

AURIANT
MINING

1st quarter 2014 Interim Results
Analyst Web Conference
30 May 2014

Disclaimer

Statements and assumptions made in this Presentation 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. 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 Auriant's management's expectations and assumptions in light of currently available information. 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 forecasted in this Presentation. Auriant do not assume any unconditional obligation to update any such statements and/or forecasts immediately.

Auriant Mining overview

General information

Auriant Mining AB is a Swedish junior mining company focused on gold production in Russia

Auriant Mining AB is one of **only few publicly listed junior** mining companies in Russia

Gold Reserves – **~1 Moz** according to Russian C1+C2 categories

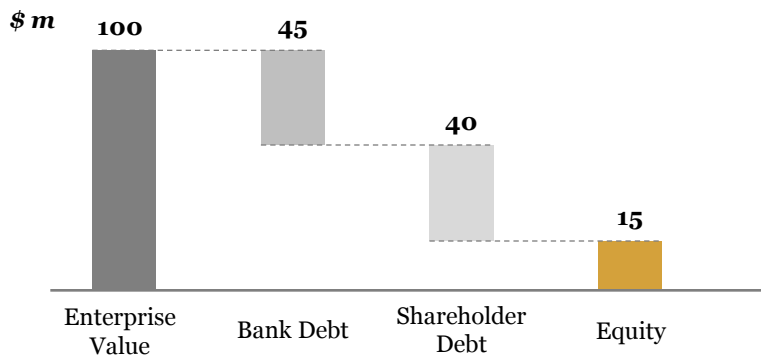
2012 production – **642 kg**

2013 production – **1,142 kg**

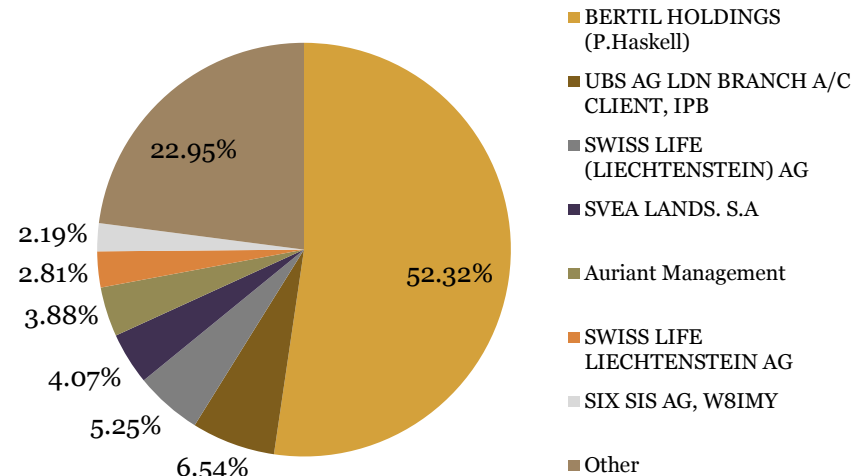
Headquartered in **Stockholm, Sweden**

Auriant Mining is listed on **NASDAQ OMX First North Premier**

Capital structure



Shareholder structure

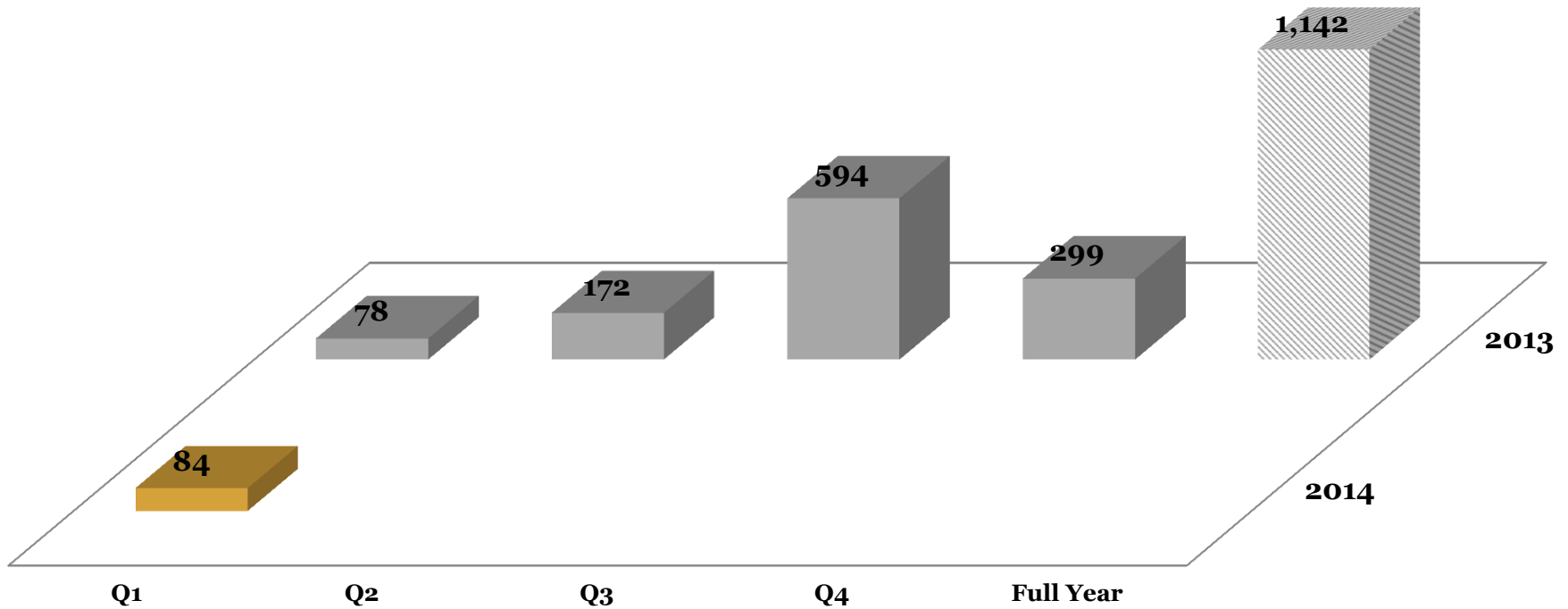


Management shareholding

- As of April 2014 Auriant Mining management holds **690 229 shares – 3.9% of total**
- Total amount of options holds by company's management is **1,306,768**
- Total management shareholding on a fully diluted basis - **10.4%**

Quarterly production growth

kg



- Q1 2014 production exceeding Q1 2013 production and on-target
- Strong seasonality – most production in Q2 and Q3

Q1 2014 Production Key Performance Indicators

		Tardan		Solcocon		Total		Change,
		Q1 2014	Q1 2013	Q1 2014	Q1 2013	Q1 2014	Q1 2013	%
Mining								
Waste stripping	000 m ³	459	371	-	114	459	485	-5%
Ore mined	000 t	45	48	-	18	45	66	-32%
Average grade	g/t	1.61	1.56	-	1.50	1.61	1.55	4%
Heap leach								
Crushing								
Ore	000 t	5	-	-	21	5	21	-78%
Grade	g/t	1.85	-	-	1.45	1.85	1.45	28%
Stacking								
Ore	000 t	5	-	-	-	5	-	
Grade	g/t	1.85	-	-	-	1.85	-	
Gold produced	kg	74	74	10	4	84	78	8%

- No alluvial production, as planned, in the first quarter of the year
- Waste stripping at Tardan increased by 24%, while at Solcocon stripping was put on hold in Q1
- Gold grade at Tardan increased slightly (4%)
- Production increased in Solcocon from ore stacked in 2013

Q1 2014 Income Statement

<i>US\$ 000</i>	Q1 2014	Q1 2013
Hard rock gold revenue	3,981	4,206
Total revenue	3,981	4,206
Cost of Hard Rock production	(7,413)	(7,049)
Gross profit	(3,431)	(2,843)
Management company	(1,379)	(1,800)
Other operating income	193	376
Other operating expenses	(460)	(608)
Operating profit/loss	(5,078)	(4,876)
Net financial items	(3,145)	(2,553)
Profit/loss before income tax	(8,223)	(7,429)
Income tax	2,777	2,211
Net profit/loss for the period	(5,446)	(5,217)

Revenue from gold and gold equivalents decreased by MSEK 1.670 (US\$ 0.225 m), or 6%, as compared to the same period of 2013. The volume of gold sold increased by 13% from 79.4 kg (2,551 oz) in Q1 2013 up to 92.1 kg (2,961 oz) in Q1 2014, however the increase in volume of gold sold was offset by a drop in the average realized gold price from US\$ 1,656 in Q1 2013 down to US\$ 1,290 in the current period.

The increase in the cost of sales is primarily volume driven while average cash costs per ounce of gold decreased from US\$ 2,231/oz in Q1 2013 down to US\$ 2,080/oz in Q1 2014

Management company costs decreased by 23%, due to lower payroll expenses

Q1 2014 Income Statement by nature

<i>US\$ 000</i>	Q1 2014	Q1 2013
Income		
Revenue from sale of gold	3,981	4,206
Other income	193	376
Total income	4,174	4,582
Operating costs		
Change in stock of finished and semi-finished goods	(175)	2,919
External expenses	(1,022)	(1,827)
Taxes	(375)	(598)
Materials	(1,706)	(2,436)
Employee benefit expenses	(2,464)	(3,373)
Depreciation, amortization and write downs	(1,670)	(1,735)
Moscow & Stockholm costs	(1,379)	(1,800)
Other expenses	(460)	(608)
Total operating costs	(9,252)	(9,457)
Operating profit/loss	(5,078)	(4,876)
Net financial items	(3,145)	(2,553)
Profit/loss before income tax	(8,223)	(7,429)
Income tax	2,777	2,211
Net profit/loss for the period	(5,446)	(5,217)
EBITDA		
Operating loss	(5,078)	(4,876)
Depreciation and amortization of production entities	(1,670)	(1,735)
Depreciation and amortization of Moscow	(23)	(4)
EBITDA	(3,384)	(3,137)

Better control of material expenses, and seasonal shutdown of Solcocon allowed us to decrease these expenses by 30% or US\$ 0.73 m

Employee benefit expenses decreased by US\$ 0.909m, or 27%, as a result of the company's staff optimization in the winter season, in particular at the Solcocon mine.

Total operating costs, except for changes in work in progress, amounted to US\$ 9.08 m in Q1 2014, which is a 27% decrease compared to the same period of 2013 (Q1 2013: US\$ 12.38 m)

Group EBITDA contribution analysis

<i>US\$ 000</i>	Q1 2014	Q1 2013
Group EBITDA total:	(3,384)	(3 137)
incl:		
Tardan	(1,079)	(1,120)
Solcocon	(901)	(256)
Total operating EBITDA	(1,980)	(1,376)
Moscow	(1,128)	(1,535)
Sweden	(228)	(239)
Uzhunzhul, Borzya & Kara-Beldyr	(48)	12

Group Hard Rock Q1 cash costs

		Tardan	Solcocon	Total
Direct Mining Costs				
Rock mass mined	US\$ 000	1,971	-	1,971
	(000 m ³)	465	-	465
	US\$/m ³	4.24	-	4.24
Stripping capitalised	US\$ 000	(1,009)	-	(1,009)
Cost of ore	US\$ 000	963	-	963
Ore	000 t	45		45
	US\$/t	21		21
Direct processing costs				
Ore stacked	US\$ 000	-	-	-
	(000 t)	5	-	5
Cost of processing	US\$ 000	2,612	893	3,505
	US\$/t	n/a	n/a	n/a
Indirect costs	US\$ 000	859	416	1 275
Cash operating costs				
	US\$ 000	4,434	1,309	5,743
	US\$/oz	1,658	4,577	1,940
Taxes	US\$ 000	344	69	413
Total cash costs				
	US\$ 000	4,777	1,378	6,155
	US\$/oz	1,787	4,818	2,080

- Total cash costs in Q1 2013 were US\$ 2,231. In Q1 2014 total cash costs decreased by 7% as compared to Q1 2013

Consolidated statement of financial position

<i>US\$ 000</i>	31 March 2014	31 March 2013	31 December 2013
ASSETS			
FIXED ASSETS			
Intangible fixed assets	26,227	24,272	25,772
Tangible fixed assets	36,660	35,109	37,898
Financial fixed assets	12,614	8,709	10,576
Total fixed assets	75,501	68,090	74,246
CURRENT ASSETS			
Inventories	5,126	21,139	9,436
Stripping asset	5,490		2,038
Current receivables	4,949	6,536	6,321
Cash and cash equivalents	7,001	353	1,656
Total current assets	22,566	28,028	19,450
TOTAL ASSETS	98,067	96,118	93,696
Share capital	30,738	30,738	30,738
Additional paid in capital	24,755	24,284	24,575
Retained earnings	(51,448)	(31,421)	(46,002)
Translation difference reserve	(8,165)	1,701	(8,165)
Total equity	(4,121)	25,302	1,146
Long term liabilities			
Deferred tax	2,958	3,456	2,897
Loans payable	12,825	-	4,829
Lease payable	2,447	86	2,866
Bond payable	39,802	33,844	
Other long-term liabilities	1,878	2,654	2,135
Total Long term liabilities	59,910	40,041	12,726
Current liabilities			
Trade accounts payable	4,044	2,871	3,941
Loans payable	30,491	22,427	29,262
Lease payable	809	561	1,033
Bond and shareholder loans payable	1,518	-	40,052
Other current liabilities	5,415	4,916	5,537
Total current liabilities	42,278	30,776	79,824
TOTAL EQUITY AND LIABILITIES	98,067	96,118	93,696

The Company's consolidated equity at the end of the reporting period turned negative as a result of Q1 losses. However, the Parent Company carries positive equity 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.

During Q1 2014 we paid in full the loan from Svyazbank (classified as short term as of 31 December 2013). To meet the Company's cash needs we entered into a long term loan facility with Promsvyazbank (repayable in 2015 – 2017)

As planned, the Company reached an agreement with Golden Impala, a company related to the main Shareholder, to extend debt, initially payable in June 2014, to 2018 and to decrease interest rate to 10% p.a.

Consolidated cash flow statement

<i>US\$ 000</i>	Q1 2014	Q1 2013
Operating activities		
Receipts from customers	3,981	4,131
VAT and other reimbursement	2,556	1,267
Payments to suppliers	(4,653)	(5,379)
Payments to employees and social taxes	(3,302)	(2,574)
Income tax paid	-	-
Other taxes paid	(713)	(361)
Net cash flows used in operating activities	(2,130)	(2,916)
Investing activities		
Proceeds from exercise of share options	-	320
Purchase and construction of property plant and equipment	(349)	(362)
Exploration and research works	(364)	(995)
Investments in JV	(76)	(88)
Net cash flows used in investing activities	(789)	(1,125)
Financing activities		
Proceeds from borrowings	14,622	8,016
Repayment of borrowings	(5,523)	(5,359)
Interest paid	(284)	(1,040)
Lease payments	(551)	(264)
Other finance expenses	-	(367)
Net cash from financing activities	8,264	986
Net increase in cash and cash equivalents	5,345	(3,055)
Net foreign exchange difference	-	(10)
Cash and cash equivalents at 1 January	1,656	3,417
Cash and cash equivalents at 31 March	7,001	353

Long-term loan facility from Promsvyazbank

Cash (US\$6.7 m) was accumulated to repay Svyazbank's loan on 1 April

Q1 Summary

- In Q1 2014 gold production was 84 kg (2,690 oz) of gold, an **increase of 8%** compared to the same period in 2013.
- In Q1 2014 **sales of gold increased by 13%** to 92 kg (2,961 oz).
- **Focus on cost control** at both the mine sites and management company. Total cash costs per ounce of gold produced in Q1 2014 was US\$ 2,080, a **7% improvement** as compared to the same period in 2013.
- **Exploration drilling** at Tardan was completed. 937 kg of new reserves were added at Tardan, and 2,457 kg at greater tardan were submitted for approval.
- **Decreased interest rate** on shareholder loan to **10% p.a.** Maturity of shareholder loan **rolled over to 2018.**
- **Bank debt refinanced.**
- Outlook for 2014 gold production remains unchanged - **1,300 to 1,400 kg**

Thank you

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