

## **Report and proposals of the nomination committee of Auriant Mining AB (publ)**

According to the decision of the 2013 Annual General Meeting, the nomination committee was convened by the chairman of the board Preston Haskell and consisted of Risto Silander, chairman of the committee (representing Bertil Holdings Ltd), Peter Hamberg (representing Niclas Eriksson with the family), Bernt Plotek (representing himself) and Preston Haskell, chairman of the board of directors of Auriant Mining AB. As one of the four largest shareholders decided not to appoint a member, an opportunity to do so was offered to the fifth largest shareholder, which for conflict of interest reasons could not appoint a member to the nomination committee. It turned out to be impracticable to obtain reliable shareholder information necessary to establish the shareholder with the next largest voting power within a reasonable time, due to a number of shareholders holding their shares through nominees. The nomination committee was duly constituted by the four members appointed as above. The three shareholder representatives in the nomination committee jointly represented more than 62 percent of the voting rights in the company. The Nomination Committee has met in person and has also had extensive telephone and e-mail contact.

The nomination committee presents the following proposals to the AGM. The proposals are numbered according to the proposed agenda of the AGM.

### **Proposal for chairman of the Annual General Meeting (item 2)**

Advocate Jonas Rogberg is proposed to be appointed chairman of the meeting.

### **Proposal for amendments to the articles of association (item 10)**

The nomination committee proposes that the Annual General Meeting amends the articles of association paragraph 6 allowing the board of directors to consist of least three (3) and at most ten (10) ordinary members *and not more than five (5) deputy board members*.

The nomination committee further proposes that the Annual General Meeting amends the articles of association paragraph 8 item 9) to include the election of deputy board members.

### **Proposal regarding the number of board members and deputies (item 11)**

The nomination committee proposes that the board shall consist of five (5) members with one (1) deputy board member.

### **Proposal regarding remuneration to the board of directors, including deputies, and the auditor (item 12)**

The nomination committee proposes that the remuneration to the chairman of the board shall be SEK 250,000 and SEK 200,000 to each of the other ordinary board members, and SEK 100,000 to the deputy board member. If any committee is established by the board, it is proposed that remuneration to each member of the committee shall be paid in the amount of 25,000 SEK per annum for participation in it.

Fees to the auditor shall be based on approved invoices and on the time and rate.

Thus the remuneration of the chairman of the board and ordinary board members, as well as remuneration for participation in a board committee are proposed to remain unchanged, i.e. in the same amounts as approved by the 2013 AGM.

### **Proposal regarding election of board members, deputies and chairman of the board (item 13)**

The nomination committee proposes re-election of Preston Haskell, Andre Bekker, Lord Peter Daresbury, Ingmar Haga and Bertil Villard as members of the board. The nomination committee proposes election of James Provoost Smith as deputy board member. The nomination committee proposes that the chairman is to be elected by the board among themselves until the end of the next Annual General Meeting. However, the nomination committee has understood from the board that the board's intention is that Preston Haskell will step down as chairman during 2014 and that Lord Peter Daresbury will assume the role as chairman. The nomination committee supports this intended change of chairman of the board of directors in the company.

As a basis for its proposal, the nomination committee has made an evaluation of the board and its work. The nomination committee has come to the conclusion that the proposed board of directors will have a good balance of financial and operational expertise, including skills in the manufacturing, production and exploration areas, as well as knowledge of international markets. In view of the evaluation made, the nomination committee proposes the above mentioned individuals as members of the board of directors.

In light of one member (Sergey Kashuba) leaving the board last year the nomination committee has discussed replacing him by adding one member to the board, but concluded that it will suffice with a deputy board member who can stand in for any ordinary board member should such need arise.

James Provoost Smith will, as deputy board member, bring a wealth of business experience in general and in-depth knowledge about Auriant Mining in particular. He has in previous years served as chairman of the nomination committee of Auriant Mining AB and as such has become familiar with the company's financial and strategic position.

The proposal for the composition of the company's board of directors meets the requirements of the Swedish Code for Corporate Governance regarding independence of the members. Peter Daresbury, Ingmar Haga and Bertil Villard are regarded as independent in relation to the company, its management, as well as the company's larger shareholders. Andre Bekker is regarded as independent in relation to the company and management, but not in relation to the company's largest shareholder due to his affiliation with the company's largest shareholder. Preston Haskell is not regarded as independent in relation to the company, its management and the company's larger shareholders, based on the fact that he controls the company's largest shareholder.

### **Proposal regarding election of auditors (item 14)**

The nomination committee has evaluated work of the Company's auditors and received quotations from several accounting firms for the job. Based on the evaluation and the received quotations, the nomination committee proposes re-election of the accounting firm Öhrlings PricewaterhouseCoopers AB and Martin Johansson as principal auditor. The nomination committee believes that the proposed auditor has the skills and experience required for the audit of the company.

### **Proposal on resolution for appointment of the nomination committee (item 15)**

The nomination committee proposes the following nomination process.

The nomination committee shall consist of the chairman of the board and four members, each representing one of the four owners with the largest voting power. The selection of the four largest shareholders shall be made on the basis of the share register of the Company kept by Euroclear Sweden AB as of the last banking day in September 2014. At the earliest convenient date after the end of September 2014 the Chairman of the Board shall contact the four shareholders with the largest number of voting rights, as determined above, and will request that they each appoint a member to the nomination committee. If any of the shareholders decline their right to appoint a member to the nomination committee, the shareholder with the next largest voting power shall be provided with the opportunity to appoint a member. If it proves to be impractical to establish contact with such shareholder within reasonable time then the nomination committee may consist of the chairman of the board and three members, each representing one of the three other owners with the largest voting power. Unless the nomination committee members decide otherwise, the chairman of the nomination committee shall be the member that represents the shareholder with the largest voting power in the Company. If a member leaves the nomination committee before its work is completed and if the nomination committee considers that there is a need to replace this member, then the nomination committee shall appoint a new member.

The nomination committee shall prepare the following proposals to be submitted to the 2015 Annual General Meeting for resolution:

- a) proposal regarding chairman of the Annual General Meeting,
- b) proposal regarding the number of board members,
- c) proposal regarding election of board members, deputies and chairman of the board of directors,
- d) proposal regarding directors' fees for each of the directors and deputies as well as remuneration for committee work,
- e) proposal regarding election of auditors,
- f) proposal regarding auditor's fees, and
- g) proposal regarding nomination committee.

No remuneration shall be paid to the members of the nomination committee. The nomination committee may charge the Company reasonable costs for travelling and investigations.

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Stockholm in April 2014

The Nomination Committee in Auriant Mining AB (publ)

## **CVs of the proposed board members and deputy board member of Auriant Mining AB (publ)**

### **Preston Haskell**

Chief Executive Officer until May 24, 2012 and Chairman of the Board since May 24, 2012. Not independent in relation to the company and its management. Not independent in relation to the company's larger shareholders. Preston Haskell is Saint Kitts and Nevis citizen, born 1966.

#### **Education**

Preston has a Degree in Economics from the University of Southern California in the U.S.

#### **Work experience and other board assignments**

Preston Haskell has been active as a businessman in Russia since the early 1990s

**Shareholding in Auriant Mining AB:** 9,314,968.

**Stock options in Auriant Mining AB:** 0.

### **André Bekker**

Board member since November 27, 2012.

Independent in relation to the company and its management. Not independent in relation to the Company's larger shareholders. André is a citizen of South Africa, born 1959.

#### **Education**

André has a BSc (Hons) from the University of Free State and a management diploma from Unisa. He is a member of the Geological Society of South Africa.

#### **Work experience and other board assignments**

André is one of the most respected geologists and mining executives in Southern Africa. Previously he was an Executive Officer of Sylvania Platinum, a position he held from 2011 to 2013. His previous experience includes Technical Director of Amari Holdings (2006 – 2010) another resource investment company with projects in platinum, manganese, nickel and coal; Senior Operations Manager of Royal Bafokeng Resources (2005 -2006), a major mining investor; Head of Mining for the Industrial Development Corporation of South Africa (1991 – 2005); as well as serving as the Assistant Resident Geologist for a major Anglo American South African gold mine, and geologist of Rand Mines (1983 – 1986).

**Shareholding in Auriant Mining AB:** 0. **Stock options in Auriant Mining AB:** 30,000.

### **Lord Peter Daresbury**

Board member since November 27, 2012.

Independent in relation to the company, its management and the company's larger shareholders. Peter Daresbury is a citizen of the United Kingdom, born in 1953.

#### **Education**

Peter has an MA in history from Cambridge University.

#### **Work experience and other board assignments**

Lord Peter Daresbury has held many senior positions in the mining industry, including Directorships in Sumatra Copper & Gold Ltd (2007 – 2012); Evraz Group S.A., Russia's largest steel producer (2005 – 2006); as well as Chairman of Kazakhgold Group Ltd (2005 -2007); and Chairman of Highland Gold Mining Ltd, a major Russian gold miner (2002 – 2004). Peter is currently Chairman of Stellar Diamonds plc, Nasstar plc, and Mallett plc. Current directorships include Bespoke Hotels Ltd, Gamucci Ltd and Rasant Ltd, a Russian antimony miner. He is Chairman of The Jockey Club's Haydock Park Racecourse, having held the same position at Aintree Racecourse for 25 years.

**Shareholding in Auriant Mining AB:** 0. **Stock options in Auriant Mining AB:** 30,000.

**Ingmar Haga**

Board member since May 24, 2012.

Independent in relation to the company, its management and the company's larger shareholders.

Ingmar Haga is a citizen of Finland, born 1951.

**Education**

Ingmar has an MSc from Åbo Akademi, Finland.

**Work experience and other board assignments**

Ingmar is currently Vice President Europe of Agnico Eagle Mines Limited, a position he has held since 2006. He has held various executive and corporate positions with the Outokumpu Group in Finland and Canada. Prior to joining Agnico Eagle, he was President of Polar Mining Oy, a Finnish subsidiary of Dragon Mining NL of Australia. He has also served as a board member of the Finnish Mining Association from 2007-2008 and as their Chairman in 2009. Since 2010 he has been a member of the Euromines Steering Committee.

**Shareholding in Auriant Mining AB: 0. Stock options in Auriant Mining AB: 30,000.**

**Bertil Villard**

Board member since May 15, 2013.

Independent in relation to the company, its management and the company's larger shareholders.

Bertil Villard is a citizen of Sweden, born in 1952.

**Education**

Stockholm University, LLM

**Work experience and other board assignments.**

Bertil is a senior partner of Vinge law firm, one of Sweden's largest law firms with a solid reputation as a valuable adviser on corporate matters including corporate governance and mergers and acquisitions. Bertil has extensive practical corporate governance experience from previously serving as secretary and board member of several publicly listed companies. Prior to Vinge KB, his experience included Head of Corporate and Finance at Alfred Berg Fondkommission AB, General Counsel of Esselte AB, Swedish Match AB and Stora Kopparberg AB. He has also served as the Chairman of several companies: AMF Pension AB, Lernia AB, Salus Ansvar AB, Pergo AB and SEB Trygg Liv(Gamla). He is currently serving as Chairman or board member in several listed and non-listed companies: Novestra AB, Landsort Care AB 1-3(chairman), Mercuri International AB, Cleanergy AB, Voddler AB and Prior&Nilsson Kapitalförvaltning AB.

**Shareholding in Auriant Mining AB: 0. Stock options in Auriant Mining AB: 30,000.**

**James Provoost Smith**

Proposed to be elected as deputy board member by the AGM 2014.

Independent in relation to the company and its management. Not independent in relation to the company's larger shareholders.

James Provoost ("JP") Smith is a citizen of the United States of America, born in 1944.

**Education**

JP Smith graduated cum laude from Princeton University, Princeton, NJ, USA with a degree in Chemistry in 1965 and completed his Masters in Business Administration with high honors from Stanford University Business School in 1970.

**Work experience and other board assignments**

After Stanford, Mr. Smith worked for McKinsey & Co. before accepting a position as CFO and head of real estate development operations for the Haskell Company in Jacksonville FL, one of the largest design and build companies in the USA. Mr. Smith joined the Charter Company, a Fortune 500 Company in 1975 where he headed the Media Division and was responsible for Magazine and Newspaper Publishing, Radio Broadcasting, and Direct Marketing operations. He

left Charter in 1982 to become CEO and principal owner of the Hamilton Collection, a Direct Marketer of Collectible products. Mr. Smith sold Hamilton in 1993 to Stanhome Inc and served as Executive VP of Stanhome Inc for 2 years thereafter, before retiring to pursue real estate development opportunities and his personal interests. He continues to serve as President of HGL Properties, an office park developer in Jacksonville Florida, and is a principal owner of the company. JP Smith has served as an advisor to Preston Haskell IV, Chairman of Auriant Mining AB and was chairman of nomination committee of Auriant Mining AB in 2011-2013.

Mr. Smith served in the Marine Corps and Navy Reserves from 1965 to 1971.

**Shareholding in Auriant Mining AB: 0. Stock options in Auriant Mining AB: 0.**