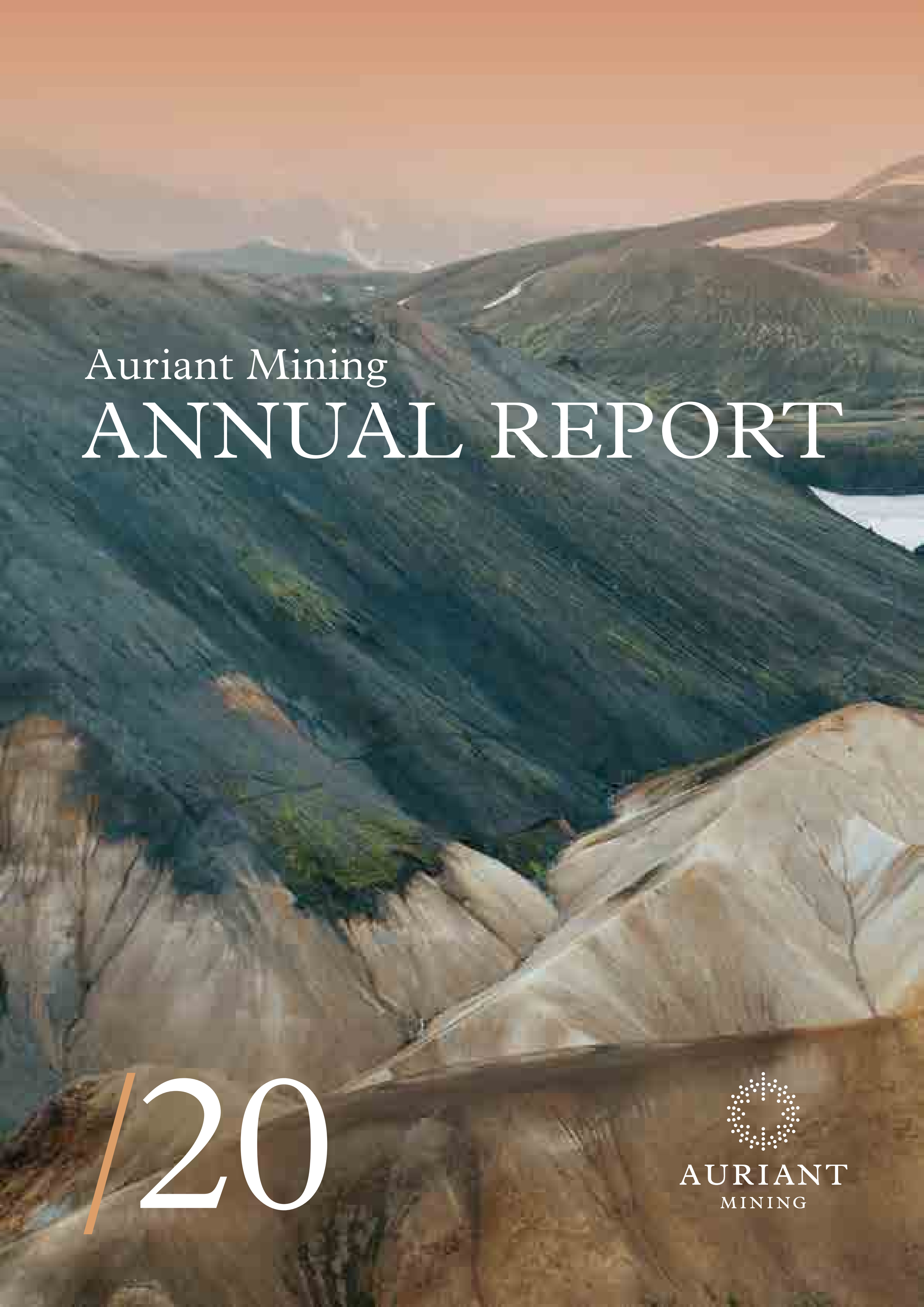


Auriant Mining

ANNUAL REPORT

/20

AURIANT
MINING

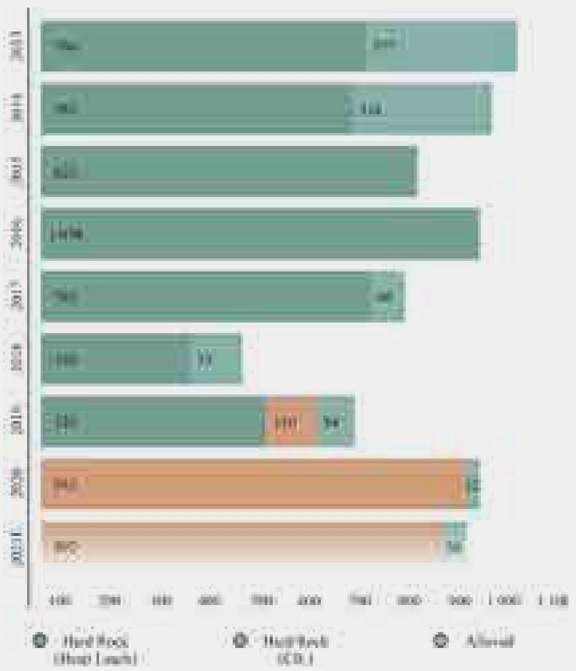
Content

Auriant Mining in Brief

Russia focused gold miner

Listed on NASDAQ OMX First North Premier

Gold production 2013-2021E:



2 producing mines

3 exploration properties

558 employees

2020 production of 965 kg of gold (31,014 oz)

Approximately 3,800 shareholders

98,768,270 ordinary shares issued

Official Russian State Reserves Committee (GKZ) + JORC Recourses and reserves of 1,656,000 troy ounces (51.5 tonnes) of gold

Significant Events During 2020

JANUARY	After start up in November 2019, the CIL plant quickly achieved projected throughput and recovery. The CIL plant was fed with high grade ore and was able to produce 115 kg of gold in January.
FEBRUARY	Since February, the CIL plant feed has been regular ore.
MARCH	The Company took part in Mangold Investor Day
APRIL	The Group restructured repayment terms of existing loans provided by VTB rolling them over until end of 2023.
MAY	...
JUNE	...
JULY	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. Since 1 of July 2020, interest rate for the outstanding VTB loan was reduced to 7.82%.
AUGUST	Alluvial production commenced at Solcocon. Auriant Mining AB (publ.) announced appointment of Vladimir Vorushkin as Chief Financial Officer.
SEPTEMBER	Auriant Mining AB (publ.) announced appointment of Danilo Lange as Chief Executive Officer. The departure of Chief Geologist, Vladimir Churin. Geologist team works under the leadership of Senior Geologist, Artem Manshin, who has been with the Company for 7 years.
OCTOBER	The Group has negotiated with VTB a further reduction in the interest rate up to 3 months LIBOR plus 4.7% (currently equivalent to an annual interest rate of 4.92%).
NOVEMBER	The approval of Rosnedra and other required approvals and permits received, and Rosnedra issued an order to remove the restriction on mining activities at the Tardan deposit with immediate effect.
DECEMBER	Auriant Mining AB (publ.) announced appointment of Petr Kustikov as Chief Operating Officer. Auriant's CEO, Danilo Lange, acquired 250,000 shares in the Company for SEK 1,405,450 through an off-market transaction.

Our Values

PEOPLE

Our People are our most important asset. Tardan has been built and is operated by our employees and it is our highest priority to create and maintain a safe and healthy working environment for them. We are constantly searching for new and innovative methods to ensure the safety of our employees.

RESPECT

We are committed to providing a positive working environment free of discrimination and harassment in all of our activities. We act and treat each other with dignity and respect. We believe that employees who are treated with respect have a higher level of professional performance. All of our employees are given equal opportunities for career development. We reward and encourage teamwork, creativity and innovation.

RESPONSIBLE MINING

Environmental responsibility is a central issue in a company with operations involving environmental risks. The majority of the Company's activities are carried out in areas which are sensitive to the impact of mining operations. Auriant Mining is committed to optimize resource utilization, decrease waste and use new innovative technologies to reduce the companies CO^2 footprint at our existing and future operations.

SOCIAL RESPONSIBILITY

We are actively engaged in the local communities in the areas in which we operate.

Among other things, by supporting and contributing to education and infrastructure and by prioritizing the local population when employing staff.

INTEGRITY

Auriant's success is dependent on trust and support from all our stakeholders, including shareholders, employees, suppliers, contractors, Government, and local communities, which is why we are committed to the highest standards of integrity and sustainability. We have maximum level of transparency in our dealing with Government authorities, defending our interests in court when necessary.

CORPORATE GOVERNANCE

We genuinely believe that good corporate governance adds shareholder value and, therefore, the majority of our Board is composed of non-executive, independent directors with extensive experience in mining and in running public companies. Going forward, we intend to further strengthen our corporate governance in order to deliver maximum shareholder value.

Our Strategy

The growth and sustainability of the Company will rely on a focused approach on our existing assets. In the short term, the focus is on cost control and stable production at Tardan and Solcocon;

In the medium term, continuing exploration on all our assets to expand resources, extend life of mine and construct & launch new mines to increase annual production to position Auriant Mining AB as a consolidation vehicle for Russian gold assets in the longer term.

	Target	2020 Result
Tardan	Upgrade technology to CIL	CIL was commissioned Full year In production with full capacity Targeted KPI's were achieved and kept
Kara-Beldyr	Development of the project	Civil engineering. Field works completed Selection of processing method started Documentation and permitting started
Solcocon	Exploration to increase resources	8 thousand meters drilled
Uzhunzhul	Early stage exploration	2021 exploration trenching program developed and approved

Chairman Statement

I am pleased to report that 2020 was a record year for Auriant Mining, both in production and financial terms.

After the successful completion of the new CIL Plant at Tardan at the end of 2019, gold production for the year was 965 kg/31,014 oz. The plant operated at the planned throughput of 50 tonnes/working hour and achieved a recovery of more than 90%. This resulted in the achievement of a world competitive cash cost of $676/oz.

During the year, Danilo Lange took over from Sergey Ustimenko as CEO and has settled in well. He has strengthened the management structure of the key executives of the company by appointing Petr Kustikov as COO and Vladimir Vorushkin as CFO.

The immediate key tasks for the company are to continue the drilling programme at Tardan to extend the mine life, to advance the permitting of Kara Beldyr, and to undertake further exploration drilling at Solcocon to convert P_1 resources to C_2, and thus, advance the opportunity of mining and processing gold at this deposit.

In 2021, Auriant Mining aims to produce a total of 900 – 930 kg (28,936 – 29,900 oz).

I would like to record my appreciation for the efforts of the management team and the support of our shareholders, which delivered the excellent results that we have achieved in 2020, and which has set the Company on the right course for unlocking further value from its asset portfolio.

Peter Daresbury

Lord Daresbury (Peter)
Chairman of the Board

CEO Statement

Dear Stakeholders,

2020 has been an important year in the Company's history, both in financial and operational terms with the completion of the CIL plant in Tardan in late 2019, we have managed a full year of uninterrupted & consistent production in 2020.

CIL PLANT

The plant reached its projected throughput of > 50 tonnes per working hour. 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. As a result of the construction of the CIL plant, the recovery rate has increased from 60% to 91%. The volume of ore processed through the CIL plant amounted to 394 thousand tonnes with an average grade of 2.66 g/t (total gold in processed ore – 1,045 kg).

The Company continues to focus on reducing costs, and thus, has been monitoring equipment operations, the development of chemical processes, staff performance, materials and energy consumption & grades at all stages of processing.

PRODUCTION

Hard rock gold production at Tardan increased by 50%, from 635 kg (20,407 oz) in 2019 on the heap leach and through the CIL to 953 kg (30,629 oz) in 2020 just through the CIL plant.

Total Tardan gold sales in 2020 were 936 kg (30,077 oz), compared to 609 kg (19,580 oz) in 2019.

During 2020, the Company's main source of ore was the Pravoberezhniy deposit.

Ore mined amounted to 387 thousand tonnes and was 18% lower than the same period in the previous year (473 thousand tonnes). The stripping volume in 2020 was 902 thousand m^3 (8% lower than in 2019, 982 thousand m^3).

The average grade in ore mined in 2020 was 2.42 g/t, in line with the Company's mine plan.

Heap leach operations were discontinued at the end of December 2019.

In 2021, the Company will continue mining the Pravoberezhniy deposit and will also undertake stripping works on Ore zone #3 and Ore body #26 of the Tardan deposit in order to secure access to ore from those ore bodies in 2021 and 2022.

We will also conduct further exploration drilling at Tardan, aiming to increase resources, and thus, the mine life. Our primary drilling target will be Ore Zone #6 and #15.

Alluvial gold production at Solcocon amounted to 12 kg (386 oz), compared to 54 kg (1,730 oz) in 2019. The reduction in production was due to the late start of mining operations because of the corona virus. This operation is outsourced to external contractors.

We have also started exploration on our Bogomolovskoye Deposit (part of the Solcocon License) and will continue exploration on the Solcocon Deposit during 2021.

I am also pleased to report that during 2020, Auriant Mining made significant headway in complying with the Russian State Environment Agency Rosprirodnadzor's RPN request.

In 2019, RPN conducted inspections of all the natural resource companies operating in Tyva, including Tardan. As a result, restrictions were imposed due to RPN's, which were lifted during 2020, as the Company was able to comply with all the necessary demands.

In 2020, the Russian Government continued to work on a development program aimed to help the economy of the Tyva Region. The Auriant Management team have played an active role interacting with local and federal governmental bodies in the development of the program.

In particular, the program provides that a specific plan for development of additional electrical power infrastructure will be approved and implemented. As the potential Kara-Beldyr gold mine is named amongst some of the key regional investment projects, we believe that this program will help deliver electric power to the Kara-Beldyr mine.

TOTAL GOLD SALES

In 2020, total gold sales amounted to 946 kg (30,428 oz), compared to 654 kg (21,021 oz) in 2019, an increase of 45%, or 293 kg (9,408 oz).

In 2020, the average selling price for gold increased by 24% to US$ 1,755 per oz (2019: US$ 1,416 per oz).

FINANCING

In 2020, we were able to further reduce the financing costs associated with the Company's facility with VTB. Under the terms of the existing 2017 VTB facility, the principal outstanding amount in October 2020 was US$28.5 mln, which was repayable over the period to 31 December 2023 at an interest rate of approximately 7.8% per annum. Reflecting the Company's strong performance during 2020, the Company has negotiated with VTB a reduction in the interest rate applying to outstanding balances. The interest rate on the new facility is LIBOR plus 4.7% (currently equivalent to an annual interest rate of 4.95%).

CASH FLOWS / INCOME STATEMENT

Revenue from gold sales amounted to MSEK 492.1 (US$ 53.4mln), a 79% increase compared to 2019, driven by a higher volume of produced gold at the CIL plant. The 24% average higher gold price contributed to an improvement in financial performance Y-o-Y.

In 2020, due to higher production volumes, cash expenses increased by 4%, or MSEK 2.4 (US$ 0.8mln), compared to 2019. In 2020, a 11% devaluation of the Russian Rouble against the 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 24% from US$ 884/oz in 2019 to US$ 676/oz in 2020.

Other operating expenses increased by MSEK 18.7 (US$ 2.1mln), or by 206%, compared to 2019, and amounted to MSEK 28.2 (US$ 3.1 mln).

Firstly, this was due to the write off of MSEK 7.0 (US$ 0.8 mln) VAT refund asset in LLC "Rudtechnology". Secondly, MSEK 18.0 (US$ 1.9 mln) stripping assets were written off as other operating expenses in LLC "Tardan Gold". These stripping assets are stripping costs that were incurred in 2017 and relate to economically unrecoverable reserves.

Following growth in production and sales volumes, EBITDA is significantly higher at MSEK 283.0 (US$ 30.9 mln) in 2020 compared to MSEK 68.2 (US$ 7.2 mln) in the previous reporting period. 2020 operating profits rose 9 times and amounted to MSEK 187.2 (US$ 20.1 mln).

OUTLOOK

The Company expects to produce a total of 900 – 930 kg (up to 30.000 oz) at Tardan and Solcocon in 2021. Our key goals for 2021 are to continue exploration drilling at Tardan and Solcocon and progress the Kara-Beldyr project, subject to financing availability. We will also continue to focus on reducing costs and strengthening the companies Balance Sheet by reducing debt.

Finally, I would like to thank all our stakeholders for their considerable contribution and support; this includes our majority shareholders, all our other investors, and our employees and Directors.

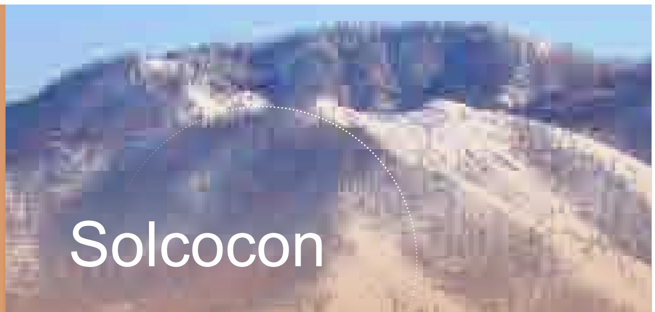
I am confident that with the local Management team in place, we will ensure progress for unlocking further value of Auriant's asset portfolio.

Danilo Lange
Chief Executive Officer
Auriant Mining AB

Auriant Gold Assets

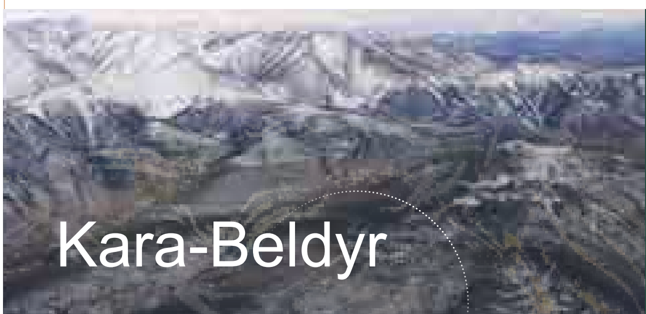
Tardan

- Flagship mine located in Republic of Tyva;
- 2020 gold production of 935 kg of gold;
- Open pit;
- CIL;
- Resources&reserves ~ 8.6 t of gold.



Solcocon

- Alluvial production restarted in 2017;
- 2020 production of 12 kg of gold
- Located in Zabaikalsky Krai;
- Reserves: 15,7 t of gold;
- Great exploration potential.



Kara-Beldyr

- Property ready to design and construction;
- Located in Republic of Tyva;
- Expected technology: CIP;
- JORC Resources: 26.8 t of gold;

Uzhunzhul

- Greenfield
- Located in Republic of Khakassia;
- Exploration started in 2016
- Targeted reserves at 1st stage: 10 t of gold
- Good infrastructure.

Auriant Resources and Reserves

Classification	Tonnage	g/t	000 oz	kg
TARDAN				
TARDAN DEPOSIT /GKZ/				
$C_1 + C_2$ Reserves	668,570	5.32	114	3,559
PRAVOBEREZHNY DEPOSIT /GKZ/				
$C_1 + C_2$ Reserves	540,022	4.51	78	2,437
GOLD IN ORE				
Total gold in ore	1,208,592	4.96	202	5,996
TAILINGS				
Heap leach tailings	2,630,990	0.98	83	2,571
TOTAL GOLD				
Tardan total gold	3,839,582	2.23	275	8,567
KARA-BELDYR /JORC/				
Indicated	9,540,000	2.63	807	25,101
Inferred	480,000	3.55	55	1,711
Indicated + Inferred	10,020,000	2.68	862	26,811
SOLCOCON /GKZ/				
BOGOMOLOVSKOE DEPOSIT				
$C_1 + C_2$ Reserves	1,934,186	3.65	227	7,060
KOZLOVSKOE DEPOSIT				
$C_1 + C_2$ Reserves	1,059,000	8.14	277	8,615
ALLUVIAL				
$C_1 + C_2$ Reserves	619,000	0.77	15	478
TOTAL AURIANT RESERVES&RESOURCES				
Tardan	1,208,592	4.96	202	5,996
Kara-Beldyr	10,020,000	2.68	862	26,811
Solcocon	2,993,186	5.24	504	15,675
TOTAL ORE	**14,221,778**	**3.41**	**1,558**	**48,482**
Tardan (tailings)	2,630,990	0.98	83	2,571
Solcocon (alluvial gold)	619,000	0.77	15	478
TOTAL			**1,656**	**51,531**

Tardan and Greater Tardan

Tardan
and Greater Tardan

Republic of Tyva

License: Tardan Deposit
Valid until: 2028
2,3 km²

License: Greater Tardan
Valid until: 2032
540 km²

Exploration/production

Production method: **CIL**

538
employees

953 kg
2020 production

Reserves and Resources

Classification	Tonnage	g/t	000 oz	kg
TARDAN				
TARDAN DEPOSIT /GKZ/				
$C_1 + C_2$ Reserves	668,570	5.32	114	3,559
PRAVOBEREZHNY DEPOSIT /GKZ/				
$C_1 + C_2$ Reserves	540,022	4.51	78	2,437
GOLD IN ORE				
Total gold in ore	1,208,592	4.96	202	5,996
TAILINGS				
Heap leach tailings	2,630,990	0.98	83	2,571
TOTAL GOLD				
Tardan total gold	3,839,582	2.23	275	8,567

Geology and Exploration

GEOLOGY

The Tardan ore cluster is an integral part of the Tapsa-Kaahemsky gold-placer region, which extends in a sublatitudinal direction for a distance of more than 90 km. In the structure of the Tardan ore cluster, three rock complexes play the major role in the formation of ore-bearing structures:

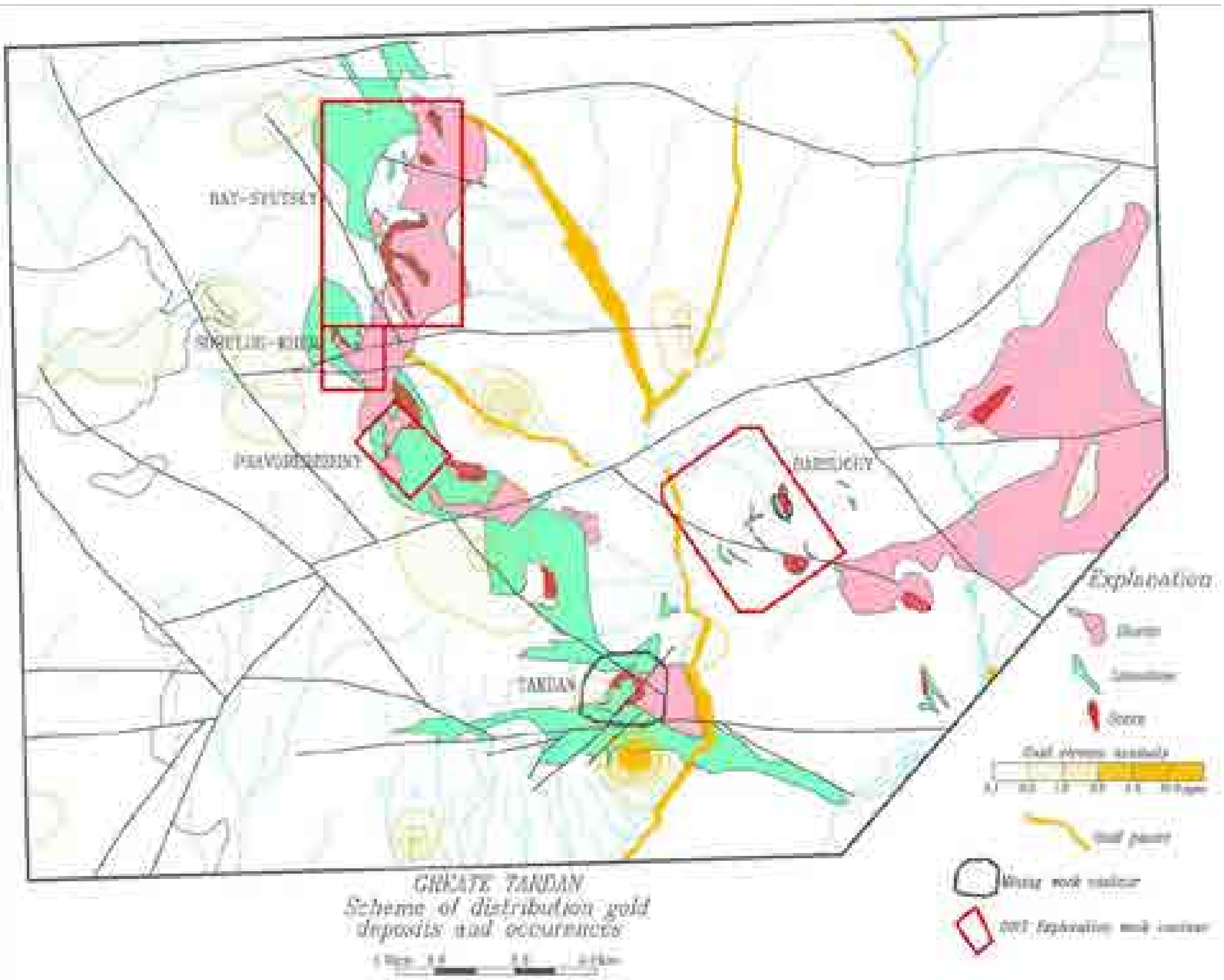
- Late Riphean volcanic-terrigenous sequence;
- On it lie interbedded limestones and dolomites of Vendian-Cambrian;
- All these formations are broken by the intrusion of the granodiorites of the Middle Cambrian.

The Tardan deposit according to the geological structure, the structural features and mineral composition, correspond to gold skarn type mineralization.

At present, the following skarns deposits and gold occurrences were identified: (a) Tardan and Pravoberezhnoe, both currently in production; (b) Bai-Syutskoye and Sorulug-Khem occurrences, which both are future exploration targets; and (c) Barsuchiy deposits, which is already mined out.

On Tardan a total of 16 ore zones containing 41 ore bodies have been identified.

GREATER TARDAN



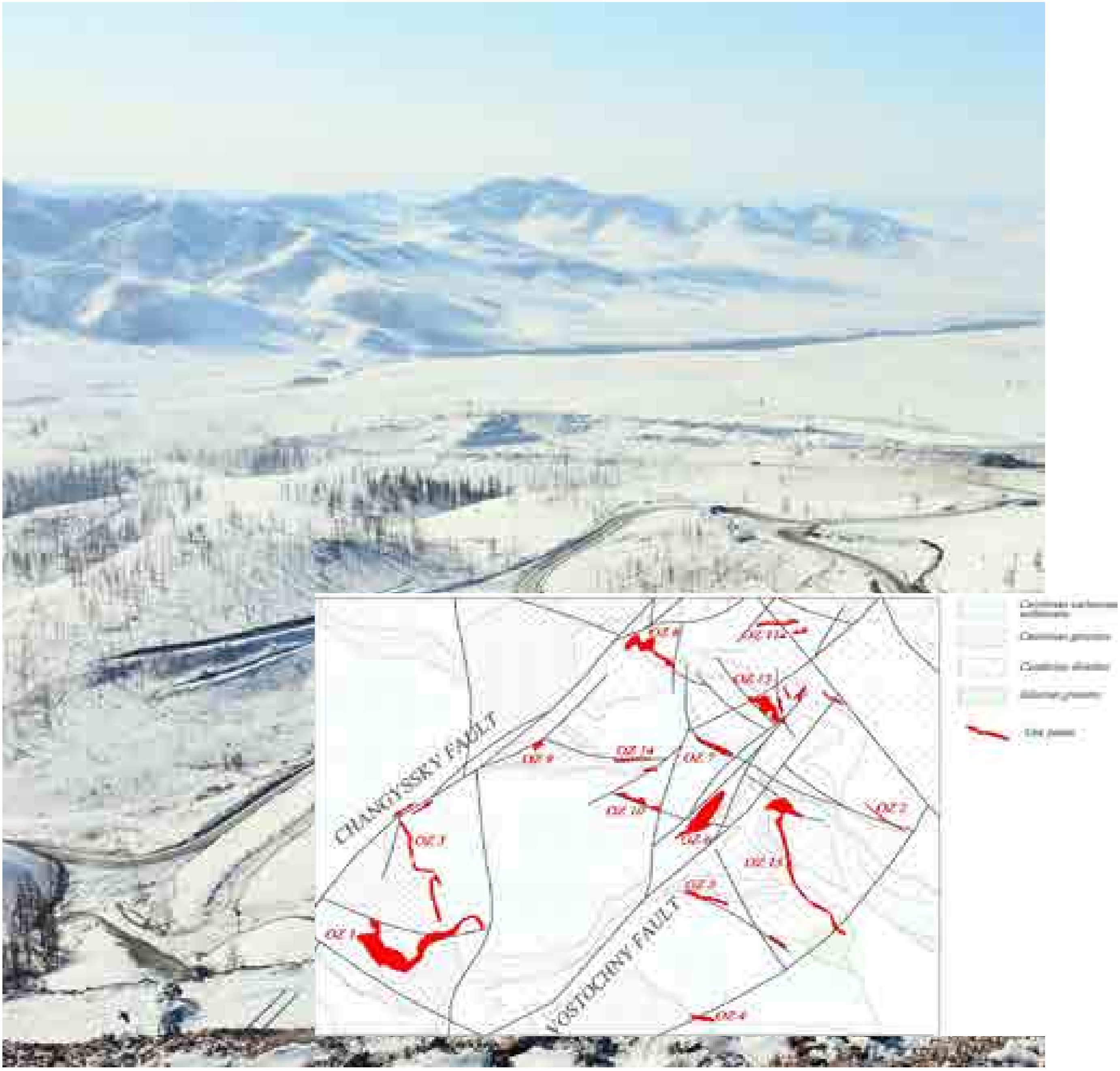
TARDAN DEPOSIT

On Tardan a total of 16 ore zones containing 41 ore bodies have been identified.

The Tardan deposit, itself, is a graben bounded by tectonic fractures which are part of the Baisyutskiy shear fracture. The total area of the block is approximately 4.0 km².

The most common rock type is marblized limestone of the Cambrian. Approximately 20-25% of the Tardan deposit area is underlaid by granitoids of the Cambrian complex, of which diorites are the most common.

The major structural elements of the deposit are faults found on the contacts between the granites (diorites) and the host and carbonate rocks. Virtually, almost all of the ore zones are located in contact limestones of Vadibalinskaya formations and diorite sills of the Tannuolsky complex.



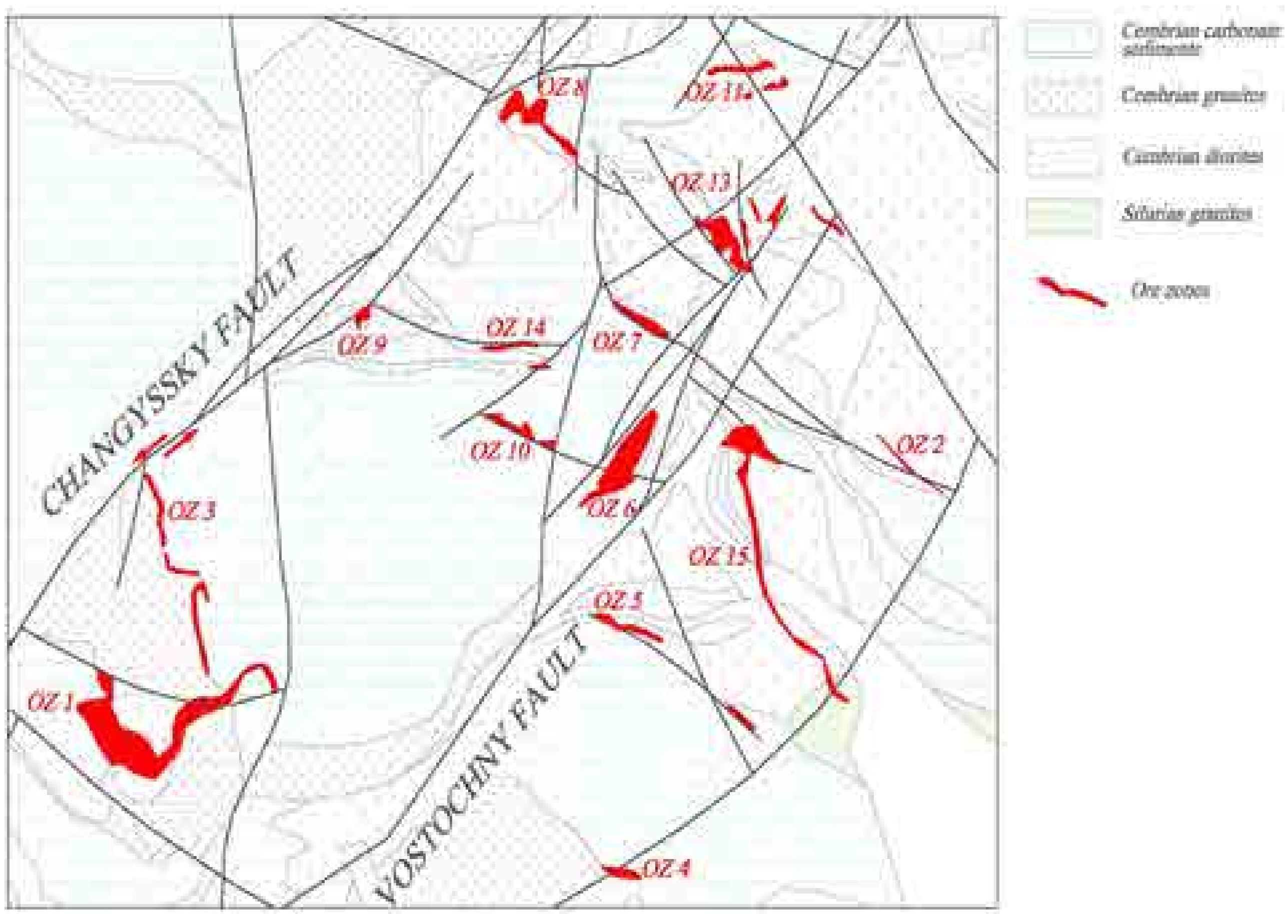
TARDAN EXPLORATION

In 2020 the Company started extensive exploration program in order to develop our level of knowledge about the current ore bodies and to verify if there are any potential at flanks. The drilling campaign includes Pravoberezhniy, OZ4, OZ6, OZ15 and tailing of heap leach operation. The drilling program is ongoing. Whilst the geophysical study within Eastern Tardan area was completed. The up-to-date results confirm some sulphidization in Eastern Tardan. Based on the results initial drilling was targeted to proceed the study further.

For 2021 the Company approved continuing of drilling aimed for exploring additional resources and increase of a quality of existing geological information.

- Eastern Tardan;
- Sorulug-Khem;
- Bay-Sut

In case of success all these areas would be considered as reserves for CIL at Tardan as they locate close.



Tardan 2020 Production

Total 12m 2020 gold production was 953 kg (30,629 oz), an increase of 50% compared to 635 kg (20,407 oz) in 12m 2019.

During 2020, the Company's main source of ore was the Pravoberezhniy deposit. Total stripping works amounted to 902 thousand m3. Ore mined amounted to 387 thousand tonnes with an average grade of 2.42 g/t (total gold in ore was 937 kg). In 2021, the Company will continue mining the Pravoberezhniy deposit.

In 2021 the Company will also undertake stripping works on Ore zone #3 and Ore body #26 of the Tardan deposit in order to secure access to ore on these ore bodies in 2022 and 2023.

	Unit	12m 2020	12m 2019	Change	Change,%
Mining					
Waste stripping	000'm3	902	982	(80)	(8%)
Ore mined	000't	387	473	(86)	(18%)
Gold grade in ore mined	g/t	2.42	2.42		
Warehouse on December 30					
Ore	000't	101	108	(7)	(6%)
Grade	g/t	2.03	2.90	(0.87)	(30%)
Heap leach					
Ore stacking	000't	-	334	(334)	(100%)
Grade	g/t	-	2.08	(2.08)	(100%)
Gold in ore stacked	kg	-	694	(694)	(100%)
Gold produced HL	**kg**	**-**	**525**	**(525)**	**(100%)**
CIL					
Ore processing	000't	394	38	356	100%
Grade	g/t	2.66	3.94	(1.28)	100%
Gold in ore processing	kg	1,045	151	894	100%
Gold produced CIL	**kg**	**953**	**110**	**843**	**100%**
TARDAN Hard rock gold produced	**kg**	**953**	**635**	**318**	**50%**
TARDAN Hard rock gold produced	**oz**	**30,629**	**20,407**	**10,222**	**50%**

Follow up on CIL Project

After start up in November 2019, the newly constructed CIL plant achieved projected throughput per working hour (50 t/hour) and gold recovery rate (91%) which have continued to be achieved throughout the full year of 2020.

Heap leach operations were discontinued at the end of December 2019. As a result, the Company didn't crush any ore or produced any gold from the heap leach in 2020.

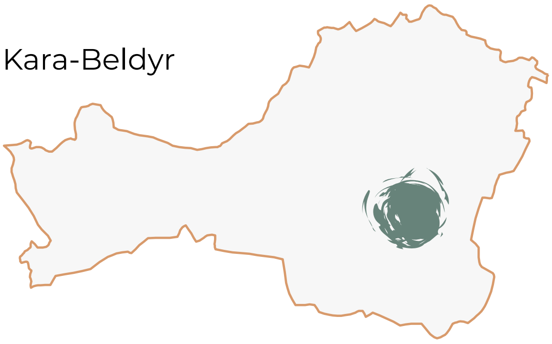
Tailings

The Company was producing gold using heap leaching technology since 2012. Irrigation of the heap was continuing until end of December 2019 when it got over. Since inception of heap leach operations the Company accumulated tailings in the amount of 2,631 thousand tonnes with average gold grade of 0.98 g/t (total gold in tailings -2,572 kg).

Tailings of the heap leach are targeted to be processed through the CIL plant further.

Kara-Beldyr and Ayen

Kara-Beldyr



License: Kara-Beldyr
Valid until: 2027
34 km^2

Republic of Tyva

Project: CIP+ Gravitation

Pre design stage
Capex assessment

JORC resources:
26.8 tonnes of gold

Resources

Classification	Tonnage	g/t	000 oz	kg
KARA-BELDYR /JORC/				
Indicated	9,540,000	2.63	807	25,101
Inferred	480,000	3.55	55	1,711
Indicated + Inferred	**10,020,000**	**2.68**	**862**	**26,811**

Kara-Beldyr Project Development

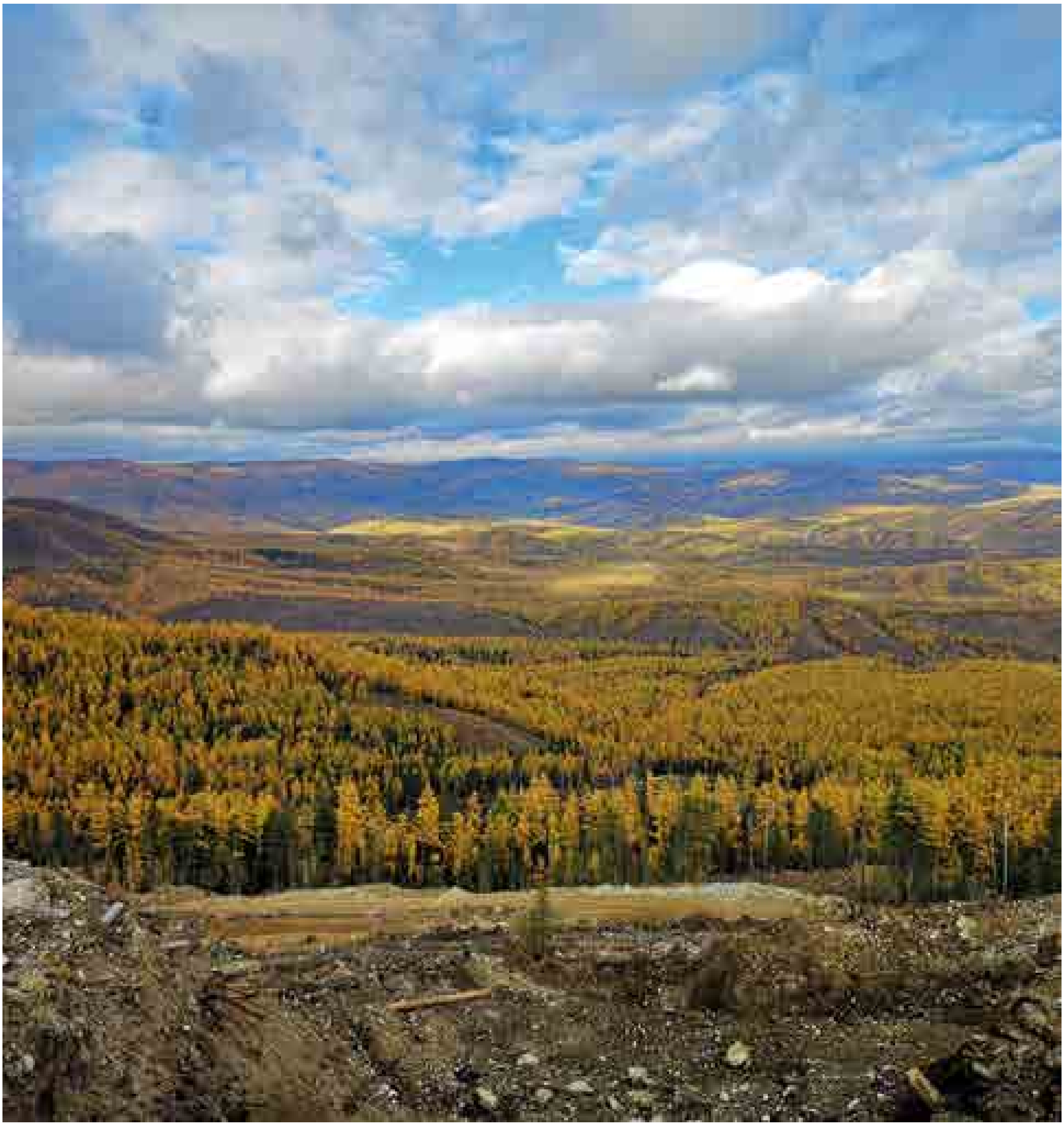
In 2020 the company started civil-engineering for both access road and mine site. The civil-engineering is a first step required as a base for developing designs of the mine site, including plant, open pit and access road.

Field works for the mine site area was completed. In-office studies will be in progress in 2021.

Field works for the access road have being in progress and will be ongoing in 2021.

The process of land allotment was also started in 2019 aiming to prepare all required permitting for starting construction stage of the project.

In 2020 the company has been in active dialogue with the government of Tyva republic about options of power supply. The government purported to extend its electricity grid towards Eastern part of the republic to certain location. This extension will provide power to local inhabitants and will allow the company to construct its own power line from the location towards Kara-Beldyr. This power line also will be used for the villages and will supply power enough to fill the consumption of the designing mine.



Kara-Beldyr Geology and Exploration

GEOLOGY

The Kara-Beldyr prospect is located in the eastern part of the Altai - Sayan Orogenic belt and the western segment of the Mongol - Okhotsk belt.

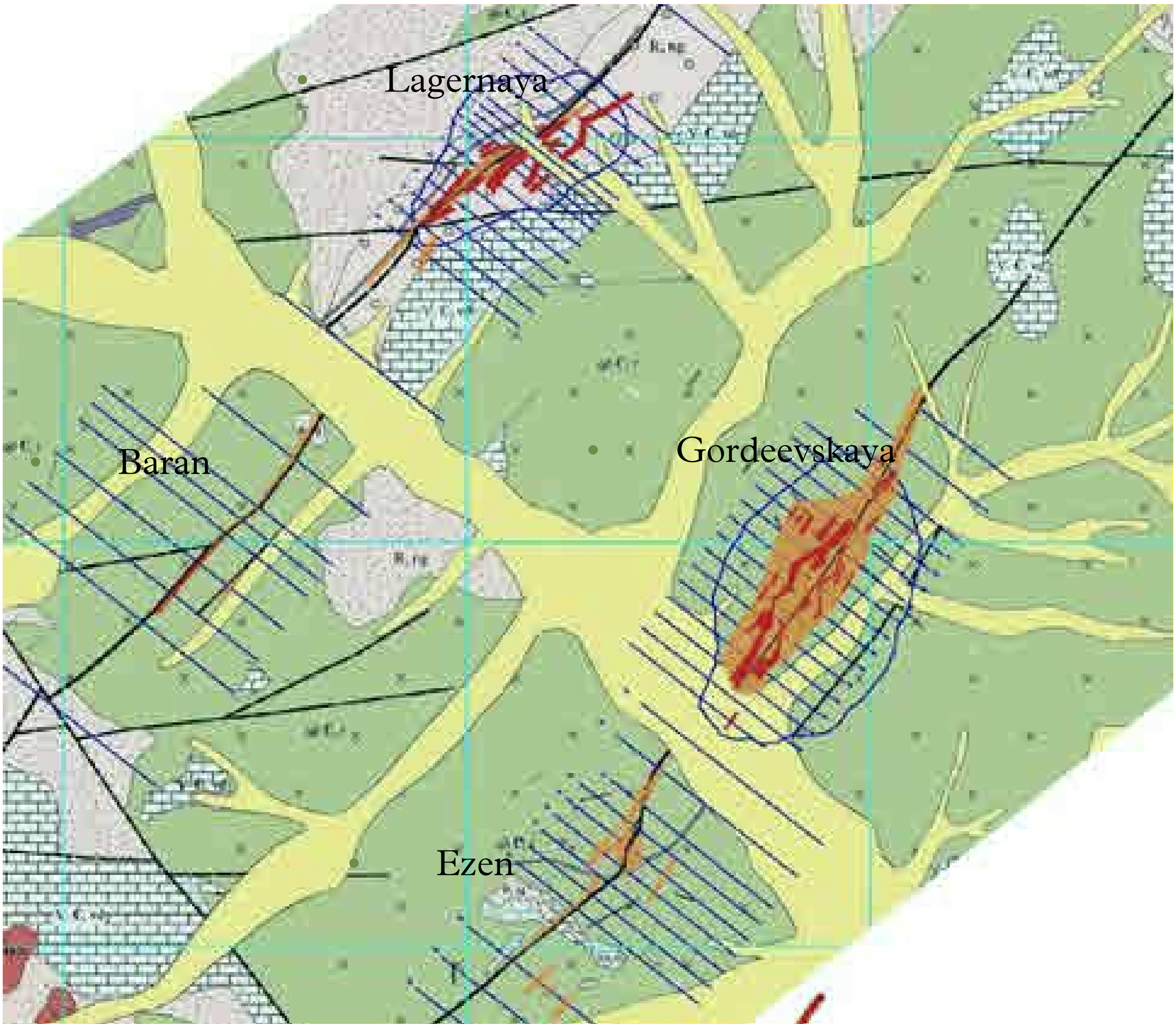
The Kara-Beldyr orogenic Au project consists of fault controlled Devonian age gold-silver mineralisation associated with metasomatised quartz diorites at Gordeyevskoye and conglomerates and dolomites at Lagerny.

The major controlling structures to mineralisation are large sub-vertical NE-SW trending fault structures identified during detailed exploration. These faults are interpreted to be transform faults off the Baikal rift zone. A number of these structures have been identified approximately 80km apart which were less obviously represented due to their distance from the main rift system.

The mineralisation of the Kara-Beldyr system is hosted by stratified Riphean-Cambrian deposits and Palae-zoi-granitoids.

The stratified deposits consist of Late Riphean the volcanic-terrigenous Noganoyskaya formation and the carbonate Cambrian-Vendian Sarygchazinskaya formation divided by a pre-Vanadian uncomformity. At Kara-Beldyr the carbonates (limestones and dolomite) underlie the volcanicterrigenous formations due to a structural and angular unconformity. The stratified deposits do not exceed 200m in thickness. The volcanic-terrigenous formations are hornfelsed and carbonate rocks are altered to magnesium or calcareous skarns, depending on the composition of the host carbonates.

Intrusions comprise a middle-Cambrian gabbrotonaliteplagiogranite (not mapped within the Kara-Beldyr license area) and an early-Devonian Leucogranite. Close to the license boundaries, small occurrences of late-Riphean sepentinised dunnites have been identified.



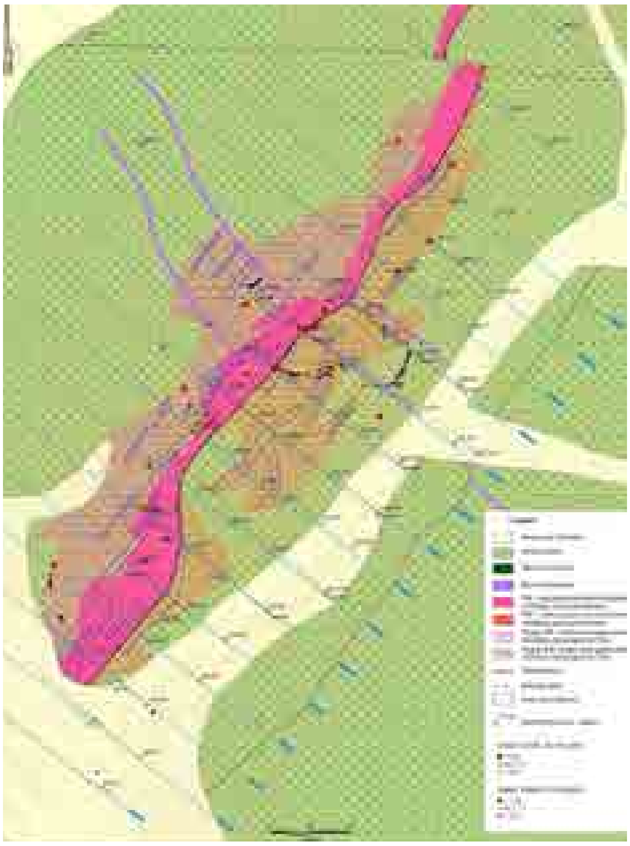
GORDEEVSKAYA

The Gordeyevskaya zone is focussed on a steeply dipping NE-SW trending fault (the Glavny fault) which crosses the license area. This fault has been traced for more than 2km and extends south towards the Ezen mineralised zone. The individual mineralised zones form a deposit striking towards the NE with a steep dip of around 64° towards the southeast. The Gordeyevskaya deposit extends roughly 1km along the strike and has a thickness of 20m at its furthest extent to the north and south, up to 100-150m at its thickest. Mineralisation has been traced to a depth of 400m. An oxidation zone is developed generally between 40m and 80m depths.

Mineralised zones are lens shaped and occur roughly parallel to the Glavny fault and are hosted in metasomatised zones within quartz-diorites. Metasomatic alteration forms a zone 40-110m thick and has been traced by drilling from the northern extent of Gordeyevskaya to the Ezen area in the south, a distance of more than 2km.

The metasomatised zones are well developed, masking the original structure and texture. The outer limit of the veinlet zone is marked by the absence of any secondary alteration, including the absence of any quartz and quartz-carbonate veins of any thickness.

The majority of the gold mineralisation (65%) at Gordeyevskoye is hosted by quartz-sericite alteration with minor amounts hosted by propylitic alteration (20%) and within the veinlets. No mineralization is seen within unaltered rocks.



LAGERNAYA (CAMP) ZONE

The Lagernaya (or Camp) zone is located approximately 1.5km to the northwest of Gordeyevskaya. It has a similar structural trend and has a controlling fault structure almost identical to the Glavny fault of Gordeyevskaya.

The individual mineralised zones form a deposit striking towards the NE with a steep dip of around 65° to 70° towards the southeast. The Lagerny deposit extends roughly 700m along the strike and has a thickness of 50m at its furthest extent to the north and south, up to 150m at its thickest.

Mineralisation has been traced to a depth of 200m. The host rocks at Lagerny are of Late Riphean conglomerates and sandstones which tectonically overlie Vendian-Lower Cambrian dolomiticmarbles, with mineralisation hosted by metasomatic zones of quartz-sericite alteration. Mineralised zones at Lagerny are thinner than at Gordeyevskaya, averaging a 1.8m thickness, but are generally higher grade.

EXPLORATION

In 2019 the reserves of the Kara-Beldyr deposit have been approved by the State Reserve Committee (GKZ), a Russian government body having a power to approve mineral reserves. The approval of the reserves must be obtained for involving it into operational stage. Approval of gold reserves by GKZ is an important step towards the construction of the mine.

In June 2019 the Company obtained a new exploration license for the Ayen creek basin (of 9 square km), via its subsidiary LLC "Tardan Gold". The Ayen creek license is adjacent to the existing Kara-Beldyr license to the North-East. The license was awarded by Rosnedra (Ministry of Mines) without an auction.

The value of this license will depend on an initial assessment of its geological potential. This is based on the assumption that the fault structures which host the Gordeevskoye and Lagernoye deposits continue through the hill toward the Ayen creek area. Sediment tests of the creek bed show increased amount of gold down the creek flow after its intersection with the supposed fault structures.

We estimate that exploration will take 4 to 5 years. In the case of the successful exploration of mineable gold resources, these resources would be mined and processed using the infrastructure of the Kara-Beldyr mine.

Solcocon

Solcocon

License: Solcocon
Valid until: 2029
220,4 km²

Zabaikalsky Krai

CIP (potentially)

Exploration/
Alluvial production

GKZ Reserves:
16.2 tonnes of gold

Reserves and Resources

Classification	Tonnage	g/t	000 oz	kg
SOLCOCON /GKZ/				
BOGOMOLOVSKOE DEPOSIT (GKZ)				
C1 + C2 Resources	1,934,186	3.65	227	7,060
KOZLOVKOE DEPOSIT (GKZ)				
C1 + C2 Resources	1,059,000	8.14	277	8,615
ALLUVIAL (GKZ)				
C1 + C2 Reserves	619,000	0.77	15	478
TOTAL SOLCOCON			**519**	**16,153**

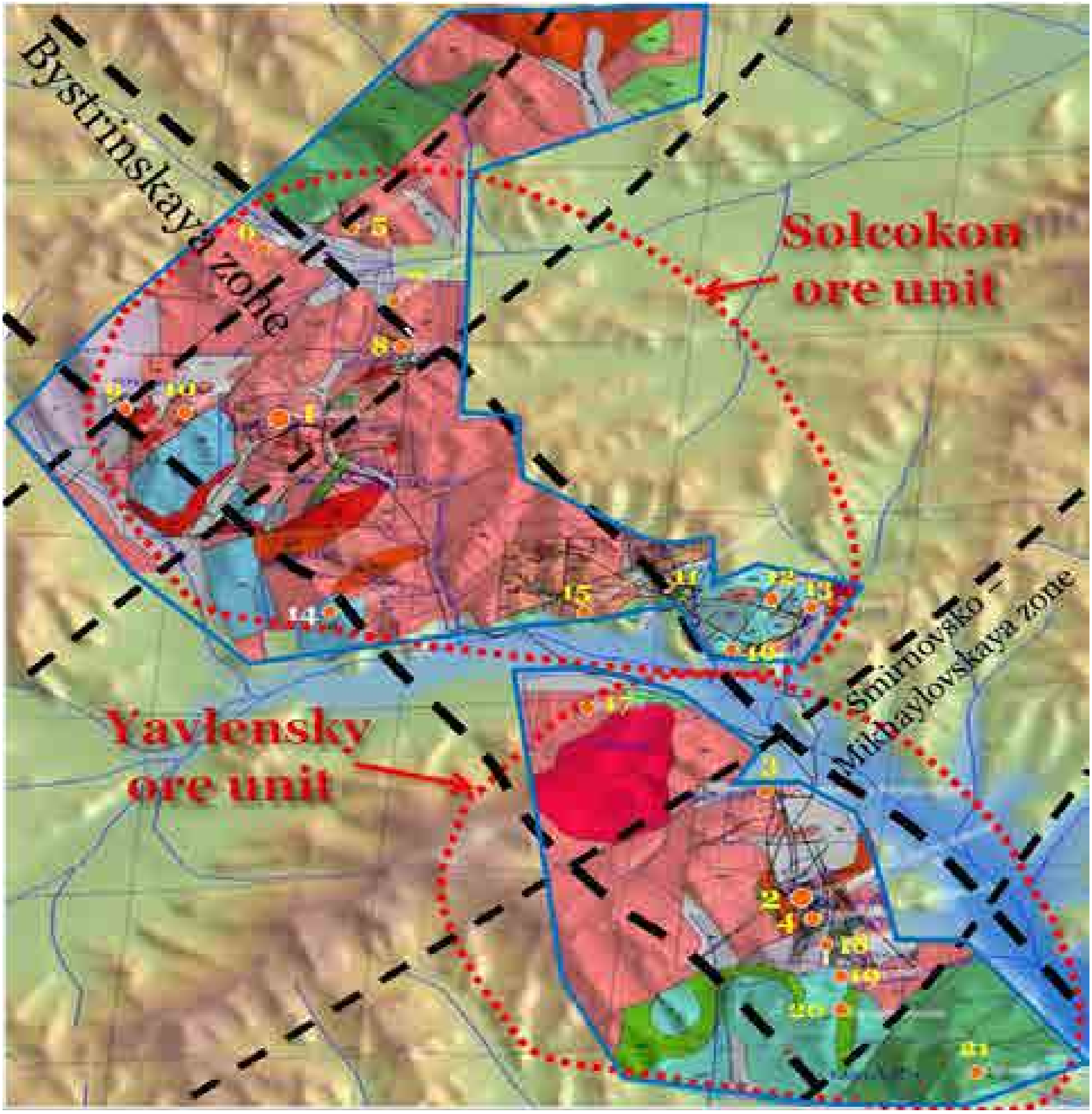
Geology and Exploration

GEOLOGY

The Staroverenskaya gold bearing area is a part of the Nerchinsko-Zavodskoy ore region. This area includes the Bogomolovskoye and Kozlovskoye gold deposits, as well as more than 20 other gold occur rences around the upper reaches of the Middle and Lower Borzya rivers. The Staroverenskaya area comprises two ore fields – Solkokonsky and Yavlensky.

Within the license area, the most significant gold occurrences and deposits are located within the Bystrinsky fault zone.

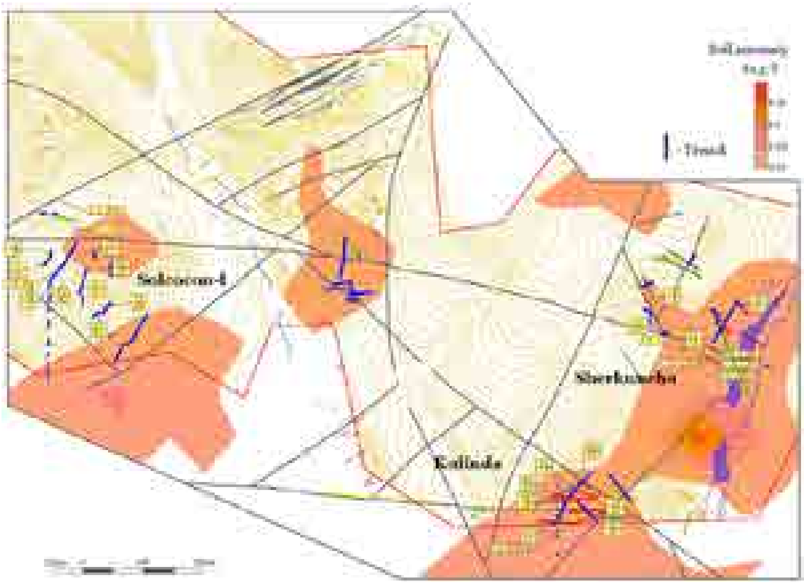
The majority of the ore deposits and occurrences are gold-sulphide formations, of which Bogomolovskoye is classed as low sulphide, and Kozlovskoye as the gold-arsenic mineralization type.



EXPLORATION

Prospecting for increasing of gold resources at the Staroverinskaya license area is primarily associated with a more detailed geological exploration of flanks of the Bogomolovskoye deposit, as well as exploration on the following gold occurrences: Bilbichan, Solkokon-1, Scherkuncha, Kulinda, Ivanovo, Kara- zyrga, and some others.

The total potential resources of Staroverinskaya license area (P1 + P2 categories) amount to 65 tonnes of gold.

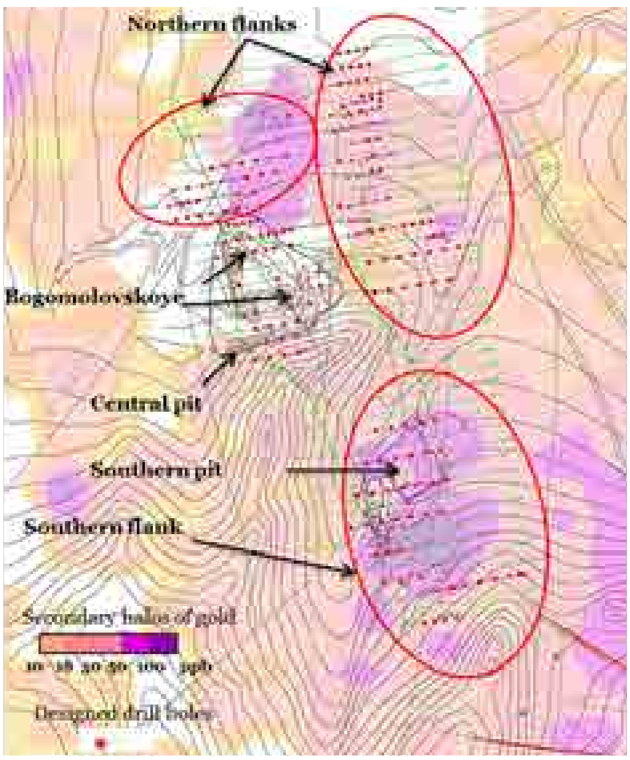


In 2020 the Company started its exploration drilling campaign and drilled 8,800 meters of core drilling on Bogomolovskoye deposit and its flanks. The main purposes of the drilling are

- to explore new potentials of the Bogomolovskoye's flanks;
- As same as to improve degree of geological information of the existing reserves of Bogomolovskoye;
- And also to involve Bilbichan, Solkokon-1 and Kulinda into the current exploration program.

It was decided to proceed the drilling within 2021 and continuing in 2022 will depend on the results of 2021. Involving of Bilbichan, Solkokon-1 and Kulinda is being planned by trenching and partially by drilling of the most promising areas.

In case of success we tend to construct a gold processing plant and resume hard rock ore mining at this prospective area.



Uzhunzhul

Uzhunzhul

Republic of Khakassia

License: Uzhunzhul
Valid until: 2031
134 km²

Exploration

Great exploration potential

Geology and Exploration

GEOLOGY

The Nemir-Chazygolskoye ore field, which covers the eastern part of the license area, is located on the southeast flank of the Uybatsky gold bearing area. The Yurkovsky, Vostochny, and Paraspan occurrences were discovered within the Uzhunzhul license area. In addition, the license area features placer deposits of gold.

Within the license area, sulphidic metasomatites are located within fault zones, developing along contacts with granite massifs and are characterized by intensive pyrite mineralization and silicification. The depth of the oxide zone is 130 - 150 m from the surface.

EXPLORATION

There are 3 main exploration targets within Uzhunzhul license area:

1. The Yurkovsky prospect contains 12 gold-bearing zones. The length of the zones varies from 400 m to 2,500 m, and the zones are up to 350 m deep. The widths of the ore zones vary from 0.3 m up to 150 m. The zones are composed of beresite and propylite with gold-quartz veinlets.

The maximum gold grade in the ore bodies is 150 g/t, with averages from 3.0 up to 35.3 g/t depending on the zone.

2. The Vostochny Flank occurrence incorporates ore bodies with widths varying between 4.2 m and 47 m, and lengths up to 520 m. The gold grades vary up to 4.8 g/t.
3. The Paraspan occurrence has grades up to 30 g/t.

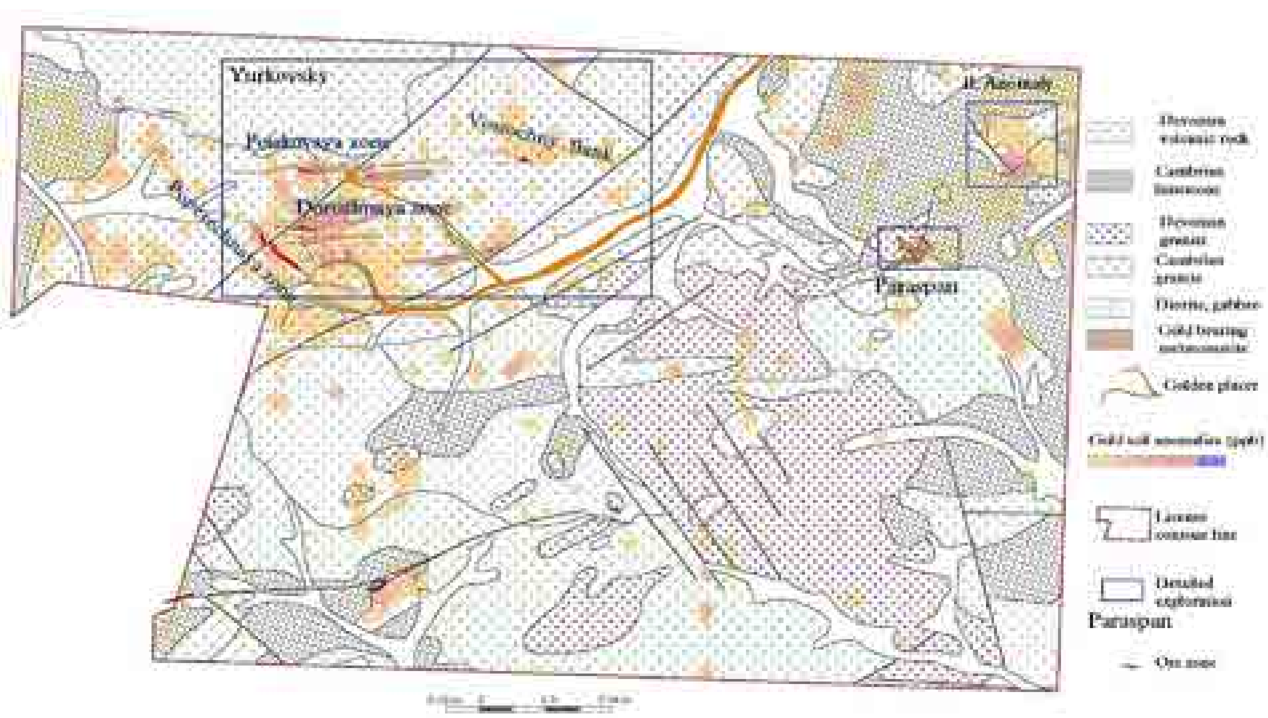
In 2017, Uzhunzhul LLC continued geological studies of the subsoil, which comprised of the study of the material composition and metallurgical ores from the Uzhunzhul occurrences, and of the compilation of a geological report.

As a result, the reserves of category C2 and predicted resources of category P1 were measured for the gold occurrences of Yurkovskoye and Paraspan. The total reserves of C2 category amounted to 2,812 kg (1,024,000 tonnes of ore with an average gold grade of 2.75 g / t), the resources of P1 are 5,585 kg.

The geological report was submitted for examination by GKZ in November 2017 however resources were not approved by GKZ. In 2018, an addendum to the exploration project is prepared for detailing resources.

In 2020 the company approved its initial exploration program. The program will start in 2021 with geological trenching. Based on the results of trenching the company expects to define drilling directions for Dorojnaya vein and Poperechnaya zone.

UZHUNZHUL GEOLOGICAL MAP



Social and Corporate Responsibility

The company is fully committed to continuous improvement as regards all aspects of Corporate and Social Responsibility and complies with safety, health and environmental standards meeting local regulatory requirements and practices in order to prevent accidents, to ensure a favorable working culture and to maintain mutually beneficial cooperation between the local residents and our management team.

The company currently has two producing operating mines: Tardan which is located in the Republic of Tyva and Solcocon which is located in the Zabaikalsky region.

The Corporate and Social Responsibility section describes corporate and social programs applied at all mines, however in this report we will keep attention to the Tardan mine.

ECONOMY

Business activity and subsurface resources management foster economic growth and have an influence on the social indicators within the region.

Tardan is one of the largest investors and a growing gold-mining company in Tyva.

In 2020 year for the Tyva development the Company spent around 55 000 $: where 77.3% were financial resources and 22.7% was presented as equipment/transport or labor supplies.

As a part of the Agreement about socio economic collaboration in 2020 the Company spent 89.5% of resources and 10.5% of resources were invested in the projects of the regional development.

90% of resources were oriented to the realization of projects in social sphere supporting orphaned children, children from a deprived background, low-income families, multi-child families and an homefront worker and etc.

10% of resources were directed to investment projects of the region.

The social and cultural projects were invested on the sum around 38 000$ (68,5%).

SOCIAL RESPONSIBILITY

In the region where we conduct our operation we have established and are maintaining good working relationships with local communities and the respective authorities.

During 2020, as in prior years, we continued to participate in various socioeconomic programmes which encompass sport, culture, health and education.

COOPERATION WITH THE REGION

Development of the region

We provided our usual assistance in respect of the construction and renovation of educational and cultural facilities and the general improvement of public amenities.

We try to make children education and leisure activities more comfortable and we finished all engineering works in school in Kundustug.

Children's Art School in Saryg-Sep was equipped with modern video control system.

We organized the drilling works of boreholes upon request of primary school in Kundustug.

We undertook to cover a part of expenses for heating repairing system in Palace of culture in Kundustug.

We invested in activities preventing or suppression of forest fires and support agricultural sector in the region.

9,8 thousand liters of diesel were given for carrying out of haymaking company in Kundustug,

Charity and sponsorship

To promote more active and cultural lifestyles for local residents, the Company, in cooperation with the culture department of Kaa-Khemsky Kozhuun made capital repairs in the Cultural centre in Kundustug district. Total cost in 2019 and 2020 years was around 45 000$: 13 000$ in 2019 and 32 000$ – in 2020.

With a focus on the cultural development our employees gathered up and gave more than 500 books from their family libraries to Kundustug library.

Buren-Khem Kaa-Khem Cultural center was equipped by the video recorder kit.

A washing-machine was bought for a nursery school #1 in Saryg-Sep district.

Mr. Fedorenko, a homefront worker, has been supported with new gates for his home.

We are sensitive on to the vulnerable population segments, keep supporting orphans in Tyva and children from low-income families in the Kaa-Khemsky and Kundustug districts.

In 2020, as tradition demands, we supplied with 289 presents for New Year celebration low-income and multi-child families, families with handicapped children in the Kaa-Khemsky and Kundustug districts and children which parents worked in an infectious diseases hospital of the Republic of Tyva.

Year by year we continue to support the public newspaper «Vestnik Kaa-Khema», distributed in Kaa-Khemsky Kozhuun.

The Company provided some charity activities without compensation: 5 cars for construction works for sporting complex «Kaa-Khem» in Saryg-Cep; 20 meters of drill-pipes (d=90mm) for hand-force pump for the needs of Kundustug Administration; some crane works; provision support during suppression of forest fire in Buren-Khemsky forest district; providing snow-removal equipment in summer period in Kundustug.

Cultural events

We usually support national cultural events, activities and we participate actively in all the arrangements.

One of the symbols of national folk culture of the Republic of Tyva is a stone carving art. Around 4 600$ was backed for a short fiction film «Wings» where the filmmaker showed a life of a young stonecutter and starkly demonstrated his stone carving skills.

Public and private partnership

We collaborate with public organizations and social communities and promote the company's transparency.

We also provide transport and certain other facilities to the governmental authorities, etc.

Human resources development

a) Local employment priority

b) Protection of workers

c) Industrial safety maintenance

d) Contributions to social needs

e) Extra fire safety-related trainings

f) Development programmes and trainings related to upgrade staff qualifications

g) Collaboration with the Centre of the Republic of Tyva on vacant positions

h) Monthly co-operating on the employment situation with the Centre of Kaa-Khemsky district

OUR PEOPLE

People engagement is a component element of every business process. Our people are our team. We are striving to encourage our employees in their career and professional development, providing safe and healthy working conditions and continuous education. Tardan is focused on employing local people and improving life in the region of Tuva, and the company's social program has a direct, positive effect on economic indicators in the region.

Tardan's activities in the field of human resources management are defined by its corporate approach based on principles of sustainable development and focused on the following aspects: motivation of professional growth, training of staff, improvement of social conditions, including financial and non-financial incentives, and creation of safe working conditions.

58% or 312 employees who are working at Tardan are residents of Tyva. The other part of the team is neighboring ones.

The majority of them are production workers, and only a few of them have managerial positions or other office jobs, such as operators, building superintendents, depot masters, etc.

Remuneration policy and financial motivation

The average monthly salary in 2020 was stable and respectable in comparison with the average salary in the Kaa-Khemsky district of Tyva. Our employees are motivated to work smart, hard and some adopted different programs stimulate them.

Tardan works with the support of the development of its employees' professional and social skills, and we also pay special attention to the non-financial motivation of our staff and encourage employees to take initiatives, decisions and actions.

Corporate events

COVID-19 cases, hospitalizations, and deaths were high across the region. To decrease a chance of getting and spreading COVID-19, we didn't gather together and celebrate the holidays and events in 2020. Celebrating virtually or with the people we lived was the safest choice that year.

COVID-19 RESPONSIBILITY

We take the precautionary measures in order to protect both employees and the Company.

As part of our efforts to prevent the spread of coronavirus disease, the Company put into practice preventive measures, some of them are: purchasing medical face masks and healthcare products for the employees and Kaa-Khemsky Kozhuun district, office arrivals only with a fresh certificate of the absence of the virus; an enhanced cleaning regime for office and industrial premises (sanitization of handrails, door handles, buttons, keyboards, manipulators, etc.) every 2 hours; hand sanitizer and temperature control; allocation of a reserve room in the hostel to isolate possible patients in the period before transportation to a medical center; purchasing the bactericidal lamps, contact-free pyrometers, disinfectants, individual protective means; prohibition of arriving for external persons/organizations (excursions, trainees and trainees from educational institutions, etc.) and etc.

OVERVIEW

Company is fully committed to continuous improvement across all aspects of social responsibility, not only in the company's production units but also in the region of Tuva as a whole, and is, at the same time, focusing on more efficient and cost-effective business processes.

If you would like to know more about the way we support local people and how we interact with our employees, please don't hesitate to contact us on pr@auriant.com.

Board of Directors

PETER DARESBURY

Born 1953, Chairman since 2014

Board member since November 27, 2012. Peter is a citizen of the United Kingdom, born in 1953. He has held many senior positions in the mining industry, including Directorships in Sumatra Copper & Gold Ltd (2007 – 2012); Evraz Group S.A., Russia's largest steel producer (2005 – 2006); as well as Chairman of Kazakhgold Group Ltd (2005 -2007); and Chairman of Highland Gold Mining Ltd, a major Russian gold miner (2002 – 2004). Peter is currently Chairman of Stellar Diamonds plc, Nasstar plc, and Mallett plc. Current directorships include Bespoke Hotels Ltd, and Rusant Ltd , a Russian antimony miner. He is Chairman of The Jockey Club's Haydock Park Racecourse, having held the same position at Aintree Racecourse for 25 years. Peter has an MA in history from Cambridge University.

Shareholding in the Company:
Shares – 125,258; Stock options – No

PRESTON HASKELL

Born 1966, Member of the Board since 2009

Chief Executive Officer until May 24, 2012 and Chairman of the Board since May 24, 2012 to May 13, 2014. Born in 1966, Preston Haskell is Saint Kitts and Nevis citizen, and has been active as a businessman in Russia since the early 1990s. Preston has a Degree in Economics from the University of Southern California in the U.S.

Shareholding in the Company:
Shares – 51,563,892
(through companies);
Stock options – No

JAMES PROVOOST SMITH JR

Born 1944, Deputy Board Member since 2014

James is a citizen of the United States of America. Graduated cum laude from Princeton University, with a degree in Chemistry in 1965 and completed his Masters in Business Administration with high honors from Stanford University Business School in 1970. After Stanford, Mr. Smith worked for McKinsey & Co. before accepting a position as CFO and head of real estate development operations for the Haskell Company in Jacksonville Fl, one of the largest design and build companies in the USA. Mr. Smith joined the Charter Company, a Fortune 500 Company in 1975 where he headed the Media Division and was responsible for Magazine and Newspaper Publishing, Radio Broadcasting, and Direct Marketing operations. He left Charter in 1982 to become CEO and principal owner of the Hamilton Collection, a Direct Marketer of Collectible products. Mr. Smith sold Hamilton in 1993 to Stanhome Inc and served as Executive VP of Stanhome Inc for 2 years thereafter, before retiring to pursue real estate development opportunities and his personal interests. He continues to serve as President of HGL Properties, an office park developer in Jacksonville Florida, and is a principal owner of the company. JP Smith has served as an advisor to Preston Haskell IV, Chairman of Auriant Mining AB and was chairman of nomination committee of Auriant Mining AB in 2011-2013. Mr. Smith served in the Marine Corps and Navy Reserves from 1965 to 1971.

Shareholding in the Company:
Shares – No; Stock options – No

JUKKA PITKÄJÄRVI

Born 1960, Member of the Board since 2020

Jukka Pitkäjärvi is a citizen of Finland, born in 1960. Mr Pitkäjärvi has worked more than 30 years in international mining and metallurgical industry. He started his career as mining geologist and steadily worked his way to Senior Management positions in mining industry and later on in Project Development. Jukka is currently an independent consultant for international mining companies in Finland. Jukka has a degree in Geology and Mineralogy from University of Oulu (Finland), Business Engineering Diploma from Oulu Polytechnical University (Finland) and Business Management Diploma from POHTO - Institute for Management and Technological Training (Finland).

Shareholding in the Company:
Shares – No; Stock options – No

DANILO LANGE

Born 1973, Member of the Board since 2020

Danilo Lange is a citizen of Germany, born in 1973. Danilo is a manager and an entrepreneur with more than 20 years of entrepreneurial experience and extensive international expertise in media and communication. From 2000 to 2003 Danilo was working at the international HQ of Red Bull GmbH being responsible for the Middle East & North Africa Regions. Later he established Red Bull RUS, a Russian subsidiary of Red Bull GmbH, Austria. As a general manager he was in charge of opening Regional Sales offices and creating a country wide distribution network. In 2007 he founded Louder Agency, Russia. Since 2014 this company has become a part of Serviceplan Group International, a Munich based international advertisement group active in fields of Media, Digital, Creative & Communication. Danilo is currently a head of Serviceplan Group Russia. Danilo has a degree in Science from the University of Applied Science & Economics in Munich, Germany.

Shareholding in the Company:
Shares – 250,000; Stock options – No

Management

DANILO LANGE

Born 1973, CEO since 2020

Danilo Lange is a citizen of Germany, born in 1973. Danilo is a manager and an entrepreneur with more than 20 years of entrepreneurial experience and extensive international expertise in media and communication. From 2000 to 2003 Danilo was working at the international HQ of Red Bull GmbH being responsible for the Middle East & North Africa Regions. Later he established Red Bull RUS, a Russian subsidiary of Red Bull GmbH, Austria. As a general manager he was in charge of opening Regional Sales offices and creating a country wide distribution network. In 2007 he founded Louder Agency, Russia. Since 2014 this company has become a part of Serviceplan Group International, a Munich based international advertisement group active in fields of Media, Digital, Creative & Communication. Danilo is currently a head of Serviceplan Group Russia. Danilo has a degree in Science from the University of Applied Science & Economics in Munich, Germany.

Shareholding in the Company:
Shares – 250,000;
Stock options – No

VLADIMIR VORUSHKIN

Born in 1973, CFO since 2020

Vladimir has extensive financial and accounting experience in large Russian and international companies. His previous experience includes, CFO of Russian Platinum Group, the second biggest Russian platinum producer; CFO of National Aggregates Company, various senior level positions in RUSAL (one of the largest international alumina producers), Rus Oil (medium sized Russian oil producer), Protek (pharmaceutical distributor), Arthur Andersen. Vladimir graduated from Finance Academy under the Russian Government and holds an ACCA qualification from 2011.

Shareholding in the Company:
Shares – No;
Stock options – No

PETR KUSTIKOV

Born in 1978, COO since 2020

Petr has been Head of Project Development at Auriant since 2016, and played a leading role in the construction of the successful CIL plant at the Company's Tardan mine. He is an experienced mine manager, having worked in that role at both Oxus Gold and Orsu Metals. Petr graduated from Navoi State Mining Institute with a degree in Mining Engineering and has completed his Master in Business Administration from the Plekhanov Russian University of Economics, Moscow. Petr has been a member of the Australasian Institute of Mining and Metallurgy since 2014. Immediately prior to joining Auriant he was a Leading Consultant at SRK Consulting (Russia) based in Moscow.

Shareholding in the Company:
Shares – No;
Stock options – No

EKATERINA BABAEVA

Born 1982, Group General Counsel since 2012

Ekaterina Babaeva joined Auriant Mining in April 2012 as acting Group General Counsel and was, then, appointed Group General Counsel in August 2012. Previously, Ekaterina was Legal Advisor to Colliers International from 2004 to 2009, having previously worked as a lawyer in a company providing auditing and legal advisory services. Ekaterina graduated from the Lomonosov Moscow State University with a Degree in Law and holds an LL.M (Corporate and Commercial Law) from the London School of Economics and Political Science.

Shareholding in the Company:
Shares – 235,492;
Stock options – No

KONSTANTIN CHERNOV

Born 1975, Head of HR since 2016

Before joining Auriant Mining, Konstantin worked as Head of HR projects for Lenzoloto JSC, a subsidiary of Polyus in Irkutsk. Previously, he was the HR Director for the building contractor at the Elginskoye deposit (Metallurgshakhtspetsstroy) located in Yakutia. He has extensive experience in the mining sector including such positions as: HR Director in Artel starateley Amur JSC (Russkaya platina), HR Director at the deposits Mayskoe, Kubaka, Sopka Kvartsevaya (Polymetal) located in the Chukotsky region and the Magadanskaya oblast. He graduated from Magadan North-Eastern State University in Magadan with a degree in Law.

Shareholding in the Company:
Shares – No;
Stock options – No

MARIA CARRASCO

Born 1977, Deputy CEO since 2016

Maria Carrasco is a Swedish citizen. She joined Auriant Mining as Head of the Stockholm Office and Deputy CEO in 2016 Maria Carrasco's previous experience includes working as CEO of the Ural region branch of United Europe Holding group, a Key Account Manager for the LVMH Group, Head of sales in several large Russian and international companies in the perfume and cosmetic industry. She also has more than 5 years' experience as a tax specialist in the Swedish Tax Agency. Maria studied economics and business administration and engineering in Russia and graduated from Orenburg State University.

Shareholding in the Company:
Shares – No;
Stock options – No

AUDITORS

Öhrlings PricewaterhouseCoopers, Anna Rozhdestvenskaya

Auriant Mining's auditors are Öhrlings PricewaterhouseCoopers, represented by Authorised Public Accountant, Anna Rozhdestvenskaya, born 1980. Anna Rozhdestvenskaya has been the Company´s auditor since AGM held in May 2018.

Anna Rozhdestvenskaya has been the Co-signing auditor from 2015

Directors Report 2020

The Board of Directors and the Chief Executive Officer of Auriant Mining AB (publ) hereby submit the annual financial statements for financial year 1 January – 31 December 2020.

GROUP STRUCTURE AND OPERATIONS

The Group is comprised of the Parent Company Auriant Mining AB (publ.), incorporated in Sweden ("AUR AB"), and its subsidiaries, which include six subsidiaries in Russia and two companies incorporated under the laws of Cyprus. The Russian subsidiaries are limited liability companies ("LLC"). The operations involve exploration and production of gold in Russia, primarily in the Republic of Tyva and in the Zabaikalsky region. The operations of the Group are performed via the subsidiaries. The Group's main assets comprise a number of subsoil use licenses held by the subsidiaries. The license areas operated are Tardan, Greater Tardan, Staroverinskaya (Solcocon), Uzhunzhul, Kara-Beldyr and Ayen creek basin.

From March 29, 2005 until July 2010, AUR AB was listed on the Nordic Growth Market stock exchange and since July 19, 2010, AUR AB is listed on the Nasdaq First North Premier Growth Market stock exchange in Sweden. The number of shareholders as of December 30, 2020 was 3,777.

Company	Location	Operations	Ownership
Auriant Mining AB	Stockholm, Sweden	Parent Company, supports the subsidiaries with financing, investor relations and strategic decisions, etc.	
SUBSIDIARIES			
LLC Tardan Gold	Kyzyl, Republic of Tyva, Russia	License holder and operator of production and exploration at the Tardan license area.	100% owned by AUR AB
LLC GRE-324	Chita, Zabaikalsky region, Russia	License holder of the Staroverinskaya license area.	60% owned by AUR AB 40% owned by LLC Tardan Gold
LLC Rudtechnology	Kalga, Kalganskiy district, Zabaikalsky region, Russia	Owner of the equipment previously used at the Solcocon heap leaching plant (now out of operation).	51% owned by AUR AB 49% owned by LLC Tardan Gold
LLC Uzhunzhul	Abakan, Republic of Khakassia, Russia	License holder and operator of the exploration at the Uzhunzhul license area.	1% owned by AUR AB 99% owned by LLC Tardan Gold
LLC Auriant Management	Moscow, Russia	Management company for the Russian subsidiaries.	100% owned by AUR AB
Awilia Enterprises Ltd.	Limassol, Cyprus	Owner of the operating company, LLC Kara-Beldyr.	70% Auriant Cyprus Limited 30% owned by AUR AB
Auriant Cyprus Ltd.	Limassol, Cyprus	Co-owner of Awilia Enterprises Limited (holds 70% in Awilia Enterprises Limited)	100% owned by AUR AB
LLC Kara-Beldir	Kyzyl, Republic of Tyva, Russia	License holder and operator of the exploration at the Kara-Beldir license area.	100% owned by Awilia Enterprises Ltd.

AURIANT MINING GOLD RESOURSES AND RESERVES

Classification	Tonnage	g/t	000 oz	kg
TARDAN				
TARDAN DEPOSIT /GKZ/				
$C_1 + C_2$ Reserves	668,570	5.32	114	3,559
PRAVOBEREZHNY DEPOSIT /GKZ/				
$C_1 + C_2$ Reserves	540,022	4.51	78	2,437
GOLD IN ORE				
Total gold in ore	1,208,592	4.96	202	5,996
TAILINGS				
Heap leach tailings	2,630,990	0.98	83	2,571
TOTAL GOLD				
Tardan total gold	3,839,582	2.23	275	8,567
KARA-BELDYR /JORC/				
Indicated	9,540,000	2.63	807	25,101
Inferred	480,000	3.55	55	1,711
Indicated + Inferred	10,020,000	2.68	862	26,811
SOLCOCON /GKZ/				
BOGOMOLOVSKOE DEPOSIT				
$C_1 + C_2$ Reserves	1,934,186	3.65	227	7,060
KOZLOVSKOE DEPOSIT				
$C_1 + C_2$ Reserves	1,059,000	8.14	277	8,615
ALLUVIAL				
$C_1 + C_2$ Reserves	619,000	0.77	15	478
TOTAL AURIANT RESERVES&RESOURCES				
Tardan	1,208,592	4.96	202	5,996
Kara-Beldyr	10,020,000	2.68	862	26,811
Solcocon	2,993,186	5.24	504	15,675
TOTAL ORE	**14,221,778**	**3.41**	**1,558**	**48,482**
Tardan (tailings)	2,630,990	0.98	83	2,571
Solcocon (alluvial gold)	619,000	0.77	15	478
TOTAL			**1,656**	**51,531**

PRINCIPAL RISKS AND UNCERTAINTIES

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:

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.

The Company regularly analyses and discusses production plans, the grade control process and, pre-development exploration result.

Unexpected business interruptions

i) Weather. Unexpected business interruption might to lead to a significant delay in production and consequent decrease in profit. The Group's assets are located in Republic of Tyva, and the Zabaikalsky region, a remote area that can be subject to severe climatic conditions. Exploration and extraction levels may not be fully achieved as a result.

ii) 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.

Preventive maintenance procedures are undertaken on a regular basis to ensure that machines and equipment will properly function under extreme cold weather conditions. Management maintains enough essential supplies at each site to minimize the risk of operational breakdowns. Equipment is ordered with adequate lead time in order to prevent delays in delivery. The Group also has contingency plans in place to address any disruption to services.

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.

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. The financial risks description, assessment and mitigation measures are further disclosed in the Accounting policy (v) and Note 20.

GEOLOGICAL RISKS

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.

The Group employs highly qualified team of geologists with considerable regional expertise and experience and mining engineers to undertake mine planning, design and production scheduling. The Group utilises assistance of international advisors on a regular basis to make sure that the latest exploration techniques and innovative technologies to design and undertake its exploration programmes are implemented.

HEALTH, SAFETY AND ENVIROMENTAL RISKS

The Croup 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 Croup 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.

The Group implements proactive environmental planning to minimize risks while resolving key issues. The Group's experienced environmental experts ensure compliance with all applicable regulations and apply cost-effective, technically sound solutions to our environmental challenges.

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.

There are established processes in place to monitor the required and existing licenses and permits on an on-going basis. Processes are also in place to ensure compliance with the requirements of the licences and permits. The Group companies take steps to promptly rectify any violations revealed by governmental bodies.

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.

The Group companies continuously maintain relationships with local communities. For more information, please see the Corporate Social Responsibility section of this Annual report.

COVID - 19

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. Such disruptions may impact the Group's ability to source and transport goods and services required to operate mines and/or to transport gold Dore bars to the refinery. If Covid-19 would spread amongst the Group's workforce, it may lead to a full or partial suspension of mine operations and production.

The Group has implemented preventive measures, including regular Covid-19 testing of staff, quarantine on arrival, wearing of personal protective equipment, increased cleaning and disinfection of common areas, social distancing, reducing business trips to a minimum, and remote work where possible. In 2020, Auriant Mining Group did not experience any operational disruptions due to Covid-19.

The Auriant Share

The number of outstanding shares as of December 30, 2020 was 98,768,270. All outstanding shares are fully paid.

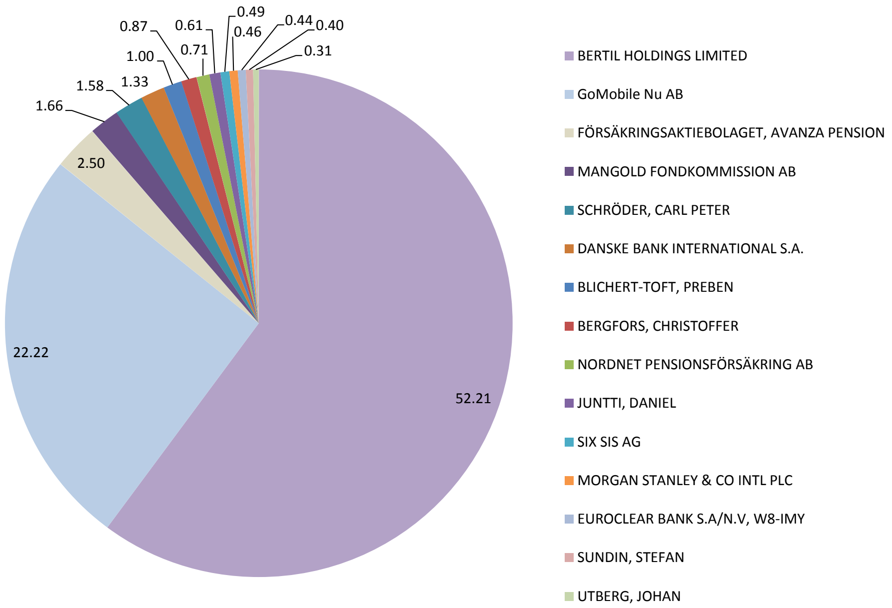
The share capital was SEK 11,111,430.32 with a quotient value per share of SEK 0.1125. The share capital limits at the 2020 year-end according to the articles of association were not less than MSEK 5.3 and not more than MSEK 21.3.The limit for number of shares according to the articles of association was not less than 47,400,000 and not more than 189,600,000.

LARGEST OWNERS

The 15 largest shareholders in Auriant Mining AB as of December 31, 2020

Shareholder	Number of shares	% share of ownership
BERTIL HOLDINGS LIMITED	51,563,892	52.21
GoMobile Nu AB	21,946,454	22.22
FÖRSÄKRINGSAKTIEBOLAGET, AVANZA PENSION	2,473,588	2.50
MANGOLD FONDKOMMISSION AB	1,640,000	1.66
SCHRÖDER, CARL PETER	1,561,775	1.58
DANSKE BANK INTERNATIONAL S.A.	1,315,110	1.33
BLICHERT-TOFT, PREBEN	990,000	1.00
BERGFORS, CHRISTOFFER	858,728	0.87
NORDNET PENSIONSFÖRSÄKRING AB	704,948	0.71
JUNTTI, DANIEL	600,000	0.61
SIX SIS AG	483,050	0.49
MORGAN STANLEY & CO INTL PLC	452,341	0.46
EUROCLEAR BANK S.A/N.V, W8-IMY	435,442	0.44
SUNDIN, STEFAN	400,000	0.40
UTBERG, JOHAN	307,110	0.31
Subtotal for the 15 largest owners	**85,732,438**	**86.79**
Other 3,762 shareholders	13,035,832	13.21
Total number of shares outstanding before dilution	**98,768,270**	**100.00**

Source: Euroclear



STOCK OPTIONS AND WARRANTS

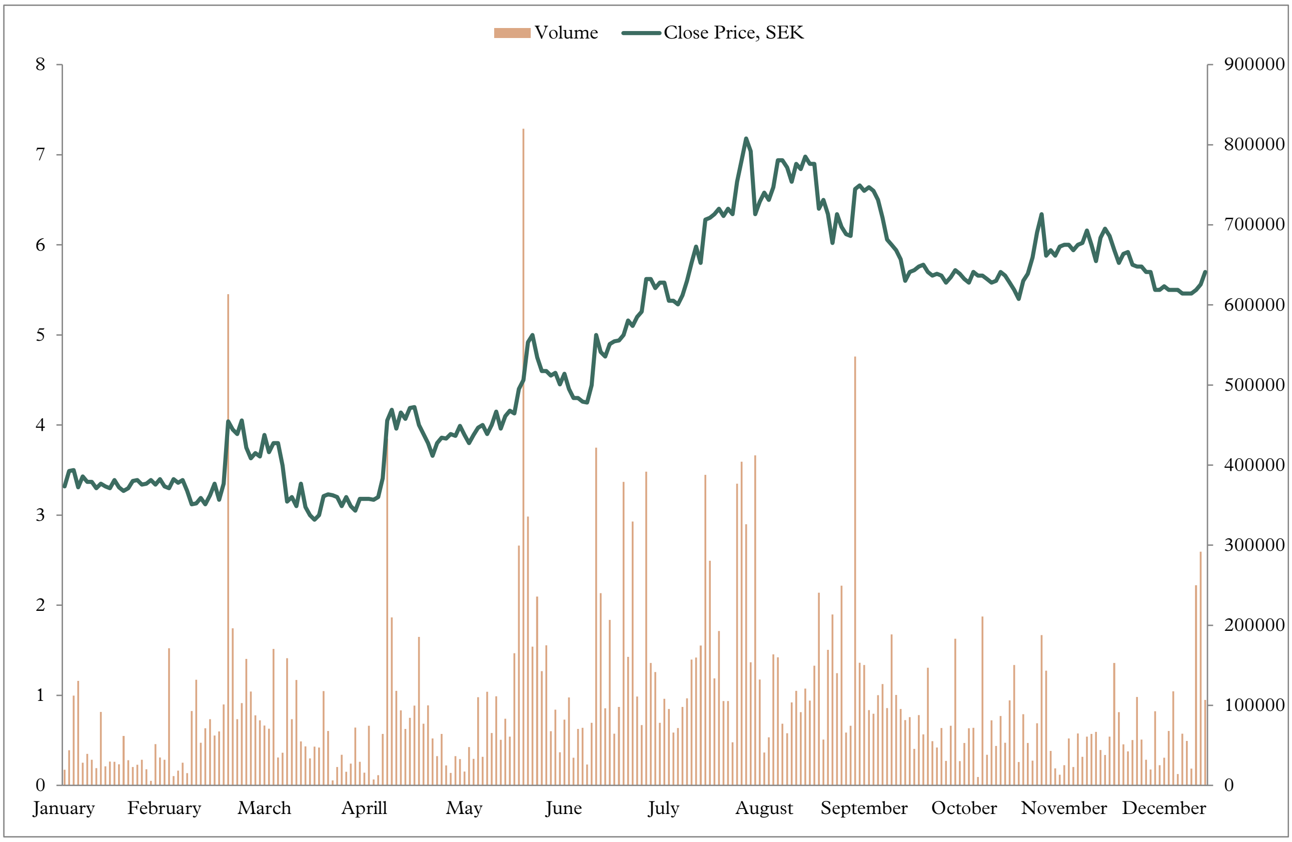
The Annual General Meeting in 2015 established an incentive program for the Board Members and an incentive program for members of management and other key employees, though the issue of stock options entailing the right to subscribe for shares. In 2020, one participant of the incentive program for the Board members and one participant of the incentive program for members of management and other key employees subscribed for new shares in the Company at the subscription price of 1.89 SEK per share, by exercising their stock options via the exercise of warrants pursuant to the incentive programs. The total number of new shares subscribed for and issued to the two individuals was 119,768. The remaining stock options expired on May 12, 2020.

As at the end of 2020, there were no outstanding stock options or warrants in the Company.

AURIANT SHARE PRICE

The Auriant share is listed on Nasdaq OMX First North (ticker AUR:SS). The share price and daily numbers of shares traded are displayed in the graph below. As of December 30, 2020 the Company had a market capitalization of approximately MSEK 563.0 (equivalent to US$ 68.8 million).

AURIANT MINING AB SHARE PRICE, SEK



CHANGES IN SHARE CAPITAL

Event	Date	Change in number of shares	Outstanding number of shares	Quotient value/ share	Offer price/ share	Change	Closing share capital
Formation of the Company	24.02.2004	1,000	1,000	100	100	100,000	100,000
New share issue *	13.07.2004	2,000,000	2,500,000	0.2	0.4	400,000	500,000
New share issue	20.09.2004	88,774	2,588,774	0.2	0.4	17,755	517,755
Issue in kind	20.09.2004	85,500,000	88,088,774	0.2	0.4	17,100,000	17,617,755
New share issue	15.11.2004	50,000,000	138,088,774	0.2	0.4	10,000,000	27,617,755
New share issue	16.03.2005	25,000,000	163,088,774	0.2	0.48	5,000,000	32,617,755
New share issue	20.06.2005	36,000,000	199,088,774	0.2	0.57	7,200,000	39,817,755
New share issue via share warrants	12.07.2005	36,756	199,125,530	0.2	0.6	7,351	39,825,106
New share issue via issue of warrants	03.10.2005	5,483,272	204,608,802	0.2	0.6	1,096,654	40,921,760
New share issue	13.10.2005	24,000,000	228,608,802	0.2	1.21	4,800,000	45,721,760
New share issue via issue of warrants	17.01.2006	2,143,677	230,752,479	0.2	0.6	428,735	46,150,496
New share issue via issue of warrants	22.06.2006	6,000,000	291,196,923	0.2	0.4	1,200,000	58,239,385
Offset share issue	06.07.2006	54,444,444	285,196,923	0.2	1.44	10,888,889	57,039,385
New share issue	03.10.2006	75,000,000	366,196,923	0.2	2.02	15,000,000	73,239,385
New share issue	01.02.2007	36,000,000	402,196,923	0.2	1.86	7,200,000	80,439,384
Offset share issue	07.05.2007	10,013,147	412,210,070	0.2	2.03	2,002,629	82,442,014
New share issue	24.07.2008	117,774,304	529,984,374	0.2	0.55	23,554,861	105,996,875
New share issue via share warrants	03.10.2008	135,388	530,119,762	0.2	0.55	27,078	106,023,952
New share issue via share warrants	04.11.2008	7,314	530,127,076	0.2	0.55	1,463	106,025,415
New share issue via share warrants	11.12.2008	660	530,127,736	0.2	0.55	132	106,025,547
New share issue	15.12.2008	497,264	530,625,000	0.2	0.2	99,453	106,125,000
Reduction of quotient value	17.03.2009	–	530,625,000	0.05	–	-79,593,750	26,531,250
Issue in kind	17.03.2009	3,000,000,000	3,530,625,000	0.05	0.06	150,000,000	176,531,250
Reversed split	15.07.2009	-3,512,971,875	17,653,125	10	–	0	176,531,250
Reduction of share capital	01.09.2010	–	17,653,125	1.125	–	-156,671,484	19,859,766
New share issue	01.09.2010	139,492,384	157,145,509	1.125	1.6	156,928,932	176,788,698
New share issue	14.09.2010	1,732,616	158,878,125	1.125	1.6	1,949,193	178,737,891
New share issue	08.10.2010	1,291,742	160,169,867	1.125	1.7031	1,453,210	180,191,101
New share issue	08.10.2010	3	160,169,870	1.125	1.125	3	180,191,104
Reverse split	20.10.2010	144,152,883	16,016,987	11.25	–	–	180,191,104
New share issue	28.07.2011	1,600,000	17,616,987	11.25	17.50	18,000,000	198,191,104
New share issue via issue of warrants	12.04.2013	185,442	17,802,429	11.25	11.25	2,086,223	200,277,327
Reduction of share capital	18.09.2015	–	17,802,429	0.1125	–	198,274,553	2,002,773
New share issue	08.09.2017	56,967,773	74,770,202	0.1125	2.50	6,408,874	8,411,648
New share issue	24.10.2017	76,980	74,847,182	0.1125	2.65	8,660	8,420,308
New share issue	09.04.2018	23,801,320	98,648,502	0.1125	2.50	2,677,648	11,097,956
New share issue	07.07.2020	70,000	98,718,502	0.1125	1.89	7,875	11,105,831
New share issue	03.08.2020	49,768	98,768,270	0.1125	1.89	5,599	11,111,430

* Reduction of par value per share to SEK 0.20

Corporate Governance Report 2020

Corporate governance involves the regulations and structure established to govern and manage a company in an effective and controlled manner. Corporate governance is primarily aimed at meeting the shareholders' requirements with regard to the return on their investment, and at providing all stakeholders with comprehensive, and correct, information as regards the company and its development. The Corporate Governance of Auriant Mining AB (publ) is based on the Swedish Companies Act, the Swedish Corporate Governance Code, the Articles of Association and other relevant laws and rules. Auriant Mining AB (publ) (in this Corporate Governance Report also referred to as "Auriant", the "Company" or the "Parent Company") is a Swedish public limited liability company with its registered office in Stockholm, Sweden and with business operations primarily in Siberia, Russia. Auriant was founded in 2004 and was listed on the NGM Equity, Nordic Growth Market on March 29, 2005 under the name, Central Asia Gold AB (publ). Since July 19, 2010, Auriant´s shares are listed on the Swedish stock exchange, Nasdaq First North Premier, which became a SME-classified Growth Market on 1 September 2019 and is therefore now referred to as Nasdaq First North Premier Growth Market. The shares are traded under the ticker "AUR". Auriant applies the Swedish Corporate Governance Code (the "Code"). The Code is based on the "comply or explain" principle, which implies that companies applying the Code can deviate from specific rules, but they must provide an explanation for such deviation. Deviations from the Code rules are detailed in the Company's Corporate Governance Reports. Governance, management and control responsibilities in Auriant are divided between the shareholders's meeting, the Board of Directors and the Chief Executive Officer.

THE SHAREHOLDERS' MEETING

The shareholders' right to decide on Auriant's business matters is exercised at the Shareholders' Meeting of the Company, which is the Company's highest decision-making body. The Board of Directors is appointed by the Shareholders' Meeting, and the Chief Executive Officer is appointed by the Board of Directors. The Shareholders' Meeting has a sovereign role over the Board of Directors and the Chief Executive Officer. The duties of the Shareholders' Meeting include the election of Members of the Board, the approval of principles for the appointment of the Nomination Committee and an instruction to the Nomination Committee, the adoption of the income statement and balance sheet, resolutions on the appropriation of profits and discharge from liability for the members of the Board and the Chief Executive Officer, the determination of fees payable to the members of the Board and to the auditors and determination of the principles governing remuneration for the Chief Executive Officer and senior executives, the election of auditors and, where relevant, amendments to the Articles of Association.

SHAREHOLDERS

There were, as of the end of 2020, in total, 98,768,270 shares in the Company and the same number of votes. There were 3,777 shareholders in the Company as of December 30, 2020. The largest shareholder was Bertil Holdings Ltd with 52.21% of shares. The second largest shareholding was that of GoMobile Nu AB, which held 22.22% of shares as of December 30, 2020. There are no other shareholders representing more than one tenth of the voting rights of all shares in the Company. The share capital of the Company as of December 30, 2020 totaled SEK 11,111,430.32.

ANNUAL GENERAL MEETING 2020

Auriant's 2020 AGM was held on May 19, 2020 in Stockholm. The minutes from the meeting are available at www.auriant.com.

In order to reduce the risk of spread of the new coronavirus, the Company took a number of precautionary measures in relation to its 2020 AGM:

- The meeting was recommended to pass a resolution that no guests or others who were not legally entitled to attend the meeting, were allowed to be present at the meeting venue;
- The Board members, the CEO and the representative of the Nomination Committee did not attend the meeting in person, however the Chairman of the Board of directors and the CEO joined the meeting by teleconference so as to give the shareholders an opportunity to ask questions. Shareholders were also invited to send their questions in advance of the meeting by e-mail;
- No food or beverages were served, and the meeting was kept as short as possible without infringing the rights of the shareholders.

The following principal resolutions were adopted at the Annual General Meeting 2020:

- The Board of Directors and the Chief Executive Officer were discharged from liability for the previous financial year.
- It was resolved that until the end of the next annual general meeting, the number of Board Members shall be 4 and the number of deputies shall be 1.
- Lord Daresbury (Peter) and Preston Haskell were re-elected to the Board, and Jukka Pitkäjärvi and Danilo Lange were elected as new Board members. James Provoost Smith Jr. was re-elected as Deputy Board Member.
- Peter Daresbury was re-elected as Chairman of the Board.
- It was resolved that the remuneration to the Chairman of the Board shall be SEK 400,000, and SEK 250,000 to each of the other ordinary board members and to the deputy board member. It was decided that remuneration amounting to SEK 25,000 per year and member shall be paid for participation in each committee established by the Board. The maximum amount of remuneration payable to the Board, including remuneration for work in committees, is SEK 1,725,000.
- It was resolved to re-elect the auditing firm, Öhrlings PricewaterhouseCoopers AB as auditor.
- The AGM approved the principles for appointment of the Nomination Committee and the instruction for the Nomination Committee in accordance with the Nomination Committee's proposal.
- The AGM approved the Board's proposal on adoption of the guidelines for remuneration to members of the executive management.
- The AGM authorised the Board to resolve to increase the Company's share capital by new share issues, to the extent that it corresponds to a dilution of not more than 20 percent, after full exercise of the authorisation. The purpose of the authorization is to increase financial flexibility of the Company and the acting scope of the Board. Should the Board resolve on an issue with deviation from the shareholders' preferential rights, the new issue shall be made at market terms and conditions. The authorization is effective until the next Annual General Meeting.

At the Annual General Meeting 2020, a total of 74,441,788 shares were represented by 2 shareholders via proxies. The shares represented comprised approximately 75.46 per cent of the total number of shares in the Company.

ANNUAL GENERAL MEETING IN 2021

The Annual General Meeting of shareholders will be held on Tuesday, May 11, 2021, at Näringslivets Hus, Storgatan 19, Stockholm. The annual report for 2020 is available on the Company's website as of April 20, 2021.

NOMINATION COMMITTEE

The Nomination Committee works to promote common interests of all shareholders of the Company and focuses on ensuring that the Company's Board of Directors is comprised of members possessing the knowledge and experience corresponding to the needs of the Company.

The role of the Nomination Committee is to present proposals to the AGM for: (i) the election of AGM Chairman; (ii) the number of members of the Board; (iii) the election of the Chairman of the Board and other Board Members; (iv) Board fees, allocated between the Chairman and other Members; (v) any remuneration for committee work; and (vi) the election and payment of auditors and alternate auditors (where applicable). In addition, the Nomination Committee shall make proposals for decisions regarding the principles to be applied in establishing a new Nomination Committee and, if deemed necessary, a proposal regarding changes to the instruction to the Nomination Committee.

The principles for the appointment of the Nomination Committee were approved by the AGM on May 19, 2020, as follows. The Nomination Committee shall consist of the Chairman of the Board and three other Members, each appointed by one of the three owners with the largest number of voting rights. The selection of the three largest shareholders shall be made on the basis of the share register of the Company kept by Euroclear Sweden AB as of the last banking day in September. However, if it becomes known to the Company that two or more of the largest shareholders are controlled by the same physical person(s) (or the same physical person(s) holds shares in the Company both directly and through a company controlled by him), then all such shareholders shall be considered to comprise one shareholder for the purposes of the participation in the Nomination Committee. At the earliest convenient date after the end of September, the Chairman of the Board shall contact the three shareholders with the largest number of voting rights, as determined above, and request that they each appoint a member to the Nomination Committee. If any of the three shareholders with the largest number of voting rights decline their right to appoint a member to the Nomination Committee, the shareholder with the next largest number of voting rights shall be provided with the opportunity to appoint a member. If such shareholder also declines its right to appoint a member to the Nomination Committee or does not respond to the request within a reasonable time, then the Nomination Committee shall be constituted by the remaining members. Unless the Nomination Committee members decide otherwise, the Chairman of the Nomination Committee shall be the member that represents the shareholder with the largest number of voting rights in the Company. If a member leaves the Nomination Committee before its work is completed, and if the Nomination Committee considers that there is a need to replace this member, then the Nomination Committee shall appoint a new member.

The Annual General Meeting 2020 also approved an Instruction to the Nomination Committee, in accordance with the Nomination Committee's proposal. The Instruction is available on the Company's website.

The Nomination Committee for the 2021 AGM is comprised of Lord Peter Daresbury, Chairman of the Board; Risto Silander, appointed by the largest shareholder Bertil Holdings Ltd; and Per Åhlgren, appointed by the second largest shareholder GoMobile Nu AB. The shareholders that appointed members of the Nomination Committee jointly represented more than 74 percent of the voting rights in the Company at the time of formation of the Nomination Committee. The Nomination Committee was duly constituted by the three members appointed as above, and is chaired by Per Åhlgren.

BOARD OF DIRECTORS

In accordance with the Swedish Companies Act, the Board of Directors is responsible for the organisation of the Company and the administration of the Company's business, and shall continually assess the Company's and the Group's financial situation. The Board of Directors deals with issues of material significance, such as business plans, including profitability targets, budgets, interim reports and annual reports, the acquisition or sale of companies, significant property acquisitions or sales, the establishment of important policies, the structure of internal control systems, and significant organisational changes. Each year, Auriant's Board adopts written rules of procedure for the Board of Directors, written instructions to the Chief Executive Officer, written instructions regarding financial reporting and a Chart of Authority further detailing the division of work between the Board and the Chief Executive Officer. The rules of procedure regulate, among other things, the Board's duties, the minimum number of Board meetings to be held each year, the manner in which meetings are to be notified and the documents required to be distributed prior to Board meetings and the manner in which the minutes of Board meetings are to be drawn up. The written instructions regarding financial reporting regulate the reporting system in place, as the Board needs to be able to continually assess the Company's and Group's financial position. The written instructions to the Chief Executive Officer, together with the Chart of Authority, regulate the division of work, authorities, and responsibilities between the Board and the Chief Executive Officer.

According to the Articles of Association, the Board of Directors shall comprise a minimum of three, and maximum of ten, ordinary Members, and not more than five Deputy Board Members, elected by the Annual General Meeting.

CHAIRMAN OF THE BOARD OF DIRECTORS

The 2020 Annual General Meeting re-elected Lord Peter Daresbury as Chairman of the Board. During 2020, Auriant's Chairman of the Board led the Board's work and ensured that the Board fulfilled its duties. The Chairman of the Board continually followed the Group's business and development through contact with the Chief Executive Officer.

MEMBERS OF THE BOARD OF DIRECTORS

At year-end 2020, Auriant's Board was comprised of four ordinary Board Members, Peter Daresbury (Chair), Jukka Pitkäjärvi, Preston Haskell, and Danilo Lange, and one Deputy Board Member, James Provoost Smith Jr., all elected by the Annual General Meeting on May 19, 2020. The members of the Board are presented in greater detail in the Board of Directors section of the annual report, and the details of the members' independence vis á vis the Company and its management are presented below.

BOARD MEMBERS' INDEPENDENCE* AND SHARES IN AURIANT

Board member	**Shares in Auriant** (owned by the Board member or by his closely related parties)	Stock options in Auriant	Independent of the Company and management	Independent of the major shareholders
Peter Daresbury (Chair)	125,258	0	Yes	Yes
Preston Haskell	51,563,892	0	No	No
Danilo Lange	250,000	0	No	Yes
Jukka Pitkäjärvi	0	0	Yes	Yes
James Provoost Smith Jr. (deputy Board member)	0	0	Yes	No

* Independence as defined by the Swedish Code of Corporate Governance.

BOARD MEMBERS' ATTENDANCE AT BOARD MEETINGS IN 2020

Name	Position	Present
Peter Daresbury	Chair	9/9
Preston Haskell	Member	9/9
Danilo Lange	Member	5[1]/9
Jukka Pitkäjärvi	Member	5[1]/9
James Provoost Smith Jr.	Deputy Board Member	8[2]/9

[1] Mr. Lange and Mr. Pitkäjärvi each attended every Board meeting held after they were elected as Board members at the AGM on 19 May 2020.
[2] Mr. Smith attended 8 out of 9 Board meetings without participating in the decisions taken at those meetings.

THE BOARD'S WORK IN 2020

The Board held 9 meetings in 2020. Due to the COVID-19 pandemic, most of the Board meetings (7) during 2020 were held via Zoom or by telephone. Two meetings were ordinary meetings with personal attendance. In addition, the Board passed 24 resolutions *per capsulam*, i.e. by correspondence. Important issues dealt with by the Board in 2020, in addition to the approval of the annual financial statements and the interim reports, and approval of the budgets, included:

- Measures to prevent the spread of the new coronavirus, and potential effects of the COVID-19 pandemic on the Group's operations
- The Company's and the Group's financial position and liquidity
- Strategic decision-making
- Appointment of the new CEO and CFO
- Approval of major contracts in accordance with the Chart of Authority
- Preparation for the Annual General Meeting.

The Board has conducted an evaluation of its work under the guidance of the Chairman of the Board. The evaluation is carried out on the basis of a self-assessment questionnaire. The questionnaire is circulated to the Board in the beginning of the year. Each ordinary Board member and deputy Board member is to complete the questionnaire independently. Responses are collated by the Chairman of the Board who then leads a discussion of the key points arising from the questionnaire, especially those areas that require improvement. This usually takes place at the last Board meeting in person prior to the AGM. Copies of completed questionnaires are also to be provided to the Nomination Committee. The evaluation ensures that the basic stipulations of the Code of Corporate Governance are complied with.

BOARD COMMITTEES

Remuneration Committee

Following the election of Danilo Lange as a Board member at the 2020 AGM, the Remuneration Committee was comprised of Peter Daresbury and Danilo Lange. The Committee was chaired by Peter Daresbury. Upon the appointment of Danilo Lange as the CEO on 5 September 2020, it was no longer appropriate for him to continue as a member of the Committee, in view of the Committee's tasks and the requirements of the Swedish Corporate Governance Code. Therefore Preston Haskell replaced Danilo Lange as a member of the Committee. The Remuneration Committee submits proposals for resolution by the Board regarding salary and other terms of employment of the CEO. The Committee also approves proposals regarding salaries and other terms of employment of the Group's management, according to the CEO's proposal. The Committee's other tasks include monitoring and evaluating programmes for variable remuneration to the executive management.

In 2020, the Remuneration Committee held six meetings, attended by each member of the Committee.

Finance and Audit Committee

In 2020, the composition of the Finance and Audit Committee remained unchanged. The Committee was comprised of JP Smith and Peter Daresbury. JP Smith continued to serve as Chairman of the Committee. The members of the Committee have the necessary competence and experience in accounting matters.

In 2020, the Finance and Audit Committee held two meetings, attended by both members of the Committee, and by the Company's auditor.

Technical Committee

During 2020, the Technical Committee was first comprised of then Board members Ingmar Haga and Patrik Perenius until May 2020. Jukka Pitkäjärvi and Preston Haskell became members of the Technical Committee following their respective election and re-election to the Board at the Annual General Meeting 2020. Mr. Pitkäjärvi served as Chairman of the Committee. The Committee's task is to advise the remainder of the Board on mining and technical issues.

In 2020, the Technical Committee held two meetings. Each member of the Committee attended both meetings.

The Committees report to the Board on their work on a regular basis.

BOARD FEES

The Board of Directors' fees are decided by the Shareholders' Meeting. The following Board fees were approved by the Annual General Meeting of shareholders in 2020: for the Chairman of the Board Lord Peter Daresbury, SEK 400,000; and SEK 250,000 to each of the other ordinary board members and to the deputy board member. It was decided that remuneration amounting to SEK 25,000 per year and member shall be paid for participation in each Committee established by the Board. It was further resolved that the maximum amount of remuneration payable to the Board, including remuneration for work in committees, shall be SEK 1,725,000.

GROUP MANAGEMENT

As of the end of 2020, the Group's management was comprised of the CEO, deputy CEO, CFO, COO, Head of HR and Group General Counsel. The management of the Company as at the date of this report is presented on pages 40-41 of the annual report.

The Chief Executive Officer is responsible for the on-going management of the Company. The CEO's work is evaluated once a year. Mr. Danilo Lange, a Board member of the Company since May 2020, elected by the 2020 AGM, was later appointed as the Chief Executive Officer of Auriant Mining AB with effect from 5 September 2020, in addition to his role as a Board member. Mr. Lange succeeded Mr. Sergey Ustimenko who served as the CEO of the Company from January 2016 until 4 September 2020.

In the event that the CEO becomes unable to fulfill CEO's duties, the deputy CEO shall substitute for the CEO until a new CEO is appointed. Such events are specified in the written instructions to the CEO, adopted by the Board. Maria Carrasco is the Deputy CEO of the Company since October 2016.

REMUNERATION OF EXECUTIVE MANAGEMENT

The AGM on May 19, 2020 approved the following guidelines for remuneration of executive management.

Guidelines

The guidelines shall apply to all employment contracts which are entered into after the meeting's resolution and, in those cases where amendments are made to the existing terms and conditions, after that point in time. The Company shall aim to offer total remuneration, which is reasonable and competitive, based on the circumstances in the country in question and shall also be allowed to offer a so-called "Sign on" bonus in order to recruit the best personnel. The remuneration shall vary in relation to the performance of the individual and the Group. The total remuneration to the Group Management shall consist of the components stated below.

Fixed salary

The fixed salary ("Base Salary") shall be adjusted to the market and shall be based on responsibility, competence and performance. The fixed salary shall be reviewed every year.

Variable remuneration

Variable remuneration shall include:

a) monthly variable remuneration, which shall depend on the executive's individual performance;

b) bonuses, including annual bonuses and one-time bonuses, which shall relate to the Company's return on production results, reserves and production goals, and specific goals within each executive's area of responsibility; and

c) share and share-price related incentive programs.

The maximum amount of variable remuneration paid in cash shall not exceed one annual Base Salary of the executive in question.

Long-term incentives

The Board of Directors intends to assess, on a regular basis, the need of long-term incentive programs that are to be proposed to the general meeting.

Insurable benefits

Old-age pension, healthcare benefits and medical benefits shall, if applicable, be prepared in a manner that reflects the regulations and practices in the home country. If possible, pension plans shall be defined contribution plans. In individual cases, depending on the tax and/or social insurance laws which apply to the individual in question, other adjusted pension plans or pension solutions may be approved.

Other benefits

The company shall be able to provide individual members of the Group Management, or the entire Group Management, with other benefits. These benefits shall not constitute a substantial portion of the total remuneration. The benefits shall, in addition, correspond to normal benefits provided on the market.

Termination and severance pay

Notice of termination of employment shall be no more than twelve months upon termination initiated by the Group and no more than six months upon termination initiated by a member of the management. Severance pay may only be paid out upon termination by the Group or when a member of the Group Management resigns due to a significant change of his/her working conditions, which means the he/she cannot perform adequately.

Derogation from the guidelines

The Board shall be entitled to derogate from these guidelines if special reasons exist in an individual case.

For more information regarding remuneration to the Chief Executive Officer, senior executives and other employees, please see Note 5 on page 88-89 of the annual report.

LONG-TERM INCENTIVE PROGRAMS

The Board regularly evaluates the need for long-term incentive programs. At present, no long-term incentive programs are established in the Company.

AUDITOR

The AGM appoints the auditor of the Company. The auditor's task is to examine the Company's annual financial statements and accounts, as well as the administration and management by the Board and the Chief Executive Officer. The AGM of May 19, 2020 re-elected, for a period until the 2021 AGM, the auditing firm Öhrlings PricewaterhouseCoopers AB as the Company´s auditors. Since May 2018, the auditor-in-charge at PwC is Authorized Public Accountant Anna Rozhdestvenskaya.

The audit is conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden.

The audit of the annual accounts is conducted during the period from February to April in the year following the financial year in question, and also includes a review of the nine-month bookclosing and audit of the management administration in November of the financial year in question.

INTERNAL CONTROL

Internal control is often defined as a process that is influenced by the Board, the company management and other staff, and which is established and developed to provide reasonable assurance that the company's targets are being met in terms of the business operations being both appropriate to the goals of the company and being efficient. Reasonable assurance is also to be provided as regards the reliability of the financial reporting and compliance with relevant laws and regulations. Internal control consists of various aspects: control environment, risk assessment, control activities, and monitoring.

Control environment

The control environment primarily consists of the organisational structure, the assignment of responsibility and powers, management philosophy, ethical values, staff competence, policies and guidelines, as well as routines. In addition to the relevant legislation, the framework within which Auriant's Board and management work is comprised of the owners' aims and the Swedish Corporate Governance Code. The formal decision-making procedure is based on the division of responsibility between the Board and the CEO, which the Board establishes each year in the form of written instructions to the Chief Executive Officer and the Chart of Authority. The CEO can delegate a degree of decision-making to other senior executives. Two members of the Board have the authority to sign on behalf of the Company. The CEO, in his/her normal business activities, is also entitled to sign on behalf of the Company. The CEO must act in accordance with the division of responsibilities and limits of authority set out in the Chart of Authority.

Risk assessment

A structured risk assessment makes it possible to identify material risks having an effect on internal control with regard to financial reporting and where these risks exist within the organisation. Auriant's Board continually assesses the Company's risk management, by assessing the preventative measures needed to be taken to reduce the Company's risks. This involves, for example, ensuring that the Company has appropriate insurance and that the Company has the necessary policies and guidelines in place.

Control activities

Control measures are required to prevent, detect and correct errors and discrepancies. Each quarter, Auriant Mining's Finance Department compiles financial reports providing details of earnings and cash flow for the most recent accounting period at subsidiary and Group level. Deviations from budget and forecasts are analysed and commented on. Documented processes exist for the compiling of the information on which the financial reports are based. Detected errors and discrepancies are analyzed and followed up.

Monitoring

Financial monitoring is carried out on a quarterly basis for all profit centres and at Group level. In addition, Group management receives operational results on a weekly and monthly basis. Monitoring is, then, carried out in comparison with budgets. Targets for the expected volume of gold production for the full year are set during the budgeting process at the end of the previous year.

The Board receives weekly production updates and monthly operational reports, including plan-to actual analysis, of the Group. Financial reports of the Group, including profit and loss statements, cash flows, and statements of financial position, are analyzed by the Board on a quarterly basis. The Board continuously evaluates the information provided by the management.

Given its size, the Company has chosen not to establish a separate internal audit unit. If the Board finds it appropriate, internal control will be further expanded. The issue of internal control will be discussed by the Board again in 2021.

DEVIATIONS FROM THE SWEDISH CORPORATE GOVERNANCE CODE

The Swedish Corporate Governance Code (the "Code") is based on the "comply or explain" principle. This means that companies are not obliged to comply with every rule in the Code at all times, but are allowed the freedom to choose alternative solutions which they feel are better suited to their particular circumstances, as long as they openly report every deviation, describe the alternative solution they have chosen, and explain their reasons for doing so.

A revised Swedish Corporate Governance Code applies since 1 January 2020. However, in view of the Covid-19 pandemic, rules 1.1-1.3 of the Code did not need to be applied in 2020, as announced by the Swedish Corporate Governance Board on 31 March 2020. The Company did not comply with the following rules of the Code in 2020, for the reasons set out below:

Code rule 4.2 provides that deputies for directors elected by the shareholders' meeting are not to be appointed.

The Annual General Meeting 2020 re-elected James Provoost Smith Jr. as Deputy Board Member, in accordance with the Nomination Committee's proposal. The Nomination Committee considered that the Board composition with 4 ordinary board members and 1 deputy board member was appropriate for the Company's operations and phase of development.

Code rule 9.2 provides that, except for the Chairman of the Board who may chair the Remuneration Committee, the other members of the Committee elected by the shareholders meeting are to be independent of the Company and its executive management.

The Board member Mr. Preston Haskell, who is not independent in relation to the Company and executive management in accordance with the criteria set out in Code rule 4.4, was a member of the Remuneration Committee in 2020. Mr. Haskell's involvement in the Remuneration Committee is considered to be in the best interests of all of the shareholders of the Company for the following reasons. Mr. Haskell is, himself, the largest owner in the Company, indirectly owning, through companies, 52.21% of the shares, and, furthermore, he has significant knowledge and experience of executive remuneration issues. Mr. Haskell is not a member of the executive management of the Company.

PROPOSAL FOR LOSS DISTRIBUTION

The Group's equity at year-end 2020 amounted to MSEK – 124.6 (US$ -13.3 mln), of which share capital is MSEK 11.111 (US$ 1.438 mln).

In the Parent Company the unrestricted shareholders equity amounts to:

	SEK
Share premium reserve	780,638,510
Retained earnings	-671,094,837
Net loss for the year	-196,032,131
Total unrestricted equity	-86,488,459

The Board of Directors and the Chief Executive Officer propose that the Parent Company's accumulated net results are carried forward and that no dividend be paid for the financial year.

Auditor's Report on the Corporate Governance Report

The auditor's report on this Corporate Governance Report is included in the Auditor's Report, presented on page 116 of the annual report.

Financial Statements

Operational Key Ratios, SEK

	2020	2019	2018	2017	2016	Definitions
Profitability						
Ore processed, 000 tonnes	394	372	214	410	399	Quantity of ore processed
Tailings processed, 000 tonnes	-	-	-	85	63	Quantity of tailings processed
Gold sands processed, 000 m3	45	151	189	106	-	Volume of gold sands processed
Gold production, oz	31,014	22,137	13,611	26,023	34,669	Gold production obtained during the period (troy oz)
Gold sales, oz	30,428	21,021	14,147	26,619	33,954	Actual sold gold production during the period (troy oz)
Revenue from sale of gold and gold equivalents, TSEK	492,080	281,565	150,992	286,494	369,053	Revenue from sale of gold and gold equivalents
Average realized gold price, US$/oz	1,755	1,416	1,228	1,260	1,269	Average price received during the period (USD/oz)
Total cash costs per ounce, US$/oz	676	884	1,069	915	577	Average total cash costs per ounce of gold produced
Revenue from management services	-	-	-	-	2,557	Revenue from management of five gold properties located in Russia's Chukotka region and owned by Aristus Holdings Ltd.
Profit/loss before income tax, TSEK	123,140	-8,592	-104,328	-18,919	66,924	
Return on total assets, %	16.1%	-1.0%	-16.0%	-3.4%	9.7%	Net profit/loss for the period as a percentage of average total assets during the period
Capital structure						
Equity, TSEK	-124,627	-255,755	-235,836	-185,992	-308,259	Total equity at the end of the period, including non-controlling interests
Interest-bearing liabilities, TSEK	551,581	781,973	704,633	635,089	834,727	Total interest-bearing liabilities at the end of the period
Equity ratio, %	-24.2%	-38.9%	-41.7%	-34.4%	-51.7%	Equity, including non-controlling interests, as a percentage of the balance sheet total
Cash flow and liquidity						
Cash flow before investments, TSEK	251,204	84,876	28,814	70,419	149,566	Cash flow from operating activities
Cash flow after investments and financing, TSEK	3,613	-9,380	-28,610	5,811	35,446	Operating cash flow plus cash flow after investments and financing
Liquid assets, TSEK	3,452	1,343	10,666	41,730	37,959	Bank deposits and cash at the end of the period
Total assets, TSEK	515,270	657,847	565,154	540,353	595,681	
Investments						
Capital investments, TSEK	19,026	91,893	96,634	14,312	12,142	Net investments in material fixed assets, minus any disinvestments
Employees						
Average number of employees during the period	571	507	438	501	508	
Share data						
Number of outstanding shares before dilution	98,768,270	98,648,502	98,648,502	74,847,182	17,802,429	Number of issued shares at the end of the period, excluding the effect of outstanding warrants and any incentive options
Average number of outstanding shares during the period before dilution	98,698,673	98,648,502	92,192,802	35,609,445	17,802,429	Number of shares at the end of the period, including outstanding warrants with a redemption price lower than current stock exchange price.
Number of warrants outstanding	-	345,000	560,000	57,737,253	692,500	Number of non-exercised warrants at the end of the respective period.
Quotient value, SEK	0.11	0.11	0.11	0.11	0.11	Each share's proportion of the total share capital
Earnings per share, SEK	0.96	-0.06	-0.96	-0.54	3.09	Net profit/loss after tax divided by the average number of outstanding shares during the period
Equity per share, SEK	-1.26	-2.59	-2.39	-2.48	-17.32	Total equity, including non-controlling interersts, in relation to the number of issued shares at the end of the period.
Market price per share at the end of the period, SEK	5.70	3.25	2.49	2.16	7.25	Latest market price paid for the shares on the last trading day of the respective period.

Operational Key Ratios, US$

	2020	2019	2018	2017	2016	Definitions
Profitability						
Ore processed, 000 tonnes	394	372	214	410	399	Quantity of ore processed
Tailings processed, 000 tonnes	-	-	-	85	63	Quantity of tailings processed
Gold sands processed, 000 m3	45	151	189	106	-	Volume of gold sands processed
Gold production, oz	31,014	22,137	13,611	26,023	34,669	Gold production obtained during the period (troy oz)
Gold sales, oz	30,428	21,021	14,147	26,619	33,954	Actual sold gold production during the period (troy oz)
Revenue from sale of gold and gold equivalents, US$ 000	53,409	29,762	17,373	33,532	43,080	Revenue from sale of gold and gold equivalents
Average realized gold price, US$/oz	1,755	1,416	1,228	1,260	1,269	Average price received during the period (USD/oz)
Total cash costs per ounce, US$/oz	676	884	1,069	915	577	Average total cash costs per ounce of gold produced
Revenue from management services	-	-	-	-	300	Revenue from management of five gold properties located in Russia's Chukotka region and owned by Aristus Holdings Ltd.
Profit/loss before income tax, US$ 000	13,517	-1,514	-11,934	-2,157	7,839	
Return on total assets, %	15.1%	-1.8%	-15.0%	-3.2%	9.4%	Net profit/loss for the period as a percentage of average total assets during the period
Capital structure						
Equity, US$ 000	-13,277	-24,317	-23,154	-19,734	-30,398	Total equity at the end of the period, including non-controlling interests
Interest-bearing liabilities, US$ 000	67,359	83,929	78,546	77,147	91,758	Total interest-bearing liabilities at the end of the period
Equity ratio, %	-20,5%	-33.0%	-35.0%	-28.8%	-44.1%	Equity, including non-controlling interests, as a percentage of the balance sheet total
Cash flow and liquidity						
Cash flow before investments, US$ 000	27,484	8,856	3,417	8,569	17,429	Cash flow from operating activities
Cash flow after investments and financing, US$ 000	560	-1,055	-3,150	1,004	4,140	Operating cash flow plus cash flow after investments and financing
Liquid assets, US$ 000	422	145	1,189	5,069	4,173	Bank deposits and cash at the end of the period
Total assets, US$ 000	64,870	73,734	66,126	68,499	68,969	
Investments						
Capital investments, US$ 000	2,065	9,711	10,773	1,674	1,418	Net investments in material fixed assets, minus any disinvestments
Employees						
Average number of employees during the period	571	507	438	501	508	
Share data						
Number of outstanding shares before dilution	98,768,270	98,648,502	98,648,502	74,847,182	17,802,429	Number of issued shares at the end of the period, excluding the effect of outstanding warrants and any incentive options
Average number of outstanding shares during the period before dilution	98,698,673	98,648,502	92,192,802	35,609,445	17,802,429	Number of shares at the end of the period, including outstanding warrants with a redemption price lower than current stock exchange price.
Number of warrants outstanding	-	345,000	560,000	57,737,253	692,500	Number of non-exercised warrants at the end of the respective period.
Quotient value, US$	0.01	0.01	0.01	0.01	0.02	Each share's proportion of the total share capital
Earnings per share, US$	0.11	-0.01	-0.11	-0.06	0.36	Net profit/loss after tax divided by the average number of outstanding shares during the period
Equity per share, US$	-0.13	-0.25	-0.23	-0.26	-1.71	Total equity, including non-controlling interersts, in relation to the number of issued shares at the end of the period.
Market price per share at the end of the period, US$	0.70	0.35	0.28	0.26	0.80	Latest market price paid for the shares on the last trading day of the respective period.

Comments by the CFO

Dear Stakeholders,

I am pleased to present the consolidated financial statements of the Group for year ended December 31, 2020.

In the reporting period, Tardan's mining activities were focused on the Pravoberezhniy deposit, which was the main source of ore in 2020. Tardan mined 387 thousand tonnes of ore with an average grade of 2.42 g/t (total gold in ore was 938 kg) in 2020, compared to 473 thousand tonnes of ore at an average grade of 2.42 g/t in 2019. Stripping volume amounted to 902 thousand m3 compared to 982 thousand m3 in 2019.

In 2020, the newly built CIL plant started its first full year of operations. 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. Tardan's gold production for 2020 was 953 kg (30,629 oz), an increase of 50% compared to 635 kg (20,407 oz) in 2019.

In August 2020, alluvial gold production resumed at Solcocon. Alluvial gold production is seasonal, usually from June to October. This production is 100% outsourced and generates a net margin of 30% of sales. In 2020, the Company engaged 1 contractor and the same contractor will continue to work in 2021. Gold production at Solcocon amounted to 12 kg (386 oz), as compared to 54 kg (1,730 oz) in the previous year. The reduction in production was due to the late start of mining operations because of the COVID-19 virus.

Following growth in production and sales volumes, the Group's EBITDA has strongly increased and amounted to US$ 30.9 mln in 2020 as compared to US$ 7.2 mln in the previous reporting period.

Net profit after tax in 2020 amounted to US$ 10.7 mln compared to loss of US$ -1.2 mln in 2019.

Net cash flow generated from operating activities increased by US$ 18.6 mln, or 210%, and amounted to US$ 27.5 mln in the reporting period, compared to US$ 8.9 mln in the comparative reporting period.

Strong cash flows from operating activities were used for debt repayments, lease payments and settlement of outstanding payables to CIL construction contractors in Q1 2020. Total principal debt repayment in 2020 amounted to US$ 15.0 mln. Interest paid in 2020 amounted to US$ 5.7 mln. In 2020, US$ 3.8 mln was spent on investing activities including geological exploration and research at Tardan and Solcocon.

The new VTB loan repayment schedule and reduced interest rate will free up cash flows for further investments and exploration.

Vladimir Vorushkin
Chief Financial Officer

Consolidated Income Statement

	Note	2020 TSEK	2019 TSEK	2020 US$ 000*	2019 US$ 000*
Revenue	1	492,080	281,565	53,409	29,762
Cost of sales	2	250,602	232,853	-27,378	-24,621
Gross profit		**241,478**	**48,712**	**26,031**	**5,141**
General and administrative expenses	3	-26,972	-20,633	-2,945	-2,184
Other operating income	4	888	2,283	96	241
Other operating expenses	4	-28,184	-9,469	-3,059	-1,001
Operating profit/(loss)		**187,210**	**20,893**	**20,123**	**2,197**
Financial income	6	-	12,095	-	679
Financial expenses	7	-64,070	-41,580	-6,606	-4,390
Profit/(Loss) before income tax		**123,140**	**-8,592**	**13,517**	**-1,514**
Income tax	8	-28,603	2,616	-3,075	278
Net profit/(loss) for the period		**94,537**	**-5,976**	**10,442**	**-1,236**
Whereof attributable to:					
The owners of the parent company		94,537	-5,976	10,442	-1,236
Earnings per share before dilution (SEK, US$)	17	0.96	-0.06	0.11	-0.01
Earnings per share after dilution (SEK, US$)		0.96	-0.06	0.11	-0.01
Number of shares issued at period end		98,768,270	98,648,502	98,768,270	98,648,502
Average number of shares for the period		98,698,673	98,648,502	98,698,673	98,648,502
Average number of shares for the period after dilution		98,698,673	98,993,502	98,698,673	98,993,502

*USD amounts are included for convenience purposes (convenience currency).

Consolidated Statement of Comprehensive Income

	2020 TSEK	2019 TSEK	2020 US$ 000*	2019 US$ 000*
Net profit/loss for the period	94,537	-5,976	10,442	-1,236
Items that may be subsequently reclassified to profit or loss				
Translation difference	36,365	-14,283	573	36
Total comprehensive income for the period	**130,902**	**-20,259**	**11,015**	**-1,200**

*USD amounts are included for convenience purposes (convenience currency).

Consolidated Statement of Financial Position

	Note	31-12-2020 TSEK	31-12-2019 TSEK	31-12-20 US$ 000*	31-12-2019 US$ 000*
ASSETS					
NON-CURRENT ASSETS					
Intangible fixed assets					
Mining permits and capitalised exploration costs	9	127,585	149,734	18,524	20,036
Tangible fixed assets					
Buildings and land	10	120,352	56,586	14,698	6,073
Machinery, equipment and other technical plant	11	124,488	65,206	15,160	6,975
Construction in progress	12	3,039	191,016	373	20,502
		247,879	**312,808**	**30,231**	**33,550**
Stripping assets		11,668	37,721	1,425	4,049
Deferred taxes recoverable**	8	40,623	63,962	4,003	6,049
Total non-current assets		**427,755**	**564,225**	**54,183**	**63,684**
CURRENT ASSETS					
Inventories	14	60,993	47,123	7,449	5,057
Accounts receivable trade	20	1,349	1,088	165	117
Other current receivables	15	10,564	37,211	1,290	3,994
Prepaid expenses	15	11,157	6,857	1,361	737
Cash and bank holdings	16	3,452	1,343	422	145
Total current assets		**87,515**	**93,622**	**10,687**	**10,050**
TOTAL ASSETS		**515,270**	**657,847**	**64,870**	**73,734**
EQUITY AND LIABILITIES					
EQUITY					
Share capital	17	11,111	11,098	1,438	1,436
Additional paid in capital		554,273	554,060	79,220	79,197
Translation difference reserve		-118,888	-155,253	-13,250	-13,823
Retained earnings		-571,123	-665,660	-80,685	-91,127
TOTAL EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT		**-124,627**	**255,755**	**-13,277**	**-24,317**
TOTAL EQUITY		**-124,627**	**-255,755**	**-13,277**	**-24,317**
NON-CURRENT LIABILITIES					
Deferred tax**	8	35	38	-	-
Provisions	18	4,026	5,744	492	617
Bank loans and other notes	19	147,134	191,002	17,968	20,500
Debt to shareholder	19	289,371	329,251	35,338	35,338
Other non-current liabilities	25	64,285	98,050	7,851	10,523
Total non-current liabilities		**504,851**	**624,085**	**61,649**	**66,978**
CURRENT LIABILITIES					
Trade and other accounts payable	21	17,963	39,970	2,193	4,289
Bank loans payable	19	75,330	178,424	9,199	19,150
Shareholder loan payable	19	-	21,083	-	2,263
Other current liabilities	22	41,753	50,040	5,106	5,371
Total current liabilities		**135,046**	**289,517**	**16,498**	**31,073**
TOTAL EQUITY AND LIABILITIES		**515,270**	**657,847**	**64,870**	**73,734**

*USD amounts are included for convenience purposes (convenience currency).
** For presentation purposes, deferred tax assets and deferred tax liabilities have been offset at subsidiary level 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	Non-controlling interest	Total equity
Equity as at December 31, 2018	**11,098**	**553,720**	**-140,970**	**-659,684**	**-**	**-235,836**
Comprehensive income						
Net profit/loss for the period	-	-	-	-5,976	-	-5,976
Other comprehensive income	-	340	-14,283	-	-	-13,943
Total comprehensive income for the period	**-**	**340**	**-14,283**	**-5,976**	**-**	**-20,259**
Equity as at December 31, 2019	**11,098**	**554,060**	**-155,253**	**-665,660**	**-**	**-255,755**
Comprehensive income						
Net profit/loss for the period	-	-	-	94,537	-	94,537
Other comprehensive income	-	-	36,365	-	-	36,365
Total comprehensive income for the period	**-**	**-**	**36,365**	**94,537**	**-**	**130,902**
Transactions with owners in their capacity as owners						
Proceeds from exercise of share options	13	213	-	-	-	226
Total transactions with owners in their capacity as owners	**13**	**213**	**-**	**-**	**-**	**226**
Equity as at December 31, 2020	**11,111**	**554,273**	**-118,888**	**-571,123**	**-**	**-124,627**

Consolidated Statement of Changes in Equity

All amounts in US$'000*	Attributable to the shareholders of the Parent Company Share capital	Additional paid in capital	Translation difference reserve	Retained earnings	Non-controlling interest	Total equity
Equity as at December 31, 2018	**1,436**	**79,160**	**-13,859**	**-89,891**	**-**	**-23,154**
Comprehensive income						
Net profit/loss for the period	-	-	-	-1,236	-	-1,236
Other comprehensive income	-	37	36	-	-	73
Total comprehensive income for the period	**-**	**37**	**36**	**-1,236**	**-**	**-1,163**
Equity as at December 31, 2019	**1,436**	**79,197**	**-13,823**	**-91,127**	**-**	**-24,317**
Comprehensive income						
Net profit/loss for the period	-	-	-	10,442	-	10,442
Other comprehensive income	-		573	-	-	573
Total comprehensive income for the period	**-**	**-**	**573**	**10,442**	**-**	**11,015**
Transactions with owners in their capacity as owners						
Proceeds from exercise of share options	1	23	-	-	-	24
Total transactions with owners in their capacity as owners	**1**	**23**	**-**	**-**	**-**	**24**
Equity as at December 31, 2020	**1,438**	**79,220**	**-13,250**	**-80,685**	**-**	**-13,277**

*USD amounts are included for convenience purposes (convenience currency).

Consolidated Cash Flow Statement

	2020 TSEK	2019 TSEK	2020 US$ 000*	2019 US$ 000*
OPERATING ACTIVITIES				
Receipts from gold sales	492,282	283,108	53,409	29,763
VAT and other reimbursement	41,636	30,428	4,497	3,217
Payments to suppliers	-176,128	-149,355	-18,970	-15,743
Payments to employees and social taxes	-86,706	-65,189	-9,357	-6,897
Income tax paid	-6,486	-	-674	-
Other taxes paid	-13,394	-14,116	-1,421	-1,484
Net cash flows from/used in operating activities	**251,204**	**84,876**	**27,484**	**8,856**
INVESTING ACTIVITIES				
Purchase and construction of property plant and equipment	-22,180	-85,483	-2,343	-8,999
Interest capitalised in construction	-	-9,094	-	-480
Exploration and research work	-13,290	-722	-1,479	-77
Net cash flows used in investing activities	**-35,470**	**-95,299**	**-3,822**	**-9,556**
FINANCING ACTIVITIES**				
Proceeds from borrowings, net	-	43,611	-	4,576
Proceeds from exercise of share options	94	-	10	-
Repayment of borrowings, net	-137,987	-8,359	-14,997	-870
Interest paid	-52,069	-23,336	-5,702	-2,943
Lease payments	-22,159	-18,567	-2,413	-1,957
Proceeds from sale and leaseback transactions	-	7,694	-	839
Net cash from/used in financing activities	**-212,121**	**1,043**	**-23,102**	**-355**
Net increase/(decrease) in cash and cash equivalents	**3,613**	**-9,380**	**560**	**-1,055**
Net foreign exchange difference	-1,504	57	-282	11
Opening balance cash and cash equivalents	1,343	10,666	144	1,189
Closing balance cash and cash equivalents	**3,452**	**1,343**	**422**	**145**

*USD amounts are included for convenience purposes (convenience currency).
**For more information please refer to Note 27.

Parent Company Income Statement

	Note	2020 TSEK	2019 TSEK	2020 US$ 000*	2019 US$ 000*
Income					
Other operating income	4	750	720	81	76
Operating costs					
External expenses	3	-7,047	-4,883	-765	-516
Employee benefit expenses	5	-2,755	-2,797	-299	-296
Operating result		**-9,052**	**-6,960**	**-983**	**-736**
Financial income	6	16,593	33,017	1,801	3,490
Financial expenses	7	-22,765	-12,934	-2,471	-1,367
Impairment: Investment in subsidiaries	13	-180,808	-	-20,952	-
Result after financial items		**-196,032**	**13,123**	**-22,605**	**1,387**
Income tax	8	-	-	-	-
Result for the year		**-196,032**	**13,123**	**-22,605**	**1,387**

*USD amounts are included for convenience purposes (convenience currency).

Parent Company Statement of Comprehensive Income

	Note	2020 TSEK	2019 TSEK	2020 US$ 000*	2019 US$ 000*
Net result for the year		**-196,032**	**13,123**	**-22,605**	**1,387**
Other comprehensive income					
Translation differences		-	-	4,389	-1,526
Total comprehensive income for the year		**-196,032**	**13,123**	**-18,216**	**-139**

*USD amounts are included for convenience purposes (convenience currency).

Parent Company Balance Sheet

	Note	31-12-2020 TSEK	31-12-2019 TSEK	31-12-2020 US$000*	31-12-2019 US$000*
ASSETS					
NON-CURRENT ASSETS					
Financial non-current assets					
Investments in subsidiaries	13	411,549	592,357	50,259	63,577
Loans to subsidiaries	23	97,159	183,529	11,865	19,698
Total non-current assets		**508,708**	**775,886**	**62,124**	**83,275**
CURRENT ASSETS					
Other current receivables	15	1,717	1,213	210	130
Prepaid expenses	15	236	158	29	17
Cash and cash equivalents	16	542	1,081	66	116
Total current assets		**2,495**	**2,452**	**305**	**263**
TOTAL ASSETS		**511,203**	**778,338**	**62,429**	**83,538**
EQUITY AND LIABILITIES					
EQUITY					
Restricted equity					
Share capital		11,111	11,098	1,438	1,436
Statutory reserve		266,306	266,306	40,872	40,872
Total restricted equity		**277,417**	**277,404**	**42,310**	**42,308**
Unrestricted equity					
Share premium reserve		780,639	780,426	113,977	113,954
Translation difference		-	-	-6,628	-11,017
Retained earnings		-671,095	-684,217	-103,737	-105,124
Net result for the year		-196,032	13,123	-22,605	1,387
Total unrestricted equity		**-86,488**	**109,332**	**-18,993**	**-800**
TOTAL EQUITY		**190,929**	**386,736**	**23,316**	**41,508**
NON-CURRET LIABILITIES					
Long-term loans	20	289,371	329,251	35,338	35,338
Other non-current liabilities	25	-	20,020	-	2,149
Total non-current liabilities		**289,371**	**349,270**	**35,338**	**37,487**
CURRENT LIABILITIES					
Trade and other accounts payable	21	822	1,315	101	142
Short-term loans	20	29,877	21,083	3,649	2,263
Other current liabilities	22	204	19,934	25	2,138
Total current liabilities		**30,903**	**42,332**	**3,775**	**4,543**
TOTAL EQUITY AND LIABILITIES		**511,203**	**778,338**	**62,429**	**83,538**

*USD amounts are included for convenience purposes (convenience currency).

Parent Company Statement Of Changes in Equity

All amounts in TSEK	Restricted Equity: Share capital	Restricted Equity: Statutory reserve	Unrestricted Equity: Share premium reserve	Unrestricted Equity: Translation difference reserve	Unrestricted Equity: Retained earnings	Unrestricted Equity: Net income for the period	Total equity
Equity as at December 31, 2018	**11,098**	**266,306**	**780,426**	**-**	**-636,195**	**-48,022**	**373,613**
Profit/loss brought forward	-	-	-	-	-48,022	48,022	-
Comprehensive income							
Net profit/loss for the period	-	-	-	-	-	13,123	13,123
Other comprehensive income	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	-	**13,123**	**13,123**
Equity as at December 31, 2019	**11,098**	**266,306**	**780,426**	**-**	**-684,217**	**13,123**	**386,736**
Profit/loss brought forward	-	-	-	-	13,123	-13,123	-
Comprehensive income							
Net profit/loss for the period	-	-	-	-	-	-196,032	-196,032
Other comprehensive income	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	-	**-196,032**	**-196,032**
Transactions with owners in their capacity as owners							
Proceeds from exercise of share options	13	-	213	-	-	-	226
Total transactions with owners in their capacity as owners	**13**	**-**	**213**	**-**	**-**	**-**	**226**
Equity as at December 31, 2020	**11,111**	**266,306**	**780,639**	**-**	**-671,095**	**-196,032**	**190,929**

Parent Company Statement of Changes in Equity

All amounts in US$000*	Restricted Equity		Unrestricted Equity				
	Share capital	Statutory reserve	Share premium reserve	Translation difference reserve	Retained earnings	Net income for the period	Total equity
Equity as at December 31, 2018	**1,436**	**40,872**	**113,954**	**-9,491**	**-99,598**	**-5,526**	**41,647**
Profit/loss brought forward	-	-	-	-	-5,526	5,526	-
Comprehensive income							
Net profit/loss for the period	-	-	-	-	-	1,387	1,387
Other comprehensive income	-	-	-	-1,526	-	-	-1,526
Total comprehensive income for the period	**-**	**-**	**-**	**-1,526**	**-**	**1,387**	**-139**
Equity as at December 31, 2019	**1,436**	**40,872**	**113,954**	**-11,017**	**-105,124**	**1,387**	**41,508**
Profit/loss brought forward					1,387	-1,387	-
Comprehensive income							
Net profit/loss for the period	-	-	-	-	-	-22,605	-22,605
Other comprehensive income	-	-	-	4,389	-	-	4,389
Total comprehensive income for the period	**-**	**-**	**-**	**4,389**	**-**	**-22,605**	**-18,216**
Transactions with owners in their capacity as owners							
Proceeds from exercise of share options	1	-	23	-	-	-	24
Total transactions with owners in their capacity as owners	**1**	**-**	**23**	**-**	**-**	**-**	**24**
Equity as at December 31, 2020	**1,438**	**40,872**	**113,977**	**-6,628**	**-103,737**	**-22,605**	**23,316**

*USD amounts are included for convenience purposes (convenience currency).

Parent Company Cash Flow Statement

	2020 TSEK	2019 TSEK	2020 US$000*	2019 US$000*
OPERATING ACTIVITIES				
Receipts from customers	750	720	81	76
VAT and other reimbursement	56	279	6	30
Payments to suppliers	-7,935	-5,350	-872	-566
Payments to employees and Board Members	-2,697	-2,558	-294	-271
Net cash flows used in operating activities	**-9,826**	**-6,909**	**-1,079**	**-731**
INVESTING ACTIVITIES				
Borrowings given/Proceeds from borrowings given	58,454	8,119	6,347	859
Net cash flows used in investing activities	**58,454**	**8,119**	**6,347**	**859**
FINANCING ACTIVITIES**				
Proceeds from exercise of share options	94	-	10	-
Repayment of borrowings	-22,880	-	-2,500	-
Interest paid	-26,165	-135	-2,845	-14
Transaction costs arising on share issue	-	-160	-	-17
Net cash from financing activities	**-48,951**	**-295**	**-5,335**	**-31**
Net increase/(decrease) in cash and cash equivalents	**-323**	**915**	**-67**	**97**
Net foreign exchange difference	-216	-9	17	-1
Opening balance cash and cash equivalents	1,081	175	116	20
Closing balance cash and cash equivalents	**542**	**1,081**	**66**	**116**

*USD amounts are included for convenience purposes (convenience currency).
**For more information please refer to Note 27.

Notes to the consolidated financial statements and parent company accounts

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") currently engage in the exploration for and production of mineral gold in different regions of the Russian Federation. 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 3,777 shareholders.

The Board of directors approved these consolidated accounts for publication on April 20, 2021.

2. BASIS OF PREPARATION

2.1 Basis of preparation

The consolidated financial statements of the Auriant Mining Group have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board ("IASB"). IFRS include the standards and interpretations approved by the IASB including IFRS, International Accounting Standards ("IAS") and interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC"). Some additional information is disclosed based on the standard RFR 1 Supplementary accounting regulations for groups from the Swedish Financial Reporting Board and the Swedish Annual Accounts Act.

The consolidated financial statements for 2020 have been prepared using the historical cost method and on accounting principles assuming that the Group will continue its operations during a period sufficient to carry out its objectives and commitments, and will not be liquidated in the foreseeable future.

The Parent Company accounts have been 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 Company are the same as for the Group with a few exceptions. These exceptions are, where applicable, described under each section below.

2.2 Changes in accounting policies

The following is a list of new or amended IFRS standards and interpretations that have been applied from January 1, 2020 and effect on the Group's consolidated financial statement.

New and amended standards and interpretations that come into force for the 2021 financial year of thereafter are not expected to have any significant impact on the Group's financial statement.

Title	Subject	Effective for annual periods beginning on or after	Effect on the consolidated financial statements
IAS 1 Presentation of Financial Statements and IAS 8 Accounting policies, Changes in Accounting Estimates and Errors	Amendment - Definition of Material	1 January 2020	No effect
IFRS 3 Business Combinations	Amendment - Definition of a Business	1 January 2020	No effect
Interest Rate Benchmark Reform phase 1 (IFRS 9, IAS 37 and IFRS 7)	Identification of interest rate in hedge accounting	1 January 2020	No effect
IFRS 16 Leases	Amendment – Covid-19-related rent concessions	1 January 2020	No effect
Conceptual Framework for Financial Reporting	Updates of references to or from the Conceptual Framework for Financial Reporting	1 January 2020	No effect

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of consolidation

The consolidated financial statements are prepared in accordance with the Group´s accounting principles and include the accounts of the Parent Company and all subsidiaries over which the Group holds the power to govern the financial and operating policies, generally accompanying a shareholding of more than one half of the voting rights. The group controls an entity where the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. The existence and effect of potential voting rights that are currently exercisable, or convertible, are taken into consideration in assessing whether the Group has a controlling interest in another entity.

Subsidiaries are fully consolidated from the date on which controlling interest is transferred to the Group. They are deconsolidated from the date on which such controlling interest ceases. The Group uses the acquisition method of accounting to report business combinations. On an acquisition-by-acquisition basis, the Group reports any non-controlling interest in the acquired entity either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net assets. Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated. The accounting principles of subsidiaries have been changed, where necessary, to ensure consistency with the accounting principles adopted by the Group.

In the Parent company accounts, investments in subsidiaries are reported at cost less any impairment charges. Cost is adjusted to reflect changes in consideration arising from contingent consideration amendments. The excess of the consideration transferred the amount of any non-controlling interest in the acquired entity and the fair value on the acquisition date of any previous equity interest in the acquired entity exceeding the fair value of the Group's share of the identifiable net assets acquired is reported as goodwill. If this amount is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in the statement of comprehensive income.

Changes in the Group's interests in subsidiaries that do not result in a loss of control are accounted for as equity transactions. The carrying amount of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to the owners of the Company.

When the Group loses control of a subsidiary, the gain or loss on disposal recognised in profit or loss is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), less liabilities of the subsidiary and any non-controlling interests. Amounts previously recognised in other comprehensive income are reclassified to profit or loss. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the group had directly disposed of the related assets or liabilities.

(b) Business combinations and goodwill

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interest issued by the Group in exchange for control of the acquiree. Acquisition-related costs are recognised in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value at the acquisition date, except that:

- deferred tax assets or liabilities and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with IAS 12 Income Taxes and IAS 19 Employee Benefits respectively;
- liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with IFRS 2 Share-Based Payments at the acquisition date (see below); and
- assets (or disposal groups) that are classified as held for sale in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that Standard.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain. The Group has no goodwill as of December 31, 2020 (December 31, 2019 - nil).

When the consideration transferred by the Group in a business combination includes contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the 'measurement period' (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified.

Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Other contingent consideration is remeasured to fair value at subsequent reporting dates with changes in fair value recognised in profit or loss.

When a business combination is achieved in stages, the Group's previously held interests in the acquired entity are remeasured to its acquisition-date fair value and the resulting gain or loss, if any, is recognised in profit or loss.

Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss, where such treatment would be appropriate if that interest were disposed of.

(c) Translation of foreign currency

Functional currency and reporting currency

The functional currency of individual companies is determined by the primary economic environment in which the entity operates or the one in which it primarily generates and expends cash. The functional currency of the subsidiaries which operate in Russia is US dollar; the functional currency of Parent company is SEK. The consolidated accounts are presented in Swedish Krona (SEK) – reporting currency and US dollar – convenience currency.

Translation of foreign subsidiaries and other foreign operations

The earnings and the financial positions of all Group companies (none of which have a high-inflation currency) that have a different functional currency from the reporting currency are translated to the Group's reporting currency as follows:

a. assets and liabilities for each of the statements of financial position are converted at the closing rate;
b. income statements for each of the subsidiaries are converted at the average exchange rate (provided that this average rate constitutes a reasonable approximation of the accumulated effect of the rates applying on the date of the transaction, otherwise assets and liabilities are converted at the rate on the date of the transaction), and
c. all exchange rate differences arising are recognised as a separate component of other comprehensive income and the cumulative effect is included in the translation difference reserve in equity.

Goodwill and adjustments to the fair value arising upon the acquisition of a foreign company are treated as assets and liabilities attributable to this operation and are converted at the closing rate.

Receivables and liabilities in foreign currency

Receivables and liabilities in foreign currency are valued at the exchange rate on the balance sheet date. Exchange rate differences for operational receivables and operational liabilities are included in operating income, while exchange rate differences for financial receivables and liabilities are reported in financial items. Unrealised exchange rate gains and losses relating to operational receivables and liabilities are reported net under other operating income/expenses.

At December 31, 2020 the closing rate of 8.1886 SEK per US$ (9.3171 SEK per US$ at December 31, 2019) was applied. Income and expenses were translated using the average rates of SEK per US$: 9.6692 for Q1 2020, 9.6823 for Q2 2020, 8.8724 for Q3 2020 and 8.6296 for Q4 2020 (9.1706, 9.4494, 9.5853 and 9.6323 for 2019 respectively).

(d) Revenue recognition

Revenue comprises the fair value of the consideration received, or to be received, for the sale of goods in the ordinary course of the Group's activities. Revenue is reported net of value added tax and after elimination of intercompany sales. The Group recognises revenue when or as a performance obligation is satisfied, i.e. when control of the goods produced underlying the particular performance obligation is transferred to the customer.

Sale of gold

Revenue from the sale of gold is reported when a purchase agreement has been concluded and when delivery to the buyer has been completed, usually to a Russian licensed commercial bank. Reporting is preceded by the semi-finished product that the Group produces, a gold ore concentrate, being delivered to a refinery that enriches the ore concentrate into the end product, 24 carat pure gold and a certain residual amount of silver. Sales are reported gross before the mineral resources extraction tax (MRET). The MRET amounts to 6% of the produced volume of gold, multiplied by the sales price. The MRET is, thus, directly related to the volume of gold produced, but not to the actual volume sold. Consequently, the MRET is reported as a production cost among operating expenses. The sale of gold is currently not subject to value added tax in Russia.

Other income

Any other income not received in the ordinary course of the Group's activities is reported as "other operating income".

Interest income

Interest income is recognised using the effective interest method. When a loan and receivable is impaired, the Group reduces the carrying amount to its recoverable amount, which is the estimated future cash flow discounted at the original effective interest rate of the instrument, and continues unwinding the discount as interest income. Interest income on impaired loan and receivables is recognised using the original effective interest rate.

(e) Depreciation and amortisation

Intangible fixed assets

Intangible fixed assets are subject to amortisation according to the unit of production method. According to the unit of production method, amortisation is reported at the same rate as production. This means that the total expected production of gold from each license object is evaluated during the licence object's expected useful economic lifetime and amortisation in each period is carried out corresponding to the period's proportional share of the total expected production. The amortisation of a license object is reported when commercial production from that license object has commenced.

Tangible fixed assets

Tangible fixed assets, except construction in progress, are depreciated according to the particular asset's estimated useful lifetime. If applicable, the asset's residual value is taken into account when establishing the depreciable amount of the asset.

The straight-line method of depreciation is applied for tangible fixed assets, based on the following expected useful lifetimes:

Buildings	10 – 60 years
Processing plants	2 – 10 years
Machinery	2 – 10 years
Computers	3 years

Assets held under lease are depreciated over their expected useful lives on the same basis as owned assets. However, when there is no reasonable certainty that ownership will be obtained by the end of the lease term, assets are depreciated over the shorter of the lease term and their useful lives.

(f) Current and deferred income tax

The income tax expense for the period represents the sum of the tax currently payable and deferred tax. Taxes are recognised in the income statement, except when the tax refers to items recognised in other comprehensive income or directly in equity. In such cases, the tax is also recognised in the statement of other comprehensive income or in equity.

The current tax expenses are reported on the basis of the tax regulations determined on the balance sheet date or which, in practice, were determined in the countries in which the Parent Company subsidiaries operate and generate taxable income. Management regularly assesses the applications made in income tax returns in relation to situations where applicable tax regulations are the subject of interpretation. When considered appropriate, provisions are reported for amounts that are likely to be payable to the Tax Agency.

Deferred income taxes are recognised, applying the liability method, on all temporary differences arising between the taxable value of assets and liabilities and their reported values in the consolidated financial statements. However, deferred tax is not recognised if it arises as a consequence of a transaction constituting the initial recognition of an asset or liability that is not a business combination and which, at date of the transaction, affects neither the recognised nor taxable results. Deferred income tax is calculated applying the tax rates (and legislation) which have been determined or announced on balance sheet date and which are expected to apply when the deferred tax asset in question is realised or the deferred tax liability is settled.

Deferred tax assets are recognised to the extent it is probable that future tax surpluses will be available against which temporary differences can be offset.

Deferred tax is reported on the basis of the temporary differences arising on participations in subsidiaries and joint ventures, except when the Group controls the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

(g) Employee benefits

All of the Group's pension plans are defined contribution plans, in which the Group pays fixed contributions into a separate entity. The Group has no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current period and prior periods. Wages, salaries, contributions to the Russian Federation state pension and social security funds, paid annual leave and sick leave and bonuses are accrued in the period in which the associated services are rendered by the employees of the Group.

(h) Share-based payments (long-term incentive programs)

Equity-settled share-based payments to employees (long-term incentive programs) and others providing similar services are measured at the fair value of the equity instruments at the grant date and subsequently expensed on a straight-line basis over the vesting period, with a corresponding increase in equity. At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss as personnel costs such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity (additional paid in capital) on the group and on the parent level. The accounting treatment is based on the standard IFRS 2 Share-based Payment.

The long-term incentive programs established in 2015 expired in May 2020. No new long-term incentive programs have been established as of December 31, 2020.

(i) Intangible fixed assets

The intangible assets of the Auriant Mining Group consist of mining permits (licenses), exploration and evaluation expenditures and mine development costs.

Licenses

Licences for mining permits are initially reported at acquisition value. Such licences are acquired in Russia (the Group's only area of operation at present) usually at an open, public licence auction, where the winning price in the auction comprises the acquisition value.

Exploration and evaluation expenditures

Exploration costs are reported in accordance with IFRS 6 Exploration for and Evaluation of Mineral Resources. The Group applies the so-called "Successful Effort method" for its exploration costs, implying that all expenses for licensing, exploration and evaluation are initially capitalised.

Exploration work is reported at acquisition value and includes various activities, such as drilling of various natural areas, geochemical and magnetic surveys and analyses in laboratories. Exploration work can, in addition, include salary costs for the staff conducting the work, for materials and fuel, depreciation on machinery and equipment and administrative expenses directly attributable to the sites subject to the exploration work. Borrowing costs directly attributable to exploration projects commencing after January 1, 2009, are included in the capitalised amount of exploration costs.

Capitalised exploration costs are reported in accordance with IAS 38 Intangible assets when it has been established that there is extractable ore at an individual mining or placer property and technical possibilities and commercial potential for extraction of the ore body can be proven.

Purchased exploration and evaluation assets are recognized as assets at acquisition cost or at fair value if purchased as part of a business combination. An impairment review is performed, either individually or at cash-generating unit level (license areas) when there is an indication that the carrying amount of the assets may exceed their recoverable amounts.

Mine development costs

Mine development costs are capitalised and include expenditure incurred to develop new ore bodies, to define future mineralisation in existing ore bodies, to expand the capacity of a mine and to maintain production, and also include interest and financing costs relating to the construction of mineral property.

Mine development costs are amortised, upon commencement of production, applying a unit of production method based on the estimated proven and probable mineral reserves to which they relate, or they are written off if the property is abandoned. The net carrying amounts of mine development costs at each mining property are reviewed for impairment either individually or at the cash-generating unit level (license areas) when events and changes in circumstances indicate that the carrying amount may not be recoverable. To the extent that these values exceed their recoverable amounts, such excess is fully recognised as expenses in the "Other expenses" line of the consolidated income statement in the financial year in which this is determined.

Costs for development of a mining property where production has commenced are capitalised if it is likely that such costs will produce additional performance gains in the mining property, resulting in the likelihood of prospective economic benefits, which includes future revenue from newly discovered gold, cost savings or other benefits resulting from the use of the asset in question. Should this not apply, these expenses are reported as production costs in the period in which they incur.

Intangible fixed assets are subject to amortisation according to the unit of production method. According to the unit of production method, amortisation is reported at the same rate as production. This means that the total expected production of gold from each license object is evaluated during the licence object's expected useful economic lifetime and amortisation in each period is carried out corresponding to the period's proportional share of the total expected production.The amortisation of a license object begins to be reported when commercial production from that license object is underway.

(j) Stripping costs

As part of its mining operations, the Group incurs stripping (waste removal) costs both during the development phase and production phase of its operations. Stripping costs incurred in the development phase of a mine, before the production phase commences (development stripping), are capitalised as part of the cost of constructing the mine and are subsequently amortised over its useful life applying a units of production method. The capitalisation of development stripping costs ceases when the mine/component is commissioned and ready for use as determined by management.

Stripping costs incurred during the production phase are generally considered to result in two benefits, either the production of inventory or improved access to the ore to be mined in the future. Where the benefits are realised in the form of inventory produced in the period, the production stripping costs are accounted for as part of the cost of producing those inventories. Where the benefits are realised in the form of improved access to ore to be mined in the future, the costs are recognised as a non-current asset, referred to as a stripping activity asset, provided the following criteria are met:

a. Future economic benefits (improved access to the ore body) are probable;

b. The component of the ore body for which access will be improved can be accurately identified;

c. The costs associated with the improved access can be reliably measured.

If not all of these criteria are fulfilled, the production stripping costs are charged to the statement of profit or loss as operating costs as they incur.

In identifying components of the ore body, the Group works closely with the mining operations' personnel for each mining operation to analyse each of the mine plans. Generally, a component will be a subset of the total ore body, and a mine may have several components. The mine plans and, therefore, the identification of components, can vary between mines for a number of reasons. These include, but are not limited to: the type of commodity, the geological characteristics of the ore body and/or the geographical location.

The stripping activity asset is initially measured at cost, which is comprised of the accumulation of costs directly incurred to perform the stripping activity improving access to the identified ore component, plus an allocation of directly attributable overhead costs. If incidental operations take place at the same time as the production stripping activity, but are not necessary for the production stripping activity to continue as planned, then, these costs are not included in the cost of the stripping activity asset.

If the costs of the inventory produced and the stripping activity asset are not separately identifiable, a relevant production measure is applied to allocate the production stripping costs between the inventory produced and the stripping activity asset. This production measure is calculated for the identified component of the ore body and is used as a benchmark to identify the extent to which the additional activity of creating a future benefit has taken place. The Group uses the expected volume of waste extracted compared with the actual volume for a given volume of ore production of each component.

The stripping activity asset is, subsequently, depreciated applying the units of production method over the life of the identified ore body component that became more accessible as a result of the stripping activity. Economically recoverable reserves are applied to determine the expected useful life of the identified ore body component. The stripping activity asset is, then, carried at cost less depreciation and any impairment losses.

As of December 31, 2020, the Group recognised the stripping assets in an amount of MSEK 11.668 (US$ 1.425 mln) (December 31, 2019: MSEK 37.721 (US$ 4.049 mln)). For detailed information refer to Note 4.

(k) Tangible fixed assets

Tangible fixed assets consist of buildings, machinery, office equipment, tools, technical plants and construction in progress.

Fixed assets

All fixed assets are reported at historical cost less depreciation. The initial cost of an asset is comprised of its purchase price or construction cost, any costs directly attributable to bringing the asset into operation and the initial estimate of the restoration obligation. The purchase price or construction cost is comprised of the aggregate amount paid and the fair value of any other consideration provided to acquire the asset. Borrowing costs directly attributable to tangible assets acquired after January 1, 2009 are also included in the acquisition value. The capitalised value of a financial lease is also included within tangible fixed assets. Expenditure for improvement of the performance of the assets over and above their original performance increases the reported value of these assets. Expenditure for repair and maintenance is reported as an expense in the period in which it is incurred.

Fixed assets are depreciated according to the particular asset's estimated useful lifetime (for details, refer to the paragraph e "Depreciation and amortisation"). If applicable, the asset's residual value is taken into account when establishing the depreciable amount of the asset.

Gains and losses on disposals are determined by comparing sales revenues with their reported value. These items are reported under other operating income and other operating expenses, respectively, in the income statement.

Russian legislation does not, yet, permits the ownership of land within the license area. Land owned by the company consists of plots at which office buildings or warehouses are situated. Land is not depreciated.

Construction in progress

Assets under construction are accounted for as construction in progress. When the construction in progress is completed and in a condition necessary to be capable of operating in the manner intended by management, the objects are reclassified to fixed assets. Construction in progress is not depreciated.

Tangible fixed assets impairement

The assets' residual value and useful life are reviewed on each balance sheet date and adjusted when necessary. When an asset's reported value is deemed to possibly not be able to be recovered, an impairment loss is reported immediately reflecting its recoverable amount.

At each reporting date, management assess whether there is any indication of impairment within the categories of property, plant and equipment. If any such indication exists, management estimates the recoverable amount, which is determined as the higher of an asset's fair value less costs to sell and its value in use. The carrying amount is reduced to the recoverable amount and an impairment loss is recognised as an expense in the "Other expenses" line of consolidated income statement. An impairment loss recognised for an asset in prior years is reversed if there has been a change in the estimates used to determine the asset's value in use or fair value less costs to sell.

(l) Financial instruments

Financial assets and financial liabilities are recognised in the Group's statement of financial position when the Group becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Financial assets

Financial assets include cash and cash equivalents, accounts receivable, shares and participations, loan claims and derivative instruments. Financial assets are classified into three valuation categories: measured at "fair value through profit or loss" (FVTPL), "fair value through other comprehensive income" (FVTOCI) and "amortised cost".

Fair value through profit and loss:

Assets included in this category are financial assets that do not meet the requirements for valuation at amortized cost or at fair value through other comprehensive income. Financial assets and liabilities held for trading are always classified as "Financial assets at fair value through profit or loss" as well as financial assets that are managed and evaluated based on fair values. Holdings in this category are reported as short-term investments if their term to maturity on the acquisition date is less than three months and as "Other interest-bearing current receivables" if the term to maturity is between three and twelve months. Derivative instruments, except where used for hedge accounting, are included in this category as well. Assets in this category are valued regularly at fair value and changes in value are reported in the income statement. Derivative instruments taken up in respect of business-related items are reported in the operating profit, while derivative instruments of a financial nature are reported in financial items. Assets in this category are included in current assets, with the exception of items with maturity dates more than twelve months after the balance sheet date, which are classified as non-current assets.

Amortized cost:

Financial assets found in this category have a business model to receive contractual cash flows and the contractual cash flows are payments only of principal and interest. Loans and receivables, investments and accounts receivable are financial assets that can be found in this category. The claims arise when cash, goods or services are provided directly to the debtor without an intention of trading in the receivables. Assets in this category are valued at amortized cost. The amortized cost is determined based on the effective interest rate, which is calculated on the acquisition date. Accounts receivable with a maturity of less than 12 months are not recognized at amortized cost, but at the amount that are expected to be received, net after deduction of impairment. They are included in Current assets, except for items with a maturity in excess of 12 months after the closing date, which are reported as Fixed assets.

Fair value through other comprehensive income:

Financial assets (debt instruments) found in this category have a business model to both receive contractual cash flows and sell the asset and the contractual cash flows are payments only of principal and interest. Assets in this category are valued regularly at fair value with changes in value in other comprehensive income. Upon removal of the investments from the balance sheet, any accumulated profit or loss previously reported in comprehensive income is reversed to the income statement. They are included in current assets, with the exception of items with maturity dates more than twelve months after the balance sheet date, which ore classified as non-current assets. The group held no instruments in this category during 2020.

At initial recognition, it is allowed to irrevocably classify equity instruments (shares) that are no held for trading purposes at fair value through other comprehensive income. The group applies this for unlisted shares.

Impairment of financial assets

In accordance with IFRS 9, the Group evaluates at each reporting period whether there is any objective evidence that financial assets measured at amortised cost are impaired under an expected credit loss model.

The Group always recognises lifetime expected credit losses ("ECL") for its trade and other receivables (the "simplified approach" under IFRS 9) and updates this expectation at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The expected credit losses on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial instruments, the Group recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12 month ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition instead of on evidence of a financial asset being credit- impaired at the reporting date or an actual default occurring.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12 month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. Forward-looking information considered includes the future prospects of the industries in which the Group's debtors operate, obtained from economic expert reports, financial analysts, governmental bodies, relevant think-tanks and other similar organisations, as well as consideration of various external sources of actual and forecast economic information.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly since initial recognition:

- An actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- Significant deterioration in external market indicators of credit risk for a particular financial instrument, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor, or the length of time or the extent to which the fair value of a financial asset has been less than its amortised cost;
- Existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- An actual or expected significant deterioration in the operating results of the debtor;
- Significant increases in credit risk on other financial instruments of the same debtor;
- An actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

Despite the foregoing, the Group assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if i) the financial instrument has a low risk of default, ii) the counterparty has a strong capacity to meet its contractual cash flow obligations in the near term and iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations. The Group considers a financial asset to have low credit risk when it has an internal or external credit rating of 'investment grade' as per the globally understood definition.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

If there is objective evidence that impairment losses on financial assets measured at amortised cost have been incurred, the amount of the loss is measured as the difference between the assets's carrying amount and the present value of estimated future cash flows.

When impairment is recognised, the carrying amount of the financial asset is reduced by an allowance for doubtful accounts and impairment losses are recognised in profit or loss. The carrying amount of financial assets measured at amortised cost is directly reduced for the impairment when they are expected to become uncollectible in the future and all collateral is implemented or transferred to the Group. If, in a subsequent period, the amount of the impairment loss provided changes due to an event occurring after the impairment was recognised, the previously recognised impairment losses are adjusted through the allowance for doubtful accounts.

De-recognition of financial assets

The Group de-recognises a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial asset or liability and of allocating interest income or expense, respectively, over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments, as applicable, through the expected life of the financial asset or liability, or, where appropriate, a shorter period.

Income is recognised on an effective interest rate basis for debt instruments other than those financial assets designated as at FVTPL

Financial liabilities

All financial liabilities are measured at fair value at initial recognition, which corresponds to cost, net of transaction costs.

Financial liabilities are subsequently measured at amortised cost using the effective interest method, except for derivatives measured at fair value through profit or loss. The Group determines the classification at initial recognition.

After initial recognition, financial liabilities are measured based on the classification as follows:

- Financial liabilities measured at amortised cost are measured at amortised cost using the effective interest method. Amortisation under the effective interest method and gains or losses on de-recognition are recognised as profit or loss in the consolidated statement of income.
- Financial liabilities measured at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated as measured at fair value through profit or loss at initial recognition; The net gain or loss recognised in the consolidated statement of profit or loss incorporates any interest paid on the financial liability and is included in the Gain / (loss) on derivative financial instruments and investments, net.

Financial liabilities, including borrowings, are initially measured at fair value, which corresponds to cost, net of transaction costs, and subsequently measured at amortised cost using the effective interest method, with interest expense recognised within Finance cost.

De-recognition of financial liabilities

The Group de-recognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire. On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

(m) Inventories

Inventories include the following major categories:

- *Raw materials and consumables* consumed in mining and production process as well as raw materials, spare part, fuel and other maintenance supplies;
- *Work in progress* inventories include ore in stockpiles, gold concentrate at various advances levels (gold in circuit) and gold Doré;
- *Finished goods* represent refined gold (on external refinery plants) to sale quality.

Inventories are valued at the lower of cost and the net realisable value on the balance sheet date, with cost being determined primarily on a weighted average cost basis. Cost includes direct materials, direct labour costs and production overheads, including depreciation of relevant property, plant and equipment and mining properties. Net realisable value represents the estimated selling price less all expected costs to be incurred.

Provisions are recorded to reduce inventories to net realisable value where the net realisable value is lower than relevant inventory cost at the reporting date. Provisions are reversed to reflect subsequent recoveries in net realisable value where the inventory is still on hand at the reporting date.

(n) Cash and cash equivalents

Cash and cash equivalents are defined as cash and bank balances, as well as short-term investments with a maturity of three months or less from acquisition date which can easily be transformed into cash.

(o) Borrowings

Borrowings are initially recognised at fair value, net of transaction costs. Subsequently, borrowings are carried at amortised cost applying the effective interest method.

Interest costs on borrowings to finance the construction of property, plant and equipment are capitalised during the period is required to complete and prepare the asset for its intended use. All other borrowing costs are expensed.

Split accounting is applied for convertible bonds to measure the liability and the equity components upon initial recognition of the instrument. The fair value of the consideration in respect of the liability component is measured first, at the fair value of a similar liability that does not have any associated equity conversion option. This becomes the liability component's carrying amount at initial recognition. The liability component is classified as other financial liability measured at amortised cost using the effective interest method. The equity component is assigned the residual amount after deducting from the fair value of the instrument as a whole the amount separately determined for the liability component. The equity component is not remeasured after initial recognition and classified in equity part of the balance sheet.

(p) Trade and other payables

Trade payables are accrued when the counterparty has performed its obligations under the contract; they are carried at amortised cost applying the effective interest method.

(q) Value added tax

Gold production and subsequent sales are not subject to output value added tax. Input VAT is recoverable against income tax. Where input VAT is not recoverable, the VAT provision is reported in the statement of financial position corresponding with the statement of comprehensive income in the relevant period.

(r) Leases

The Group assesses all contracts whether they contain leases and recognises a right-of-use asset and corresponding lease liability with respect to all lease agreements in which it is the lessee except for leases of low value (assets of a value less than US$ 5 thousand or approximately SEK 50 thousand) and leasing liability with remaining term of twelve months or less. These assets are not included when determining the liability or right-of-use asset in the balance sheet.

Lease liabilities are initially measured at the present value of the future lease payments, fixed and variable depending on an index or a rate, discounted by the incremental borrowing rate. Each lease payment is allocated between an amortization of the liability and finance cost. Lease liabilities are remeasured when there are changes in future lease payments. Right-of-use assets are measured at cost, comprising the amount of the initial measurement of the lease liability, lease payments made at or before the commencement date and any initial direct costs and any restoration costs. Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life. The depreciation starts at the commencement date of the lease. When there is a remeasurement of, or adjustment to the lease liability, a corresponding adjustment is made to the right-of-use asset.

The right-of-use assets are presented within Tangible fixed assets in the consolidated statement of financial position.

The Group applies IAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss when incurred.

As of December 31, 2020 the Group financial leases assets amounted to SEK 32.3 mln (US$ 3.9 mln) and as of December 31, 2019: SEK 49.4 mln (US$ 5.3 mln).

The parent company applies the exception rules according to RFR 2 and does not apply IFRS 16. The Parent company did not have any leasing contracts as of December 31, 2020 and December 31, 2019.

(s) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

The Group reviews its site restoration provisions annually. The provisions for site restoration at the reporting date represents management's best estimate of the present value of the future restoration costs required. Changes to estimated future costs are reported in the statement of financial position by either increasing or decreasing the restoration liability.

(t) Equity

Transaction costs directly related to new share issues or options are recognised in equity as a reduction of the issue proceeds.

(u) Cash flow statement

Cash flows from operating, investing and financing activities are reported using the direct method.

Interest paid and received is classified as financing activities in the cash flow statement.

Cash and cash equivalents are defined as cash and bank balances, as well as short-term investments with maturity of three months or less from the date of acquisition, which can easily be transformed into cash.

(v) Management of 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. The Group's overall risk management policy focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

The Group attempts to mitigate the effects of these risks by ensuring that the Board and the management have the relevant competence. Consequently, the company works proactively by carrying out suitable measures to counteract and manage the risks and, in addition, the Group obtains advice from consultants, when necessary. The company does not use derivative instruments to hedge financial risks.

The Group's assessed risk exposure relating to financial instruments is further described in Note 20.

(w) Segment reporting

Operating segments are recognised in a manner complying with the internal reporting submitted to the chief operating decision maker. At the Group level, this function has been identified as the CEO, who is responsible for and manages the day-to-day administration of the Group in accordance with the guidelines of the Board.

Since the date of its formation, the Group has only extracted one product, gold, in one economic environment, Russia. An operating segment is a Group of assets and performed activities exposed to risks and rewards differentiating them from other operating segments. A geographical area is an area in which assets, goods or services are exposed to risks relating to a certain economic environment differentiating them from risks associated with activities in other economic environments. As a result, the Group is only considered to have one operating segment.

ESTIMATIONS AND EVALUATIONS IN THE FINANCIAL STATEMENTS

In order to prepare financial statements in accordance with IFRS, estimations and assumptions must be undertaken affecting the reported assets and liabilities, as well as income and expenses and other information submitted in the annual financial statements. The evaluations and estimations made by the Board of Directors and the management are based on historic experience and forecasts of future developments. The actual outcome may differ in future periods from these estimations.

In particular, information about significant areas of uncertainty regarding the estimations considered by management in preparing the consolidated financial statements is provided below.

Ore calculation principles

The Group reports ore reserves in accordance with Russian geological standards. In brief, this means that, after the initial exploration period for a mining licence, all mineral licence holders in Russia must undergo an ore classification inspection (roughly equivalent to a western feasibility study) by the Russian State Committee on Reserves, GKZ, either in Moscow or at GKZ's appropriate regional office. This ore classification is performed once and can, then, be updated as required. If the ore reserves are approved, they are entered in the Russian state register of reserves and will provide the basis for production requirements that are, consequently, drawn up for the licence holder. The Russian principles for ore classification are similar, but not identical, to western standards.

The Russian registered ore reserves form the basis for the Group's amortisation of mining permits and exploration costs in accordance with the Unit of production method.

The registered ore reserves are, thus, established by an external, governmental body (GKZ), which is independent of the Group. The calculation of the reserves is based on a very comprehensive range of geological and financial data summarised in a Russian feasibility study. Ore reserves are not static, but may vary over time depending on factors, such as the price of gold, new geological information, currency exchange rates and cost levels. A change in ore reserves can have a considerable impact on such matters as amortisation, restoration costs and the value of assets.

Restoration costs

An obligation regarding future restoration costs arises when there is an environmental impact due to a mining operation in the form of exploration, evaluation, development or on-going production. The restoration costs are calculated on the basis of a restoration plan. The Group reviews its mine restoration provision annually. Significant estimates and assumptions are made in determining the provision for mine restoration as there are numerous factors affecting the ultimate amount to be paid. These factors include estimates of the extent and costs of restoration activities, technological changes, regulatory changes, cost increases as compared with inflation rates, and changes in discount rates. These uncertainties may result in future actual expenditure differing from the reported provisions. The provisions at reporting date represent management's best estimate of the present value of future, required restoration costs. Changes in estimated future costs are reported in the statement of financial position by increasing, or decreasing, the restoration liability and restoration asset provided the initial estimate was originally reported as part of an asset measured in accordance with IAS 16 Property, Plant and Equipment. Any reduction in the restoration liability and, therefore, any deduction from the reported restoration asset, may not exceed the reported value of that asset. If it does, any excess over the reported value is reported immediately in profit or loss. If the change in the estimate results in an increase in the restoration liability and, therefore, an increase in the reported value of the asset, the entity is required to consider whether this is an indication of an impairment of the asset as a whole and is to test for impairment in accordance with IAS 36.

The amount of the restoration costs depends on the type of land in which the mining operation is located. If the mining operation is located within an area originally classified as agricultural, forestry or building land, the restoration requirements are more extensive. If, on the other hand, the land in question did not have any particular alternative use at the time of the initiation of the mining operation, the restoration requirements are more modest. At present, none of the different mining licences in eastern Siberia held by the Group are located on agricultural, forestry or building land. See Note 18 for further details.

Impairment of assets

The Group reviews each cash generating unit annually, in order to determine whether any indication of impairment exists. Where an indicator of impairment exists, a formal estimate of the recoverable amount is made, which is considered to be the higher of the fair value less costs to sell, and value in use. These assessments require the use of estimates and assumptions such as long-term commodity prices, discount rates, future capital requirements, exploration potential and operating performance. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction between knowledgeable and willing parties. The fair value of mineral assets is generally determined as the present value of estimated future cash flows arising from the continued use of the asset, which includes estimates, such as the cost of future expansion plans and eventual disposal, applying assumptions that an independent market participant may take into account. Cash flows are discounted to their present value using a pre-tax discount rate reflecting current market assessments of the time value of funds and the risks specific to the asset. Management has assessed its cash generating units as comprising an individual mining licence, which is the lowest level for which cash inflows are largely independent of the other assets.

An impairment test was carried out on the Group's productive gold assets as at December 31, 2020. The most significant portion of the intangible and tangible fixed assets relates to the Tardan license area. For this purpose, a discounted cash flow model has been applied extending over a 11-year period, together with a consideration of the value of registered reserves. A number of variables are simulated in the model. Among the more important assumptions are the price of gold and the required yield. The base assumption regarding the average price of gold during the period is a value of 1,750 US$/oz and the required yield is 10.9% per year. A number of other assumptions are also important. The results of the assessment of these base assumptions are that no impairment is required at year-end 2020.

An impairment test of significant assets is also performed at Parent Company level. The impairment test is based on an 11-year cash flow model forecast prepared for Auriant's production units. Cash flows are discounted to their present value using a discount rate reflecting current market assessments of the time value of funds and the risks specific to the asset. The net present value of the forecasted cash flow is compared with the book values of shares and loans provided by the Parent Company. Where an impairment indicator exists, i.e. the book value exceeds the net present value of the forecasted cash flow; an impairment provision is recorded at year end. As at December 31, 2020, the impairment test performed at Parent Company level showed that there were impairment requirements. Impairment of investment in the subsidiary LLC Tardan Gold have been calculated as the difference between the asset's carrying amount and the present value of estimated future cash flows and amounted to MSEK 181 (US$ 21 mln). See Note 13 Shares in Group companies for further details.

Recovery of deferred tax assets

Judgment is required in determining whether deferred tax assets are to be reported in the statement of financial position. Deferred tax assets, including those arising from unutilised tax losses, require management to assess the likelihood that the Group will generate taxable earnings in future periods, in order to utilise recognised deferred tax assets. Estimates of future taxable income are based on forecasted earnings from the operations and on the application of existing tax laws in each jurisdiction. To the extent that actual taxable income differs significantly from estimated, forecasted taxable income, the ability of the Group to realise the net deferred tax assets reported at reporting date could be impacted. Additionally, future changes in tax laws in the jurisdictions in which the Group operates could limit the ability of the Group to secure tax deductions in future periods. See Note 8 for further details.

Inventories

Net realisable value tests are performed at least once per year and represent the estimated future sales price of the product, based on prevailing spot metal prices at the reporting date, less estimated costs to complete production and bring the product to sale. Stockpiles are measured by estimating the number of tonnes added and removed from the stockpile, the number of contained gold ounces based on assay data, and the estimated recovery percentage based on the expected processing method. Stockpile tonnages are verified by means of periodic surveys. See Note 14 for further details.

Fair value of financial instruments

When the fair value of financial assets and financial liabilities reported in the statement of financial position cannot be derived from active markets, their fair value is determined using valuation techniques, including the discounted cash flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in determining fair values. The judgments include considerations of inputs, such as liquidity risk, credit risk and volatility. Changes in assumptions regarding these factors could affect the reported fair value of the financial instruments. See Note 20 for further details.

NOTE 1

REVENUE

Group revenue from the sale of gold and gold equivalents of MSEK 492.1 (US$ 53.4 mln) in 2020 and MSEK 281.6 (US$ 29.8 mln) in 2019 was generated by the Russian entities of the Group. No revenue was generated in Sweden. The Group had one customer for gold – the Russian bank, VTB. The Group's mining activities were focused on the Pravoberezhniy deposit at LLC Tardan Gold, which was the main source of ore in 2020 and 2019. Physical volume of gold sold increased by 45% from 654 kg (21,021 oz) in 2019 to 946 kg (30,428 oz) in 2020, at average relised gold price of US$ 1,755/oz (2019: US$ 1,416/oz).

	Group		Group	
	2020 TSEK	**2019 TSEK**	**2020 US$000**	**2019 US$000**
Revenue from sale of hard rock gold	485,878	261,890	52,736	27,683
Revenue from sale of alluvial gold	6,202	19,675	673	2,079
TOTAL REVENUE FROM SALE OF GOLD AND GOLD EQUIVALENTS	**492,080**	**281,565**	**53,409**	**29,762**

NOTE 2

COST OF SALES

	Group		Group	
	2020 TSEK	**2019 TSEK**	**2020 US$000**	**2019 US$000**
External expenses	61,687	52,519	6,696	5,551
Materials	61,893	58,188	6,718	6,151
Employee benefit expenses	69,090	54,483	7,499	5,759
Taxes	3,878	19,657	421	2,078
Alluvial operator costs	4,378	13,632	475	1,441
Depreciation, amortization and write downs	72,569	47,342	8,054	5,011
Change in stripping asset	28	-7,826	3	-826
Change in stock of finished and semi-finished goods	-22,921	-5,142	-2,488	-544
TOTAL COST OF SALES	**250,602**	**232,853**	**27,378**	**24,621**

In 2020, Group cost of sales was MSEK 250.6 (US$ 27.4 mln) compared to MSEK 232.9 (US$ 24.6 mln) in 2019. Despite of 40% growth in production volumes, cash expenses increased only by 4%, or MSEK 2.4 (US$ 0.8 mln), compared to 2019. In the reporting period, a 11% devaluation of the rouble against the US-dollar positively affected the Group's margin by decreasing the US-dollar value of its rouble-denominated costs. Tax expenses in 2020 decreased by 80%, or by MSEK 15.8 (US$ 1.7 mln) as LLC Tardan Gold became a participant of the Regional Investment Projects ("RIP") and obtained the right to apply the reduced income tax rate at 17% and the mineral extraction rate tax at zero %. As a result, average cash cost per ounce produced at Tardan decreased by 24% from US$ 884/oz in 2019 to US$ 676/oz in 2020.

In 2019, the stripping works on the Pravoberezhniy deposit have been pulled forward to secure access to ore. The changes in work in progress in 2020 increased by MSEK 17.8 (US$ 1.9 mln) as the Company had 56.3 kg of unsold gold compared to 2.3 kg as of 31 December 2019. However, depreciation charges in 2020 were higher by 61% compared to prior year as newly built CIL was launched.

In 2020, the Company engaged one contractor working at Solcocon, on the basis of 85% split of gold sales. Alluvial operator costs decreased by 67% in line with volume production decline: 12 kg (386 oz) of gold was produced compared to 54 kg (1,730 oz).

NOTE 3

GENERAL AND ADMINISTRATIVE EXPENSES

	Group		Parent Company		Group		Parent Company	
	2020 TSEK	2019 TSEK	2020 TSEK	2019 TSEK	2020 US$000	2019 US$000	2020 US$000	2019 US$000
Employee benefit expenses	18,268	13,517	2,755	2,797	1,982	1,430	299	296
External expenses*	8,582	7,109	7,047	4,883	950	753	765	516
Depreciation, amortization and write downs	122	7	-	-	13	1	-	-
TOTAL GENERAL AND ADMINISTRATIVE EXPENSES	**26,972**	**20,633**	**9,802**	**7,680**	**2,945**	**2,184**	**1,064**	**812**

General and administrative expenses relate to Management Company and Parent Company.

* External expenses include audit servises. For the remuneration to auditors refer the table below:

Audit fees

	Group		Parent Company		Group		Parent Company	
	2020 TSEK	2019 TSEK	2020 TSEK	2019 TSEK	2020 US$000	2019 US$000	2020 US$000	2019 US$000
PWC								
Audit engagement	1,000	1,000	1,000	1,000	109	106	109	106
Other statutory engagements	16	41	16	41	2	4	2	4
Tax advisory services	16	-	16	-	2	-	2	-
Other services	145	93	145	93	16	10	16	10
TOTAL FEES FOR THE AUDIT AND RELATED SERVICES TO PWC	**1,176**	**1,134**	**1,176**	**1,134**	**128**	**120**	**128**	**120**
Other auditing firms								
Statutory audit and related services	94	107	-	-	10	11	-	-
TOTAL FEES FOR THE AUDIT AND RELATED SERVICES TO AUDITING FIRMS	**1,270**	**1,241**	**1,176**	**1,134**	**138**	**131**	**128**	**120**

Audit assignment is defined as fees for the statutory audit (i.e. audit work required to present the Audit Report and provide audit advice in connection with the audit assignment).

NOTE 4

OTHER INCOME AND EXPENSES

	Group		Parent Company		Group		Parent Company	
	2020 TSEK	2019 TSEK	2020 TSEK	2019 TSEK	2020 US$000	2019 US$000	2020 US$000	2019 US$000
Other operating income								
Inventory tock-take surplus	374	-	-	-	41	-	-	-
Fixed assets sale	208	-	-	-	23	-	-	-
Services to contractors (rent, accomodation services, other)	161	273	-	-	17	29	-	-
Consulting services to subsiduary	-	-	750	720	-	-	81	76
Reversal of site restoration reserve	-	1,065	-	-	-	113	-	-
Reversal of bad debt provision	-	223	-	-	-	24	-	-
Other	145	722	-	-	15	75	-	-
TOTAL OTHER OPERATING INCOME	**888**	**2,283**	**750**	**720**	**96**	**241**	**81**	**76**

Reversal of provisions

In 2019, reversal of provisions primarily related to site restoration and bad debt, amounted to a total of MSEK 1.3 or US$ 0.1 mln.

	Group		Parent Company		Group		Parent Company	
	2020 TSEK	2019 TSEK	2020 TSEK	2019 TSEK	2020 US$000	2019 US$000	2020 US$000	2019 US$000
Other operating expenses								
Write-off of stipping assets	-18,049	-	-	-	-1,959	-	-	-
Penalties from suppliers and tax authorities	- 7,988	-558	-	-	-867	-59	-	-
Bank fees	-1,233	-277	-	-	-134	-29	-	-
Sponsorship fees	-659	-462	-	-	-72	-49	-	-
Prior year loss	-254		-	-	-28		-	-
Bad debt expenses, shortage of materials write-off	-	-773	-	-	-	-82	-	-
Previous periods waste disposal fees	-	-6,713	-	-	-	-710	-	-
Write-off fix assets	-	-237	-	-	-	-25	-	-
Provision for site restoration	-	-	-	-	-	-	-	-
Other	-	-448	-	-	-	-47	-	-
TOTAL OTHER OPERATING EXPENSES	**-28,184**	**-9,469**	**-**	**-**	**-3,059**	**-1,001**	**-**	**-**

Other operating expenses in 2020 increased by MSEK 18.7 (US$ 2.1 mln), or by 206%, compared to the previous reporting period, and amounted to MSEK 28.2 (US$ 3.1 mln). Increase was caused by the write off of MSEK 7.0 (US$ 0.8 mln) VAT refund asset in LLC Rudtechnology and MSEK 18.0 (US$ 1.9 mln) of stripping assets in LLC Tardan Gold. These stripping assets are stripping costs that were incurred in 2017 and relate to the third block of Ore Zone-1. Decision was taken to write down these stripping assets as the conclusion was made that usage of these assets will not be economically feasible.

NOTE 5

EMPLOYEE BENEFITS

	Group		Parent Company		Group		Parent Company	
	2020 TSEK	2019 TSEK	2020 TSEK	2019 TSEK	2020 US$000	2019 US$000	2020 US$000	2019 US$000
Salaries and remuneration in Sweden								
Board of Directors	1,591	1,613	1,591	1,613	172	171	172	171
Senior executives	422	525	422	525	47	57	47	57
CEO	187	144	187	144	20	15	20	15
	2,200	**2,282**	**2,200**	**2,282**	**239**	**243**	**239**	**243**
Salaries and remuneration in Russia								
CEO	4,708	1,793	-	-	511	190	-	-
Senior executives	2,234	1,883	-	-	242	199	-	-
Other employees	61,354	48,557	-	-	6,659	5,133	-	-
	68,296	**52,233**	**-**	**-**	**7,412**	**5,522**	**-**	**-**
Total salaries and remuneration	**70,496**	**54,515**	**2,200**	**2,282**	**7,651**	**5,765**	**239**	**243**
Social security expenses in Sweden								
Board of Directors	301	276	301	276	33	29	33	29
Senior executives	195	194	195	194	21	19	21	19
CEO	59	45	59	45	6	5	6	5
including pension expenses	43	23	43	23	5	2	5	2
	555	**515**	**555**	**515**	**60**	**53**	**60**	**53**
Social security expenses in Russia								
CEO	683	297	-	-	74	31	-	-
including pension expenses	72	33	-	-	8	3	-	-
Senior executives	435	380	-	-	47	40	-	-
including pension expenses	181	131	-	-	20	14	-	-
Other employees	15,189	12,293	-	-	1,649	1,299	-	-
including pension expenses	11,560	10,641	-	-	1,255	1,125	-	-
	16,307	**12,970**	**-**	**-**	**1,770**	**1,370**	**-**	**-**
Total social security expenses	**16,862**	**13,485**	**555**	**515**	**1,830**	**1,423**	**60**	**53**
Total employee benefit expenses	**87,358**	**68,000**	**2,755**	**2,797**	**9,481**	**7,188**	**299**	**296**

Remuneration and other benefits of the Board* and Senior executives

	2020 TSEK	2019 TSEK	2020 US$000	2019 US$000
Board of directors				
Lord Daresbury (Peter), Chairman of the Board	450	450	48	48
Preston Haskell	275	275	30	29
Ingmar Haga	106	275	12	29
Patrik Perenius	106	275	12	29
James Provoost Smith	275	275	30	29
Andrey Barinskiy	39	63	4	7
Danilo Lange	170	-	18	-
Jukka Tapani Pitkäjärvi	170	-	18	-
Total Board of directors	**1,591**	**1,613**	**172**	**171**
Senior Executives*				
Payroll	2,656	2,408	289	256
including bonuses paid for 2020 results**	147	-	16	-
Chief Executive Officer				
Payroll	4,895	1,937	531	205
including bonuses paid for 2020 results**	458	-	50	-
including termnation benefits***	2,038	-	221	-
Total Senior Executivies and CEO	**7,551**	**4,345**	**820**	**461**

Remuneration to the Board of Directors and guidelines for remuneration to Chief Executive Officer and Senior Executives are approved by AGM.

* Senior Executives in 2020 includes CFO, Deputy CEO, Group General Counsel, Chief Operating Officer and Head of HR (2019: acting CFO, Deputy CEO, Group General Counsel, Chief Geologist and Head of HR).
** There were bonuses paid for 2020 financial year results. There were no bonuses accrued and paid for 2019 financial year results.
*** In 2020, payroll of CEO included termination benefits paid to CEO, Sergey Ustimenko, who has been CEO since January 16, 2016 and left the Company on September 4, 2020. Danilo Lange was appointed as CEO from October 2, 2020.

	Group		Parent Company	
	2020	2019	2020	2019
Group – Board of Directors and CEO at year-end				
Women	-	-	-	-
Men	5	7	5	7
Group – Management at year-end				
Women	3	3	1	1
Men	2	2	-	-

Number of employees	Total 2020	of which woman	Total 2019	of which woman
Average number of employees				
Parent Company in Sweden	1	1	1	1
Subsidiaries in Russia	570	107	506	100
Total for the Group	**571**	**108**	**507**	**101**
Number of employees at year-end				
Parent company in Sweden	1	1	1	1
Subsidiaries in Russia	557	107	549	94
Total for the Group	**558**	**108**	**550**	**95**

NOTE 6

FINANCIAL INCOME

	Group		Parent Company		Group		Parent Company	
	2020 TSEK	2019 TSEK	2020 TSEK	2019 TSEK	2020 US$000	2019 US$000	2020 US$000	2019 US$000
Exchange rate differences	-	12,095	2,220	13,478	-	679	241	1,425
Interest income from Group companies	-	-	14,373	19,539	-	-	1,560	2,065
TOTAL FINANCIAL INCOME	**-**	**12,095**	**16,593**	**33,017**	**-**	**679**	**1,801**	**3,490**

NOTE 7

FINANCIAL EXPENSES

	Group		Parent Company		Group		Parent Company	
	2020 TSEK	2019 TSEK	2020 TSEK	2019 TSEK	2020 US$000	2019 US$000	2020 US$000	2019 US$000
Interest expenses on loans and borrowings	-48,241	-40,324	-22,765	-12,934	-5,252	-4,258	-2,471	-1,367
Interest expenses on leasing	-3,861	-1,256	-	-	-419	-133	-	-
Total interest expenses	**-52,102**	**-41,580**	**-22,765**	**-12,934**	**-5,671**	**-4,390**	**-2,471**	**-1,367**
Exchange rate differences	-11,968	-	-	-	-935	-	-	-
TOTAL FINANCIAL EXPENSES	**-64,070**	**-41,580**	**-22,765**	**-12,934**	**-6,606**	**-4,390**	**-2,471**	**-1,367**

In 2020, interest expense on loans and borrowings increased mainly due to the interest rate growth on the shareholder's bond (the latter increased from 2% and 4% p.a. effective during 2019 to 6% and 8% p.a. during 2020) and increase of interest expenses on lease liabilities, which had been capitalized in 2019.

NOTE 8

INCOME TAX AND DEFERRED INCOME TAX

	Group		Parent Company		Group		Parent Company	
	2020 TSEK	2019 TSEK	2020 TSEK	2019 TSEK	2020 US$000	2019 US$000	2020 US$000	2019 US$000
Current tax	-	-6	-	-	-	-1	-	-
Deferred tax	-28,603	2,622	-	-	-3,075	279	-	-
Total	**-28,603**	**2,616**	**-**	**-**	**-3,075**	**278**	**-**	**-**

Connection between tax expense and reported profit/loss								
Pre-tax profit/loss	123,141	-8,592	-196,032	13,123	13,518	-1,514	-22,605	1,387
Tax according to applicable tax rate	25,521	2,091	41,951	-2,808	2,770	221	4,553	-297
Tax effect of expenses that are non-deductible for tax purposes	-61,573	-8,921	-43,302	-2,768	-6,683	-943	-4,700	-293
Tax effect of non-taxable income	7,158	5,459	-	-	806	577	-	-
Tax losses for which no deferred income tax asset was recognised	-1,060	-1,589	-	-	-115	-167	-	-
Previously unrecognised tax losses now recouped to reduce tax expense	1,351	5,576	1,351	5,576	147	590	147	590
Tax effect of loss carry-forwards for which deferred taxes recoverable are not reported	-	-	-	-	-		-	
Total	**-28,603**	**2,616**	**-**	**-**	**-3,075**	**278**	**-**	**-**

The applicable tax rate for the Parent Company is 21.4%. The applicable tax rate for the Russian subsidiaries is 20%. The main business activities in the Group are carried out in Russia and the applicable tax rate used for the Group is 20%.

Currently, tax loss carry-forwards in the Parent Company are not reported as deferred tax assets in the balance sheet, as it is uncertain whether such tax losses can be utilised based on the managerial character of the Parent Company. The total tax losses carried forward in the parent company amounts to MSEK 42 and are not limited in time.

In the subsidiaries, deferred tax assets on tax losses carried forward are reported when it is probable that the subsidiary will generate sufficient taxable profits to utilise the tax losses within the foreseeable future. According to the Russian tax law, tax losses available for offsetting against future taxable income are not limited in time.

In 2020, LLC Tardan Gold became a participant of the Regional Investment Projects ("RIP") and obtained the right to apply the reduced income tax rate at 17% and the mineral extraction rate tax at zero %. According to Russian legislation, tax losses are accumulated in the statement of financial position and can be offset against future taxable earnings. Thus, in 2020, income tax charge of MSEK 32.4 (US$ 3.5 mln) was fully offset against the balance sheet amount of deferred tax asset related to tax loss carry forward in LLC Tardan Gold. As of 31 Decemeber 2020, The Group has deferred tax assets at Tardan Gold. The majority of the deferred tax assets relate to tax losses carried forward. Based on the forecast the LLC Tardan Gold will generate taxable profits that enable to utilise remained deferred tax asset within 2021 reporting year.

Deferred tax relates to the following:	Consolidated statement of financial position, TSEK		Consolidated statement of profit or loss, TSEK	
	2020	2019	2020	2019
Deferred tax assets:				
Losses available for offsetting against future taxable income	16,615	64,158	-31,589	-5,401
Site restoration provision	557	755	-	-
Depreciation of fixed assets	-	2,795	-	28
Bad debt provision	106	-	-	104
Inventories	180	-	-	-2,422
Functional currency on non-monetary items	50,629	33,369	-1,051	13,737
Other current assets	360	-	-205	-
Total deferred tax assets	**68,447**	**101,077**		
Deferred tax liabilities:				
Exploration costs	-15,361	-22,692	4,753	303
Work in progress	-8,885	-11,050	-856	-2,081
Leasing of equipment	-1,597	-2,385	186	-161
Depreciation of fixed assets	-19,737	-	-660	-482
Expenses capitalised	-8	-988	819	-1,003
Total deferred tax liabilities	**-27,824**	**-37,115**		
Deferred tax expense			**-28,603**	**2,622**
Net deferred tax assets	**40,623**	**63,962**		
Reflected in the statement of financial position as follows:				
Deferred tax assets	**40,623**	**63,962**		
Deferred tax liabilities	**-**	**-**		

Deferred tax relates to the following:	Consolidated statement of financial position, US$ 000		Consolidated statement of profit or loss, US$ 000	
	2020	2019	2020	2019
Deferred tax assets:				
Losses available for offsetting against future taxable income	2,029	6,887	-3,396	-568
Site restoration provision	68	81	-	-
Depreciation of fixed assets	-	300	-	3
Bad debt provision	13	-	-	11
Inventories	22	-	-	-256
Functional currency on non-monetary items	5,892	3,481	-112	1,452
Other current assets	44	-	-22	-
Total deferred tax assets	**8,068**	**10,749**		
Deferred tax liabilities:				
Exploration costs	-2,543	-3,152	511	32
Work in progress	-1,085	-1,186	-92	-221
Leasing of equipment	-195	-256	20	-17
Depreciation of fixed assets	-241	-	-71	-51
Expenses capitalised	-1	-106	88	-106
Total deferred tax liabilities	**4,065**	**-4,700**		
Deferred tax expense			**-3,075**	**278**
Net deferred tax assets	**4,003**	**6,049**		
Reflected in the statement of financial position as follows:				
Deferred tax assets	**4,003**	**6,049**		
Deferred tax liabilities	**-**	**-**		

NOTE 9

MINING PERMITS AND CAPITALISED EXPLORATION COSTS

	Group		Parent Company	
	31-12-2020 TSEK	31-12-2019 TSEK	31-12-2020 TSEK	31-12-2019 TSEK
Opening balance	235,284	239,173	392	392
Capitalized exploration costs	8,294	3,208	-	-
FV revaluation of contingent liability effect	2,386	-8,578	-	-
Translation difference	-59,085	1,481	-	-
Closing balance	**186,879**	**235,284**	**392**	**392**
Opening balance amortizations and write downs	-85,550	-67,135	-392	-392
Amortization for the period	-26,747	-22,820	-	-
Translation difference	53,003	4,405	-	-
Closing amortizations and write downs	**-59,294**	**-85,550**	**-392**	**-392**
Closing net book value	**127,585**	**149,734**	**-**	**-**

	Group		Parent Company	
	31-12-2020 US$ 000	31-12-2019 US$ 000	31-12-2020 US$ 000	31-12-2019 US$ 000
Opening balance	38,386	38,954	60	60
Capitalized exploration costs	900	339	-	-
FV revaluation of contingent liability effect	558	-907	-	-
Closing balance	**39,844**	**38,386**	**60**	**60**
Opening balance amortizations and write downs	-18,350	-15,938	-60	-60
Amortization for the period	-2,970	-2,412	-	-
Closing amortizations and write downs	**-21,320**	**-18,350**	**-60**	**-60**
Closing net book value	**18,524**	**20,036**	**-**	**-**

Assets are mainly represented by exploration and mine development costs and are held by the Russian subsidiaries of the Group (no assets are held by the Swedish Parent Company). Intangible assets represent a significant portion of the assets in the Group and impairment tests are regularly carried out by management in order to ensure that the recoverable values of these assets is not lower than their carrying values. The impairment tests are carried out through the use of a discounted cash flow model over the calculated lifetime of the asset/deposit and with consideration of the registered reserves on the deposit/license area. A number of variables are simulated in the model. Among the more important variables are the price of gold and the yield required.

An impairment test was carried out on the Group's productive gold assets as at 31 December, 2020. The most significant portion of the intangible assets refers to the Tardan license area. The key assumptions applied in the test were the average price of gold during the test period of 1,750 USD/oz, and a discounting rate of 10.9%. The result of the impairment tests on LLC Tardan Gold was that no impairment of the intangible assets was required as at December 31, 2020.

NOTE 10

BUILDINGS AND LAND

	Group			
	31-12-2020 TSEK	31-12-2019 TSEK	31-12-2020 US$000	31-12-2019 US$000
Opening balance	128,277	122,371	13,767	13,640
Purchases	-	-	-	-
Fixed assets put into use*	90,807	1,336	9,856	141
Disposals	-	-133	-	-14
Translation difference	-25,641	4,703	-	-
Closing balance accumulated acquisition values	**193,443**	**128,277**	**23,623**	**13,767**
Opening balance	-71,691	-62,079	-7,694	-6,920
Depreciation for the financial year	-11,094	-7,327	-1,231	-774
Disposals	-	-	-	-
Translation difference	9,694	-2,285	-	-
Closing balance accumulated depreciation	**-73,091**	**-71,691**	**-8,925**	**-7,694**
Closing net book value	**120,352**	**56,586**	**14,698**	**6,073**

* Increase of Building, Machinery and Equipment balances at year end 2020 explained by commissioning of new CIL plant at LLC Tardan Gold.

NOTE 11

MACHINERY, EQUIPMENT AND OTHER TECHNICAL PLANTS

	Group			
	31-12-2020 TSEK	31-12-2019 TSEK	31-12-2020 US$000	31-12-2019 US$000
Opening balance	290,591	279,451	31,094	31,065
Purchases	6,256	2,505	679	265
Fixed assets put into use*	107,433	167	11,630	18
Disposals	-2,492	-2,403	-271	-254
Translation difference	-47,891	10,871	-	-
Closing accumulated acquisition values	**353,897**	**290,591**	**43,132**	**31,094**
Opening balance	-225,385	-196,510	-24,119	-21,835
Depreciation for the financial year	-34,720	-21,481	-3,853	-2,284
Disposals	9	-	-	-
Translation difference	30,687	-7,393	-	-
Closing accumulated depreciation	**-229,409**	**-225,385**	**-27,972**	**-24,119**
Closing net book value	**124,488**	**65,206**	**15,160**	**6,975**

* Increase of Building, Machinery and Equipment balances at year end 2020 explained by commissioning of new CIL plant at LLC Tardan Gold.

NOTE 12

CONSTRUCTION IN PROGRESS

	Group			
	31-12-2020	31-12-2019	31-12-2020	31-12-2019
	TSEK	TSEK	US$000	US$000
Opening balance	191,015	100,590	20,502	11,215
Purchases during the year*	12,770	89,388	1,386	9,446
Fixed assets put into use	-198,241	-1,502	-21,515	-159
Translation difference	-2,505	2,541	-	-
Closing book value	**3,039**	**191,016**	**373**	**20,502**

All tangible fixed assets are held by the Russian subsidiaries and no assets are held by the Swedish Parent Company.

* Increase of Building, Machinery and Equipment balances at year end 2020 explained by commissioning of new CIL plant at LLC Tardan Gold.

NOTE 13

SHARES IN GROUP COMPANIES

Subsidiaries	Co. ID	Regd office	Proportion of ordinary shares directly held by Parent (%)	Proportion of ordinary shares held by the group (%)	Book value of shares in subsidiaries on Parent Company on December 31, 2020	Book value of shares in subsidiaries on Parent Company on December 31, 2019
LLC Tardan Gold	1041700563519	Kyzyl	100%	100%	377,090	557,898
LLC Uzhunzhul*	1071901004746	Abakan	1%	100%	2,577	2,577
LLC GRE 324*	1037542001441	Chita	60%	100%	-	-
LLC Rudtechnology*	1077530000570	Krasnokamensk	51%	100%	-	-
LLC Auriant Management	1097746422840	Moscow	100%	100%	8,518	8,518
Auriant Cyprus Ltd	334919	Limassol	100%	100%	-	-
Awilia Enterprises Ltd**	270158	Limassol	30%	100%	23,364	23,364
LLC Kara-Beldir***	1071701001460	Kyzyl	0%	100%	-	-
TOTAL					**411,549**	**592,357**

* The subsidiaries LLC Uzhunzhul, LLC GRE 324 and LLC Rudtechnology are indirectly owned by 100% through the subsidiary LLC Tardan Gold.
** 70% of Awilia Enterprises Ltd is indirectly owned through the subsidiary Auriant Cyprus Ltd.
*** The subsidiary LLC Kara-Beldir is indirectly owned through the subsidiary Awilia Enterprises Ltd.; hence, there is no book value for this company in Auriant Mining AB.

The investment in subsidiaries represent a significant portion of the assets in the Parent Company and impairment tests are regularly carried out by the board and management of Auriant mining AB in order to assess that the recoverable value of these assets is not less than their reported values. The impairment test is carried out through the application of discounted cash flow model. The model is sensitive to a number of variables and assessments, with some of the more important being the price of gold and required yield. Based on the impairment test perfomed as at December 31, 2020, an impairment of investment in the subsidiary LLC Tardan Gold at MSEK 180.8 (US$ 21.0 mln) had been reported.

NOTE 14

INVENTORIES

	Group			
	31-12-2020 TSEK	31-12-2019 TSEK	31-12-2020 US$000	31-12-2019 US$000
Raw materials and consumables	13,878	12,879	1,695	1,382
Finished goods	13,929	647	1,701	69
Work in progress	33,186	33,597	4,053	3,606
Total	**60,993**	**47,123**	**7,449**	**5,057**

The cost of inventories recognised as expense amounted to MSEK 61.9 (US$ 6.7 mln) (2019: MSEK 58.2 (US$ 6.2 mln)). The Company had 58 kg of gold in process accounted as WIP on December 31, 2020 (49 kg on December 31, 2019). The balance of finished goods on December 31, 2020 related to 56.3 kg of gold ready for sale (2.3 kg on December 31, 2019).

NOTE 15

OTHER CURRENT RECEIVABLES AND PREPAID EXPENSES

	Group		Parent Company	
	31-12-2020 TSEK	31-12-2019 TSEK	31-12-2020 TSEK	31-12-2019 TSEK
VAT receivable*	8,636	34,793	129	61
Other current receivables	1,928	2,418	1,588	1,152
Total other current receivables	**10,564**	**37,211**	**1,717**	**1,213**
Prepaid expenses	11,157	6,857	236	158
Total prepaid expenses	**11,157**	**6,857**	**236**	**158**

	Group		Parent Company	
	31-12-2020 US$000	31-12-2019 US$000	31-12-2020 US$000	31-12-2019 US$000
VAT receivable*	1,055	3,734	16	7
Other current receivables	235	260	194	123
Total other current receivables	**1,290**	**3,994**	**210**	**130**
Prepaid expenses	1,361	737	29	17
Total prepaid expenses	**1,361**	**737**	**29**	**17**

* The sale of gold is subject to 0% output VAT but the purchase of the majority of materials is subject to input VAT at a rate of 20%. Consequently, Auriant Mining Group companies always have a significant amount of VAT receivables with the state. It usually takes 3-6 months to recover VAT. In 2020, VAT refund asset in LLC Rudtechnology in amount of MSEK 7.0 (US$ 0.8 mln) was written of due to the higher tax authority denial of its refund.

Prepaid expenses are comprised of advances paid out to suppliers for materials and services to be provided in 2020 during the normal course of the Group's business.

LLC Kara-Beldir prepaid for civil-engineering for both access road and mine site in the amount of MSEK 2.1 (US$ 0.3 mln). Field works for the mine site area has been completed. In-office studies will be in progress in 2021. Field works for the access road have being in progress and will be ongoing in 2021.

NOTE 16

CASH AND CASH EQUIVALENTS

	Group		Parent Company	
	31-12-2020 TSEK	31-12-2019 TSEK	31-12-2020 TSEK	31-12-2019 TSEK
Cash at bank	3,452	1,343	542	1,081
Total cash and cash equivalents	**3,452**	**1,343**	**542**	**1,081**

	Group		Parent Company	
	31-12-2020 US$000	31-12-2019 US$000	31-12-2020 US$000	31-12-2019 US$000
Cash at bank	422	145	66	116
Total cash and cash equivalents	**422**	**145**	**66**	**116**

Cash and cash equivalents include only cash at bank.

NOTE 17

EARNINGS PER SHARE AND OTHER INFORMATION REGARDING SHARE AND EQUITY

a) Before dilution

Earnings per share before dilution are calculated by dividing the profit/loss attributable to the Parent Company's shareholders by the weighted average number of ordinary shares during the period.

	Group			
	2020 TSEK	2019 TSEK	2020 US$000	2019 US$000
Profit/Loss attributable to the Parent Company's shareholders	94,537	-5,976	10,442	-1,236
Weighted average number of ordinary shares	98,698,673	98,648,502	98,698,673	98,648,502
Earnings per share, SEK, US$	0.96	-0.06	0.11	-0.01

b) After dilution

The Annual General Meeting in 2015 established an incentive program for the Board Members and an incentive program for members of management and other key employees, though the issue of stock options entailing the right to subscribe for shares. In 2020, one participant of the incentive program for the Board members and one participant of the incentive program for members of management and other key employees subscribed for new shares in the Company at the subscription price of 1.89 SEK per share, by exercising their stock options via the exercise of warrants pursuant to the incentive programs. The total number of new shares subscribed for and issued to the two individuals was 119,768. The remaining stock options expired on May 12, 2020.

	Group			
	2020 TSEK	2019 TSEK	2020 US$000	2019 US$000
Profit/Loss attributable to the Parent Company's shareholders	94,537	-5,976	10,442	-1,236
Weighted average number of ordinary shares	98,698,673	98,648,502	98,698,673	98,648,502
Number of share options at year end*	-	345,000	-	345,000
Average number of shares for the period after dilution	98,698,673	98,993,502	98,698,673	98,993,502
Earnings per share after dilution, SEK, US$	0.96	-0.06	0.11	-0.01

* As at the end of 2020, there were no outstanding stock options or warrants in the Company.

c) Number of shares outstanding, quotient value per share, and the limits of share capital

At the 2020 and 2019 year-ends, the number of shares was as follows:

	Group		Parent Company	
Number of shares	**2020**	**2019**	**2020**	**2019**
Opening balance	98,648,502	98,648,502	98,648,502	98,648,502
New share issued during the period	119,768	-	119,768	-
Number of shares outstanding at each year-end	98,768,270	98,648,502	98,768,270	98,648,502
Share capital (Quotient value SEK 0,1125 per share)	**11,111,430**	**11,097,956**	**11,111,430**	**11,097,956**
Share capital in US$	**1,438,254**	**1,436,769**	**1,438,254**	**1,436,769**

The share capital limits at the 2020 year-end according to the articles of association were not less than MSEK 5.3 and not more than MSEK 21.3. The limit for number of shares was not less than 47,400,000 and not more than 189,600,000. The number of authorised and fully paid shares at the year-end 2020 is 98,768,270.

NOTE 18

PROVISIONS

	Group			
	31-12-2020 TSEK	**31-12-2019 TSEK**	**31-12-2020 US$000**	**31-12-2019 US$000**
Opening provision for restoration costs	5,744	6,072	617	677
Additional provisions during the year	-	184	-	19
Unwinding of discount	174	79	19	8
Reversal of provision for site restoration	-410	-1,065	-44	-113
Translation difference	-1,482	474	-100	26
Total provisions	**4,026**	**5,744**	**492**	**617**

The present value of restoration costs is calculated for each license in each subsidiary on an annual basis and is based on technical specialists' assessment of the amount of work and machinery needed to comply with the restoration requirements in each license agreement. The assessment of future restoration costs is based on the assumptions stated in each license agreement.
Decrease of site restoration provision in 2020 relates to the re-estimation of costs required to eliminate the impact on the environment caused by the mining activities.

The provision for restoration costs as regards the Tardan license area is estimated to be utilised at the end of the mining license period - 2032. The provision relating to the Staroverinskaya license area is estimated to be utilized at the end of the mining license period - 2029.

NOTE 19

LONG TERM AND SHORT-TERM LOANS, BONDS AND NOTES

	Group					
	31-12-2020 TSEK	31-12-2020 US$ 000	Effective interest rate in 2020	31-12-2019 TSEK	31-12-2019 US$ 000	Effective interest rate in 2019
Debt to shareholder, USD*	289,371	35,338	6.7%	329,251	35,338	2.9%
Long-term bank loans payable, USD**	144,897	17,695	8.4%	187,965	20,174	9.5%
Long-term notes payable, RUR	2,237	273	-	3,037	326	-
Total long-term loans, notes and bond	**436,505**	**53,306**		**520,253**	**55,838**	
Shareholder loans payable, USD***	-	-		21,083	2,263	12.3%
Short-term bank loans payable, USD**	75,330	9,199	8.4%	178,424	19,150	9.5%
Total short-term loans	**75,330**	**9,199**		**199,507**	**21,413**	

* Debt to shareholder was represented by Consolidated bond, the liability to Golden Impala Limited (a company related to the major shareholder).
** In 2020, the Group repaid MSEK 115.5 (US$ 12.5 mln) to VTB in accordance with the repayment schedule. In April 2020, the Group restructured repayment terms of existing loans provided by VTB rolling them over until end of 2023. Since 1 of July 2020, interest rate for the outstanding VTB loan was reduced to 7.82%. And in October 2020, the Group has negotiated with VTB a further reduction in the interest rate up to 3 months LIBOR plus 4.7% (currently equivalent to an annual interest rate of 4.92%).
*** Shareholder loans payable was represented by the revolving bridging loan the facility with Golden Impala Limited. In February 2020, the loan was fully repaid.

	TSEK	US$000
Liability to Golden Impala Limited as of December 31, 2019	**350,334**	**37,601**
Changes during the period due to:		
Revolving bridging loan facility repaid	-18,634	-2,000
Interest accrued	22,009	2,405
Interest paid	-24,609	-2,668
Translation difference	-39,729	
Liability to Golden Impala Limited as of December 31, 2020	**289,371**	**35,338**

NOTE 20

FINANCIAL ASSETS, LIABILITIES AND RISKS

This Note contains information regarding financial assets and liabilities, including the risks in the financial instruments to which the Group is exposed.
All financial assets and liabilities are valued at amortized cost except for royalty liabilities that are valued at fair value.
The Group's financial instrument categories and classifications are described in note "Summary of significant accounting policies".

Financial liabilities

	Group		Parent Company	
	31-12-2020 TSEK	31-12-2019 TSEK	31-12-2020 TSEK	31-12-2019 TSEK
Debt to shareholder*	289,371	329,251	289,371	329,251
Bank loans and notes payable**	147,134	191,002	-	-
Lease payable	2,137	12,512	-	-
Liability to KFM***	-	20,020	-	20,020
Other long-term liabilities****	62,148	65,518	-	-
Total long-term financial liabilities	**500,790**	**618,303**	**289,371**	**349,271**
Bank loans payable**	75,330	178,424	-	-
Shareholder loans payable*****	-	21,083	-	21,083
Lease payable	9,969	13,214	-	-
Liability to KFM***	29,877	19,520	29,877	19,520
Trade accounts payable	6,058	24,114	144	426
Total short-term financial liabilities	**121,234**	**256,355**	**30,021**	**41,029**

	Group		Parent Company	
	31-12-2020 US$000	31-12-2019 US$000	31-12-2020 US$000	31-12-2019 US$000
Debt to shareholder*	35,338	35,338	35,338	35,338
Bank loans and notes payable**	17,968	20,500	-	-
Lease payable	261	1,342	-	-
Liability to KFM***	-	2,149	-	2,149
Other long-term liabilities****	7,590	7,032	-	-
Total long-term financial liabilities	**61,157**	**66,361**	**35,338**	**37,487**
Bank loans payable**	9,199	19,150	-	-
Shareholder loans payable*****	-	2,263	-	2,263
Lease payable	1,217	1,418	-	-
Liability to KFM***	3,649	2,095	3,649	2,095
Trade accounts payable	740	2,588	18	46
Total short-term financial liabilities	**14,805**	**27,514**	**3,667**	**4,404**

* Debt to shareholder was represented by Consolidated bond, the liability to Golden Impala Limited (a company related to the major shareholder).
** Bank loans payable were represented by the liability to Russian Bank - VTB.
*** In October 2020, the Company agreed a new repayment schedule with KFM, according to which the outstanding debt will be repaid no later than December 31, 2021.
**** Other long-term liabilities as at December 31, 2020 and December 31, 2019 included liability to Centerra in accordance with royalty agreement, described in note 25 "Other long-term liabilities".
***** Shareholder loans payable was represented by the revolving bridging loan the facility with Golden Impala Limited. In February 2020, the loan was fully repaid.

A Group maturity analysis in relation to the total contractual, undiscounted cash flows is presented below (TSEK):

	2021 TSEK	2022 TSEK	2023 TSEK	2024 TSEK	after 2024 TSEK
Bank loans payable	75,330	84,858	60,039	-	-
Debt to shareholder	-	-	-	-	289,371
Notes payable	-	-	-	-	2,237
Leases liability	9,969	2,137	-	-	-
Other long-term liabilities	-	-	-	-	62,148
Trade accounts payable	6,058	-	-	-	-
Liability to KFM	29,877	-	-	-	-
TOTAL	**121,234**	**86,995**	**60,039**	**-**	**353,756**

A Group maturity analysis in relation to the total contractual, undiscounted cash flows is presented below (US$000):

	2021 US$ 000	2022 US$ 000	2023 US$ 000	2024 US$ 000	after 2024 US$ 000
Bank loans payable	9,199	10,363	7,332	-	-
Debt to shareholder	-	-	-	-	35,338
Notes payable	-	-	-	-	273
Leases liability	1,217	261	-	-	-
Other long-term liabilities	-	-	-	-	7,590
Trade accounts payable	740	-	-	-	-
Liability to KFM	3,649	-	-	-	-
TOTAL	**14,805**	**10,624**	**7,332**	**-**	**43,201**

Fair and carrying values of financial liabilities, TSEK	31-12-2020 TSEK Fair value	31-12-2020 TSEK Carrying amount	31-12-2019 TSEK Fair value	31-12-2019 TSEK Carrying amount
Debt to shareholder	289,371	289,371	350,334	350,334
Bank loans payable	220,227	220,227	366,389	366,389
Other current and long-term liabilities	92,025	92,025	105,058	105,058
Trade accounts payable	6,058	6,058	24,114	24,114
Leases payable	12,106	12,106	25,726	25,726
Notes payable	2,237	2,237	3,037	3,037
Total financial liabilities	**622,024**	**622,024**	**874,658**	**874,658**

Fair and carrying values of financial liabilities, US$000	31-12-2020 US$000 Fair value	31-12-2020 US$000 Carrying amount	31-12-2019 US$000 Fair value	31-12-2019 US$000 Carrying amount
Debt to shareholder	35,338	35,338	37,601	37,601
Bank loans payable	26,894	26,894	39,324	39,324
Other current and long-term liabilities	11,239	11,239	11,276	11,276
Trade accounts payable	740	740	2,588	2,588
Leases payable	1,478	1,478	2,760	2,760
Notes payable	273	273	326	326
Total financial liabilities	**75,962**	**75,962**	**93,875**	**93,875**

Maturity structure of financial liabilities as at December 31, 2020	< 1 year from reporting date, TSEK	> 1 year but < 5 years from reporting date, TSEK	> More than 5 years, TSEK	< 1 year from reporting date, US$000	> 1 year but < 5 years from reporting date, US$000	> More than 5 years, US$000
Trade accounts payable	6,058	-	-	740	-	-
Liability to KFM	29,877	-	-	3,649	-	-
Other liabilities	-	-	62,148	-	-	7,590
Debt to shareholder	-	-	289,371	-	-	35,338
Banks loans payable	75,330	144,897	-	9,199	17,695	-
Notes payable	-	-	2,237	-	-	273
Leases payable	9,969	2,137	-	1,217	261	-
Total financial liabilities	**121,234**	**147,034**	**353,756**	**14,805**	**17,957**	**43,200**

Interest rates are included in the Maturity structure of financial liabilities. Interest rates for lease liabilities are fixed. Interest rates on loans received from banks and shareholders are virable during the terms of the loan and the Group is, therefore, currently directly exposed to an interest rate risk in the short-term.

Finance lease liabilities are payable as follows:

	31-12-2020 TSEK	31-12-2020 TSEK	31-12-2020 TSEK	31-12-2020 US$000	31-12-2020 US$000	31-12-2020 US$000
	Minimum lease payments	Interest	Present value of payments	Minimum lease payments	Interest	Present value of payments
Less than one year	11,562	1,593	9,969	1,412	195	1,217
Between one and five years	2,301	164	2,137	281	20	261
TOTAL	**13,863**	**1,757**	**12,106**	**1,693**	**215**	**1,478**

Financial assets disclosures:

Cash and cash equivalents, TSEK	31-12-2020 TSEK Fair value	31-12-2020 TSEK Reported value	31-12-2019 TSEK Fair value	31-12-2019 TSEK Reported value
Cash and cash equivalents in SEK	1	1	1,081	1,081
Cash and cash equivalents in EUR	39	39	-	-
Cash and cash equivalents in USD	1,764	1,764	19	19
Cash and cash equivalents in RUR	1,648	1,648	243	243
Total cash and cash equivalents	**3,452**	**3,452**	**1,343**	**1,343**

Cash and cash equivalents, US$000	31-12-2020 US$000 Fair value	31-12-2020 US$000 Reported value	31-12-2019 US$000 Fair value	31-12-2019 US$000 Reported value
Cash and cash equivalents in SEK	-	-	116	116
Cash and cash equivalents in EUR	5	5	-	-
Cash and cash equivalents in USD	215	215	2	2
Cash and cash equivalents in RUR	202	202	27	27
Total cash and cash equivalents	**422**	**422**	**145**	**145**

Fair and carrying values of financial assets:

All amounts in TSEK	31-12-2020 TSEK Fair value	31-12-2020 TSEK Reported value	31-12-2020 TSEK Maximum credit risk	31-12-2019 TSEK Fair value	31-12-2019 TSEK Reported value	31-12-2019 TSEK Maximum credit risk
Accounts receivable trade	1,349	1,349	1,349	1,088	1,088	1,088
Less, provision for impairment of trade receivables	-	-	-	-	-	-
Accounts receivable, net	1,349	1,349	1,349	1,088	1,088	1,088
Other current receivables	1,928	1,928	1,928	2,418	2,418	2,418
Cash and cash equivalents	3,452	3,452	-	1,343	1,343	-
Total financial assets	**6,729**	**6,729**	**3,277**	**4,849**	**4,849**	**3,506**

All amounts in US$000	31-12-2020 US$000 Fair value	31-12-2020 US$000 Reported value	31-12-2020 US$000 Maximum credit risk	31-12-2019 US$000 Fair value	31-12-2019 US$000 Reported value	31-12-2019 US$000 Maximum credit risk
Accounts receivable trade	165	165	165	117	117	117
Less, provision for impairment of trade receivables	-	-	-	-	-	-
Accounts receivable, net	165	165	165	117	117	117
Other current receivables	235	235	235	260	260	260
Cash and cash equivalents	422	422	-	145	145	-
Total financial assets	**822**	**822**	**400**	**522**	**522**	**377**

The fair value of the financial instruments is included at the price that would be received in selling an asset or paying to transfer a liability in an orderly transaction between market participants as at measurement date. The Group applies the following hierarchy for determining and disclosing the fair value of financial instruments measured at fair value through the valuation technique:

Level 1: Quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2: Other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3: Techniques used inputs having a significant effect on the recorded fair value that are not based on observable market data. All financial instruments measured at fair value apply Level 2 valuation techniques in both years. There have been no transfers between fair value levels during the reporting period.

Policy for the management of 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. The Group's overall risk management policy focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

The Group attempts to mitigate the effects of these risks by ensuring that the Board and the management have the relevant competence. Consequently, the Group works proactively by carrying out suitable measures to counteract and manage the risks and, in addition, the Group obtains advice from consultants, when necessary. The Group does not use derivative instruments to hedge financial risks.

a1) Currency and gold price risk

The Group is exposed, through its activities, to both currency risk and gold price risk, as changes in exchange rates and gold prices affect the Group's results and cash flows. The Group's policy is, in general, not to hedge this currency and gold price risk. However, under certain circumstances, e.g. if lending banks require it or if the Board of Directors considers it to be warranted, the risks can be limited, e.g. through forward sales of gold or through currency hedging measures.

Currency exposure and analysis

The Group is exposed to foreign exchange risk in relation to net financial items denominated in foreign currencies. The functional currency of individual companies is determined by the primary economic environment in which the entity operates or the one in which it primarily generates and expends cash. The functional currency of the subsidiaries operating in Russia is the U.S. dollar, while the functional currency of Parent Company is SEK. The consolidated accounts are presented in Swedish Krona (SEK) – the reporting currency and the U.S. dollar – the convenience currency. In addition, the Group is exposed to currency risk in its operations, as changes in exchange rates affect the Group's results and cash flow. The Group's policy is, in general, not to hedge this currency risk. In the event of fluctuations in the exchange markets, material adverse effects may arise as regards the Group's business, financial condition and results.

The Group's income is subject to exchange rate fluctuations. The Group's revenue from gold sales is linked to U.S. dollars, whereas the majority of the Group's operating expenses are denominated in roubles. Accordingly, an appreciation of the rouble against the U.S. dollar may negatively affect the Group's margins by increasing the U.S. dollar value of its rouble-denominated costs. Conversely, an appreciation of the U.S. dollar may positively affect the Group's margins by decreasing the U.S. dollar value of its rouble-denominated costs. In the reporting period, a 16% devaluation of the rouble against the U.S. dollar positively affected the Group's margin by decreasing the U.S. dollar value of its rouble-denominated costs.

Assets and liabilities are translated from the functional currency to the reporting currency at the closing rate of 8.1886 SEK per US$ (9.3171 SEK per US$ at December 31, 2019). In 2020, income and expenses were translated using the average rates of SEK per US$: 9.6692 for Q1 2020, 9.6823 for Q2 2020, 8.8724 for Q3 2020 and 8.6296 for Q4 2020 (9.1706, 9.4494, 9.5853 and 9.6323 for 2019 respectively). The translation differences are recognized as a separate component in "Other comprehensive income" and the cumulative effect is included in other reserves in shareholders' equity.

Group financial assets and liabilities by currency:

All amounts in TSEK	31-12-2020 TSEK SEK	31-12-2020 TSEK USD	31-12-2020 TSEK EUR	31-12-2020 TSEK RUR	31-12-2020 TSEK Total
Cash and cash equivalents	1	1,764	39	1,648	3,452
Trade accounts receivable	-	-	-	1,349	1,349
Other current receivables	1,588	-	-	340	1,928
Total financial assets	**1,589**	**1,764**	**39**	**3,337**	**6,729**
Trade accounts payable	144	-	-	5,914	6,058
Other current and long-term liabilities	-	92,025	-	-	92,025
Debt to shareholder	-	289,371	-	-	289,371
Loans payable	-	220,227	-	-	220,227
Notes payable	-	-	-	2,237	2,237
Lease payable	-	-	-	12,106	12,106
Total financial liabilities	**144**	**601,623**	**-**	**20,257**	**622,024**
Net financial items	**1,445**	**-599,859**	**39**	**-16,920**	**-615,295**

All amounts in US$000	31-12-2020 US$000 SEK	31-12-2020 US$000 USD	31-12-2020 US$000 EUR	31-12-2020 US$000 RUR	31-12-2020 US$000 Total
Cash and cash equivalents	-	215	5	202	422
Trade accounts receivable	-	-	-	165	165
Other current receivables	194	-	-	41	235
Total financial assets	**194**	**215**	**5**	**408**	**822**
Trade accounts payable	18	-	-	722	740
Other current and long-term liabilities	-	11,239	-	-	11,239
Debt to shareholder	-	35,338	-	-	35,338
Loans payable	-	26,894	-	-	26,894
Notes payable	-	-	-	273	273
Lease payable	-	-	-	1,478	1,478
Total financial liabilities	**18**	**73,471**	**-**	**2,473**	**75,962**
Net financial items	**176**	**-73,256**	**5**	**-2,065**	**-75,140**

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

31-12-2020 Changes in Exchange rate of RUR, %	31-12-2020 Effect on profit before income tax, TSEK	31-12-2020 Changes in Exchange rate of USD, %	31-12-2020 Effect on profit before income tax, TSEK
10%	Decrease by 1,692	10%	Decrease by 59,986
-10%	Increase by 1,692	-10%	Increase by 59,986

Price risk analysis

The Group is exposed, through its activities, to a gold price risk, as changes in gold prices affect the Group's results and cash flow. The Group's policy is to manage these risks through sales of gold at a London market spot price agreed with the buyer, as well as on a basis of the London AM/ PM fixing or tradebook market orders (stop-loss or take-profit). In the event of a depreciation of the gold price, material adverse effects may arise in terms of the Company's business, financial condition and results. The Group derives substantially all of its revenue from the sale of gold. Accordingly, the Company's financial results largely dependent on the price of gold. The gold market is cyclical and sensitive to changes in general economic conditions, and may be subject to significant volatility. As a result, it is not possible to accurately forecast the price of gold. The price of gold is influenced by various factors, many of which are outside the control of the Group, including, but not limited to:

• speculative trading activities in gold;
• currency exchange rates, particularly movements in the value of the U.S. dollar against other currencies;
• the overall level of forward sales by gold producers;
• the overall level and cost of production;
• actual or expected inflation and interest rates;
• global and regional supply and demand, and expectations of future supply and demand.

The market gold price is significant factor that influences the Group's profitability and operating cash flow generation. The average realized gold price per ounce increased by 24% from US$ 1,416 in 2019 up to US$ 1,755 in 2020.

Significant sustained declines in the price of gold may render any of the gold exploration or development activities undertaken by the Group less profitable or unprofitable and may have a material adverse effect on the Group's business, results and financial position. The table below summarises the impact on profit before tax of changes in gold prices. The analysis is based on the assumption that the gold prices move 10% with all other variables held constant.

Change in price of gold in USD by:	Effect on operating profit, TSEK	Effect on operating profit, US$000
+10%, other things being equal	Increase by 49,208	Increase by 5,341
-10%, other things being equal	Decrease by 49,208	Decrease by 5,341

a2) Interest rate risk

The Group's interest-bearing loans are comprised of loans in Russian banks and loans from shareholders/related parties. Currently, all interest bearing loans have variable interest rates during the terms of the loans and, therefore, the Group is currently directly exposed to an interest rate risk in the short term. In the event of a higher interest rate in the future, there may be material adverse effects on the Group's business, financial condition and results.

A substantial amount of Group's interest-bearing loans are long-term loans, i.e. due for repayment in more than one year. The remaining portion is due in less than 5 years. The Group is engaged, on a regular basis, in negotiations with existing finance providers in order to roll current obligations over to subsequent periods and in order to maintain an optimal debt repayment pattern. The terms and conditions of the loans can be changed or adjusted during these negotiations, including potential interest rate increases. In the case of the Group not being able to find alternative finance sources, there may be an increase in in interest rate expenses, which, in its turn, may have a material adverse effect on the Group's business, net income and financial position.

b) Credit risk

As a rule, surplus liquidity is to be kept in current bank accounts or invested in savings accounts or overnight deposits, as the case may be. Accounts and deposits are opened in the same banks as those providing financing to the Group. With respect to gold sales, there are generally no receivables arising from these transactions – the Group sells gold to the bank, which holds a special license for conducting operations with precious metals. In the course of transaction, the Group either receives a pre-payment from the bank once the refinery reports have been received with the Dore bar from the Group or, if gold is not sold on a pre-payment basis, once the buyer settles its obligation on the same date. Auriant has quite a small amount of accounts receivable from other parties, with overwhelming majority originating from the renting out the Group's equipment. Provisions for bad debts are reported based on the estimation of expected credit losses. In the event of a counterparty default, material adverse effects may impact the Group's business, financial condition and results.

c) Liquidity risk

Auriant Mining AB is at a development stage, and, therefore, requires continued capital expenditure. Funds for these investments cannot only be obtained from internally generated income. The Company's growth, therefore, remains dependent on external financing. External financing may be secured in the form of borrowing or via a capital injection. For companies in a development stage, equity financing is the most common method. Since its formation, the company has executed preferential or directed new share issues on several occasions. The successful execution of share issues is, however, and to a large extent, dependent on the market climate. However, external financing in the form of bank loans has become, for the Group, one of the most important sources of working capital and has, also, ensured investment activity growth. If the Group is unable to secure financing, material adverse effects may impact the Group's business, financial condition and results. The Group is leveraged although most of its debt is medium to long term (i.e. due after 1 year) and fits the Company's future cash flows pattern. Newly built gold producing plant is capable to provide steady production flow without seasonality which is going to be main source for debt repayment in coming years.

Risk related to global coronavirus (COVID-19) pandemic

The current COVID-19 pandemic may affect the Group's operations by different means.

(a) Gold price. The pandemic may affect the gold price in an unexpected manner. Difficulties in delivery of physical gold resulting from airline services shrinking may cause gold price volatility as well as widening spreads between future and spot prices, as well as a price backed by gold delivery from those on stock exchange markets;

(b) Exchange rates. The pandemic causes drastic changes on commodity markets. Changes of commodity prices, in particular oil price may cause significant volatility on foreign exchange markets, in particular on Russian Rouble exchange markets;

(c) Operations. The Group's operations may be affected by many different mean, including, but not limited (a) Government issuing a mandatory lockdown order, (b) a quarantine might be put in place in a response to Group's employees' being infected; (c) refinery lockdown and inability to make the gold bullion for sale; (d) delivery of Dore bars to refinery could become impossible; (e) employees wouldn't be able to come on shift as a result of quarantine measures, etc.

NOTE 21

TRADE AND OTHER ACCOUNTS PAYABLE

	Group		Parent Company	
	31-12-2020 TSEK	**31-12-2019 TSEK**	**31-12-2020 TSEK**	**31-12-2019 TSEK**
Trade accounts payable	6,058	24,114	144	426
Other payables*	11,223	14,966	13	14
Accrued fees	682	890	665	875
Total trade and other accounts payable	**17,963**	**39,970**	**822**	**1,315**

	Group		Parent Company	
	31-12-2020 US$000	**31-12-2019 US$000**	**31-12-2020 US$000**	**31-12-2019 US$000**
Trade accounts payable	740	2,588	18	46
Other payables*	1,370	1,605	2	2
Accrued fees	83	96	81	94
Total trade and other accounts payable	**2,193**	**4,289**	**101**	**142**

*As of 31 December 2020 and 2019, other payables mainly consisted of finance lease liability.

NOTE 22

OTHER CURRENT LIABILITIES

	Group		Parent Company	
	31-12-2020 TSEK	**31-12-2019 TSEK**	**31-12-2020 TSEK**	**31-12-2019 TSEK**
Short-term debt to KFM*	29,877	19,520	29,877	19,520
Payroll and social contributions	10,635	12,112	172	302
Tax liabilities**	1,241	18,408	32	113
Total other current liabilities	**41,753**	**50,040**	**30,081**	**19,935**

	Group		Parent Company	
	31-12-2020 US$000	**31-12-2019 US$000**	**31-12-2020 US$000**	**31-12-2019 US$000**
Short-term debt to KFM*	3,649	2,095	3,649	2,095
Payroll and social contributions	1,306	1,300	21	32
Tax liabilities**	151	1,976	4	12
Total other current liabilities	**5,106**	**5,371**	**3,674**	**2,139**

*According to the repayment schedule agreed with KFM in October 2020, the outstanding amount of the debt will be repaid no later than December 31, 2021.
**Tax liabilities at the end of year 2019 included the waste disposal fees accrued for previous periods. These fees were paid off during year 2020.

NOTE 23

LOANS TO SUBSIDIARIES

	Parent Company			
	31-12-2020 TSEK	**31-12-2019 TSEK**	**31-12-2020 US$000**	**31-12-2019 US$000**
Opening balance	183,529	193,584	19,698	21,579
Loans during the year	-	-	-	-
Accrued interest	14,373	15,292	1,560	1,616
Repaid during the year	-58,883	-8,119	-6,391	-858
Loans converted into equity	-	-48,827	-	-5,241
Translation difference	-41,860	31,599	-3,002	2,602
Closing book value	**97,159**	**183,529**	**11,865**	**19,698**

Loans to subsidiaries represent a significant portion of the assets in the Parent Company, and impairment tests are regularly carried out by the management of the Parent Company in order to determine if the recoverable value of these assets is less than their reported values. The impairment tests performed as at December 31, 2020 showed an impairment of investment in the subsidiary LLC Tardan Gold at MSEK 180.8 (US$ 21.0 mln). In 2015, all investments and loans into Solcocon (LLC GRE 324, LLC Rudtechnologiya) were impaired.

In 2019, as result of intercompany debt optimisation some of the loans were converted into equity. It had a positive impact on net assets of Russian companies.

NOTE 24

PLEDGED ASSETS

	Group		Parent Company	
	31-12-2020 TSEK	31-12-2019 TSEK	31-12-2020 TSEK	31-12-2019 TSEK
Fixed assets*	221,598	51,805	-	-
Net assets of pledged subsidiaries (excluding directly pledged fixed assets)**	-	43,325	-	-
Shares in subsidiaries***	-	-	377,090	557,898
TOTAL	**221,598**	**95,130**	**377,090**	**557,898**

	Group		Parent Company	
	31-12-2020 US$000	31-12-2019 US$000	31-12-2020 US$000	31-12-2019 US$000
Fixed assets*	27,062	5,560	-	-
Net assets of pledged subsidiaries (excluding directly pledged fixed assets)**	-	8,884	-	-
Shares in subsidiaries***	-	-	46,051	56,746
TOTAL	**27,062**	**14,444**	**46,051**	**56,746**

Under the loan agreements with VTB the Group had a commitment to pledge of 100% of shares of LLC Tardan Gold, LLC GRE-324, LLC Kara-Beldyr and 99% of shares of LLC Uzhunzhul and sign guarantee agreements with Auriant Mining AB and Awilia Enterprises Limited in favor of VTB bank.

* As of 31 December 2020, pledged fixed assets increased due to CIL plant was included.
**As of 31 December 2020, the pledged fixed assets are higher than net assets of pledged subsidiaries.
*** As of 31 December 2020, shares in subsidiaries decreased by SEK 181 mln (US$ 21 mln) due to impairment of investment in the subsidiary LLC Tardan Gold. It had been calculated as the difference between the asset's carrying amount and the present value of estimated future cash flows.

NOTE 25

OTHER LONG-TERM LIABILITIES

	Group		Parent Company	
	31-12-2020 TSEK	31-12-2019 TSEK	31-12-2020 TSEK	31-12-2019 TSEK
Other long-term liabilities *	62,148	65,518	-	-
Liability to KFM**	-	20,020	-	20,020
Lease payable	2,137	12,512	-	-
Total other long-term liabilities	**64,285**	**98,050**	**-**	**20,020**

	Group		Parent Company	
	31-12-2020 US$000	31-12-2019 US$000	31-12-2020 US$000	31-12-2019 US$000
Other long-term liabilities *	7,590	7,032	-	-
Liability to KFM**	-	2,149	-	2,149
Lease payable	261	1,342	-	-
Total other long-term liabilities	**7,851**	**10,523**	**-**	**2,149**

* In October 2014, the Group acquired a 70% interest in LLC Kara-Beldyr from Canada's Centerra Gold Inc. and increased its share in LLC Kara-Beldyr to 100%. As consideration for this transaction, Auriant Mining will pay Centerra Gold a Net Smelter Royalty of 3.5% on any mineral revenue from Kara-Beldyr in the future. As result, the Group accrued contingent consideration to Centerra Gold Inc. The value of contingent consideration was measured based on the fair value from the cash flow model. The cash flow model included 3 scenarios: realistic, optimistic and pessimistic, with probabilities of 90%, 5% and 5%, respectively. The range of the major assumptions for the scenarios was: Gold price: 1600-1900 $/oz, WACC - 17.5%. All changes in fair value considerations are accounted for through the asset's cost. As of December 31, 2020 contingent consideration equaled to MSEK 62.1 (US$ 7.6 mln) (December 31, 2019 – MSEK 65.5 (US$ 7.0 mln).

** In October 2020, the Company agreed a new repayment schedule with KFM, according to which the outstanding debt will be repaid no later than December 31, 2021.

NOTE 26

TRANSACTIONS WITH RELATED PARTIES

The majority shareholder and the ultimate parent of Auriant Mining AB is Bertil Holdings Limited owning approximately 52% of the shares in the Company. Bertil Holdings Limited is a company controlled by the Mr. Preston Haskell who is Auriant's ultimate controlling party. The remaining 48% of the shares in Auriant are held amongst 3,776 shareholders.

Financing

In February 2020, the Group fully repaid the shareholder's revolving bridging loan facility at the amount of MSEK 18.6 (US$ 2.0 mln).The amount of bond liability to Golden Impala Limited as of December 31, 2020 was MSEK 289.4 (US$ 35.3 mln). Accrued interest expenses for transactions with related parties during 2020 amounted to MSEK 22.0 (US$ 2.4 mln) and interest paid amounted to MSEK 24.6 (US$ 2.7 mln).

Financing Golden Impala Limited	TSEK	US$000
Liability to Golden Impala as of December 31, 2018	**325,992**	**36,339**
Interest accrued	12,171	1,282
Interest paid	-181	-20
Translation difference	12,352	-
Liability to Golden Impala as of December 31, 2019	**350,334**	**37,601**
Revolving bridging loan facility repaid	-18,634	-2,000
Interest accrued	22,009	2,405
Interest paid	-24,609	-2,668
Translation difference	-39,729	-
Liability to Golden Impala Limited as of December 31, 2020	**289,371**	**35,338**

The table below summaries transactions undertaken with related parties during the year:

	Group			
	2020 TSEK	**2019 TSEK**	**2020 US$000**	**2019 US$000**
Purchases from related parties:				
Consulting services from companies related to Board Members	981	782	106	82
Legal services from a company related to the main shareholder	443	802	48	85
Interest expenses to related parties:				
Interest to companies controlled by the ultimate controlling party	22,009	12,171	2,405	1,282
Balances with related parties at the end of the year:				
Liabilities to companies related to Board members	-	134	-	14
Liabilities to companies related to the ultimate controlling party	290,376	351,378	35,461	37,713
Liabilities to shareholders	-	-	-	-

For Board and Senior Executives remuneration please refer to Note 5.

NOTE 27

SUPPLEMENTARY INFORMATION TO THE STATEMENT OF CASH FLOW

The following table shows changes in liabilities attributable to financing activities:

	Liabilities from financing activities							
	Debt to shareholder	Borrowings due within 1 year	Borrowings due after 1 year	Finance leases due within 1 year	Finance leases due after 1 year	Other liabilities within 1 year	Other liabilities after 1 year	Total
	TSEK	TSEK	TSEK	TSEK	TSEK	TSEK	TSEK	TSEK
Financial liabilities as at January 1, 2019	**325,991**	**67,935**	**251,724**	**5,743**	**15,845**	**37,326**	**-**	**704,565**
Cash flows	-181	-31,514	43,611	-10,873	-	-	-	1,043
Acquisitions - finance leases	-	-	-	5,568	2,941	-	-	8,509
Reclassifications	-	107,370	-107,370	6,274	-6,274	-18,569	18,569	-
Foreign exchange adjustments	12,352	11,478	-	1,163	-	-	1,451	26,444
Other non-cash movements	12,172	23,155	-	5,339	-	763	-	41,429
Financial liabilities as at December 31, 2019	**350,334**	**178,424**	**187,965**	**13,214**	**12,512**	**19,520**	**20,020**	**781,989**
Cash flows	-43,243	-140,917	-	-22,159	-	-5,802	-	-212,121
Acquisitions - finance leases	-	-	-	1,103	1,781	-	-	2,884
Reclassifications	-	20,672	-20,672	12,156	-12,156	20,020	-20,020	-
Foreign exchange adjustments	-39,729	-8,990	-22,396	-724	-	-4,616	-	-76,455
Other non-cash movements	22,009	26,141	-	6,379	-	755	-	55,284
Financial liabilities as at December 31, 2020	**289,371**	**75,330**	**144,897**	**9,969**	**2,137**	**29,877**	**-**	**551,581**

	Parent Company Liabilities from financing activities				
	Debt to shareholder	Borrowings due within 1 year	Other liabilities within 1 year	Other liabilities after 1 year	Total
	TSEK	TSEK	TSEK	TSEK	TSEK
Financial liabilities as at January 1, 2019	**325,991**	**-**	**37,326**	**-**	**363,317**
Cash flows	-181	-	-	-	-181
Reclassifications	-	-	-18,569	18,569	-
Foreign exchange adjustments	12,352	-	-	1,451	13,803
Other non-cash movements	12,172	-	763	-	12,935
Financial liabilities as at December 31, 2019	**350,334**	**-**	**19,520**	**20,020**	**389,874**
Cash flows	-43,243	-	-5,802	-	-49,045
Reclassifications	-	-	20,020	-20,020	-
Foreign exchange adjustments	-39,729	-	-4,616	-	-44,345
Other non-cash movements	22,009	-	755	-	22,764
Financial liabilities as at December 31, 2020	**289,371**	**-**	**29,877**	**-**	**319,248**

	Liabilities from financing activities							
	Debt to shareholder	**Borrowings due within 1 year**	**Borrowings due after 1 year**	**Finance leases due within 1 year**	**Finance leases due after 1 year**	**Other liabilities within 1 year**	**Other liabilities after 1 year**	**Total**
	US$ 000	**US$ 000**	**US$ 000**	**US$ 000**	**US$ 000**	**US$ 000**	**US$ 000**	**US$ 000**
Financial liabilities as at January 1, 2019	**36,332**	**7,573**	**28,060**	**640**	**1,766**	**4,161**	**-**	**78,532**
Cash flows	-20	-3,793	4,576	-1,118	-	-	-	-355
Acquisitions - finance leases	-	-	-	588	311	-	-	899
Reclassifications	-	12,447	-12,462	735	-735	-2,149	2,149	-15
Foreign exchange adjust-ments	-	-	-	-	-	-	-	-
Other non-cash movements	1,289	2,923	-	573	-	83	-	4,868
Financial liabilities as at December 31, 2019	**37,601**	**19,150**	**20,174**	**1,418**	**1,342**	**2,095**	**2,149**	**83,929**
Cash flows	-4,668	-15,344	-	-2,413	-	-677	-	-23,102
Acquisitions - finance leases	-	-	-	135	217	-	-	352
Reclassifications	-	2,524	-2,524	1,298	-1,298	2,149	-2,149	-
Foreign exchange adjust-ments	-	-	-	-	-		-	-
Other non-cash movements	2,405	2,868	45	779	-	82	-	6,179
Financial liabilities as at December 31, 2020	**35,338**	**9,199**	**17,695**	**1,217**	**261**	**3,649**	**-**	**67,359**

Parent Company

	Liabilities from financing activities				
	Debt to shareholder	**Borrowings due within 1 year**	**Other liabilities within 1 year**	**Other liabilities after 1 year**	**Total**
	US$ 000	**US$ 000**	**US$ 000**	**US$ 000**	**US$ 000**
Financial liabilities as at January 1, 2019	**36,332**	**-**	**4,161**	**-**	**40,493**
Cash flows	-20	-	-	-	-20
Reclassifications	-	-	-2,149	2,149	-
Other non-cash movements	1,289	-	83	-	1,372
Financial liabilities as at December 31, 2019	**37,601**	**-**	**2,095**	**2,149**	**41,845**
Cash flows	-4,668	-	-677	-	-5,345
Reclassifications	-	-	2,149	-2,149	-
Other non-cash movements	2,405	-	82	-	2,487
Financial liabilities as at December 31, 2020	**35,338**	**-**	**3,649**	**-**	**38,987**

NOTE 28

SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

COVID-19 pandemic

The current COVID-19 pandemic is expected to affect all global markets and countries worldwide.

Government-mandated temporary lockdowns may disrupt the Auriant Mining Group's activities and operations and even lead to a full or partial suspension of the Group's mining and production operations. Despite the fact that no operational disruptions have occurred to Auriant Mining Group to date, in case the situation worsens the subsidiaries may experience temporary disruptions in supply chain and logistics in the coming months should the pandemic be prolonged. Such disruptions may impact the Group's ability to source and transport goods and services required to operate mines and/or to transport gold Dore bars to the refinery.

In a case if COVID-19 would spread amongst the Group's workforce, it may lead to a full or partial suspension of mine operations and production.

Management will continue to carefully monitor the situation and take all practically possible measures mitigating these risks.

Change of the presentation currency to U.S. dollars (USD)

Auriant Mining group has chosen to change the presentation currency to U.S. dollars (USD). The Group has chosen to present its consolidated financial statements in USD only, as management believes it is a convenient presentation currency for international users of the consolidated financial statements of the Auriant Mining group. The change in the reporting currency constitutes a change of the accounting principle, i.e. it is applied retroactively in accordance with the requirements in IAS 8. All comparative information for the Group for 2020 will therefore be translated into USD in the upcoming reports.

In accordance with the Swedish Accounting Act, the Parent Company's financial information is reported in Swedish krona and not the Group's presentation currency of U.S. dollars.


KOMATSU

Board Assurance

The Board of Directors and the Chief Executive Officer confirm that the consolidated financial statements and the annual report have been prepared in accordance with International Financial Reporting Standards, IFRS, as adopted by the EU and that they provide a true and fair view of the Group's results and financial position. The financial statements of the Parent Company have been prepared in accordance with generally excepted accounting principles in Sweden and provide a true and fair view of the Parent Company's results and financial position. The Directors' Report for the Group and the Parent Company, respectively, provide a true and fair view of the Group's and the Parent Company's activities, results and financial position, and describe significant risks and areas of uncertainty faced by the Parent Company and the companies within the Group.

Stockholm, April 20, 2021

Lord Daresbury
Chairman of the Board

Preston Haskell
Board Member

Jukka Pitkajarvi
Board Member

Danilo Lange
Board Member, CEO

The annual report and the consolidated financial statements have, as stated above, been approved for issue by the Board of Directors on April 20, 2021. The Group's income statement and balance sheet, and the Parent Company's income statement and balance sheet will be subject adoption by the annual general meeting on May 11, 2021.

Our audit report was submitted on April 20, 2021

Öhrlings PricewaterhouseCoopers AB

Anna Rozhdestvenskaya
Authorised Public Accountant

Auditor's Report

To the general meeting of the shareholders of Auriant Mining AB, corporate identity number 556659-4833

REPORT ON THE ANNUAL ACCOUNTS AND CONSOLIDATED ACCOUNTS

OPINIONS

We have audited the annual accounts and consolidated accounts of Auriant Mining AB (publ) for the year 2020, except for the corporate governance report on pages 49 - 55. The annual accounts and consolidated accounts of the company are included on pages 42 – 48, 55 and 61-114 in this document.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of parent company and the group as of 31 December 2020 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the group as of 31 December 2020 and their financial performance and cash flow for the year then ended in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU, and the Annual Accounts Act. Our opinions do not cover the corporate governance statement on pages 49-55. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

We therefore recommend that the general meeting of shareholders adopts the income statement and balance sheet for the parent company and consolidated income statement and consolidated statement of financial position the group.

BASIS FOR OPINIONS

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

OTHER INFORMATION THAN THE ANNUAL ACCOUNTS AND CONSOLIDATED ACCOUNTS

This document also contains other information than the annual accounts and consolidated accounts and is found on pages 1-41 and 56-60 The Board of Directors and the Managing Director are responsible for this other information.

Our opinion on the annual accounts and consolidated accounts does not cover this other information and we do not express any form of assurance conclusion regarding this other information.

In connection with our audit of the annual accounts and consolidated accounts, our responsibility is to read the information identified above and consider whether the information is materially inconsistent with the annual accounts and consolidated accounts. In this procedure we also take into account our knowledge otherwise obtained in the audit and assess whether the information otherwise appears to be materially misstated.

If we, based on the work performed concerning this information, conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF THE BOARD OF DIRECTORS AND THE MANAGING DIRECTOR

The Board of Directors and the Managing Director are responsible for the preparation of the annual accounts and consolidated accounts and that they give a fair presentation in accordance with the Annual Accounts Act and, concerning the consolidated accounts, in accordance with IFRS as adopted by the EU. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts and consolidated accounts, The Board of Directors and the Managing Director are responsible for the assessment of the company's and the group's ability to continue as a going concern. They disclose, as applicable, matters related to going concern and using the going concern basis of accounting. The going concern basis of accounting is however not applied if the Board of Directors and the Managing Director intend to liquidate the company, to cease operations, or has no realistic alternative but to do so.

AUDITOR'S RESPONSIBILITY

Our objectives are to obtain reasonable assurance about whether the annual accounts and consolidated accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts and consolidated accounts.

A further description of our responsibility for the audit of the annual accounts and consolidated accounts is available on Revisorsinspektionen's website: www.revisorsinspektionen.se/revisornsansvar. This description is part of the auditor´s report.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

OPINIONS

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the Board of Director's and the Managing Director of Auriant Mining AB (publ) for the year 2020 and the proposed appropriations of the company's profit or loss.

We recommend to the general meeting of shareholders that the loss dealt with in accordance with the proposal in the statutory administration report and that the members of the Board of Director's and the Managing Director be discharged from liability for the financial year.

BASIS FOR OPINIONS

We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

RESPONSIBILITIES OF THE BOARD OF DIRECTORS AND THE MANAGING DIRECTOR

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the company's and the group's type of operations, size and risks place on the size of the parent company's and the group' equity, consolidation requirements, liquidity and position in general.

The Board of Directors is responsible for the company's organization and the administration of the company's affairs. This includes among other things continuous assessment of the company's and the group's financial situation and ensuring that the company´s organization is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a reassuring manner. The Managing Director shall manage the ongoing administration according to the Board of Directors' guidelines and instructions and among other matters take measures that are necessary to fulfill the company's accounting in accordance with law and handle the management of assets in a reassuring manner.

AUDITOR'S RESPONSIBILITY

Our objective concerning the audit of the administration, and thereby our opinion about discharge from liability, is to obtain audit evidence to assess with a reasonable degree of assurance whether any member of the Board of Directors or the Managing Director in any material respect:

- has undertaken any action or been guilty of any omission which can give rise to liability to the company, or

- in any other way has acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

Our objective concerning the audit of the proposed appropriations of the company's profit or loss, and thereby our opinion about this, is to assess with reasonable degree of assurance whether the proposal is in accordance with the Companies Act.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the company, or that the proposed appropriations of the company's profit or loss are not in accordance with the Companies Act.

A further description of our responsibility for the audit of the administration is available on Revisorsinspektionen's website: www.revisorsinspektionen.se/revisornsansvar. This description is part of the auditor's report.

AUDITOR'S REPORT ON THE CORPORATE GOVERNANCE STATEMENT

The Board of Directors is responsible for that the corporate governance statement on pages 49 - 55 has been prepared in accordance with the Annual Accounts Act.

Our examination of the corporate governance statement is conducted in accordance with FAR's auditing standard RevR 16 The auditor's examination of the corporate governance statement. This means that our examination of the corporate governance statement is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinions.

A corporate governance statement has been prepared. Disclosures in accordance with chapter 6 section 6 the second paragraph points 2-6 of the Annual Accounts Act and chapter 7 section 31 the second paragraph the same law are consistent with the other parts of the annual accounts and consolidated accounts and are in accordance with the Annual Accounts Act.

Stockholm 20 April 2021
Öhrlings PricewaterhouseCoopers AB

Anna Rozhdestvenskaya
Authorized Public Accountant

Additional Information

TRANSLATION

This text is the English version of the 2020 Swedish Annual Report. If any discrepancies exist between the two versions, the Swedish version shall prevail.

DEFINITIONS

"Auriant Mining", "AUR" and "the Company" refer to Auriant Mining AB (publ) with Swedish Corporate Identity number 556659-4833 and to its subsidiary companies.

DATES FOR FINANCIAL INFORMATION IN 2021

Auriant Mining AB's financial year runs from 1 January to 31 December. In 2021, the Company will issue interim financial information as follows:

Interim report (1) January–March 2021:
31 May 2021
Interim report (2) January – June 2021:
30 August 2021
Interim report (3) January – September 2021:
29 November 2021
Interim report (4) January – December 2021:
28 February 2022

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MINING

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