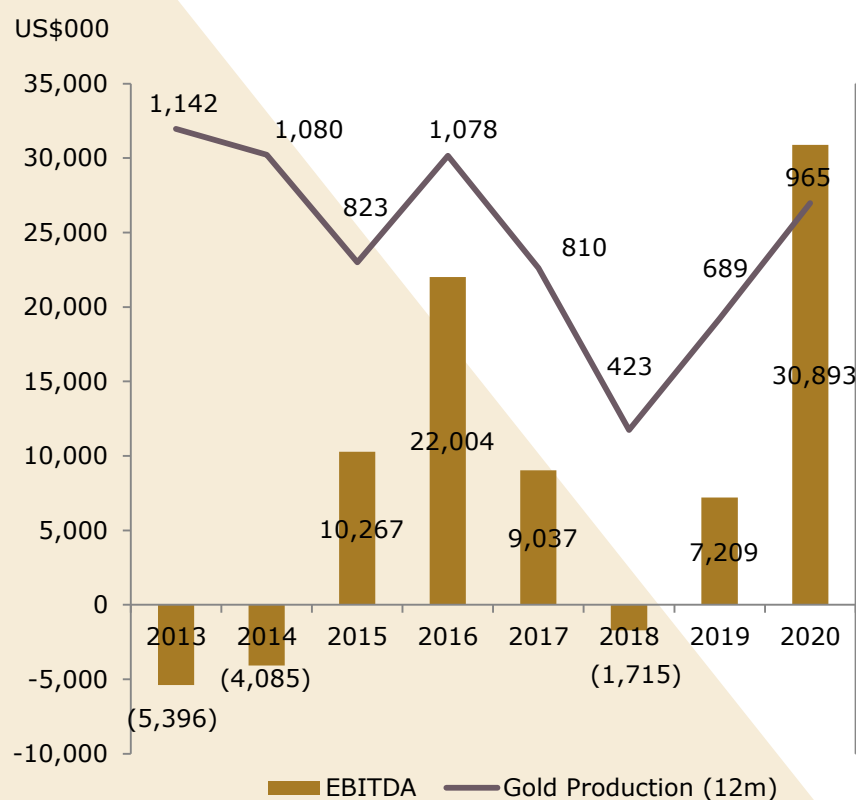
Shareholders' structure as of December 31, 2020



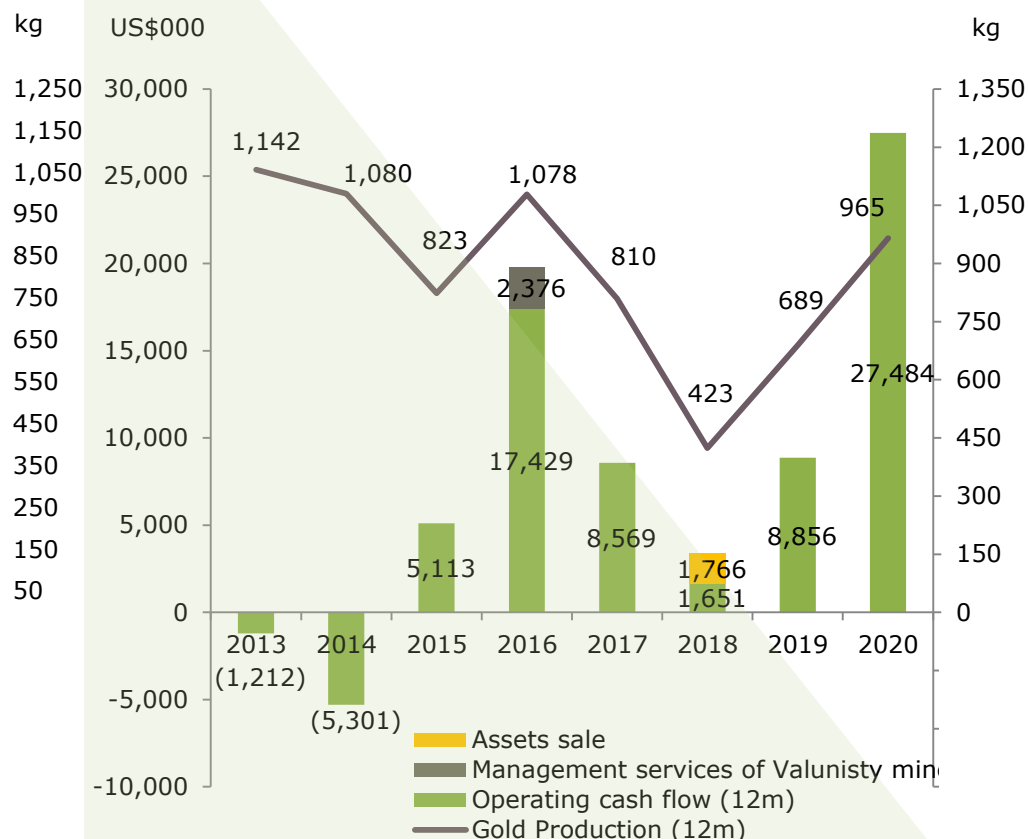
Auriant Mining long-term historical overview

- Strong increase in EBITDA: in 2020 EBITDA amounted to US\$ 30.9 m compared to US\$ 7.2 m in the previous year
- Strong positive **net cash flow from operating activities** was US\$ 27.5 m, up 315% YoY (2019: US\$ 8.9 m)
- **Net profit after tax** amounted to US\$ 10.7 m compared to loss of US\$ -1.2 m in 2019

12m EBITDA / 12m Gold Production



12m Operating Cash flow / 12m Gold Production



Key Performance Indicators

	Unit	12m 2020	12m 2019	Change	Change, %
Mining					
Waste stripping	000'm3	902	982	(80)	(8%)
Ore mined	000't	387	473	(86)	(18%)
Gold grade in ore mined	g/t	2.42	2.42	-	-
Warehouse on December 30					
Ore	000't	101	108	(7)	(6%)
Grade	g/t	2.03	2.90	(0.87)	(30%)
Heap leach					
Ore stacking	000't	-	334	(334)	(100%)
Grade	g/t	-	2.08	(2.08)	(100%)
Gold in ore stacked	kg	-	694	(694)	(100%)
Gold produced HL	kg	-	525	(525)	(100%)
CIL					
Ore processing	000't	394	38	356	100%
Grade	g/t	2.66	3.94	(1.28)	100%
Gold in ore processing	kg	1,045	151	894	100%
Gold produced CIL	kg	953	110	843	100%
TARDAN Hard rock gold produced	kg	953	635	318	50%
TARDAN Hard rock gold produced	oz	30,629	20,407	10,222	50%
SOLCOCON alluvial gold production	kg	12	54	(42)	(78%)
SOLCOCON alluvial gold production	oz	386	1,730	(1,344)	(78%)
TOTAL GOLD PRODUCTION	kg	965	689	276	40%
TOTAL GOLD PRODUCTION	oz	31,014	22,137	8,877	40%
Gold Sales					
Gold Sales	kg	946	654	293	45%
Gold Sales	oz	30,428	21,021	9,408	45%
Gold Sales	000'\$	53,409	29,763	23,646	79%
Average price realised	\$/oz	1,755	1,416	339	24%
Tardan cash cost per oz produced	\$/oz	676	884	(208)	(24%)
Tardan contribution to group EBITDA	m\$	26.0	9.5	16.5	174%
Solcocon contribution to group EBITDA	m\$	(0.3)	0.0	(0.3)	(894%)
Total EBITDA of mining companies	m\$	25.7	9.5	16.2	170%

• In 2020, the Company has operated the **newly built CIL plant**. The CIL plant was operating at projected throughput per working hour (>50 t/hour) and recovery rate (91%).

• **Ore mined** amounted to 387 thousand tonnes and was 18% lower than the same period in the previous year (473 thousand tonnes). **Stripping volume** in 2020 was 902 thousand m3 (8% lower than in 2019, 982 thousand m3).

• The average grade in ore mined in 2020 and 2019 was 2.42 g/t, in line with the Company's mine plan.

• Heap leach operations were discontinued at the end of December 2019. As a result, the Company finished crushing ore and producing gold from the heap leach.

• **Volume of ore processed** through the newly built CIL plant amounted to 394 thousand tonnes with an average grade of 2.66 g/t (total gold in processed ore – 1,045 kg).

• Hard rock gold production at **Tardan** increased by 50%, from 635 kg (20,407 oz) in 2019 on the heap leach and CIL to 953 kg (30,629 oz) in 2020 on CIL.

• Gold production at **Solcocon** amounted to 12 kg (386 oz), as compared to 54 kg (1,730 oz) in 2019. The reduction in production was due to the late start of mining operations because of the corona virus.

• 2020 **total gold sales** amounted to 946 kg (30,428 oz), compared to 654 kg (21,021 oz) in 2019, an increase of 45%, or 293 kg (9,408 oz).

• The **average realized gold price per ounce** increased by 24% from US\$ 1,755 in 2019 up to US\$ 1,416 in 2020.

Income Statement

	Q4 2020 US\$000	Q4 2019 US\$000	12m 2020 US\$000	12m 2019 US\$000	Change US\$000	Change %
Gold production, kg	210	208	965	689	276	40%
Gold sales, kg	185	188	946	654	293	45%
Revenue	11,147	8,976	53,409	29,763	23,646	79%
Hard rock gold sales	10,709	8,698	52,736	27,683	25,053	90%
Alluvial gold sales	438	277	673	2,080	-1,407	-68%
Cost of sales	-6,448	-6,482	-27,378	-24,621	-2,757	-11%
Cash expenses	-5,840	-4,627	-21,334	-19,539	-1,795	-9%
Alluvial gold cash costs	-304	-184	-475	-1,441	966	67%
Depreciation & amortization	-2,283	-1,652	-8,054	-5,011	-3,043	-61%
Change in stripping assets	-161	-81	-3	826	-829	-100%
Change in work in progress	2,140	62	2,488	544	1,944	357%
Gross profit/(loss)	4,699	2,494	26,031	5,142	20,889	406%
General and administrative expenses	-929	-480	-2,945	-2,184	-761	-35%
Other operating income	24	7	96	241	-145	-60%
Other operating expenses	-1,958	-755	-3,059	-1,001	-2,058	-206%
Operating profit/(loss)	1,836	1,266	20,123	2,198	17,925	816%
Financial income	0	0	0	0	0	0%
Financial expenses	-1,151	-1,200	-5,671	-4,390	-1,281	-29%
Currency gain/(loss)	-479	-240	-723	679	-1,402	-206%
Profit/(Loss) before income tax	206	-175	13,729	-1,513	15,242	1,007%
Income tax	-1,077	-445	-3,075	278	-3,353	-1,206%
Net profit/(loss) for the period	-871	-620	10,654	-1,235	11,889	963%
EBITDA	6,037	2,918	30,893	7,209	23,684	329%

Revenue from gold sales amounted to US\$ 53.4m, a 79% increase compared to 2019, driven by a higher volume of produced gold at the CIL plant. Total gold sales volumes amounted to 946kg (30,428oz), which is 45%, or 293kg (9,408oz), more than in 2019. The higher average gold price by 24% contributed to an improvement in financial performance Y-o-Y.

In 2020, due to higher production volumes, cash expenses increased by 4%, or US\$ 0.8m, compared to 2019. In 2020, a 12% devaluation of the rouble against the US-dollar positively affected the Group's margin by decreasing the US-dollar value of its rouble-denominated costs. At the same time, the average cash cost per ounce produced at Tardan decreased by 24% from US\$ 884/oz in 2019 to US\$ 676/oz in 2020.

Gold production at Solcocon amounted to 12kg (386oz), as compared to 54kg (1,730oz) in 2019. The reduction in production was due to the late start of mining operations because of the corona virus.

Depreciation increased in 2020 due to the newly built CIL plant.

The changes in work in progress in 2020 increased by MSEK 17.8 (US\$ 1.9 mln) as the Company had 56.3 kg of unsold gold compared to 2.3 kg as of 31 December 2019.

Other operating expenses increased by US\$ 2.1m, or by 206%, compared to 2019, and amounted to US\$ 3.1m. Firstly, this was due to the write off of US\$ 0.8m VAT refund asset in LLC "Rudtechnology". Secondly, US\$ 1.9m stripping assets were written off as other operating expenses in LLC "Tardan Gold". These stripping assets are stripping costs that were incurred in 2017 and relate to economically unrecoverable reserves.

Financial expenses represented by interest on borrowings and lease liabilities amounted to US\$ 5.7m in 2020, an increase of 29% compared to 2019. Interest expenses increased due to the interest rate growth on the Golden Impala bond and increase of interest expenses on lease liabilities, which had been capitalized in 2019.

Consolidated cash flow statement

	Q4 2020 US\$000	Q4 2019 US\$000	12m 2020 US\$000	12m 2019 US\$000	Change US\$000	Change %
Operating activities						
Receipts from gold sales	11,147	8,983	53,409	29,763	23,646	79%
VAT and other reimbursement	872	1,095	4,497	3,217	1,280	40%
Payments to suppliers	(4,924)	(4,810)	(18,970)	(15,743)	(3,227)	20%
Payments to employees and social taxes	(2,500)	(1,842)	(9,357)	(6,897)	(2,460)	36%
Income tax paid	(39)	-	(674)	0	(674)	(100%)
Other taxes paid	(25)	(481)	(1,421)	(1,484)	63	(4%)
Net cash flows from/(used in) operating activities	4,531	2,945	27,484	8,856	18,628	210%
Investing activities						
Purchase and construction of property, plant and equipment	(225)	(1,847)	(2,343)	(8,999)	6,656	(74%)
Interest capitalized in construction	-	(176)	-	(480)	480	(100%)
Exploration and research works	(771)	(25)	(1,479)	(77)	(1,402)	1821%
Net cash flows used in investing activities	(996)	(2,048)	(3,822)	(9,556)	5,734	(60%)
Financing activities						
Proceeds from borrowings, net	-	983	0	4,576	(4,576)	(100%)
Repayment of borrowings, net	(1,975)	(432)	(14,997)	(870)	(14,127)	1624%
Proceeds from exercise of share options	-	-	10	0	10	100%
Interest paid	(1,898)	(781)	(5,702)	(2,943)	(2,759)	94%
Lease payments	(740)	(554)	(2,413)	(1,957)	(456)	23%
Proceeds from sale and leaseback transactions	-	-	0	839	(839)	(100%)
Net cash from/(used in) financing activities	(4,613)	(784)	(23,102)	(355)	(22,747)	6,408%
Net decrease in cash and cash equivalents	(1,078)	113	560	(1,055)	1,615	(153%)
Net foreign exchange difference	29	3	(282)	11	(293)	(2,664%)
Opening balance cash and cash equivalents	1,471	29	144	1,189	(1,045)	(88%)
Closing balance cash and cash equivalents	422	145	422	145	277	191%

Net cash flow generated from operating activities increased by US\$ 18.6m, or 210%, and amounted to US\$ 27.5m in 2020, compared to US\$ 8.9m in the comparative reporting period.

During 2020, operating activities were financed from the same sources as in the previous reporting period, by gold sales and the reimbursement of VAT.

Strong cash flows from operating activities were used for debt repayment and settlement of outstanding payables to CIL construction contractors in Q1 2020.

- Total principal debt repayment in 2020 amounted to US\$ 15m. Interest paid in 2020 amounted to US\$ 5.7m.
- In July 2020, the Group has extinguished its loans in the amount of US\$ 2.6m, which were raised in connection with the CIL plant financing in 2018-2019.
- Since 1 July 2020, interest rate for the outstanding VTB loan was reduced to 7.82%. And in October 2020, the Company has negotiated with VTB a further reduction in the interest rate up to 3 months LIBOR plus 4.7% (currently equivalent to an annual interest rate of 4.92%).

The new VTB loan repayment schedule and reduced interest rate will free up cash flows for further investments and exploration.

Thank you

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