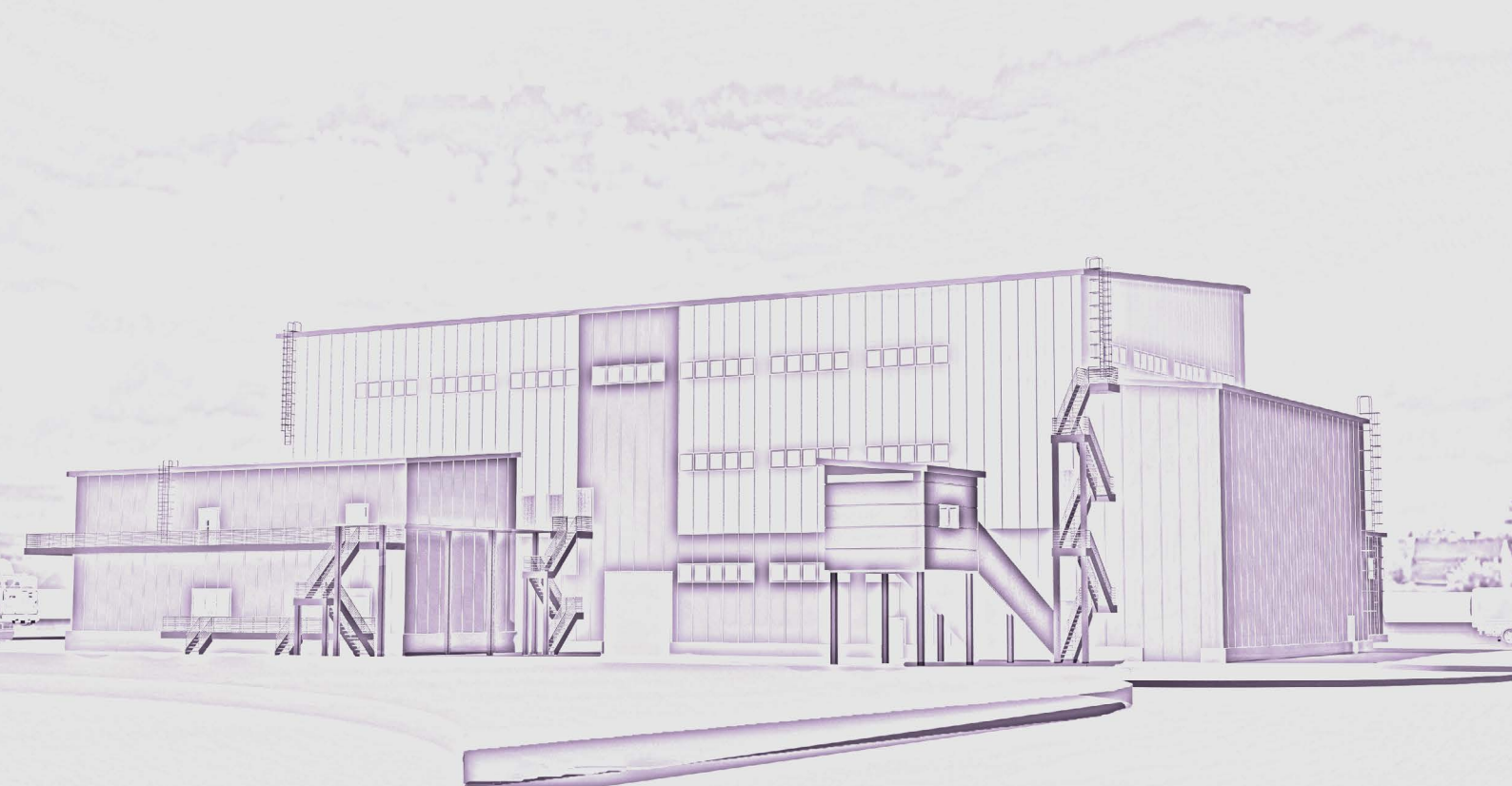


Auriant Mining

# INTERIM REPORT

January-December 2018

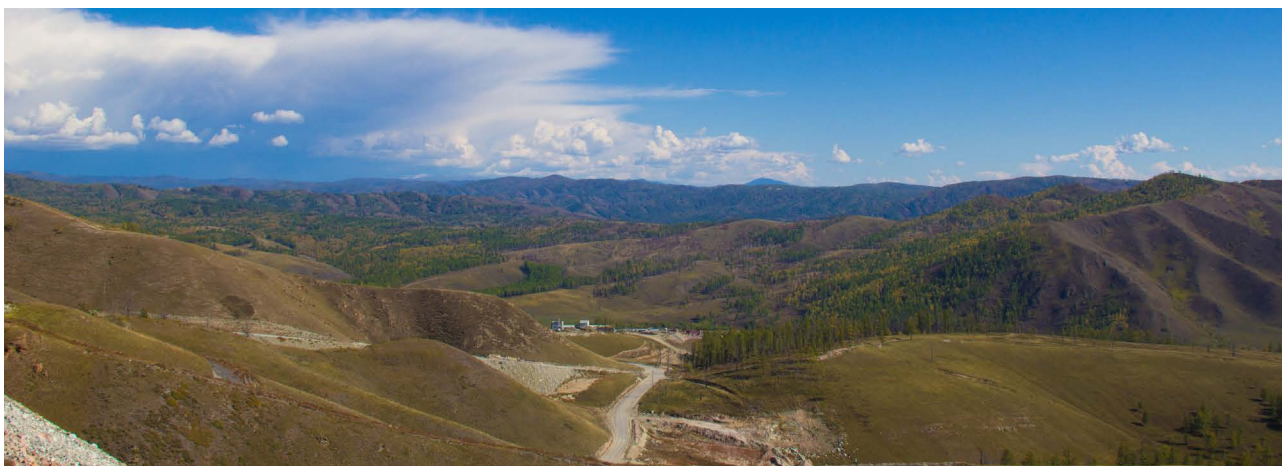


**AURIANT**  
MINING

reg. no. 556659-4833

# Highlights

- Auriant recommenced mining operations at Tardan in July. In 2018, the Company mined 219,000 tonnes of ore with an average grade of 2.58 g/t and this ore was stacked on the heap leach. Total gold production from the heap leach for 2018 was 350.4 kg (11,267 oz), compared to 761.7 kg (24,487 oz) in the same period in the previous year (-54%), which exactly matched the 2018 initial production target announced in October 2017.
- In 2018, the Company produced 72.9 kg (2,344 oz) of alluvial gold compared to 47.8 kg (1,537 oz) produced in 2017. Production at Solcocon in July was interrupted by heavy rainfall, which led to widespread flooding in the Zabaikalsky region. Due to these conditions, Solcocon wasn't able to extend its alluvial operations on the 3rd placer (as announced in October 2017) and meet an initial 2018 production forecast of 150 kg of gold.
- The CIL project is going according to plan and has passed the State Ecological Expertise, which means that the plant complies with environmental protection standards. Construction of the plant has continued through the winter and we expect CIL production to commence in July 2019. The heap leach will continue to be in operation until the CIL plant starts.
- In December 2018, the Company repaid US\$ 2.0 mln to VTB in line with a repayment schedule.
- In 2018, the Company made an agreement with Golden Impala Limited on a new unsecured revolving bridging loan facility of US\$ 3 mln in order to provide short-term working capital during the low production season and to secure continuous funding of the CIL project. In the beginning of December, 2018 the Company drew down US\$ 2 mln from the facility which has a maturity date of December 31, 2019.
- At the end of December, 2018 the Company executed a loan agreement with VTB providing US\$ 4.4 mln (RUB 300 mln) for the CIL construction with a maturity date at December 31, 2021. In December 2018, the Company drew down US\$ 2.2 mln out of the facility.
- Consolidated revenue was MSEK 151 (US\$ 17.4 mln) in 2018 (2017 – MSEK 286.5 (US\$ 33.5 mln)).
- EBITDA in 2018 was: MSEK -14.2 (US\$ -1.7 mln) compared to MSEK 76.6 (US\$ 9.0 mln) in 2017.
- Net loss after tax was MSEK -88.5 (US\$ -10.1 mln) (2017 – MSEK -19.1 (US\$ -2.2 mln)).



# Comments by the CFO

Dear Stakeholders,

During H1 2018, Tardan gold production from the heap leach (stacked in 2017) was in line with the plan. In July 2018, mining operations at Tardan were resumed. During 2018, mining activities were in line with the production plan: 219,000 tonnes of ore with an average grade 2.58 g/t was mined (2017 - 2.36 g/t) and this ore was stacked on the heap leach. Tardan gold production for 2018 was 350.4 kg (11,267 oz), which exactly matched the 2018 initial production target announced in October 2017. In 2019, the Company aims to produce 940 kg (30,221 oz) of gold at Tardan (both heap leach and CIL).

Gold production at Solcocon increased by 53%, compared to the prior period: 72.9 kg of gold was produced compared to 47.8 kg. During 2018, alluvial production was interrupted by heavy rainfall and flooding in July. This led to lower actual alluvial gold production of 72.9 kg during 2018 if compared to initial forecast of 150 kg. Alluvial contractors have already started mining and exploration activities for 2019. In 2019, we expect to produce 90 kg (2,893 oz) at Solcocon. The Company expects to produce a total of 1.03 tonnes (33,114 oz) at Tardan and Solcocon sites in 2019.

The Company repaid the amount of US\$ 2.0 mln to VTB in line with a repayment schedule in December 2018.

In 2018, the Company agreed with Golden Impala Limited to make available a new unsecured revolving bridging loan facility of US\$ 3 mln, in order to provide short-term working capital during the low production

season and to secure continuous funding of the CIL project. In the beginning of December, 2018 the Company drew down US\$ 2 mln from the facility with maturity date of December 31, 2019.

At the end of December, 2018 the Company executed loan agreement with VTB to provide US\$ 4.4 mln (RUB 300 mln) for construction of the CIL plant with a maturity date of December 31, 2021. In December 2018, the Company drew down US\$ 2.2 mln from the facility.

The Company's EBITDA for 2018 was: US\$ -1.7 mln. However, operating cash flow for the period was positive and amounted to US\$ 3.4 mln, including US 1,7 mln related to proceeds from Solcocon equipment sale in 2017.

The CIL project is on track. US\$ 10.9 mln was invested in the CIL plant during 2018. In October 2018, the project passed the State Ecological Expertise.

All changes in financial results shown in percent (%) relate to changes in US\$ amounts.

## INCOME, FINANCIAL RESULTS AND FINANCIAL POSITION FOR THE GROUP

### INCOME AND RESULT

Revenue from gold sales decreased by US\$ 16.2 mln, or by 48%, compared to 2017. Gold sales decreased by 47% or 388 kg (12,472 oz) – from 828 kg (26,619 oz) in 2017 down to 440 kg (14,147 oz) in 2018. The average realized gold price per ounce was almost unchanged: US\$ 1,228 in 2018 (US\$ 1,260 in the previous period).

|                                      | 12m 2018      | 12m 2017      | Change          | Change      |
|--------------------------------------|---------------|---------------|-----------------|-------------|
|                                      | US\$ 000      | US\$ 000      | US\$ 000        | %           |
| Revenue from sale of Hard rock gold  | 14,837        | 31,887        | (17,050)        | -53%        |
| Revenue from Alluvial gold sales     | 2,536         | 1,645         | 890             | 54%         |
| <b>Revenue</b>                       | <b>17,373</b> | <b>33,532</b> | <b>(16,159)</b> | <b>-48%</b> |
| Alluvial gold costs                  | (1,678)       | (1,099)       | (579)           | 53%         |
| <b>Revenue net of alluvial costs</b> | <b>15,695</b> | <b>32,433</b> | <b>(16,738)</b> | <b>-52%</b> |

Temporarily halting mining operations at Tardan in the first half of 2018, resulted in the reduction of hard rock cost of sales by US\$ 10.4 mln or 34%, meanwhile, cash expenses reduced by 41% or US\$ 9.0 mln. The change in stripping assets in 2018 was insignificant, while 2017,

it was capitalized by US\$ 1.0 mln, which was in line with the mining activity. A decrease in stock of finished and semi-finished goods was caused by a lower balance of gold ready for sale and gold in process, compared to prior period.

|  | 12m 2018        | 12m 2017        | Change        | Change      |
|--|-----------------|-----------------|---------------|-------------|
|  | US\$ 000        | US\$ 000        | US\$ 000      | %           |
| <b>Hard rock cost of sales, including:</b>                     |                 |                 |               |             |
| Cash expenses  | (12,874)        | (22,041)        | 8,978         | -41%        |
| Change in stripping asset (non-cash)                           | 148             | (1,241)         | 1,389         | -112%       |
| Change in stock of finished and semi-finished goods (non-cash) | (2,386)         | (679)           | (1,706)       | 251%        |
| Depreciation & amortization (non-cash)                         | (4,659)         | (6,359)         | 1,700         | -27%        |
| <b>Total hard rock cost of sales</b>                           | <b>(19,961)</b> | <b>(30,321)</b> | <b>10,360</b> | <b>-34%</b> |

General and administrative expenses (expenses of the headquarters) were virtually unchanged, and amounted to US\$ -2.4 mln.

Other operating income in 2018 primarily related to revenue from sales of equipment at Solcocon. In the previous period, other income consisted of revenue from renting out Solcocon's mining equipment, which was sold for US\$ 1.7 mln (including VAT) at the end of 2017.

Other operating expenses in both periods included bank commissions, fees and other expenses (each of them were not significant by themselves), which increased insignificantly.

Financial expenses, represented by interest costs, reduced by 32% compared to prior period and amounted to US\$ -3.8 mln (2017: US\$ -5.6 mln). The reduction was due to the repayment of loan principal amount, decrease of interest rate on the Company's bank loan from 9.5% to 8.2%, as well as a reduction in the principal amount of debt to the Principal Shareholder (through the set-off of shareholder debt for new shares issued in 2017-2018) and a decrease of the interest rate from 4.9% in 2017 to 2% in 2018.

As a result of US\$ appreciation against SEK and RUB by 9% and 21% respectively from the beginning of 2018, the Company had a forex loss of US\$ 1.8 mln.

Income tax of US\$ 1.8 mln in 2018 was positive and related to a change in the deferred tax at the subsidiaries level and represented deferred tax timing differences and tax loss carry-forward accumulation. The income tax in the previous period was almost nil and related to a change in deferred tax at the subsidiary level.

The loss after tax in 2018 was US\$ -10.1 mln, compared to US\$ -2.2 mln in 2017.

Earnings per share in 2018 was US\$ -0.11, compared to US\$ -0.06 in 2017.

The Company's 2018 EBITDA was US\$ -1.7 mln (2017: US\$ 9.0 mln).

## STATEMENT OF FINANCIAL POSITION

The CIL project, financed through a new share issue programme in 2017-2018 and leasing agreements signed in 2018, led to growth of tangible fixed assets up to US\$ 27.2 mln. A total of US\$ 10.9 mln was invested in the CIL during 2018.

In the reporting period, the Company decreased its work-in-progress assets and finished products by US\$ 3.3 mln, as the result of a lower balance of gold ready for sale and gold in process, compared to prior period, which was in line with the mining activity.

As of December 31, 2018 the amounts of current receivables decreased by US\$ 1.9 mln (or by 36%) compared to December, 2017 due to payment received of US\$ 1.7 mln under the sales of mining equipment and vehicles agreement made in 2017.

As of December 31, 2018 total liability to KFM, of US\$ 4.2 mln, was the short-term liability, as a new schedule for repayment was signed in July 2018. However, the short-term liability was reduced by repayment of US\$ 2.0 mln to VTB, in line with repayment schedule.

## INVESTMENTS, LIQUIDITY AND FINANCING

During 2018, operating activity was financed by gold sales, reimbursement of VAT and receipts of US\$ 1.7 mln from customers for Solcocon's equipment sold in 2017. In the previous period, cash receipts included gold sales, reimbursement of VAT and receipts from rent agreements.

In April 2018, the Company received US\$ 3.2 mln of cash from the new share issue. Total net cash funds received through a new share issue programme in 2017-2018 were equal to US\$ 9.5 mln.

Total VAT and other reimbursements during the period were US\$ 4.5 mln.

US\$ 10.9 mln including lease financing were invested in the CIL plant during 2018. Lease agreements of CIL key processing equipment acquisition were signed in April 2018; amount of lease financing is US\$ 3.0 mln.

The consolidated cash balance as of December 31, 2018 was US\$ 1.2 mln (December 31, 2017 – US\$ 5.1 mln).

In 2018, the Company drew down US\$ 2 mln from a new agreement with Golden Impala Limited (a company related to the main shareholder) on a new unsecured revolving bridging loan facility of US\$ 3 mln. The facility was received to provide short-term working capital during the low production season and to secure continuous funding of the CIL project.

At the end of December, 2018 the Company agreed the long-term financing for US\$ 4.4 mln (RUB 300 mln) with VTB for the construction of the CIL plant. In December 2018, the Company drew down US\$ 2.2 mln from the loan agreement.

Acting Chief Financial Officer  
Marina Makarova

# Other financial information

We are reporting all our financial numbers in SEK and in US dollars. The exchange rates used in this report were US\$/SEK 8.6912 for 2018 P&L accounts and US\$/SEK 8.9710 for the statement of financial position as of December 31, 2018. For 2017 accounts US\$/SEK 8.5439 for P&L and US\$/SEK 8.2322 for the statement of financial position was used.

## SEGMENT INFORMATION

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

## TRANSACTIONS WITH RELATED PARTIES

The amount of bond liability to Golden Impala as of December 31, 2018 was US\$ 34.3 mln (December 31, 2017 – US\$ 37.3 mln). As of December 31, 2018 the short-term liability to Golden Impala was US\$ 2 mln in accordance with agreement made in November, 2018.

Accrued interest expenses for transactions with related parties in 2018 amounted to US\$ -0.709 mln. During 2018 US\$ 0.075 mln was repaid to Golden Impala and the amount of US\$ 3.7 mln was set-off through subscription for new shares.

During 2018 the Company received consulting services from company related to Board member in amount of US\$ 0.088 mln and legal services from a company related to the main shareholder in amount of US\$ 0.124 mln.

## EMPLOYEES

The group had on average 438 employees during the reporting period (501 in 2017). As of December 31, 2018 the number of employees in the group was 455 (483 as of December 31, 2017).

## CAPITAL STRUCTURE

The number of shares as at December 31, 2018 was 98,648,502. The registered share capital is MSEK 11.1. 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\$ 0.0146). 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 has no income other than interest on loans extended to the subsidiaries or in respect of bank deposits and consulting services.

## INCOME AND RESULT OF THE PARENT COMPANY

Revenue for consulting services provided to subsidiary during 2018 was MSEK 0.72 (US\$ 0.083 mln) (2017 – MSEK 1.342 (US\$ 0.157 mln)).

The operating loss for 2018 was MSEK -7.751 (US\$ -0.892 mln) compared to 2017 of MSEK -6.235 (US\$ -0.73 mln)

Net financial items for 2018 amounted to MSEK -40.271 (US\$ -4.634 mln) (2017 MSEK 21.833) (US\$ 2.555 mln) and included interest expenses related to Golden Impala (the Shareholder's) of MSEK -6.613 (US\$ -0.709 mln); interest expenses of MSEK -0.721 (US\$ -0.083 mln) to KFM and net forex loss of MSEK -48.607 (US\$ -5.593 mln). These expenses were partly compensated by intergroup loan interest income in amount of MSEK 16.976 (US\$ 1.953 mln).

Interest expenses to Golden Impala decreased by 66% or MSEK 9.813 (US\$ 1.129 mln) as result of reduction of principal amount of debt to Shareholder (through set-off of shareholder debt for new shares issued in 2017-2018) and change an effective interest rate from 4.9% in 2017 down to 2% in 2018.

Effect of forex on net financial items in 2018 was negative mostly due to SEK depreciation against US\$ by 8% as liability to Golden Impala and KFM denominated in US\$ and RUB depreciation against SEK by 10% as receivables from subsidiaries denominated in RUB.

Net loss for 2018 amounted to MSEK -48.022 (US\$ -5.526 mln) compared to net profit of MSEK 15.598 (US\$ 1.825 mln) in 2017.

## FINANCIAL POSITION OF THE PARENT COMPANY

Total cash balance in the Parent Company was MSEK 0.175 (US\$ 0.02 mln) as of December 31, 2018 (December 31, 2017 MSEK 0.257 (US\$ 0.031 mln)).

Warrants subscription period, issued in connection with the rights issue in September 2017, ended on 30 March 2018. Additional capital of MSEK 59.5 (US\$ 7.1 mln) was raised (before transaction costs), of which MSEK 31.1 (US\$ 3.7 mln) was subscribed through a set off of shareholder debt and MSEK 28.4 (US\$ 3.4 mln) was raised in cash.

As of December 31, 2018 the short-term liability to Golden Impala was MSEK 18,1 (US\$ 2 mln) in accordance with agreement made in November, 2018.

As of December 31, 2018 MSEK 37.3 (US\$ 4.2 mln) of liabilities to KFM was short-term liabilities as new schedule for repayment of debt was signed in July 2018. In accordance with the schedule, US\$ 0.1 mln was paid in November, 2018 and the remaining debt will be paid in December 2019.

## ACCOUNTING PRINCIPLES AND BASIS OF PREPARATION

The consolidated accounts for Auriant Mining AB have been prepared in accordance with International Financial Reporting Standards (IFRS) as described on page 73 in the annual report for financial year 2017. The evaluations and estimations made by the board of directors and management in preparing the interim report

are described on page 80 in the annual report for 2017.

This interim report has been prepared in accordance with IAS 34, Interim Financial Reporting and in accordance with the Swedish Annual Accounts Act and the Swedish Financial Reporting Board's recommendation RFR 1, Supplementary accounting regulations for groups. The parent company accounts are prepared in accordance with the 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 for 2017.

No material changes in accounting principles have taken place since the Annual Report for 2017, other than the information below.

### CHANGES IN ACCOUNTING PRINCIPLES APPLIED FROM JANUARY 1, 2018

From January 1, 2018, the Group applies two new accounting standards, IFRS 9 Financial instruments and IFRS 15 Revenue from contracts with customers.

#### *IFRS 9 Financial Instruments*

The Group applies IFRS 9 from January 1, 2018. IFRS 9 replaces IAS 39, Financial instruments; Recognition and measurement. IFRS 9 involves changes in how financial assets are classified and measured, introduces an impairment model for expected credit losses and changes in hedge accounting requirements. IFRS 9 introduces a new model to calculate the credit loss reserve based on expected loan losses.

The new impairment model affects the Group regarding calculation of the credit loss reserve for accounts receivable, including those that have yet to fall due. The standard has no significant impact on the Group and therefore no adjustment to the opening balance of equity has been made.

#### *IFRS 15 Revenue from contracts with customers.*

This standard applies commencing from January 1, 2018. The Group applies IFRS 15 from January 1, 2018. IFRS 15 is the new standard for revenue recognition and replaces IAS 18 Revenue and IAS 11 Construction Contracts and all the relevant interpretations (IFRIC and SIC). The new standard is based on the principle that revenue is recognized when control of a good or service transfers to a customer – so the notion of control replaces the existing notion of risks and rewards.

Auriant has evaluated its contracts with its current customers and concluded that it has no significant impact on the Group due to the revenue cycle specifics and therefore no adjustments to the opening balance of equity has been made.

### UPCOMING CHANGES IN ACCOUNTING PRINCIPLES APPLICABLE FROM JANUARY 1, 2019

#### *IFRS 16 Leasing.*

This standard is applied from January 1, 2019. The Group applies the standard from January 1, 2019. IFRS 16 mainly affects lessee accounting and the main im-

pact is that all leases that are currently recognized as operating leases will be recognized in a way that resembles the existing recognition of finance leases, i.e. a right-of-use asset and a leasing liability are recognized.

The Group intends to apply the simplified transition approach and will not restate the comparative figures. The Group applies an exemption to the new rules whereby in the recognition of low value leases, no right-of-use assets or leasing liability are recognized.

An assessment performed by the Group indicates that the Group's non-cancellable operating lease commitments have no significant impact on the Group's consolidated financial statements as of December 31, 2018.

The Parent company will apply the exemption rules under RFR 2 and so will not apply IFRS 16.

### RISKS AND UNCERTAINTIES ASSOCIATED WITH THIS INTERIM REPORT

The group's risk exposure is presented on page 102 of the 2017 annual report. The Board of Directors believes that the most important risk factors for the time being are:

- a. Gold price risk: The fluctuations of the international gold price directly influence the revenues of a gold producing company.
- b. Currency risk: Auriant Mining operations and reporting is influenced by the gold price which is quoted in US\$, whereas production costs are in RUB, and reporting in SEK. Fluctuations in exchange rates could have a major impact on both local operational results and the SEK reported results.
- c. Inflation risk: The Russian economy has been subject to significant inflation pressure during the last few years. This directly impacts on the production costs in a gold mining company.
- d. Geological risk: The recoverable gold reserves of a gold exploration and production company are influenced by geological and economic factors. The estimation of reserves is therefore at all times dependent on the international gold price, costs associated with the extraction of the gold, etc. Therefore, the estimated gold reserves of any gold company may change at any point in time. In particular, the alluvial subsidiaries of the Auriant Mining group are sensitive to cost increases.
- e. Financial and project risk: Auriant Mining AB is a gold mining company and is involved in the production of gold as well as exploration. The company is still dependent on external financing for the development of its business. If the availability of external financing were to be reduced, it would negatively influence the future outlook of the company. The current poor sentiments on global capital markets must be taken in to account.
- f. Legal risks: Auriant Mining operates in a complicated and challenging legal environment in Russia. Changes in the interpretations of tax legislation and in the legal environment may have significant impact on the company.

# 12 months 2018 operational update

## Tardan Production

In October 2017, Auriant Mining AB (publ.) announced that it had decided to halt mining operations at Tardan from January 2018 until the 2nd half of 2018, as this would maximize long term value for shareholders. As planned, the Company resumed mining operations at Tardan in July. In 2018, the Company mined 219,000 tonnes of ore with an average grade of 2.58 g/t (2017 - 2.36 g/t) and the ore was stacked on the heap leach.

Tardan gold production for 2018 was 350.4 kg (11,267 oz), which exactly matched the 2018 initial production target announced in October 2017.

## Solcocon Production

In May 2018, alluvial production was resumed at Solcocon. This production was 100% outsourced and generated a net margin of 29% of sales for the Company. In 2018, the Company engaged 2 contractors working on 2 placers, while 1 contractor was involved in 2017. In 2018, the Company produced 72.9 kg (3,344 oz) of alluvial gold compared to 47.8 kg (1,537 oz) produced in 2017. Production at Solcocon in July was interrupted by heavy rainfall, which led to widespread flooding in the Zabaikalsky region. Due to these conditions, Solcocon wasn't able to extend its alluvial operations on the 3rd placer (as announced in October 2017) and meet an initial 2018 production forecast of 150 kg of gold.

## Tardan CIL Construction

The CIL project progresses according to plan and has passed the State Ecological Expertise, which means that the plant complies with environmental protection standards. Construction of the plant continues through the winter season. We expect that production at the CIL plant will commence in July 2019, and that the heap leach will continue to be in operation until the CIL plant starts.

At the end of December, the Company was able to partially drawdown a VTB loan facility, which was announced at the time. The facility will help to secure continuous funding for the CIL project.

## Production forecast

In 2019, the Company aims to produce 940 kg (30,221 oz) of gold at Tardan (both heap leach and CIL) and 90 kg (2,893 oz) at Solcocon, a total of 1.03 tonnes (33,114 oz).

## PRODUCTION

| Production unit            | 12m 2018     |               | 12m 2017     |               | Change       |                 |             |
|----------------------------|--------------|---------------|--------------|---------------|--------------|-----------------|-------------|
|                            | kg           | oz            | kg           | oz            | kg           | oz              | %           |
| <b>Hard rock</b>           |              |               |              |               |              |                 |             |
| Tardan (heap leach)        | 350.4        | 11,267        | 721.3        | 23,190        | (371)        | (11,923)        | -51%        |
| Tardan (gravitational)     | 0            | 0             | 40.4         | 1,299         | (40)         | (1,299)         | -100%       |
| <b>Alluvial</b>            |              |               |              |               |              |                 |             |
| Solcocon                   | 72.9         | 2,344         | 47.8         | 1,537         | 25           | 807             | 53%         |
| <b>Total gold produced</b> | <b>423.4</b> | <b>13,611</b> | <b>809.5</b> | <b>26,026</b> | <b>(386)</b> | <b>(12,415)</b> | <b>-48%</b> |

# Financial reports

## Consolidated income statement

|  | Q4<br>Oct-Dec<br>2018 | Q4<br>Oct-Dec<br>2017 | 12 months<br>Jan-Dec<br>2018 | 12 months<br>Jan-Dec<br>2017 | Q4<br>Oct-Dec<br>2018 | Q4<br>Oct-Dec<br>2017 | 12 months<br>Jan-Dec<br>2018 | 12 months<br>Jan-Dec<br>2017 |
|--|-----------------------|-----------------------|------------------------------|------------------------------|-----------------------|-----------------------|------------------------------|------------------------------|
|  | TSEK                  | TSEK                  | TSEK                         | TSEK                         | US\$ 000              | US\$ 000              | US\$ 000                     | US\$ 000                     |
| Revenue  | 56,321                | 63,203                | 150,992                      | 286,494                      | 6,332                 | 7,628                 | 17,373                       | 33,532                       |
| Cost of sales  | (55,349)              | (67,047)              | (186,509)                    | (268,381)                    | (6,165)               | (8,059)               | (21,449)                     | (31,420)                     |
| <b>Gross profit</b>                                    | <b>972</b>            | <b>(3,844)</b>        | <b>(35,517)</b>              | <b>18,113</b>                | <b>167</b>            | <b>(431)</b>          | <b>(4,076)</b>               | <b>2,112</b>                 |
| General and administrative expenses                    | (3,756)               | (3,520)               | (20,918)                     | (21,064)                     | (414)                 | (425)                 | (2,417)                      | (2,447)                      |
| Other operating income                                 | 1,352                 | 17,879                | 4,506                        | 27,628                       | 131                   | 2,157                 | 467                          | 3,288                        |
| Other operating expenses                               | (1,253)               | (452)                 | (2,973)                      | (2,379)                      | (146)                 | (55)                  | (347)                        | (278)                        |
| Items affecting comparability                          | -                     | (876)                 | -                            | (2,493)                      | -                     | (104)                 | -                            | (292)                        |
| <b>Operating profit/(loss)</b>                         | <b>(2,685)</b>        | <b>9,187</b>          | <b>(54,902)</b>              | <b>19,805</b>                | <b>(262)</b>          | <b>1,142</b>          | <b>(6,373)</b>               | <b>2,383</b>                 |
| Financial income                                       | 1                     | 43                    | 45                           | 53                           | -                     | 5                     | 5                            | 6                            |
| Financial expenses                                     | (8,791)               | (9,494)               | (33,051)                     | (47,644)                     | (973)                 | (1,146)               | (3,803)                      | (5,574)                      |
| Currency gain/loss                                     | (4,460)               | (1,057)               | (16,420)                     | 8,867                        | (413)                 | (126)                 | (1,763)                      | 1,028                        |
| <b>Profit/(Loss) before income tax</b>                 | <b>(15,935)</b>       | <b>(1,321)</b>        | <b>(104,328)</b>             | <b>(18,919)</b>              | <b>(1,648)</b>        | <b>(125)</b>          | <b>(11,934)</b>              | <b>(2,157)</b>               |
| Income tax   | 404                   | (177)                 | 15,869                       | (192)                        | 16                    | (30)                  | 1,831                        | (28)                         |
| <b>Net profit/(loss) for the period</b>                | <b>(15,531)</b>       | <b>(1,498)</b>        | <b>(88,459)</b>              | <b>(19,111)</b>              | <b>(1,632)</b>        | <b>(155)</b>          | <b>(10,103)</b>              | <b>(2,185)</b>               |
| Whereof attributable to:                               |                       |                       |                              |                              |                       |                       |                              |                              |
| The owners of the parent company                       | (15,531)              | (1,498)               | (88,459)                     | (19,111)                     | (1,632)               | (155)                 | (10,103)                     | (2,185)                      |
| Earnings per share before dilution (SEK, US\$)         | (0.16)                | (0.02)                | (0.96)                       | (0.54)                       | (0.02)                | (0.00)                | (0.11)                       | (0.06)                       |
| Earnings per share after dilution (SEK, US\$)          | (0.16)                | (0.02)                | (0.96)                       | (0.54)                       | (0.02)                | (0.00)                | (0.11)                       | (0.06)                       |
| Number of shares issued at period end                  | 98,648,502            | 74,847,182            | 98,648,502                   | 74,847,182                   | 98,648,502            | 74,847,182            | 98,648,502                   | 74,847,182                   |
| Average number of shares for the period                | 98,648,502            | 74,827,100            | 92,192,802                   | 35,609,445                   | 98,648,502            | 74,827,100            | 92,192,802                   | 35,609,445                   |
| Average number of shares for the period after dilution | 99,208,502            | 75,519,600            | 92,752,802                   | 36,214,671                   | 99,208,502            | 75,519,600            | 92,752,802                   | 36,214,671                   |



# Consolidated statement of comprehensive income

|  | Q4<br>Oct-Dec<br>2018 | Q4<br>Oct-Dec<br>2017 | 12 months<br>Jan-Dec<br>2018 | 12 months<br>Jan-Dec<br>2017 | Q4<br>Oct-Dec<br>2018 | Q4<br>Oct-Dec<br>2017 | 12 months<br>Jan-Dec<br>2018 | 12 months<br>Jan-Dec<br>2017 |
|--|-----------------------|-----------------------|------------------------------|------------------------------|-----------------------|-----------------------|------------------------------|------------------------------|
|  | TSEK                  | TSEK                  | TSEK                         | TSEK                         | US\$ 000              | US\$ 000              | US\$ 000                     | US\$ 000                     |
| Net profit/loss for the period                   | (15,531)              | (1,498)               | (88,459)                     | (19,111)                     | (1,632)               | (155)                 | (10,103)                     | (2,185)                      |
| <b>Other comprehensive income</b>                |                       |                       |                              |                              |                       |                       |                              |                              |
| Translation difference                           | (2,376)               | (2,805)               | (18,927)                     | 33,487                       | (10)                  | 61                    | (181)                        | (768)                        |
| <b>Total comprehensive income for the period</b> | <b>(17,907)</b>       | <b>(4,303)</b>        | <b>(107,386)</b>             | <b>14,376</b>                | <b>(1,642)</b>        | <b>(94)</b>           | <b>(10,284)</b>              | <b>(2,953)</b>               |

# Consolidated statement of financial position

|                                     | December 31,<br>2018<br>TSEK | December 31,<br>2017<br>TSEK | December 31,<br>2018<br>US\$ 000 | December 31,<br>2017<br>US\$ 000 |
|-------------------------------------|------------------------------|------------------------------|----------------------------------|----------------------------------|
| <b>ASSETS</b>                       |                              |                              |                                  |                                  |
| <b>FIXED ASSETS</b>                 |                              |                              |                                  |                                  |
| Intangible fixed assets             | 172,038                      | 164,186                      | 23,016                           | 23,460                           |
| Tangible fixed assets               | 243,823                      | 158,366                      | 27,165                           | 19,214                           |
| Stripping assets                    | 23,171                       | 24,264                       | 2,583                            | 2,947                            |
| Deferred tax assets*                | 50,434                       | 36,288                       | 4,926                            | 3,777                            |
| <b>Total fixed assets</b>           | <b>489,466</b>               | <b>383,104</b>               | <b>57,690</b>                    | <b>49,397</b>                    |
| <b>CURRENT ASSETS</b>               |                              |                              |                                  |                                  |
| Materials                           | 8,714                        | 10,755                       | 972                              | 1,307                            |
| Work in progress                    | 24,408                       | 49,531                       | 2,721                            | 6,017                            |
| Finished products                   | 541                          | 830                          | 60                               | 101                              |
| Current receivables                 | 29,602                       | 42,393                       | 3,298                            | 5,148                            |
| Advanced paid                       | 1,757                        | 12,010                       | 196                              | 1,460                            |
| Cash and cash equivalents           | 10,666                       | 41,730                       | 1,189                            | 5,069                            |
| <b>Total current assets</b>         | <b>75,688</b>                | <b>157,249</b>               | <b>8,436</b>                     | <b>19,102</b>                    |
| <b>TOTAL ASSETS</b>                 | <b>565,154</b>               | <b>540,353</b>               | <b>66,126</b>                    | <b>68,499</b>                    |
| <b>EQUITY AND LIABILITIES</b>       |                              |                              |                                  |                                  |
| <b>EQUITY</b>                       |                              |                              |                                  |                                  |
| Share capital                       | 11,098                       | 8,420                        | 1,436                            | 1,117                            |
| Additional paid in capital          | 553,720                      | 498,856                      | 79,160                           | 72,615                           |
| Translation difference reserve      | (140,970)                    | (122,043)                    | (13,859)                         | (13,678)                         |
| Retained earnings                   | (659,684)                    | (571,225)                    | (89,891)                         | (79,788)                         |
| <b>TOTAL EQUITY</b>                 | <b>(235,836)</b>             | <b>(185,992)</b>             | <b>(23,154)</b>                  | <b>(19,734)</b>                  |
| <b>LONG-TERM LIABILITIES</b>        |                              |                              |                                  |                                  |
| Deferred tax liabilities*           | -                            | 2,422                        | -                                | 294                              |
| Bank loans and other notes          | 254,330                      | 278,167                      | 28,350                           | 33,790                           |
| Lease payable                       | 15,845                       | 527                          | 1,766                            | 64                               |
| Debt to shareholder (bond)          | 307,891                      | 307,128                      | 34,321                           | 37,308                           |
| Other long-term liabilities         | 77,289                       | 87,238                       | 8,616                            | 10,598                           |
| <b>Total long-term liabilities</b>  | <b>655,355</b>               | <b>675,482</b>               | <b>73,053</b>                    | <b>82,054</b>                    |
| <b>CURRENT LIABILITIES</b>          |                              |                              |                                  |                                  |
| Trade accounts payable              | 5,285                        | 3,542                        | 586                              | 430                              |
| Bank loans payable                  | 67,935                       | 16,464                       | 7,573                            | 2,000                            |
| Other interest bearing liabilities  | 61,238                       | 17,899                       | 6,826                            | 2,174                            |
| Other current liabilities           | 11,177                       | 12,958                       | 1,242                            | 1,575                            |
| <b>Total current liabilities</b>    | <b>145,635</b>               | <b>50,863</b>                | <b>16,227</b>                    | <b>6,179</b>                     |
| <b>TOTAL EQUITY AND LIABILITIES</b> | <b>565,154</b>               | <b>540,353</b>               | <b>66,126</b>                    | <b>68,499</b>                    |

# Consolidated statement of changes in equity

Attributable to the shareholders of the parent company

| All amounts in TSEK   | Share capital | Additional paid in capital | Translation difference reserve | Retained earnings | Total equity     |
|---|---------------|----------------------------|--------------------------------|-------------------|------------------|
| <b>Equity as at December 31, 2016</b>                             | <b>2,003</b>  | <b>397,382</b>             | <b>(155,530)</b>               | <b>(552,114)</b>  | <b>(308,259)</b> |
| <b>Comprehensive income</b>                                       |               |                            |                                |                   |                  |
| Net profit/loss for the period                                    |               |                            |                                | (19,111)          | (19,111)         |
| Other comprehensive income  |               |                            | 33,487                         |                   | 33,487           |
| <b>Total comprehensive income for the period</b>                  | <b>-</b>      | <b>-</b>                   | <b>33,487</b>                  | <b>(19,111)</b>   | <b>14,376</b>    |
| <b>Transactions with owners in their capacity as owners</b>       |               |                            |                                |                   |                  |
| Proceeds from share issued  | 6,418         | 113,965                    |                                |                   | 120,383          |
| Convertible part of bond  |               | (12,455)                   |                                |                   | (12,455)         |
| Warrants and options issue  |               | (37)                       |                                |                   | (37)             |
| <b>Total transactions with owners in their capacity as owners</b> | <b>6,418</b>  | <b>101,474</b>             | <b>-</b>                       | <b>-</b>          | <b>107,891</b>   |
| <b>Equity as at December 31, 2017</b>                             | <b>8,420</b>  | <b>498,856</b>             | <b>(122,043)</b>               | <b>(571,225)</b>  | <b>(185,992)</b> |
| <b>Comprehensive income</b>                                       |               |                            |                                |                   |                  |
| Net profit/loss for the period                                    |               |                            |                                | (88,459)          | (88,459)         |
| Other comprehensive income  |               |                            | (18,927)                       |                   | (18,927)         |
| <b>Total comprehensive income for the period</b>                  | <b>-</b>      | <b>-</b>                   | <b>(18,927)</b>                | <b>(88,459)</b>   | <b>(107,386)</b> |
| <b>Transactions with owners in their capacity as owners</b>       |               |                            |                                |                   |                  |
| Proceeds from share issued  | 2,678         | 54,855                     |                                |                   | 57,533           |
| Warrants and options issue  |               | 9                          |                                |                   | 9                |
| <b>Total transactions with owners in their capacity as owners</b> | <b>2,678</b>  | <b>54,864</b>              | <b>-</b>                       | <b>-</b>          | <b>57,542</b>    |
| <b>Equity as at December 31, 2018</b>                             | <b>11,098</b> | <b>553,720</b>             | <b>(140,970)</b>               | <b>(659,684)</b>  | <b>(235,836)</b> |

# Consolidated statement of changes in equity

Attributable to the shareholders of the parent company

| All amounts in US\$'000   | Share capital | Additional paid in capital | Translation difference reserve | Retained earnings | Total equity    |
|---|---------------|----------------------------|--------------------------------|-------------------|-----------------|
| <b>Equity as at December 31, 2016</b>                             | <b>307</b>    | <b>59,808</b>              | <b>(12,910)</b>                | <b>(77,603)</b>   | <b>(30,398)</b> |
| <b>Comprehensive income</b>                                       |               |                            |                                |                   |                 |
| Net profit/loss for the period                                    |               |                            |                                | (2,185)           | (2,185)         |
| Other comprehensive income  |               |                            | (768)                          |                   | (768)           |
| <b>Total comprehensive income for the period</b>                  | <b>-</b>      | <b>-</b>                   | <b>(768)</b>                   | <b>(2,185)</b>    | <b>(2,953)</b>  |
| <b>Transactions with owners in their capacity as owners</b>       |               |                            |                                |                   |                 |
| Proceeds from share issued  | 810           | 14,326                     |                                |                   | 15,136          |
| Convertible part of bond  |               | (1,515)                    |                                |                   | (1,515)         |
| Warrants and options issue  |               | (4)                        |                                |                   | (4)             |
| <b>Total transactions with owners in their capacity as owners</b> | <b>810</b>    | <b>12,807</b>              | <b>-</b>                       | <b>-</b>          | <b>13,617</b>   |
| <b>Equity as at December 31, 2017</b>                             | <b>1,117</b>  | <b>72,615</b>              | <b>(13,678)</b>                | <b>(79,788)</b>   | <b>(19,734)</b> |
| <b>Comprehensive income</b>                                       |               |                            |                                |                   |                 |
| Net profit/loss for the period                                    |               |                            |                                | (10,103)          | (10,103)        |
| Other comprehensive income  |               |                            | (181)                          |                   | (181)           |
| <b>Total comprehensive income for the period</b>                  | <b>-</b>      | <b>-</b>                   | <b>(181)</b>                   | <b>(10,103)</b>   | <b>(10,284)</b> |
| <b>Transactions with owners in their capacity as owners</b>       |               |                            |                                |                   |                 |
| Proceeds from share issued  | 319           | 6,544                      |                                |                   | 6,863           |
| Warrants and options issue  |               | 1                          |                                |                   | 1               |
| <b>Total transactions with owners in their capacity as owners</b> | <b>319</b>    | <b>6,545</b>               | <b>-</b>                       | <b>-</b>          | <b>6,864</b>    |
| <b>Equity as at December 31, 2018</b>                             | <b>1,436</b>  | <b>79,160</b>              | <b>(13,859)</b>                | <b>(89,891)</b>   | <b>(23,154)</b> |

# Consolidated cash flow statement

|  | Q4<br>Oct-Dec<br>2018<br>TSEK | Q4<br>Oct-Dec<br>2017<br>TSEK | 12 months<br>Jan-Dec<br>2018<br>TSEK | 12 months<br>Jan-Dec<br>2017<br>TSEK | Q4<br>Oct-Dec<br>2018<br>US\$ 000 | Q4<br>Oct-Dec<br>2017<br>US\$ 000 | 12 months<br>Jan-Dec<br>2018<br>US\$ 000 | 12 months<br>Jan-Dec<br>2017<br>US\$ 000 |
|--|-------------------------------|-------------------------------|--------------------------------------|--------------------------------------|-----------------------------------|-----------------------------------|--|--|
| <b>OPERATING ACTIVITIES</b>                                |                               |                               |                                      |                                      |                                   |                                   |  |  |
| Receipts from customers                                    | 43,659                        | 69,913                        | 153,760                              | 283,509                              | 4,829                             | 8,408                             | 17,630                                   | 33,540                                   |
| VAT and other reimbursement                                | 19,570                        | 11,663                        | 38,585                               | 43,274                               | 2,164                             | 1,403                             | 4,462                                    | 5,112                                    |
| Payments to suppliers                                      | (30,716)                      | (28,087)                      | (92,959)                             | (154,304)                            | (3,397)                           | (3,378)                           | (10,560)                                 | (18,110)                                 |
| Payments to employees and social taxes                     | (17,277)                      | (17,929)                      | (56,549)                             | (78,307)                             | (1,911)                           | (2,156)                           | (6,499)                                  | (9,172)                                  |
| Income tax paid  | -                             | (51)                          | (499)                                | (687)                                | -                                 | (6)                               | (58)                                     | (79)                                     |
| Other taxes paid   | (3,547)                       | (5,225)                       | (13,524)                             | (23,066)                             | (392)                             | (628)                             | (1,558)                                  | (2,723)                                  |
| <b>Net cash flows from/ (used in) operating activities</b> | <b>11,689</b>                 | <b>30,284</b>                 | <b>28,814</b>                        | <b>70,419</b>                        | <b>1,294</b>                      | <b>3,643</b>                      | <b>3,417</b>                             | <b>8,569</b>                             |
| <b>INVESTING ACTIVITIES</b>                                |                               |                               |                                      |                                      |                                   |                                   |  |  |
| Purchase and construction of property plant and equipment  | (22,591)                      | (9,687)                       | (67,070)                             | (14,360)                             | (2,499)                           | (1,165)                           | (7,621)                                  | (1,716)                                  |
| Interest capitalized in construction                       | (1,041)                       | -                             | (2,806)                              | -                                    | (115)                             | -                                 | (315)                                    | -  |
| Exploration and research works                             | (1,005)                       | (2,377)                       | (5,752)                              | (8,777)                              | (111)                             | (286)                             | (669)                                    | (1,038)                                  |
| Purchases of financial assets                              | -                             | -                             | -                                    | (2,206)                              | -                                 | -                                 | -  | (271)                                    |
| <b>Net cash flows used in investing activities</b>         | <b>(24,638)</b>               | <b>(12,064)</b>               | <b>(75,628)</b>                      | <b>(25,343)</b>                      | <b>(2,725)</b>                    | <b>(1,451)</b>                    | <b>(8,605)</b>                           | <b>(3,025)</b>                           |
| <b>FINANCING ACTIVITIES</b>                                |                               |                               |                                      |                                      |                                   |                                   |  |  |
| Proceeds from borrowings, net                              | 38,744                        | -                             | 38,744                               | -                                    | 4,285                             | -                                 | 4,285                                    | -  |
| Receipts from share issue                                  | (10)                          | 41,806                        | 27,214                               | 51,158                               | -                                 | 5,029                             | 3,173                                    | 6,178                                    |
| Repayment of borrowings, net                               | (18,644)                      | (25,842)                      | (18,644)                             | (47,364)                             | (2,062)                           | (3,108)                           | (2,062)                                  | (5,608)                                  |
| Interest paid  | (7,552)                       | (6,415)                       | (27,167)                             | (29,349)                             | (835)                             | (771)                             | (3,126)                                  | (3,486)                                  |
| Lease payments   | (83)                          | (1,109)                       | (1,795)                              | (8,443)                              | (9)                               | (133)                             | (213)                                    | (978)                                    |
| Transaction costs arising on share issue                   | (3)                           | (601)                         | (647)                                | (5,267)                              | -                                 | (72)                              | (76)                                     | (646)                                    |
| Other finance income/ expenses                             | -                             | -                             | 499                                  | -                                    | -                                 | -                                 | 58                                       | -  |
| <b>Net cash from/(used in) financing activities</b>        | <b>12,452</b>                 | <b>7,840</b>                  | <b>18,204</b>                        | <b>(39,265)</b>                      | <b>1,380</b>                      | <b>945</b>                        | <b>2,038</b>                             | <b>(4,540)</b>                           |
| Net increase/(decrease) in cash and cash equivalents       | (496)                         | 26,061                        | (28,610)                             | 5,811                                | (52)                              | 3,137                             | (3,150)                                  | 1,004                                    |
| Net foreign exchange difference                            | (5,038)                       | (529)                         | 1,317                                | (2,039)                              | (756)                             | (65)                              | (730)                                    | (108)                                    |
| Opening balance cash and cash equivalents                  | 16,199                        | 16,199                        | 37,959                               | 37,959                               | 1,997                             | 1,997                             | 5,069                                    | 4,173                                    |
| <b>Closing balance cash and cash equivalents</b>           | <b>10,666</b>                 | <b>41,730</b>                 | <b>10,666</b>                        | <b>41,730</b>                        | <b>1,189</b>                      | <b>5,069</b>                      | <b>1,189</b>                             | <b>5,069</b>                             |

# Consolidated Key Ratios

|                               | 12 months<br>Jan-Dec<br>2018<br>TSEK | 12 months<br>Jan-Dec<br>2017<br>TSEK | 12 months<br>Jan-Dec<br>2018<br>US\$ 000 | 12 months<br>Jan-Dec<br>2017<br>US\$ 000 | Definitions  |
|-------------------------------|--------------------------------------|--------------------------------------|--|--|--|
| Total assets                  | 565,154                              | 540,353                              | 66,126                                   | 68,499                                   | Total assets at period end   |
| Total equity                  | (235,836)                            | (185,992)                            | (23,154)                                 | (19,734)                                 | Total equity including non controlling interest at period end  |
| Interest bearing debt         | 704,633                              | 635,089                              | 78,546                                   | 77,147                                   | Total interest bearing debt at the period end  |
| Employees at period end       | 455                                  | 483                                  | 455                                      | 483                                      |  |
| EBITDA                        | (14,194)                             | 76,587                               | (1,714)                                  | 9,037                                    | Earnings Before Interest, Tax, Depreciation, Amortization and any Impairment.  |
| <b>Per share data</b>         |                                      |                                      |  |  |  |
| Earnings per share (SEK, USD) | (0.96)                               | (0.54)                               | (0.11)                                   | (0.06)                                   | Net result after tax for the period divided by the divided by the average number of outstanding shares at the period end   |
| Equity per share (SEK, USD)   | (2.39)                               | (2.48)                               | (0.23)                                   | (0.26)                                   | Equity excluding non controlling interests at the period end divided by the number of outstanding shares at the period end |

## Parent company income statement

|   | Q4<br>Oct-Dec<br>2018<br>TSEK | Q4<br>Oct-Dec<br>2017<br>TSEK | 12 months<br>Jan-Dec<br>2018<br>TSEK | 12 months<br>Jan-Dec<br>2017<br>TSEK | Q4<br>Oct-Dec<br>2018<br>US\$ 000 | Q4<br>Oct-Dec<br>2017<br>US\$ 000 | 12 months<br>Jan-Dec<br>2018<br>US\$ 000 | 12 months<br>Jan-Dec<br>2017<br>US\$ 000 |
|---|-------------------------------|-------------------------------|--------------------------------------|--------------------------------------|-----------------------------------|-----------------------------------|--|--|
| <b>Income</b>                             |                               |                               |                                      |                                      |                                   |                                   |  |  |
| Operating income                          | 180                           | 180                           | 720                                  | 1,342                                | 20                                | 22                                | 83                                       | 157                                      |
| <b>Total income</b>                       | <b>180</b>                    | <b>180</b>                    | <b>720</b>                           | <b>1,342</b>                         | <b>20</b>                         | <b>22</b>                         | <b>83</b>                                | <b>157</b>                               |
| <b>Operating costs</b>                    |                               |                               |                                      |                                      |                                   |                                   |  |  |
| External expenses                         | 62                            | (2,378)                       | (5,511)                              | (5,274)                              | 16                                | (281)                             | (634)                                    | (617)                                    |
| Employee benefit expenses                 | (723)                         | (780)                         | (2,960)                              | (2,304)                              | (80)                              | (93)                              | (341)                                    | (270)                                    |
| <b>Total operating costs</b>              | <b>(662)</b>                  | <b>(3,158)</b>                | <b>(8,471)</b>                       | <b>(7,577)</b>                       | <b>(64)</b>                       | <b>(374)</b>                      | <b>(975)</b>                             | <b>(887)</b>                             |
| <b>Operating profit/loss</b>              | <b>(482)</b>                  | <b>(2,978)</b>                | <b>(7,751)</b>                       | <b>(6,235)</b>                       | <b>(44)</b>                       | <b>(352)</b>                      | <b>(892)</b>                             | <b>(730)</b>                             |
| Net financial items                       | (13,725)                      | 956                           | (40,271)                             | 21,833                               | (1,538)                           | 133                               | (4,634)                                  | 2,555                                    |
| <b>Profit/loss before<br/>income tax</b>  | <b>(14,207)</b>               | <b>(2,022)</b>                | <b>(48,022)</b>                      | <b>15,598</b>                        | <b>(1,582)</b>                    | <b>(219)</b>                      | <b>(5,526)</b>                           | <b>1,825</b>                             |
| Income tax                                | -                             | -                             | -                                    | -                                    | -                                 | -                                 | -  | -  |
| <b>Net profit/loss for the<br/>period</b> | <b>(14,207)</b>               | <b>(2,022)</b>                | <b>(48,022)</b>                      | <b>15,598</b>                        | <b>(1,582)</b>                    | <b>(219)</b>                      | <b>(5,526)</b>                           | <b>1,825</b>                             |

## Parent company statement of comprehensive income

|  | Q4<br>Oct-Dec<br>2018<br>TSEK | Q4<br>Oct-Dec<br>2017<br>TSEK | 12 months<br>Jan-Dec<br>2018<br>TSEK | 12 months<br>Jan-Dec<br>2017<br>TSEK | Q4<br>Oct-Dec<br>2018<br>US\$ 000 | Q4<br>Oct-Dec<br>2017<br>US\$ 000 | 12 months<br>Jan-Dec<br>2018<br>US\$ 000 | 12 months<br>Jan-Dec<br>2017<br>US\$ 000 |
|--|-------------------------------|-------------------------------|--------------------------------------|--------------------------------------|-----------------------------------|-----------------------------------|--|--|
| Net profit/loss for the<br>period                    | (14,207)                      | (2,022)                       | (48,022)                             | 15,598                               | (1,582)                           | (219)                             | (5,526)                                  | 1,825                                    |
| Translation differences                              | -                             | -                             | -                                    | -                                    | (557)                             | (660)                             | (3,920)                                  | 2,338                                    |
| <b>Total comprehensive<br/>income for the period</b> | <b>(14,207)</b>               | <b>(2,022)</b>                | <b>(48,022)</b>                      | <b>15,598</b>                        | <b>(2,139)</b>                    | <b>(879)</b>                      | <b>(9,446)</b>                           | <b>4,163</b>                             |

# Parent company statement of financial position

|                                     | December 31,<br>2018<br>TSEK | December 31,<br>2017<br>TSEK | December 31,<br>2018<br>US\$ 000 | December 31,<br>2017<br>US\$ 000 |
|-------------------------------------|------------------------------|------------------------------|----------------------------------|----------------------------------|
| <b>ASSETS</b>                       |                              |                              |                                  |                                  |
| <b>FIXED ASSETS</b>                 |                              |                              |                                  |                                  |
| Financial fixed assets              | 737,113                      | 705,452                      | 82,166                           | 85,694                           |
| <b>Total fixed assets</b>           | <b>737,113</b>               | <b>705,452</b>               | <b>82,166</b>                    | <b>85,694</b>                    |
| <b>CURRENT ASSETS</b>               |                              |                              |                                  |                                  |
| Current receivables                 | 1,191                        | 1,884                        | 133                              | 229                              |
| Cash and bank                       | 175                          | 257                          | 20                               | 31                               |
| <b>Total current assets</b>         | <b>1,366</b>                 | <b>2,141</b>                 | <b>152</b>                       | <b>260</b>                       |
| <b>TOTAL ASSETS</b>                 | <b>738,479</b>               | <b>707,594</b>               | <b>82,318</b>                    | <b>85,954</b>                    |
| <b>EQUITY AND LIABILITIES</b>       |                              |                              |                                  |                                  |
| <b>Total equity</b>                 | <b>373,612</b>               | <b>364,093</b>               | <b>41,647</b>                    | <b>44,228</b>                    |
| <b>Long-term liabilities</b>        | <b>345,217</b>               | <b>325,810</b>               | <b>38,481</b>                    | <b>39,577</b>                    |
| <b>Current liabilities</b>          | <b>19,649</b>                | <b>17,691</b>                | <b>2,190</b>                     | <b>2,149</b>                     |
| <b>TOTAL EQUITY AND LIABILITIES</b> | <b>738,478</b>               | <b>707,594</b>               | <b>82,318</b>                    | <b>85,954</b>                    |



# Parent company statement of changes in equity

| (All amounts in TSEK)   | Share capital | Statutory reserve | Share premium reserve | Translation difference reserve | Retained earnings | Net income for the period | Total equity    |
|---|---------------|-------------------|-----------------------|--------------------------------|-------------------|---------------------------|-----------------|
| <b>Equity as at December 31, 2016</b>                             | <b>2,003</b>  | <b>266,306</b>    | <b>624,088</b>        | <b>-</b>                       | <b>(662,772)</b>  | <b>10,980</b>             | <b>240,604</b>  |
| Profit/loss brought forward                                       |               |                   |                       |                                | 10,980            | (10,980)                  | -               |
| <b>Comprehensive income</b>                                       |               |                   |                       |                                |                   |                           |                 |
| Net profit/loss for the period                                    |               |                   |                       |                                |                   | 15,598                    | 15,598          |
| Other comprehensive income  |               |                   |                       | -                              |                   |                           | -               |
| <b>Total comprehensive income for the period</b>                  | <b>-</b>      | <b>-</b>          | <b>-</b>              | <b>-</b>                       | <b>-</b>          | <b>15,598</b>             | <b>15,598</b>   |
| <b>Transactions with owners in their capacity as owners</b>       |               |                   |                       |                                |                   |                           |                 |
| Proceeds from share issued  | 6,418         |                   | 113,965               |                                |                   |                           | 120,383         |
| Convertible part of bond  |               |                   | (12,455)              |                                |                   |                           | (12,455)        |
| Warrants and options issue  |               |                   | (37)                  |                                |                   |                           | (37)            |
| <b>Total transactions with owners in their capacity as owners</b> | <b>6,418</b>  | <b>-</b>          | <b>101,474</b>        | <b>-</b>                       | <b>-</b>          | <b>-</b>                  | <b>107,891</b>  |
| <b>Equity as at December 31, 2017</b>                             | <b>8,420</b>  | <b>266,306</b>    | <b>725,562</b>        | <b>-</b>                       | <b>(651,792)</b>  | <b>15,598</b>             | <b>364,093</b>  |
| Profit/loss brought forward                                       |               |                   |                       |                                |                   | -                         | -               |
| <b>Comprehensive income</b>                                       |               |                   |                       |                                |                   |                           |                 |
| Net profit/loss for the period                                    |               |                   |                       |                                |                   | (48,022)                  | (48,022)        |
| Other comprehensive income  |               |                   |                       | -                              |                   |                           | -               |
| <b>Total comprehensive income for the period</b>                  | <b>-</b>      | <b>-</b>          | <b>-</b>              | <b>-</b>                       | <b>-</b>          | <b>(48,022)</b>           | <b>(48,022)</b> |
| <b>Transactions with owners in their capacity as owners</b>       |               |                   |                       |                                |                   |                           |                 |
| Proceeds from share issued  | 2,678         |                   | 54,855                |                                |                   |                           | 57,533          |
| Warrants and options issue  |               |                   | 9                     |                                |                   |                           | 9               |
| <b>Total transactions with owners in their capacity as owners</b> | <b>2,678</b>  | <b>-</b>          | <b>54,864</b>         | <b>-</b>                       | <b>-</b>          | <b>-</b>                  | <b>57,542</b>   |
| <b>Equity as at December 31, 2018</b>                             | <b>11,098</b> | <b>266,306</b>    | <b>780,426</b>        | <b>-</b>                       | <b>(651,792)</b>  | <b>(32,424)</b>           | <b>373,613</b>  |

# Parent company statement of changes in equity

| (All amounts in US\$ 000)   | Share capital | Statutory reserve | Share premium reserve | Translation difference reserve | Retained earnings | Net income for the period | Total equity   |
|---|---------------|-------------------|-----------------------|--------------------------------|-------------------|---------------------------|----------------|
| <b>Equity as at December 31, 2016</b>                             | <b>307</b>    | <b>40,872</b>     | <b>94,602</b>         | <b>(7,909)</b>                 | <b>(102,707)</b>  | <b>1,284</b>              | <b>26,448</b>  |
| Profit/loss brought forward                                       |               |                   |                       |                                | 1,284             | (1,284)                   | -              |
| <b>Comprehensive income</b>                                       |               |                   |                       |                                |                   |                           |                |
| Net profit/loss for the period                                    |               |                   |                       |                                |                   | 1,825                     | 1,825          |
| Other comprehensive income  |               |                   |                       | 2,338                          |                   |                           | 2,338          |
| <b>Total comprehensive income for the period</b>                  | <b>-</b>      | <b>-</b>          | <b>-</b>              | <b>2,338</b>                   | <b>-</b>          | <b>1,825</b>              | <b>4,163</b>   |
| <b>Transactions with owners in their capacity as owners</b>       |               |                   |                       |                                |                   |                           |                |
| Proceeds from share issued  | 810           |                   | 14,326                |                                |                   |                           | 15,136         |
| Convertible part of bond  |               |                   | (1,515)               |                                |                   |                           | (1,515)        |
| Warrants and options issue  |               |                   | (4)                   |                                |                   |                           | (4)            |
| <b>Total transactions with owners in their capacity as owners</b> | <b>810</b>    | <b>-</b>          | <b>12,807</b>         | <b>-</b>                       | <b>-</b>          | <b>-</b>                  | <b>13,617</b>  |
| <b>Equity as at December 31, 2017</b>                             | <b>1,117</b>  | <b>40,872</b>     | <b>107,409</b>        | <b>(5,571)</b>                 | <b>(101,423)</b>  | <b>1,825</b>              | <b>44,228</b>  |
| Profit/loss brought forward                                       |               |                   |                       |                                | -                 | -                         | -              |
| <b>Comprehensive income</b>                                       |               |                   |                       |                                |                   |                           |                |
| Net profit/loss for the period                                    |               |                   |                       |                                |                   | (5,526)                   | (5,526)        |
| Other comprehensive income  |               |                   |                       | (3,920)                        |                   |                           | (3,920)        |
| <b>Total comprehensive income for the period</b>                  | <b>-</b>      | <b>-</b>          | <b>-</b>              | <b>(3,920)</b>                 | <b>-</b>          | <b>(5,526)</b>            | <b>(9,446)</b> |
| <b>Transactions with owners in their capacity as owners</b>       |               |                   |                       |                                |                   |                           |                |
| Proceeds from share issued  | 319           |                   | 6,544                 |                                |                   |                           | 6,864          |
| Warrants and options issue  |               |                   | 1                     |                                |                   |                           | 1              |
| <b>Total transactions with owners in their capacity as owners</b> | <b>319</b>    | <b>-</b>          | <b>6,545</b>          | <b>-</b>                       | <b>-</b>          | <b>-</b>                  | <b>6,865</b>   |
| <b>Equity as at December 31, 2018</b>                             | <b>1,436</b>  | <b>40,872</b>     | <b>113,954</b>        | <b>(9,492)</b>                 | <b>(101,423)</b>  | <b>(3,701)</b>            | <b>41,647</b>  |

# Parent company cash flow statement

|   | Q4<br>Oct-Dec<br>2018<br>TSEK | Q4<br>Oct-Dec<br>2017<br>TSEK | 12 months<br>Jan-Dec<br>2018<br>TSEK | 12 months<br>Jan-Dec<br>2017<br>TSEK | Q4<br>Oct-Dec<br>2018<br>US\$ 000 | Q4<br>Oct-Dec<br>2017<br>US\$ 000 | 12 months<br>Jan-Dec<br>2018<br>US\$ 000 | 12 months<br>Jan-Dec<br>2017<br>US\$ 000 |
|---|-------------------------------|-------------------------------|--------------------------------------|--------------------------------------|-----------------------------------|-----------------------------------|--|--|
| <b>OPERATING ACTIVITIES</b>                                       |                               |                               |                                      |                                      |                                   |                                   |  |  |
| Receipts from customers   | 434                           | -                             | 1,537                                | 1,621                                | 48                                | -                                 | 175                                      | 198                                      |
| VAT and other reimbursement                                       | 32                            | 317                           | 554                                  | 727                                  | 4                                 | 38                                | 64                                       | 87                                       |
| Payments to suppliers   | (1,203)                       | (1,752)                       | (6,153)                              | (6,881)                              | (133)                             | (211)                             | (718)                                    | (778)                                    |
| Payments to employees and the Board members                       | (718)                         | (728)                         | (2,842)                              | (2,532)                              | (79)                              | (88)                              | (328)                                    | (297)                                    |
| Income tax paid   | -                             | -                             | -                                    | -                                    | -                                 | -                                 | -  | -  |
| Other taxes paid  | -                             | -                             | -                                    | -                                    | -                                 | -                                 | -  | -  |
| <b>Net cash flows used in operating activities</b>                | <b>(1,455)</b>                | <b>(2,163)</b>                | <b>(6,905)</b>                       | <b>(7,065)</b>                       | <b>(161)</b>                      | <b>(260)</b>                      | <b>(805)</b>                             | <b>(791)</b>                             |
| <b>INVESTING ACTIVITIES</b>                                       |                               |                               |                                      |                                      |                                   |                                   |  |  |
| Borrowings given  | (15,593)                      | (31,500)                      | (34,443)                             | (22,097)                             | (1,725)                           | (3,788)                           | (3,874)                                  | (2,706)                                  |
| <b>Net cash flows used in investing activities</b>                | <b>(15,593)</b>               | <b>(31,500)</b>               | <b>(34,443)</b>                      | <b>(22,097)</b>                      | <b>(1,725)</b>                    | <b>(3,788)</b>                    | <b>(3,874)</b>                           | <b>(2,706)</b>                           |
| <b>FINANCING ACTIVITIES</b>                                       |                               |                               |                                      |                                      |                                   |                                   |  |  |
| Proceeds from borrowings  | 18,055                        | -                             | 18,055                               | -                                    | 1,997                             | -                                 | 1,997                                    | -  |
| Receipts from share issue   | -                             | 41,806                        | 27,224                               | 51,158                               | -                                 | 5,029                             | 3,173                                    | 6,178                                    |
| Repayment of borrowings   | -                             | (8,368)                       | -                                    | (16,481)                             | -                                 | (1,000)                           | -  | (2,000)                                  |
| Interest paid   | (748)                         | -                             | (1,375)                              | -                                    | (83)                              | -                                 | (158)                                    | -  |
| Transaction costs arising on share issue                          | -                             | (601)                         | (644)                                | (5,267)                              | -                                 | (72)                              | (76)                                     | (646)                                    |
| Other finance income/ expenses (arrangement fee to Golden Impala) | -                             | -                             | (1,789)                              | -                                    | -                                 | -                                 | (210)                                    | -  |
| <b>Net cash from financing activities</b>                         | <b>17,307</b>                 | <b>32,838</b>                 | <b>41,472</b>                        | <b>29,410</b>                        | <b>1,914</b>                      | <b>3,957</b>                      | <b>4,725</b>                             | <b>3,532</b>                             |
| Net increase/(decrease) in cash and cash equivalents              | 259                           | (825)                         | 124                                  | 248                                  | 29                                | (91)                              | 45                                       | 34                                       |
| Net foreign exchange difference                                   | (167)                         | 2                             | (207)                                | (48)                                 | (45)                              | 111                               | (58)                                     | (9)                                      |
| Opening balance cash and cash equivalents                         | 84                            | 1,080                         | 257                                  | 57                                   | 35                                | 11                                | 31                                       | 6  |
| <b>Closing balance cash and cash equivalents</b>                  | <b>175</b>                    | <b>257</b>                    | <b>175</b>                           | <b>257</b>                           | <b>20</b>                         | <b>31</b>                         | <b>20</b>                                | <b>31</b>                                |

# Additional Information

## NEXT REPORTS DUE

2018 Annual Report

April 23, 2019

Interim report (Q1) January – March 2019:

May 31, 2019

Interim report (Q2) April – June 2019:

August 31, 2019

Interim report (Q3) July – September 2019:

November 30, 2019

Interim report (Q4) October – December 2019:

February 28, 2020

## 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 Solcocon), one early stage exploration asset and one development asset.

Since July 19, 2010, Auriant Mining's shares are traded on First North Premier at the NASDAQ Nordic Exchange under the short name AUR. For more information please visit [www.auriant.com](http://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](http://www.mangold.se).

## BOARD ASSURANCE

Proposal for loss treatment

The Board of Directors propose that Company's accumulated losses are carried forward and that no dividend is paid for the financial year.

The Board of Directors resolved to approve 14 May 2019 as the date of the 2019 AGM and 26 March 2019 as the closing date for shareholders to submit to the Board issue for inclusion in the notice of the AGM. The 2019 AGM will be held at Näringslivets Hus, Storgatan 19, 114 85 Stockholm.

The annual report will be published during week 17 and will be available at [www.auriant.com](http://www.auriant.com).

Stockholm, February 28, 2019

Auriant Mining AB (publ.)

Lord Daresbury  
Chairman of the Board

Preston Haskell  
Board Member

Ingmar Haga  
Board Member

Patrik Perenius  
Board Member

Sergey Ustimenko  
CEO

This report has not been reviewed by the 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.