

AURIANT

MINING

9 months 2017 Interim Results
Analyst Web Conference
November 30, 2017

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.

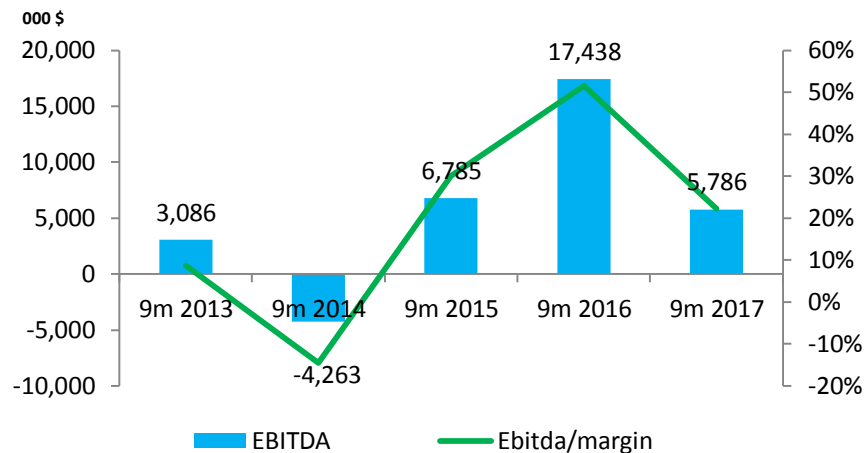
Auriant Mining overview

General Information

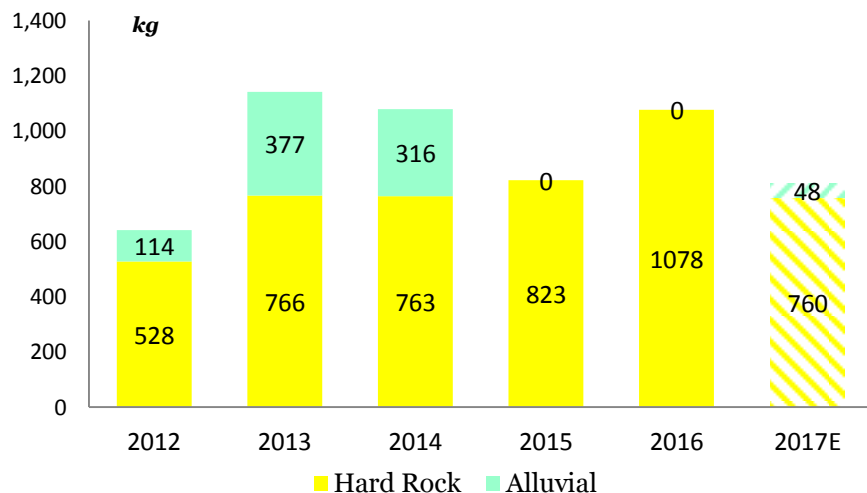
- Public Swedish junior gold producer operating in Russia
- Listed on NASDAQ OMX First North
- 2 producing mines, 2 exploration properties
- 2016 production of 1,078 kg
- 2017 reserves & recourses of 1.5 Moz
- Great exploration potential



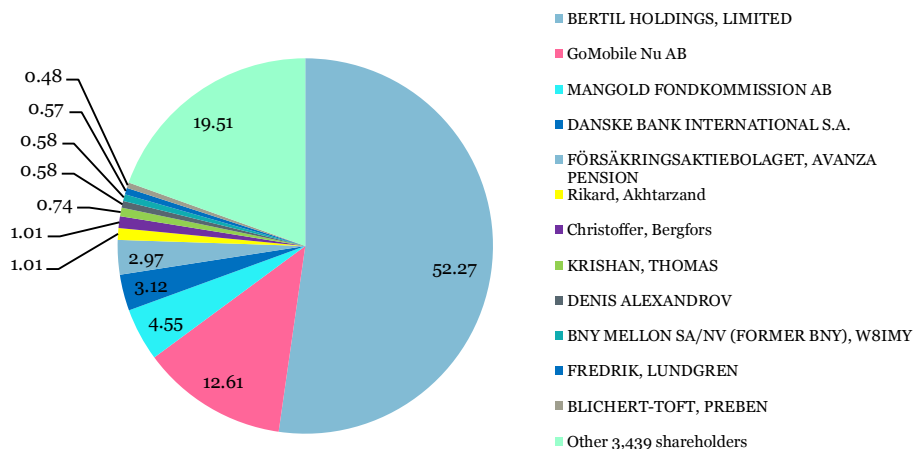
Financial Position



Auriant Gold Production



Shareholder's structure as of November 3, 2017



9 months 2017

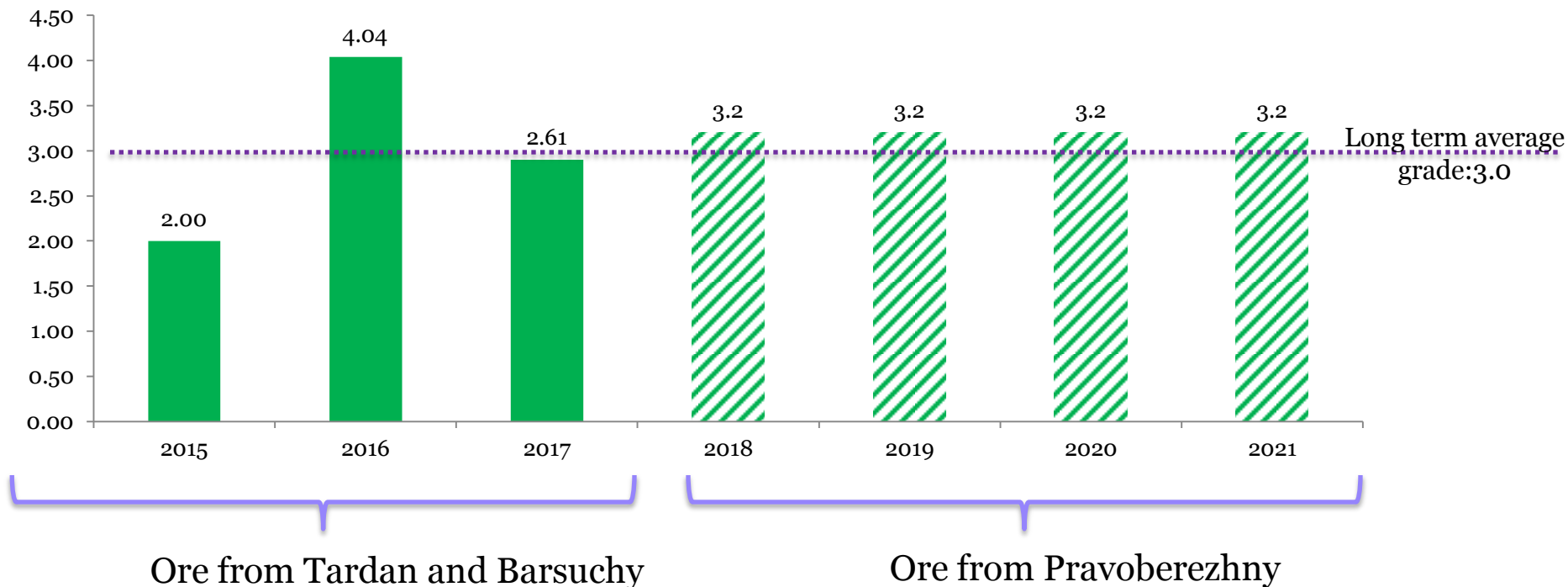
Key Performance Indicators

Key highlights	9m 2017	9m 2016	Change	Change %
Stripping, 000'm3	2,052	2,253	(201)	-9%
Ore mined 000't	280	352	(73)	-21%
Gold grade in ore mined, g/t	2.61	4.17	(1.56)	-37%
AU in ore mined, kg	729	1,467	(738)	-50%
Ore heap leach stacked, 000't	250	286	(36)	-13%
Tailings heap leach stacked, 000't	79	62	18	29%
Ore & tailings average grade, g/t	2.5	3.6	(1.1)	-30%
Gold stacked, kg	818	1,239	(421)	-34%
Gold produced through heap leach, kg	538.9	663.4	(124.5)	-19%
Ore processed through grav. plant, 000't	41	62	(21)	-34%
Ore grade, g/t	4.8	7.7	(2.9)	-38%
Gold produced through grav. plant, kg	40.4	123.1	(82.7)	-67%
Hard rock gold produced, kg (Tardan)	579.2	786.5	(207.2)	-26%
Hard rock gold produced, Oz (Tardan)	18,610	25,285	(6,675)	-26%
Alluvial gold production, kg (Solcocon)	41.2	-	41.2	100%
Alluvial gold production, oz (Solcocon)	1,324	-	1,324	100%
Total gold production, kg	620.4	786.5	(166.0)	-21%
Total gold production, oz	19,948	25,285	(5,337)	-21%
Gold Sales, kg	641	817	(176)	-22%
Gold Sales, oz	20,610	26,257	(5,647)	-22%
Gold Sales, th'USD	24,708	33,479	(8,771)	-26%
Price realised (net of comission)	1,257	1,275	(18)	-1%
Total cash cost per oz	865	594	271	46%
Tardan contribution to Group EBITDA, US\$ m	7.1	18.9	-11.8	-62%
Solcocon contribution to Group EBITDA, US\$ m	0.7	-	+0.7	+100%
Total EBITDA of mining companies, US\$ m	7.8	18.9	-11.1	-59%

9m 2017 Summary

- **Tardan 9 months 2017** gold production was 579.2 kg (18,610 oz), a **planned decrease** of 26% compared with 786.5 kg (25,285 oz) in 9 months 2016. Target for 2017 – 760 kg.
- **Alluvial production at Solcocon** was recommenced in 2017. Production for the 9 months has been 41.2 kg (1,324 oz) and the forecast for the year is 48 kg (1,543 oz) of gold.
- Gold grade at Tardan in the 9 months 2017 was 2.61 g/t, which is in line with the previously forecasted gold grade in the 2017 mine plan (as compared to 4.17 g/t in 2016).
- **On deeper horizons** in 9 months 2017 we had lesser volumes of ore suitable for processing on gravitational plant and lower grades in those ore. As expected, decrease in volumes and grades resulted into lower production on gravitational plant compared to 9 months 2016. Gravitational production was halted in August 2017.
- **Tardan EBITDA decreased to US\$ 7.1 mln** compared to US\$ 18.9 mln.
- **The Group's revenue** from gold sales is **linked to USD**, whereas most of the Group's **operating expenses** are **denominated in roubles**. Appreciation of the rouble against the USD by 15% compared to prior period negatively affect the Group's margins by increasing the USD value of its rouble-denominated costs.

Tardan gold grades



- Gold grades are not distributed evenly;
- 2016 was exceptionally good as we were mining at upper horizons of Barsuchy. Those had substantially bigger grades than bottom horizons where we are mining now;
- Periodically golds grades are fluctuate up and down around long term average grade which is 3.0 g/t for Tardan.

9 months 2017 Income Statement

	Q3 2017	Q3 2016	9m 2017	9m 2016	Change	Change %
	US\$ 000	US\$ 000	US\$ 000	US\$ 000	US\$ 000	%
Revenue, including:	13,342	18,116	25,904	33,779	(7,875)	-23%
Revenue from hard rock gold sales	12,145	18,116	24,708	33,479	(8,772)	-26%
Revenue from alluvial gold sales	1,196	-	1,196	-	1,196	100%
Revenue from management services	-	-	-	300	(300)	100%
Hard rock cost of sales	(10,597)	(8,747)	(22,572)	(19,877)	(2,695)	14%
Alluvial gold costs	(789)	-	(789)	-	(789)	-100%
Gross profit	1,956	9,369	2,543	13,902	(11,359)	-82%
General and administrative expenses	(510)	(508)	(2,022)	(1,740)	(282)	16%
Other operating income	475	174	1,131	661	470	71%
Other operating expenses	(302)	(101)	(411)	(188)	(223)	118%
Operating profit/(loss)	1,619	8,934	1,241	12,635	(11,394)	-90%
Financial income	1	5	1	18	(17)	-94%
Interest expenses	(1,414)	(1,747)	(4,428)	(5,444)	1,016	-19%
Currency gain/(loss)	888	30	1,155	15	1,140	7695%
Profit/(Loss) before income tax	1,093	7,222	(2,031)	7,224	(9,256)	-128%
Income tax	(361)	(1,607)	2	(3,759)	3,761	-100%
Net profit/(loss) for the period	732	5,615	(2,029)	3,465	(5,495)	-159%
EBITDA	3,278	10,301	5,786	17,438	(11,652)	-67%

Revenue from hard rock gold sales decreased by US\$ 8.8 mln, or by 26%. Gold sales decreased by 25% or 205 kg (6,597 oz) – from 817 kg (26,257 oz) in 9m 2016 down to 612 kg (19,670 oz) in 9m 2017. The average realized gold price per oz decreased by 1% from US\$ 1,275 in 9m 2016 down to US\$ 1,257 in the current period.

Alluvial production at Solcocon was recommenced in 2017. Revenue from alluvial gold sales increased by US\$ 1.2 mln, or 100%. We sold 29 kg (940 oz) of alluvial gold during 9m 2017.

The alluvial gold production on the Solcocon mine is fully outsourced and produces a net margin (after mineral extraction tax) of 29%.

Cost of sales (less of alluvial gold costs) increased by 14% from US\$ -19.9 mln in 9m 2016 to US\$ -22.6 mln in 9m 2017. Cash expenses are denominated in the Russian roubles. In the reporting period the rouble strengthened against US\$ by 15% compared to 9m 2016, this was the main reason of increase in cost of sales.

General and Administrative expenses are represented by expenses of the company's headquarters and they increased by US\$ -0.3 mln, or 16%, which is almost in line with rouble appreciation against US\$ by 15% in the reporting period compared to 9 months 2016.

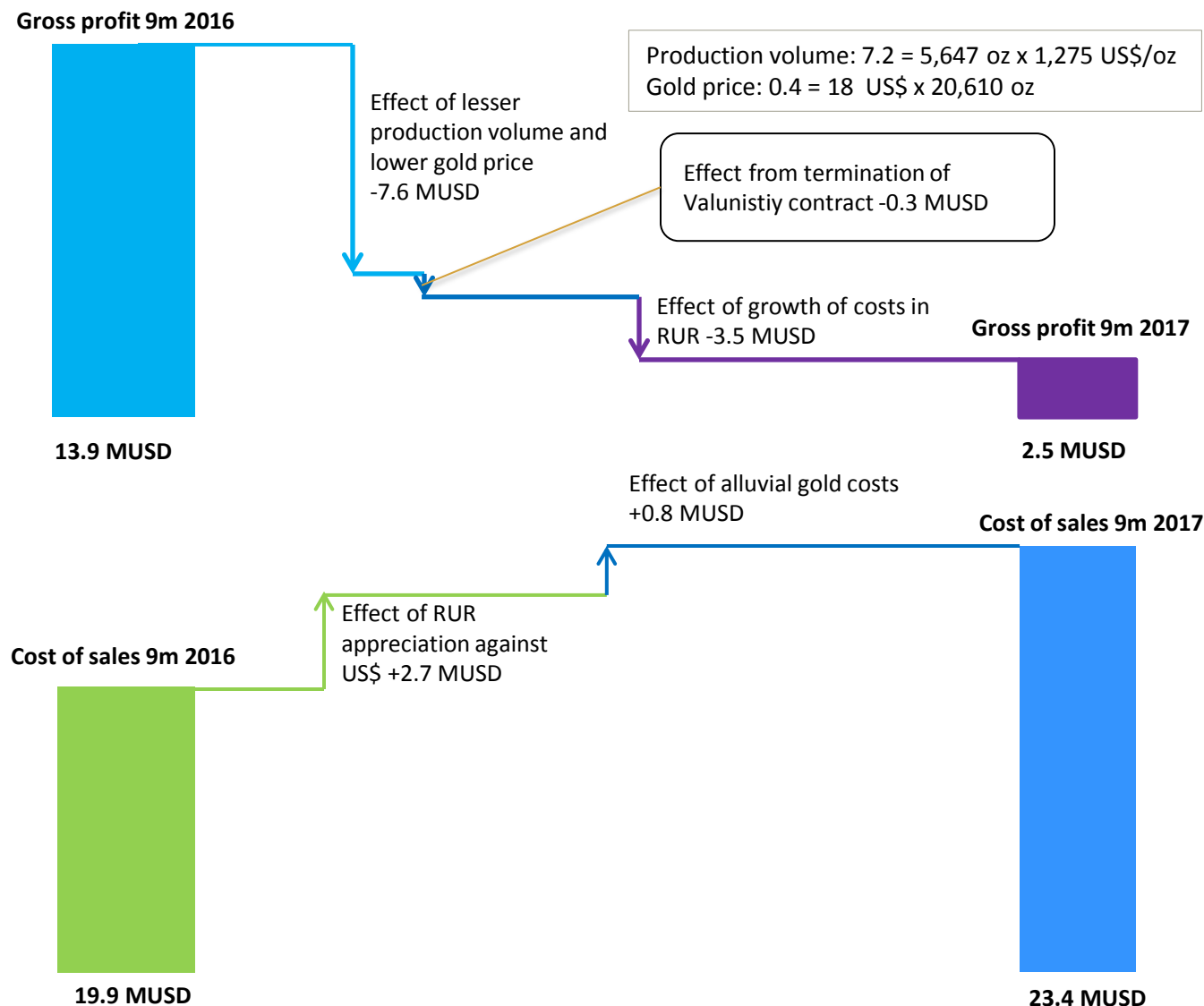
Interest expenses decreased by 19% or by US\$ 1.0 mln to US\$ -4.4 mln compared to prior period of US\$ -5.4 mln. Reduction was mainly caused by loan principal repayment and decrease of interest rate in KFM debt from 10% to 2%.

In 9m 2017 income tax was almost nil and related to a change in deferred tax at the subsidiaries level and represented tax loss carry-forward accumulation, set off by deferred tax liabilities increase due to changes in local tax accounting policies.

In 9m 2016 it was a non-cash expense and represented utilization of deferred tax assets against taxable income received by Group subsidiaries – Tardan and Moscow management company.

The Group's revenue from gold sales is linked to USD, whereas most of the Group's operating expenses are denominated in roubles. Accordingly, an appreciation of the rouble against the USD by 15% compared to prior period negatively affect the Group's margins by increasing the USD value of its rouble-denominated

9 months 2017 Income Statement



Consolidated cash flow statement

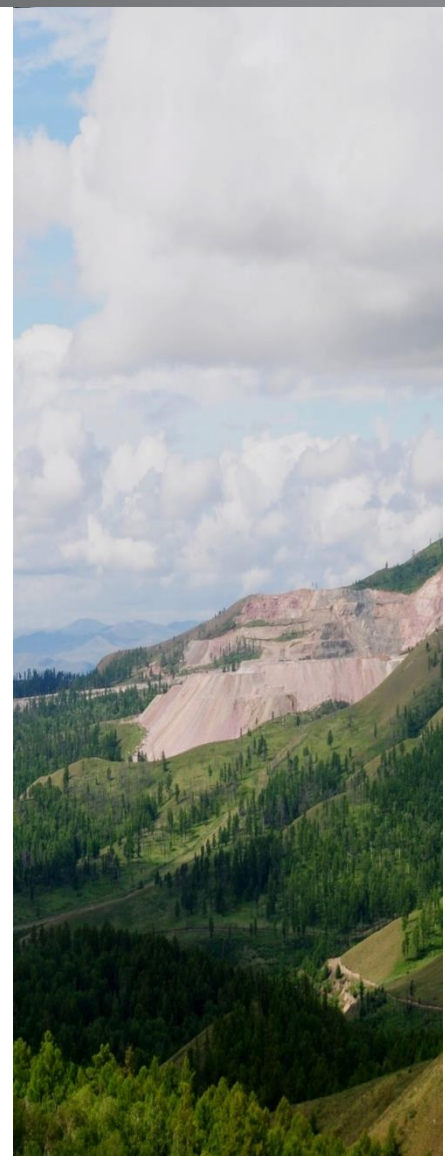
	9m 2017	9m 2016		
	US\$ 000	US\$ 000	US\$ 000	%
Operating activities				
Receipts from customers	25,133	35,840	(10,707)	-30%
VAT and other reimbursement	3,710	2,386	1,324	55%
Payments to suppliers	(15,009)	(15,137)	128	-1%
Payments to employees and social taxes	(7,016)	(5,873)	(1,143)	19%
Income tax paid	(73)	(27)	(46)	174%
Other taxes paid	(2,095)	(2,737)	642	-23%
Net cash flows from/(used in) operating activities	4,650	14,453	(9,802)	-68%
Investing activities				
Purchase and construction of property plant and equipment	(551)	(1,309)	758	-58%
Exploration and research works	(752)	(701)	(51)	7%
Purchases of financial assets	(271)	-	(271)	-100%
Net cash flows used in investing activities	(1,574)	(2,010)	436	-22%
Financing activities				
Proceeds from borrowings, net	-	2,500	(2,500)	-100%
Receipts from share issue (partial)	1,149	-	1,149	100%
Repayment of borrowings, net	(2,500)	(7,723)	5,223	-68%
Interest paid	(2,714)	(3,027)	313	-10%
Lease payments	(845)	(839)	(6)	1%
Transaction costs arising on share issue	(296)	-	(296)	
Other finance expenses	-	14	(14)	-100%
Net cash from/(used in) financing activities	(5,206)	(9,075)	3,869	-43%
Net decrease in cash and cash equivalents	(2,130)	3,368	(5,498)	-163%
Net foreign exchange difference	(46)	177	(222)	-126%
Opening balance cash and cash equivalents	4,173	43	4,130	100%
Closing balance cash and cash equivalents	1,997	3,588	(1,591)	-44%

During 9 months 2017, operating activity was financed by gold sales, reimbursement of VAT and receipts from rent agreements.

Amount of VAT and other reimbursed during the period was US\$ 3.7 mln (9 months 2016: US\$ 2.4 mln).

In September 2017 the **Company received the 1st tranche of US\$ 1.149 mln from new share issue**. The outstanding amount of US\$ 5.145 mln from share issue was received in October 2017.

During the period the **Group repaid a bank loan debt of US\$ 1.5 mln** (9 months 2016: US\$ 7.7 mln) and **a part of a debt to KFM in amount of US\$ 1.0 mln** in accordance with a schedule. **Remaining amount of US\$ 37.5 mln loans was refinanced with VTB**. The Company's previous loan provider, PSB, has been repaid in full. The new loan is for 5 years with a reduced principal repayment schedule in the first 2 years. Also the interest rate is 1.7 % lower which will produce an annual saving of US\$ 0.6 mln.



Shares issue 2017

Shares before issue

Shares issued to underwriters in September 2017

Shares issued to underwriters as remuneration fees in October 2017

Shares issued to Bertil Holdings in September 2017 through convertibles set off

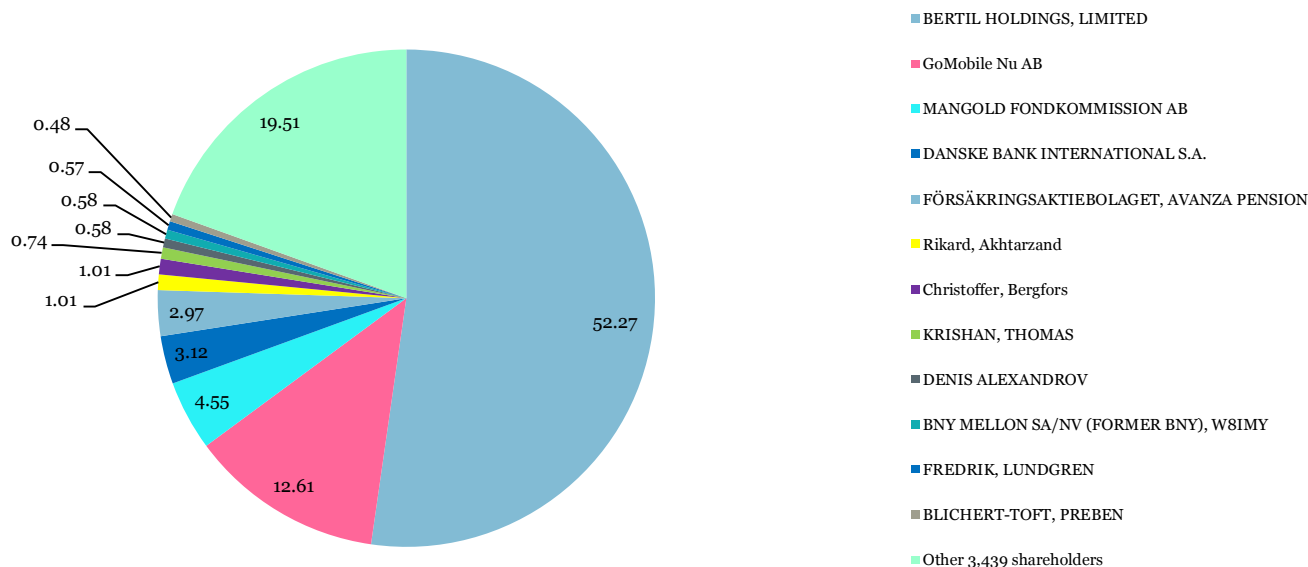
Shares after issue

Shares, amount	SEK, mln	US\$ mln
17,802,429		
27,159,876	67.9	8.5
76,980	0.2	0.02
29,807,897	74.5	9.3
74,847,182		

Gross proceeds from the shares issue before commissions, SEK / US\$, mln

67.9 8.5

Subscription price for 1 share = 2.5 SEK



Consolidated statement of financial position

	September 30, 2017 US\$ 000	December 31, 2016 US\$ 000	Change	Change, %
ASSETS				
FIXED ASSETS				
Intangible fixed assets	22,215	22,575	-360	-2%
Tangible fixed assets	19,401	21,897	-2,496	-11%
Stripping assets	5,203	4,001	1,202	30%
Deferred tax assets	3,507	3,434	73	2%
Total fixed assets	50,327	51,907	-1,580	-3%
CURRENT ASSETS				
Materials	1,409	1,370	39	3%
Work in progress	5,468	4,912	556	11%
Finished products	52	1,601	-1,549	-97%
Current receivables	10,128	3,981	6,146	154%
Advanced paid	1,160	1,025	135	13%
Cash and cash equivalents	1,997	4,173	-2,176	-52%
Total current assets	20,214	17,062	3,152	18%
TOTAL ASSETS	70,541	68,969	1,572	2%
EQUITY AND LIABILITIES				
EQUITY				
Share capital	1,116	307	809	263%
Additional paid in capital	73,763	59,808	13,955	23%
Retained earnings	(79,632)	(77,603)	-2,029	3%
Translation difference reserve	(13,739)	(12,910)	-829	6%
Total equity	(18,492)	(30,398)	11,906	-39%
Long term liabilities				
Bank loans and other notes	35,896	14,833	21,064	142%
Lease payable	70	135	-65	-48%
Debt to shareholder (bond)	36,213	43,285	-7,072	-16%
Other long-term liabilities	11,166	6,966	4,200	60%
Total long term liabilities	83,345	65,218	18,127	28%
Current liabilities				
Trade accounts payable	1,044	695	349	50%
Bank loans payable	2,000	24,549	-22,549	-92%
Other current liabilities, interest bearing	1,268	703	566	80%
Shareholder loans payable	-	6,063	-6,063	-100%
Other current liabilities	1,440	2,139	-699	-33%
Total current liabilities	5,688	34,149	-28,460	-83%
TOTAL EQUITY AND LIABILITIES	70,541	68,969	1,572	2%

Stripping costs were capitalized during the reporting period in amount of US\$ 1.2 mln and will be amortized over in next production periods.

The Company had 1.6 kg of gold ready for sale on September 30, 2017 (December 31, 2016: 60.5 kg)

Current receivables on September 30, 2017 included trade receivables for gold sold in amount of US\$ 0.8 mln (received in October). receivables of US\$ 5.2 mln from shareholders for shares issued, which were paid to the Company in October 2017;

The number of shares increased by 56,967,773 as result of share issue during the time period between 23 August and 8 September 2017. In total, subscriptions of shares amounted to appr. US\$ 18.0 mln. gross. Transaction fees from Mangold amounted to appr. US\$ -2.1 mln, other expenses related to share issue were US\$ -0.4 mln and the impact of earlier conversion of bond was US\$ -0.8 mln. Net proceedings from share issue amounted to US\$ 14.8 mln. We received appr. US\$ 6.2 mln. in cash and US\$ 8.6 mln was set-off through conversion of shareholder's bond.

Trade accounts payable increased by 50% or US\$ 0.4 mln and mainly included debt to contractors for drilling, blasting, transportation services and exploration works.

On 2nd August 2017, Auriant Mining announced that it had successfully refinanced its US\$ 37.5 mln loans with VTB. The Company's previous loan provider, PSB, has been repaid in full. The new loan is for 5 years with a reduced principal repayment schedule in the first 2 years. Total bank debt as of September 30, 2017 was US\$ 37.5 mln.

Shareholder loans payable line decreased by 100% or by US\$ 6.1 mln compared to December 31, 2016 and equals to nil as of September 30, 2017. KFM took ownership of the debt previously owed to Mr. Haskell. From 2017 the interest rate on the debt is 2% p.a. (in 2016 – 10%). US\$ 1.0 mln was paid to KFM in September 2017. As result, US\$ 1.0 mln payable in 2017 are recorded in Other current liabilities, interest-bearing line and amounts payable in 2018-2019 (approx US\$ 4 mln) are recorded in Other long term liabilities line as of September 30, 2017.

A part of a debt to shareholder in amount of US\$ 8.6 mln was set-off through subscription for new shares. Interest accrued on bond during 9m 2017 amounted to US\$ 1.5 mln (incl. IFRS discounting of US\$ 0.9 mln).

CIL construction: HL (current) and CIL (upgrade) technologies comparison

	Heap Leach*	Carbon in leach*
Gold recovery from ore, %	< 60%	92%
Expected gold production on Pravoberezhny (PB) ore zone, kg	3,000	4,560
Additional revenue, US\$ mln (assuming gold market price @ US\$ 1 250 /oz)	-	63
Expected additional gold production from tailings reprocessing, kg	-	1,000
Additional revenue, US\$ mln (assuming gold market price @ US\$ 1 250 /oz)	-	40
In operation	-	Q1 2019
Mineral and Income Tax exemption for PB, US\$ mln	-	10

*For illustrative purposes PB resources are used only

CIL progress to date



- **CIL designer: EMC-mining engineering company**

As of today, we have approved key technical decisions underlying the design of the plant, general layout (please refer to the picture below) and list of key technological equipment. The plant will have a mill cascade of two ball mills, 18 meter wide concentrator and a cascade of 7 tanks for intensive leaching. Then productive solutions will go to filtering station and then to the hydrometallurgy plant (the same one which we operate now at heap leaching processing). Using existing production facilities (crushing complex and the hydrometallurgy plant) will help to minimize cost of the project and maximize shareholders return. CIL plant will be constructed in close proximity to the hydrometallurgy plant.



- **Main equipment was selected and partially paid.**

As a result of tendering and contracting procedures Auriant Mining finally choose suppliers of key technological equipment.

CEMEQ will supply mills, concentrators and tanks with mixtures and RIDTEC will supply an equipment for a filtering station.



- **Head of CIL construction was appointed**

Andrey Kalashnikov was appointed as head of Tardan CIL factory construction.

Andrey has 30 years' experience in building and construction work. Previously, he worked in Hidrochicapa S.A.R.L. (Alrosa's Industrial and exploration entity in the Republic of Angola) and was in charge of Department of Building Control for construction of energy and water supply station in the Republic of Angola. He managed projects in such regions and countries as Moscow region, Yakutia, the Republic of Angola (Africa), Guatemala (Central America).

- **Public hearing was successfully held in October 2017.**

The participants of hearing supported the initiative of the company in the development of production activities and the transition to CIL for the development of a new deposit.



Thank you

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