



Auriant Mining AB (publ) announces its plan to arrange a partially underwritten rights issue of approximately 329 MSEK

The Board of Directors of Auriant Mining AB (publ) ("Auriant Mining" or the "Company") has decided to propose a partially underwritten rights issue totalling approximately 329 MSEK (the "Offering") to the Annual General Meeting. The Offering is expected to consist of a maximum of 89,012,145 new shares (the "Offer Shares"). The Offer Shares would represent approximately 83.33 per cent of all shares in the Company should the Offering be fully subscribed.

Summary of the Offering

- Auriant Mining aims to invest to expand its operations, increase production efficiency and to reduce debt. The Company is therefore planning to raise capital required for the new investments through a rights issue, the Offering.
- The Board of Directors of Auriant Mining has decided to propose for the Annual General Meeting to be held on 12 May 2017 to resolve on the Offering. In addition, the Board of Directors has decided to propose the Annual General Meeting to resolve on an authorization for the Board of Directors to resolve on new share issues of a maximum of 16,000,000 shares to be used for an over-subscription issue as well as for the share issue to external underwriters as underwriting compensation in shares in the Company. The notice to the Annual General Meeting will be published in a separate press release.
- Given that the Annual General Meeting resolve on the Offering, all shareholders registered on the record date, expected to be 29 May 2017, in Auriant Mining's shareholder register maintained by Euroclear Sweden AB, will receive one (1) subscription right (the "Subscription Right") for every one (1) share held. One (1) Subscription Right will entitle the holder to subscribe for five (5) Offer Shares.
- The Offering is underwritten to 80 per cent through a subscription commitment and external underwriting agreements. The main owner, Bertil Holdings Ltd (indirectly owned by Mr. Haskell), has given a subscription undertaking of 37,259,872 Offer Shares, corresponding to approximately 41.86 per cent of the Offering, and agreed to pay for the subscribed shares by setting off part of the claim under a convertible loan of 20 MUSD. The remaining part of the convertible loan will be replaced with a simple promissory note. The subscription undertaking is conditional upon Bertil Holdings Ltd receiving an exemption from the Swedish Securities Council enabling Bertil Holdings Ltd to fulfil its obligation under the subscription undertaking without triggering an obligation to make a mandatory bid for all shares in the Company.
- The subscription price will be 3.70 SEK per Offer Share, which is equal to the conversion price of the convertible loan of Bertil Holdings Ltd. The subscription price corresponds to a discount of approximately 48 per cent compared to the volume weighted average price of 7.13 SEK during the last 30 trading days prior to 11 April 2017.
- The record date for the Offering is planned to be 29 May 2017 with the last day of trading including the right to receive Subscription Rights on 24 May 2017 and the first day of trading excluding the right to receive Subscription Rights on 26 May 2017.

- The subscription period for the Offer Shares is expected to commence on 31 May 2017 and is expected to end on 16 June 2017 (the “Subscription Period”).
- Approximately 329 MSEK before transaction costs is expected to be raised in the Offering if the Offering is fully subscribed. In case of high demand in the Offering, the Company will also resolve on an over-subscription issue providing the Company with approximately an additional 40 MSEK.
- The external underwriters are entitled to receive their underwriting compensation either in cash or in new shares in the Company, by setting off the claims under the underwriting agreements as payment for subscribed shares in a directed share issue to be conducted after the Offering, if necessary. The subscription price of the shares in the directed share issue will be defined based on the volume weighted average price of the Company’s shares on Nasdaq First North Premier Sweden during the Subscription Period of the Offering. Compensation given in cash will amount to ten (10) per cent of the underwritten amount and compensation in new shares will amount to twelve (12) per cent of the underwritten amount. No compensation will be given to the shareholder who has given the subscription undertaking.
- Pursuant to the Offering, the Board of Directors also proposes the Annual General Meeting to resolve on alteration of the Articles of Association.

Rationale for the Offering and use of proceeds

The concentration on production at Tardan and the management’s focus on reducing costs has made the Company profitable (EBITDA in 2016 was 22 MUSD). On the back of this successful turnaround, Auriant Mining is now ready to expand. In order to enable future growth, new capital is required for capital investments. However, the current level of debt is preventing the Company from obtaining loan financing on favourable terms.

The Board of Directors of the Company is now proposing to carry out a rights issue of approximately 329 MSEK that will eliminate part of the convertible loan and also provide the Company with new capital for required investments. The remaining part of the convertible loan will be replaced with a simple promissory note. The reduction of the indebtedness will reduce Auriant Mining’s dependency on the main owner, lower the financial risk, as well as create a more solid balance sheet. Furthermore, upgrading the Tardan production facility will significantly increase the production and recovery in the mine. Investments will lead to extended mine life, higher gold production over its lifetime and decreased cost of production as a result of a higher recovery rate.

If the Offering is fully subscribed, the Company expects to receive net cash proceeds of approximately 157 MSEK from the Offering, before deducting the estimated expenses related to the Offering payable by the Company of approximately 22 MSEK.

The Company will use the net cash proceeds from the Offering to i) upgrade the Tardan production facilities by implementing a Carbon-In-Leach technology increasing the recovery rate (approximately 90 MSEK), ii) develop and design the building of the Kara-Beldyr mine anticipating higher production efficiency (approximately 18 MSEK) and iii) explore the Solcocon mine for additional resources suitable for the Carbon-In-Leach method (approximately 27 MSEK). In addition, 172 MSEK of the convertible loan of Bertil Holdings Ltd will be set off through a subscription commitment in the Offering, creating a more solid balance sheet.

The Offering

The size of the contemplated Offering will be approximately 329 MSEK. The Offering is underwritten to 80 per cent by current shareholders and external underwriters. The Board of Directors of the Company is planning to offer up to 89,012,145 new shares in the Company with preferential rights for current shareholders. All shareholders registered in Auriant Mining’s shareholder register maintained by Euroclear Sweden AB will receive one (1) Subscription Right for every one (1) share held in the

Company on the record date of the Offering. Every Subscription Right will entitle the holder to subscribe for five (5) Offer Shares. The Subscription Rights are planned to be registered in the shareholders' book-entry accounts approximately on 31 May 2017. The Subscription Rights are expected to be traded on Nasdaq First North Premier Sweden between 31 May 2017 and 14 June 2017.

After subscription by using Subscription Rights, intermediary shares (BTA) corresponding to the Offer Shares (the "Intermediary Shares") will be entered into the subscriber's book-entry account. Trading in the Intermediary Shares is planned to commence on Nasdaq First North Premier Sweden as their own special share class approximately on 31 May 2017. The Intermediary Shares will be converted to shares after the Offer Shares have been registered with the Swedish Companies Registration Office (Sw: Bolagsverket). The conversion is planned to take place approximately during week 26, 2017, and the Offer Shares are planned to be subject to trading together with the Company's existing shares approximately during week 26, 2017 on Nasdaq First North Premier Sweden.

Planned timetable for the Offering

12 May 2017	Annual General Meeting
24 May 2017	Last day of trading including the right to receive Subscription Rights
26 May 2017	The prospectus is expected to be published
26 May 2017	First day of trading excluding the right to receive Subscription Rights
29 May 2017	Record date for the Offering
31 May – 14 June 2017	Trading period for the Subscription Rights
31 May 2017	Trading starts in Intermediary Shares (BTA)
31 May – 16 June 2017	The Subscription Period for the Offering
20 June 2017	Announcement of the outcome of the Offering
Week 26	Last day of trading in the Intermediary Shares on Nasdaq First North Premier Sweden

Advisers

Mangold Fondkommission AB is acting as financial advisers to the Company in the Offering. Advokatfirman Westermark Anjou AB is acting as the legal adviser to the Company on aspects of the Offering related to the Swedish law and CIS London & Partners LLP is acting as the legal adviser on aspects of the Offering related to the Russian law.

For more information, please contact:

Sergey Ustimenko, CEO
tel: +7 495 660 22 20
e-mail: sergey.ustimenko@auriant.com

Company name: Auriant Mining AB
Short name: AUR
ISIN-code: SE0001337213

Website: www.auriant.com
Twitter: @auriantmining

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 one operating mine (Tardan), one early stage exploration asset and two development assets.

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.com. Mangold Fondkommission is Certified Adviser to Auriant, for more information please call +46 8 503 015 50 or visit www.mangold.se.

This information is information that Auriant Mining AB is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact person set out above, at 08:00 CET on 11 April 2017.

Cautionary Statement: Statements and assumptions made in this press release with respect to Auriant Mining AB's ("AUR") current plans, estimates, strategies and beliefs, and other statements that are not historical facts, are forward-looking statements about the future performance of AUR. 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 AUR operates; (ii) changes relating to the geological information available in respect of the various projects undertaken; (iii) AUR'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. AUR assumes no unconditional obligation to immediately update any such statements and/or forecasts

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