



AURIANT  
MINING

**Auriant Mining**

# **INTERIM REPORT**

**Q2 2022**

**JANUARY-JUNE**



# AURIANT MINING AB (publ.)

## Q2 2022 Interim Report (January – June)

The consolidated financial statements of the Auriant Mining Group (“Auriant Mining”, “the Company”), of which Auriant Mining AB (publ.) with corporate identity number 556659-4833 is the parent company (“the Parent Company”), are hereby presented for the six-months period ended on 30 June 2022.

## Highlights

*Amounts in parentheses refer to the same period in the previous year.*

- **Gold production** 423.1 kg / 13,605 oz (454.9 kg /14,626 oz).
- **Gold sales** 435.5 kg /14,000 oz (391.8 kg /12,598 oz)
- **Consolidated revenue** US\$ 26.3 mln (US\$ 22.9 mln)
- **Net profit after tax** US\$ 9.7 mln (US\$ 3.7 mln)
- **EBITDA** US\$ 13.5 mln (US\$ 10.6 mln)
- **Net cash flow generated from operating activities** US\$ 7.4 mln (US\$ 10.7 mln)
- **Average selling price for gold** US\$ 1,878 per oz (US\$ 1,821 per oz)
- **2022 updated annual production forecast is** 800 kg of gold.

### Significant events after the reporting period

Birgit Köster Hoffmann, member of the Board of directors of Auriant Mining AB (publ.) (the “Company”) resigned from the Company’s Board of directors for personal reasons on 18 August 2022.

Birgit Köster Hoffmann joined the Company’s Board of directors in May 2021 and was the chairperson of the Finance and Audit Committee since May 2022.

A new chairperson of the Finance and Audit Committee will be appointed by the Board from among the current Board members of the Company.

# Comments from the CEO

## Summary

Despite the continuing uncertainties and risks associated with international sanctions against Russia, the Company has achieved its targets for the first half of 2022.

### **The Company diversifies its gold sales channels**

Although the current challenging geopolitical situation did not materially affect Tardan's operations, supply chain and liquidity, the Company decided to diversify its gold sales channels.

- Three new sales contracts with refinery plants were signed.
- LLC "Tardan Gold" obtained a Gold Sales Export license in May 2022.
- LLC "Tardan Gold" continued selling gold to a new bank under a new gold sales contract at discounts that were lower than those offered by alternative sales channels.

### **The Parent Company opens a new bank account**

The Parent Company's new bank account with an international bank secured a replacement for its previous bank account, frozen as a result of termination of business operations of the previous bank in Austria. This enabled the Company to ensure sustainable financing of the Parent Company.

### **Exploration Update**

With the objective of increasing the quality and the extent of gold reserves as well as possibly extending the life of mine at Tardan, explorational drilling continued in Q2 2022 in particular at the "Bay Suit" area, which is located in close range to the CIL plant.

### **Kara-Beldyr Update**

In view of the geopolitical issues, our cautious estimate is that production at Kara-Beldyr will commence as targeted in Q4 2025, subject to sufficient electrical power being obtained.

Kara Beldyr has geological resources of 26.8 tonnes according to JORC, which shows a life of mine of 10-11 years producing 2 tonnes of gold per year.

We are hopeful despite the background of the current situation that the regional development program for electricity will be partly state funded, and that the powerline will be built and provide sufficient electrical power.

### **Outlook**

The Company expects to achieve its annual production guidance of 800kg of gold with production TCC to be approximately US\$ 1,280 per oz in 2022. Any long-term forecasting under the current volatile geopolitical situation remains difficult.



Danilo Lange, CEO

# Operations

The Company has currently four assets, including two operating mines (Tardan and Staroverinskaya<sup>1</sup>), one early stage exploration asset and one development asset. The gold production during H1 2022, compared to the corresponding periods in 2021 and full year 2021, is presented in the following table:

Production unit	H1 2022		H1 2021		YoY		FY 2021	
	kg	oz	kg	oz	kg	oz	kg	oz
<b>Hard rock</b>								
Tardan (CIL)	421.9	13,566	446.3	14,349	-24.4	-783	893	28,720
<b>Alluvial</b>								
Staroverinskaya	1.2	39	8.6	277	-7.4	-239	18	563
<b>Total gold produced</b>	<b>423.1</b>	<b>13,605</b>	<b>454.9</b>	<b>14,626</b>	<b>-31.8</b>	<b>-1,021</b>	<b>911</b>	<b>29,283</b>

## Tardan

Tardan includes Tardan's open pit mine and Tardan's CIL plant. Tardan's CIL plant has a projected throughput of >50t per working hour. The CIL plant's flowsheet is as follows: crushing, milling and thickening followed by direct leaching in tanks, then separation to tailings and leach solution via press-filters followed by sorption, desorption of the leach solution and then electrolysis. The output product from the site is gold alloys (Doré bars) containing some 83-89% of gold content. These are further refined to bankable gold bullions by an external refinery.

In H1 2022, ore mined amounted to 178 thousand tonnes (H1 2021: 159 thousand tonnes) an increase of 19 thousand tonnes or 12%. The average grade in H1 2022 was 2.42 g/t, compared to 2.27 g/t in H1 2021, an increase of 7%.

Stripping volume amounted to 1,103 thousand m<sup>3</sup> (+330 thousand m<sup>3</sup>, or 43% more than in H1 2021).

In H1 2022, the volume of ore processed through the CIL plant amounted to 193 thousand tonnes with an average grade of 2.46 g/t (total gold in processed ore – 473 kg). The volume of ore processed in H1 2021 was 207 thousand tonnes with an average grade of 2.24 g/t (total gold in processed ore – 463 kg).

H1 2022 hard rock gold production amounted to 421.9 kg (13,566 oz), compared to 446.3 kg (14,349 oz) in H1 2021, a decrease of 5%, or 24 kg (783 oz).

Overall, H1 2022 production was in line with the Company's production plan.

## Staroverinskaya license area

Alluvial gold production amounted to 1.2 kg (39 oz) compared to 8.6 kg (277 oz) a decrease of 86%, or 7.4 kg (239 oz) because of delayed start of the gold sands mining caused by late ground defrosting.

<sup>1</sup> The Company operates at Staroverinskaya license area that includes not only Solcocon, but also other areas.

# Financial overview

## Comments on financial performance

### Revenue

	H1 2022		H1 2021		YoY		FY 2021	
	kg	oz	kg	oz	kg	oz	kg	oz
Gold sales	435	14,000	392	12,598	44	1,402	819	26,316
Hard rock gold	435	14,000	386	12,410	49	1,590	801	25,753
Alluvial gold	-	-	6	188	(6)	(188)	18	563
Average realized gold price, \$/oz		1,878		1,821	-	57		1,812
Total revenue, \$US mln		26.3		22.9	-	3.4		47.7

Revenue from the sale of gold amounted to US\$ 26.3 mln, a 15% increase compared to H1 2021 (US\$ 22.9 mln), due to a higher volume of gold sold. H1 2022 gold sales volumes amounted to 435 kg (14,000 oz), which is 11%, or 44 kg (1,402 oz), more than in H1 2021.

In a strong gold price environment, the average realized gold price per ounce increased by 3% from US\$ 1,821 in H1 2021 up to US\$ 1,878 in H1 2022.

### Expenses

In H1 2022, the Group's cost of sales decreased by 8% compared to H1 2021, to US\$ 13.6 mln, while cash operating expenses increased by 36%, to US\$ 15.5 mln.

	H1 2022 US\$000	H1 2021 US\$000	Change US\$000	Change %
Cash operating expenses	(15,454)	(11,386)	(4,068)	36%
Change in stripping asset (non-cash)	1,314	709	605	85%
Change in work in progress (non-cash)	2,770	(184)	2,954	(1,605)%
Depreciation & amortization (non-cash)	(2,279)	(4,029)	1,750	(43)%
<b>Cost of sales</b>	<b>(13,649)</b>	<b>(14,890)</b>	<b>1,241</b>	<b>(8)%</b>

Cash expenses increased mainly due to higher stripping volumes and prices for mining contractors, materials, spare parts and fuel.

The Group's revenue from gold sales is linked to the US dollar (USD), whereas most of the Group's operating expenses are denominated in Russian roubles (RUB). Stronger RUB vs the USD can negatively impact the Group's margins by increasing the USD value of its RUB-denominated costs, while a weaker RUB positively affects its margins as it reduces the USD value of the Group's RUB-denominated costs. Significant RUB strengthening against the USD during Q2 2022 had a negative effect on the Group's margin. In Q1 2022, the average USD/RUB exchange rate amounted to 87.35, while in Q2 2022 the average USD/RUB exchange rate fell to 66.51 (Q1 2021: 74.37; Q2 2021: 74.29)

Higher cash operating expenses as well as lower volume of hard rock gold produced during H1 2022 led to the growth of the cash cost per ounce. The average cash cost per ounce produced at LLC "Tardan Gold" increased by 43% from US\$ 705/oz in H1 2021 to US\$ 1,011/oz in H1 2022.

Deferred stripping at Orebody 26 and at Ore zone #6 has been pulled forward to secure access to ore in 2022-2024.

The change in work in progress in H1 2022 and H1 2021 was in line with mining and production activities.

In H1 2022, general and administrative expenses increased by 9% to US\$ 1.4 mln mainly due to additional expenses for relocation of Moscow headoffice and higher prices for air tickets.

The Company's financial expenses represented by interest on loans and borrowings and lease liabilities amounted to US\$ 1.7 mln in H1 2022, a net decrease of 7% compared to the previous period (H1 2021: US\$ 1.8 mln). Interest expenses reduced due to repayments of bank loans, as well as reduction in the average interest rate on bank loans from 4.9% to 4.1%. The above mentioned reduction was partially offset by the increase of loan liability to Golden Impala and average interest rate increase from 5.9% to 7.0%.

In 2020, LLC "Tardan Gold" became a participant of the Regional Investment Projects and obtained the right to apply the reduced income tax rate at 17%. In H1 2022, income tax charge amounted to US\$ 1.9 mln (in H1 2021, income tax charge of US\$ 1.5 mln was offset by US\$ 0.6 mln against the balance sheet amount of deferred tax asset related to tax loss carry forward in LLC "Tardan Gold").

## Financial results

In H1 2022, the Group recognized net profit of US\$ 9.7 mln compared to US\$ 3.7 mln in H1 2021.

Earnings per share for the period were US\$ 0.10 compared to US\$ 0.04 in H1 2021.

EBITDA increased by 26% and amounted to US\$ 13.5 mln in H1 2022 (US\$ 10.6 mln in the comparative period) with an EBITDA margin of 51% compared to 46% in H1 2021.

<b>EBITDA margin, %</b>	<b>H1 2022</b>	<b>H1 2021</b>	<b>Change</b>	<b>Change</b>
	<b>US\$mln</b>	<b>US\$mln</b>	<b>US\$mln</b>	<b>%</b>
Revenue	26.3	22.9	3.4	15%
EBITDA	13.5	10.6	2.8	27%
<b>EBITDA margin, %</b>	<b>51%</b>	<b>46%</b>	<b>5%</b>	<b>11%</b>

<b>EBITDA reconciliation to Profit before tax</b>	<b>H1 2022</b>	<b>H1 2021</b>	<b>Change</b>	<b>Change</b>
	<b>US\$mln</b>	<b>US\$mln</b>	<b>US\$mln</b>	<b>%</b>
<b>Profit before income tax</b>	<b>10.1</b>	<b>5.1</b>	<b>5.0</b>	<b>98%</b>
Financial income	0.3	-	0.3	100%
Financial costs	(1.7)	(1.8)	0.1	(7%)
Currency gain/(loss)	0.4	0.4	0.1	15%
Depreciation & amortization	(2.3)	(4.1)	1.7	(43%)
<b>EBITDA</b>	<b>13.5</b>	<b>10.6</b>	<b>2.8</b>	<b>27%</b>

## Comments on the financial position

In the reporting period, the Company increased its stripping assets by US\$ 1.5 mln, or 74%, as result of deferred stripping costs, primarily at Orebody 26 and at Ore zone #6 of Tardan deposit.

As at 30 June 2022 the Company had 102.5 kg of gold produced but not sold (123.1 kg as at 31 December 2021). Significant RUB strengthening against the USD as at 30 June 2022 compared to 31 December 2021 with higher TCC per ounce of gold produced contributed to the increased value of gold produced but not sold.

Due to repayment, total bank loans decreased by US\$ 5.2 mln or 28% and amounted to US\$ 13.3 mln as at 30 June 2022 compared to 31 December 2021.

Total net debt as at June 30, 2022, amounted to US\$ 52.6 mln compared to US\$ 57.8 mln as at December 31, 2021.

<b>Total Net Debt</b>	<b>June 30, 2022</b>	<b>December 31, 2021</b>
	<b>TUSD</b>	<b>TUSD</b>
Bank loans	13,264	18,445
Debt to shareholder	37,221	35,955
Other interest-bearing liabilities (KFM)	2,726	3,722
Other notes	394	272
Leasing	922	874
<b>Total Debt</b>	<b>54,526</b>	<b>59,268</b>
Cash and Cash equivalents	1,919	1,474
<b>Total Net Debt</b>	<b>52,607</b>	<b>57,794</b>

## Liquidity, investments and financing

Gold sales revenue increased by US\$ 3.4 mln or 15% due to higher gold sales volume (435.5 kg in H1 2022 vs 391.8 kg in H1 2021) and higher average realized gold price.

Income taxes paid by LLC “Tardan Gold” in H1 2022 amounted to US\$ 2.0 mln (nil in H1 2021 because the income tax charge was fully offset against the balance of deferred tax asset related to tax loss carry forward).

Net cash flow generated from operating activities decreased by US\$ 3.3 mln, or 31%, and amounted to US\$ 7.4 mln in the reporting period vs US\$ 10.7 mln in the comparative reporting period.

During H1 2022, operating activities were financed from the same sources as in the previous reporting period, i.e. by gold sales and the reimbursement of VAT.

Positive cash flows from operating activities were used for loan repayments and finance lease payments in H1 2022.

The consolidated cash balance as at 30 June 2022 was US\$ 1.9 mln compared to US\$ 1.5 mln as at 31 December 2021.

# Other financial information

## SEGMENT INFORMATION

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

## EMPLOYEES

During H1 2022, the Group had an average of 573 employees, of which 473 were men and 100 women (during H1 2021: 590, of which 483 were men and 107 women).

As at 30 June 2022, the number of employees in the Group was 547, of which 462 were men and 85 women (as at 31 December 2021: 578, of which 480 were men and 98 women).

## CAPITAL STRUCTURE

As at 30 June 2022, the number of shares in issue was 98,768,270. 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\$ 0.0110). 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 it has no income other than income for consulting services provided to the subsidiary company and interest on loans extended to the subsidiaries from time to time.

## INCOME AND RESULTS OF THE PARENT COMPANY

Revenue for consulting services provided to the subsidiary company during H1 2022 was MSEK 0.500 (US\$ 0.052 mln) compared to MSEK 0.475 (US\$ 0.057 mln) in the same period of 2021.

The operating loss for H1 2022 was MSEK 2.695 (US\$ 0.281 mln), compared to H1 2021 MSEK 3.057 (US\$ 0.364 mln).

Net financial items for H1 2022 amounted to MSEK 7.865 (US\$ 0.820 mln) and mainly represented by net forex gain of MSEK 14.065 (US\$ 1.466 mln), interest income from subsidiary companies of MSEK 6.236 (US\$ 0.650 mln) which were partially offset by interest expenses of MSEK -12.435 (US\$ -1.296 mln).

Due to the low liquidity in the market and high volatility in the SEK/RUB rate, the Riksbank suspended the publication the rouble rate since 28 March 2022. The SEK/RUB cross rate via USD was used to convert RUB-denominated loans into SEK as at 30 June 2022. The official RUB/USD rate published by the Russian Central Bank on 30 June 2022 was 51.1580, the official USD/SEK rate published by the Riksbank was 10.2194. SEK/RUR closing cross rate was 5.006 on 30 June 2022 (8.2235 – on 31 December 2021). RUB strengthening against the SEK by 39% resulted in a forex gain on RUB-denominated loan receivables from subsidiary companies.

Net profit for the period was MSEK 5.170 (US\$ 0.539 mln) compared to loss of MSEK 13.106 (1.560 mln) in H1 2021.

## FINANCIAL POSITION OF THE PARENT COMPANY

As at 30 June 2022, the Parent Company cash balance was MSEK 1.013 (US\$ 0.099 mln) compared to MSEK 0.278 (US\$ 0.031 mln) as at 31 December 2021. The Company has opened a new bank account with an international bank, thus having secured a replacement for its previous bank account, frozen as a result of termination of business operations of the previous bank in Austria.



As at 30 June 2022, the long-term liabilities were represented by the debt to Golden Impala (the Shareholder's bond) of MSEK 367.436 (US\$ 35.955 mln).

The current liability was mainly represented by KFM liability of MSEK 27.342 (US\$ 2.676 mln) and unpaid interests to Golden Impala in amount of MSEK 12.935 (US\$ 1.266 mln).

The Parent Company had two employees at the end of the period.

# H1 2022 operational update

## Highlights:

- In H1 2022, hard rock gold production amounted to 421.9 kg (13,566 oz), compared to 446.3 kg (14,349 oz) in H1 2021, a decrease of 5%, or 24.4 kg (783 oz);
- Alluvial gold production amounted to 1.2 kg (39 oz) compared to 8.6 kg (277 oz) a decrease of 86%, or 7.4 kg (239 oz) because of delayed start of the gold sands mining caused by late ground defrosting.
- In H1 2022, total gold sales were 435.5 kg (14,000 oz), compared to 391.8 kg (12,598 oz) in H1 2021, an increase of 43.7 kg (1,402 oz), or 11%;
- 192,573 tonnes of ore with an average grade of 2.46 g/t were processed through the CIL plant;
- 177,690 tonnes of ore were mined in H1 2022, compared to 159,000 tonnes in H1 2021, an increase of 18,690 tonnes or 12%. Stripping volume amounted to 1,103,402 m<sup>3</sup> (+329,602 m<sup>3</sup>, or 43% more than in H1 2021);
- The average grade in H1 2022 was 2.46 g/t, compared to 2.24 g/t in H1 2021, an increase of 10%;

Overall, H1 2022 production was in line with the Company's production plan.

## Total Gold Production

Production unit	H1 2022		H1 2021		Change		
	kg	oz	kg	oz	kg	oz	%
<b>Hard rock</b>							
Tardan (CIL)	421.9	13,566	446.3	14,349	-24.4	-783	-5%
<b>Alluvial</b>							
Staroverinskaya	1.2	39	8.6	277	-7.4	-239	-86%
<b>Total gold produced</b>	<b>423.1</b>	<b>13,605</b>	<b>454.9</b>	<b>14,626</b>	<b>-31.8</b>	<b>-1,021</b>	<b>-7%</b>

## Hard Rock Gold Production

	Unit	H1 2022	H1 2021	Change	
<b>Mining</b>					
Waste stripping	000 m <sup>3</sup>	1,103.4	773.8	329.6	43%
Ore mined	000 tonnes	177.7	159.0	18.7	12%
Gold in Ore	kg	430.4	361.5	68.9	19%
Average grade	g/t	2.42	2.27	0.15	7%
<b>CIL</b>					
Ore processing	000 tonnes	192.6	206.9	-14.3	-7%
Grade	g/t	2.46	2.24	0.22	10%
Gold in ore processing	kg	472.9	462.8	10.1	2%
<b>Gold produced CIL</b>	<b>kg</b>	<b>421.9</b>	<b>446.3</b>	<b>-24.4</b>	<b>-5%</b>
Opening WIP (gold)	kg	2.9	26.7		
Closing WIP (gold)	kg	4.2	10.2		
Recovery	%	90%	92.9%	-2.9%	-3.1%
<b>Warehouse on June 30</b>					
Ore	000 tonnes	116.7	50.0	66.7	133%
Grade	g/t	2.10	2.00	0.10	5%

# Financial reports

## CONSOLIDATED STATEMENT OF PROFIT OR LOSS

	Q2 Apr-Jun 2022 US\$000	Q2 Apr-Jun 2021 US\$000	H1 Jan-Jun 2022 US\$000	H1 Jan-Jun 2021 US\$000	12 months Jan-Dec 2021 US\$000
Revenue	9,057	12,351	26,297	22,942	47,685
Cost of sales	(5,195)	(8,274)	(13,649)	(14,890)	(30,240)
<b>Gross profit/(loss)</b>	<b>3,862</b>	<b>4,077</b>	<b>12,648</b>	<b>8,052</b>	<b>17,445</b>
General and administrative expenses	(882)	(571)	(1,449)	(1,328)	(2,754)
Other operating income	6	20	59	34	99
Other operating expenses	(88)	(127)	(128)	(206)	(2,962)
<b>Operating profit/(loss)</b>	<b>2,898</b>	<b>3,399</b>	<b>11,130</b>	<b>6,552</b>	<b>11,828</b>
Financial income	136	-	252	-	4
Financial expenses	(872)	(875)	(1,662)	(1,785)	(3,159)
Foreign exchange gain/(loss), net	2,164	233	405	351	911
<b>Profit/(Loss) before income tax</b>	<b>4,326</b>	<b>2,757</b>	<b>10,125</b>	<b>5,118</b>	<b>9,584</b>
Income tax	637	(813)	(465)	(1,465)	(2,497)
<b>Net profit/(loss) for the period</b>	<b>4,963</b>	<b>1,944</b>	<b>9,660</b>	<b>3,653</b>	<b>7,087</b>
Whereof attributable to:					
The owners of the Parent Company	4,963	1,944	9,660	3,653	7,087
Earnings per share before dilution (US\$)	0.05	0.02	0.10	0.04	0.07
Earnings per share after dilution (US\$)	0.05	0.02	0.10	0.04	0.07
Number of shares issued at period end	98,768,270	98,768,270	98,768,270	98,768,270	98,768,270
Average number of shares for the period	98,768,270	98,768,270	98,768,270	98,768,270	98,768,270
Average number of shares for the period after dilution	98,768,270	98,768,270	98,768,270	98,768,270	98,768,270

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Q2 Apr-Jun 2022 US\$000	Q2 Apr-Jun 2021 US\$000	H1 Jan-Jun 2022 US\$000	H1 Jan-Jun 2021 US\$000	12 months Jan-Dec 2021 US\$000
Net profit/(loss) for the period	4,963	1,944	9,660	3,653	7,087
<b>Other comprehensive income/(loss) for the period</b> <i>Items that may be subsequently reclassified to profit or loss</i>					
Translation difference	(50)	87	98	217	(51)
<b>Total comprehensive income/(loss) for the period</b>	<b>4,913</b>	<b>2,031</b>	<b>9,758</b>	<b>3,870</b>	<b>7,036</b>

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	June 30, 2022 US\$000	June 30, 2021 US\$000	December 31, 2021 US\$000
<b>ASSETS</b>				
<b>Non-current assets</b>				
Intangible fixed assets		19,080	18,199	19,214
Tangible fixed assets		26,659	30,235	28,489
Stripping assets		3,499	2,183	2,006
Deferred tax assets		4,450	3,791	4,093
<b>Total non-current assets</b>		<b>53,688</b>	<b>54,408</b>	<b>53,802</b>
<b>Current assets</b>				
Materials		3,691	2,117	2,045
Work in progress		7,299	2,640	5,003
Finished products		5,371	3,044	3,516
Trade and other receivables		2,194	1,357	1,666
Advanced paid to suppliers and prepaid expenses		1,987	916	844
Cash and cash equivalents		1,919	2,114	1,474
<b>Total current assets</b>		<b>22,461</b>	<b>12,188</b>	<b>14,548</b>
<b>TOTAL ASSETS</b>		<b>76,149</b>	<b>66,596</b>	<b>68,350</b>
<b>EQUITY AND LIABILITIES</b>				
<b>EQUITY</b>				
Share capital		1,438	1,438	1,438
Additional paid-in capital		79,220	79,220	79,220
Translation difference reserve		(13,203)	(13,033)	(13,301)
Retained earnings		(63,938)	(77,032)	(73,598)
<b>TOTAL EQUITY</b>		<b>3,517</b>	<b>(9,407)</b>	<b>(6,241)</b>
<b>LIABILITIES</b>				
<b>Non-current liabilities</b>				
Bank loans and other notes		3,295	12,792	8,354
Debt to shareholder		35,955	35,338	35,955
Lease payable		292	652	424
Deferred tax liabilities		-	-	-
Other non-current liabilities	5	10,807	8,102	10,204
<b>Total non-current liabilities</b>		<b>50,349</b>	<b>56,884</b>	<b>54,937</b>
<b>Current liabilities</b>				
Bank loans and other notes		10,363	9,688	10,363
Other interest bearing liabilities	6	4,622	5,550	4,172
Trade accounts payable		1,550	867	648
Other current liabilities	7	5,748	3,014	4,471
<b>Total current liabilities</b>		<b>22,283</b>	<b>19,119</b>	<b>19,654</b>
<b>Total liabilities</b>		<b>72,632</b>	<b>76,003</b>	<b>74,591</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>76,149</b>	<b>66,596</b>	<b>68,350</b>

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

US\$000	Attributable to the shareholders of the parent company				
	Share capital	Additional paid in capital	Translation difference reserve	Retained earnings	Total equity
<b>Equity as at December 31, 2020</b>	<b>1,438</b>	<b>79,220</b>	<b>(13,250)</b>	<b>(80,685)</b>	<b>(13,277)</b>
<b>Comprehensive income</b>					
Net profit/(loss) for the period	-	-	-	3,653	3,653
Other comprehensive income	-	-	217	-	217
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>217</b>	<b>3,653</b>	<b>3,870</b>
<b>Equity as at June 30, 2021</b>	<b>1,438</b>	<b>79,220</b>	<b>(13,033)</b>	<b>(77,032)</b>	<b>(9,407)</b>
<b>Comprehensive income</b>					
Net profit/(loss) for the period	-	-	-	3,434	3,434
Other comprehensive income	-	-	(268)	-	(268)
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>(268)</b>	<b>3,434</b>	<b>3,166</b>
<b>Equity as at December 31, 2021</b>	<b>1,438</b>	<b>79,220</b>	<b>(13,301)</b>	<b>(73,598)</b>	<b>(6,241)</b>
<b>Comprehensive income</b>					
Net profit/(loss) for the period	-	-	-	9,660	9,660
Other comprehensive income	-	-	98	-	98
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>98</b>	<b>9,660</b>	<b>9,758</b>
<b>Equity as at June 30, 2022</b>	<b>1,438</b>	<b>79,220</b>	<b>(13,203)</b>	<b>(63,938)</b>	<b>3,517</b>

## CONSOLIDATED CASH FLOW STATEMENT

	Q2 Apr-Jun 2022 US\$000	Q2 Apr-Jun 2021 US\$000	H1 Jan-Jun 2022 US\$000	H1 Jan-Jun 2021 US\$000	12months Jan-Dec 2021 US\$000
<b>OPERATING ACTIVITIES</b>					
Receipts from gold sales	9,057	12,351	26,297	22,942	47,708
VAT and other reimbursement	1,452	1,048	2,601	2,043	4,153
Payments to suppliers	(7,167)	(4,678)	(12,915)	(9,265)	(20,998)
Payments to employees and social taxes	(3,148)	(2,377)	(5,801)	(4,737)	(9,785)
Income tax paid	(1,379)	(13)	(2,001)	(13)	(2,645)
Other taxes paid	(498)	(149)	(785)	(301)	(672)
<b>Net cash flows from/(used in) operating activities</b>	<b>(1,683)</b>	<b>6,182</b>	<b>7,396</b>	<b>10,669</b>	<b>17,761</b>
<b>INVESTING ACTIVITIES</b>					
Purchase and construction of property plant and equipment	(320)	(399)	(627)	(747)	(1,193)
Exploration and research works	(156)	(617)	(200)	(1,682)	(2,720)
<b>Net cash flows used in investing activities</b>	<b>(476)</b>	<b>(1,016)</b>	<b>(827)</b>	<b>(2,429)</b>	<b>(3,913)</b>
<b>FINANCING ACTIVITIES</b>					
Repayment of borrowings, net	(2,091)	(2,253)	(6,182)	(4,694)	(8,448)
Interest paid	(156)	(388)	(396)	(697)	(2,188)
Lease payments	(188)	(493)	(344)	(1,077)	(2,053)
Other finance income/expenses	-	(64)	-	(123)	(123)
<b>Net cash from/(used in) financing activities</b>	<b>(2,435)</b>	<b>(3,198)</b>	<b>(6,922)</b>	<b>(6,591)</b>	<b>(12,812)</b>
Net increase/(decrease) in cash and cash equivalents	(4,594)	1,968	(353)	1,649	1,036
Effect of foreign exchange rate changes on cash and cash equivalents	1,666	98	798	43	16
Opening balance cash and cash equivalents	4,847	48	1,474	422	422
<b>Closing balance cash and cash equivalents</b>	<b>1,919</b>	<b>2,114</b>	<b>1,919</b>	<b>2,114</b>	<b>1,474</b>

## CONSOLIDATED KEY RATIOS

	Definitions	H1 Jan-Jun 2022 US\$000	H1 Jan-Jun 2021 US\$000	12months Jan-Dec 2021 US\$000
Total assets	Total assets at period end	76,149	66,596	68,350
Total equity	Total equity including non-controlling interest at period end	3,517	(9,407)	(6,241)
Interest bearing debt	Total interest-bearing debt at the period end	54,132	63,741	58,996
Employees at period end	-	547	572	578
EBITDA*	Earnings Before Interest, Tax, Depreciation, Amortization, any Impairment and one-off items	13,450	10,581	22,487
<b>Per share data</b>				
Earnings per share (SEK, USD)	Net result after tax for the period divided by the average number of outstanding shares for the period before dilution	0.10	0.04	0.07
Equity per share (SEK, USD)	Equity excluding non-controlling interests at the period end divided by the number of outstanding shares at the period end	0.04	(0.10)	(0.06)

\* 12m 2021 EBITDA was adjusted for accrued provision for waste disposal in the amount of US\$ 2.3 mln for 2019-2021.

## PARENT COMPANY STATEMENT OF PROFIT OR LOSS

	Q2 Apr-Jun 2022	Q2 Apr-Jun 2021	H1 Jan-Jun 2022	H1 Jan-Jun 2021	12 months Jan-Dec 2021	Q2 Apr-Jun 2022	Q2 Apr-Jun 2021	H1 Jan-Jun 2022	H1 Jan-Jun 2021	12 months Jan-Dec 2021
	TSEK	TSEK	TSEK	TSEK	TSEK	US\$000	US\$000	US\$000	US\$000	US\$000
Operating income	250	238	500	475	950	25	29	52	57	111
<b>Total income</b>	<b>250</b>	<b>238</b>	<b>500</b>	<b>475</b>	<b>950</b>	<b>25</b>	<b>29</b>	<b>52</b>	<b>57</b>	<b>111</b>
External expenses	(655)	(586)	(1,597)	(1,829)	(4,456)	(65)	(70)	(166)	(218)	(519)
Employee benefit expenses	(791)	(818)	(1,598)	(1,703)	(3,735)	(81)	(98)	(167)	(203)	(435)
<b>Total operating costs</b>	<b>(1,446)</b>	<b>(1,404)</b>	<b>(3,195)</b>	<b>(3,532)</b>	<b>(8,191)</b>	<b>(146)</b>	<b>(168)</b>	<b>(333)</b>	<b>(421)</b>	<b>(954)</b>
<b>Operating profit/loss</b>	<b>(1,196)</b>	<b>(1,166)</b>	<b>(2,695)</b>	<b>(3,057)</b>	<b>(7,241)</b>	<b>(121)</b>	<b>(139)</b>	<b>(281)</b>	<b>(364)</b>	<b>(843)</b>
Impairment: Investment in subsidiaries	-	-	-	-	(87,058)	-	-	-	-	(10,145)
Net financial items	39,238	8,227	7,865	(10,049)	(29,506)	4,177	980	820	(1,196)	(3,438)
<b>Profit/(Loss) before income tax</b>	<b>38,042</b>	<b>7,061</b>	<b>5,170</b>	<b>(13,106)</b>	<b>(123,805)</b>	<b>4,056</b>	<b>841</b>	<b>539</b>	<b>(1,560)</b>	<b>(14,426)</b>
Income tax	-	-	-	-	-	-	-	-	-	-
<b>Net profit/loss for the period</b>	<b>38,042</b>	<b>7,061</b>	<b>5,170</b>	<b>(13,106)</b>	<b>(123,805)</b>	<b>4,056</b>	<b>841</b>	<b>539</b>	<b>(1,560)</b>	<b>(14,426)</b>

## PARENT COMPANY STATEMENT OF COMPREHENSIVE INCOME

	Q2 Apr-Jun 2022	Q2 Apr-Jun 2021	H1 Jan-Jun 2022	H1 Jan-Jun 2021	12 months Jan-Dec 2021	Q2 Apr-Jun 2022	Q2 Apr-Jun 2021	H1 Jan-Jun 2022	H1 Jan-Jun 2021	12 months Jan-Dec 2021
	TSEK	TSEK	TSEK	TSEK	TSEK	US\$000	US\$000	US\$000	US\$000	US\$000
Net profit/(Loss for the period)	38,042	7,061	5,170	(13,106)	(123,805)	4,056	841	539	(1,560)	(14,426)
Translation differences						(679)	480	(887)	(861)	(1,468)
<b>Total comprehensive income for the period</b>	<b>38,042</b>	<b>7,061</b>	<b>5,170</b>	<b>(13,106)</b>	<b>(123,805)</b>	<b>3,377</b>	<b>1,321</b>	<b>(348)</b>	<b>(2,421)</b>	<b>(15,894)</b>

## PARENT COMPANY STATEMENT OF FINANCIAL POSITION

	June 30, 2022 TSEK	June 30, 2021 TSEK	December 31, 2021 TSEK	June 30, 2022 US\$000	June 30, 2021 US\$000	December 31, 2021 US\$000
<b>ASSETS</b>						
<b>FIXED ASSETS</b>						
Investments in subsidiaries	480,229	516,824	425,948	46,992	60,729	47,099
<b>Total fixed assets</b>	<b>480,229</b>	<b>516,824</b>	<b>425,948</b>	<b>46,992</b>	<b>60,729</b>	<b>47,099</b>
<b>CURRENT ASSETS</b>						
Current receivables	1,740	786	1,456	170	92	161
Cash and bank	1,013	134	278	99	16	31
<b>Total current assets</b>	<b>2,753</b>	<b>920</b>	<b>1,734</b>	<b>269</b>	<b>108</b>	<b>192</b>
<b>TOTAL ASSETS</b>	<b>482,982</b>	<b>517,744</b>	<b>427,682</b>	<b>47,261</b>	<b>60,837</b>	<b>47,291</b>
<b>EQUITY AND LIABILITIES</b>						
<b>EQUITY</b>	<b>72,294</b>	<b>177,823</b>	<b>67,124</b>	<b>7,074</b>	<b>20,895</b>	<b>7,422</b>
<b>LONG-TERM LIABILITIES</b>	<b>367,436</b>	<b>300,740</b>	<b>325,164</b>	<b>35,955</b>	<b>35,338</b>	<b>35,955</b>
<b>CURRENT LIABILITIES</b>	<b>43,252</b>	<b>39,181</b>	<b>35,394</b>	<b>4,232</b>	<b>4,604</b>	<b>3,914</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>482,982</b>	<b>517,744</b>	<b>427,682</b>	<b>47,261</b>	<b>60,837</b>	<b>47,291</b>



# Notes

## NOTE 1 GENERAL INFORMATION

Auriant Mining AB (publ.) (“AUR AB”, “the Parent company” or “the Company”) and its subsidiaries (collectively referred to as “the Group” or “the Auriant Mining Group”) are focused on gold exploration and production in Russia, primarily in Zabaikalye and the Republics of Khakassia and Tyva.

The Parent Company is a registered public limited liability company with its head office in Sweden. The address of the head office is Box 55696, 102 15 Stockholm. AUR AB was listed on the Swedish NGM Nordic Growth Market stock exchange on March 29, 2005 and has been listed on the Swedish NASDAQ First North Premier Growth Market stock exchange since July 19, 2010. At present, the Company has 3,249 shareholders.

## NOTE 2 ACCOUNTING PRINCIPLES AND BASIS OF PREPARATION

This interim report has been prepared in accordance with IAS 34 *Interim Financial Reporting* (“IAS 34”), the Swedish Annual Accounts Act and the Swedish Financial Reporting Board’s recommendation RFR 1 *Supplementary accounting regulations for groups*. The consolidated interim financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as described on page 64 in the annual report for financial year 2021. The evaluations and estimations made by the board of directors and management in preparing the interim report are described on page 73 in the annual report for 2021. The Parent company accounts are prepared in accordance with the Swedish 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 2021.

The same accounting principles are applied in this interim report as in the annual report 2021.

No material changes in accounting principles have taken place since the Annual Report for 2021.

### Currency rates used in the report

Year 2022	RUB/USD	SEK/USD	SEK/RUB	Year 2021	RUB/USD	SEK/USD	SEK/RUB
Average Q1	87,3479	9,345	9,4568	Average Q1	74,3686	8,3995	8,8577
Average Q2	66,5141	9,8382	6,7608	Average Q2	74,2936	8,4083	8,8244
March 31	84,0851	9,2641	10,4868	March 31	75,7023	8,7239	8,6736
June 30	51,1580	10,2194	5,0060	June 30	72,3723	8,5103	8,5399
				December 31	74,2926	9,0437	8,2235

## NOTE 3 RISKS AND UNCERTAINTIES ASSOCIATED WITH THIS INTERIM REPORT

The group's risk exposure is presented on pages 42 and 91 of the 2021 annual report. Various risks may affect the results of the operating, financial and investing activities of the companies in mining and exploration industry, including Auriant Mining Group. The principal risks relating to the industry and Auriant Mining Group are described below:

### a. Operational risks – production related risks:

- Failure to achieve production plan. The production capacity of a mine and gold processing plant, or the quality of mineral reserves and the availability of qualified staff, might not be in line with the production plan due to different circumstances which might lead to the non-achievement of the plan.
- Unexpected business interruptions. 1. Weather. Unexpected business interruption might lead to a significant delay in production and consequent decrease in profit. The Group’s assets are located in Republic of Tyva, Republic of Khakassia and the Zabaikalsky region, a remote area that can be subject to severe climatic conditions. 2. External contractors. The Group’s operations are materially dependent on outside contractors, including, but not limited to, providers of

transportation and excavation services (in addition to transportation and excavation made using own fleet of equipment), drilling, blasting, equipment maintenance services, electricity and other utilities supply, transportation of materials to the mine, etc. Delay in the delivery or the failure of mining equipment could significantly delay production and impact the Group's profitability.

- Obtaining necessary permit and approvals. Besides licenses for exploration and mining of natural resources, the Company must obtain additional permits and approvals to be able to actually carry out mining and production activities. For newly explored deposits, those permits and approvals include, without limitation, approval of resources with GKZ (State Resource Committee); approval of project documentation for open pit construction and operation; renting land to be used for mining activities and related activities; permits for potentially hazardous activities (such as blasting operations and operations with poisonous materials); environmental safety review, etc.
- Kara Beldyr - The commencement of gold production is contingent upon timely implementation of the Government's final decision to finance the power line and its construction.

b. Financial risks: The Group's activities expose it to a variety of financial risks: a) market risk (including currency and gold price risk and interest rate risk), b) credit risk and c) liquidity risk.

### Currency Fluctuations

The Group's income is subject to exchange rate fluctuations. The Group's revenue from gold sales is linked to USD, whereas most of the Group's operating expenses are denominated in RUB. Accordingly, an appreciation of the RUB against the USD may negatively affect the Group's margins by increasing the USD value of its RUB-denominated costs. Conversely, an appreciation of the USD may positively affect the Group's margins by decreasing the USD value of its RUB-denominated costs. Significant RUB strengthening against the USD during the second quarter had a negative effect on the Group's margin. In Q1 2022, the average USD/RUB exchange rate amounted to 87.35 (Q1 2021: 74.37), while in Q2 2022 the average USD/RUB exchange rate fell to 66.51 (Q2 2021: 74.29).

As at 30 June 2022, the RUB strengthened against the USD by 31% compared to 31 December 2021, which increased RUB-denominated monetary assets and liabilities in the Consolidated statement of financial position.

The sensitivity analysis of Operating profit to foreign exchange risk is shown in the table below:

<u>Changes in Exchange rate of RUB, %</u>	<u>Effect on operating profit H1 Jan-Jun 2022, US\$000</u>
10%	Decrease by 1,517
-10%	Increase by 1,517

### Gold price review

The market gold price is a significant factor that influences the Group's profitability and operating cash flow generation. The average LBMA price of gold was US\$ 1,877 per ounce in Q1 2022 (US\$ 1,794 in Q1 2021) and US\$ 1,871 per ounce in Q2 2022 (US\$ 1,816 in Q2 2021)

Despite challenging market environment, the Company's subsidiaries continued to sell gold during the reporting period. LLC "Tardan Gold" sold gold at an average price of US\$ 1,861 per ounce in Q1 2022 and US\$ 1,903 per ounce in Q2 2022.

The table below summarizes the impact of changes in gold prices on profit before tax. The analysis is based on the assumption that gold prices move 10% with all other variables held constant.

<u>Change in price of gold in USD by:</u>	<u>Effect on operating profit H1 Jan-Jun 2022, US\$000</u>
+10%, other things being equal	Increase by 2,630
-10%, other things being equal	Decrease by 2,630

## Interest rate sensitivity

The Group's profit or loss sensitivity to interest rates is prepared assuming a 100 basis point change. If interest rates had been 100 basis points higher/lower, the Group's profit for the year ended 30 June 2022 would have decreased/increased by TUSD 258.

- c. Geological risk: Gold exploration is associated with high risk. All estimates of recoverable mineral resources are mainly based on probabilities. Estimates of mineral resources and ore reserves are based on extensive test drilling, statistical analyses and model studies and remain theoretical in nature until verified by industrial mining. There is no methodology for determining with certainty the exact amount of gold available or the shape of a potential ore body and its distribution. The exact amount of gold is known only when the gold has been extracted from the gold deposit. Data relating to mineral resources and ore reserves as presented by the Company, and by others, should be viewed against this background and may therefore deviate from this.
- d. Health, Safety and Environmental risks. The Group companies are subject to extensive environmental, health and safety controls and regulations, and any breach of these regulations could result in fines and material breach of these regulations could result in the suspension of operations, which could have a material adverse effect on its reputation, operating results and financial condition. The Group companies are subject to extensive environmental controls and regulations in Russia. Mining and exploration operations involve the use of environmentally toxic and hazardous materials, such as cyanides and diesel fuel and lubricants, as well as processes that could lead to the discharge of materials and contaminants into the environment, disturbance of land, potential harm to flora and fauna and other environmental concerns. The licenses under which the Company operates include conditions regarding environmental compliance. The terms of the Company's subsoil licenses contain site clean-up, restoration and rehabilitation obligations due in future that are mandatory for the Company. The Company could be held liable for losses associated with environmental hazards caused by its misconduct and subsequent rehabilitation, which may have an adverse impact on Group's operations, financial results and financial position.
- e. Legal risks:
- Maintenance of licenses risks. Federal Agency for Subsoil Use (Rosnedra) may suspend or revoke the Group companies' subsoil use licenses if it recognizes their violation, revealed by Federal Service for Supervision of Natural Resource Usage (Rosprirodnadzor) or other authorized governmental body, which can lead to a halt or cessation of operations at the relevant license area. Failure to comply with the terms of licenses and permits may result in financial sanctions and reputational damage.
  - Community risks. The Group's projects can be delayed or stopped due to community and environmental activists' protests and, as a result, denial of regional authorities to conclude or prolong land lease agreements, which are essential for mining.
- f. COVID-19 exposure. The current COVID-19 pandemic may affect the Group's operations in a different way. The Group remains subject to the risk of temporary disruptions in supply chain and logistics in case the situation with the global Covid-19 pandemic worsens.
- In Q1 2022, Auriant Mining Group did not experience any operational disruptions due to Covid-19.
- g. Financial and economic sanctions imposed by the global community against the Russian economy, businesses and individuals, and counter-measures imposed by Russia have limited direct effect on Auriant Mining Group's operations. The Company's subsidiaries continue to sell gold with discounts to the LBMA gold price, as previously reported. The discounts have risen following the decision of G7 to stop gold import into its countries. This together with the LBMA gold price decrease and strengthened RUB are factors currently negatively affecting the Group's financial performance. The Parent Company has opened a new bank account with an international bank, thus having secured a replacement for its previous bank account, frozen as a result of termination of business operations of the previous bank in Austria.

The indirect effect of immense sanctions is also substantial and includes continuing risks associated with global financial system as well as supply chain delivery. The Group may not have access to capital outside of Russia, in particular from countries that have imposed sanctions. The Group's ability to

enter into business transactions in Russia may be restricted by the Russian counter-measures, since the Group includes a Swedish Parent Company. The Group companies operating in Russia may experience shortages of supplies and price increases. Bans on exports of equipment into Russia may limit the Group's choice of equipment for new projects, delay implementation of new projects and make them less economically viable.

The ability of the Russian subsidiaries to make payments to the Swedish Parent Company may be further restricted. The Group companies may experience closures of their bank accounts and difficulties with opening new ones.

The situation is dynamic, and a lot of uncertainties exist and there remains a possibility of further sanctions (and counter-measures) which may have further negative impact.

The Company continuously monitors the situation and takes additional mitigation measures such as

- diversification of gold sales channels;
- entering into new contacts with suppliers from countries participating in the Eurasian Economic Union;
- opening new bank accounts with international banks.

Despite geopolitical challenges, the Company's operating and financial plans for 2022 remain unchanged.

#### **NOTE 4 TRANSACTIONS WITH RELATED PARTIES**

As at 30 June 2022, the bond liability to Golden Impala Limited amounted to MSEK 380.4 (US\$ 37.2 mln), the liability under the loan commitment agreement with Danilo Lange was MSEK 0.494 (US\$ 0.048 mln) and the liability to Go Mobile NU AB under the loan commitment agreement in form of stand-by fee on the undrawn amount was MSEK 0.020 (US\$ 0.002 mln).

Accrued interest expenses for transactions with related parties in H1 2022 amounted to MSEK 12.2 (US\$ 1.3 mln), compared to MSEK 8.3 (US\$ 1.0 mln) in H1 2021.

#### **NOTE 5 OTHER NON-CURRENT LIABILITIES**

As at 30 June 2022, other non-current liabilities were represented by the US\$ 9.0 mln liability to Centerra in accordance with the royalty agreement and US\$ 1.8 mln of site restoration obligations.

#### **NOTE 6 OTHER CURRENT INTEREST-BEARING LIABILITIES**

As at 30 June 2022, other current interest-bearing liabilities were represented by the following balances: US\$ 2.7 mln – short-term liability to KFM, US\$ 1.3 mln – short-term liability to Golden Impala and US\$ 0.6 mln – current lease liability.

#### **NOTE 7 OTHER CURRENT LIABILITIES**

As at 30 June 2022, other current liabilities were mainly represented by the following balances: US\$ 2.9 mln waste disposal provision for 2019-2021, US\$ 0.06 mln of MET liabilities, US\$ 0.44 mln - other tax liabilities, US\$ 2.3 mln payroll (board fee) and social contributions liabilities and US\$ 0.05 mln – other current liabilities.

# Additional information

## NEXT REPORTS DUE

Interim report (Q3) January - September, 2022:

[November 30, 2022](#)

Interim report (Q4) January - December, 2022:

[February 28, 2023](#)

## 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 Staroverinskaya<sup>1</sup>), one early stage exploration asset and one development asset.

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

G&W Fondkommission is Certified Adviser to Auriant, for more information please call +46 8 503 000 50 or visit [www.gwkapital.se](http://www.gwkapital.se).

## BOARD ASSURANCE

The Board of directors and the managing director confirm that the interim report provides an accurate overview of the company's and the group's operations, position, results and that it describes significant risks and uncertainties that the company and group companies are exposed to.

Stockholm, August 31, 2022

Auriant Mining AB (publ.)

Lord Daresbury  
Chairman of the Board

Preston Haskell  
Board Member

Jukka Pitkäjärvi  
Board Member

Danilo Lange  
CEO

This report has not been reviewed by the Company's 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.

---

<sup>1</sup> The Company operates at Staroverinskaya license area that includes not only Solcocon, but also other areas.

# Glossary and definitions

## ALTERNATIVE PERFORMANCE MEASURES

The Company applies the European Securities and Markets Authority's (ESMA) guidelines on alternative performance measures. The alternative key financial performance indicators are defined as financial measures of historical or future earnings trends, financial position, financial performance, or cash flows that are not defined or specified in the applicable regulations for financial reporting, IFRS, and the Annual Accounts Act. These measures should not be regarded as a substitute for measures defined in accordance with IFRS. If an alternative performance measure cannot be identified directly from the financial statements, a reconciliation is required.

## DEFINITIONS OF KEY RATIOS

### EBITDA

Earnings before interest, taxes, depreciation, and amortization is a non-IFRS metric and is defined by the Group as profit for the period before income taxes adjusted for depreciation, amortization and impairment, finance income, finance cost, (gain)/loss on revaluation of derivative financial instruments, foreign exchange (gain)/loss, (gain)/loss on disposal or revaluation of investments in subsidiaries and associates, (gain)/loss on (reversal of impairment)/impairment of property, plant and equipment, write-downs and reversals of inventory to net realizable value, bad debt allowance, share-based compensation expenses, charity expenses, and other one-off adjustments that may be required to provide a clearer view of the performance of the Group's operations. EBITDA is used to measure earnings from operating activities, independent of depreciation, amortization, and impairment losses.

### Total Cash Costs (TCC)

Total cash costs (TCC) are defined as the cost of gold sales, less depreciation of property, plant and equipment, amortization, intangible assets, allowance for obsolescence of inventory and provision for mine closure, rehabilitation and decommissioning costs, less alluvial gold costs, less change in WIP, plus change in stripping assets. TCC per ounce produced is calculated as TCC divided by the total gold equivalent ounces of hard rock gold produced for the period.

### Equity

Equity of the Group comprises issued capital, share premium, reserve for translation to presentation currency, retained earnings, and non-controlling interests.

### Earnings per share

Earnings per share comprises consolidated earnings for the period (profit after tax from continuing and discontinued operations) attributable to the Parent Company shareholders, divided by the weighted average number of outstanding shares during the period and excluding treasury shares. Diluted Earnings per share is earnings per share adjusted to reflect the effects of potential dilutive ordinary shares, which constitute shares and options.

### Equity per share

Equity at the end of the period divided by the number of shares outstanding at the end of the period.

### Total number of shares outstanding

Number of shares outstanding at the end of the period.

### Weighted average number of shares

The weighted number of shares outstanding during the year is calculated by taking into account any changes in the number of shares outstanding during the reporting period.

## **INDUSTRY SPECIFIC DEFINITIONS AND GLOSSARY (IN ACCORDANCE WITH JORC)**

### **Alluvial gold**

Mineralization in riverbeds at ground level.

### **Mineralization**

Any single mineral or combination of minerals occurring in a mass, or deposit, of economic interest. The term is intended to cover all forms in which mineralization might occur, whether by class of deposit, mode of occurrence, genesis, or composition.

### **Mineral Resource**

Is a concentration or occurrence of solid material of economic interest in or on the Earth's crust in such form, grade (or quality), and quantity that there are reasonable prospects for eventual economic extraction. The location, quantity, grade (or quality), continuity, and other geological characteristics of a Mineral Resource are known, estimated, or interpreted from specific geological evidence and knowledge, including sampling. Mineral Resources are sub-divided, in order of increasing geological confidence, into Inferred, Indicated and Measured categories.

### **Ore (or Mineral) Reserve**

Is the economically mineable part of a Measured and/or Indicated Mineral Resource. It includes diluting materials and allowances for losses, which may occur when the material is mined or extracted and is defined by studies at the Pre-Feasibility or Feasibility stage as appropriate, that include the application of Modifying Factors. Such studies demonstrate that, at the time of reporting, extraction could reasonably be justified.

### **Recovery**

The percentage of material of initial interest that is extracted during mining and/or processing. A measure of mining or processing efficiency.

### **Troy ounce (oz)/koz/Moz**

Weight measure for gold corresponding to 31.1035 grams /thousand oz/million oz.

## **FINANCE DEFINITIONS**

### **SEK/TSEK/MSEK**

Swedish krona/Thousand Swedish krona/Million Swedish krona

### **USD/TUSD/MUSD**

US Dollar/Thousand US Dollar/Million US Dollar

### **RUB/TRUB/MRUB**

Russian ruble/Thousand Russian rubles/Million Russian rubles