



AURIANT MINING

Auriant Mining AB (publ)

Interim report for the period from January – June 2014

Highlights:

- **Total production of gold for the reporting period increased by 49% to 372.3 kg (11,969 oz) from 249.5 kg (8,020 oz) in H1 2013.**
- **Consolidated revenue from gold and gold equivalents for H1 2014 increased by 28% to MSEK 88.8 (US\$ 13.5 m) compared to the H1 2013 amount of MSEK 69.4 (US\$ 10.7 m). EBITDA for the period was negative at MSEK -43.9 (US\$ -6.6 m) compared to H1 2013 of MSEK -22.8 (US\$ -3.5 m).**
- **The net result after tax for the period was MSEK -80.0 (US\$ -12.1 m) compared to H1 2013 in amount of MSEK -51.5 (US\$ -7.9 m). Earnings per share before and after dilution for H1 2014 were equal to SEK -4.49 (US\$ -0.68) compared to H1 2013 – SEK -2.89 (US\$ -0.44).**
- **Debt to main shareholder restructured in May 2014: Repayment in 2018, and with lower interest rate of 10%.**
- **Tardan production increased by 34%; Solcocon hard rock by 176%; and alluvial by 61% compared to the same period in 2013.**
- **Greater Tardan increased reserves by adding 2,517 kg of high grade gold (average of 5.4 g/t) at Barsuchiy.**

Comments by the CFO

Dear Stakeholders,

I'm pleased to present our interim financial statements for the first half (H1) of 2014. The Company increased its production volume by 49% and continued to focus on cash cost reduction and efficiency. During the period the Company fully repaid its US\$ 7 m loan to Svyazbank and decreased the effective interest rate on the Shareholder debt from 18% to 10% (effective from May 31, 2014). We anticipate that our focus on cost efficiencies will result in a material reduction of our cash costs per ounce in the second half of the year when traditionally the bulk of gold production occurs.

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".

Income, financial results and financial position for the group

Income and financial results

Revenue from gold and gold equivalents increased by MSEK 19.434 (US\$ 2.785 m), or 28%, as compared to the same period of 2013. The volume of gold sold increased by 46% from 224.5 kg (7,218 oz) in H1 2013 up to 327.9 kg (10,542 oz) in H1 2014, however the increase in volume of gold sold was offset by a drop in the average realized gold price from US\$ 1,480 in H1 2013 down to US\$ 1,278 in the current period (-14%).

As a result of our cost efficiency efforts average cash costs per ounce of gold produced decreased from US\$ 2,325/oz in H1 2013 down to US\$ 1,551/oz in H1 2014, or by 33%. The decrease was primarily driven by reduction of cash costs at the Tardan mine from US\$ 2,269/oz down to US\$ 1,455/oz, or by 36%. With production increasing by 49% (from 249.5 kg in H1 2013 to 372.3 kg in H1 2014) total H1 2014 cash costs stood at the same level as in H1 2013. However, in H1 2013 part of these costs were capitalized as work in progress and expensed in the amount of US\$ 5.536 m in H2 2013. This is the primary reason for the cost of sales in H1 2013 being lower than in the same period of 2014 by US\$5.955 m, or 41%.

The relatively high level of cash costs per ounce as compared to the average cash costs for full year 2013 is a result of strong production seasonality.

General and administrative expenses are represented by expenses of the company's headquarters and these expenses decreased by MSEK 2.029 (US\$ 0.351 m), or 10%, as compared to H1 2013.

Other operating income in H1 2013 amounting to MSEK 5.227 (US\$ 0.805 m) related to a gain as a result of sales of materials and services to our contractors, inventory stock-takes and reversal of bad debt provisions. In H1 2014 other operating income of MSEK 2.712 (US\$ 0.411 m) primarily consisted of services provided to third parties, mainly our contractors.

Other operating expenses compared to the prior period increased by MSEK 1.462 (US\$ 0.215 m) mainly due to the liquidation of the alluvial mining company LLC "Gold Borzya" (currently alluvial gold production is outsourced). Other operating expenses in both H1 2014 and H1 2013 also included field services to employees, bank commissions and other services (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 amounted to MSEK -35.041 (US\$ -5.312 m) as compared to MSEK -24.900 (US\$ -3.833 m) for the respective period of 2013. The increase of interest expense by MSEK 10.141 (US\$ 1.479 m) was mainly as a result of additional bank and lease financing received both by Tardan and Solcocon (MSEK 4.415 (US\$ 0.655 m)) and increased interest by MSEK 6.451 (US\$ 0.957) on the Shareholder's bond and loans as result of effective interest rate increase from 13.5% to 16.2%. The Company's bank loan average interest rate fell by 1.4% p.a. as compared to H1 2013. In H1 2013 foreign exchange losses amounted to MSEK -19.034 (US\$ -2.928 m) caused mainly by US dollar appreciation against the Russian rouble and subsequent devaluation of rouble assets. In 2014 the Company changed its functional currency from the Russian rouble to the US dollar and accounts for the carrying value of assets in US dollars. In H1 2014 the Company recognized foreign exchange income in the amount of MSEK 1.774 (US\$ 0.274 m) as result of this.

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 H1 2014 is MSEK -80.013 (US\$ -12.131 m) as compared to MSEK -51.470 (US\$ -7.921 m) in H1 2013. Earnings per share before and after dilution for the period were equal to SEK -4.49 (US\$ -0.68) compared to H1 2013 of SEK -2.89 (US\$ -0.44).

Financial position

The increase in long-term liabilities up to MSEK 431.072 (US\$ 63.951 m) as of 30 June 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 30.751 (US\$ 3.250 m) due to the capitalization of interest expenses. During H1 2014 a new long term loan of MSEK 68.144 (US\$ 10.532 m) from Promsvyazbank was received. Long term lease payable for the mining vehicle fleet decreased by MSEK 2.356 (US\$ 0.449 m).

Current liabilities are mainly represented by trade and other payables, leases and loans. The overall decrease of current liabilities by MSEK 238.818 (US\$ 38.443 m) from MSEK 519.529 (US\$ 79.824 m) as of 31 December 2013 to MSEK 280.711 (US\$ 41.381 m) as of 30 June 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; a repayment of a short term loan liability to Mr. Preston Haskell, a related party, in amount of MSEK 13.316 (US\$ 2.039 m); a decrease of lease payable by MSEK 1.341 (US\$ 0.234 m); and an increase of other payables by MSEK 5.535 (US\$ 0.366 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.

As of 30 June 2014 total bank debt was equal to MSEK 300.482 (US\$ 44.578 m).

The consolidated cash balance as of 30 June 2014 was MSEK 1.730 (US\$ 0.257 m) (31 December 2013 MSEK 10.776 (US\$ 1.656 m)).

*Chief Financial Officer
Sergey Ustimenko*

Other financial information

We are reporting all our financial numbers in SEK and in US dollars. The exchange rates used in this report are US\$/SEK 6.5966 for H1 2014 P&L accounts and 6.7406 for the balance sheet as of June 30, 2014. For H1 2013 accounts US\$/SEK 6.4969 both for P&L and balance sheet accounts was used.

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 June 30, 2014 is MSEK 278.630 (US\$ 41.336 m).

During the reporting period Auriant Mining fully repaid a short term loan to Mr. Preston Haskell, related party, in amount of MSEK 13.316 (US \$ 2.039 m).

Accrued interest expenses for transactions with related parties in H1 2014 amounted to MSEK -21.714 (US\$ -3.304 m).

Employees

The group had on average 788 employees during reporting period. As of 30 June 2014 the number of employees in the group was 901 (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 H1 2014 was MSEK -3.582 (US\$ -0.543 m) compared to H1 2013 in amount of MSEK -4.433 (US\$ -0.682 m).

Total operating expenses for H1 2014 amounted to MSEK -3.582 (US\$ -0.543 m), in H1 2013 MSEK -4.440 (US\$ -0.683 m).

Net financial items for H1 2014 amounted to MSEK -24.490 (US\$ -3.713 m) (H1 2013 MSEK -14.973) (US\$ -2.305 m)) and include interest expense related to the Golden Impala bond in amount of MSEK -21.357 (US\$ -3.250 m) and interest expense in the amount of MSEK -0.357

(US\$ -0.054 m) from short term loan received from Mr. Preston Haskell, the main Shareholder; forex loss in the amount of MSEK -9.501 (US\$ -1.428 m). These were compensated for by intragroup loan interest income in amount of MSEK 6.725 (US\$ 1.019 m).

Net result for H1 2014 amounted to MSEK -28.072 (US\$ -4.256 m) compared to H1 2013 in amount of MSEK -19.406 (US\$ -2.987 m).

Financial position of the parent company

Total cash balance in the Parent Company was MSEK 0.298 (US\$ 0.44) as of 30 June 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 30.751 (US\$ 3.250 m) due to the capitalization of interest expenses.

During H1 2014 the Company fully repaid a loan to the Shareholder Mr. Preston Haskell of MSEK 13.316 (US \$ 2.039 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 H1 2013 Net result is as follows:

Notes #		TSEK	US\$ 000
	Net loss H1 2013 before restatement	(63,604)	(9,790)
	Effect of restatement adjustments:		
1	Amortization of capitalized stripping works	(7,236)	(1,114)
2	Correction of excess impairment of work in progress balance at GRE-324	(1,930)	(297)
3	Reversal of fixed assets impairment at Solcocon in 2013 and its recognition in 2012	3,705	570
4	Reversal of options and warrants plans from 2013 accounts	1,707	263
5	Reversal of Bonus expenses related to 2012 from 2013 accounts	4,992	768
6	Reversal of Tailings (waste) costs which had been written off on retained earnings 2012 from 2013 accounts	10,896	1,678
	Net loss H1 2013 after restatement	(51,470)	(7,921)

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

	before restatement					after restatement
	June 30, 2013	Notes				June 30, 2013
	TSEK	1	2	6	7	TSEK
ASSETS						
FIXED ASSETS						
Intangible fixed assets	170,826					170,826
Tangible fixed assets	229,264					229,264
Financial fixed assets	75,946	1,809				77,755
Total fixed assets	476,036		-	-	-	477,845
CURRENT ASSETS						
Inventories	191,429	(9,045)	(2,412)	(41,044)	(10,851)	128,076
Stripping asset	-					-
Current receivables	50,259					50,259
Cash and cash equivalents	771					771
Total current assets	242,459					179,106
TOTAL ASSETS	718,494					656,951
Equity	152,860	(7,236)	(2,412)	(41,044)	(10,851)	91,316
Non-controlling interest	-					-
Total equity	152,860					91,316
Long term liabilities	39,857					39,857
Current liabilities	525,778					525,778
TOTAL EQUITY AND LIABILITIES	718,494					656,951

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 June 2013 in US\$ 000 is as follows:

	before restatement	Notes				after restatement
	June 30, 2013	1	2	6	7	June 30, 2013
	US \$ 000	US \$ 000	US \$ 000	US \$ 000	US \$ 000	US \$ 000
ASSETS						
FIXED ASSETS						
Intangible fixed assets	26,293					26,293
Tangible fixed assets	35,288					35,288
Financial fixed assets	11,690	278				11,968
Total fixed assets	73,271					73,549
CURRENT ASSETS						
Inventories	29,465	(1,392)	(371)	(6,317)	(1,670)	19,714
Stripping asset	-					-
Current receivables	7,736					7,736
Cash and cash equivalents	119					119
Total current assets	37,319					27,569
TOTAL ASSETS	110,590					101,118
Equity	23,528	(1,114)	(371)	(6,317)	(1,670)	14,056
Non-controlling interest	-					-
Total equity	23,528					14,056
Long term liabilities	6,135					6,135
Current liabilities	80,928					80,928
TOTAL EQUITY AND LIABILITIES	110,590					101,118

Notes #	Effect of restatement adjustments:	US\$ 000
7	Stripping balance December 31, 2012 write off	(1,670)

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. Further, Russian tax legislation is subject to varying interpretations and frequent changes. Changes in the interpretations of tax legislation and in the legal environment may have significant impact on the company.

Operational Update

Operational Highlights

- **Total H1 gold production of 372 kg increased by 49% compared to H1 2013.**
- **Tardan production increased by 34%; Solcocon hard rock by 176%; and alluvial by 61% compared to the same period in 2013.**
- **Greater Tardan increased reserves by adding 2,517 kg of high grade gold (average of 5.4 g/t) at Barsuchiy (Greater Tardan).**

Group Production

Production unit	License area	H1 2014		H1 2013	
		kg	oz	kg	oz
<i>Hard rock</i>					
Tardan (heap leach)	Tardan	229.0	7,362	170.7	5,487
Solcocon	Staroverenskaya	28.1	903	7.4	237
		257.1	8,265	187,1	5,724
<i>Alluvial</i>					
Borzya	Staroverenskaya	115.2	3,704	71.4	2,296
Total		372.3	11,969	249.5	8,020

		Tardan		Solcocon	
		H1 2014	H1 2013	H1 2014	H1 2013
Mining					
Waste stripping	000 m ³	1,265	909.1	234	228
Ore mined	000 t	114	92.4	82.1	104
Average grade	g/t	1.55	1.50	0.94	1.70
Heap leach					
Crushing					
Ore	000 t	123.6	82.0	49.6	45.5
Grade	g/t	1.57	2.0	0.83	1.6
Stacking					
Ore	000 t	123.6	82	49.6	45.5
Grade	g/t	1.57	2.0	0.83	1.6
Tailings	000 t	19.9	47.8	-	-
Grade	g/t	2.9	3.5	-	-
Hard rock gold produced	kg	229.0	170.7	28.1	7.4
Warehouse					
Ore	000 t	3.8	73.9	41.5	99
Grade	g/t	1.47	1.30	1.12	1.64
Tailings	000 t	30.7	213.6	-	-
Grade	g/t	2.73	2.99	-	-
Alluvial					
Waste stripping	000 m ³	n/a	n/a	607.4	n/a
Sand washed	000 m ³	n/a	n/a	124.2	n/a
Alluvial gold produced	kg	n/a	n/a	115.2	71.4
Total gold produced	kg	229.0	170.7	143.3	78.8

Financial reports

CONSOLIDATED INCOME STATEMENT

	Q2	Q2	H1	H1	12 months	Q2	Q2	H1	H1	12 months
	Apr-Jun	Apr-Jun	Jan-Jun	Jan-Jun	Jan-Dec	Apr-Jun	Apr-Jun	Jan-Jun	Jan-Jun	Jan-Dec
	2014	2013	2014	2013*	2013	2014	2013	2014	2013*	2013
	TSEK	TSEK	TSEK	TSEK	TSEK	US\$ 000	US\$ 000	US\$ 000	US\$ 000	US\$ 000
Revenue	63,118	42,014	88,856	69,422	328,970	9,489	6,479	13,470	10,685	50,502
Cost of sales	(86,751)	(48,255)	(135,919)	(95,173)	(366,572)	(12,998)	(7,449)	(20,604)	(14,649)	(56,274)
Gross profit	(23,633)	(6,241)	(47,063)	(25,751)	(37,602)	(3,509)	(969)	(7,134)	(3,964)	(5,772)
General and administrative expenses	(9,358)	(8,571)	(18,272)	(20,301)	(43,595)	(1,395)	(1,325)	(2,774)	(3,125)	(6,693)
Other operating income	1,466	2,779	2,712	5,227	10,759	218	429	411	805	1,652
Other operating expenses	(2,815)	(102)	(4,542)	(3,080)	(16,692)	(422)	(17)	(689)	(474)	(2,563)
Operating profit/(loss)	(34,340)	(12,135)	(67,165)	(43,905)	(87,131)	(5,109)	(1,882)	(10,186)	(6,758)	(13,376)
Financial income	1,773	3	1,774	10	15	274	-	274	2	2
Financial expenses	(14,707)	(27,300)	(35,041)	(43,944)	(72,289)	(2,167)	(4,209)	(5,312)	(6,763)	(11,097)
Profit/(Loss) before income tax	(47,274)	(39,432)	(100,432)	(87,839)	(159,404)	(7,002)	(6,091)	(15,224)	(13,519)	(24,471)
Income tax	2,466	21,959	20,419	36,369	30,440	316	3,386	3,093	5,598	4,673
Net profit/(loss) for the period	(44,808)	(17,473)	(80,013)	(51,470)	(128,964)	(6,685)	(2,705)	(12,131)	(7,921)	(19,798)
Whereof attributable to:										
The owners of the parent company	(44,808)	(17,473)	(80,013)	(51,470)	(128,964)	(6,685)	(2,705)	(12,131)	(7,921)	(19,798)
Earnings per share before dilution (SEK, US\$)	(2.52)	(0.98)	-	4.49	(2.89)	(0.38)	(0.15)	(0.68)	(0.44)	(1.11)
Earnings per share after dilution (SEK, US\$)	(2.52)	(0.98)	(4.49)	(2.89)	(7.24)	(0.38)	(0.15)	(0.68)	(0.44)	(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

	Q2	Q2	H1	H1	12 months	Q2	Q2	H1	H1	12 months
	Apr-Jun	Apr-Jun	Jan-Jun	Jan-Jun	Jan-Dec	Apr-Jun	Apr-Jun	Jan-Jun	Jan-Jun	Jan-Dec
	2014	2013	2014	2013*	2013	2014	2013	2014	2013*	2013
	TSEK	TSEK	TSEK	TSEK	TSEK	US\$ 000	US\$ 000	US\$ 000	US\$ 000	US\$ 000
Net profit/loss for the period	(44,808)	(17,473)	(80,013)	(51,470)	(128,964)	(6,685)	(2,705)	(12,131)	(7,921)	(19,798)
Other comprehensive income										
Items that may be reclassified subsequently to profit or loss	-	-	-	-	-	-	-	-	-	-
Translation difference	(1,751)	(16,643)	(2,601)	(15,117)	(22,721)	-	(2,494)	-	(2,272)	(3,488)
Total comprehensive income for the period	(46,559)	(34,116)	(82,614)	(66,587)	(151,686)	(6,685)	(5,199)	(12,131)	(10,193)	(23,286)

*Certain amounts of interim financial statements shown here do not correspond to the H1 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

	June 30, 2014 TSEK	June 30, 2013* TSEK	December 31, 2013 TSEK	June 30, 2014 US\$ 000	June 30, 2013* US\$ 000	December 31, 2013 US\$ 000
ASSETS						
FIXED ASSETS						
Intangible fixed assets	172,611	170,826	167,733	25,608	26,293	25,772
Tangible fixed assets	242,875	229,264	246,655	35,982	35,288	37,898
Financial fixed assets	91,106	77,755	68,835	13,477	11,968	10,576
Total fixed assets	506,591	477,845	483,223	75,067	73,549	74,246
CURRENT ASSETS						
Materials	15,620	33,139	18,279	2,317	5,101	2,808
Work in progress	36,025	91,584	42,424	5,345	14,097	6,518
Finished products	7,589	3,354	712	1,126	516	109
Stripping asset	27,642	-	13,262	4,101	-	2,038
Current receivables	30,927	33,176	35,769	4,587	5,106	5,496
Advanced paid	13,026	17,082	5,368	1,933	2,629	825
Cash and cash equivalents	1,730	771	10,776	257	119	1,656
Total current assets	132,559	179,106	126,590	19,666	27,569	19,450
TOTAL ASSETS	639,150	656,951	609,814	94,733	101,118	93,696
Share capital	200,277	200,277	200,277	30,738	30,738	30,738
Additional paid in capital	162,726	158,963	160,204	24,961	24,399	24,575
Retained earnings	(379,929)	(222,422)	(299,916)	(58,133)	(34,125)	(46,002)
Translation difference reserve	(55,707)	(45,502)	(53,106)	(8,165)	(6,956)	(8,165)
Non-controlling interest	-	-	-	-	-	-
Total equity	(72,633)	91,316	7,459	(10,599)	14,056	1,146
Long term liabilities						
Deferred tax	19,210	22,142	19,548	2,850	3,408	3,003
Loans and notes payable	107,587	-	35,438	15,961	-	5,444
Lease payable	16,295	-	18,651	2,417	-	2,866
Bond payable	278,630	-	-	41,336	-	-
Other long-term liabilities	9,350	17,715	9,188	1,387	2,727	1,414
Total long term liabilities	431,072	39,857	82,826	63,951	6,135	12,726
Current liabilities						
Trade accounts payable	36,818	46,639	25,646	5,462	7,179	3,941
Loans payable	196,939	208,573	190,452	29,217	32,103	29,262
Lease payable	5,381	2,975	6,722	799	458	1,033
Bond and shareholder loans payable	-	233,673	260,672	-	35,967	40,052
Other current liabilities	41,572	33,918	36,037	5,903	5,222	5,537
Total current liabilities	280,711	525,778	519,529	41,381	80,928	79,824
TOTAL EQUITY AND LIABILITIES	639,150	656,951	609,814	94,733	101,118	93,696
PLEDGED ASSETS	-	107,927	48,669	-	16,612	7,478
CONTINGENT LIABILITIES	-	-	-	-	-	-

*Certain amounts of interim financial statements shown here do not correspond to the H1 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 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
Equity as at January 1, 2013 before restated	198,191	155,819	(27,057)	(101,791)	225,162
Changes as result of restatement	-	1,707	(3,328)	(69,161)	(70,782)
Equity as at January 1, 2013 restated	198,191	157,526	(30,385)	(170,952)	154,380
Comprehensive income					
Net profit/loss for the period				(51,470)	(51,470)
New shares issue	2,086				2,086
Warrants and options issue		1,437			1,437
Translation difference			(15,117)		(15,117)
Total comprehensive income for the period	2,086	1,437	(15,117)	(51,470)	(63,064)
Equity as at June 30, 2013 Restated	200,277	158,963	(45,502)	(222,422)	91,316
Comprehensive income					
Net profit/loss for the period				(77,494)	(77,494)
New shares issue					
Warrants and options issue		1,241			1,241
Translation difference			(7,604)		(7,604)
Total comprehensive income for the period	-	1,241	(7,604)	(77,494)	(83,857)
Equity as at December 31, 2013	200,277	160,204	(53,106)	(299,916)	7,459
Comprehensive income					
Net profit/loss for the period				(80,013)	(80,013)
New shares issue					
Warrants and options issue		2,522			2,522
Translation difference			(2,601)		(2,601)
Total comprehensive income for the period	-	2,522	(2,601)	(80,013)	(80,092)
Equity as at June 30, 2014	200,277	162,726	(55,707)	(379,929)	(72,633)

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
Equity as at January 1, 2013 before restated	30,418	23,915	(4,152)	(15,621)	34,554
Changes as result of restatement	-	249	(532)	(10,583)	(10,860)
Equity as at January 1, 2013 restated	30,418	24,164	(4,684)	(26,204)	23,694
Comprehensive income					
Net profit/loss for the period				(7,921)	(7,921)
New shares issue	320				320
Warrants and options issue		235			235
Translation difference			(2,272)		(2,272)
Total comprehensive income for the period	320	235	(2,272)	(7,921)	(9,638)
Equity as at June 30, 2013 Restated	30,738	24,399	(6,956)	(34,125)	14,056
Comprehensive income					
Net profit/loss for the period				(11,877)	(11,877)
New shares issue					-
Warrants and options issue		176			176
Translation difference			(1,209)		(1,209)
Total comprehensive income for the period	-	176	(1,209)	(11,877)	(12,910)
Equity as at December 31, 2013	30,738	24,575	(8,165)	(46,002)	1,146
Comprehensive income					
Net profit/loss for the period				(12,131)	(12,131)
New shares issue					-
Warrants and options issue		386			386
Translation difference			-		-
Total comprehensive income for the period	-	386	-	(12,131)	(11,745)
Equity as at June 30, 2014	30,738	24,961	(8,165)	(58,133)	(10,599)

*Certain amounts of interim financial statements shown here do not correspond to the H1 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	Q2	Q2	H1	H1	Q2	Q2	H1	H1
	Apr-Jun 2014	Apr-Jun 2013	Jan-Jun 2014	Jan-Jun 2013	Apr-Jun 2014	Apr-Jun 2013	Jan-Jun 2014	Jan-Jun 2013
	TSEK	TSEK	TSEK	TSEK	US\$ 000	US\$ 000	US\$ 000	US\$ 000
Operating activities								
Receipts from customers	63,118	42,014	88,856	67,464	9,489	6,253	13,470	10,384
VAT and other reimbursement	12,487	6,853	29,013	15,601	1,893	1,134	4,488	2,401
Payments to suppliers	(66,358)	(28,278)	(94,043)	(62,840)	(9,980)	(4,293)	(14,355)	(9,672)
Payments to employees and social taxes	(23,308)	(39,500)	(44,653)	(55,785)	(3,533)	(6,012)	(6,793)	(8,586)
Income tax paid	(2)	(120)	(2)	(120)	(0)	(19)	(0)	(19)
Other taxes paid	(6,207)	(4,675)	(10,816)	(7,027)	(941)	(721)	(1,656)	(1,082)
Net cash flows used in operating activities	(20,270)	(23,706)	(31,645)	(42,707)	(3,073)	(3,657)	(4,847)	(6,573)
Investing activities								
Proceeds from exercise of share options	-	-	-	2,086	-	-	-	320
Purchase and construction of property plant and equipment	(14,711)	(18,906)	(16,967)	(22,984)	(2,230)	(2,912)	(2,598)	(3,538)
Exploration and research works	(387)	(5,949)	(2,739)	(12,436)	(59)	(919)	(419)	(1,914)
Investments in JV	(298)	(215)	(792)	(790)	(45)	(34)	(121)	(122)
Net cash flows used in investing activities	(15,396)	(25,070)	(20,498)	(34,124)	(2,334)	(3,865)	(3,139)	(5,253)
Financing activities								
Proceeds from borrowings	115,339	85,553	209,862	137,790	17,485	13,193	32,135	21,209
Repayment of borrowings	(117,681)	(25,565)	(155,344)	(60,483)	(17,840)	(3,951)	(23,787)	(9,310)
Interest paid	(4,360)	(5,201)	(6,198)	(11,979)	(661)	(804)	(949)	(1,844)
Lease payments	(3,063)	(5,423)	(6,622)	(8,702)	(464)	(1,100)	(1,014)	(1,339)
Other finance expenses	-	-	-	(830)	-	-	-	(128)
Net cash from financing activities	(9,766)	49,364	41,697	55,796	(1,481)	7,338	6,385	8,588
Net increase in cash and cash equivalents	(45,433)	588	(10,447)	(21,035)	(6,887)	(184)	(1,601)	(3,238)
Net foreign exchange difference	1,612	(399)	1,401	(461)	143	(50)	202	(70)
Cash and cash equivalents at 1 April/January	45,551	2,300	10,776	22,266	7,001	353	1,656	3,427
Cash and cash equivalents at 30 June	1,730	771	1,730	771	257	119	257	119

CONSOLIDATED KEY RATIOS	H1	H1	12 months	H1	H1	12 months
	Jan-Jun 2014	Jan-Jun 2013	Jan-Dec 2013	Jan-Jun 2014	Jan-Jun 2013	Jan-Dec 2013
	TSEK	TSEK	TSEK	US\$ 000	US\$ 000	US\$ 000
Total assets	639,150	656,951	609,814	94,733	101,118	93,696
Total equity	(72,633)	91,316	7,459	(10,599)	14,056	1,146
Equity ratio (%)	-11.4%	13.9%	1.2%	-11.2%	13.9%	1.2%
Interest bearing debt	600,788	445,221	489,295	89,130	68,528	75,179
Employees at period end	900	968	766	900	968	766
EBITDA	(43,908)	(22,822)	(35,116)	(6,661)	(3,513)	(5,396)
Per share data						
Earnings per share (SEK, USD)	(4.49)	(2.89)	(7.24)	(0.67)	(0.45)	(1.11)
Equity per share (SEK, USD)	(4.08)	5.13	0.42	(0.61)	0.79	0.06
Return on equity (%)	-245.5%	-41.9%	-159.4%	-245.5%	-41.9%	-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

	Q2 Apr-Jun 2014	Q2 Apr-Jun 2013	H1 Jan-Jun 2014	H1 Jan-Jun 2013	12 months Jan-Dec 2013	Q2 Apr-Jun 2014	Q2 Apr-Jun 2013	H1 Jan-Jun 2014	H1 Jan-Jun 2013	12 months Jan-Dec 2013
	TSEK	TSEK	TSEK	TSEK	TSEK	US\$ 000	US\$ 000	US\$ 000	US\$ 000	US\$ 000
Income										
Operating income	-	1	-	7	13	-	-	-	1	2
Total income	-	1	-	7	13	-	-	-	1	2
Operating costs										
External expenses	(1,419)	(1,837)	(2,211)	(2,450)	(5,182)	(213)	(280)	(335)	(377)	(795)
Employee benefit expenses	(686)	(1,040)	(1,371)	(1,989)	(3,503)	(102)	(159)	(208)	(306)	(538)
Total operating costs	(2,105)	(2,877)	(3,582)	(4,440)	(8,685)	(315)	(439)	(543)	(683)	(1,331)
Operating profit/loss	(2,105)	(2,876)	(3,582)	(4,433)	(8,672)	(315)	(439)	(543)	(682)	(1,329)
Net financial items	(16,329)	(10,363)	(24,490)	(14,973)	(21,579)	(2,450)	(1,580)	(3,713)	(2,305)	(3,313)
Profit/loss before income tax	(18,434)	(13,240)	(28,072)	(19,406)	(30,251)	(2,765)	(2,018)	(4,256)	(2,987)	(4,644)
Income tax	-	-	-	-	-	-	-	-	-	-
Net profit/loss for the period	(18,434)	(13,240)	(28,072)	(19,406)	(30,251)	(2,765)	(2,018)	(4,256)	(2,987)	(4,644)

PARENT COMPANY STATEMENT OF COMPREHENSIVE INCOME

	Q2 Apr-Jun 2014	Q2 Apr-Jun 2013	H1 Jan-Jun 2014	H1 Jan-Jun 2013	12 months Jan-Dec 2013	Q2 Apr-Jun 2014	Q2 Apr-Jun 2013	H1 Jan-Jun 2014	H1 Jan-Jun 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	(18,434)	(13,240)	(28,072)	(19,406)	(30,251)	(2,765)	(2,018)	(4,256)	(2,987)	(4,644)
Translation differences	22,075	(847)	5,500	(867)	(11,576)	2,264	(1)	(266)	(21)	(1,742)
Total comprehensive income for the period	3,640	(14,087)	(22,572)	(20,273)	(41,827)	(501)	(2,019)	(4,521)	(3,008)	(6,386)

PARENT COMPANY STATEMENT OF FINANCIAL POSITION

	June 30, 2014	June 30, 2013	December 31, 2013	June 30, 2014	June 30, 2013	December 31, 2013
ASSETS	TSEK	TSEK	TSEK	US\$ 000	US\$ 000	US\$ 000
FIXED ASSETS						
Financial fixed assets	544,124	480,118	543,084	80,723	73,900	83,443
Total fixed assets	544,124	480,118	543,084	80,723	73,900	83,443
CURRENT ASSETS						
Current receivables	509	1,162	447	76	179	69
Cash and bank	298	52	5,752	44	8	884
Total current assets	807	1,214	6,199	120	187	952
TOTAL ASSETS	544,931	481,332	549,283	80,843	74,086	84,396
EQUITY AND LIABILITIES						
Total equity	198,941	243,067	221,513	29,514	37,413	34,035
Long term liabilities	343,598	894	64,872	50,974	138	9,967
Current liabilities	2,391	237,372	262,898	355	36,536	40,394
TOTAL EQUITY AND LIABILITIES	544,931	481,332	549,283	80,843	74,086	84,396
PLEGDED ASSETS	437,516	463,401	305,000	64,908	71,326	46,862
CONTINGENT LIABILITIES	-	-	-	-	-	-

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
Equity as at December 31, 2012	198,191	68,032	580,799	(49,497)	(290,092)	(246,179)	261,254
Profit/loss brought forward					(246,179)	246,179	
Comprehensive income							
Net profit/loss for the period						(19,406)	(19,406)
New share issue	2,086						2,086
Translation difference				(867)			(867)
Total comprehensive income for the period	2,086			(867)		(19,406)	(18,187)
Equity as at June 30, 2013	200,277	68,032	580,799	(50,364)	(536,271)	(19,406)	243,067
Comprehensive income							
Net profit/loss for the period						(10,845)	(10,845)
New shares issue							
Translation difference				(10,709)			(10,709)
Total comprehensive income for the period				(10,709)		(10,845)	(21,554)
Equity as at December 31, 2013	200,277	68,032	580,799	(61,073)	(536,271)	(30,251)	221,513
Profit/loss brought forward					(30,251)	30,251	
Comprehensive income							
Net profit/loss for the period						(28,072)	(28,072)
New shares issue							
Translation difference				5,500			5,500
Total comprehensive income for the period				5,500		(28,072)	(22,572)
Equity as at June 30, 2014	200,277	68,032	580,799	(55,573)	(566,522)	(28,072)	198,941

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
Equity as at December 31, 2012	30,418	10,441	89,140	(7,597)	(44,523)	(37,783)	40,097
Profit/loss brought forward					(37,783)	37,783	
Comprehensive income							
Net profit/loss for the period						(2,987)	(2,987)
New share issue	324						324
Translation difference				(21)			(21)
Total comprehensive income for the period	324			(21)		(2,987)	(2,684)
Equity as at June 30, 2013	30,742	10,441	89,140	(7,618)	(82,306)	(2,987)	37,413
Comprehensive income							
Net profit/loss for the period						(1,657)	(1,657)
New shares issue							
Translation difference				(1,721)			(1,721)
Total comprehensive income for the period				(1,721)		(1,657)	(3,378)
Equity as at December 31, 2013	30,742	10,441	89,140	(9,339)	(82,306)	(4,644)	34,035
Profit/loss brought forward					(4,644)	4,644	
Comprehensive income							
Net profit/loss for the period						(4,256)	(4,256)
New shares issue							
Translation difference				(266)			(266)
Total comprehensive income for the period				(266)		(4,256)	(4,521)
Equity as at June 30, 2014	30,742	10,441	89,140	(9,605)	(86,950)	(4,256)	29,514

Parent company cash flow statement	Q2 Apr-Jun 2014 TSEK	Q2 Apr-Jun 2013 TSEK	H1 Jan-Jun 2014 TSEK	H1 Jan-Jun 2013 TSEK	Q2 Apr-Jun 2014 US\$ 000	Q2 Apr-Jun 2013 US\$ 000	H1 Jan-Jun 2014 US\$ 000	H1 Jan-Jun 2013 US\$ 000
Operating activities								
Receipts from customers	-	-	7	2	1	-	1	-
VAT and other reimbursement	298	-	465	272	26	-	71	42
Payments to suppliers	(1,438)	(901)	(2,617)	(2,710)	(182)	(139)	(401)	(417)
Payments to employees and the Board members	(519)	(957)	(1,249)	(1,856)	(113)	(148)	(191)	(286)
Income tax paid	-	-	-	-	-	-	-	-
Other taxes paid	(130)	-	(130)	(32)	-	-	(20)	(5)
Net cash flows used in operating activities	(1,790)	(1,859)	(3,524)	(4,324)	(268)	(287)	(540)	(665)
Investing activities								
Proceeds from exercise of share options	-	-	-	2,086	-	1	-	321
Borrowings given	-	(526)	-	(526)	-	(81)	-	(81)
Investments in JV	(298)	(216)	(792)	(790)	(76)	(34)	(121)	(122)
Net cash flows used in investing activities	(298)	(741)	(792)	771	(76)	(113)	(120)	119
Financing activities								
Proceeds from borrowings	12,191	3,397	12,191	7,438	-	525	1,867	1,145
Repayment of borrowings	(10,114)	(2,001)	(13,316)	(4,997)	(495)	(309)	(2,039)	(769)
Net cash from financing activities	2,077	1,396	(1,125)	2,441	(495)	216	(172)	376
Net increase in cash and cash equivalents	(10)	(1,204)	(5,441)	(1,112)	(839)	(184)	(832)	(170)
Net foreign exchange difference	(14)	4	(14)	(29)	-	-	(7)	(3)
Cash and cash equivalents at 1 April/January	322	1,252	5,752	1,193	883	192	883	183
Cash and cash equivalents at 30 June	298	52	298	52	44	8	44	8

Next report due

Q3 2014 interim report will be published on 28 November 2014

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 Engelsbredsplan 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. Mangold Fondkommission is Certified Adviser to Auriant Mining, for more information please call +46 8 503 015 50 or visit 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, August 29, 2014

Auriant Mining AB (publ.)

Peter Daresbury
Chairman

Andre Bekker
Director

Preston Haskell
Director

Ingmar Haga
Director

Bertil Villard
Director

James P. Smith Jr.
Deputy Director

This semiannual report has not been reviewed by the auditors.

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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.