

AURIANT
MINING

12 months 2014 Interim Results
Analyst Web Conference
27 February 2015

Disclaimer

Statements and assumptions made in this Presentation with respect to Auriant Mining AB's ("Auriant") current plans, estimates, strategies and beliefs, and other statements that are not historical facts, are forward-looking statements about the future performance of Auriant. Forward-looking statements include, but are not limited to, those using words such as "may", "might", "seeks", "expects", "anticipates", "estimates", "believes", "projects", "plans", "strategy", "forecast" and similar expressions. These statements reflect Auriant's management's expectations and assumptions in light of currently available information. In the light of the many risks and uncertainties surrounding any gold production and exploration company at an early stage of its development, the actual results could differ materially from those presented and forecasted in this Presentation. Auriant do not assume any unconditional obligation to update any such statements and/or forecasts immediately.

Auriant Mining overview

General information

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

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

Gold Reserves – ~**1.3 Moz** according to Russian C1+C2 categories

2012 production – **642 kg (20,640 oz)**

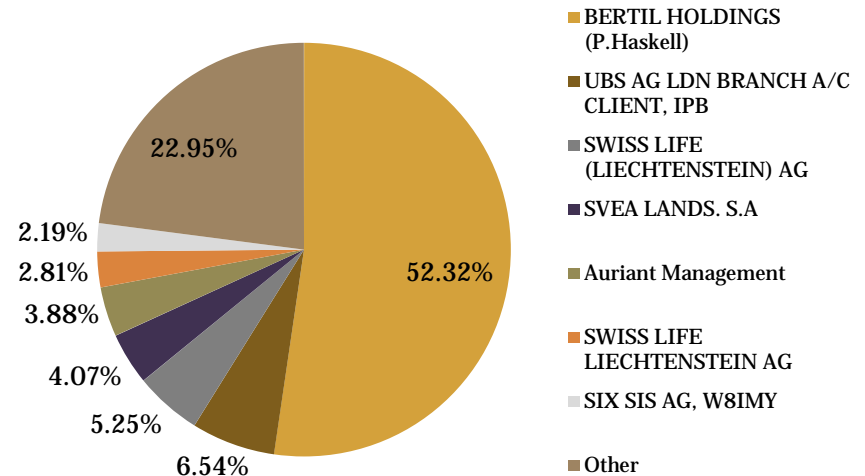
2013 production– **1,142 kg (36,716 oz)**

2014 production –**1,079 kg (34,691 oz)**

Headquartered in **Stockholm, Sweden**

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

Shareholder structure

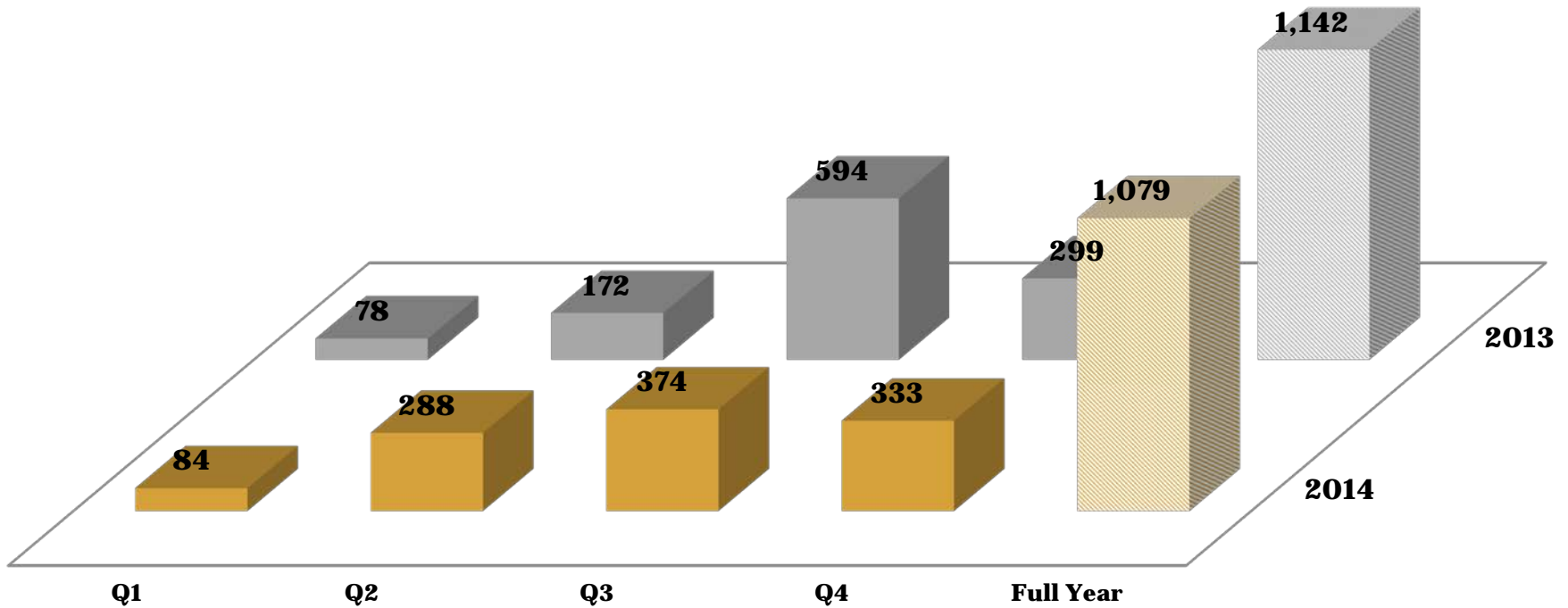


Management shareholding

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

Quarterly production

kg



- **Decreased gold production is mostly explained by Solcocon alluvial**
- **Strong seasonality – most production in Q3 and Q4**

2014 Production Key Performance Indicators

	Solcocon				Tardan				Group			
	12m 2014	12m 2013	Change	Change, %	12m 2014	12m 2013	Change	Change, %	12m 2014	12m 2013	Change	Change, %
Hard rock gold												
Stripping, 000m3	568	344	224	65%	3,404	1,940	1,464	75%	3,971	2,284	1,687	74%
Ore minned, 000m3	68	88	(20)	-23%	123	91	32	35%	191	179	12	7%
Rock mass total, 000m3	636	432	204	47%	3,527	2,031	1,497	74%	4,163	2,463	1,700	69%
Ore mined, 000t	158	212	(54)	-25%	381	269	112	42%	539	481	58	12%
Gold grade, g/t	0.97	1.42	(0.45)	-32%	1.77	1.60	0.17	11%	1.35	1.49	(0.14)	-9%
Ore stacked, 000t	212	168	44	26%	352	282	70	25%	564	450	114	25%
Grade in ore, g/t	1.06	1.37	(0.31)	-23%	1.53	1.56	(0.03)	-2%	1.35	1.49	(0.14)	-9%
Tailings stacked, 000t	-	-	-	-	88	142	(54)	-38%	88	142	(54)	-38%
Grade in tailings, g/t	-	-	-	-	2.61	3.2	(0.54)	-17%	2.61	3.15	(0.54)	-17%
Ore processed through gravitatonal plant, 000t	-	-	-	-	13	-	13	100%	13	-	13	100%
Grade in ore, g/t	-	-	-	-	6.27	-	6.27	100%	6.27	-	6.27	100%
Total ore and tailings processed, 000t	212	168	44	26%	452	424	28	7%	664	592	72	12%
Gold produced, kg	91	107	(16)	-15%	673	658	15	2%	763	765	(2)	0%
Gold produced, oz	2,915	3,440	(525)	-15%	21,628	21,155	473	2%	24,543	24,595	(52)	0%
Alluvial gold production												
Gold produced, kg	316	377	(62)	-16%					316	377	(62)	-16%
Gold produced, oz	10,147	12,121	(1,974)	-16%					10,147	12,121	(1,974)	-16%
Total												
Gold produced, kg	406	484	(78)	-16%	673	658	15	2%	1,079	1,142	(63)	-6%
Gold produced, oz	13,061	15,561	(2,500)	-16%	21,628	21,155	473	2%	34,689	36,716	(2,027)	-6%

- **Total production of gold for the reporting period amounted to 1,079 kg (34,689 oz), a decrease of 5.5% compared to 2013 production of 1,142 kg (36,716 oz).**

12 months 2014 Income Statement

	12 m 2014	12 m 2013	Change	Change %
	US\$ 000	US\$ 000	US\$ 000	%
Revenue	42 627	50 502	(7 875)	-16%
Cost of sales, including	(48 752)	(56 621)	7 869	-14%
<i>Gross expenses</i>	<i>(47 045)</i>	<i>(55 556)</i>	<i>8 511</i>	<i>-15%</i>
<i>Change in work in progress</i>	<i>(1 707)</i>	<i>(1 065)</i>	<i>(642)</i>	<i>60%</i>
Gross profit	(6 125)	(6 119)	(6)	0%
General and administrative expenses	(4 976)	(6 693)	1 717	-26%
Other operating income	769	1 652	(883)	-53%
Other operating expenses	(919)	(2 216)	1 297	-59%
Operating profit/(loss)	(11 251)	(13 376)	2 125	-16%
Financial income	-	2	(2)	-100%
Financial expenses, including	(15 011)	(11 097)	(3 914)	35%
<i>Forex result</i>	<i>(5 010)</i>	<i>(2 084)</i>	<i>(2 926)</i>	<i>140%</i>
<i>Interest expenses</i>	<i>(10 000)</i>	<i>(9 013)</i>	<i>(987)</i>	<i>11%</i>
Profit/(Loss) before income tax	(26 262)	(24 471)	(1 791)	7%
Income tax	9 671	4 673	4 998	107%
Net profit/(loss) for the period	(16 591)	(19 798)	3 207	-16%

Revenue from gold and gold equivalents decreased by US\$ 7.875 m, or 16%, as compared to 2013. The volume of gold sold decreased by 7% from 1,144 kg (36,779 oz) in 2013 down to 1,066 kg (34,269 oz) in 2014. The average realized gold price decreased from US\$ 1,373 in 2013 down to US\$ 1,244 in the current period (-9%).

Our production costs, mostly consisting of cash costs, fell from US\$ 55.5 m in 2013 to US\$ 47.0 m in 2014, or by 15% as result of cost efficiency efforts, recognition of stripping assets and rouble devaluation. Average cash costs per ounce of gold produced at Tardan, our major production unit, reduced by 14% from US\$ 1,239/oz in 2013 down to US\$ 1,060/oz in 2014.

Other operating income decreased by 53% mainly due to reduction of sales of materials and services provided to our contractors.

Major part of other expenses in 2013 was represented by impairment of work in progress balances in amount of US\$ 1,252 m, which is absent in 2014. Other operating expenses in both periods also included bank commissions, provisions, penalties and other expenses (each of them were not significant by themselves), which did not change significantly.

Growth of interest expenses was caused by additional bank and lease financing received both by Tardan and GRE-324. Bank loan average interest rate fell by 0.6% p.a. to 9.6% p.a. compared 2013. The Shareholder's bond and loan average interest rate was 12.6% p.a., which is lower by 1.6% p.a. compared to 2013.

At the end of 2014 there was a sharp rouble depreciation against US dollar for about of 70% compared to the beginning of 2014, which significantly influenced the Company's balance sheet monetary positions. The 2014 average RUR/US\$ exchange rate fell by 21% compared to 2013. As the majority of our costs are denominated in roubles and revenue is denominated in US dollars, we believe that rouble devaluation will result into decrease of our production costs per oz and significantly improve our profitability in future periods

Group 12 months Cash costs

	Solcocon Hard rock 12m 2014	Solcocon Alluvial 12m 2014	Solcocon Total 12m 2014	Tardan Total 12m 2014	Group Total 12m 2014	Solcocon Hard rock 12m 2013	Solcocon Alluvial 12m 2013	Solcocon Total 12m 2013	Tardan Total 12m 2013	Group Total 12m 2013
a Stripping, 000m3	568	-	568	3 404		344		344	1 940	
b Ore mined, 000m3	68	-	68	123		88		88	91	
c Rock mass total, 000m3 (a+b)	636	-	636	3 527		432		432	2 031	
d Ore mined, 000t	158	-	158	381		212		212	269	
Stripping ratio actual (a/d)	3.6	-	3.6	8.9		1.6		1.6	7.2	
e Mining costs, 000\$	3 127	-	3 127	12 306		2 790		2 790	9 780	
Mining costs, \$/m3 (e/c)	4.9	-	4.9	3.5		6.5		6.5	4.8	
f Stripping asset	-	-	-	(3 286)		-		-	(1 966)	
g Total period mining costs (e+f)	3 127	-	3 127	9 020		2 790		2 790	7 814	
Ore stacked, 000t	212	-	212	352		168		168	282	
Grade in ore, g/t	1,06	-	1,06	1,53		1,37		1,37	1,56	
h Gold in ore, g	224 921	-	224 921	538 052		230 160		230 160	439 920	
Tailings stacked, 000t	-	-	-	88		-		-	142	
Grade in tailings, g/t	-	-	-	2,61		-		-	3,2	
i Gold in tailings, g	-	-	-	228 636		-		-	445 725	
Ore processed through gravitational plant, 000t	-	-	-	13		-		-	-	
Grade in ore, g/t	-	-	-	6,27		-		-	-	
j Gold in ore, g	-	-	-	78 500		-		-	-	
k Total gold, g (h+i+j)	224 921	-	224 921	845 188		230 160		230 160	885 645	
Total ore and tailings processed, 000t	212	-	212	452		168		168	424	
Gold produced, g	90 667	315 607	406 274	672 706	1 078 980	108 000	377 478	485 478	658 000	1 143 478
Gold produced, oz	2 915	10 147	13 062	21 628	34 690	3 472	12 136	15 608	21 155	36 764
l Cost of processing, 000\$	3 033	9,223	12 256	8 832		2 790	12 168	14 958	12 744	
Cost of processing, \$/t	14			20		17			30	
Cost of processing, \$/oz	1 040	909	938	408		804	1 003	958	602	
m Refining & Transportation, 000\$	133	-	133	159		217	-	217	422	
n Local General and Administrative expenses, 000\$	1 755	-	1 755	3 269		2 379	-	2 379	3 519	
o MRET, 000\$	212	749	961	1 656		298	1 015	1 313	1 707	
Total cash costs, 000\$ (g+l+m+n+o)	8 260	9 972	18 232	22 935	41 167	8 475	13 183	21 657	26 207	47 864
Cash Cost per oz, \$	2 834	983	1 396	1 060	1 187	2 441	1 086	1 388	1 239	1 302

Consolidated statement of financial position

	December 31, 2014	December 31, 2013
	US\$ 000	US\$ 000
ASSETS		
FIXED ASSETS		
Intangible fixed assets	33,928	25,772
Tangible fixed assets	34,162	37,898
Stripping assets	3,192	-
Financial fixed assets	10,298	10,576
Total fixed assets	81,580	74,246
CURRENT ASSETS		
Materials	1,335	2,808
Work in progress	3,460	6,518
Finished products	41	109
Stripping asset	-	2,038
Current receivables	4,013	5,496
Advanced paid	677	825
Cash and cash equivalents	603	1,656
Total current assets	10,129	19,450
TOTAL ASSETS	91,709	93,696
Share capital	30,738	30,738
Additional paid in capital	24,997	24,575
Retained earnings	(62,593)	(46,002)
Translation difference reserve	(11,220)	(8,165)
Total equity	(18,078)	1,146
Long term liabilities		
Deferred tax	2,719	3,003
Loans and notes payable	17,094	5,444
Lease payable	1,761	2,866
Bond payable to shareholder	43,464	-
Other long-term liabilities	6,060	1,414
Total long term liabilities	71,098	12,726
Current liabilities		
Trade accounts payable	2,271	3,941
Loans payable	28,256	29,262
Lease payable	753	1,033
Bond and shareholder loans payable	4,088	40,052
Other current liabilities	3,321	5,537
Total current liabilities	38,689	79,824
TOTAL EQUITY AND LIABILITIES	91,709	93,696

The Company's net assets became negative at the end of the reporting period due to continuing losses and pressure on gold prices. However, the Parent Company carries positive net assets and impairment tests on the parent level show no impairment indications. The Company possesses sufficient gold reserves, and plans to decrease costs of sales as production grows and to return to profitability. As a result of sharp rouble devaluation at the end of 2014 we expect production costs reduction in short and medium terms perspective.

in Q4 2014 the Company has successfully executed the acquisition of the outstanding 70% interest in Kara-Beldyr from Canada's Centerra Gold Inc. and increased its share in Kara-Beldyr to 100%. As a consideration for this transaction, Auriant Mining will pay Centerra Gold a Net Smelter Royalty of 3.5% on any mineral revenue from Kara-Beldyr in the future. As result, the Company accrued long-term payables in amount of MSEK 39.840 (US\$ 5.100 m) as consideration to Centerra Gold Inc. as of December 31, 2014

In 2014 we refinanced short term loan from Svyazbank with a long term loan facility with Promsvyazbank (repayable in 2015 – 2017).

The Company reached an agreement with Golden Impala, a company related to the main Shareholder, to extend debt, initially payable in June 2014, to 2018 and to decrease interest rate to 10% p.a. (effective from May 31, 2014).

Consolidated cash flow statement

	12 M 2014	12 M 2013	Change	Change
	US\$ 000	US\$ 000	US \$ 000	%
Operating activities				
Receipts from customers	42,627	50,316	(7,689)	-15.3%
VAT and other reimbursement	8,200	8,397	(197)	-2.3%
Payments to suppliers	(37,735)	(39,671)	1,936	-4.9%
Payments to employees and social taxes	(14,022)	(17,551)	3,529	-20.1%
Income tax paid	-	-	-	-
Other taxes paid	(4,371)	(2,703)	(1,668)	61.7%
Net cash flows used in operating activities	(5,301)	(1,212)	(4,089)	337.4%
Investing activities				
Proceeds from exercise of share options	-	320	(320)	-100.0%
Purchase and construction of property plant and equipment	(2,687)	(5,811)	3,124	-53.8%
Exploration and research works	(703)	(4,357)	3,654	-83.9%
Investments in JV	(168)	(312)	145	-46.3%
Net cash flows used in investing activities	(3,558)	(10,161)	6,603	-65.0%
Financing activities				
Proceeds from borrowings	55,217	50,850	4,367	8.6%
Repayment of borrowings	(42,210)	(34,342)	(7,868)	22.9%
Interest paid	(3,708)	(3,333)	(375)	11.3%
Lease payments	(2,263)	(3,213)	950	-29.6%
Other finance expenses	(0)	(210)	210	-99.9%
Net cash from financing activities	7,036	9,752	(2,716)	-27.9%
Net increase in cash and cash equivalents	(1,823)	(1,621)	(202)	12.5%
Net foreign exchange difference	770	(140)	910	-650.9%
Cash and cash equivalents at 1 October/January	1,656	3,417	(1,761)	-51.5%
Cash and cash equivalents at 31 December	603	1,656	(1,053)	-63.6%

Corporate developments

Kara-Beldyr

In October 2014 Auriant has increased its **stake in Kara-Beldyr joint venture to 100% by acquisition of 70% stake from Centerra Gold** for Net Smelter Royalty of 3.5% on future production from this asset. Kara-Beldyr is a gold deposit where we have completed exploration together with Centerra Gold. The asset is located in the Republic of Tyva, about 166 km from Tardan mine and provides lots of synergies with our existing operation. Currently Auriant is finalizing the reserve report to be submitted to authorities for their approval in first quarter 2015. Our next step in Kara-Beldyr's developing will be to complete a feasibility study and to start construction in 2016. Kara-Beldyr will be able to contribute a significant portion to Auriant Mining production in the next 4 - 5 years.

Chukotka

In January 2015 Auriant has announced a deal with Aristus Holdings Ltd under which Aristus has agreed to grant Auriant Mining an **option to purchase a 50% interest in five gold properties located in Russia's Chukotka region, including Valunisty - a producing gold mine**. Moreover, after receiving approvals from authorities we will enter into a legally binding agreement with Aristus to manage and develop these assets over the next 3 years and will receive management fee.

This deal represents an excellent opportunity for Auriant Mining to **grow through acquisition** of a producing mine as well as to have a solid pipeline of exploration assets in one of the most exciting gold mining region where most of the Russian majors already operate world class mines. At the same time the management contract allows us to receive a good income over the next 3 years that contributes directly into our bottom line profit and loss statement

12 months Summary

- **Volumes are up:**

- stripping by 74%;
- processing by 12%;

- **Costs are down (Tardan):**

- mining costs per ton of ore mined by -33%;
- processing per oz of gold produced by -32%;
- total cash costs (TCC) by -14%;
- Group admin costs by -26%

- **Reserves are up:**

- 2,517 kg of high grade gold (average of 5.4 g/t) at Barsuchiy.
- Acquisition of the outstanding 70% interest in Kara-Beldyr from Canada's Centerra Gold Inc. preliminary NI 43-101 resource estimates 289,000 contained ounces Indicated and 211,000 contained ounces Inferred at the Kara-Beldyr.

- **Decreased interest rate:**

- bank loans from 10.2% to 9.6%
- Shareholder bond from effective 14.2% to 12.6%. Maturity of shareholder bond **rolled over to 2018.**

- **Significant progress in M&A opportunities:**

- KB was consolidated
- Chukotka option to acquire 50% interest in producing asset

Thank you

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