

An aerial photograph of a mining landscape. The foreground shows a large, terraced hillside with a mix of brown, tan, and blue-grey soil. A dirt road or path winds through the terraces. In the middle ground, a valley opens up, showing a mix of green vegetation and brown earth. In the background, more hills and mountains are visible under a hazy, orange-tinted sky, suggesting a sunset or sunrise. The overall scene is a vast, open landscape with significant earthmoving and mining activity.

Auriant Mining

INTERIM REPORT
Q3 2021
JANUARY-SEPTEMBER



AURIANT
MINING

AURIANT MINING AB (publ.)

Q3 2021 Interim Report (January – September)

The consolidated financial statements of the Auriant Mining Group (“Auriant Mining”, “the Company”), of which Auriant Mining AB (publ.) with corporate identity number 556659-4833 is the parent company (“the Parent Company”), are hereby presented for the nine-month period ended on 30 September 2021.

Highlights

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

- **VTB loan facility:** in June 2021, further improvements were agreed, such as the reduction of the interest rate to 3 months LIBOR plus 3.7% and the cancellation of the compulsory "cash sweep".
- **Gold production** 695 kg / 22,355 oz (755 kg /24,285 oz)
- **Gold sales** 614 kg /19,749 oz (761 kg /24,442 oz)
- **Consolidated revenue** US\$ 35.9 mln (US\$ 42.3 mln)
- **Net profit after tax** US\$ 4.3 mln (US\$ 11.5 mln)
- **EBITDA** US\$ 16.6 mln (US\$ 24.9 mln)
- **Net cash flow generated from operating activities** US\$ 12.9 mln (US\$ 23.0 mln)
- **Average selling price for gold** US\$ 1,816 per oz (US\$ 1,729 per oz)
- **2021 annual total gold production forecast** is 900 - 930 kg (28,936 – 29,900 oz) as previously announced

Significant events after the reporting period

- US\$ 2.2 mln of additional provision for waste disposal accrued in LLC “Tardan Gold” for 2019-2021 (please see note 8 on page 16 for details).

Glossary and definitions of the above performance measures are presented on pages 19-20.

Comments from the CEO

Summary

The first 9 months showed a solid uninterrupted performance in line with our announced targets and expectations.

Further improvements of the terms of the VTB loan facility and KFM restructuring

In June 2021, the Company successfully negotiated further improvements in the terms of the VTB loan facility. Reflecting the Company's good performance in 2020 and 2021, VTB agreed to reduce the interest rate to 3 months LIBOR plus 3.7%. This represents a saving of 100 bps and the reduction comes with no breakage fee. In addition, the cancellation of a compulsory "cash sweep" clause in the loan agreement will result in a stronger liquidity position and pave the way for sustainable growth of the Company's resource base and production.

Also, KFM has agreed to a reduction in the capital repayment for 2021, which resulted in a US\$ 2.65 mln deferral until 31 December 2022.

Exploration update

With the goal of increasing the quality and extent of gold reserves and extending the life of mine, the 2021 exploration program has focused on drilling in two of our license areas.

During 9m 2021, exploration drilling was carried out at the Staroverinskaya¹ and Eastern Tardan License areas. The Company completed over 9,800 m of drilling at Staroverinskaya¹ and 4,500 m at Eastern Tardan costing US\$ 2.3 mln for the period compared to US\$ 0.7 mln in 9 months 2020.

Renewed stripping activities at Tardan deposit

Due to the restoration of the subsoil use rights under the Tardan deposit license in November 2020, the Company renewed its stripping activities at the Tardan deposit on Ore Zone #3 in Q2 2021 and Ore Zone #26 in Q3 2021. Higher stripping activities had an adverse impact on cost performance during the reporting period.

Kara-Beldyr update

We are still very positive about the prospects of commencing production at Kara-Beldyr with geological resources of 26.8 tonnes according to JORC, which shows a life of mine of 10-11 years producing 2 tonnes per year on average. Kara-Beldyr has been included as part of the regional development program on electricity. However, due to a slower than expected decision process on the electricity line the commencement of production will push back from 2024 to 2025.

COVID-19

Due to the COVID-19 pandemic, we have focused on implementing strict measures to ensure the safety of our employees and our contractors. In 9m 2021, we have managed to maintain our operations without interruption.

Additional waste disposal payment for 2019 and 2020

After the reporting date, LLC «Tardan Gold» received a request to make an additional payment for waste disposal in the amount of US\$ 1.1 mln. The request relates to placement of waste rock mass from the Pravoberezhny deposit on stockpiles located at the mine in 2019 and 2020. In addition, a waste disposal provision for 2021 was also estimated and accrued in the amount of US\$ 1.1 mln (for details please see note 8 on page 16).

Auriant Mining remains focused on its strategy to create long-term value, while continuing to improve the strength of its balance sheet and mitigating any financial or operating risks to the business.

Danilo Lange, CEO



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

Operations

The Company has currently four assets, including two operating mines (Tardan and Staroverinskaya¹), one early stage exploration asset and one development asset. The gold production during 9 months 2021, compared to the corresponding periods in 2020 and full year 2020, is presented in the following table:

Production unit	9m 2021		9m 2020		YoY		FY 2020	
	kg	oz	kg	oz	kg	oz	kg	oz
Hard rock								
Tardan (CIL)	680	21,862	750	24,112	(70)	(2,250)	953	30,629
Alluvial								
Staroverinskaya	15	494	5	172	10	322	12	386
Total gold produced	695	22,355	755	24,285	(60)	(1,930)	965	31,014

Tardan

Tardan includes Tardan's open pit mine and Tardan's CIL plant. Tardan's CIL plant has a projected throughput of >50t per working hour. Before the CIL plant was built, there were five years of gold production via both gravitational and heap leach recovery methods. As a result, recovery rate increased by 30% exceeded 90%, while making the gold extraction process more environmentally friendly. The CIL plant's flowsheet is as follows: crushing, milling and thickening followed by direct leaching in tanks, then separation to tailings and leach solution via press-filters followed by sorption, desorption of the leach solution and then electrolysis. The output product from the site is gold alloys (Doré bars) containing some 83-89% of gold content. These are further refined to bankable gold bullions by an external refinery.

In 2021, the Company renewed stripping activities at Tardan deposit, which will be the main source of ore in the future. As a result, stripping volume was 90% higher at 1,299 thousand m³ in 9m 2021 (9m 2020: 684 thousand m³). This obviously had an adverse impact on the cost of production.

In 9m 2021, ore mined amounted to 316 thousand tonnes (9m 2020: 274 thousand tonnes). The average grade in 9m 2021 was 12% lower at 2.16 g/t, compared to 2.47 g/t in 9m 2020.

In 9m 2021, the volume of ore processed through the CIL plant amounted to 324 thousand tonnes with an average grade of 2.17 g/t (total gold in processed ore – 703 kg). The volume of ore processed in 9m 2020 was 291 thousand tonnes with an average grade of 2.77 g/t (total gold in processed ore – 806 kg). This was due to the ore coming from a high-grade stockpile in 2020, now extinguished.

9m 2021 hard rock gold production amounted to 680 kg (21,862 oz), compared to 750 kg (24,112 oz) in 9m 2020, a decrease of 9%, or 70 kg (2,250 oz), due to a 22% decline in the average grade of processed ore.

Staroverinskaya license area

In May 2021, alluvial gold production resumed at Staroverinskaya license area (including Solcocon). Alluvial gold production is seasonal, usually from June to October. This production is 100% outsourced and generates a net margin of 15% of sales. In 2020 and 2021, the Company engaged 1 contractor. Total alluvial gold production amounted to 15 kg (494 oz) compared to 5 kg (172 oz) in 9m 2020. Due to COVID-19 the late start of mining operations was in 2020.

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

Financial overview

Comments on financial performance

Revenue

	9m 2021		9m 2020		YoY		FY 2020	
	kg	oz	kg	oz	kg	oz	kg	oz
Gold sales	614	19,749	761	24,442	(147)	(4,693)	946	30,428
Hard rock gold	601	19,323	757	24,321	(156)	(4,998)	936	30,077
Alluvial gold	13	427	4	121	9	306	11	351
Average realized gold price, \$/oz		1,816		1,729		87		1,755
Total revenue, \$US mln		35.9		42.3		(6.4)		53.4

Revenue from the sale of gold and gold equivalents amounted to US\$ 35.9 mln, a 15% decrease compared to 9m 2020 (US\$ 42.3 mln), due to a lower volume of gold sold. 9m 2021 gold sales volumes amounted to 614 kg (19,749 oz), which is 19%, or 147 kg (4,693 oz), less than in 9m 2020.

In a strong gold price environment, the average realized gold price per ounce increased by 5% from US\$ 1,729 in 9m 2020 up to US\$ 1,816 in 9m 2021.

The lower gold sales were partly offset by increased gold in stock (finished products), which increased by 56.2 kg (1,807 oz), corresponding to a sales value of US\$ 3.3 mln, based on the average realized gold price for 9m 2021, and will be realized in coming periods.

Higher stripping activities volumes and lower sales volume/lower gold grades negatively impacted the cost performance during the reporting period.

Expenses

In 9m 2021, the Group's cost of sales increased by 10% compared to 9m 2020, to US\$ 22.9 mln, while cash operating expenses increased by 17%, to US\$ 18.3 mln.

	9m 2021	9m 2020	Change	Change
	US\$000	US\$000	US\$000	%
Cash operating expenses	(18,323)	(15,665)	(2,658)	17%
Change in stripping asset (non-cash)	528	158	370	234%
Change in work in progress (non-cash)	982	348	634	182%
Depreciation & amortization (non-cash)	(6,106)	(5,771)	(335)	6%
Cost of sales	(22,919)	(20,930)	(1,989)	10%

Despite lower production volumes, cash expenses increased by 17%, or US\$ 2.7 mln, compared to 9m 2020. The average cash cost per ounce produced at Tardan increased by 22% from US\$ 618/oz in 9m 2020 to US\$ 756/oz in 9m 2021, driven by higher volumes of stripping and exploratory drilling, lower average grade, indexation of salaries, which were in line with the Company's plan, as well as first time maintenance costs on the CIL plant which had a short scheduled shut down for maintenance in Q1 2021.

The Group's revenue from gold sales is linked to the US dollar (USD), whereas most of the Group's operating expenses are denominated in Russian roubles (RUB). Stronger RUB vs the USD can negatively impact the Group's margins by increasing the USD value of its RUB-denominated costs, while a weaker RUB positively affects its margins as it reduces the USD value of the Group's RUB-denominated costs. In the reporting period, a 4% devaluation of the RUB against the USD had a positive effect on the Group's margin. In 9m 2021, the average USD/RUB exchange rate amounted to 74.02, compared to 70.91 in 9m 2020.

In 9m 2021, deferred stripping works on Ore Zone #3 and Ore Zone #26 have been pulled forward to secure access to ore in 2022-2023. The change in work in progress in 9m 2021 and 9m 2020 were in line with mining and production activities.

In 9m 2021, general and administrative expenses amounted to US\$ 2.0 mln, i.e. virtually at the level of the previous reporting period.

Other operating expenses in 9m 2021 increased by 147% and amounted to US\$ 2.7 mln compared to US\$ 1.1 mln in the previous reporting period. This growth was driven by additional provision for waste disposal in the amount of US\$ 2.2 mln, accrued by LLC “Tardan Gold” for 2019-2021. The amount for 2021 was estimated at approximately US\$ 1.1 mln and has also been accrued. However, it will be updated at the end of the year (for details please see note 8 on page 16). In 9m 2020, other operating expenses included write off of VAT refund asset in LLC “Rudtechnology” in amount of US\$ 0.8 mln.

The Company’s financial expenses represented by interest on loans and borrowings and lease liabilities amounted to US\$ 2.5 mln in 9m 2021, a 45% decline compared to the previous period (9m 2020: US\$ 4.5 mln). Interest expenses reduced significantly due to repayments of the VTB loans, as well as reduction in the average interest rate on VTB loans from 9.4% to 4.6%.

In 2020, Tardan 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 9m 2021, income tax charge of US\$ 2.3 mln was offset by US\$ 0.6 mln against the balance sheet amount of deferred tax asset related to tax loss carry forward in LLC “Tardan Gold”.

Financial results

In 9m 2021, the Group recognized net profit of US\$ 4.3 mln compared to US\$ 11.5 mln in 9m 2020. The net profit decline primarily reflects the change in EBITDA as described below.

Earnings per share for the period were US\$ 0.04 compared to US\$ 0.12 in 9m 2020.

Following the reduction in production and sales volumes, EBITDA decreased by 33% and amounted to US\$ 16.6 mln in 9m 2021 as compared to US\$ 24.9 mln in the previous reporting period, with an EBITDA margin of 46% compared to 59% in 2020.

EBITDA margin, %	9m 2021	9m 2020	Change	Change
	US\$m	US\$m	US\$m	%
Revenue	35.9	42.3	(6.4)	(15%)
EBITDA	16.6	24.9	(8.2)	(33%)
EBITDA margin, %	46%	59%	(12%)	(21%)

EBITDA reconciliation to Profit before tax	9m 2021	9m 2020	Change	Change
	US\$m	US\$m	US\$m	%
Profit before income tax	6.3	13.5	(7.2)	(54%)
Financial costs	(2.5)	(4.5)	2.0	(45%)
Currency gain/(loss)	0.5	(0.2)	0.8	(317%)
Depreciation&amortization	(6.2)	(5.8)	(0.4)	7%
Other one-off adjustments*	(2.2)	(0.8)	(1.4)	175%
EBITDA	16.6	24.9	(8.2)	(33%)

* In 9m 2021, US\$ 2.2 mln provision for waste disposal was accrued in LLC “Tardan Gold” for 2019-2021 (for details please see note 10 on page 16). In Q3 2020, US\$ 0.8 mln VAT refund asset in LLC “Rudtechnology” was written off.

Comments on the financial position

In the reporting period, the Company increased its stripping assets by US\$ 0.6 mln, or 40%, as result of deferred stripping costs, mainly in Ore zone #3 and #26 at Tardan deposit.

As at 30 September 2021, finished products increased by 96%, or US\$ 1.6 mln, as the Company had 113.4 kg of gold produced but not sold compared to 57.2 kg as of 31 December 2020.

As at 30 September 2021, total bank loans decreased by US\$ 7.0 mln or 26% vs 31 December 2020 due to repayment and amounted to US\$ 19.9 mln.

Total net debt as of September 30, 2021, amounted to US\$ 61.2 mln compared to US\$ 67.2 mln as of December 31, 2020.

Total Net Debt	September 30, 2021	December 31, 2020
	TUSD	TUSD
Bank loans	19,948	26,894
Debt to shareholder	36,543	35,338
Other interest-bearing liabilities (KFM)	3,703	3,649
Other notes	277	273
Leasing	1,273	1,478
Total Debt	61,745	67,632
Cash and Cash equivalents	542	422
Total Net Debt	61,203	67,210

Liquidity, investments and financing

Net cash flow generated from operating activities decreased by US\$ 10.0 mln, or 44%, and amounted to US\$ 12.9 mln in the reporting period vs US\$ 23.0 mln in the comparative reporting period. This reflects the decline in gold sales volume by 19% over the course of the last 9 months. In addition, US\$ 1.1 mln proceeds from 30 September gold sales will be reported on the face of Q4 2021 cash flow statement because they were credited to the bank account on 1 October.

During 9m 2021, operating activities were financed from the same sources as in the previous reporting period, i.e. by gold sales and the reimbursement of VAT.

Positive cash flows from operating activities were used for loan repayments, finance lease payments and financing of exploration and research in 9m 2021.

The consolidated cash balance as at 30 September 2021 was US\$ 0.5 mln compared to US\$ 0.4 mln as at 31 December 2020.

Other financial information

SEGMENT INFORMATION

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

EMPLOYEES

During 9m 2021, the Group had an average of 583 employees, of which 474 were men and 109 women (during 9m 2020: 552, of which 452 were men and 100 women).

As of 30 September 2021, the number of employees in the Group was 566, of which 468 were men and 98 women (as of 31 December 2020: 558, of which 450 were men and 108 women).

CAPITAL STRUCTURE

As at 30 September 2021, the number of shares in issue was 98,768,270. The limits of the share capital are a minimum of MSEK 5.3 and a maximum of MSEK 21.3 and the quota value of each share is SEK 0.1125 (US\$ 0.0128). Each share carries one vote.

THE PARENT COMPANY

The Parent company is a holding company without significant operations. It supports the subsidiaries with financing, investor relations, strategy formulation, etc. Thus, usually it has no income other than income for consulting services provided to the subsidiary company and interest on loans extended to the subsidiaries from time to time.

INCOME AND RESULTS OF THE PARENT COMPANY

Revenue for consulting services provided to the subsidiary company during 9m 2021 was MSEK 0.712 (US\$ 0.084 mln) compared to MSEK 0.560 (US\$ 0.060 mln) in the same period of 2020.

The operating loss for 9m 2021 was MSEK 5.075 (US\$ 0.598 mln), compared to 9m 2020 MSEK 5.378 (US\$ 0.571 mln).

Net loss for the period was MSEK 24.009 (US\$ 2.829 mln) compared to loss of MSEK 36.864 (3.918 mln) in 9m 2020.

FINANCIAL POSITION OF THE PARENT COMPANY

As at 30 September 2021, the Parent Company cash balance was MSEK 0.075 (US\$ 0.009 mln) compared to MSEK 0.542 (US\$ 0.066 mln) as of 31 December 2020.

As at 30 September 2021, the long-term liabilities were represented by the debt to Golden Impala (the Shareholder's bond) of MSEK 310.663 (US\$ 35.338 mln) and KFM liability of MSEK 23.284 (US\$ 2.649 mln).

The current liability was mainly represented by KFM liability of MSEK 9.271 (US\$ 1.055 mln) and short-term liability to Golden Impala (Shareholder's bond) of MSEK 10.590 (US\$ 1.205 mln) as at 30 September 2021.

The Parent Company had one employee at the end of the period.

9 months 2021 operational update

Highlights:

- **In 9m 2021, total hard rock gold production was 680.0 kg (21,862 oz),** compared to 750.0 kg (24,112 oz) in 9m 2020, a decrease of 9%, or 70 kg (2,250 oz), but in line with the 2021 production plan;
- 9m 2021 gold sales were 614.3 kg (19,749 oz), compared to 760.3 kg (24,443 oz) in 9m 2020, a decrease of 146.0 kg (4,694 oz), or 19%;
- 324.2 thousand tonnes of ore was processed with an average grade of 2.17 g/t;
- The CIL plant was operating at the targeted throughput rate of 50 tonnes per working hour (>50 t/hour) and at the higher recovery rate of 93.1%;
- 316.3 thousand tonnes of ore were mined in 9m 2021, compared to 273.8 thousand tonnes in 9m 2020, an increase of 42.5 thousand tonnes or 16%. Stripping volume in 9m 2021 was 1 299.3 thousand m³ (+615.4 thousand m³, or 90% more than in the 9m of 2020);
- The average grade in 9m 2021 was 2.16 g/t, compared to 2.47 g/t in 9m 2020, a decrease of 12%. The mined average grade corresponds to the Company's targets.
- In general, we were on track to achieve the 2021 Production Forecast of 900 - 930 kg, previously announced.

Production

Production unit	Q3 2021		Q3 2020		Change			9m 2021		9m 2020		Change		
	kg	oz	kg	oz	kg	oz	%	kg	oz	kg	oz	kg	oz	%
Hard rock														
Tardan (CIL)	233.7	7,513	229.0	7,363	4.7	150	2%	680.0	21,862	750.0	24,112	-70.0	-2,250	-9%
Alluvial														
Staroverinskaya	6.8	217	5.4	172	1.4	45	26%	15.4	494	5.4	172	10.0	322	187%
Total gold produced	240.4	7,730	234.4	7,535	6.1	196	3%	695.3	22,355	755.4	24,285	-60.0	-1,930	-8%

Tardan

	Unit	Q3 2021		Q3 2020		Change		9m 2021		9m 2020		Change	
Mining													
Waste stripping	000 m ³	525.5		255.1		270.4	106%	1 299.3		683.9		615.4	90%
Ore mined	000 tonnes	157.3		122.4		34.9	29%	316.3		273.8		42.5	16%
Gold in Ore	kg	322.8		304.3		18.5	6%	684.3		676.4		7.9	1%
Average grade	g/t	2.05		2.49		-0.44	-18%	2.16		2.47		-0.31	-12%
CIL													
Ore processing	000 tonnes	117.3		95.3		22.0	23%	324.2		290.8		33.4	11%
Grade	g/t	2.05		2.58		-0.53	-21%	2.17		2.77		-0.60	-22%
Gold in ore processing	kg	240.2		245.4		-5.2	-2%	703.0		806.2		-103.2	-13%
Gold produced CIL	kg	233.7		229.0		4.7	2%	680.0		750.0		-70.0	-9%
Opening WIP (gold)	kg	10.2						26.7					
Closing WIP (gold)	kg	1.2						1.2					
Recovery	%	93.5%		93.3%		0.2%	0.2%	93.1%		93.0%		0.1%	0.1%
Warehouse on Sep 30													
Ore	000 tonnes	93.5		91.0		2.5	3%	93.5		91.0		2.5	3%
Grade	g/t	2.00		2.02		-0.02	-1%	2.00		2.02		-0.02	-1%

Financial reports

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

	Q3 Jul-Sep 2021 US\$000	Q3 Jul-Sep 2020 US\$000	9 months Jan-Sep 2021 US\$000	9 months Jan-Sep 2020 US\$000	12 m Jan-Dec 2020 US\$000
Revenue	12,917	13,832	35,859	42,262	53,409
Cost of sales	(8,029)	(7,050)	(22,919)	(20,930)	(27,378)
Gross profit/(loss)	4,888	6,782	12,940	21,332	26,031
General and administrative expenses	(688)	(873)	(2,016)	(2,016)	(2,945)
Other operating income	22	4	56	72	96
Other operating expenses	(2,516)	(911)	(2,722)	(1,101)	(3,059)
Operating profit/(loss)	1,706	5,002	8,258	18,287	20,123
Financial income	0	0	0	0	0
Financial expenses	(715)	(1,339)	(2,500)	(4,520)	(5,671)
Foreign exchange gain/(loss), net	179	(225)	530	(244)	(935)
Profit/(Loss) before income tax	1,170	3,438	6,288	13,523	13,517
Income tax	(512)	(475)	(1,977)	(1,998)	(3,075)
Net profit/(loss) for the period	658	2,963	4,311	11,525	10,442
Whereof attributable to:					
The owners of the Parent Company	658	2,963	4,311	11,525	10,442
Earnings per share before dilution (US\$)	0.01	0.03	0.04	0.12	0.11
Earnings per share after dilution (US\$)	0.01	0.03	0.04	0.12	0.11
Number of shares issued at period end	98,768,270	98,768,270	98,768,270	98,768,270	98,768,270
Average number of shares for the period	98,768,270	98,728,653	98,768,270	98,675,219	98,698,673
Average number of shares for the period after dilution	98,768,270	98,728,653	98,768,270	98,675,219	98,698,673

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Q3 Jul-Sep 2021 US\$000	Q3 Jul-Sep 2020 US\$000	9 months Jan-Sep 2021 US\$000	9 months Jan-Sep 2020 US\$000	12 months Jan-Dec 2020 US\$000
Net profit/(loss) for the period	658	2,963	4,311	11,525	10,442
Other comprehensive income/(loss) for the period					
<i>Items that may be subsequently reclassified to profit or loss</i>					
Translation difference	(25)	(1,228)	192	(1,036)	573
Total comprehensive income/(loss) for the period	633	1,735	4,503	10,489	11,015

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	September 30, 2021 US\$000	September 30, 2020 US\$000	December 31, 2020 US\$000
ASSETS				
Non-current assets				
Intangible fixed assets		18,343	17,742	18,524
Tangible fixed assets		29,134	31,422	30,231
Stripping assets		1,988	3,253	1,425
Deferred tax assets		3,877	5,092	4,003
Total non-current assets		53,342	57,509	54,183
Current assets				
Materials		1,625	1,461	1,695
Work in progress		3,491	2,697	4,053
Finished products		3,341	591	1,701
Trade and other receivables		3,449	1,361	1,455
Advanced paid to suppliers and prepaid expenses		846	1,193	1,361
Cash and cash equivalents		542	1,470	422
Total current assets		13,294	8,773	10,687
TOTAL ASSETS		66,636	66,282	64,870
EQUITY AND LIABILITIES				
EQUITY				
Share capital		1,438	1,437	1,438
Additional paid-in capital		79,220	79,220	79,220
Translation difference reserve		(13,058)	(14,883)	(13,250)
Retained earnings		(76,374)	(79,602)	(80,685)
TOTAL EQUITY		(8,774)	(13,828)	(13,277)
LIABILITIES				
Non-current liabilities				
Bank loans and other notes		10,200	23,029	17,968
Debt to shareholder		35,338	36,082	35,338
Lease payable		542	520	261
Deferred tax liabilities		0	0	0
Other non-current liabilities	5	11,195	9,672	8,082
Total non-current liabilities		57,275	69,303	61,649
Current liabilities				
Bank loans and other notes		10,025	5,594	9,199
Other interest bearing liabilities	6	2,991	3,262	4,866
Trade accounts payable		907	710	740
Other current liabilities	7	4,212	1,241	1,693
Total current liabilities		18,135	10,807	16,498
Total liabilities		75,410	80,110	78,147
TOTAL EQUITY AND LIABILITIES		66,636	66,282	64,870

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

US\$000	Attributable to the shareholders of the Parent Company				
	Share capital	Additional paid in capital	Translation difference reserve	Retained earnings	Total equity
Equity as at December 31, 2019	1,436	79,197	(13,823)	(91,127)	(24,317)
Comprehensive income					
Net profit/(loss) for the period	0	0	0	11,525	11,525
Other comprehensive income	0	0	(1,060)	0	(1,060)
Total comprehensive income for the period	0	0	(1,060)	11,525	10,465
Transactions with owners in their capacity as owners					
Proceeds from exercise of share options	1	23	0	0	24
Total transactions with owners in their capacity as owners	1	23	0	0	24
Equity as at September 30, 2020	1,437	79,220	(14,883)	(79,602)	(13,828)
Comprehensive income					
Net profit/(loss) for the period	0	0	0	(1,083)	(1,083)
Other comprehensive income	0	0	1,633	0	1,633
Total comprehensive income for the period	0	0	1,633	(1,083)	550
Equity as at December 31, 2020	1,438	79,220	(13,250)	(80,685)	(13,277)
Comprehensive income					
Net profit/(loss) for the period	0	0	0	4,311	4,311
Other comprehensive income	0	0	192	0	192
Total comprehensive income for the period	0	0	192	4,311	4,503
Equity as at September 30, 2021	1,438	79,220	(13,058)	(76,374)	(8,774)

CONSOLIDATED CASH FLOW STATEMENT

	Q3 Jul-Sep 2021 US\$000	Q3 Jul-Sep 2020 US\$000	9 months Jan-Sep 2021 US\$000	9 months Jan-Sep 2020 US\$000	12months Jan-Dec 2020 US\$000
OPERATING ACTIVITIES					
Receipts from gold sales	11,776	13,832	34,718	42,262	53,409
VAT and other reimbursement	100	1,464	2,143	3,625	4,497
Payments to suppliers	(4,981)	(4,340)	(14,246)	(14,046)	(18,970)
Payments to employees and social taxes	(2,565)	(2,263)	(7,302)	(6,857)	(9,357)
Income tax paid	(1,877)	0	(1,890)	(635)	(674)
Other taxes paid	(187)	(415)	(488)	(1,396)	(1,421)
Net cash flows from/(used in) operating activities	2,266	8,278	12,935	22,953	27,484
INVESTING ACTIVITIES					
Purchase and construction of property, plant and equipment	(219)	(312)	(966)	(2,118)	(2,343)
Exploration and research works	(597)	(268)	(2,279)	(708)	(1,479)
Net cash flows used in investing activities	(816)	(580)	(3,245)	(2,826)	(3,822)
FINANCING ACTIVITIES					
Repayment of borrowings, net	(2,252)	(4,909)	(6,946)	(13,065)	(14,997)
Proceeds from exercise of share options	0	43	0	53	10
Interest paid	(304)	(1,386)	(1,001)	(3,804)	(5,702)
Lease payments	(490)	(516)	(1,567)	(1,673)	(2,413)
Other finance income/expenses	0	0	(123)	0	0
Net cash from/(used in) financing activities	(3,046)	(6,768)	(9,637)	(18,489)	(23,102)
Net increase/(decrease) in cash and cash equivalents	(1,596)	930	53	1,638	560
Effect of foreign exchange rate changes on cash and cash equivalents	24	(142)	67	(312)	(282)
Opening balance cash and cash equivalents	2,114	682	422	144	144
Closing balance cash and cash equivalents	542	1,470	542	1,470	422

CONSOLIDATED KEY RATIOS

Definitions		9 months Jan-Sep 2021 US\$000	9 months Jan-Sep 2020 US\$000	12 months Jan-Dec 2020 US\$000
Total assets	Total assets at period end	66,636	66,282	64,870
Total equity	Total equity including non-controlling interest at period end	(8,774)	(13,828)	(13,277)
Interest bearing debt	Total interest bearing debt at the period end	61,467	70,348	67,359
Employees at period end	-	566	553	558
EBITDA*	Earnings Before Interest, Tax, Depreciation, Amortization, any Impairment and one-off items	16,621	24,866	30,893
Per share data				
Earnings per share (USD)	Net result after tax for the period divided by the average number of outstanding shares for the period before dilution	0.04	0.12	0.11
Equity per share (USD)	Equity excluding non-controlling interests at the period end divided by the number of outstanding shares at the period end	(0.09)	(0.14)	(0.13)

* 9m 2021 EBITDA was adjusted for accrued provision for waste disposal in the amount of US\$ 2.2 mln for 2019-2021. 12m 2020 EBITDA was adjusted for write-off of US\$ 0.8 mln VAT refund asset in LLC "Rudtechnology" in Q3 2020 and US\$ 1.9 mln stripping assets were written off as other operating expenses in LLC "Tardan Gold" in Q4 2020.

PARENT COMPANY STATEMENT OF PROFIT OR LOSS

	Q3 Jul-Sep 2021 TSEK	Q3 Jul-Sep 2020 TSEK	9m Jan-Sep 2021 TSEK	9m Jan-Sep 2020 TSEK	12 m Jan-Dec 2020 TSEK	Q3 Jul-Sep 2021 US\$000	Q3 Jul-Sep 2020 US\$000	9m Jan-Sep 2021 US\$000	9m Jan-Sep 2020 US\$000	12 m Jan-Dec 2020 US\$000
Operating income	237	190	712	560	750	27	22	84	60	81
Total income	237	190	712	560	750	27	22	84	60	81
External expenses	(1,024)	(1,663)	(2,853)	(3,736)	(7,047)	(118)	(183)	(336)	(397)	(765)
Employee benefit expenses	(1,231)	(749)	(2,934)	(2,202)	(2,755)	(143)	(84)	(346)	(234)	(299)
Total operating costs	(2,255)	(2,412)	(5,787)	(5,938)	(9,802)	(261)	(267)	(682)	(631)	(1,064)
Operating profit/(loss)	(2,018)	(2,222)	(5,075)	(5,378)	(9,052)	(234)	(245)	(598)	(571)	(983)
Impairment: Investment in subsidiaries	0	0	0	0	(180,808)	0	0	0	0	(20,952)
Net financial items	(8,885)	(7,084)	(18,934)	(31,486)	(6,172)	(1,035)	(825)	(2,231)	(3,347)	(670)
Profit/(Loss) before income tax	(10,903)	(9,306)	(24,009)	(36,864)	(196,032)	(1,269)	(1,070)	(2,829)	(3,918)	(22,605)
Income tax	0	0	0	0	0	0	0	0	0	0
Net profit/(loss) for the period	(10,903)	(9,306)	(24,009)	(36,864)	(196,032)	(1,269)	(1,070)	(2,829)	(3,918)	(22,605)

PARENT COMPANY STATEMENT OF COMPREHENSIVE INCOME

	Q3 Jul-Sep 2021 TSEK	Q3 Jul-Sep 2020 TSEK	9m Jan-Sep 2021 TSEK	9m Jan-Sep 2020 TSEK	12 m Jan-Dec 2020 TSEK	Q3 Jul-Sep 2021 US\$000	Q3 Jul-Sep 2020 US\$000	9m Jan-Sep 2021 US\$000	9m Jan-Sep 2020 US\$000	12 m Jan-Dec 2020 US\$000
Net profit/loss for the period	(10,903)	(9,306)	(24,009)	(36,864)	(196,032)	(1,269)	(1,070)	(2,829)	(3,918)	(22,605)
Translation differences	0	0	0	0	0	(639)	1,577	(1,500)	1,336	4,389
Total comprehensive income for the period	(10,903)	(9,306)	(24,009)	(36,864)	(196,032)	(1,908)	507	(4,329)	(2,582)	(18,216)

PARENT COMPANY STATEMENT OF FINANCIAL POSITION

	September 30, 2021 TSEK	September 30, 2020 TSEK	December 31, 2020 TSEK	September 30, 2021 US\$000	September 30, 2020 US\$000	December 31, 2020 US\$000
ASSETS						
FIXED ASSETS						
Investments in subsidiaries	520,498	698,682	508,708	59,207	77,732	62,124
Total fixed assets	520,498	698,682	508,708	59,207	77,732	62,124
CURRENT ASSETS						
Current receivables	549	2,000	1,953	62	223	239
Cash and bank	75	12,071	542	9	1,343	66
Total current assets	624	14,071	2,495	71	1,566	305
TOTAL ASSETS	521,122	712,753	511,203	59,278	79,298	62,429
EQUITY AND LIABILITIES						
EQUITY	166,921	350,097	190,929	18,987	38,950	23,316
LONG-TERM LIABILITIES	333,947	343,633	289,371	37,987	38,231	35,338
CURRENT LIABILITIES	20,254	19,023	30,903	2,304	2,117	3,775
TOTAL EQUITY AND LIABILITIES	521,122	712,753	511,203	59,278	79,298	62,429

Notes

NOTE 1 GENERAL INFORMATION

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

The Parent Company is a registered public limited liability company with its head office in Sweden. The address of the head office is Box 55696, 102 15 Stockholm. AUR AB was listed on the Swedish NGM Nordic Growth Market stock exchange on March 29, 2005 and has been listed on the Swedish NASDAQ First North Premier Growth Market stock exchange since July 19, 2010. At present, the Company has 3,580 shareholders.

NOTE 2 ACCOUNTING PRINCIPLES AND BASIS OF PREPARATION

This interim report has been prepared in accordance with IAS 34 *Interim Financial Reporting* (“IAS 34”), the Swedish Annual Accounts Act and the Swedish Financial Reporting Board’s recommendation RFR 1 *Supplementary accounting regulations for groups*. The consolidated interim financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as described on page 73 in the annual report for financial year 2020. The evaluations and estimations made by the board of directors and management in preparing the interim report are described on page 83 in the annual report for 2020. The Parent company accounts are prepared in accordance with the Swedish Annual Accounts Act and the Swedish Financial Reporting Board’s recommendation RFR 2 *Accounting for legal entities*. The accounting policies for the Parent are the same as for the group with the exceptions described in the annual report 2020.

The same accounting principles are applied in this interim report as in the annual report 2020.

No material changes in accounting principles have taken place since the Annual Report for 2020, except changes in the Group presentation currency - from Swedish krona to U.S. dollars (USD) from 1 January 2021.

Auriant Mining Group has changed the presentation currency to U.S. dollars (USD) since 1 January 2021. 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. The USD amounts are presented for the Parent Company for information purposes only.

Currency rates used in the report

Year 2021	RUB/USD	SEK/USD	SEK/RUB	Year 2020	RUB/USD	SEK/USD	SEK/RUB
Average Q1	74,3686	8,3995	8,8577	Average Q1	66,6263	9,6692	6,9159
Average Q2	74,2936	8,4083	8,8244	Average Q2	72,0479	9,6823	7,4791
Average Q3	73,4709	8,6481	8,4968	Average Q3	73,5688	8,8724	8,3088
March 31	75,7023	8,7239	8,6736	March 31	77,7325	10,0771	7,8253
June 30	72,3723	8,5103	8,5399	June 30	69,9513	9,349	7,5355
September 30	72,7608	8,7911	8,2664	September 30	79,6845	8,9883	8,7623
				December 31	73,8757	8,1886	9,0448

NOTE 3 RISKS AND UNCERTAINTIES ASSOCIATED WITH THIS INTERIM REPORT

The group's risk exposure is presented on pages 44 and 103 of the 2020 annual report. Various risks may affect the results of the operating, financial and investing activities of the companies in mining and exploration industry, including Auriant Mining Group. The principal risks relating to the industry and Auriant Mining Group are described below:

a. Operational risks – production related risks:

- Failure to achieve production plan. The production capacity of a mine and gold processing plant, or the quality of mineral reserves and the availability of qualified staff, might not be in line with the production plan due to different circumstances which might lead to the non-achievement of the plan.
- Unexpected business interruptions. 1. Weather. Unexpected business interruption might lead to a significant delay in production and consequent decrease in profit. The Group's assets are located in Republic of Tyva, Republic of Khakassia and the Zabaikalsky region, a remote area that can be subject to severe climatic conditions. 2. External contractors. The Group's operations are materially dependent on outside contractors, including, but not limited to, providers of transportation and excavation services (in addition to transportation and excavation made using own fleet of equipment), drilling, blasting, equipment maintenance services, electricity and other utilities supply, transportation of materials to the mine, etc. Delay in the delivery or the failure of mining equipment could significantly delay production and impact the Group's profitability.
- Obtaining necessary permit and approvals. Besides licenses for exploration and mining of natural resources, the Company must obtain additional permits and approvals to be able to actually carry out mining and production activities. For newly explored deposits, those permits and approvals include, without limitation, approval of resources with GKZ (State Resource Committee); approval of project documentation for open pit construction and operation; renting land to be used for mining activities and related activities; permits for potentially hazardous activities (such as blasting operations and operations with poisonous materials); environmental safety review, etc.

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

c. Geological risk: Gold exploration is associated with high risk. All estimates of recoverable mineral resources are mainly based on probabilities. Estimates of mineral resources and ore reserves are based on extensive test drilling, statistical analyses and model studies and remain theoretical in nature until verified by industrial mining. There is no methodology for determining with certainty the exact amount of gold available or the shape of a potential ore body and its distribution. The exact amount of gold is known only when the gold has been extracted from the gold deposit. Data relating to mineral resources and ore reserves as presented by the Company, and by others, should be viewed against this background and may therefore deviate from this.

d. Health, Safety and Environmental risks. The Group companies are subject to extensive environmental, health and safety controls and regulations, and any breach of these regulations could result in fines and material breach of these regulations could result in the suspension of operations, which could have a material adverse effect on its reputation, operating results and financial condition. The Group companies are subject to extensive environmental controls and regulations in Russia. Mining and exploration operations involve the use of environmentally toxic and hazardous materials, such as cyanides and diesel fuel and lubricants, as well as processes that could lead to the discharge of materials and contaminants into the environment, disturbance of land, potential harm to flora and fauna and other environmental concerns. The licenses under which the Company operates include conditions regarding environmental compliance. The terms of the Company's subsoil licenses contain site clean-up, restoration and rehabilitation obligations due in future that are mandatory for the Company. The Company could be held liable for losses associated with environmental hazards caused by its misconduct and subsequent rehabilitation, which may have an adverse impact on Group's operations, financial results and financial position.

e. Legal risks:

- Maintenance of licenses risks. Federal Agency for Subsoil Use (Rosnedra) may suspend or revoke the Group companies' subsoil use licenses if it recognizes their violation, revealed by Federal Service for Supervision of Natural Resource Usage (Rosprirodnadzor) or other authorized

governmental body, which can lead to a halt or cessation of operations at the relevant license area. Failure to comply with the terms of licenses and permits may result in financial sanctions and reputational damage.

- Community risks. The Group's projects can be delayed or stopped due to community and environmental activists' protests and, as a result, denial of regional authorities to conclude or prolong land lease agreements, which are essential for mining.

f. COVID-19 exposure. The current COVID-19 pandemic may affect the Group's operations in a different way.

The Group remains subject to the risk of temporary disruptions in supply chain and logistics in case the situation with the global Covid-19 pandemic worsens. 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 9m 2021, Auriant Mining Group did not experience any operational disruptions due to Covid-19.

NOTE 4 TRANSACTIONS WITH RELATED PARTIES

As at 30 September 2021, the bond liability to Golden Impala Limited amounted to MSEK 321.3 (US\$ 36.5 mln).

Accrued interest expenses for transactions with related parties in 9m 2021 amounted to MSEK 11.9 (US\$ 1.4 mln), compared to MSEK 16.1 (US\$ 1.7 mln) in 9m 2020. During 9m 2021, interests of MSEK 1.7 (US\$ 0.2 mln) were repaid to Golden Impala.

NOTE 5 OTHER NON-CURRENT LIABILITIES

As at 30 September 2021, other non-current liabilities were represented by the US\$ 7.6 mln liability to Centerra in accordance with the royalty agreement, US\$ 2.6 mln – long-term liability to KFM and US\$ 1.0 mln site restoration obligations. Other non-current liabilities increased by US\$ 3.1 mln, or by 39%, compared to 31 December 2020, mainly due to reclassification the part of liability to KFM in amount of US\$ 2.6 mln from other current interest-bearing liabilities into other non-current liabilities.

NOTE 6 OTHER CURRENT INTEREST-BEARING LIABILITIES

As at 30 September 2021, other current interest-bearing liabilities were represented by the following balances: US\$ 1.2 mln – short-term liability to Golden Impala (Shareholder's bond), US\$ 1.1 mln – short-term liability to KFM and US\$ 0.7 mln – current lease liability.

NOTE 7 OTHER CURRENT LIABILITIES

As at 30 September 2021, other current liabilities were mainly represented by the following balances: US\$ 1.6 mln payroll (board fee) and social contributions liabilities and US\$ 2.6 mln - tax liabilities.

NOTE 8 SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

In November 2021, LLC «Tardan Gold» received a request from the Russian State Service for Supervision of Natural Resource Usage (Rosprirodnadzor, "RPN") to make an additional payment for waste disposal in the amount of US\$ 1.1 mln. The request relates to placement of waste rock mass from the Pravoberezhny deposit on stockpiles located at the mine in 2019 and 2020. Under the Russian regulations, waste rock is classified as "waste", which entails the requirement to obtain a quota from RPN for its stockpile storage. Failure to obtain a quota results in the application of a multiplying coefficient, leading to a higher than normal waste disposal payment. The Group anticipated that a waste disposal payment for 2021 would also be calculated with the multiplying coefficient. This resulted in additional provision for 2021 of approximately US\$ 1.1 mln, which will be updated based on the results of the year. The Group has taken organizational measures to prevent such shortcomings in the future.

No other significant events were identified after the reporting period.

Auditor's report

Auriant Mining AB (publ) corp. reg. no. 556659-4833

INTRODUCTION

We have reviewed the condensed interim financial information (interim report) of Auriant Mining AB as of 30 September 2021 and the nine-month period then ended. The board of directors and the CEO are responsible for the preparation and presentation of the interim financial information in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

SCOPE OF REVIEW

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

CONCLUSION

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

Stockholm den 29 November 2021

PricewaterhouseCoopers AB

Anna Rozhdestvenskaya

Authorized Public Accountant

Additional information

NEXT REPORTS DUE

Q4 2021 Interim report
(January - December):
February 28, 2022

COMPANY INFORMATION

Auriant Mining AB (AUR) is a Swedish junior mining company focused on gold exploration and production in Russia, primarily in Zabaikalye and the Republics of Khakassia and Tyva. The company has currently four assets, including two operating mines (Tardan and Staroverinskaya¹), one early stage exploration asset and one development asset.

Since July 19, 2010, Auriant Mining's shares are traded on Nasdaq First North Premier Growth Market under the short name AUR. For more information, please visit www.auriant.com. G&W Fondkommission is Certified Adviser to Auriant, for more information please call +46 8 503 000 50 or visit www.gwkapital.se.

BOARD ASSURANCE

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

Stockholm, November 29, 2021
Auriant Mining AB (publ.)

Lord Daresbury
Chairman of the Board

Preston Haskell
Board Member

Jukka Pitkääjärvi
Board Member

Birgit Köster Hoffmann
Board Member

Danilo Lange
CEO

Cautionary Statement: Statements and assumptions made in this report with respect to Auriant Mining AB's ("AUR") current plans, estimates, strategies and beliefs, and other statements that are not historical facts, are forward-looking statements about the future performance of AUR. Forward-looking statements include, but are not limited to, those using words such as "may", "might", "seeks", "expects", "anticipates", "estimates", "believes", "projects", "plans", "strategy", "forecast" and similar expressions. These statements reflect management's expectations and assumptions in light of currently available information. They are subject to a number of risks and uncertainties, including, but not limited to, (i) changes in the economic, regulatory and political environments in the countries where AUR operates; (ii) changes relating to the geological information available in respect of the various projects undertaken; (iii) AUR's continued ability to secure enough financing to carry on its operations as a going concern; (iv) the success of its potential joint ventures and alliances, if any; (v) exchange rates, particularly between the Russian rouble and the U.S. dollar. In the light of the many risks and uncertainties surrounding any gold production and exploration company at an early stage of its development, the actual results could differ materially from those presented and forecast in this report. AUR assumes no unconditional obligation to immediately update any such statements and/or forecasts. This press release shall not, directly or indirectly, be released, published or distributed in or to the United States, Australia Japan, Canada, New Zealand, Hong Kong, South Africa or other country where such action as a whole or in part is subject to legal restrictions. Nothing in this press release should be considered as an offer to invest or otherwise trade in shares of Auriant Mining AB (publ). The proposed issue will not be directed at residents or those living in the United States, Australia, Japan, Canada, New Zealand, Hong Kong, South Africa or other country where such action would require further prospectus, other offering documentation, registration or other measures beyond those required by Swedish law. No securities will be registered under the United States Securities Act of 1933, a similar law in any state in the United States, or under any provincial law in Canada, nor under the applicable law of another country.

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

Glossary and definitions

ALTERNATIVE PERFORMANCE MEASURES

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

DEFINITIONS OF KEY RATIOS

EBITDA

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

Total Cash Costs (TCC)

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

Equity

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

Earnings per share

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

Equity per share

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

Total number of shares outstanding

Number of shares outstanding at the end of the period.

Weighted average number of shares

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

INDUSTRY SPECIFIC DEFINITIONS AND GLOSSARY (IN ACCORDANCE WITH JORC)

Alluvial gold

Mineralization in riverbeds at ground level.

Mineralization

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

Mineral Resource

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

Ore (or Mineral) Reserve

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

Recovery

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

tpa/ktpa

tons per annum/thousand tons per annum

Troy ounce (oz)/koz/Moz

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

FINANCE DEFINITIONS

SEK/TSEK/MSEK

Swedish krona/Thousand Swedish krona/Million Swedish krona

USD/TUSD/MUSD

US Dollar/Thousand US Dollar/Million US Dollar

RUB/TRUB/MRUB

Russian ruble/Thousand Russian rubles/Million Russian rubles
Ubles