

# AURIANT MINING

**Q2 2020 Interim Results  
Analyst Web Conference  
August 31, 2020**

# 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 including "E" or "F" marks in charts, graphs and other documents. 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 undertakes no obligation to update or revise any forward-looking statements or any other information contained in this Presentation, other than as required by applicable law.

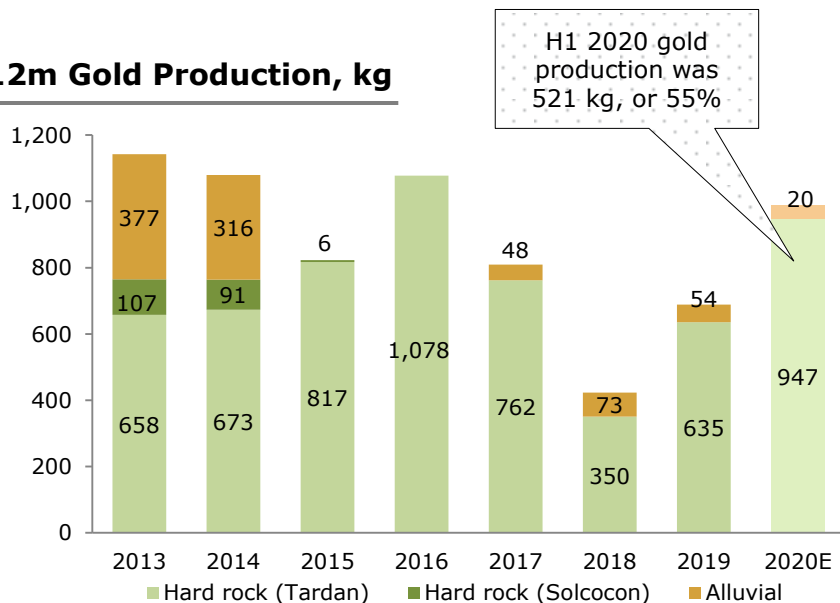
# Auriant Mining overview

## General Information

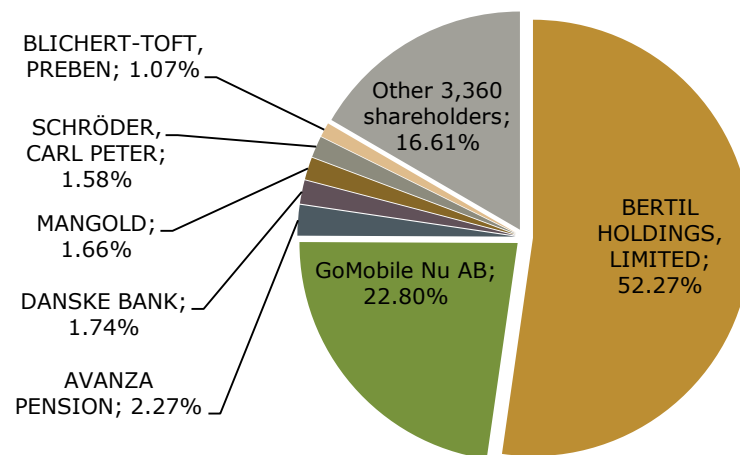
- **Auriant Mining AB** (Nasdaq First North Premier Growth Market: AUR) is a Swedish mining company focused on gold exploration and production in Russia, primarily in Siberia and Far East Russia.
- The company has currently:
  - (1) a producing mine at Tardan (Tyva), which has been successfully updated from heap leach to CIL,
  - (2) Kara-Beldyr (Tyva) deposit having 26 t of AU reserves (under JORC and national standards) with substantial upside potential,
  - (3) Solcocon deposit in Zabaikalye – 15 t of AU resources (under national standards), including 8 t processable on CIL + more than 60 t of Potential resources.
  - (4) Ayen Creek (adjacent to Kara-Beldyr license) and Uzhunzhul (Khakassiya) - green field projects.



## 12m Gold Production, kg



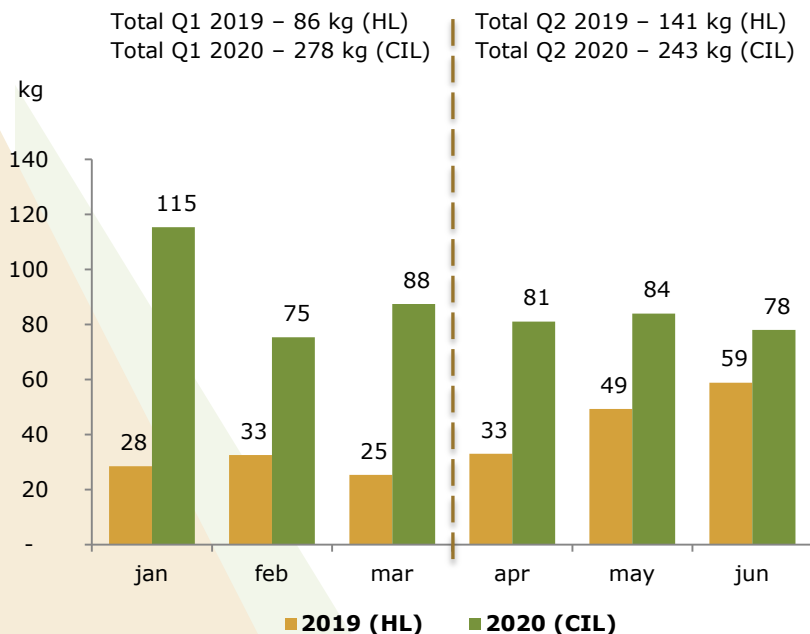
## Shareholders' structure as of June 30, 2020



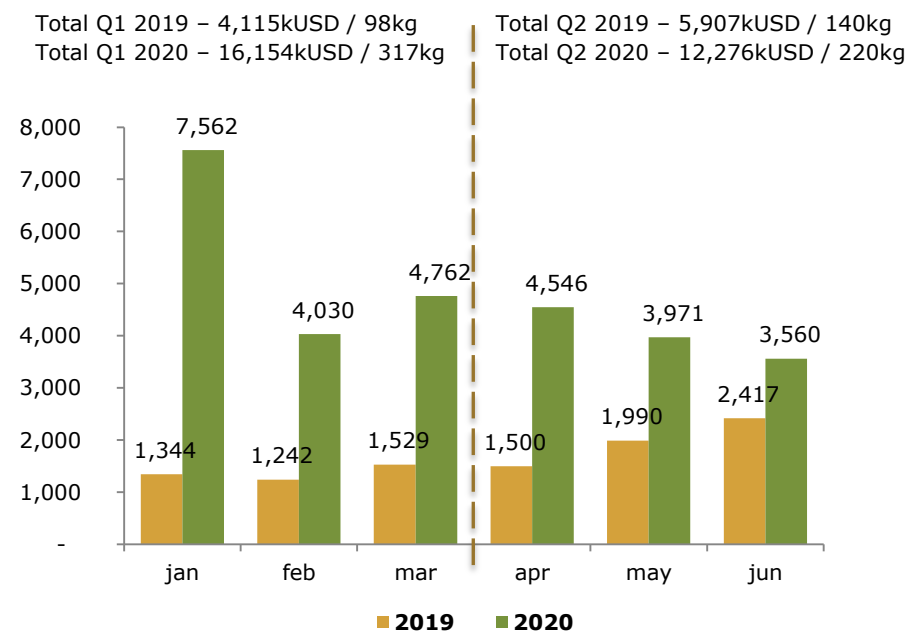
# Tardan gold production & sales

- In H1 2020, the Group has operated the **newly built CIL plant**. After start up in November 2019, the CIL plant quickly achieved projected throughput per working hour (>50 t/hour) and a recovery rate of 92.9%. Up to the end of January 2020, the CIL plant was fed with high grade ore and was able to produce 115 kg of gold in that month. Since February, the CIL plant feed has been regular ore.
- **Volume of ore processed** through the newly built CIL plant amounted to 196 thousand tonnes with an average grade of 2.87 g/t (total gold in processed ore - 561 kg).
- **Hard rock gold production at Tardan** increased from 227 kg (7,308 oz) in H1 2019 to 521 kg (16,750 oz) in H1 2020, or by 129%. Total **gold sales volumes** amounted to 537 kg (17,249 oz), which is 111%, or 282 kg (9,050 oz), more than in the previous year.

**Gold production, kg**

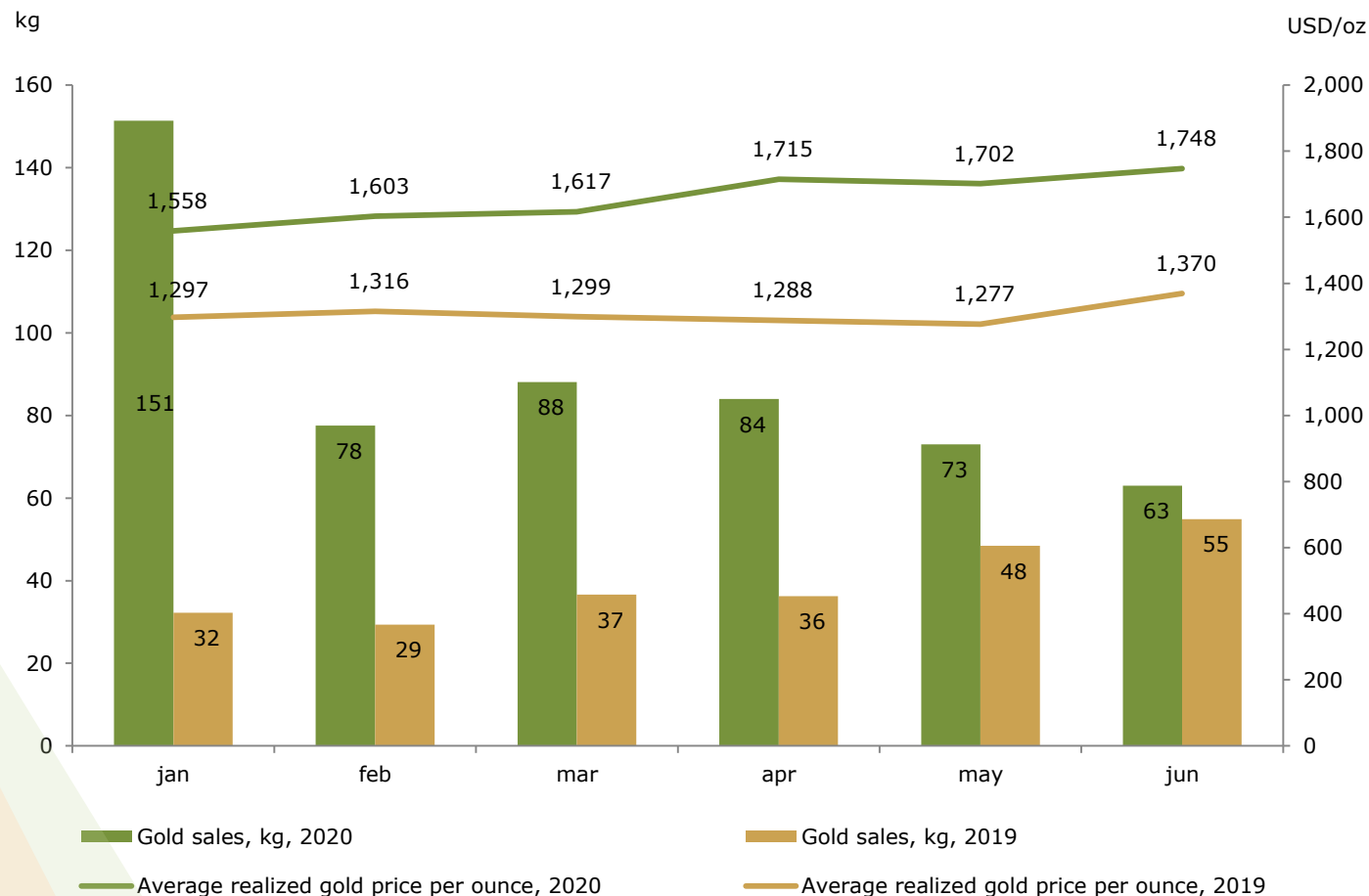


**Gold sales, kUSD**



# Tardan gold production & sales

- The **average realized gold price per ounce** increased by 25% from US\$ 1,315 in H1 2019 up to US\$ 1,648 in H1 2020.



# Key Performance Indicators

	Unit	H1 2020	H1 2019	Change	Change, %
<b>Mining</b>					
Waste stripping	000'm3	429	515	(86)	(17%)
Ore mined	000't	151	189	(38)	(20%)
Gold in ore	kg	372	489	(117)	(24%)
Gold grade in ore mined	g/t	2.46	2.59	(0.13)	(5%)
<b>Heap leach</b>					
Ore stacking	000't	-	173	(173)	n/a
Grade	g/t	-	2.23	(2.23)	n/a
Gold in ore stacked	kg	-	385	(385)	n/a
<b>Gold produced HL</b>	<b>kg</b>	<b>-</b>	<b>227</b>	<b>(227)</b>	<b>n/a</b>
<b>CIL</b>					
Ore processing	000't	196	-	100	100%
Grade	g/t	2.87	-	3.04	100%
Gold in ore processing	kg	561	-	303	100%
<b>Gold produced CIL</b>	<b>kg</b>	<b>521</b>	<b>-</b>	<b>278</b>	<b>100%</b>
<b>TARDAN Hard rock gold produced total</b>	<b>kg</b>	<b>521</b>	<b>227</b>	<b>294</b>	<b>129%</b>
<b>TARDAN Hard rock gold produced total</b>	<b>oz</b>	<b>16,750</b>	<b>7,308</b>	<b>9,442</b>	<b>129%</b>
<b>SOLCOCON alluvial gold production</b>	<b>kg</b>	<b>-</b>	<b>27</b>	<b>(27)</b>	<b>(100%)</b>
<b>SOLCOCON alluvial gold production</b>	<b>oz</b>	<b>-</b>	<b>881</b>	<b>(881)</b>	<b>(100%)</b>
<b>Warehouse on June 30</b>					
Ore	000't	64	21	42	200%
Grade	g/t	1.95	5.13	(3.18)	(62%)
<b>Gold Sales</b>	<b>kg</b>	<b>537</b>	<b>255</b>	<b>282</b>	<b>111%</b>
<b>Gold Sales</b>	<b>oz</b>	<b>17,249</b>	<b>8,199</b>	<b>9,050</b>	<b>110%</b>
Gold Sales	000'\$	28,430	10,780	17,650	164%
Average price realized	\$/oz	1,648	1,315	333	25%
Tardan cash cost per oz produced	\$/oz	577	1,006	(429)	(43%)
Tardan contribution to group EBITDA	m\$	18.2	2.4	15.9	663%
Solcocon contribution to group EBITDA	m\$	(0.3)	0.0	(0.3)	(4,592%)
<b>Total EBITDA of mining companies</b>	<b>m\$</b>	<b>18.0</b>	<b>2.4</b>	<b>15.6</b>	<b>650%</b>

• In H1 2020, the Company has operated the **newly built CIL plant**. The CIL plant was operating at projected throughput per working hour (>50 t/hour) and higher recovery rate (92.9%).

• **Ore mined** amounted to 151 thousand tonnes and was 20% lower than the same period in the previous year (189 thousand tonnes). **Stripping volume** in H1 2020 was 429 thousand m3 (17% lower than in H1 2019, 515 thousand m3).

• The **average grade in ore mined** in H1 2020 was 2.46 g/t, as compared to 2.59 g/t in H1 2019, a decrease of 5%. Thus, the grade in H1 2020 was in line with the Company's mine plan. Average grade for the full year 2020 is expected to be 2.71 g/t.

• **Volume of ore processed** through the newly built CIL plant amounted to 196 thousand tonnes with an average grade of 2.87 g/t (total gold in processed ore - 561 kg).

• H1 2020 **total gold production** amounted to 521 kg (16,750 oz), compared to 255 kg (8,189 oz) in H1 2019, an increase of 105%, or 266 kg (8,561 oz).

• Heap leach operations were discontinued at the end of December 2019. As a result, the Company finished crushing ore and producing gold from the heap leach.

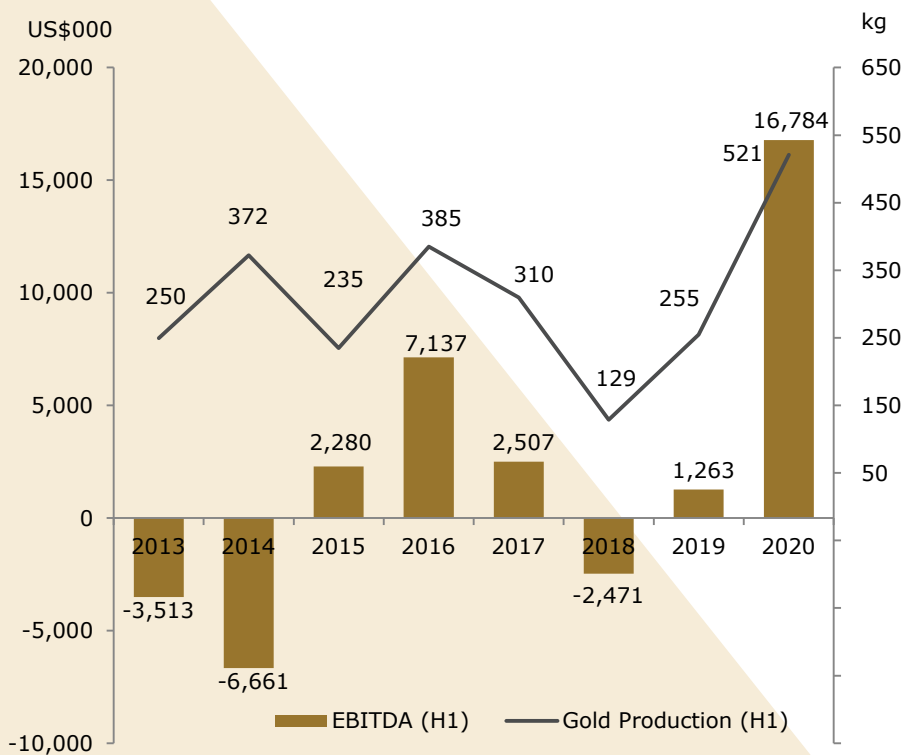
• Gold production at Solcocon has started in August with a planned production volume of 20-40 kg in 2020.

• The **average realized gold price per ounce** increased by 25% from US\$ 1,315 in H1 2019 up to US\$ 1,648 in H1 2020.

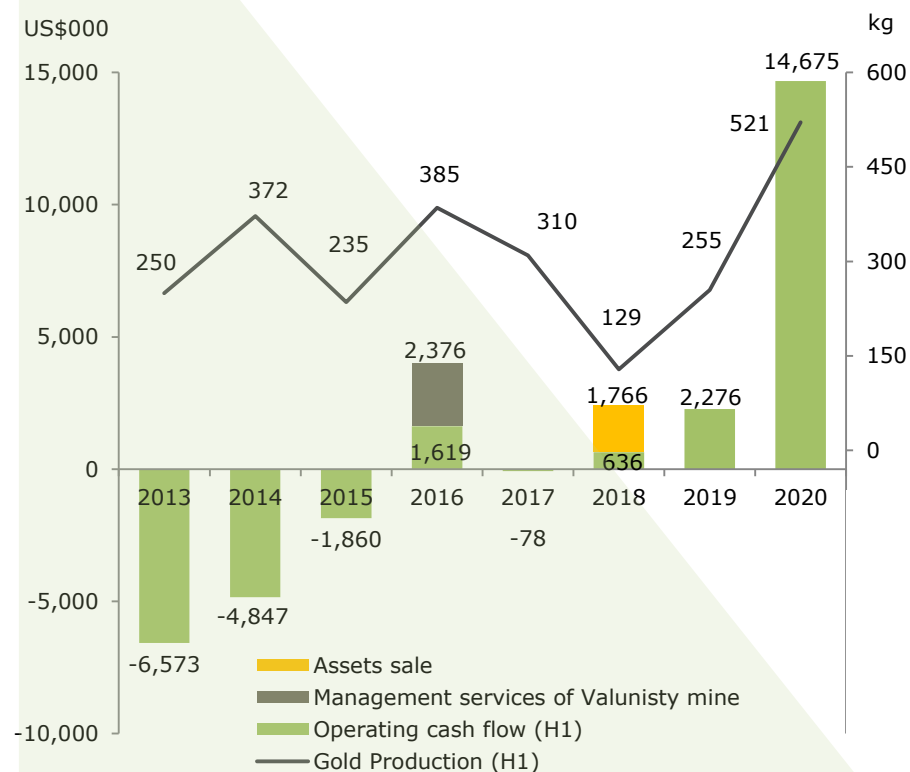
# Auriant Mining long-term historical overview

- The Group returned to strong positive **EBITDA** of US\$16.8m compared to US\$ 1.3m in H1 2019;
- Strong positive **cash flow from operating activities** of US\$14.7m compared to US\$2.3m in H1 2019;
- In H1 2020 the Company had **operating profit** of US\$13.3m compared to operating loss of US\$-0.9m in H1 2019;
- H1 2020 **net profit after tax** of US\$8.6m compared to net loss after tax of US\$-1.9m in H1 2019.

## H1 EBITDA / H1 Gold Production



## H1 Operating Cash flow / H1 Gold Production



# Income Statement

	Q2 2020 US\$000	Q2 2019 US\$000	H1 2020 US\$000	H1 2019 US\$000	Change US\$000	Change %
<b>Gold production, kg</b>	<b>243</b>	<b>169</b>	<b>521</b>	<b>255</b>	<b>266</b>	<b>105%</b>
<b>Gold sales, kg</b>	<b>220</b>	<b>157</b>	<b>537</b>	<b>227</b>	<b>282</b>	<b>111%</b>
<b>Revenue</b>	<b>12,276</b>	<b>6,638</b>	<b>28,430</b>	<b>10,780</b>	<b>17,650</b>	<b>164%</b>
Revenue from hard rock gold sales	12,276	5,891	28,430	10,033	18,397	183%
Revenue from alluvial gold sales	-	747	-	747	(747)	(100%)
<b>Cost of sales</b>	<b>(6,305)</b>	<b>(6,205)</b>	<b>(13,880)</b>	<b>(10,681)</b>	<b>(3,199)</b>	<b>(30%)</b>
Cash expenses	(5,336)	(4,865)	(10,232)	(8,692)	(1,540)	(18%)
Alluvial gold cash costs	-	(515)	-	(515)	515	100%
Depreciation & amortization	(1,846)	(984)	(3,493)	(2,216)	(1,276)	(58%)
Change in stripping assets	(183)	(148)	295	1,050	(755)	(72%)
Change in work in progress	1,060	307	(450)	(308)	(142)	(46%)
<b>Gross profit/(loss)</b>	<b>5,971</b>	<b>433</b>	<b>14,550</b>	<b>99</b>	<b>14,451</b>	<b>14,661%</b>
General and administrative expenses	(567)	(527)	(1,143)	(1,157)	14	1%
Other operating income	15	190	68	210	(142)	(68%)
Other operating expenses	(8)	(45)	(190)	(106)	(84)	(79%)
<b>Operating profit/(loss)</b>	<b>5,411</b>	<b>51</b>	<b>13,285</b>	<b>(954)</b>	<b>14,239</b>	<b>1,492%</b>
Financial income	-	-	-	-	-	-
Financial expenses	(1,597)	(1,120)	(3,181)	(2,124)	(1,057)	(50%)
Currency gain/(loss)	128	209	(19)	471	(490)	(104%)
<b>Profit/(Loss) before income tax</b>	<b>3,942</b>	<b>(860)</b>	<b>10,085</b>	<b>2,607</b>	<b>12,692</b>	<b>487%</b>
Income tax	(1,275)	608	(1,523)	710	(2,233)	(315%)
<b>Net profit/(loss) for the period</b>	<b>2,667</b>	<b>(252)</b>	<b>8,562</b>	<b>(1,897)</b>	<b>10,459</b>	<b>551%</b>
<b>EBITDA</b>	<b>7,257</b>	<b>1,035</b>	<b>16,778</b>	<b>1,263</b>	<b>15,515</b>	<b>1,228%</b>

Revenue from the sale of gold amounted to US\$ 28.4m, a 164% increase compared to H1 2019, driven by a higher volume of produced gold at the CIL plant. Total gold sales volumes amounted to 537 kg, which is 111%, or 282 kg, more than in the previous year.

In addition, the higher average gold price contributed to an improvement in financial performance Y-o-Y. The average realized gold price per ounce increased by 25% from US\$ 1,315 in H1 2019 up to US\$ 1,648 in H1 2020.

In H1 2020, due to higher production volumes, cash expenses increased by 18%, or US\$ 1.5m, compared to the same period in 2019. In the reporting period, a 6% depreciation of the rouble against US-dollar positively affected the Group's margin by decreasing the US-dollar value of its rouble-denominated costs. At the same time, the average cash cost per ounce produced at Tardan decreased by 43% from US\$ 1,006/oz in H1 2019 to US\$ 577/oz in H1 2020.

Gold production at Solcocon has started in August with a planned production volume of 20-40 kg in 2020.

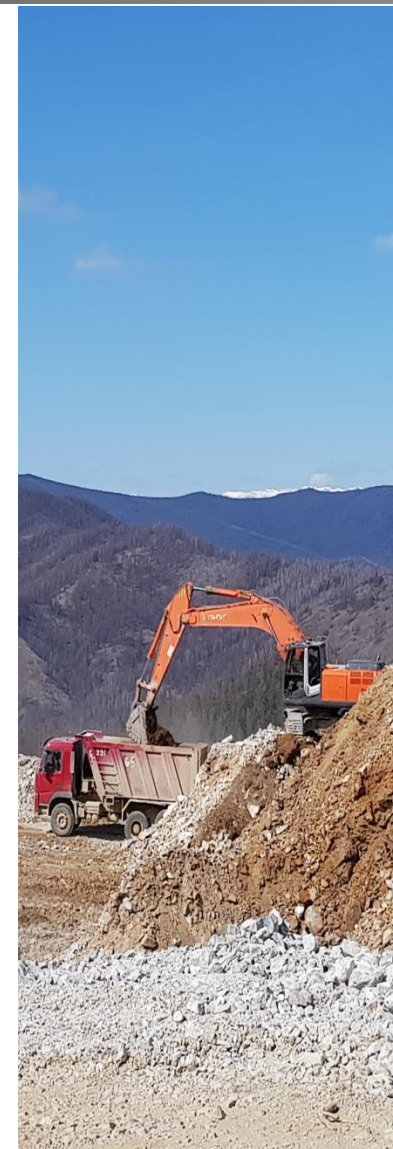
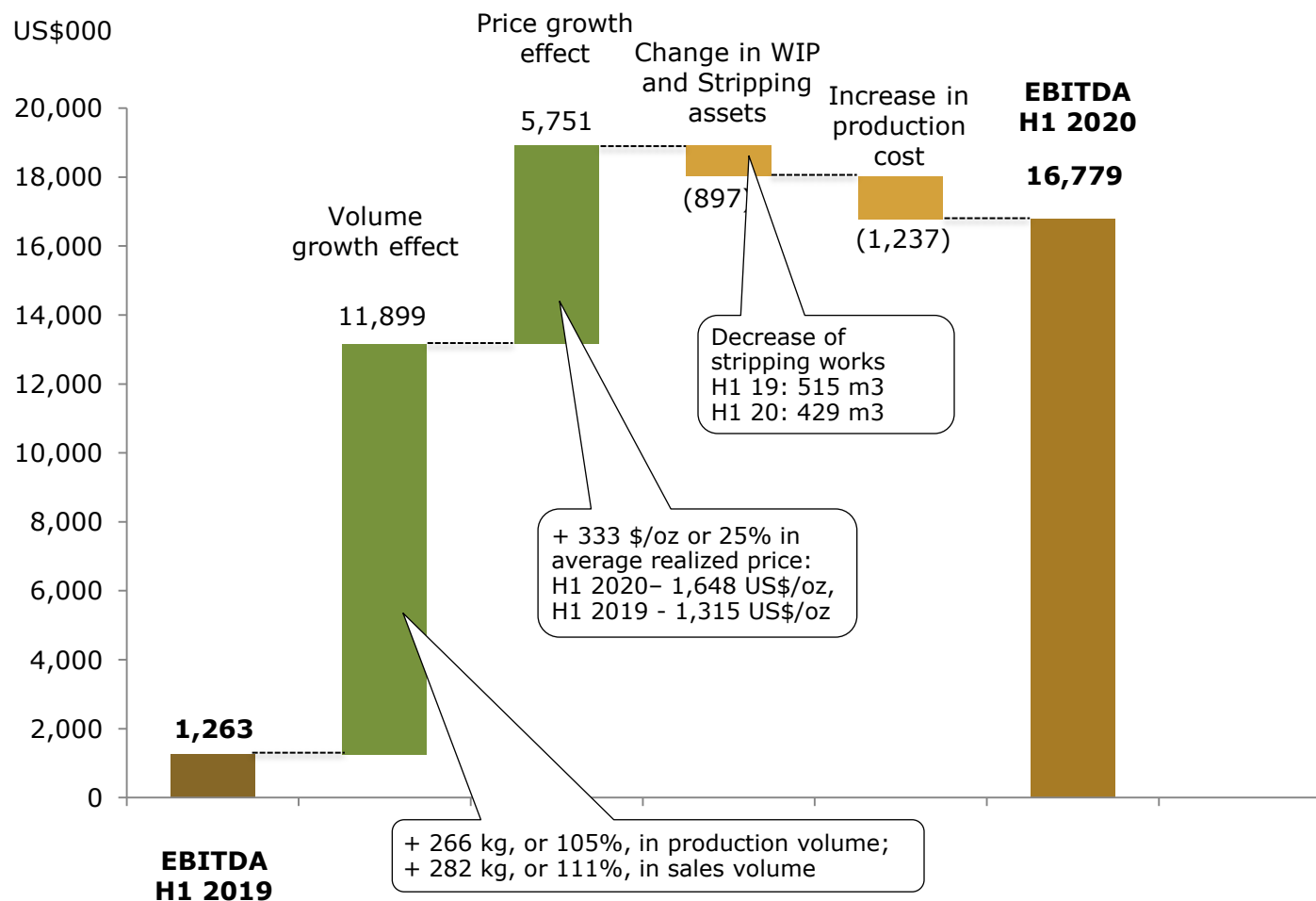
Depreciation increased in H1 2020 due to the newly built CIL plant.

The changes in stripping assets and work in progress in H1 2020 were in line with mining and production activities. In H1 2019 the stripping works on Pravoberezhniy deposit have been pulled forward to secure access to ore.

Financial expenses represented by interest on borrowings and lease liabilities amounted to US\$ 3.2m in H1 2020, an increase of 50% compared to H1 2019 (US\$ 2.1m). Interest expenses increased mainly due to the interest rate growth on the Golden Impala bond (the latter increased from 2% p.a. effective during H1 2019 to 6% p.a. during H1 2020) and increase of interest expenses on lease liabilities, which had been capitalized in H1 2019.



# Volume and production drive EBITDA growth



# Consolidated cash flow statement

	Q2 2020 US\$000	Q2 2019 US\$000	H1 2020 US\$000	H1 2019 US\$000	Change US\$000	Change %
<b>Operating activities</b>						
Receipts from gold sales	12,276	6,644	28,430	10,785	17,645	164%
VAT and other reimbursement	1,146	1,018	2,161	1,665	496	30%
Payments to suppliers	(4,224)	(3,844)	(9,706)	(6,311)	(3,395)	(54%)
Payments to employees and social taxes	(2,095)	(1,757)	(4,594)	(3,401)	(1,193)	(35%)
Income tax paid	-	-	(635)	-	(635)	(100%)
Other taxes paid	(367)	(294)	(981)	(462)	(519)	(112%)
<b>Net cash flows from/(used in) operating activities</b>	<b>6,736</b>	<b>1,767</b>	<b>14,675</b>	<b>2,276</b>	<b>12,399</b>	<b>545%</b>
<b>Investing activities</b>						
Purchase and construction of property, plant and equipment	(541)	(2,816)	(1,806)	(3,972)	2,166	55%
Exploration and research works	(377)	(11)	(440)	(48)	(392)	(817)
<b>Net cash flows used in investing activities</b>	<b>(918)</b>	<b>(2,827)</b>	<b>(2,246)</b>	<b>(4,020)</b>	<b>1,774</b>	<b>44%</b>
<b>Financing activities</b>						
Proceeds from borrowings, net	-	2,188	-	2,188	(2,188)	(100%)
Repayment of borrowings, net	(5,153)	-	(8,156)	-	(8,156)	(100%)
Proceeds from exercise of share options	10	-	10	-	10	100%
Interest paid	(1,041)	(798)	(2,418)	(1,563)	(855)	(55%)
Lease payments	(613)	(564)	(1,157)	(903)	(254)	(28%)
Proceeds from sale and leaseback transactions	-	-	-	839	(839)	(100%)
<b>Net cash from/(used in) financing activities</b>	<b>(6,797)</b>	<b>826</b>	<b>(11,721)</b>	<b>561</b>	<b>(12,282)</b>	<b>(2,189%)</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(979)</b>	<b>(234)</b>	<b>708</b>	<b>(1,183)</b>	<b>1,891</b>	<b>160%</b>
Net foreign exchange difference	(77)	(7)	(170)	14	(184)	(1,314)
Opening balance cash and cash equivalents	1,738	261	144	1,189	(1,045)	(88%)
<b>Closing balance cash and cash equivalents</b>	<b>682</b>	<b>20</b>	<b>682</b>	<b>20</b>	<b>662</b>	<b>3,310%</b>

Net cash flow generated from operating activities increased by US\$ 12.4m, or 545%, and amounted to US\$ 14.7m in H1 2020, compared to US\$ 2.3m in H1 2019.

During H1 2020, operating activities were financed from the same sources as in the previous reporting period, by gold sales and the reimbursement of VAT.

Strong cash flows from operating activities were used for debt repayment and settlement of outstanding payables to CIL construction contractors in Q1 2020.

- In Q1 2020, the Company repaid US\$ 1.0m to VTB in line with the repayment schedule and fully repaid the shareholder's revolving bridging loan facility of US\$ 2.0m.
- In Q2 2020, the Company repaid US\$ 5.2m to VTB.
- *In July 2020, the Group has extinguished its loans in the amount of MSEK 23.2 (US\$ 2.6 mln), which were raised in connection with the CIL plant financing in 2018-2019.*
- Interest paid in H1 2020 amounted to US\$ 2.4m.

In H1 2020, US\$ 0.4m was spent on exploration and research works. The new VTB loan repayment schedule and reduced interest rate will free up cash flows for further investments and exploration.

# Thank you

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