



# AURIANT MINING

## **Auriant Mining AB (publ)**

### **Interim report for the period from January – September 2014**

#### **Highlights:**

- **Total production of gold for the reporting period amounted to 746 kg (23,984 oz), a decrease of 12% compared to 9 months 2013 production of 843.7 kg (27,125 oz).**
- **Consolidated revenue from gold and gold equivalents for 9 months 2014 decreased by 18% to MSEK 199.1 (US\$ 29.3 m) compared to the 9 months 2013 amount of MSEK 230.3 (US\$ 35.8 m). EBITDA for the period was negative at MSEK -27.4 (US\$ -4.3 m) compared to 9 months 2013 positive amount of MSEK 19.9 (US\$ 3.1 m).**
- **The net result after tax for the period was MSEK -96.8 (US\$ -14.3 m) compared to 9 months 2013 in amount of MSEK -16.2 (US\$ -2.5 m). Earnings per share before and after dilution for 9 months 2014 were equal to SEK -5.38 (US\$ -0.80) compared to 9 months 2013 – SEK -0.91 (US\$ -0.14).**

#### **Key developments post-period end:**

- **The Company has successfully concluded the acquisition of the outstanding 70% interest in Kara-Beldyr from Canada's Centerra Gold Inc. and increased its share in Kara-Beldyr to 100%. As a consideration for this transaction, Auriant Mining will pay Centerra Gold a Net Smelter Royalty of 3.5% on any mineral production from Kara-Beldyr in the future.**
- **In October high grade ore was reached at Tardan that has allowed the resumption of operations at gravitational recovery mill, and will lead to higher gold production in Q4 resulting in an expected overall increase of gold produced at Tardan in 2014.**

## Comments by the CFO

I'm pleased to present our interim financial statements for the 9 months of 2014.

Please note that certain amounts in the interim financial statements hereunder do not correspond to the interim financial statements for the respective period of 2013. Adjustments to comparative figures are disclosed in the paragraph "Restatement" of the "Accounting principles and basis of preparation".

All changes in financial results shown in per cent (%) relate to changes in US\$ amounts. We hope this will make our financial statements easier to understand and allow for more effective benchmarking against our international peers.

## Income, financial results and financial position for the group

### Income and financial results

Revenue from gold and gold equivalents decreased by MSEK 31.233 (US\$ 6.479 m), or 18%, as compared to the same period of 2013. The volume of gold sold decreased by 11% from 805.9 kg (25,910 oz) in 9 months 2013 down to 713.6 kg (22,942 oz) in 9 months 2014. The average realized gold price decreased from US\$ 1,382 in 9 months 2013 down to US\$ 1,279 in the current period (-7%).

Cost of sales, comprising production costs and change in work in progress, slightly increased by MSEK 16.175 (US\$ 0.8 m) or 2% compared to 9 months 2013. However, as a result of cost efficiency efforts and recognition of stripping assets, our production costs, mostly consisting of cash costs, fell from MSEK 269.784 (US\$ 41.9 m) 9 months 2013 to MSEK 231.655 (US\$ 34.3 m) in 9 months 2014, or by 18%. In 9 months 2013 part of production costs, in the amount of MSEK 50.938 (US\$ 7.9 m), were capitalized as work in progress and expensed in subsequent period. This is the primary reason for the cost of sales in 9 months 2014 being almost at the same level compared to previous period.

Average cash costs per ounce of gold produced reduced from US\$ 1,415/oz in 9 months 2013 down to US\$ 1,302/oz in 9 months 2014. The decrease was primarily driven by reduction of cash costs at the Tardan mine from US\$ 1,315/oz down to US\$ 1,140/oz.

General and administrative expenses are represented by expenses of the company's headquarters and these expenses decreased by MSEK 2.472 (US\$ 0.540 m), or 12%, as compared to 9 months 2013.

Other operating income is represented by a gain as a result of sales of materials and services to our contractors and inventory stock-takes. A decrease by 29% from MSEK 6.779 (US\$ 1.054 m) to MSEK 5.040 (US\$ 0.747 m) primarily relates to reduction of sales of materials and services provided to contractors.

Other operating expenses compared to the prior period decreased by MSEK 0.698 (US\$ 0.152 m) or 13% and include the liquidation of the alluvial mining company LLC "Gold Borzya" (currently alluvial gold production is outsourced). Other operating expenses in both periods also included penalties, bank commissions, provisions and other expenses (each of which were not significant by themselves), which did not change significantly.

Financial income and expenses consisted of foreign exchange difference and interest expenses. The interest expense for the reporting period increased by MSEK 9.900 (US\$ 1.220 m) and amounted to MSEK -50.747 (US\$ -7.573 m) as compared to MSEK -40.847 (US\$ -6.353 m) for the respective period of 2013. Growth of interest expenses was caused by additional bank and

lease financing received both by Tardan and GRE-324, which increased interest expenses by (MSEK 6.525 (US\$ 0.865 m)), and growth of the Shareholder's bond liability due to interest capitalization and additional short-term loans from the Shareholder leading to growth of interest expenses by MSEK 3.375 (US\$ 0.355 m). The Company's bank loan average interest rate fell by 1.9% p.a. to 9.0% p.a. as compared to 9 months 2013. The Shareholder's bond and loan average interest rate was 13.6% p.a., which is lower by 1.5% p.a. compared to the previous period (the bond carries interest rate of 10% per annum since May 2014; prior to May 2014 it was 18% per annum).

In 9 months 2013 foreign exchange losses amounted to MSEK -7.854 (US\$ -1.222 m) caused mainly by US dollar appreciation against the Russian rouble and subsequent devaluation of rouble assets. In 9 months 2014 foreign exchange losses amounted to MSEK -17.208 (US\$ -2.424 m).

Since the Company incurred taxable losses the income tax gain in both periods related to a change in deferred taxation at the subsidiary level and represents tax loss carry-forwards.

The net result after tax for 9 months 2014 is MSEK -95.722 (US\$ -14.259 m) as compared to MSEK -16.211 (US\$ -2.522 m) in previous period. Earnings per share before and after dilution for the period were equal to SEK -5.38 (US\$ -0.80) compared to 9 months 2013 of SEK -0.91 (US\$ -0.14).

### **Financial position**

The increase in long-term liabilities up to MSEK 483.109 (US\$ 67.038 m) as of 30 September 2014 (as of 31 December 2013 long term liabilities amounted to MSEK 82.826 (US\$ 12.726 m)) is mainly caused by: (a) the reclassification of the bond payable to Golden Impala, a company related to the main Shareholder, in the amount of MSEK 247.879 (US\$ 38.086 m), from short-term to long-term liabilities, with the bond repayment rolled over to 2018; (b) an increase of the bond payable during the reporting period by MSEK 58.929 (US\$ 4.301 m) due to the capitalization of interest expenses. During 9 months 2014 a new long term loan of MSEK 93.552 (US\$ 12.377 m) from Promsvyazbank was received.

Current liabilities are mainly represented by trade and other payables, leases and loans. The overall decrease of current liabilities by MSEK 200.658 (US\$ 35.771 m) from MSEK 519.529 (US\$ 79.824 m) as of 31 December 2013 to MSEK 318.871 (US\$ 44.053 m) as of 30 September 2014 was mainly caused by reclassification of the bond payable to Golden Impala, in the amount of MSEK 247.879 (US\$ 38.086 m) to long term liabilities and an increase of trade payables by MSEK 23.811 (US\$ 2.892 m).

The Company's net assets became negative at the end of the reporting period due to continuing losses and pressure on gold prices. However, the Parent Company carries positive net assets and we believe that there is still no indication of impairment. The Company possesses sufficient gold reserves, and plans to decrease costs of sales as production grows and to return to profitability, even in the current low gold price environment. At the year end December 31, 2014 impairment tests will be performed on the Group level to ensure that the Company's assets are evaluated at fair value and appropriate impairment provision will be created, if any indication of impairment exist.

As of 30 September 2014 total bank debt was equal to MSEK 325.724 (US\$ 45 m).

The consolidated cash balance as of 30 September 2014 was MSEK 18.534 (US\$ 2.561 m) (31 December 2013 MSEK 10.776 (US\$ 1.656 m)).

## **Other financial information**

In 2014 the Company changed its functional currency from the Russian ruble to the US dollar. Starting from 1 January 2014 the carrying value of assets is accounted for in US dollars. We are reporting all our financial numbers in SEK and in US dollars. The reporting currency is SEK, the amounts in US dollars are presented for comparison reasons. The average exchange rates used in this report are SEK/US\$ 6.5966 and 6.9448 for the 1<sup>st</sup> half of 2014 and Q3 2014 respectively. Exchange rate of SEK/US\$/ 7.2383 was used for the balance sheet as of September 30, 2014. For 9 months 2013 accounts SEK/US\$/ 6.4297 was used for both P&L and balance sheet accounts.

## **Segment information**

The company accounts for segments in accordance with IFRS 8. At present the company considers that it has only one segment as only one product, gold, is produced and all operations are performed in one economic environment, Russia.

## **Transactions with related parties**

The bond liability to Golden Impala as of September 30, 2014 is MSEK 306.808 (US\$ 42.387 m).

During first half 2014 Auriant Mining fully repaid a short term loan to Mr. Preston Haskell, a related party, in the amount of MSEK 13.316 (US \$ 2.039 m). In September 2014 the Company received a new loan from the Mr. Preston Haskell in the amount 18.096 MSEK (US \$ 2.500 m). The new loan was given for a term of one year and carries interest rate of 10% per annum.

Accrued interest expenses for transactions with related parties in 9 months 2014 amounted to MSEK -29.036 (US\$ -4.353 m).

## **Employees**

The group had on average 800 employees during reporting period. As of 30 September 2014 the number of employees in the group was 836 (766 as of 31 December 2013).

## **Capital Structure**

The number of issued shares at the end of the reporting period amounted to 17,802,429. The limits of the share capital are a minimum of MSEK 150 (US\$ 22.253 m) and a maximum of MSEK 600 (US\$ 89.013 m) and the quota value of each share is SEK 11.25 (US\$ 1.67). Each share carries one vote.

## **The parent company**

The parent company is a holding company without significant operations. It supports the subsidiaries with financing, investor relations, strategy formulation, etc. Thus it usually has no income other than interest on loans extended to the subsidiaries from time to time or in respect of bank deposits.

## **Income and result of the parent company**

The operating loss for 9 months 2014 was MSEK -5.522 (US\$ -0.828 m) compared to 9 months 2013 in amount of MSEK -5.887 (US\$ -0.916 m).

Total operating expenses for 9 months 2014 amounted to MSEK -5.522 (US\$ -0.828 m), in 9 months 2013 MSEK -5.894 (US\$ -0.917 m).

Net financial items for 9 months 2014 amounted to MSEK -48.795 (US\$ -7.317 m) (9 months 2013 MSEK -11.212) (US\$ -1.744 m)) and include interest expense related to the Golden Impala bond in the amount of MSEK -28.654 (US\$ -4.297 m), and interest expense in the amount of MSEK -0.382 (US\$ -0.057 m) on short term loan received from Mr. Preston Haskell, the main Shareholder; forex loss in the amount of MSEK -30.513 (US\$ -4.576 m). These were compensated for by intragroup loan interest income in amount of MSEK 10.754 (US\$ 1.613 m).

Net result for 9 months 2014 amounted to MSEK -54.317 (US\$ -8.145 m) compared to 9 months 2013 in amount of MSEK -17.099 (US\$ -2.659 m).

## **Financial position of the parent company**

Total cash balance in the parent company was MSEK 2.647 (US\$ 0.366 m) as of 30 September 2014 (31 December 2013: MSEK 5.752 (US\$ 0.884)).

Increase in long-term liabilities is explained by the reclassification of the bond payable to Golden Impala, a company related to the main Shareholder, in the amount of MSEK 247.879 (US\$ 38.086 m), from short-term to long-term liabilities, with the bond repayment rolled over to 2018; and an increase of the bond payable during the reporting period by MSEK 58.929 (US\$ 4.300 m) due to the capitalization of interest expenses.

During half year 2014 the Company fully repaid a loan to the Shareholder Mr. Preston Haskell of MSEK 13.316 (US\$ 2.039 m).

In September 2014 the Company received a new loan from the Shareholder Mr. Preston Haskell in the amount 18.096 MSEK (US\$ 2.500 m). Accrued interest during the period was MSEK 0.025 (US\$ 0.003 m).

## **Accounting principles and basis of preparation**

The consolidated accounts for Auriant Mining AB have been prepared in accordance with International Financial Reporting Standards (IFRS) as described on page 74 in the annual report for financial year 2013. The evaluations and estimations made by the board of directors and management in preparing the interim report are described on page 84 in the annual report for 2013.

This interim report has been prepared in accordance with IAS 34, Interim Financial Reporting and in accordance with the Swedish Annual Accounts Act and the Swedish Financial Reporting Board's recommendation RFR 1, Supplementary accounting regulations for groups. The parent company accounts are prepared in accordance with the Annual Accounts Act and the Swedish Financial Reporting Board's recommendation RFR 2, Accounting for legal entities. The accounting policies for the parent are the same as for the group with the exceptions described in the annual report 2013.

The same accounting principles are applied in this interim report as in the annual report 2013.

## Restatement

In 2013 the Group changed its accounting policy via application of Interpretation of International Financial Reporting Interpretations Committee (IFRIC) 20 “Stripping Costs in the Production Phase of a Surface Mine”. This interpretation is effective for annual periods beginning on or after 1 January 2013. This interpretation applies to waste removal (stripping) costs incurred in surface mining activity, during the production phase of the mine. The interpretation addresses accounting for the benefit from the stripping activity.

The Group also made corrections of accounting misstatements in full year 2012 accounts. For details, please, refer to the 2013 annual report. The effect of the restatement on the consolidated 9 months 2014 Net result is as follows:

		TSEK	US\$ 000
<b>Notes #</b>	<b>Net loss 9 months 2013 before restatement</b>	<b>(34,029)</b>	<b>(5,293)</b>
	Effect of restatement adjustments:		
1	Amortization of capitalized stripping works	(22,598)	(3,515)
2	Correction of excess impairment of work in progress balance at GRE-324	(1,930)	(300)
3	Reversal of fixed assets impairment at Solcocon in 2013 and its recognition in 2012	3,705	576
4	Reversal of options and warrants plans from 2013 accounts	1,707	265
5	Reversal of Bonus expenses related to 2012 from 2013 accounts	4,992	776
6	Reversal of Tailings (waste) costs which had been written off on retained earnings 2012 from accounts 2013	31,943	4,969
	<b>Net loss 9 months 2013 after restatement</b>	<b>(16,211)</b>	<b>(2,522)</b>

Effect of restatement on the consolidated Statement of Financial position as of 30 September 2013 in TSEK is as follows:

	before restatement	Notes					after restatement
	September 30, 2013	1	2	6	7	September 30, 2013	
	TSEK	TSEK	TSEK	TSEK	TSEK	TSEK	
<b>ASSETS</b>							
<b>FIXED ASSETS</b>							
Intangible fixed assets	172,976					172,976	
Tangible fixed assets	253,755					253,755	
Financial fixed assets	83,762	5,649				89,411	
<b>Total fixed assets</b>	<b>510,493</b>					<b>516,142</b>	
<b>CURRENT ASSETS</b>							
Inventories	188,659	(28,247)	(2,412)	(19,996)	(10,851)	127,153	
Stripping asset						-	
Current receivables	41,020					41,020	
Cash and cash equivalents	5,217					5,217	
<b>Total current assets</b>	<b>234,896</b>					<b>173,390</b>	
<b>TOTAL ASSETS</b>	<b>745,389</b>					<b>689,532</b>	
Equity	175,582	(22,598)	(2,412)	(19,996)	(10,851)	119,725	
Non-controlling interest	-					-	
<b>Total equity</b>	<b>175,582</b>					<b>119,725</b>	
<b>Long term liabilities</b>	<b>117,798</b>					<b>117,798</b>	
<b>Current liabilities</b>	<b>452,009</b>					<b>452,009</b>	
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>745,389</b>					<b>689,532</b>	

Notes #	Effect of restatement adjustments:	TSEK
7	Stripping balance December 31, 2012 write off	(10,851)

Effect of restatement on the consolidated Statement of Financial position as of 30 September 2013 in US\$ 000 is as follows:

	before restatement	Notes					after restatement
	September 30, 2013	1	2	6	7	September 30, 2013	
	US\$ 000	US\$ 000	US\$ 000	US\$ 000	US\$ 000	US\$ 000	
<b>ASSETS</b>							
<b>FIXED ASSETS</b>							
Intangible fixed assets	26,903					26,903	
Tangible fixed assets	39,466					39,466	
Financial fixed assets	13,027	879				13,906	
<b>Total fixed assets</b>	<b>79,396</b>					<b>80,275</b>	
<b>CURRENT ASSETS</b>							
Inventories	29,342	(4,393)	(375)	(3,110)	(1,688)	19,776	
Stripping asset	-					-	
Current receivables	6,380					6,380	
Cash and cash equivalents	811					811	
<b>Total current assets</b>	<b>36,533</b>					<b>26,967</b>	
<b>TOTAL ASSETS</b>	<b>115,929</b>					<b>107,242</b>	
Equity	27,308	(3,515)	(375)	(3,110)	(1,688)	18,621	
Non-controlling interest	-					-	
<b>Total equity</b>	<b>27,308</b>					<b>18,621</b>	
<b>Long term liabilities</b>	<b>18,321</b>					<b>18,321</b>	
<b>Current liabilities</b>	<b>70,300</b>					<b>70,300</b>	
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>115,929</b>					<b>107,242</b>	

Notes #	Effect of restatement adjustments:	US\$ 000
7	Stripping balance December 31, 2012 write off	(1,688)

## Risks and uncertainties associated with this interim report

The group's risk exposure is presented on page 107 of the 2013 annual report. The Board of Directors believes that the most important risk factors for the time being are:

- 1) *Gold price risk:* The fluctuations of the international gold price directly influence the revenues of a gold producing company.
- 2) *Currency risk:* Auriant Mining operations and reporting is influenced by the gold price which is quoted in US\$, whereas production costs are in RUB, and reporting in SEK. Fluctuations in exchange rates could have a major impact on both local operational results and the SEK reported results.
- 3) *Political risks:* Auriant Mining currently operates only in Russia. Being a young democracy Russia does not have a stable political situation as in the more established democracies of Western Europe.
- 4) *Inflation risk:* The Russian economy has been subject to significant inflation pressure during the last few years. This directly impacts on the production costs in a gold mining company.
- 5) *Geological risk:* The recoverable gold reserves of a gold exploration and production company are influenced by geological and economic factors. The estimation of reserves is therefore at all times dependent on the international gold price, costs associated with the extraction of the gold, etc. Therefore the estimated gold reserves of any gold company may change at any point in time. In particular the alluvial subsidiaries of the Auriant Mining group are sensitive to cost increases.
- 6) *Financial and project risk:* Auriant Mining AB is a gold mining company and is involved in production of gold as well as exploration. The company is still dependent on external financing for the development of its business. If the availability of external financing were to be reduced it would negatively influence the future outlook of the company. The currently poor sentiments on global capital markets must be taken in to account.
- 7) *Legal risks:* Auriant Mining operates in a complicated and challenging legal environment in Russia. Changes in the interpretations of tax legislation and in the legal environment may have significant impact on the company.

## Operational update

### Highlights

- Total 9 months gold production of 746 kg (23,984 oz), a decrease of 11.6% compared with 9 months 2013
- Tardan waste stripping was up by 69% and ore mined by 22% as compared to previous year
- Solcocon waste stripping was up by 59% and ore stacked by 54% as compared to the previous year
- Alluvial gold production was 254 kg
- Revised production forecast for 2014 is 1,100 kg



## Group Production

Production unit	License area	9m 2014		9m 2013	
		kg	oz	kg	oz
<b>Hard rock</b>					
Tardan (gravitational)	Tardan	-	-	-	-
Tardan (heap leach)	Tardan	428.6	13,779	466.0	14,982
Solcocon		63.9	2,054	72.0	2,315
<b>Alluvial</b>					
Borzya		253.6	8,153	305.7	9,828
<b>Total</b>		<b>746.1</b>	<b>23,984</b>	<b>843.7</b>	<b>27,125</b>

Commenting on the results, Denis Alexandrov, CEO of Auriant Mining AB, said, “All key performance indicators at our flagship Tardan mine have improved as planned. Mining volumes for both waste and ore have reached the required target levels and we have now approached the deeper, higher-grade ore bodies. This has allowed us to re-start the gravitational plant in October where this higher grade ore is processed, allowing a recovery rate of up to 40% of the gold. The gravitational tailings will then further be used in the heap leach operation, leading to an expected overall recovery rate for the high grade ore of around 70–75%. Ore crushing and stacking volumes have increased as well and with the addition of a third crusher, we are now able to stack more, and smaller sized, material that should result in improved recoveries in the future. Overall Tardan remains on track and we are satisfied with its performance.”

“Although the grades at Solcocon are gradually improving, they continue to be lower than expected. To save costs during the winter months, we have initiated a temporary cessation of mining, crushing and stacking operations. The irrigation of the heaps will continue throughout the winter period. Going forward we will need to develop a better understanding of the complex ore bodies at Solcocon with a view to being able to better plan mining and processing operations.”

“The Borzya alluvial operation at Solcocon has performed as planned, and has already exceeded its target for the year. Mostly as a result of the Solcocon hard rock underperformance, we have lowered our production guidance for the group for the year by 200 kg.”

### Tardan production

		9m 2014	9m 2013
<b>Mining</b>			
Waste stripping	000 m <sup>3</sup>	2,395	1,418

Ore mined	000 tonnes	225	183.4
Average grade	g/t	1.56	1.32
<b>Heap leach</b>			
<b><i>Crushing</i></b>			
Ore	000 tonnes	225.8	204.4
Grade	g/t	1.51	1.6
<b><i>Stacking</i></b>			
Ore	000 tonnes	225.8	204.4
Grade	g/ton	1.51	1.6
Tailings	000 tonnes	80.4	126.5
Grade	g/t	2.64	3.12
<b><i>Gold produced</i></b>	kg	428.6	466.0
<b>Warehouse</b>			
Ore	000 tonnes	11.6	0.1
Grade	g/t	2.33	1.15
Tailings	000 tonnes	5.4	68
Grade	g/t	2.37	2.87

Tardan production of 200 kg in Q3 was only slightly less than planned, amounting to 429 kg production for 9 months. This was primarily caused by using less tailings than last year as our tailings stockpile starts to become depleted, along with lower grade for the tailings stacked on the heaps.

In Q3 Tardan achieved higher stripping volumes of almost 400,000 m<sup>3</sup> per month which, given the previous shortfalls in stripping, means that Tardan is on track to achieve the required stripping volumes of 3.1 mln m<sup>3</sup> for the year in order to reach higher grade ore bodies. In October, Tardan has already reached high grade ore that has allowed us to start up the gravitational plant, and will lead to higher production in Q4 resulting in an overall increase of gold produced at Tardan in 2014 compared to 2013.

In Q3 Tardan also upgraded its crushing complex with an addition of a third crusher, which is now fully operational, and will lead to increased ore volumes being stacked as well as finer crushing to improve recoveries.

Overall, all key production indicators improved year on year including stripping, ore mining, grades and crushing/stacking.

## **Solcocon production**

		<b>9m 2014</b>	<b>9m 2013</b>
<b>Mining</b>			
Waste stripping	000 m <sup>3</sup>	519.6	327.6
Ore mined	000 tonnes	158	184.7
Average grade	g/t	1.05	1.52
<b>Heap leach</b>			
<b>Stacking</b>			
Ore	000 tonnes	197.8	128.2
Grade	g/t	1.06	1.49
<b>Gold produced</b>	kg	63.9	72.0
<b>Warehouse</b>			
Ore	000 tonnes	8.2	50
Grade	g/t	0.95	1.15
<b>Alluvial</b>			
Waste stripping	000 m <sup>3</sup>	1,513	2,361
Sand washed	000 m <sup>3</sup>	303.6	280
<b>Gold produced</b>	kg	253.6	305.7
<b>Total gold produced</b>	kg	317.5	377.7

Mined grades improved at Solcocon in Q3 compared to earlier in the year, but for 9 months 2014 were still 31% less than grades mined over 9 months 2013. At the same time lower grades were partly compensated by a 54% increase in ore stacked on the heaps, but given the lower grades hard rock gold production was still down by 11%.

The Borzya alluvial operation at Solcocon continued to perform ahead of plan, and has already achieved its annual target by producing more than 250 kg by the end of Q3. We can expect some more alluvial production in Q4 2014.

# Financial reports

## CONSOLIDATED INCOME STATEMENT

	Q3	Q3	9 months	9 months	12 months	Q3	Q3	9 months	9 months	12 months
	Jul-Sep 2014	Jul-Sep 2013	Jan-Sep 2014	Jan-Sep 2013*	Jan-Dec 2013	Jul-Sep 2014	Jul-Sep 2013	Jan-Sep 2014	Jan-Sep 2013*	Jan-Dec 2013
	TSEK	TSEK	TSEK	TSEK	TSEK	US\$ 000	US\$ 000	US\$ 000	US\$ 000	US\$ 000
Revenue	110,224	160,891	199,080	230,313	328,970	15,871	25,135	29,341	35,820	50,502
Cost of sales	(99,102)	(123,673)	(235,021)	(218,846)	(368,978)	(14,265)	(19,388)	(34,869)	(34,037)	(56,644)
Gross profit	<b>11,122</b>	<b>37,218</b>	<b>(35,941)</b>	<b>11,467</b>	<b>(40,008)</b>	<b>1,606</b>	<b>5,747</b>	<b>(5,528)</b>	<b>1,783</b>	<b>(6,142)</b>
General and administrative expenses	(7,585)	(8,028)	(25,857)	(28,329)	(43,595)	(1,092)	(1,281)	(3,866)	(4,406)	(6,693)
Other operating income	2,328	1,552	5,040	6,779	10,759	336	249	747	1,054	1,652
Other operating expenses	(2,271)	(4,431)	(6,813)	(7,511)	(14,286)	(327)	(694)	(1,016)	(1,168)	(2,193)
Operating profit/(loss)	<b>3,594</b>	<b>26,311</b>	<b>(63,571)</b>	<b>(17,594)</b>	<b>(87,131)</b>	<b>522</b>	<b>4,021</b>	<b>(9,663)</b>	<b>(2,737)</b>	<b>(13,376)</b>
Financial income	(1,772)	2	2	12	15	(274)	-	-	2	2
Financial expenses	(32,916)	(4,769)	(67,957)	(48,713)	(72,289)	(4,685)	(813)	(9,997)	(7,576)	(11,097)
Profit/(Loss) before income tax	<b>(31,094)</b>	<b>21,544</b>	<b>(131,526)</b>	<b>(66,295)</b>	<b>(159,404)</b>	<b>(4,437)</b>	<b>3,208</b>	<b>(19,660)</b>	<b>(10,311)</b>	<b>(24,471)</b>
Income tax	15,385	13,715	35,804	50,084	30,440	2,308	2,191	5,401	7,789	4,673
Net profit/(loss) for the period	<b>(15,709)</b>	<b>35,259</b>	<b>(95,722)</b>	<b>(16,211)</b>	<b>(128,964)</b>	<b>(2,128)</b>	<b>5,399</b>	<b>(14,259)</b>	<b>(2,522)</b>	<b>(19,798)</b>
Whereof attributable to:										
The owners of the parent company	(15,709)	35,259	(95,722)	(16,211)	(128,964)	(2,128)	5,399	(14,259)	(2,522)	(19,798)
<b>Earnings per share before dilution (SEK, US\$)</b>	(0.88)	1.98	(5.38)	(0.91)	(7.24)	(0.12)	0.30	(0.80)	(0.14)	(1.11)
<b>Earnings per share after dilution (SEK, US\$)</b>	(0.88)	1.98	(5.38)	(0.91)	(7.24)	(0.12)	0.30	(0.80)	(0.14)	(1.11)
Number of shares issued at period end	17,802,429	17,802,429	17,802,429	17,802,429	17,802,429	17,802,429	17,802,429	17,802,429	17,802,429	17,802,429
Average number of shares for the period	17,802,429	17,802,429	17,802,429	17,802,429	17,802,429	17,802,429	17,802,429	17,802,429	17,802,429	17,802,429
Average number of shares for the period after dilution	18,923,755	18,674,197	18,923,755	18,674,197	18,923,755	18,923,755	18,674,197	18,923,755	18,674,197	18,923,755

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Q3	Q3	9 months	9 months	12 months	Q3	Q3	9 months	9 months	12 months
	Jul-Sep 2014	Jul-Sep 2013	Jan-Sep 2014	Jan-Sep 2013*	Jan-Dec 2013	Jul-Sep 2014	Jul-Sep 2013	Jan-Sep 2014	Jan-Sep 2013*	Jan-Dec 2013
	TSEK	TSEK	TSEK	TSEK	TSEK	US\$ 000	US\$ 000	US\$ 000	US\$ 000	US\$ 000
Net profit/loss for the period	(15,709)	35,259	(95,722)	(16,211)	(128,964)	(2,128)	5,399	(14,259)	(2,522)	(19,798)
<b>Other comprehensive income</b>										
Items that may be reclassified subsequently to profit or loss	-	-	-	-	-	-	-	-	-	-
Translation difference	(10,786)	(7,581)	(13,387)	(22,698)	(22,721)	-	(954)	-	(3,226)	(3,488)
<b>Total comprehensive income for the period</b>	<b>(26,495)</b>	<b>27,678</b>	<b>(109,109)</b>	<b>(38,909)</b>	<b>(151,686)</b>	<b>(2,128)</b>	<b>4,445</b>	<b>(14,259)</b>	<b>(5,748)</b>	<b>(23,286)</b>

\*Certain amounts of interim financial statements shown here do not correspond to the 9 months 2013 interim financial statements and reflect the restatement done in the 2013 annual accounts. Please refer to the paragraph "Restatement" above for details.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	September 30, 2014 TSEK	September 30, 2013* TSEK	December 31, 2013 TSEK	September 30, 2014 US\$ 000	September 30, 2013* US\$ 000	December 31, 2013 US\$ 000
<b>ASSETS</b>						
<b>FIXED ASSETS</b>						
Intangible fixed assets	176,659	172,976	167,733	25,843	26,903	25,772
Tangible fixed assets	258,617	253,755	246,655	35,518	39,466	37,898
Financial fixed assets	98,919	89,411	68,835	13,701	13,906	10,576
<b>Total fixed assets</b>	<b>534,195</b>	<b>516,142</b>	<b>483,223</b>	<b>75,062</b>	<b>80,275</b>	<b>74,246</b>
<b>CURRENT ASSETS</b>						
Materials	14,054	26,371	18,279	1,942	4,101	2,808
Work in progress	45,461	88,406	42,424	6,281	13,750	6,518
Finished products	3,791	12,376	712	524	1,925	109
Stripping asset	36,623	-	13,262	5,060	-	2,038
Current receivables	44,151	37,767	35,769	6,100	5,874	5,496
Advanced paid	6,138	3,253	5,368	848	506	825
Cash and cash equivalents	18,534	5,217	10,776	2,561	811	1,656
<b>Total current assets</b>	<b>168,752</b>	<b>173,390</b>	<b>126,590</b>	<b>23,316</b>	<b>26,967</b>	<b>19,450</b>
<b>TOTAL ASSETS</b>	<b>702,947</b>	<b>689,532</b>	<b>609,814</b>	<b>98,378</b>	<b>107,242</b>	<b>93,696</b>
Share capital	200,277	200,277	200,277	30,738	30,738	30,738
Additional paid in capital	162,821	159,694	160,204	24,975	24,518	24,575
Retained earnings	(395,638)	(187,163)	(299,916)	(60,261)	(28,726)	(46,002)
Translation difference reserve	(66,493)	(53,083)	(53,106)	(8,165)	(7,910)	(8,165)
Non-controlling interest	-	-	-	-	-	-
<b>Total equity</b>	<b>(99,033)</b>	<b>119,725</b>	<b>7,459</b>	<b>(12,713)</b>	<b>18,620</b>	<b>1,146</b>
<b>Long term liabilities</b>						
Deferred tax	18,380	20,894	19,548	2,833	3,250	3,003
Loans and notes payable	128,990	65,898	35,438	17,821	10,249	5,444
Lease payable	20,248	17,337	18,651	2,797	2,696	2,866
Bond payable, debt to shareholder	306,808	-	-	42,387	-	-
Other long-term liabilities	8,683	13,668	9,188	1,200	2,126	1,414
<b>Total long term liabilities</b>	<b>483,109</b>	<b>117,797</b>	<b>82,826</b>	<b>67,038</b>	<b>18,321</b>	<b>12,726</b>
<b>Current liabilities</b>						
Trade accounts payable	49,457	35,705	25,646	6,833	5,553	3,941
Loans payable	200,442	137,773	190,452	27,692	21,428	29,262
Lease payable	10,146	6,463	6,722	1,402	1,005	1,033
Bond and shareholder loans payable	18,121	238,833	260,672	2,503	37,145	40,052
Other current liabilities	40,705	33,236	36,037	5,623	5,170	5,537
<b>Total current liabilities</b>	<b>318,871</b>	<b>452,010</b>	<b>519,529</b>	<b>44,053</b>	<b>70,301</b>	<b>79,824</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>702,947</b>	<b>689,532</b>	<b>609,814</b>	<b>98,378</b>	<b>107,242</b>	<b>93,696</b>
PLEGGED ASSETS**	-	144,809	48,669	-	22,522	7,478
CONTINGENT LIABILITIES	-	-	-	-	-	-

\*Certain amounts of interim financial statements shown here do not correspond to the 9 months 2013 interim financial statements and reflect the restatement done in the 2013 annual accounts. Please refer to the paragraph "Restatement" above for details.

\*\*100% shares of all production companies are pledged under the loan agreements with Promsvyazbank. Amount of pledged assets as of September 30, 2014 is zero due to the fact that net assets of production companies are negative.

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY\***

All amounts in TSEK	Attributable to the shareholders of the parent company				
	Share capital	Additional paid in capital	Translation difference reserve	Retained earnings	Total equity
<b>Equity as at January 1, 2013 before restated</b>	<b>198,191</b>	<b>155,819</b>	<b>(27,057)</b>	<b>(101,791)</b>	<b>225,162</b>
<b>Changes as result of restatement</b>	<b>-</b>	<b>1,707</b>	<b>(3,328)</b>	<b>(69,161)</b>	<b>(70,782)</b>
<b>Equity as at January 1, 2013 restated</b>	<b>198,191</b>	<b>157,526</b>	<b>(30,385)</b>	<b>(170,952)</b>	<b>154,380</b>
<b>Comprehensive income</b>					
Net profit/loss for the period				(16,211)	(16,211)
New shares issue	2,086				2,086
Warrants and options issue		2,168			2,168
Translation difference			(22,698)		(22,698)
<b>Total comprehensive income for the period</b>	<b>2,086</b>	<b>2,168</b>	<b>(22,698)</b>	<b>(16,211)</b>	<b>(34,655)</b>
<b>Equity as at September 30, 2013 Restated</b>	<b>200,277</b>	<b>159,694</b>	<b>(53,083)</b>	<b>(187,163)</b>	<b>119,725</b>
<b>Comprehensive income</b>					
Net profit/loss for the period				(112,753)	(112,753)
New shares issue					
Warrants and options issue		510			510
Translation difference			(23)		(23)
<b>Total comprehensive income for the period</b>		<b>510</b>	<b>(23)</b>	<b>(112,753)</b>	<b>(112,266)</b>
<b>Equity as at December 31, 2013</b>	<b>200,277</b>	<b>160,204</b>	<b>(53,106)</b>	<b>(299,916)</b>	<b>7,459</b>
<b>Comprehensive income</b>					
Net profit/loss for the period				(95,722)	(95,722)
New shares issue					
Warrants and options issue		2,617			2,617
Translation difference			(13,387)		(13,387)
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>2,617</b>	<b>(13,387)</b>	<b>(95,722)</b>	<b>(106,492)</b>
<b>Equity as at September 30, 2014</b>	<b>200,277</b>	<b>162,821</b>	<b>(66,493)</b>	<b>(395,638)</b>	<b>(99,033)</b>

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY\***

All amounts in US\$'000	Attributable to the shareholders of the parent company				
	Share capital	Additional paid in capital	Translation difference reserve	Retained earnings	Total equity
<b>Equity as at January 1, 2013 before restated</b>	<b>30,418</b>	<b>23,915</b>	<b>(4,152)</b>	<b>(15,621)</b>	<b>34,554</b>
<b>Changes as result of restatement</b>		<b>249</b>	<b>(532)</b>	<b>(10,583)</b>	<b>(10,860)</b>
<b>Equity as at January 1, 2013 restated</b>	<b>30,418</b>	<b>24,164</b>	<b>(4,684)</b>	<b>(26,204)</b>	<b>23,694</b>
<b>Comprehensive income</b>					
Net profit/loss for the period				(2,522)	(2,522)
New shares issue	320				320
Warrants and options issue		354			354
Translation difference			(3,226)		(3,226)
<b>Total comprehensive income for the period</b>	<b>320</b>	<b>354</b>	<b>(3,226)</b>	<b>(2,522)</b>	<b>(5,074)</b>
<b>Equity as at September 30, 2013 Restated</b>	<b>30,738</b>	<b>24,518</b>	<b>(7,910)</b>	<b>(28,726)</b>	<b>18,620</b>
<b>Comprehensive income</b>					
Net profit/loss for the period				(17,275)	(17,275)
New shares issue					-
Warrants and options issue		57			57
Translation difference			(255)		(255)
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>57</b>	<b>(255)</b>	<b>(17,275)</b>	<b>(17,473)</b>
<b>Equity as at December 31, 2013</b>	<b>30,738</b>	<b>24,575</b>	<b>(8,165)</b>	<b>(46,002)</b>	<b>1,146</b>
<b>Comprehensive income</b>					
Net profit/loss for the period				(14,259)	(14,259)
New shares issue					
Warrants and options issue		400			400
Translation difference					-
<b>Total comprehensive income for the period</b>		<b>400</b>	<b>-</b>	<b>(14,259)</b>	<b>(13,859)</b>
<b>Equity as at September 30, 2014</b>	<b>30,738</b>	<b>24,975</b>	<b>(8,165)</b>	<b>(60,261)</b>	<b>(12,713)</b>

\*Certain amounts of interim financial statements shown here do not correspond to the 9 months 2013 interim financial statements and reflect the restatement done in the 2013 annual accounts. Please refer to the paragraph "Restatement" above for details.

Consolidated cash flow statement	Q3	Q3	9 months	9 months	Q3	Q3	9 months	9 months
	Jul-Sep 2014 TSEK	Jul-Sep 2013 TSEK	Jan-Sep 2014 TSEK	Jan-Sep 2013 TSEK	Jul-Sep 2014 US\$ 000	Jul-Sep 2013 US\$ 000	Jan-Sep 2014 US\$ 000	Jan-Sep 2013 US\$ 000
<b>Operating activities</b>								
Receipts from customers	110,310	168,276	199,080	235,740	15,884	26,280	29,328	36,664
VAT and other reimbursement	19,328	26,632	48,341	42,233	2,783	4,167	7,249	6,568
Payments to suppliers	(84,470)	(118,487)	(178,513)	(181,328)	(12,163)	(18,529)	(26,769)	(28,202)
Payments to employees and social taxes	(26,585)	(29,936)	(71,238)	(85,721)	(3,828)	(4,746)	(10,682)	(13,332)
Income tax paid	-	(120)	(2)	-	-	(19)	(0)	(19)
Other taxes paid	(9,476)	(5,308)	(20,292)	(12,335)	(1,365)	(837)	(3,043)	(1,918)
<b>Net cash flows used in operating activities</b>	<b>9,107</b>	<b>41,057</b>	<b>(22,624)</b>	<b>(1,410)</b>	<b>1,311</b>	<b>6,316</b>	<b>(3,918)</b>	<b>(239)</b>
<b>Investing activities</b>								
Proceeds from exercise of share options	-	-	-	2,082	-	-	-	320
Purchase and construction of property plant and equipment	(513)	(14,737)	(17,480)	(37,721)	(74)	(2,329)	(2,621)	(5,867)
Exploration and research works	(428)	(10,820)	(3,167)	(23,254)	(62)	(1,703)	(475)	(3,617)
Investments in JV	(298)	-	(1,090)	(790)	(43)	(2)	(163)	(123)
<b>Net cash flows used in investing activities</b>	<b>(1,239)</b>	<b>(25,557)</b>	<b>(21,737)</b>	<b>(59,684)</b>	<b>(178)</b>	<b>(4,033)</b>	<b>(3,259)</b>	<b>(9,286)</b>
<b>Financing activities</b>								
Proceeds from borrowings	75,481	75,264	285,343	213,055	10,869	11,927	42,788	33,136
Repayment of borrowings	(57,156)	(77,631)	(212,501)	(138,114)	(8,230)	(12,171)	(31,865)	(21,481)
Interest paid	(3,722)	(487)	(9,920)	(12,466)	(536)	(95)	(1,488)	(1,939)
Lease payments	(5,734)	(8,111)	(12,357)	(16,813)	(826)	(1,275)	(1,853)	(2,615)
Other finance expenses	-	(144)	-	(974)	-	(24)	-	(152)
<b>Net cash from financing activities</b>	<b>8,868</b>	<b>(11,109)</b>	<b>50,565</b>	<b>44,686</b>	<b>1,277</b>	<b>(1,638)</b>	<b>7,582</b>	<b>6,950</b>
Net increase in cash and cash equivalents	16,737	4,391	6,204	(16,407)	2,410	645	405	(2,575)
Net foreign exchange difference	67	55	1,554	(642)	(202)	47	499	(77)
Cash and cash equivalents at 1 July/January	1,730	771	10,776	22,266	353	119	1,656	3,463
<b>Cash and cash equivalents at 30 September</b>	<b>18,534</b>	<b>5,217</b>	<b>18,534</b>	<b>5,217</b>	<b>2,561</b>	<b>811</b>	<b>2,561</b>	<b>811</b>

CONSOLIDATED KEY RATIOS	9 months	9 months	12 months	9 months	9 months	12 months
	Jan-Sep 2014 TSEK	Jan-Sep 2013 TSEK	Jan-Dec 2013 TSEK	Jan-Sep 2014 US\$ 000	Jan-Sep 2013 US\$ 000	Jan-Dec 2013 US\$ 000
Total assets	702,947	689,532	609,814	98,378	107,242	93,696
Total equity	(99,033)	119,725	7,459	(12,713)	18,620	1,146
Equity ratio (%)	-14.1%	17.4%	1.2%	-12.9%	17.4%	1.2%
Interest bearing debt	681,047	438,684	489,295	94,090	68,228	75,179
Employees at period end	836	934	766	836	934	766
EBITDA	(27,258)	19,850	(35,116)	(4,263)	3,086	(5,396)
<b>Per share data</b>						
Earnings per share (SEK, USD)	(5.38)	(0.91)	(7.24)	(0.80)	(0.14)	(1.11)
Equity per share (SEK, USD)	(5.56)	6.73	0.42	(0.71)	1.05	0.06
Return on equity (%)	-209.1%	-11.8%	-159.4%	-246.5%	-11.9%	-159.4%

#### Key ratio definitions

Total assets	Total assets at period end
Total equity	Total equity including non controlling interest at period end
Equity ratio (%)	Total equity divided by total assets expressed as a percentage
Interest bearing debt	Total interest bearing debt at the period end
EBITDA	Earnings Before Interest, Tax, Depreciation and Amortization
Earnings per share	Net result after tax for the period divided by the average number of outstanding shares for the period before dilution
Equity per share (SEK, USD)	Equity excluding non controlling interests at the period end divided by the number of outstanding shares at the period end
Return on equity (%)	Net result after tax for the period divided by the average total equity for the same period

PARENT COMPANY INCOME STATEMENT

	Q3 Jul-Sep 2014	Q3 Jul-Sep 2013	9 months Jan-Sep 2014	9 months Jan-Sep 2013	12 months Jan-Dec 2013	Q3 Jul-Sep 2014	Q3 Jul-Sep 2013	9 months Jan-Sep 2014	9 months Jan-Sep 2013	12 months Jan-Dec 2013
	TSEK	TSEK	TSEK	TSEK	TSEK	US\$ 000	US\$ 000	US\$ 000	US\$ 000	US\$ 000
<b>Income</b>										
Operating income	-	-	-	7	13	-	-	-	1	2
<b>Total income</b>	-	-	-	7	13	-	-	-	1	2
<b>Operating costs</b>										
External expenses	(1,201)	(680)	(3,412)	(3,130)	(5,182)	(177)	(104)	(512)	(487)	(795)
Employee benefit expenses	(739)	(775)	(2,109)	(2,764)	(3,503)	(108)	(118)	(316)	(430)	(538)
<b>Total operating costs</b>	<b>(1,940)</b>	<b>(1,455)</b>	<b>(5,522)</b>	<b>(5,894)</b>	<b>(8,685)</b>	<b>(285)</b>	<b>(222)</b>	<b>(828)</b>	<b>(917)</b>	<b>(1,331)</b>
<b>Operating profit/loss</b>	<b>(1,940)</b>	<b>(1,455)</b>	<b>(5,522)</b>	<b>(5,887)</b>	<b>(8,672)</b>	<b>(285)</b>	<b>(222)</b>	<b>(828)</b>	<b>(916)</b>	<b>(1,329)</b>
Net financial items	(24,305)	3,761	(48,795)	(11,212)	(21,579)	(3,604)	574	(7,317)	(1,744)	(3,313)
<b>Profit/loss before income tax</b>	<b>(26,245)</b>	<b>2,306</b>	<b>(54,317)</b>	<b>(17,099)</b>	<b>(30,251)</b>	<b>(3,889)</b>	<b>352</b>	<b>(8,145)</b>	<b>(2,659)</b>	<b>(4,644)</b>
Income tax	-	-	-	-	-	-	-	-	-	-
<b>Net profit/loss for the period</b>	<b>(26,245)</b>	<b>2,306</b>	<b>(54,317)</b>	<b>(17,099)</b>	<b>(30,251)</b>	<b>(3,889)</b>	<b>352</b>	<b>(8,145)</b>	<b>(2,659)</b>	<b>(4,644)</b>

PARENT COMPANY STATEMENT OF COMPREHENSIVE INCOME

	Q3 Jul-Sep 2014	Q3 Jul-Sep 2013	9 months Jan-Sep 2014	9 months Jan-Sep 2013	12 months Jan-Dec 2013	Q3 Jul-Sep 2014	Q3 Jul-Sep 2013	9 months Jan-Sep 2014	9 months Jan-Sep 2013	12 months Jan-Dec 2013
	TSEK	TSEK	TSEK	TSEK	TSEK	US\$ 000	US\$ 000	US\$ 000	US\$ 000	US\$ 000
Net profit/loss for the period	(26,245)	2,306	(54,317)	(17,099)	(30,251)	(3,889)	352	(8,145)	(2,659)	(4,644)
Translation differences	(6,394)	(13,094)	(894)	(13,961)	(11,576)	(2,649)	(1,615)	(2,915)	(1,636)	(1,742)
<b>Total comprehensive income for the period</b>	<b>(32,639)</b>	<b>(10,788)</b>	<b>(55,211)</b>	<b>(31,061)</b>	<b>(41,827)</b>	<b>(6,538)</b>	<b>(1,263)</b>	<b>(11,060)</b>	<b>(4,296)</b>	<b>(6,386)</b>

PARENT COMPANY STATEMENT OF FINANCIAL POSITION

	September 30, 2014	September 30, 2013	December 31, 2013	September 30, 2014	September 30, 2013	December 31, 2013
	TSEK	TSEK	TSEK	US\$ 000	US\$ 000	US\$ 000
<b>ASSETS</b>						
<b>FIXED ASSETS</b>						
Financial fixed assets	550,584	472,995	543,084	76,065	73,564	83,443
<b>Total fixed assets</b>	<b>550,584</b>	<b>472,995</b>	<b>543,084</b>	<b>76,065</b>	<b>73,564</b>	<b>83,443</b>
<b>CURRENT ASSETS</b>						
Current receivables	299	407	447	41	63	69
Cash and bank	2,647	272	5,752	366	42	884
<b>Total current assets</b>	<b>2,946</b>	<b>679</b>	<b>6,199</b>	<b>407</b>	<b>106</b>	<b>953</b>
<b>TOTAL ASSETS</b>	<b>553,530</b>	<b>473,674</b>	<b>549,283</b>	<b>76,472</b>	<b>73,670</b>	<b>84,396</b>
<b>EQUITY AND LIABILITIES</b>						
<b>Total equity</b>	<b>166,302</b>	<b>232,280</b>	<b>221,513</b>	<b>22,975</b>	<b>36,126</b>	<b>34,035</b>
<b>Long term liabilities</b>	<b>366,974</b>	<b>894</b>	<b>64,872</b>	<b>50,699</b>	<b>139</b>	<b>9,967</b>
<b>Current liabilities</b>	<b>20,254</b>	<b>240,500</b>	<b>262,898</b>	<b>2,798</b>	<b>37,405</b>	<b>40,394</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>553,530</b>	<b>473,674</b>	<b>549,283</b>	<b>76,472</b>	<b>73,670</b>	<b>84,396</b>
<b>PLEGDED ASSETS</b>	<b>540,252</b>	<b>458,935</b>	<b>305,000</b>	<b>74,638</b>	<b>71,377</b>	<b>46,862</b>
<b>CONTINGENT LIABILITIES</b>	-	-	-	-	-	-



**PARENT COMPANY STATEMENT OF CHANGES IN EQUITY**

(All amounts in TSEK)	Share capital	Statutory reserve	Share premium reserve	Translation difference reserve	Retained earnings	Net income for the period	Total equity
<b>Equity as at December 31, 2012</b>	<b>198,191</b>	<b>68,032</b>	<b>580,799</b>	<b>(49,497)</b>	<b>(290,092)</b>	<b>(246,179)</b>	<b>261,254</b>
Profit/loss brought forward					(246,179)	246,179	
<b>Comprehensive income</b>							
Net profit/loss for the period						(17,099)	(17,099)
New share issue	2,086						2,086
Translation difference				(13,961)			(13,961)
<b>Total comprehensive income for the period</b>	<b>2,086</b>			<b>(13,961)</b>		<b>(17,099)</b>	<b>(28,974)</b>
<b>Equity as at September 30, 2013</b>	<b>200,277</b>	<b>68,032</b>	<b>580,799</b>	<b>(63,458)</b>	<b>(536,271)</b>	<b>(17,099)</b>	<b>232,280</b>
<b>Comprehensive income</b>							
Net profit/loss for the period						(13,152)	(13,152)
New shares issue							
Translation difference				2,385			2,385
<b>Total comprehensive income for the period</b>				<b>2,385</b>		<b>(13,152)</b>	<b>(10,767)</b>
<b>Equity as at December 31, 2013</b>	<b>200,277</b>	<b>68,032</b>	<b>580,799</b>	<b>(61,073)</b>	<b>(536,271)</b>	<b>(30,251)</b>	<b>221,513</b>
Profit/loss brought forward					(30,251)	30,251	
<b>Comprehensive income</b>							
Net profit/loss for the period						(54,317)	(54,317)
New shares issue							
Translation difference				(894)			(894)
<b>Total comprehensive income for the period</b>				<b>(894)</b>		<b>(54,317)</b>	<b>(55,211)</b>
<b>Equity as at September 30, 2014</b>	<b>200,277</b>	<b>68,032</b>	<b>580,799</b>	<b>(61,967)</b>	<b>(566,522)</b>	<b>(54,317)</b>	<b>166,302</b>

**PARENT COMPANY STATEMENT OF CHANGES IN EQUITY**

(All amounts in US\$ 000)	Share capital	Statutory reserve	Share premium reserve	Translation difference reserve	Retained earnings	Net income for the period	Total equity
<b>Equity as at December 31, 2012</b>	<b>30,418</b>	<b>10,441</b>	<b>89,140</b>	<b>(7,597)</b>	<b>(44,523)</b>	<b>(37,783)</b>	<b>40,097</b>
Profit/loss brought forward					(37,783)	37,783	
<b>Comprehensive income</b>							
Net profit/loss for the period						(2,659)	(2,659)
New share issue	324						324
Translation difference				(1,636)			(1,636)
<b>Total comprehensive income for the period</b>	<b>324</b>			<b>(1,636)</b>		<b>(2,659)</b>	<b>(3,971)</b>
<b>Equity as at September 30, 2013</b>	<b>30,742</b>	<b>10,441</b>	<b>89,140</b>	<b>(9,233)</b>	<b>(82,306)</b>	<b>(2,659)</b>	<b>36,126</b>
<b>Comprehensive income</b>							
Net profit/loss for the period						(1,985)	(1,985)
New shares issue							
Translation difference				(106)			(106)
<b>Total comprehensive income for the period</b>				<b>(106)</b>		<b>(1,985)</b>	<b>(2,091)</b>
<b>Equity as at December 31, 2013</b>	<b>30,742</b>	<b>10,441</b>	<b>89,140</b>	<b>(9,338)</b>	<b>(82,306)</b>	<b>(4,644)</b>	<b>34,035</b>
Profit/loss brought forward					(4,644)	4,644	
<b>Comprehensive income</b>							
Net profit/loss for the period						(8,145)	(8,145)
New shares issue							
Translation difference				(2,915)			(2,915)
<b>Total comprehensive income for the period</b>				<b>(2,915)</b>		<b>(8,145)</b>	<b>(11,060)</b>
<b>Equity as at September 30, 2014</b>	<b>30,742</b>	<b>10,441</b>	<b>89,140</b>	<b>(12,253)</b>	<b>(86,950)</b>	<b>(8,145)</b>	<b>22,975</b>

Parent company cash flow statement	Q3 Jul-Sep 2014 TSEK	Q3 Jul-Sep 2013 TSEK	9 months Jan-Sep 2014 TSEK	9 months Jan-Sep 2013 TSEK	Q3 Jul-Sep 2014 US\$ 000	Q3 Jul-Sep 2013 US\$ 000	9 months Jan-Sep 2014 US\$ 000	9 months Jan-Sep 2013 US\$ 000
<b>Operating activities</b>								
Receipts from customers	-	14	7	16	-	2	1	2
VAT and other reimbursement	247	257	711	529	36	39	107	81
Payments to suppliers	(1,452)	(1,399)	(4,069)	(4,109)	(209)	(214)	(610)	(631)
Payments to employees and the Board members	(796)	(694)	(2,045)	(2,551)	(115)	(106)	(307)	(391)
Income tax paid	-	-	-	-	-	-	-	-
Other taxes paid	-	-	(130)	(32)	-	-	(19)	(5)
<b>Net cash flows used in operating activities</b>	<b>(2,001)</b>	<b>(1,822)</b>	<b>(5,526)</b>	<b>(6,147)</b>	<b>(288)</b>	<b>(278)</b>	<b>(829)</b>	<b>(943)</b>
<b>Investing activities</b>								
Proceeds from exercise of share options	-	-	-	2,086	-	-	-	320
Borrowings given	(15,488)	(8,541)	(15,488)	(9,067)	(2,230)	(1,311)	(2,323)	(1,392)
Investments in JV	(224)	-	(1,015)	(790)	(32)	-	(152)	(121)
<b>Net cash flows used in investing activities</b>	<b>(15,712)</b>	<b>(8,541)</b>	<b>(16,504)</b>	<b>(7,771)</b>	<b>(2,262)</b>	<b>(1,311)</b>	<b>(2,475)</b>	<b>(1,193)</b>
<b>Financing activities</b>								
Proceeds from borrowings	20,177	16,574	32,369	24,012	2,905	2,540	4,854	3,685
Repayment of borrowings	-	(6,039)	(13,316)	(11,036)	-	(925)	(1,997)	(1,694)
<b>Net cash from financing activities</b>	<b>20,177</b>	<b>10,535</b>	<b>19,052</b>	<b>12,976</b>	<b>2,905</b>	<b>1,615</b>	<b>2,858</b>	<b>1,991</b>
Net increase in cash and cash equivalents	2,464	171	(2,977)	(941)	355	27	(445)	(144)
Net foreign exchange difference	(115)	49	(128)	20	(33)	7	(72)	4
Cash and cash equivalents at 1 July/January	298	52	5,752	1,193	44	8	883	182
<b>Cash and cash equivalents at 30 September</b>	<b>2,647</b>	<b>272</b>	<b>2,647</b>	<b>272</b>	<b>366</b>	<b>42</b>	<b>366</b>	<b>42</b>

## Next report due

Q4 2014 interim report will be published on 27 February 2015

## Company information

Auriant Mining AB is a Swedish mining company focused on gold production and exploration in Russia in the central parts of Asia. The gold production was initiated in late January 2005 and the assets were as at end of March 2012 estimated to encompass almost 1,000,000 troy ounces (oz) (1 troy ounce = 31,1 g) of C1/ C2 Russian gold reserves (equaling some 32 tons). The parent company's full name is Auriant Mining AB (publ). It is a public limited liability company with head office in Stockholm. The corporate identification number is 556659-4833. Address of the parent company is Engelsbrektsplan 2, 4 tr, 114 34 Stockholm. 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. For more information please visit [www.auriant.se](http://www.auriant.se). Mangold Fondkommission is Certified Adviser to Auriant Mining, for more information please call +46 8 503 015 50 or visit [www.mangold.se](http://www.mangold.se)

*The board of directors and the managing director confirm that the interim report provides an accurate overview of the company's and the group's operations, position, results and that it describes significant risks and uncertainties that the company and group companies are exposed to.*

Stockholm, November 28, 2014

Auriant Mining AB (publ.)

Peter Daresbury  
Chairman

Andre Bekker  
Director

Preston Haskell  
Director

Ingmar Haga  
Director

Bertil Villard  
Director

# Report of Review of Interim Financial Information

## Introduction

We have reviewed the condensed interim financial information (interim report) of Auriant Mining AB as of 30 September 2014 and the nine-month period then ended. The board of directors and the CEO are responsible for the preparation and presentation of the interim financial information in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

## Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements ISRE 2410, *Review of Interim Report Performed by the Independent Auditor of the Entity*. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing, ISA, and other generally accepted auditing standards in Sweden. The procedures performed in a review do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

## Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim report is not prepared, in all material respects, in accordance with IAS 34 and the Swedish Annual Accounts Act, regarding the Group, and with the Swedish Annual Accounts Act, regarding the Parent Company.

Stockholm, 28 november 2014

Öhrlings PricewaterhouseCoopers

Martin Johansson  
Authorized Public Accountant

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**Cautionary Statement:** Statements and assumptions made in this report 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 Mining. 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 management's expectations and assumptions in light of currently available information. They are subject to a number of risks and uncertainties, including, but not limited to, (i) changes in the economic, regulatory and political environments in the countries where Auriant operates; (ii) changes relating to the geological information available in respect of the various projects undertaken; (iii) Auriant's continued ability to secure enough financing to carry on its operations as a going concern; (iv) the success of its potential joint ventures and alliances, if any; (v) exchange rates, particularly between the Russian rouble and the U.S. dollar. 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 forecast in this report. Auriant assumes no unconditional obligation to immediately update any such statements and/or forecasts.