



AURIANT
MINING

Auriant Mining

INTERIM REPORT

Q1 2022

JANUARY-MARCH



AURIANT MINING AB (publ.)

Q1 2022 Interim Report (January – March)

The consolidated financial statements of the Auriant Mining Group (“Auriant Mining”, “the Company”), of which Auriant Mining AB (publ.) with corporate identity number 556659-4833 is the parent company (“the Parent Company”), are hereby presented for the three-months period ended on 31 March 2022.

Highlights

Amounts in parentheses refer to the same period in the previous year.

- **Gold production** 216.7 kg / 6,967 oz (209.7 kg /6,743 oz).
- **Gold sales** 288.2 kg /9,264 oz (180.0 kg /5,787 oz)
- **Consolidated revenue** US\$ 17.2 mln (US\$ 10.6 mln)
- **Net profit after tax** US\$ 4.7 mln (US\$ 1.7 mln)
- **EBITDA** US\$ 9.9 mln (US\$ 5.0 mln)
- **Net cash flow generated from operating activities** US\$ 9.1 mln (US\$ 4.5 mln)
- **Average selling price for gold** US\$ 1,861 per oz (US\$ 1,830 per oz)
- **2022 annual production forecast** is 800 - 830 kg of gold.

Significant events after the reporting period

The annual general meeting held on 10 May 2022 resolved to approve a loan facility to the Company from the shareholder GoMobile Nu AB, who is a related party, in accordance with the following main terms and conditions. The Company has entered into a conditional loan commitment agreement with GoMobile Nu AB. The Company will be provided with a loan facility of up to SEK 9,400,000. The loan facility will be available during the period between 10 May 2022 and 9 May 2023 (the commitment period). The Company will have the right to draw funds in one or more tranches during the commitment period. On any amount drawn the Company shall pay an annual interest of 6.5 percent, and a stand-by fee of 1,5 percent per annum is payable on any undrawn amount of the loan facility during the commitment period. The Company is entitled to end the commitment period anytime. Repayment of drawn amounts must take place no later than 10 May 2023, which therefore is the due date. On the due date, the said interest and stand-by fee shall also be paid.

LLC “Tardan Gold” obtained the Gold Sales Export license in May 2022.

Glossary and definitions of the above performance measures are presented on pages 19-20.

Comments from the CEO

Summary

Despite the challenging market environment the Company showed a solid uninterrupted performance in line with our announced targets and expectations during Q1 2022.

The Company diversifies its gold sales channels

Although current challenging geopolitical situation did not affect Tardan's operations, supply chain and liquidity, the Company decided to diversify its gold sales channels.

- Three new sales contracts with refinery plants were signed.
- LLC "Tardan Gold", the Company's subsidiary, applied for an export license to be able to sell gold outside Russia.
- LLC "Tardan Gold" started selling gold to a new bank under a new gold sales contract.

Deferred payment schedule regarding the additional waste disposal amount for 2019-2020

In March 2022 LLC "Tardan Gold" obtained the court's approval for a deferred payment schedule regarding the additional waste disposal amount for 2019-2020. The amount was fully provided in accounts 2021. In accordance with the payment schedule, the amount is to be paid in equal monthly installments until 31 December 2024.

Loan facility from Shareholder

To enable the Parent Company to pay its general corporate expenses the Company has entered into a conditional loan commitment agreement with its related party, GoMobile Nu AB, which holds approximately 23 percent of the shares and votes in the Company. Under the loan agreement, the creditor makes available, between 10 May 2022 and 9 May 2023 (the commitment period), a loan facility of up to SEK 9,400,000, which may be drawn by the Company in one or more tranches. The payable interest is 6,5 percent per annum on any amount drawn under the loan facility, and a stand-by fee of 1,5 percent per annum is payable on any undrawn amount of the loan facility during the commitment period. The Company is entitled to end the commitment period anytime, and thus limit the amount of the stand-by fee. Any amounts drawn shall be repaid by 10 May 2023, on which date also the interest and the stand-by fee shall be payable.

Exploration Update

With the goal of increasing the quality, and the extent of gold reserves and extending the life of mine at Tardan, the Q1 2022 exploration program has focused on preparing for drilling there, and in particular at the Bay Suit area, which is located near the CIL plant.

Kara-Beldyr Update

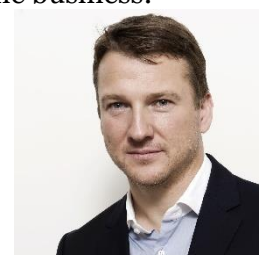
Despite the geopolitical issues, we remain positive that production at Kara-Beldyr will commence as targeted in Q4 2025, subject to sufficient electrical power being obtained.

Kara Beldyr has geological resources of 26.8 tonnes according to JORC, which shows a life of mine of 10-11 years producing 2 tonnes of gold per year.

We are hopeful despite the background of the current situation that the regional development program for electricity will be funded, and that the powerline will be built and provide sufficient electrical power.

Auriant Mining remains focused on its strategy to create long-term value, while continuing to improve the strength of its balance sheet and mitigating any financial or operating risks to the business.

Danilo Lange, CEO



Operations

The Company has currently four assets, including two operating mines (Tardan and Staroverinskaya¹), one early stage exploration asset and one development asset. The gold production during Q1 2022, compared to the corresponding periods in 2021 and full year 2021, is presented in the following table:

Production unit	Q1 2022		Q1 2021		YoY		FY 2021	
	kg	oz	kg	oz	kg	oz	kg	oz
Hard rock								
Tardan (CIL)	217	6,967	210	6,743	7	224	893	28,720
Alluvial								
Staroverinskaya	-	-	-	-	-	-	18	563
Total gold produced	217	6,967	210	6,743	7	224	911	29,283

Tardan

Tardan includes Tardan's open pit mine and Tardan's CIL plant. Tardan's CIL plant has a projected throughput of >50t per working hour. The CIL plant's flowsheet is as follows: crushing, milling and thickening followed by direct leaching in tanks, then separation to tailings and leach solution via press-filters followed by sorption, desorption of the leach solution and then electrolysis. The output product from the site is gold alloys (Doré bars) containing some 83-89% of gold content. These are further refined to bankable gold bullions by an external refinery.

In Q1 2022, ore mined amounted to 51 thousand tonnes (Q1 2021: 26 thousand tonnes) an increase of 25 thousand tonnes or 95%. The average grade in Q1 2022 was 2.63 g/t, compared to 2.42 g/t in Q1 2021, an increase of 9%.

Stripping volume amounted to 528 thousand m³ (+116 thousand m³, or 28% more than in Q1 2021).

In Q1 2022, the volume of ore processed through the CIL plant amounted to 96 thousand tonnes with an average grade of 2.44 g/t (total gold in processed ore – 235 kg). The volume of ore processed in Q1 2021 was 96 thousand tonnes with an average grade of 2.04 g/t (total gold in processed ore – 197 kg).

Q1 2022 hard rock gold production amounted to 216.7 kg (6,967 oz), compared to 209.7 kg (6,743 oz) in Q1 2021, an increase of 3%, or 7 kg (224 oz).

Overall, Q1 2022 production was in line with the Company's production plan.

Staroverinskaya license area

Due to the seasonality of the operations at Staroverinskaya, there was no alluvial gold production in the period, although 47 155 m³ of top soil was moved in Q1 2022 preparing access to the gold sands.

¹ The Company operates at Staroverinskaya license area that includes not only Solcocon, but also other areas.

Financial overview

Comments on financial performance

Revenue

	Q1 2022		Q1 2021		YoY		FY 2021	
	kg	oz	kg	oz	kg	oz	kg	oz
Gold sales	288	9,264	180	5,787	108	3,477	819	26,316
Hard rock gold	288	9,264	180	5,787	108	3,477	801	25,753
Alluvial gold	-	-	-	-	-	-	18	563
Average realized gold price, \$/oz		1,861		1,830	-	31		1,812
Total revenue, \$US mln		17.2		10.6	-	6.6		47.7

Revenue from the sale of gold amounted to US\$ 17.2 mln, a 63% increase compared to Q1 2021 (US\$ 10.6 mln), due to a higher volume of gold sold. Q1 2022 gold sales volumes amounted to 288 kg (9,264 oz), which is 60%, or 108 kg (3,477 oz), more than in Q1 2021.

In a strong gold price environment, the average realized gold price per ounce increased by 2% from US\$ 1,830 in Q1 2021 up to US\$ 1,861 in Q1 2022.

Expenses

In Q1 2022, the Group's cost of sales increased by 28% compared to Q1 2021, to US\$ 8.5 mln, while cash operating expenses increased by 12%, to US\$ 6.2 mln.

	Q1 2022 US\$000	Q1 2021 US\$000	Change US\$000	Change %
Cash operating expenses	(6,200)	(5,552)	(648)	12%
Change in stripping asset (non-cash)	1,204	649	555	86%
Change in work in progress (non-cash)	(1,819)	144	(1,963)	(1363%)
Depreciation & amortization (non-cash)	(1,639)	(1,857)	218	(12%)
Cost of sales	(8,454)	(6,616)	(1,838)	28%

Cash expenses increased mainly due to higher volumes of stripping works, increased prices for mining contractors, materials, spare parts and fuel. Despite higher cash operating expenses, the average cash cost per ounce produced in LLC "Tardan Gold" decreased by 2% from US\$ 705/oz in Q1 2021 to US\$ 688/oz in Q1 2022.

The Group's revenue from gold sales is linked to the US dollar (USD), whereas most of the Group's operating expenses are denominated in Russian roubles (RUB). Stronger RUB vs the USD can negatively impact the Group's margins by increasing the USD value of its RUB-denominated costs, while a weaker RUB positively affects its margins as it reduces the USD value of the Group's RUB-denominated costs. In the reporting period, a 15% devaluation of the RUB against the USD had a positive effect on the Group's margin. In Q1 2022, the average USD/RUB exchange rate amounted to 87.35, compared to 74.37 in Q1 2021.

Deferred stripping at Orebody 26 and at Pravoberezhnoe has been pulled forward to secure access to ore in 2022-2024.

The change in work in progress in Q1 2022 was primarily driven by the decrease in the refined but unsold gold by 80.7 kg, or 66%, to 42.4 kg on 31 March 2022 (123.1 kg on 31 December 2021).

In Q1 2022, general and administrative expenses decreased by 25% to US\$ 0.6 mln.

The Company's financial income represented by interest on bank deposits. Bank deposits are short term investments with a maturity of three months or less which can easily be transformed into cash. Bank deposits are RUR deposits, bearing an average interest rate of 12.1% per annum.

The Company's financial expenses represented by interest on loans and borrowings and lease liabilities amounted to US\$ 0.8 mln in Q1 2022, a 13% decrease compared to the previous period (Q1 2021: US\$ 1.0 mln). Interest expenses reduced due to repayments of bank loans, as well as reduction in the average interest rate on bank loans from 4.9% to 4.0%.

In 2020, Tardan became a participant of the Regional Investment Projects and obtained the right to apply the reduced income tax rate at 17%. In Q1 2022, income tax charge amounted to US\$ 1.1 mln (in Q1 2021, income tax charge of US\$ 0.7 mln was fully offset against the balance sheet amount of deferred tax asset related to tax loss carry forward in LLC "Tardan Gold").

Financial results

In Q1 2022, the Group recognized net profit of US\$ 4.7 mln compared to US\$ 1.7 mln in Q1 2021.

Earnings per share for the period were US\$ 0.05 compared to US\$ 0.02 in Q1 2021.

EBITDA has doubled and amounted to US\$ 9.9 mln in Q1 2022 (US\$ 5.0 mln in the previous reporting period) with an EBITDA margin of 57% compared to 47% in Q1 2021.

EBITDA margin, %	Q1 2022	Q1 2021	Change	Change
	US\$mln	US\$mln	US\$mln	%
Revenue	17.2	10.6	6.6	63%
EBITDA	9.9	5.0	4.8	96%
EBITDA margin, %	57%	47%	10%	21%

EBITDA reconciliation to Profit before tax	Q1 2022	Q1 2021	Change	Change
	US\$mln	US\$mln	US\$mln	%
Profit before income tax	5.8	2.4	3.4	146%
Financial income	0.1	-	0.1	100%
Financial costs	(0.8)	(0.9)	0.1	(13%)
Currency gain/(loss)	(1.8)	0.1	(1.9)	(1591%)
Depreciation & amortization	(1.6)	(1.9)	0.2	(12%)
EBITDA	9.9	5.0	4.8	96%

Comments on the financial position

In the reporting period, the Company increased its stripping assets by US\$ 1.0 mln, or 51%, as result of deferred stripping costs, primarily at Pravoberezhnoye deposit and at Orebody 26 of Tardan deposit.

As at 31 March 2022, finished products decreased by 65%, or US\$ 2.3 mln, as the Company had 42.4 kg of gold produced but not sold compared to 123.1 kg as at 31 December 2021.

As at 31 March 2022, total bank loans decreased by US\$ 3.1 mln or 17% vs 31 December 2021 due to repayment and amounted to US\$ 15.4 mln.

Total net debt as at March 31, 2022, amounted to US\$ 50.6 mln compared to US\$ 57.8 mln as at December 31, 2021.

Total Net Debt	March 31, 2022	December 31, 2021
	TUSD	TUSD
Bank loans	15,355	18,445
Debt to shareholder	36,544	35,955
Other interest-bearing liabilities (KFM)	2,662	3,722
Other notes	240	272
Leasing	665	874
Total Debt	55,466	59,268
Cash and Cash equivalents	4,847	1,474
Total Net Debt	50,619	57,794

Liquidity, investments and financing

Gold sales revenue increased by US\$ 6.6 mln or 63% due to higher gold sales volume (288 kg in Q1 2022 vs 180 kg in Q1 2021).

Income taxes paid by LLC “Tardan Gold” in Q1 2022 amounted to US\$ 0.6 mln (nil in Q1 2021 because the income tax charge was fully offset against the balance of deferred tax asset related to tax loss carry forward).

Net cash flow generated from operating activities increased by US\$ 4.6 mln, or 102%, and amounted to US\$ 9.1 mln in the reporting period vs US\$ 4.5 mln in the comparative reporting period.

During Q1 2022, operating activities were financed from the same sources as in the previous reporting period, i.e. by gold sales and the reimbursement of VAT.

Positive cash flows from operating activities were used for loan repayments and finance lease payments in Q1 2022.

The consolidated cash balance as at 31 March 2022 was US\$ 4.8 mln compared to US\$ 1.5 mln as at 31 December 2021.

Other financial information

SEGMENT INFORMATION

The Company accounts for segments in accordance with IFRS 8. At present, the Company has one segment, as the only core product (gold) is produced and all operations are performed in one economic environment, Russia.

EMPLOYEES

During Q1 2022, the Group had an average of 575 employees, of which 473 were men and 102 women (during Q1 2021: 591, of which 485 were men and 106 women).

As at 31 March 2022, the number of employees in the Group was 559, of which 462 were men and 97 women (as at 31 December 2021: 578, of which 480 were men and 98 women).

CAPITAL STRUCTURE

As at 31 March 2022, the number of shares in issue was 98,768,270. The limits of the share capital are a minimum of MSEK 5.3 and a maximum of MSEK 21.3 and the quota value of each share is SEK 0.1125 (US\$ 0.0121). 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, usually it has no income other than income for consulting services provided to the subsidiary company and interest on loans extended to the subsidiaries from time to time.

INCOME AND RESULTS OF THE PARENT COMPANY

Revenue for consulting services provided to the subsidiary company during Q1 2022 was MSEK 0.250 (US\$ 0.027 mln) compared to MSEK 0.237 (US\$ 0.028 mln) in the same period of 2021.

The operating loss for Q1 2022 was MSEK 1.499 (US\$ 0.160 mln), compared to Q1 2021 MSEK 1.891 (US\$ 0.225 mln).

Net financial items for Q1 2022 amounted to MSEK -31.373 (US\$ -3.357 mln) compared to MSEK -18.276 (US\$ -2.176 mln) in Q1 2021 and mainly represented by net forex loss of MSEK -28.037 (US\$ -3.0 mln) (in Q1 2021 MSEK -16.871 (US\$ -2.009 mln)). In the reporting period, a 28% devaluation of the RUB against the SEK resulted in forex loss on loan receivables from subsidiary companies denominated in RUB.

Net loss for the period was MSEK 32.872 (US\$ 3.517 mln) compared to loss of MSEK 20.167 (2.401 mln) in Q1 2021.

FINANCIAL POSITION OF THE PARENT COMPANY

As at 31 March 2022, the Parent Company cash balance was MSEK 0.341 (US\$ 0.037 mln) compared to MSEK 0.278 (US\$ 0.031 mln) as at 31 December 2021.

As at 31 March 2022, the long-term liabilities were represented by the debt to Golden Impala (the Shareholder's bond) of MSEK 333.089 (US\$ 35.955 mln).

The current liability was mainly represented by KFM liability of MSEK 24.664 (US\$ 2.662 mln) and unpaid interests to Golden Impala in amount of MSEK 5.461 (US\$ 0.589 mln).

The Parent Company had two employees at the end of the period.

Q1 2022 operational update

Highlights:

- In Q1 2022, hard rock gold production amounted to 216.7 kg (6,967 oz), compared to 209.7 kg (6,743 oz) in Q1 2021, an increase of 3%, or 7 kg (224 oz);
- Due to the seasonality of the operations at Staroverinskaya (Solcocon), there was no alluvial gold production in the period, although 47 155 m3 of top soil was moved in Q1 2022 preparing access to the gold sands;
- 96,268 tonnes of ore with an average grade of 2.44 g/t were processed through the CIL plant;
- The CIL plant operated for 1,887 hours at an increased throughput rate of 51 tonnes per working hour (>50 t/hour) and at the targeted recovery rate of 91.2%;
- 51,090 tonnes of ore were mined in Q1 2022, compared to 26,190 tonnes in Q1 2021, an increase of 24,900 tonnes or 95%. Stripping volume amounted to 528,200 m3 (+115,600 m3, or 28% more than in Q1 2021);
- The average grade in Q1 2022 was 2.44 g/t, compared to 2.04 g/t in Q1 2021, an increase of 20%;

Overall, Q1 2022 production was in line with the Company's production plan.

Production

Production unit	Q1 2022		Q1 2021		Change		
	kg	oz	kg	oz	kg	oz	%
Hard rock							
Tardan (CIL)	216.7	6,967	209.7	6,743	7.0	224	3%
Alluvial							
Staroverinskaya	-	-	-	-	-	-	-
Total gold produced	216.7	6,967	209.7	6,743	7.0	224	3%

Hard Rock Gold Production

	Unit	Q1 2022	Q1 2021	Change	
Mining					
Waste stripping	000 m3	528.2	412.6	115.6	28%
Ore mined	000 tonnes	51.1	26.2	24.9	95%
Gold in Ore	kg	134.5	63.4	71.2	112%
Average grade	g/t	2.63	2.42	0.21	9%
CIL					
Ore processing	000 tonnes	96.3	96.2	0.1	0%
Grade	g/t	2.44	2.04	0.40	20%
Gold in ore processing	kg	235.2	196.5	38.7	20%
Gold produced CIL	kg	216.7	209.7	7.0	3%
Opening WIP (gold)	kg	5.2	27.9		
Closing WIP (gold)	kg	2.9			
Recovery	%	91.18%	92.5%	-1.4%	-1.5%
Warehouse on Mar 31					
Ore	000 tonnes	86.4	31.3	55.0	176%
Grade	g/t	2.16	2.30	-0.14	-6%

Financial reports

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

	Q1 Jan-Mar 2022 US\$000	Q1 Jan-Mar 2021 US\$000	12 months Jan-Dec 2021 US\$000
Revenue	17,240	10,591	47,685
Cost of sales	(8,454)	(6,616)	(30,240)
Gross profit/(loss)	8,786	3,975	17,445
General and administrative expenses	(567)	(757)	(2,754)
Other operating income	53	14	99
Other operating expenses	(40)	(79)	(2,962)
Operating profit/(loss)	8,232	3,153	11,828
Financial income	116	-	4
Financial expenses	(790)	(910)	(3,159)
Foreign exchange gain/(loss), net	(1,759)	118	911
Profit/(Loss) before income tax	5,799	2,361	9,584
Income tax	(1,102)	(652)	(2,497)
Net profit/(loss) for the period	4,697	1,709	7,087
Whereof attributable to:			
The owners of the Parent Company	4,697	1,709	7,087
Earnings per share before dilution (US\$)	0.05	0.02	0.07
Earnings per share after dilution (US\$)	0.05	0.02	0.07
Number of shares issued at period end	98,768,270	98,768,270	98,768,270
Average number of shares for the period	98,768,270	98,768,270	98,768,270
Average number of shares for the period after dilution	98,768,270	98,768,270	98,768,270

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Q1 Jan-Mar 2022 US\$000	Q1 Jan-Mar 2021 US\$000	12 months Jan-Dec 2021 US\$000
Net profit/(loss) for the period	4,697	1,709	7,087
Other comprehensive income/(loss) for the period <i>Items that may be subsequently reclassified to profit or loss</i>			
Translation difference	148	130	(51)
Total comprehensive income/(loss) for the period	4,845	1,839	7,036

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	March 31, 2022 US\$000	March 31, 2021 US\$000	December 31, 2021 US\$000
ASSETS				
Non-current assets				
Intangible fixed assets		18,724	18,923	19,214
Tangible fixed assets		27,463	30,816	28,489
Stripping assets		3,024	2,028	2,006
Deferred tax assets		4,118	3,503	4,093
Total non-current assets		53,329	55,270	53,802
Current assets				
Materials		2,355	1,974	2,045
Work in progress		4,419	2,548	5,003
Finished products		1,218	3,209	3,516
Trade and other receivables		1,125	1,495	1,666
Advanced paid to suppliers and prepaid expenses		1,435	1,138	844
Cash and cash equivalents		4,847	48	1,474
Total current assets		15,399	10,412	14,548
TOTAL ASSETS		68,728	65,682	68,350
EQUITY AND LIABILITIES				
EQUITY				
Share capital		1,438	1,438	1,438
Additional paid-in capital		79,220	79,220	79,220
Translation difference reserve		(13,153)	(13,120)	(13,301)
Retained earnings		(68,901)	(78,976)	(73,598)
TOTAL EQUITY		(1,396)	(11,438)	(6,241)
LIABILITIES				
Non-current liabilities				
Bank loans and other notes		5,732	15,371	8,354
Debt to shareholder		35,955	35,831	35,955
Lease payable		277	738	424
Deferred tax liabilities		-	-	-
Other non-current liabilities	5	10,071	8,075	10,204
Total non-current liabilities		52,035	60,015	54,937
Current liabilities				
Bank loans and other notes		9,863	9,350	10,363
Other interest bearing liabilities	6	3,639	4,816	4,172
Trade accounts payable		683	1,155	648
Other current liabilities	7	3,904	1,784	4,471
Total current liabilities		18,089	17,105	19,654
Total liabilities		70,124	77,120	74,591
TOTAL EQUITY AND LIABILITIES		68,728	65,682	68,350

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

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 December 31, 2020	1,438	79,220	(13,250)	(80,685)	(13,277)
Comprehensive income					
Net profit/(loss) for the period	-	-	-	1,709	1,709
Other comprehensive income	-	-	130	-	130
Total comprehensive income for the period	-	-	130	1,709	1,839
Equity as at March 31, 2021	1,438	79,220	(13,120)	(78,976)	(11,438)
Comprehensive income					
Net profit/loss for the period	-	-	-	5,378	5,378
Other comprehensive income	-	-	(181)	-	(181)
Total comprehensive income for the period	-	-	(181)	5,378	5,197
Equity as at December 31, 2021	1,438	79,220	(13,301)	(73,598)	(6,241)
Comprehensive income					
Net profit/(loss) for the period	-	-	-	4,697	4,697
Other comprehensive income	-	-	148	-	148
Total comprehensive income for the period	-	-	148	4,697	4,845
Equity as at March 31, 2022	1,438	79,220	(13,153)	(68,901)	(1,396)

CONSOLIDATED CASH FLOW STATEMENT

	Q1 Jan-Mar 2022 US\$000	Q1 Jan-Mar 2021 US\$000	12months Jan-Dec 2021 US\$000
OPERATING ACTIVITIES			
Receipts from gold sales	17,240	10,591	47,708
VAT and other reimbursement	1,149	995	4,153
Payments to suppliers	(5,748)	(4,587)	(20,998)
Payments to employees and social taxes	(2,653)	(2,360)	(9,785)
Income tax paid	(622)	-	(2,645)
Other taxes paid	(287)	(152)	(672)
Net cash flows from/(used in) operating activities	9,079	4,487	17,761
INVESTING ACTIVITIES			
Purchase and construction of property plant and equipment	(307)	(348)	(1,193)
Exploration and research works	(44)	(1,065)	(2,720)
Net cash flows used in investing activities	(351)	(1,413)	(3,913)
FINANCING ACTIVITIES			
Repayment of borrowings, net	(4,091)	(2,441)	(8,448)
Interest paid	(240)	(309)	(2,188)
Lease payments	(156)	(584)	(2,053)
Other finance income/expenses	-	(59)	(123)
Net cash from/(used in) financing activities	(4,487)	(3,393)	(12,812)
Net increase/(decrease) in cash and cash equivalents	4,241	(319)	1,036
Effect of foreign exchange rate changes on cash and cash equivalents	(868)	(55)	16
Opening balance cash and cash equivalents	1,474	422	422
Closing balance cash and cash equivalents	4,847	48	1,474

CONSOLIDATED KEY RATIOS

	Definitions	Q1 Jan-Mar 2022 US\$000	Q1 Jan-Mar 2021 US\$000	12months Jan-Dec 2021 US\$000
Total assets	Total assets at period end	68,728	65,682	68,350
Total equity	Total equity including non-controlling interest at period end	(1,396)	(11,438)	(6,241)
Interest bearing debt	Total interest-bearing debt at the period end	55,226	65,840	58,996
Employees at period end	-	559	567	578
EBITDA*	Earnings Before Interest, Tax, Depreciation, Amortization, any Impairment and one-off items	9,878	5,010	22,487
Per share data				
Earnings per share (SEK, USD)	Net result after tax for the period divided by the average number of outstanding shares for the period before dilution	0.05	0.02	0.07
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	(0.01)	(0.12)	(0.06)

* 12m 2021 EBITDA was adjusted for accrued provision for waste disposal in the amount of US\$ 2.3 mln for 2019-2021.

PARENT COMPANY STATEMENT OF PROFIT OR LOSS

	Q1 Jan-Mar 2022	Q1 Jan-Mar 2021	12 months Jan-Dec 2021	Q1 Jan-Mar 2022	Q1 Jan-Mar 2021	12 months Jan-Dec 2021
	TSEK	TSEK	TSEK	US\$000	US\$000	US\$000
Operating income	250	237	950	27	28	111
Total income	250	237	950	27	28	111
External expenses	(942)	(1,243)	(4,456)	(101)	(148)	(519)
Employee benefit expenses	(807)	(885)	(3,735)	(86)	(105)	(435)
Total operating costs	(1,749)	(2,128)	(8,191)	(187)	(253)	(954)
Operating profit/loss	(1,499)	(1,891)	(7,241)	(160)	(225)	(843)
Impairment: Investment in subsidiaries	-	-	(87,058)	-	-	(10,145)
Net financial items	(31,373)	(18,276)	(29,506)	(3,357)	(2,176)	(3,438)
Profit/(Loss) before income tax	(32,872)	(20,167)	(123,805)	(3,517)	(2,401)	(14,426)
Income tax	-	-	-	-	-	-
Net profit/loss for the period	(32,872)	(20,167)	(123,805)	(3,517)	(2,401)	(14,426)

PARENT COMPANY STATEMENT OF COMPREHENSIVE INCOME

	Q1 Jan-Mar 2022	Q1 Jan-Mar 2021	12 months Jan-Dec 2021	Q1 Jan-Mar 2022	Q1 Jan-Mar 2021	12 months Jan-Dec 2021
	TSEK	TSEK	TSEK	US\$000	US\$000	US\$000
Net profit/(Loss for the period)	(32,872)	(20,167)	(123,805)	(3,517)	(2,401)	(14,426)
Translation differences	-	-	-	(208)	(1,341)	(1,468)
Total comprehensive income for the period	(32,872)	(20,167)	(123,805)	(3,725)	(3,742)	(15,894)

PARENT COMPANY STATEMENT OF FINANCIAL POSITION

	March 31, 2022	March 31, 2021	December 31, 2021	March 31, 2022	March 31, 2021	December 31, 2021
	TSEK	TSEK	TSEK	US\$000	US\$000	US\$000
ASSETS						
FIXED ASSETS						
Investments in subsidiaries	397,597	514,702	425,948	42,918	58,999	47,099
Total fixed assets	397,597	514,702	425,948	42,918	58,999	47,099
CURRENT ASSETS						
Current receivables	933	1,127	1,456	101	129	161
Cash and bank	341	51	278	37	6	31
Total current assets	1,274	1,178	1,734	138	135	192
TOTAL ASSETS	398,871	515,880	427,682	43,056	59,134	47,291
EQUITY AND LIABILITIES						
EQUITY	34,251	170,762	67,124	3,697	19,574	7,422
LONG-TERM LIABILITIES	333,089	312,589	325,164	35,955	35,831	35,955
CURRENT LIABILITIES	31,531	32,529	35,394	3,404	3,729	3,914
TOTAL EQUITY AND LIABILITIES	398,871	515,880	427,682	43,056	59,134	47,291

Notes

NOTE 1 GENERAL INFORMATION

Auriant Mining AB (publ.) (“AUR AB”, “the Parent company” or “the Company”) and its subsidiaries (collectively referred to as “the Group” or “the Auriant Mining Group”) are focused on gold exploration and production in Russia, primarily in Zabaikalye and the Republics of Khakassia and Tyva.

The Parent Company is a registered public limited liability company with its head office in Sweden. The address of the head office is Box 55696, 102 15 Stockholm. AUR AB was listed on the Swedish NGM Nordic Growth Market stock exchange on March 29, 2005 and has been listed on the Swedish NASDAQ First North Premier Growth Market stock exchange since July 19, 2010. At present, the Company has 3,292 shareholders.

NOTE 2 ACCOUNTING PRINCIPLES AND BASIS OF PREPARATION

This interim report has been prepared in accordance with IAS 34 *Interim Financial Reporting* (“IAS 34”), the Swedish Annual Accounts Act and the Swedish Financial Reporting Board’s recommendation RFR 1 *Supplementary accounting regulations for groups*. The consolidated interim financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as described on page 64 in the annual report for financial year 2021. The evaluations and estimations made by the board of directors and management in preparing the interim report are described on page 73 in the annual report for 2021. The Parent company accounts are prepared in accordance with the Swedish 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 2021.

The same accounting principles are applied in this interim report as in the annual report 2021.

No material changes in accounting principles have taken place since the Annual Report for 2021.

Currency rates used in the report

Year 2022	RUB/USD	SEK/USD	SEK/RUB	Year 2021	RUB/USD	SEK/USD	SEK/RUB
Average Q1	87,3479	9,345	9,4568	Average Q1	74,3686	8,3995	8,8577
March 31	84,0851	9,2641	10,4868	March 31	75,7023	8,7239	8,6736
				December 31	74,2926	9,0437	8,2235

NOTE 3 RISKS AND UNCERTAINTIES ASSOCIATED WITH THIS INTERIM REPORT

The group's risk exposure is presented on pages 42 and 91 of the 2021 annual report. Various risks may affect the results of the operating, financial and investing activities of the companies in mining and exploration industry, including Auriant Mining Group. The principal risks relating to the industry and Auriant Mining Group are described below:

a. Operational risks – production related risks:

- Failure to achieve production plan. The production capacity of a mine and gold processing plant, or the quality of mineral reserves and the availability of qualified staff, might not be in line with the production plan due to different circumstances which might lead to the non-achievement of the plan.
- Unexpected business interruptions. 1. Weather. Unexpected business interruption might lead to a significant delay in production and consequent decrease in profit. The Group’s assets are located in Republic of Tyva, Republic of Khakassia and the Zabaikalsky region, a remote area that can be subject to severe climatic conditions. 2. External contractors. The Group’s operations are materially dependent on outside contractors, including, but not limited to, providers of transportation and excavation services (in addition to transportation and excavation made using own fleet of equipment), drilling, blasting, equipment maintenance services, electricity and other

utilities supply, transportation of materials to the mine, etc. Delay in the delivery or the failure of mining equipment could significantly delay production and impact the Group's profitability.

- Obtaining necessary permit and approvals. Besides licenses for exploration and mining of natural resources, the Company must obtain additional permits and approvals to be able to actually carry out mining and production activities. For newly explored deposits, those permits and approvals include, without limitation, approval of resources with GKZ (State Resource Committee); approval of project documentation for open pit construction and operation; renting land to be used for mining activities and related activities; permits for potentially hazardous activities (such as blasting operations and operations with poisonous materials); environmental safety review, etc.
 - Kara Beldyr - The commencement of gold production is contingent upon timely implementation of the Government's final decision to finance the power line and its construction.
- b. Financial risks: The Group's activities expose it to a variety of financial risks: a) market risk (including currency and gold price risk and interest rate risk), b) credit risk and c) liquidity risk.
- c. Geological risk: Gold exploration is associated with high risk. All estimates of recoverable mineral resources are mainly based on probabilities. Estimates of mineral resources and ore reserves are based on extensive test drilling, statistical analyses and model studies and remain theoretical in nature until verified by industrial mining. There is no methodology for determining with certainty the exact amount of gold available or the shape of a potential ore body and its distribution. The exact amount of gold is known only when the gold has been extracted from the gold deposit. Data relating to mineral resources and ore reserves as presented by the Company, and by others, should be viewed against this background and may therefore deviate from this.
- d. Health, Safety and Environmental risks. The Group companies are subject to extensive environmental, health and safety controls and regulations, and any breach of these regulations could result in fines and material breach of these regulations could result in the suspension of operations, which could have a material adverse effect on its reputation, operating results and financial condition. The Group companies are subject to extensive environmental controls and regulations in Russia. Mining and exploration operations involve the use of environmentally toxic and hazardous materials, such as cyanides and diesel fuel and lubricants, as well as processes that could lead to the discharge of materials and contaminants into the environment, disturbance of land, potential harm to flora and fauna and other environmental concerns. The licenses under which the Company operates include conditions regarding environmental compliance. The terms of the Company's subsoil licenses contain site clean-up, restoration and rehabilitation obligations due in future that are mandatory for the Company. The Company could be held liable for losses associated with environmental hazards caused by its misconduct and subsequent rehabilitation, which may have an adverse impact on Group's operations, financial results and financial position.
- e. Legal risks:
- Maintenance of licenses risks. Federal Agency for Subsoil Use (Rosnedra) may suspend or revoke the Group companies' subsoil use licenses if it recognizes their violation, revealed by Federal Service for Supervision of Natural Resource Usage (Rosprirodnadzor) or other authorized governmental body, which can lead to a halt or cessation of operations at the relevant license area. Failure to comply with the terms of licenses and permits may result in financial sanctions and reputational damage.
 - Community risks. The Group's projects can be delayed or stopped due to community and environmental activists' protests and, as a result, denial of regional authorities to conclude or prolong land lease agreements, which are essential for mining.
- f. COVID-19 exposure. The current COVID-19 pandemic may affect the Group's operations in a different way. The Group remains subject to the risk of temporary disruptions in supply chain and logistics in case the situation with the global Covid-19 pandemic worsens.
- In Q1 2022, Auriant Mining Group did not experience any operational disruptions due to Covid-19.
- g. Political and economic sanctions risks. Financial and economic sanctions imposed by the global community against the Russian economy, businesses and individuals, and counter-measures imposed by Russia may affect Auriant Mining Group's operations in a number of ways, including but not limited to the following risks. The Group may not have access to capital outside of Russia, in

particular from countries that have imposed sanctions. The Group's ability to enter into business transactions in Russia may be restricted by the Russian counter-measures, since the Group includes a Swedish parent company. Like other Russian gold producers who sell gold in Russia, the Group companies may need to sell gold at higher discounts and/or face lack of demand due to buyers losing access to the international gold market. The Group companies operating in Russia may experience shortages of supplies and price increases. Bans on exports of equipment into Russia may limit the Group's choice of equipment for new projects, delay implementation of new projects and make them less economically viable. The ability of the Russian subsidiaries to make payments to the Swedish parent company may be further restricted. The Group companies may experience closures of their bank accounts and difficulties with opening new ones. The current sanctions may also have other negative implications, and there remains a possibility of further sanctions (and counter-measures) which may have further negative impact.

NOTE 4 TRANSACTIONS WITH RELATED PARTIES

As at 31 March 2022, the bond liability to Golden Impala Limited amounted to MSEK 338.5 (US\$ 36.5 mln).

Accrued interest expenses for transactions with related parties in Q1 2022 amounted to MSEK 5.5 (US\$ 0.6 mln), compared to MSEK 4.1 (US\$ 0.5 mln) in Q1 2021.

NOTE 5 OTHER NON-CURRENT LIABILITIES

As at 31 March 2022, other non-current liabilities were represented by the US\$ 9.0 mln liability to Centerra in accordance with the royalty agreement and US\$ 1.1 mln site restoration obligations.

NOTE 6 OTHER CURRENT INTEREST-BEARING LIABILITIES

As at 31 March 2022, other current interest-bearing liabilities were represented by the following balances: US\$ 2.7 mln – short-term liability to KFM, US\$ 0.6 mln – short-term liability to Golden Impala and US\$ 0.4 mln – current lease liability.

NOTE 7 OTHER CURRENT LIABILITIES

As at 31 March 2022, other current liabilities were mainly represented by the following balances: US\$ 1.9 mln waste disposal provision for 2019-2021, US\$ 0.2 mln of income tax liabilities, US\$ 0.3 mln - other tax liabilities, US\$ 1.4 mln payroll (board fee) and social contributions liabilities and US\$ 0.1 mln – other current liabilities.

NOTE 8 SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

The annual general meeting held on 10 May 2022 resolved to approve a loan facility to the Company from the shareholder GoMobile Nu AB, who is a related party, in accordance with the following main terms and conditions. The Company has entered into a conditional loan commitment agreement with GoMobile Nu AB. The Company will be provided with a loan facility of up to SEK 9,400,000. The loan facility will be available during the period between 10 May 2022 and 9 May 2023 (the commitment period). The Company will have the right to draw funds in one or more tranches during the commitment period. On any amount drawn the Company shall pay an annual interest of 6.5 percent, and a stand-by fee of 1,5 percent per annum is payable on any undrawn amount of the loan facility during the commitment period. The Company is entitled to end the commitment period anytime. Repayment of drawn amounts must take place no later than 10 May 2023, which therefore is the due date. On the due date, the said interest and stand-by fee shall also be paid.

LLC “Tardan Gold” obtained the Gold Sales Export license in May 2022.

Additional information

NEXT REPORTS DUE

Interim report (Q2) January - June, 2022:
[August 31, 2022](#)
Interim report (Q3) January - September,
2022:
[November 30, 2022](#)
Interim report (Q4) January - December,
2022:
[February 28, 2023](#)

COMPANY INFORMATION

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 Staroverinskaya¹), one early stage exploration asset and one development asset.

Since July 19, 2010, Auriant Mining's shares are traded on Nasdaq First North Premier Growth Market under the short name AUR. For more information, please visit www.auriant.com.

G&W Fondkommission is Certified Adviser to Auriant, for more information please call +46 8 503 000 50 or visit www.gwkapital.se.

BOARD ASSURANCE

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, May 31, 2022
Auriant Mining AB (publ.)

Lord Daresbury
Chairman of the Board

Preston Haskell
Board Member

Jukka Pitkäljärvi
Board Member

Birgit Köster Hoffmann
Board Member

Danilo Lange
CEO

This report has not been reviewed by the Company's Auditors.

Cautionary Statement: Statements and assumptions made in this report 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. This press release shall not, directly or indirectly, be released, published or distributed in or to the United States, Australia Japan, Canada, New Zealand, Hong Kong, South Africa or other country where such action as a whole or in part is subject to legal restrictions. Nothing in this press release should be considered as an offer to invest or otherwise trade in shares of Auriant Mining AB (publ). The proposed issue will not be directed at residents or those living in the United States, Australia, Japan, Canada, New Zealand, Hong Kong, South Africa or other country where such action would require further prospectus, other offering documentation, registration or other measures beyond those required by Swedish law. No securities will be registered under the United States Securities Act of 1933, a similar law in any state in the United States, or under any provincial law in Canada, nor under the applicable law of another country.

¹ The Company operates at Staroverinskaya license area that includes not only Solcocon, but also other areas.

Glossary and definitions

ALTERNATIVE PERFORMANCE MEASURES

The Company applies the European Securities and Markets Authority's (ESMA) guidelines on alternative performance measures. The alternative key financial performance indicators are defined as financial measures of historical or future earnings trends, financial position, financial performance, or cash flows that are not defined or specified in the applicable regulations for financial reporting, IFRS, and the Annual Accounts Act. These measures should not be regarded as a substitute for measures defined in accordance with IFRS. If an alternative performance measure cannot be identified directly from the financial statements, a reconciliation is required.

DEFINITIONS OF KEY RATIOS

EBITDA

Earnings before interest, taxes, depreciation, and amortization is a non-IFRS metric and is defined by the Group as profit for the period before income taxes adjusted for depreciation, amortization and impairment, finance income, finance cost, (gain)/loss on revaluation of derivative financial instruments, foreign exchange (gain)/loss, (gain)/loss on disposal or revaluation of investments in subsidiaries and associates, (gain)/loss on (reversal of impairment)/impairment of property, plant and equipment, write-downs and reversals of inventory to net realizable value, bad debt allowance, share-based compensation expenses, charity expenses, and other one-off adjustments that may be required to provide a clearer view of the performance of the Group's operations. EBITDA is used to measure earnings from operating activities, independent of depreciation, amortization, and impairment losses.

Total Cash Costs (TCC)

Total cash costs (TCC) are defined as the cost of gold sales, less depreciation of property, plant and equipment, amortization, intangible assets, allowance for obsolescence of inventory and provision for mine closure, rehabilitation and decommissioning costs, less alluvial gold costs, less change in WIP, plus change in stripping assets. TCC per ounce produced is calculated as TCC divided by the total gold equivalent ounces of hard rock gold produced for the period.

Equity

Equity of the Group comprises issued capital, share premium, reserve for translation to presentation currency, retained earnings, and non-controlling interests.

Earnings per share

Earnings per share comprises consolidated earnings for the period (profit after tax from continuing and discontinued operations) attributable to the Parent Company shareholders, divided by the weighted average number of outstanding shares during the period and excluding treasury shares. Diluted Earnings per share is earnings per share adjusted to reflect the effects of potential dilutive ordinary shares, which constitute shares and options.

Equity per share

Equity at the end of the period divided by the number of shares outstanding at the end of the period.

Total number of shares outstanding

Number of shares outstanding at the end of the period.

Weighted average number of shares

The weighted number of shares outstanding during the year is calculated by taking into account any changes in the number of shares outstanding during the reporting period.

INDUSTRY SPECIFIC DEFINITIONS AND GLOSSARY (IN ACCORDANCE WITH JORC)

Alluvial gold

Mineralization in riverbeds at ground level.

Mineralization

Any single mineral or combination of minerals occurring in a mass, or deposit, of economic interest. The term is intended to cover all forms in which mineralization might occur, whether by class of deposit, mode of occurrence, genesis, or composition.

Mineral Resource

Is a concentration or occurrence of solid material of economic interest in or on the Earth's crust in such form, grade (or quality), and quantity that there are reasonable prospects for eventual economic extraction. The location, quantity, grade (or quality), continuity, and other geological characteristics of a Mineral Resource are known, estimated, or interpreted from specific geological evidence and knowledge, including sampling. Mineral Resources are sub-divided, in order of increasing geological confidence, into Inferred, Indicated and Measured categories.

Ore (or Mineral) Reserve

Is the economically mineable part of a Measured and/or Indicated Mineral Resource. It includes diluting materials and allowances for losses, which may occur when the material is mined or extracted and is defined by studies at the Pre-Feasibility or Feasibility stage as appropriate, that include the application of Modifying Factors. Such studies demonstrate that, at the time of reporting, extraction could reasonably be justified.

Recovery

The percentage of material of initial interest that is extracted during mining and/or processing. A measure of mining or processing efficiency.

Troy ounce (oz)/koz/Moz

Weight measure for gold corresponding to 31.1035 grams /thousand oz/million oz.

FINANCE DEFINITIONS

SEK/TSEK/MSEK

Swedish krona/Thousand Swedish krona/Million Swedish krona

USD/TUSD/MUSD

US Dollar/Thousand US Dollar/Million US Dollar

RUB/TRUB/MRUB

Russian ruble/Thousand Russian rubles/Million Russian rubles