



AURIANT  
MINING



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Are  
Auriant*



Interim Report  
January - September 2017

# Highlights

- Auriant Mining successfully raised 178 MSEK in a Rights Issue in September (the “Offering”). Subscriptions of shares with and without subscription rights amounted to 142.4 MSEK, corresponding to 80 per cent of the Offering.
- In August 2017, the Company commenced the design of the CIL plant at Tardan. On commissioning, the plant is expected to achieve recovery rates of 90-92%. The Company plans to commission the CIL plant in January 2019, with ore supplied by the Pravoberezhny deposit within greater Tardan.
- Auriant Mining has successfully refinanced its US\$ 37.5 mln loans with VTB. The Company's previous loan provider, PSB, has been repaid in full. The new loan is for 5 years with a reduced principal repayment schedule in the first 2 years. The interest rate is 8.32% which is a reduction of 1.7 % ; this will produce an annual saving of US\$ 0.6 mln. VTB is the third largest bank in the Russian Federation, operating nationwide in both retail and corporate sectors.
- In Q3 2017, mining operations were interrupted and volumes were lower than envisaged. This was as a result of unseasonably high rainfall, lower grade ore and reduced throughput of the gravitational plant as well as problems with equipment. Total gold production for the 9 months therefore decreased by 21% to 620.4 kg (19,948 oz), compared to 786.5 kg (25,285 oz) in 2016.
- Alluvial production at Solcocon was recommenced in 2017. Production for the 9m has been 41.2 kg (1,324 oz) and the forecast for the year is 48 kg (1,543 oz) of gold.
- Gold grade at Tardan in the 9m 2017 was 2.61 g/t, which is in line with the previously forecasted gold grade in the 2017 mine plan (as compared to 4.17 g/t in 2016).
- In August 2017, exploration at Solcocon was recommenced, aiming to increase hard rock gold resources suitable for CIL processing. Exploration will cover 5,000 meters of core drilling and 64,000 cubic meters of trenches. The Company expects to add up to 2 tonnes of gold to the Solcocon reserves as a result of 2017 exploration efforts.
- Consolidated revenue was MSEK 223.3 (US\$ 25.9 mln) in the 9 months 2017 (9 months 2016 – MSEK 284.9 (US\$ 33.8 mln)).
- Operating profit was MSEK 10.6 (US\$ 1.2 mln) in the 9 months 2017 compared to MSEK 106.9 (US\$ 12.6 mln) in 9 months 2016.
- EBITDA was reduced to MSEK 49.8 (US\$ 5.8 mln) compared to MSEK 147.3 (US\$ 17.4 mln) in 9 months 2016.
- Net loss after tax in 9 months 2017 was MSEK -17.6 (US\$ -2.0 mln) compared to net income of MSEK 29.7 (US\$ 3.5 mln) in 9 months 2016.



# Comments by the CFO

Dear Stakeholders,

The 3rd quarter was challenging and eventful for the Company. Auriant Mining carried out a rights issue and raised MSEK 142.4 (US\$ 18.0 mln). Cash proceeds will be used for the construction of a CIL plant at Tardan. The major shareholder, Mr. Preston Haskell, through Bertil Holdings, subscribed for new shares via a partial set off of its convertibles. The Company successfully refinanced its US\$ 37.5 mln loan debt with VTB. Both these initiatives have significantly improved the Group's debt structure.

In the reporting period, the Company recommenced alluvial production and exploration at Solcocon. In 2017, we expect to produce 48 kg of alluvial gold as well as drill 5,000 meters and trench 64,000 cubic meters, which will allow the company to add up to 2 tonnes of gold reserves at Solcocon.

At Tardan, mining operations were interrupted by unexpected weather conditions and problems with equipment. This, together with the forecasted reduced grade in the 2017 mine plan, resulted in lower production at Tardan compared to prior period.

The Company's financials were also exposed to rouble appreciation against the US\$ dollar. The 15% strengthening of the rouble against the US\$, increased expenses, as most of them are denominated in Russian roubles. The Company's EBITDA was US\$ 5.8 mln.

All percentage changes in the financial results 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\$ 7.575 mln, or 23%, compared to 9 months 2016. Gold sales decreased by 22% or 176 kg (5,647 oz) – from 817 kg (26,257 oz) in 9 months 2016 down to 641 kg (20,610 oz) in 9 months 2017. The average realized gold price per ounce decreased by 1% from US\$ 1,275 in 9 months 2016 down to US\$ 1,257 in the current period.

In 2017, the Company recommenced alluvial gold production at Solcocon using a contractor, on the basis of a 77% split of gold sales. Thus, 9 months 2017 interim accounts also contain US\$ 0.8 mln of alluvial gold costs, which were absent in prior period.

During 2015, the Group managed five gold properties located in Russia's Chukotka region and owned by Aristus Holdings Ltd. In the beginning of 2016 the management contract was terminated by mutual agreement and was taken on by a company with close ownership links to those of the Chukotka assets. A compensation fee of US\$ 0.300 mln was paid to the Group.

	9m 2017	9m 2016	Change	Change
	US\$ 000	US\$ 000	US\$ 000	%
Revenue from sale of hard rock gold	24,708	33,479	(8,772)	-26%
Revenue from alluvial gold sales	1,196	-	1,196	100%
Revenue from management services	-	300	(300)	-100%
<b>Revenue</b>	<b>25,904</b>	<b>33,779</b>	<b>(7,875)</b>	<b>-23%</b>
Alluvial gold costs	(789)	-	(789)	-100%
<b>Revenue net of alluvial costs</b>	<b>25,115</b>	<b>33,779</b>	<b>(8,665)</b>	<b>-26%</b>



Cost of sales (less of alluvial gold costs) increased by 14% from US\$ -19.877 mln in 9 months 2016 to US\$ -22.572 mln in 9 months 2017. Cash expenses are denominated in Russian roubles. In the reporting period, the rouble strengthened against US\$ by 15% compared to 9 months 2016, this was the main reason of increase in cost of sales.

General and Administrative expenses are represented by expenses of the company's headquarters and these expenses increased by US\$ -0.282 mln, or 16%, which is in line with the rouble appreciation against US\$.

Other operating income in both periods primarily consisted of revenue from renting out Solcocon's equipment and providing services to our contractors. We increased rental rates in 2017 and this increased operating income compared to prior period.

Other operating expenses increased by US\$ -0.223 mln in 9 months 2017, mostly as a result of the correction of input VAT.

Financial expenses were represented by interest expenses and decreased by 19% or by US\$ 1.016 mln to US\$ -4.428 mln compared to prior period of US\$ -5.444 mln. This reduction was mainly caused by the repayment of loan principal and an interest rate decrease of the KFM debt from 10% to 2%.

The income tax in the reporting period was almost nil and related to a change in deferred tax at the subsidiary level. This represented a tax loss carry-forward accumulation, set off by the increase of deferred tax liabilities, due to changes in local tax accounting policies. The income tax of US\$ -3.759 mln in 9 months 2016 was a non-cash expense and represented utilization of deferred tax assets against taxable income received by Group subsidiaries – Tardan and Moscow management company.

The loss after tax in 9 months 2017 was US\$ -2.029 mln compared to net profit US\$ 3.465 mln in 9 months 2016. Earnings per share for the period were US\$ -0.09 compared to 9 months 2016 of US\$ 0.19.

## STATEMENT OF FINANCIAL POSITION

In the reporting period the Company increased its stripping assets by US\$ 1.202 mln, as result of stripping costs capitalization. Assets will be amortized over the current and next production periods.

In Q3 2017 Auriant has carried out a rights issue of approximately 178 MSEK (US\$ 22.5 mln) during the time period between 23 Au-

gust and 8 September 2017. In total, subscriptions of shares with and without subscription rights amounted to approximately 142.4 MSEK (US\$ 18.0 mln), corresponding to 80% of the Offering.

Through the Offering, the number of shares in the Company increased by 56,967,773 shares. As a result, the Company received cash proceeds of 67.9 MSEK (US\$ 8.6 mln) before transaction costs. In addition, 74.5 MSEK (US\$ 9.4 mln) of the main shareholders' convertible debt was set off through subscription of 29,807,897 shares. Through the Offering, the share capital increased by 6.4 MSEK (US\$ 0.8 mln) and the additional paid in capital increased by 110.6 MSEK (US\$ 14.0 mln) net of transaction costs.

Current receivables on September 30, 2017, included receivables from shareholders for shares issued in amount of US\$ 5.156 mln, which were paid to the Company in October 2017; trade receivables for gold sold and amounts of VAT filed for reimbursement from the state.

As of September 30, 2017, the shareholder loans payable line decreased by 100% or by US\$ 6.063 mln compared to December 31, 2016 and is nil. It was caused by Kronofogmyndigheten, the Swedish enforcement authority (KFM), taking ownership of the debt, previously owed by Auriant Mining to Mr. Preston Haskell, the major shareholder. The debt will be repaid by the Group to KFM in accordance with the following schedule: US\$ 2.0 mln in the 2nd half of 2017, US\$ 2.0 mln in the 2nd half of 2018, and the remaining amount by the end of 2019. From 2017 the interest rate on the debt is 2% p.a. (in 2016 – 10%).

US\$ 1.0 mln was repaid to KFM in the 3rd quarter 2017. As result, US\$ 1.0 mln payable in 2017 are recorded in Other interest bearing liabilities line and amounts payable in 2018-2019 are recorded in Other long term liabilities line.

## INVESTMENTS, LIQUIDITY AND FINANCING

During 9 months 2017, operating activity was financed by gold sales, reimbursement of VAT and receipts from rent agreements. In previous period cash receipts also included US\$ 2.3 mln of cash inflows of receivables for management services of five gold properties located in Russia's Chukotka region and owned by Aristus Holdings Ltd and US\$ 2.5 mln of short-term bank financing.

Amount of VAT and other reimbursed during the period was US\$ 3.710 mln (9 months 2016: US\$ 2.386 mln).

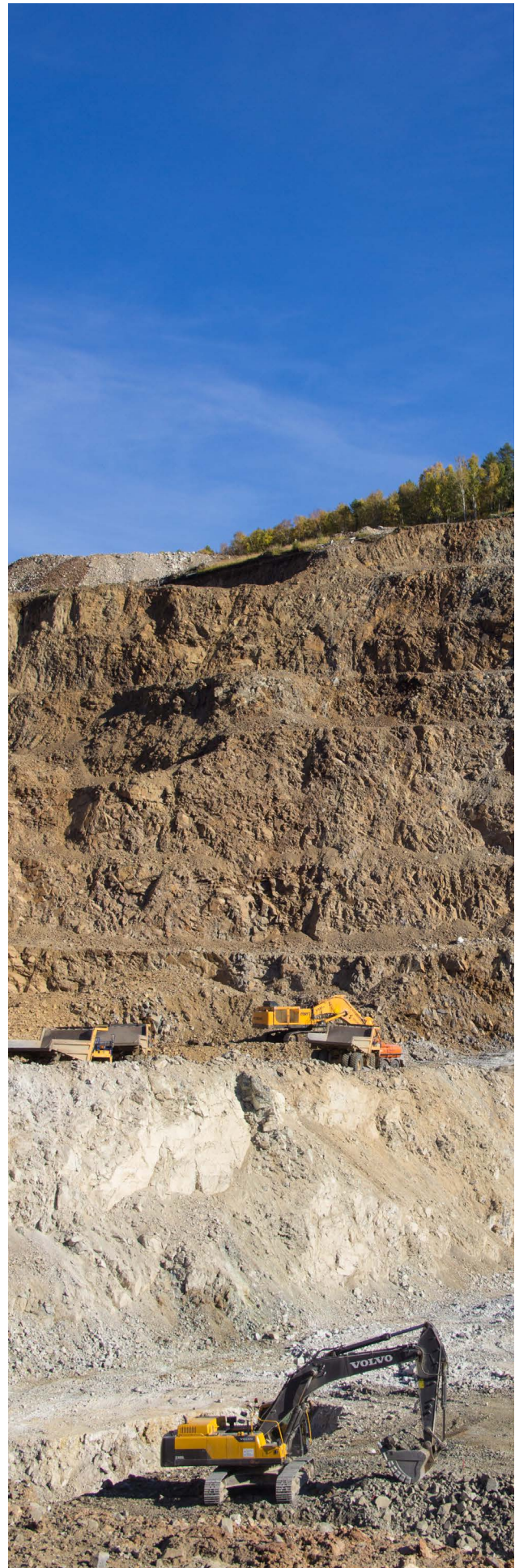
In September 2017, the Company received the 1st tranche of US\$ 1.149 mln from new share issue. The outstanding amount of US\$ 5.145 mln from share issue was received in October 2017.

During the period, the Group repaid a bank loan debt of US\$ 1.5 mln (9 months 2016: US\$ 7.723 mln) and a part of a debt to KFM in amount of US\$ 1.0 mln in accordance with a schedule. Remaining amount of US\$ 37.5 mln loans was refinanced with VTB. The Company's previous loan provider, PSB, has been repaid in full. The new loan is for 5 years with a reduced principal repayment schedule in the first 2 years. Also the interest rate is 1.7 % lower which will produce an annual saving of US\$ 0.6 mln. VTB is the third largest bank in the Russian Federation, operating nationwide in both retail and corporate sectors.

On September 30, 2017 under the loan agreement of US\$ 37.5 mln with VTB the Group had a commitment to pledge real estate properties till November 29, 2017 and issue a pledge of 100% of shares of LLC Tardan Gold, LLC GRE-324, LLC Kara-Beldyr and 99% of shares of LLC Uzhunzhul in favor of VTB bank till December 13, 2017.

The consolidated cash balance as of September 30, 2017 was US\$ 1.997 mln (December 31, 2016 – US\$ 4.173 mln).

Chief Financial Officer  
Alexander Buchnev





# 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 8.9229, 8.7999 and 8.1371 for Q1 2017, Q2 2017 and Q3 2017 P&L accounts, US\$/SEK 8.1086 for the statement of financial position as of September 30, 2017. For Q1 2016, Q2 2016 and Q3 2016 accounts US\$/SEK 8.4567, 8.2115 and 8.5204 for P&L and US\$/SEK 8.6187 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 nominal amount of bond liability to Golden Impala as of September 30, 2017 is US\$ 37.124 mln. The bond liability to Golden Impala at amortized costs as of September 30, 2017 is US\$ 36.213 mln. The amount of US\$ 8.602 mln of convertible debt were set off through subscription for new shares.

Accrued interest expenses for transactions with related parties in 9 months 2017 amounted to US\$ -1.530 mln, including interest of US\$ -0.856 mln accrued at a discount rate of 9% p.a. for the convertible part of the bond liability.

During 9 months 2017 the Company received consulting services from company related to Board member in amount of US\$ 0.036 mln and legal services from a company related to the main shareholder in amount of US\$ 0.203 mln.

## EMPLOYEES

The group had on average 529 employees during the reporting period. As of 30 September 2017 the number

of employees in the group was 539 (525 as of December 31, 2016).

## CAPITAL STRUCTURE

The number of issued shares at the end of the reporting period amounted to 74,770,202. 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\$ 0.0130). 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 from time to time or in respect of bank deposits

## RESTATEMENT

Certain amounts in the interim financial statements hereunder do not correspond to the interim financial statements for the respective period of 2016 and caused by changes in accounting policy of Parent Company via application of the Swedish regulation RFR 2. Since January 1, 2016 paragraph relating to the application of IAS 21 The Effects of Changes in Foreign Exchange was removed that means that the exchange differences on monetary items that form part of a company's net investment in a foreign operation should be recognized in income statement in accordance with IAS 21, p. 32 and not in other comprehensive income. With regards to the above, the financial statements have been restated for 2016. The restatement had effect on the reported net income for the Parent company, while the total equity remained unchanged. For the specification please see the table below:

## EFFECT OF CHANGES IN ACCOUNTING PRINCIPLES ON PARENT COMPANY'S FINANCIAL STATEMENTS

	9 months 2016 as previously reported	Effect of changes in accounting principles	9 months 2016 as restated	9 months 2016 as previously reported	Effect of changes in accounting principles	9 months 2016 as restated
	TSEK	TSEK	TSEK	US\$ 000	US\$ 000	US\$ 000
<b>Income Statement</b>						
Net financial items	(21,189)	37,599	16,411	(2,524)	4,479	1,955
<b>Statement of Comprehensive Income</b>						
Net profit/loss for the period	(25,650)	37,599	11,949	(3,055)	4,479	1,424
Translation differences	37,599	(37,599)	-	3,591	(4,479)	(888)

	September 30, 2016 as previously reported	Effect of changes in accounting principles	September 30, 2016 as restated	September 30, 2016 as previously reported	Effect of changes in accounting principles	September 30, 2016 as restated
	TSEK	TSEK	TSEK	US\$ 000	US\$ 000	US\$ 000
<b>Statement of changes in equity</b>						
Translation difference reserve	(89,019)	89,019	-	(20,213)	13,744	(6,469)
Retained earnings	(536,154)	(126,618)	(662,772)	(84,484)	(18,223)	(102,707)
Net result for the period	(25,650)	37,599	11,949	(3,055)	4,479	1,424

## INCOME AND RESULT OF THE PARENT COMPANY

Revenue for consulting services for subsidiary company in 9 months 2017 was MSEK 1.162 (US\$ 0.135 mln). There was no such revenue in 9 months 2016.

During the reporting period external expenses increased by MSEK 2.922 (US\$ 0.331 mln) to MSEK -5.382 (US\$ -0.624 mln) mainly as result of legal services from a company related to the main shareholder, PSB Group invoices for loan subordination with Golden Impala and legal services from CIS London and Mangold.

The operating loss for 9 months 2017 was MSEK -5.744 (US\$ -0.666 mln) compared to 9 months 2016 of MSEK -4.461 (US\$ -0.531 mln).

Net financial items for 9 months 2017 amounted to MSEK 20.878 (US\$ 2.422 mln) (9 months 2016 MSEK 16.411) (US\$ 1.955 mln)) and included interest expenses related to Golden Impala (the Shareholder's) bond of MSEK -13.173 (US\$ -1.530 mln) and interest expenses of MSEK -0.645 (US\$ -0.075 mln) to Kronofogdemyndigheten, Swedish enforcement authority (further - KFM). KFM took ownership of the US\$ 6.063 mln previously owed by Auriant Mining to Mr. Preston Haskell, a main shareholder. These expenses were compensated by net forex gain of MSEK 27.800 (US\$ 3.227 mln) and intergroup loan interest income in amount of MSEK 6.896 (US\$ 0.800 mln).

Net profit for 9 months 2017 amounted to MSEK 15.134 (US\$ 1.756 mln) compared to 9 months 2016 of MSEK 11.949 (US\$ 1.424 mln).

## FINANCIAL POSITION OF THE PARENT COMPANY

The decrease in financial fixed assets was due to forex loss in intergroup balances, as a result of RUR devaluation against SEK by 6.7% as most loans to subsidiaries is denominated in RUR.

Current receivables on September 30, 2017 included receivables from shareholders for shares in amount of MSEK 41.806 (US\$ 5.156 mln), which were paid to the Company in October 2017

Total cash balance in the Parent Company was MSEK 1.080 (US\$ 0.133 mln) as of 30 September 2017 (31 December 2016 MSEK 0.057 (US\$ 0.006 mln)).

In Q3 2017 Auriant has carried out a rights issue. Through the Offering, the number of shares in the Company increased by 56,967,773 shares. As a result, the Company received cash proceeds of MSEK 67.900 (app. US\$ 8.569 mln) before transaction costs. In addition, MSEK 74.520 (US\$ 9.359 mln) of the main shareholders' convertible debt was set off through subscription of 29,807,897 shares. Through the Offering, the share capital increased by MSEK 6.409 (US\$ 0.809 mln) and the additional paid in capital increased by MSEK 110.616 (US\$ 13.960 mln) net of transaction costs.

The change in long term and current liabilities was caused by reclassification a part of a debt to Kronofogdemyndigheten, Swedish enforcement authority (further - KFM) (previously owed by Auriant Mining to Mr. Preston Haskell, a main shareholder) from current liabilities to long term liabilities. The debt will be paid by the Group to KFM in accordance with the following schedule: US\$ 2.0 mln in the 2nd half of 2017, US\$ 2.0 mln in the 2nd half of 2018, and the remaining amount by the end of 2019. From 2017 the interest rate on the debt is 2% p.a. (in 2016 - 10%).

US\$ 1.0 mln was repaid to KFM in the 3d quarter 2017. As a result, MSEK 8.109 (US\$ 1.000 mln) payable in 2017 were recorded in current liabilities line and amount of MSEK 33.553 (US\$ 4.138 mln) payable in 2018-2019 were recorded in long term liabilities line.

## 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 79 in the annual report for financial year 2016. The evaluations and estimations made by the board of directors and management in preparing the interim report are described on page 87 in the annual report for 2016.

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 2016.

The same accounting principles are applied in this interim report as in the annual report 2016.

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

The group's risk exposure is presented on page 107 of the 2016 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 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 currently 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.



# 9 months 2017 operational update

## HIGHLIGHTS

- In August 2017, the Company commenced the design of the CIL plant at Tardan. After commissioning of the plant, we expect recovery to reach 90-92%. The Company plans to commission the CIL plant in January 2019, with ore supplied by the Pravoberezhny deposit within greater Tardan.
- In Q3 2017, mining operations were interrupted and volumes were lower than envisaged. This was as a result of unseasonably high rainfall, lower grade ore and reduced throughput of the gravitational plant as well as problems with equipment. Total gold production for 9 months therefore decreased by 21% to 620.4 kg (19,948 oz), compared to 786.5 kg (25,285 oz) in 2016.
- The Company aims to try to compensate for the shortfall by intensifying mining works in Q4 and extending the crushing period into December; however, the current production target of 900 kg has been revised to 760 kg of gold.
- In Q3 2017, the exploration program at Solcocon recommenced. Exploration will cover 5,000 meters of core drilling and 64,000 cubic meters of trenches. So far we have drilled 1,508 meters, undertaken 26 thousand cubic meters of trenching and have taken 2.2 thousand samples; the result of this initial work is very encouraging as we already see ore intersections in drill holes and trenches with productive grades and lengths. We will announce preliminary results of the 2017 exploration campaign before the year end. The Company expects to add up to 2 tonnes of gold to the Solcocon reserves as a result of 2017 exploration efforts.
- Alluvial production at Solcocon recommenced in 2017. Production for the 9m has been 41.2 kg and the forecast for the year is 48 kg of gold.
- Gold grade at Tardan in the 9m 2017 was 2.61 g/t, which is in line with the previously forecasted gold grade in the 2017 mineplan (as compared to 4.17g/t in 2016).
- In line with reduced production expectations we decrease out 2017 EBITDA forecast down to 11.5 mln USD compared to previously reported target of 13.7 mln USD

## PRODUCTION

Production unit	9m 2017		9m 2016		Change		
	kg*	oz	kg*	oz	kg*	oz	%
<b>Hard rock</b>							
Tardan (gravitational)	40.4	1,298	123.1	3,957	(82.7)	(2,658)	-67%
Tardan (heap leach)	538.9	17,326	663.4	21,328	(124.5)	(4,002)	-19%
<b>Alluvial</b>							
Solcocon	41.2	1,324	-	-	41.2	1,324	100%
<b>Total gold produced</b>	<b>620.4</b>	<b>19,948</b>	<b>786.5</b>	<b>25,285</b>	<b>(166.1)</b>	<b>(5,337)</b>	<b>-21%</b>

\*Rounded to the nearest amount.

## TARDAN

		9m 2017	9m 2016	Change	
<b>Mining</b>					
Waste stripping	000 m3	2,052	2,253	(201)	-9%
Ore mined	000 tonnes	280	352	(72)	-21%
Average grade	g/t	2.61	4.17	(1.56)	-37%
<b>Gravitation</b>					
Throughput	000 tonnes	41	62	(21)	-35%
Average grade	g/t	4.81	7.70	(2.89)	-38%
Recovery	%	21%	26%	-5%	-20%
<b>Gold produced</b>	<b>kg*</b>	<b>40.4</b>	<b>123.1</b>	<b>(83)</b>	<b>-67%</b>
<b>Heap Leach</b>					
<b>Stacking</b>					
Ore	000 tonnes	250	286	(36)	-13%
Grade	g/t	2.19	3.27	(1.08)	-33%
Tailings	000 tonnes	79	62	17	28%
Grade	g/t	3.40	4.93	(1.53)	-31%
Gold in ore and tailings stacked	kg*	817.2	1,239.0	(422)	-34%
<b>Gold produced</b>	<b>kg*</b>	<b>538.9</b>	<b>663.4</b>	<b>(125)</b>	<b>-19%</b>
<b>Warehouse on September 30</b>					
Ore	000 tonnes	5	9	(4)	-41%
Grade	g/t	3.85	7.27	(3.42)	-47%
Tailings	000 tonnes	2	17	(15)	-91%
Grade	g/t	2.07	7.63	(5.56)	-73%
Gold in ore and tailings	kg*	24	195	(172)	-88%

\*Rounded to the nearest amount.

# Financial reports

## Consolidated income statement

	Q3 Jul-Sep 2017	Q3 Jul-Sep 2016	9 months Jan-Sep 2017	9 months Jan-Sep 2016	12 months Jan-Dec 2016	Q3 Jul-Sep 2017	Q3 Jul-Sep 2016	9 months Jan-Sep 2017	9 months Jan-Sep 2016	12 months Jan-Dec 2016
	TSEK	TSEK	TSEK	TSEK	TSEK	US\$ 000	US\$ 000	US\$ 000	US\$ 000	US\$ 000
Revenue	111,971	154,598	223,291	284,875	371,610	13,342	18,116	25,904	33,779	43,380
Cost of sales	(95,158)	(74,624)	(201,334)	(167,198)	(222,260)	(11,386)	(8,747)	(23,361)	(19,877)	(25,962)
<b>Gross profit</b>	<b>16,813</b>	<b>79,974</b>	<b>21,957</b>	<b>117,677</b>	<b>149,350</b>	<b>1,956</b>	<b>9,369</b>	<b>2,543</b>	<b>13,902</b>	<b>17,418</b>
General and administrative expenses	(4,154)	(4,324)	(17,544)	(14,594)	(23,505)	(510)	(508)	(2,022)	(1,740)	(2,725)
Other operating income	3,936	1,544	9,749	5,416	8,134	475	174	1,131	661	961
Other operating expenses	(2,578)	(866)	(3,544)	(1,594)	(2,038)	(302)	(101)	(411)	(188)	(238)
<b>Operating profit/(loss)</b>	<b>14,017</b>	<b>76,328</b>	<b>10,618</b>	<b>106,905</b>	<b>131,941</b>	<b>1,619</b>	<b>8,934</b>	<b>1,241</b>	<b>12,635</b>	<b>15,416</b>
Financial income	10	39	10	148	148	1	5	1	18	18
Financial expenses	(11,438)	(14,883)	(38,150)	(45,701)	(62,370)	(1,414)	(1,747)	(4,428)	(5,444)	(7,287)
Currency gain/(loss)	7,103	(44)	9,923	107	(2,795)	888	30	1,155	15	(308)
<b>Profit/(Loss) before income tax</b>	<b>9,692</b>	<b>61,442</b>	<b>(17,599)</b>	<b>61,460</b>	<b>66,924</b>	<b>1,094</b>	<b>7,222</b>	<b>(2,031)</b>	<b>7,224</b>	<b>7,839</b>
Income tax	(3,232)	(13,756)	(15)	(31,721)	(11,860)	(361)	(1,607)	2	(3,759)	(1,355)
<b>Net profit/(loss) for the period</b>	<b>6,460</b>	<b>47,686</b>	<b>(17,614)</b>	<b>29,739</b>	<b>55,064</b>	<b>733</b>	<b>5,615</b>	<b>(2,029)</b>	<b>3,465</b>	<b>6,484</b>
Whereof attributable to:										
The owners of the parent company	6,460	47,686	(17,614)	29,739	55,064	733	5,615	(2,029)	3,465	6,484
Earnings per share before dilution (SEK, US\$)	0.21	2.68	(0.79)	1.67	3.09	0.02	0.32	(0.09)	0.19	0.36
Earnings per share after dilution (SEK, US\$)	0.20	2.42	(0.79)	1.51	2.98	0.02	0.28	(0.09)	0.18	0.35
Number of shares issued at period end	74,770,202	17,802,429	74,770,202	17,802,429	17,802,429	74,770,202	17,802,429	74,770,202	17,802,429	17,802,429
Average number of shares for the period	31,425,157	17,802,429	22,393,239	17,802,429	17,802,429	31,425,157	17,802,429	22,393,239	17,802,429	17,802,429
Average number of shares for the period after dilution	32,117,657	19,740,025	23,085,739	19,740,025	18,494,929	32,117,657	19,740,025	23,085,739	19,740,025	18,494,929



# Consolidated statement of comprehensive income

	Q3 Jul-Sep 2017 TSEK	Q3 Jul-Sep 2016 TSEK	9 months Jan-Sep 2017 TSEK	9 months Jan-Sep 2016 TSEK	12 months Jan-Dec 2016 TSEK	Q3 Jul-Sep 2017 US\$ 000	Q3 Jul-Sep 2016 US\$ 000	9 months Jan-Sep 2017 US\$ 000	9 months Jan-Sep 2016 US\$ 000	12 months Jan-Dec 2016 US\$ 000
Net profit/loss for the period	6,460	47,686	(17,614)	29,739	55,064	733	5,615	(2,029)	3,465	6,484
<b>Other comprehensive income</b>										
Translation difference	10,658	(7,731)	36,292	3,155	(9,261)	(749)	(212)	(829)	1,945	2,804
<b>Total comprehensive income for the period</b>	<b>17,118</b>	<b>39,955</b>	<b>18,678</b>	<b>32,894</b>	<b>45,803</b>	<b>(16)</b>	<b>5,403</b>	<b>(2,858)</b>	<b>5,410</b>	<b>9,288</b>

# Consolidated statement of financial position

	September 30, 2017	September 30, 2016	December 31, 2016	September 30, 2017	September 30, 2016	December 31, 2016
	TSEK	TSEK	TSEK	US\$ 000	US\$ 000	US\$ 000
<b>ASSETS</b>						
FIXED ASSETS						
Intangible fixed assets	152,265	159,872	168,583	22,215	22,251	22,575
Tangible fixed assets	157,520	194,803	199,648	19,401	22,556	21,897
Stripping assets	42,188	31,073	36,400	5,203	3,605	4,001
Deferred tax assets*	33,433	14,003	35,832	3,507	958	3,434
<b>Total fixed assets</b>	<b>385,406</b>	<b>399,751</b>	<b>440,463</b>	<b>50,327</b>	<b>49,370</b>	<b>51,907</b>
<b>CURRENT ASSETS</b>						
Materials	11,431	9,309	12,470	1,409	1,080	1,370
Work in progress	44,333	40,931	44,683	5,468	4,749	4,912
Finished products	422	767	14,563	52	89	1,601
Current receivables	82,122	35,087	36,219	10,128	4,071	3,981
Advanced paid	9,408	7,822	9,324	1,160	907	1,025
Cash and cash equivalents	16,199	30,930	37,959	1,997	3,588	4,173
<b>Total current assets</b>	<b>163,915</b>	<b>124,846</b>	<b>155,218</b>	<b>20,214</b>	<b>14,485</b>	<b>17,062</b>
<b>TOTAL ASSETS</b>	<b>549,321</b>	<b>524,597</b>	<b>595,681</b>	<b>70,541</b>	<b>63,855</b>	<b>68,969</b>
<b>EQUITY AND LIABILITIES</b>						
<b>EQUITY</b>						
Share capital	8,412	2,003	2,003	1,116	307	307
Additional paid in capital	507,955	397,346	397,382	73,763	59,804	59,808
Retained earnings	(569,728)	(577,439)	(552,114)	(79,632)	(80,622)	(77,603)
Translation difference reserve	(119,238)	(143,114)	(155,530)	(13,739)	(13,769)	(12,910)
<b>TOTAL EQUITY</b>	<b>(172,599)</b>	<b>(321,204)</b>	<b>(308,259)</b>	<b>(18,492)</b>	<b>(34,280)</b>	<b>(30,398)</b>
<b>LONG TERM LIABILITIES</b>						
Deferred tax liabilities*	-	-	-	-	-	-
Bank loans and other notes	291,069	138,671	134,934	35,896	16,090	14,833
Lease payable	565	1,873	1,227	70	217	135
Debt to shareholder (bond)	293,633	368,770	393,764	36,213	42,787	43,285
Other long-term liabilities	90,540	52,907	63,367	11,166	6,138	6,966
<b>Total long term liabilities</b>	<b>675,807</b>	<b>562,221</b>	<b>593,292</b>	<b>83,345</b>	<b>65,232</b>	<b>65,218</b>
<b>CURRENT LIABILITIES</b>						
Trade accounts payable	7,955	8,810	6,322	980	1,023	695
Bank loans payable	16,217	204,027	223,320	2,000	23,673	24,549
Other interest bearing liabilities	10,284	6,813	6,392	1,268	791	703
Shareholder loans payable	-	51,183	55,158	-	5,939	6,063
Other current liabilities	11,657	12,747	19,456	1,440	1,479	2,139
<b>Total current liabilities</b>	<b>46,113</b>	<b>283,580</b>	<b>310,648</b>	<b>5,688</b>	<b>32,903</b>	<b>34,149</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>549,321</b>	<b>524,597</b>	<b>595,681</b>	<b>70,541</b>	<b>63,855</b>	<b>68,969</b>

\* For presentation purposes deferred tax assets and deferred tax liabilities were offset in accordance with p.74 IAS 12.

# Consolidated statement of changes in equity

All amounts in TSEK	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, 2015</b>	<b>2,003</b>	<b>397,634</b>	<b>(146,269)</b>	<b>(607,178)</b>	<b>(353,810)</b>
<b>Comprehensive income</b>					
Net profit/loss for the period				29,739	29,739
Other comprehensive income			3,155		3,155
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>3,155</b>	<b>29,739</b>	<b>32,894</b>
<b>Transactions with owners in their capacity as owners</b>					
Warrants and options issue		(288)			(288)
<b>Total transactions with owners in their capacity as owners</b>	<b>-</b>	<b>(288)</b>	<b>-</b>	<b>-</b>	<b>(288)</b>
<b>Equity as at September 30, 2016</b>	<b>2,003</b>	<b>397,346</b>	<b>(143,114)</b>	<b>(577,439)</b>	<b>(321,204)</b>
<b>Comprehensive income</b>					
Net profit/loss for the period				25,325	25,325
Other comprehensive income			(12,415)		(12,415)
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>(12,415)</b>	<b>25,325</b>	<b>12,910</b>
<b>Transactions with owners in their capacity as owners</b>					
Warrants and options issue		36			36
<b>Total transactions with owners in their capacity as owners</b>	<b>-</b>	<b>36</b>	<b>-</b>	<b>-</b>	<b>36</b>
<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				(17,614)	(17,614)
Other comprehensive income			36,292		36,292
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>36,292</b>	<b>(17,614)</b>	<b>18,678</b>
<b>Transactions with owners in their capacity as owners</b>					
Proceeds from share issued	6,409	110,616			117,025
Warrants and options issue		(43)			(43)
<b>Total transactions with owners in their capacity as owners</b>	<b>6,409</b>	<b>110,573</b>	<b>-</b>	<b>-</b>	<b>116,982</b>
<b>Equity as at September 30, 2017</b>	<b>8,412</b>	<b>507,955</b>	<b>(119,238)</b>	<b>(569,728)</b>	<b>(172,599)</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, 2015</b>	<b>307</b>	<b>59,838</b>	<b>(15,714)</b>	<b>(84,087)</b>	<b>(39,656)</b>
<b>Comprehensive income</b>					
Net profit/loss for the period				3,465	3,465
Other comprehensive income			1,945		1,945
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>1,945</b>	<b>3,465</b>	<b>5,410</b>
<b>Transactions with owners in their capacity as owners</b>					
Warrants and options issue		(34)			(34)
<b>Total transactions with owners in their capacity as owners</b>	<b>-</b>	<b>(34)</b>	<b>-</b>	<b>-</b>	<b>(34)</b>
<b>Equity as at September 30, 2016</b>	<b>307</b>	<b>59,804</b>	<b>(13,769)</b>	<b>(80,622)</b>	<b>(34,280)</b>
<b>Comprehensive income</b>					
Net profit/loss for the period				3,019	3,019
Other comprehensive income			859		859
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>859</b>	<b>3,019</b>	<b>3,879</b>
<b>Transactions with owners in their capacity as owners</b>					
Warrants and options issue		4			4
<b>Total transactions with owners in their capacity as owners</b>	<b>-</b>	<b>4</b>	<b>-</b>	<b>-</b>	<b>4</b>
<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				(2,029)	(2,029)
Other comprehensive income			(829)		(829)
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>(829)</b>	<b>(2,029)</b>	<b>(2,858)</b>
<b>Transactions with owners in their capacity as owners</b>					
Proceeds from share issued	809	13,960			14,769
Warrants and options issue		(5)			(5)
<b>Total transactions with owners in their capacity as owners</b>	<b>809</b>	<b>13,955</b>	<b>-</b>	<b>-</b>	<b>14,764</b>
<b>Equity as at September 30, 2017</b>	<b>1,116</b>	<b>73,763</b>	<b>(13,739)</b>	<b>(79,632)</b>	<b>(18,492)</b>

# Consolidated cash flow statement

	Q3 Jul-Sep 2017	Q3 Jul-Sep 2016	9 months Jan-Sep 2017	9 months Jan-Sep 2016	Q3 Jul-Sep 2017	Q3 Jul-Sep 2016	9 months Jan-Sep 2017	9 months Jan-Sep 2016
	TSEK	TSEK	TSEK	TSEK	US\$ 000	US\$ 000	US\$ 000	US\$ 000
<b>OPERATING ACTIVITIES</b>								
Receipts from customers	102,288	147,703	213,597	301,824	12,571	17,335	25,133	35,840
VAT and other reimbursement	14,376	7,422	31,612	20,013	1,767	871	3,710	2,386
Payments to suppliers	(50,174)	(41,772)	(128,473)	(126,782)	(6,166)	(4,903)	(15,009)	(15,137)
Payments to employees and social taxes	(19,901)	(15,218)	(60,379)	(49,247)	(2,446)	(1,786)	(7,016)	(5,873)
Income tax paid	(67)	-	(636)	(219)	(8)	-	(73)	(27)
Other taxes paid	(8,053)	(9,037)	(17,841)	(22,933)	(990)	(1,061)	(2,095)	(2,737)
<b>Net cash flows from/(used in) operating activities</b>	<b>38,469</b>	<b>89,098</b>	<b>37,880</b>	<b>122,656</b>	<b>4,728</b>	<b>10,457</b>	<b>4,650</b>	<b>14,453</b>
<b>INVESTING ACTIVITIES</b>								
Purchase and construction of property plant and equipment	(2,368)	(2,419)	(4,674)	(10,964)	(291)	(284)	(551)	(1,309)
Exploration and research works	(3,124)	(2,007)	(6,400)	(5,849)	(384)	(236)	(752)	(701)
Purchases of financial assets	(2,206)	-	(2,206)	-	(271)	-	(271)	-
<b>Net cash flows used in investing activities</b>	<b>(7,698)</b>	<b>(4,426)</b>	<b>(13,280)</b>	<b>(16,814)</b>	<b>(946)</b>	<b>(520)</b>	<b>(1,574)</b>	<b>(2,010)</b>
<b>FINANCING ACTIVITIES</b>								
Proceeds from borrowings, net	-	-	-	20,531	-	-	-	2,500
Receipts from share issue	9,352	-	9,352	-	1,149	-	1,149	-
Repayment of borrowings, net	(8,137)	(55,789)	(21,522)	(65,442)	(1,000)	(6,548)	(2,500)	(7,723)
Interest paid	(12,548)	(14,057)	(22,934)	(25,541)	(1,542)	(1,650)	(2,714)	(3,027)
Lease payments	(1,694)	(2,473)	(7,334)	(7,039)	(208)	(290)	(845)	(839)
Transaction costs arising on share issue	(2,410)	-	(2,410)	-	(296)	-	(296)	-
Other finance income/expenses	-	-	-	113	-	-	-	14
<b>Net cash from/(used in) financing activities</b>	<b>(15,437)</b>	<b>(72,319)</b>	<b>(44,848)</b>	<b>(77,379)</b>	<b>(1,897)</b>	<b>(8,488)</b>	<b>(5,206)</b>	<b>(9,075)</b>
Net increase/(decrease) in cash and cash equivalents	15,334	12,353	(20,248)	28,464	1,885	1,450	(2,130)	3,368
Net foreign exchange difference	362	49	(1,512)	2,105	52	(46)	(46)	177
Opening balance cash and cash equivalents	503	18,528	37,959	361	60	2,184	4,173	43
<b>Closing balance cash and cash equivalents</b>	<b>16,199</b>	<b>30,930</b>	<b>16,199</b>	<b>30,930</b>	<b>1,997</b>	<b>3,588</b>	<b>1,997</b>	<b>3,588</b>

# Consolidated Key Ratios

	9 months Jan-Sep 2017	9 months Jan-Sep 2016	12 months Jan-Dec 2016	9 months Jan-Sep 2017	9 months Jan-Sep 2016	12 months Jan-Dec 2016	Definitions
	TSEK	TSEK	TSEK	US\$ 000	US\$ 000	US\$ 000	
Total assets	549,321	524,597	595,681	70,541	63,855	68,969	Total assets at period end
Total equity	(172,599)	(321,204)	(308,259)	(18,492)	(34,280)	(30,398)	Total equity including non controlling interest at period end
Interest bearing debt	649,890	792,691	834,727	80,148	91,973	91,758	Total interest bearing debt at the period end
Employees at period end	539	535	525	539	535	525	
EBITDA	49,762	147,251	188,462	5,786	17,438	22,004	Earnings Before Interest, Tax, Depreciation, Amortization and any Impairment.
<b>Per share data</b>							
Earnings per share (SEK, USD)	(0.79)	1.67	3.09	(0.09)	0.19	0.36	Net result after tax for the period divided by the average number of outstanding shares at the period end
Equity per share (SEK, USD)	(2.31)	(18.04)	(17.32)	(0.25)	(1.93)	(1.71)	Equity excluding non controlling interests at the period end divided by the number of outstanding shares at the period end



# Parent company income statement

	Q3 Jul-Sep 2017 TSEK	Q3 Jul-Sep 2016 TSEK	9 months Jan-Sep 2017 TSEK	9 months Jan-Sep 2016* TSEK	12 months Jan-Dec 2016 TSEK	Q3 Jul-Sep 2017 US\$ 000	Q3 Jul-Sep 2016 US\$ 000	9 months Jan-Sep 2017 US\$ 000	9 months Jan-Sep 2016* US\$ 000	12 months Jan-Dec 2016 US\$ 000
<b>Income</b>										
Operating income	180	-	1,162	7	1,291	24	-	135	1	151
<b>Total income</b>	<b>180</b>	<b>-</b>	<b>1,162</b>	<b>7</b>	<b>1,291</b>	<b>24</b>	<b>-</b>	<b>135</b>	<b>1</b>	<b>151</b>
<b>Operating costs</b>										
External expenses	(179)	(743)	(5,382)	(2,460)	(4,719)	(37)	(87)	(624)	(293)	(551)
Employee benefit expenses	(726)	(190)	(1,524)	(2,009)	(2,306)	(87)	(21)	(177)	(239)	(269)
<b>Total operating costs</b>	<b>(905)</b>	<b>(932)</b>	<b>(6,906)</b>	<b>(4,469)</b>	<b>(7,025)</b>	<b>(124)</b>	<b>(108)</b>	<b>(801)</b>	<b>(532)</b>	<b>(820)</b>
<b>Operating profit/loss</b>	<b>(725)</b>	<b>(932)</b>	<b>(5,744)</b>	<b>(4,461)</b>	<b>(5,735)</b>	<b>(100)</b>	<b>(108)</b>	<b>(666)</b>	<b>(531)</b>	<b>(669)</b>
Net financial items	11,640	(2,167)	20,878	16,411	16,714	1,380	(275)	2,422	1,955	1,953
<b>Profit/loss before income tax</b>	<b>10,916</b>	<b>(3,099)</b>	<b>15,134</b>	<b>11,949</b>	<b>10,980</b>	<b>1,280</b>	<b>(383)</b>	<b>1,756</b>	<b>1,424</b>	<b>1,284</b>
Income tax	-	-	-	-	-	-	-	-	-	-
<b>Net profit/loss for the period</b>	<b>10,916</b>	<b>(3,099)</b>	<b>15,134</b>	<b>11,949</b>	<b>10,980</b>	<b>1,280</b>	<b>(383)</b>	<b>1,756</b>	<b>1,424</b>	<b>1,284</b>

\*Amounts were restated. For details, refer to "Restatement" paragraph above.

# Parent company statement of comprehensive income

	Q3 Jul-Sep 2017 TSEK	Q3 Jul-Sep 2016 TSEK	9 months Jan-Sep 2017 TSEK	9 months Jan-Sep 2016* TSEK	12 months Jan-Dec 2016 TSEK	Q3 Jul-Sep 2017 US\$ 000	Q3 Jul-Sep 2016 US\$ 000	9 months Jan-Sep 2017 US\$ 000	9 months Jan-Sep 2016* US\$ 000	12 months Jan-Dec 2016 US\$ 000
Net profit/loss for the period	10,916	(3,099)	15,134	11,949	10,980	1,280	(383)	1,756	1,424	1,284
Translation differences	-	-	-	-	-	1,014	(438)	2,997	(888)	(2,328)
<b>Total comprehensive income for the period</b>	<b>10,916</b>	<b>(3,099)</b>	<b>15,134</b>	<b>11,949</b>	<b>10,980</b>	<b>2,294</b>	<b>(821)</b>	<b>4,753</b>	<b>536</b>	<b>(1,044)</b>

\*Amounts were restated. For details, refer to "Restatement" paragraph above.

# Parent company statement of financial position

	September 30, 2017	September 30, 2016	December 31, 2016	September 30, 2017	September 30, 2016	December 31, 2016
	TSEK	TSEK	TSEK	US\$ 000	US\$ 000	US\$ 000
<b>ASSETS</b>						
<b>FIXED ASSETS</b>						
Financial fixed assets	664,951	662,587	690,488	82,006	76,878	75,902
<b>Total fixed assets</b>	<b>664,951</b>	<b>662,587</b>	<b>690,488</b>	<b>82,006</b>	<b>76,878</b>	<b>75,902</b>
<b>CURRENT ASSETS</b>						
Current receivables	43,348	588	1,949	5,346	68	214
Cash and bank	1,080	584	57	133	68	6
<b>Total current assets</b>	<b>44,428</b>	<b>1,172</b>	<b>2,006</b>	<b>5,479</b>	<b>136</b>	<b>220</b>
<b>TOTAL ASSETS</b>	<b>709,379</b>	<b>663,760</b>	<b>692,494</b>	<b>87,485</b>	<b>77,014</b>	<b>76,122</b>
<b>EQUITY AND LIABILITIES</b>						
<b>Total equity</b>	<b>372,720</b>	<b>241,538</b>	<b>240,604</b>	<b>45,966</b>	<b>28,025</b>	<b>26,448</b>
<b>Long term liabilities</b>	<b>328,080</b>	<b>369,664</b>	<b>394,658</b>	<b>40,461</b>	<b>42,891</b>	<b>43,383</b>
<b>Current liabilities</b>	<b>8,579</b>	<b>52,558</b>	<b>57,232</b>	<b>1,058</b>	<b>6,098</b>	<b>6,291</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>709,379</b>	<b>663,760</b>	<b>692,494</b>	<b>87,485</b>	<b>77,014</b>	<b>76,122</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, 2015 Restated*</b>	<b>2,003</b>	<b>266,306</b>	<b>624,340</b>	<b>-</b>	<b>(708,719)</b>	<b>45,947</b>	<b>229,876</b>
Profit/loss brought forward					45,947	(45,947)	-
<b>Comprehensive income</b>							
Net profit/loss for the period						11,949	11,949
Other comprehensive income				-			-
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>11,949</b>	<b>11,949</b>
<b>Transactions with owners in their capacity as owners</b>							
Warrants and options issue			(288)				(288)
<b>Total transactions with owners in their capacity as owners</b>	<b>-</b>	<b>-</b>	<b>(288)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(288)</b>
<b>Equity as at September 30, 2016 Restated*</b>	<b>2,003</b>	<b>266,306</b>	<b>624,052</b>	<b>-</b>	<b>(662,772)</b>	<b>11,949</b>	<b>241,538</b>
<b>Comprehensive income</b>							
Net profit/loss for the period						(969)	(969)
Other comprehensive income							-
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(969)</b>	<b>(969)</b>
<b>Transactions with owners in their capacity as owners</b>							
Warrants and options issue			36				36
<b>Total transactions with owners in their capacity as owners</b>	<b>-</b>	<b>-</b>	<b>36</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>36</b>
<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						15,134	15,134
Other comprehensive income				-			-
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>15,134</b>	<b>15,134</b>
<b>Transactions with owners in their capacity as owners</b>							
Proceeds from share issued	6,409		110,616				117,025
Warrants and options issue			(43)				(43)
<b>Total transactions with owners in their capacity as owners</b>	<b>6,409</b>	<b>-</b>	<b>110,573</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>116,982</b>
<b>Equity as at September 30, 2017</b>	<b>8,412</b>	<b>266,306</b>	<b>734,661</b>	<b>-</b>	<b>(651,792)</b>	<b>15,134</b>	<b>372,720</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, 2015 Restated*</b>	<b>307</b>	<b>40,872</b>	<b>94,632</b>	<b>(5,581)</b>	<b>(108,154)</b>	<b>5,447</b>	<b>27,522</b>
Profit/loss brought forward					5,447	(5,447)	-
<b>Comprehensive income</b>							
Net profit/loss for the period						1,424	1,424
Other comprehensive income				(888)			(888)
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(888)</b>	<b>-</b>	<b>1,424</b>	<b>536</b>
<b>Transactions with owners in their capacity as owners</b>							
Warrants and options issue			(34)				(34)
<b>Total transactions with owners in their capacity as owners</b>	<b>-</b>	<b>-</b>	<b>(34)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(34)</b>
<b>Equity as at September 30, 2016 Restated*</b>	<b>307</b>	<b>40,872</b>	<b>94,598</b>	<b>(6,469)</b>	<b>(102,707)</b>	<b>1,424</b>	<b>28,025</b>
<b>Comprehensive income</b>							
Net profit/loss for the period						(140)	(140)
Other comprehensive income				(1,440)			(1,440)
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1,440)</b>	<b>-</b>	<b>(140)</b>	<b>(1,580)</b>
<b>Transactions with owners in their capacity as owners</b>							
Warrants and options issue			4				4
<b>Total transactions with owners in their capacity as owners</b>	<b>-</b>	<b>-</b>	<b>4</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4</b>
<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						1,756	1,756
Other comprehensive income				2,997			2,997
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,997</b>	<b>-</b>	<b>1,756</b>	<b>4,753</b>
<b>Transactions with owners in their capacity as owners</b>							
Proceeds from share issued	809		13,960				14,769
Warrants and options issue			(5)				(5)
<b>Total transactions with owners in their capacity as owners</b>	<b>809</b>	<b>-</b>	<b>13,954</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>14,764</b>
<b>Equity as at September 30, 2017</b>	<b>1,116</b>	<b>40,872</b>	<b>108,557</b>	<b>(4,912)</b>	<b>(101,423)</b>	<b>1,756</b>	<b>45,966</b>

# Parent company cash flow statement

	Q3 Jul-Sep 2017	Q3 Jul-Sep 2016	9 months Jan-Sep 2017	9 months Jan-Sep 2016	Q3 Jul-Sep 2017	Q3 Jul-Sep 2016	9 months Jan-Sep 2017	9 months Jan-Sep 2016
	TSEK	TSEK	TSEK	TSEK	US\$ 000	US\$ 000	US\$ 000	US\$ 000
<b>OPERATING ACTIVITIES</b>								
Receipts from customers	1,515	-	1,621	-	186	-	198	-
VAT and other reimbursement	298	-	409	72	37	-	49	9
Payments to suppliers	(1,081)	(3,560)	(7,385)	(6,556)	(133)	(418)	(845)	(779)
Payments to employees and the Board members	(634)	(353)	(1,804)	(1,477)	(78)	(41)	(210)	(176)
Income tax paid	-	-	-	-	-	-	-	-
Other taxes paid	-	-	-	-	-	-	-	-
<b>Net cash flows used in operating activities</b>	<b>98</b>	<b>(3,913)</b>	<b>(7,159)</b>	<b>(7,961)</b>	<b>12</b>	<b>(459)</b>	<b>(808)</b>	<b>(947)</b>
<b>INVESTING ACTIVITIES</b>								
Proceeds from borrowings given	2,071	1,625	9,403	8,512	254	191	1,082	1,024
<b>Net cash flows used in investing activities</b>	<b>2,071</b>	<b>1,625</b>	<b>9,403</b>	<b>8,512</b>	<b>254</b>	<b>191</b>	<b>1,082</b>	<b>1,024</b>
<b>FINANCING ACTIVITIES</b>								
Proceeds from borrowings	-	-	-	-	-	-	-	-
Receipts from share issue	9,352	-	9,352	-	1,149	-	1,149	-
Repayment of borrowings	(8,114)	-	(8,114)	-	(1,000)	-	(1,000)	-
Transaction costs arising on share issue	(2,410)	-	(2,410)	-	(296)	-	(296)	-
<b>Net cash from financing activities</b>	<b>(1,172)</b>	<b>-</b>	<b>(1,172)</b>	<b>-</b>	<b>(147)</b>	<b>-</b>	<b>(147)</b>	<b>-</b>
Net increase/(decrease) in cash and cash equivalents	997	(2,288)	1,072	551	119	(269)	127	77
Net foreign exchange difference	(8)	(3)	(49)	(41)	3	(3)	0	(18)
Opening balance cash and cash equivalents	91	2,875	57	73	11	339	6	9
<b>Closing balance cash and cash equivalents</b>	<b>1,080</b>	<b>584</b>	<b>1,080</b>	<b>584</b>	<b>133</b>	<b>68</b>	<b>133</b>	<b>68</b>



# Review report

## INTRODUCTION

We have reviewed the condensed interim financial information (interim report) of Auriant Mining AB as of 30 September 2017 and the nine-month period then ended. The board of directors and the CEO are responsible for the preparation and presentation of the interim financial information in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

## SCOPE OF REVIEW

We conducted our review in accordance with the International Standard on Review Engagements ISRE 2410, Review of Interim Report Performed by the Independent Auditor of the Entity. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing, ISA, and other generally accepted auditing standards in Sweden. The procedures performed in a review do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. The conclusion expressed based on a review does not have the same level of certainty as a review based on an audit.

## CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the interim report is not prepared, in all material respects, in accordance with IAS 34 and the Swedish Annual Accounts Act, regarding the Group, and with the Swedish Annual Accounts Act, regarding the Parent Company

Stockholm, November 30 2017

PricewaterhouseCoopers AB

Martin Johansson, Auditor in charge  
Authorized Public Accountant

Anna Rozhdestvenskaya  
Authorized Public Accountant

# Additional Information

## NEXT REPORTS DUE

Interim report (4) October – December 2017:  
February 28, 2018

## 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 assets.

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](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

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, November 30, 2017  
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

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.