

## Auriant Mining AB (publ.) Q3 2014 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 up by 69% and ore mined by 22%
- Solcocon waste stripping up by 59% and ore stacked by 54%
- Borzya production of 254 kg ahead of targets for the year
- Revised production forecast for 2014 of 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	14,982
Solcocon		63.9	2,054	72	2,315
<b>Alluvial</b>					
Borzya		253.6	8,153	305.7	9,828
<b>Total</b>		<b>746</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**

		<b>9m 2014</b>	<b>9m 2013</b>
<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>Crushing</b>			
Ore	000 tonnes	225.8	204.4
Grade	g/t	1.51	1.6
<b>Stacking</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>Gold produced</b>	kg	428.6	466
<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
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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

		9m 2014	9m 2013
<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
<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.

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*Auriant Mining AB (AUR) is a Swedish junior mining company focused on gold exploration and production in Russia, primarily in Zabaikalye and the Republics of Khakassia and Tyva. The company has currently four assets, including two operating mines (Tardan and Solcocon) and two early stage exploration assets, one of which, Kara-Beldyr, is a joint venture with the major Canadian gold producer Centerra Gold. The group's mineral licenses are estimated to contain almost 1,000,000 troy ounces of gold reserves according to the Russian standards (GKZ).*

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