

Auriant Mining AB (publ.) publishes Q4 2017 Interim Report

Highlights:

- Gold production was in line with October 2017 forecast at 809.4 kg (26,023 oz), which included 761.7 kg (24,487 oz) from Tardan and 47.8 kg (1,536 oz) from Solcocon. Gold grade in 2017 was in line with the mineplan for 2017 at 2.36 g/t (2016 - 4.04 g/t). Alluvial production at Solcocon recommenced in 2017 and amounted to 47.8 kg (1,536 oz) of gold.
- Consolidated revenue in 2017 was at MSEK 286.5 (US\$ 33.5 mln) (2016 – MSEK 371.6 (US\$ 43.4 mln)).
- Operating profit was MSEK 19.8 (US\$ 2.4 mln) compared to MSEK 131.9 (US\$ 15.4 mln) in 2016
- EBITDA was MSEK 76.6 (US\$ 9.0 mln) compared to MSEK 188.5 (US\$ 22.0 mln) in 2016.
- Average gold price in 2017 was US\$ 1,260/oz (2016: US\$1,269).
- Despite material decrease in revenue and gross profit the Company focused on costs control and its net result for the year was close to break even – net loss of US\$2.2 mln
- Exploration continued with good results at Solcocon where 4,100 meters of core were drilled, 26,000 cubic meters of trenches were made and 4,800 samples were taken. A preliminary assessment of exploration results indicates 1.8 tonnes of C2 resources and 0.5 tonnes of P1.

Warrant issue – final stage of the 2017 Financing to be completed in March 2018

- As announced in August 2017 the Warrants issued as part of the 2017 Financing are exercisable between 19 and 30 March 2018 at a price of between SEK2.50-3.50 per share. The total number of shares which may be issued is 57 million (52% of which may be swapped for reduction of shareholder debt).
- The warrant subscription proceeds will contribute additional funding for the Tardan CIL Plant and the study at Kara-Beldyr.

Commenting on the results, Sergey Ustimenko, Chief Executive Officer said:

The Company's medium term strategy is focused on successful completion of the construction of the new plant at Tardan and delivery of the significant improvement in financial performance. We are pleased with the progress Auriant Mining has made during 2017 when the Company completed important steps in preparing for turning this strategy into reality. The Company reorganized its balance sheet through implementation of a rights issue raising MSEK 142.4 (US\$

18.0 mln) in new capital (the “2017 Financing”). Our major shareholder Bertil Holdings, a company indirectly owned by the member of the Board Preston Haskell, acquired new shares in exchange for a reduction of the convertible debt of MSEK 74.5 (US\$ 9.4 mln), and restructured the terms of the remaining outstanding shareholder debt – maturity date was rolled over to June 30th, 2019 and interest rate continue to be 2% p.a. The Company also successfully refinanced its total outstanding banking loan (US\$ 35.4 mln at the end of 2017) with VTB and managed to reduce interest. These initiatives have significantly improved and strengthened the Group’s financial position.

Auriant is getting prepared for starting construction of CIL plant on Tardan, with key technical equipment now ordered and down payments made. This will result in increased gold recoveries from 60% to 92% with ore supplied from the Pravoberezhny mine of Tardan. Mining operations at Tardan have been discontinued for the first 6 months of 2018 in preparation for this construction phase, with production resuming in July 2018. The construction of the Tardan CIL plant will continue throughout 2018, with the launch of the new plant expected at the beginning of 2019, following which target annual production is 1,000 kg (approx. 32 thousand ounces per year.

Subject to the 2017 Financing will be successfully completed via the warrant issue in March 2018 the proceeds will be applied towards commencing on the feasibility study and engineering studies at Kara-Beldyr and financing of CIL plant construction at Tardan.

Full report is available [here](#)

The report will be followed by an interactive webcast for analysts and investors with the CEO, Sergey Ustimenko and CFO, Alexander Buchnev who will be presenting Auriant Mining’s Q4 2017 results as well as hosting a Q&A session.

The event will begin at 11:00 CET (11:00 Stockholm, 13:00 Moscow, 10:00 London).

Those wishing to participate will need to pre-register for this event by clicking [here](#) or opening the following link

<https://auriant.webex.com/auriant-en/onstage/g.php?MTID=ef12c71d8a0b74550fe212ae784ef5807>

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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 OMX Nordic Exchange under the short name AUR. For more information please visit www.auriant.com. Mangold Fondkommission is Certified Adviser to Auriant, for more information please call +46 8 503 015 50 or visit www.mangold.se.

This information is information that Auriant Mining AB is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact persons set out above, at 09:00 CET on February 28th, 2018

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