



AURIANT
MINING

AURIANT MINING ANNUAL REPORT

'22

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Danilo Lange
Chief Executive Officer
Auriant Mining AB



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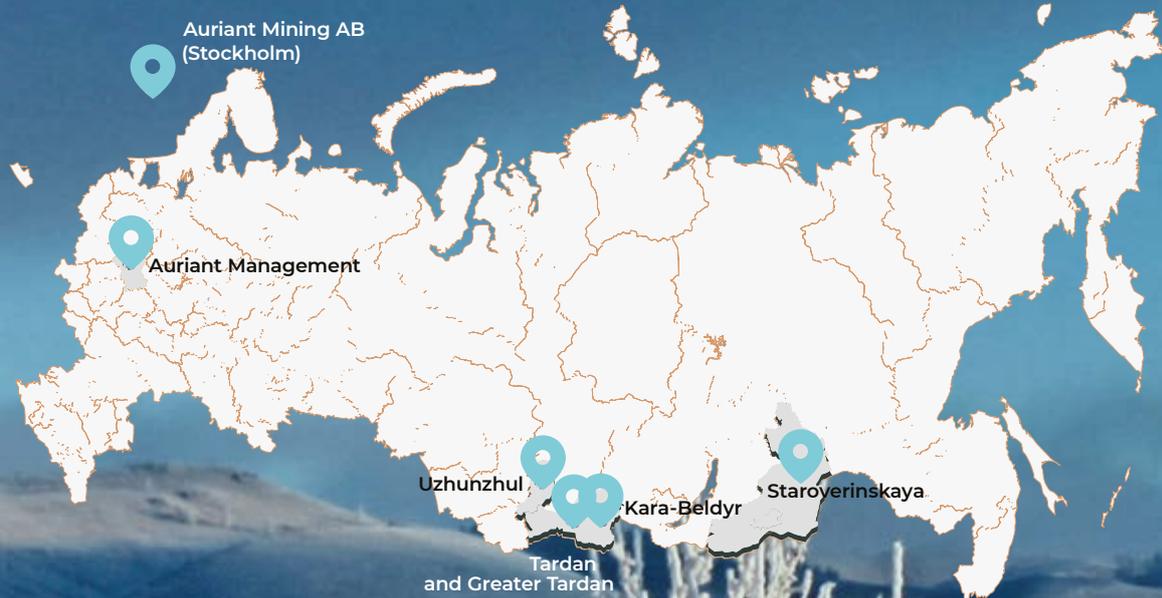
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AURIANT MINING IN BRIEF

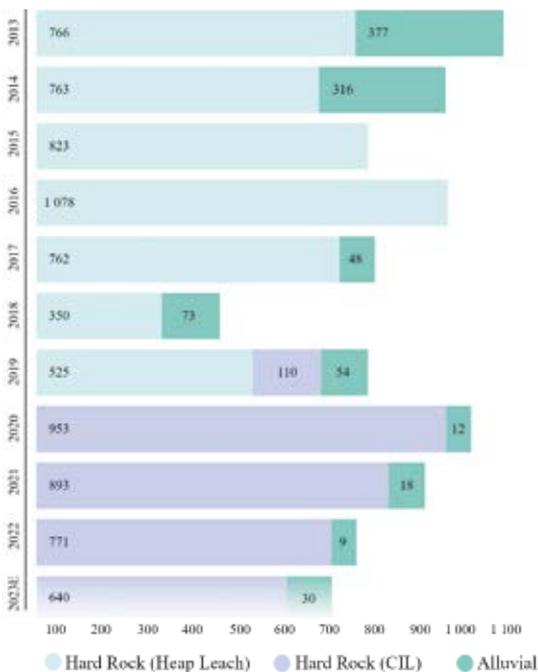


Gold mining company focused on hard rock gold



Listed on NASDAQ OMX First North Premier

Gold production 2013-2023E:



2 producing mines



3 exploration properties



513 employees



2022 production of 780 kg of gold (25,082 oz)



Approximately 3,138 shareholders



98,768,270 ordinary shares issued



Official Russian State Reserves Committee (GKZ) + JORC Resources and reserves of 1,556,000 troy ounces (48.4 tonnes) of gold

OUR VALUES



01

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.



02

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.



03

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 CO2 footprint at our existing and future operations.



04

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.



05

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.



06

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 medium term.

| Asset | Target | 2022 Result |
|-----------------------------------|---|---|
| Tardan |  CIL high performance |  Targeted KPI's were achieved and kept The CIL was adapted to different ore types without loss of capacity |
| Kara-Beldyr |  Development of the project |  All the necessary paper work was prepared and registered, so that the area is available to be rent for industrial activity. Electricity line included into the Federal plan of Tyva development. Financing by federal budget is expected |
| Staroverinskaya (Solcocon) |  Exploration to increase resources |  Preparing documents for Degtyanka which will be one of the areas for alluvial mining |
| Uzhunzhul |  Early stage exploration |  Analysis of geological data |

CEO STATEMENT



In 2022, we undertook stripping works at Ore zone #6 and continued stripping at Ore zone #3 and Ore body 26 to secure access to ore for the future. Stripping volume amounted to 2.2 mln m³, which is an increase of 18% on 2021.

Exploration drilling in 2022 did result in some gold intersections but they were not enough to indicate any minable reserves and thus to increase the mine life.

Alluvial gold production by an external mining contractor at Staroverinskaya amounted to 8.6 kg (278 oz) compared with 17.5 kg (563 oz) a decrease of 51%, or 8.9 kg (286 oz). The mining contractor was delayed due to supply problems with his equipment. This production was 100% outsourced and generated a net margin of 29% of sales for the Company.

DEAR STAKEHOLDERS!

2022 was without doubt a challenging year. Despite the continuing uncertainties and risks associated with international sanctions against Russia, the Company has achieved almost all its targets for 2022 and achieved a net profit of US\$ 7.6 mln – an increase of 7% compared to 2021.

PRODUCTION

In 2022, hard rock gold production at Tardan, our main asset, was in line with the mine plan, with an average recovery rate of 91.5%. The company produced 772 kg (24,805 oz) of gold, a decrease of 14% from 893 kg (28,720 oz) in 2021, mainly caused by a reduction in grade from 2.30 g/t to 2.04 g/t or 11%.

During 2022, the Company's sources of ore was the Pravoberezhniy deposit, Ore zone #3 and Ore body 26. Ore mined amounted to 355 thousand tonnes with an average grade of 1.92 g/t. At the CIL plant, 413 thousand tonnes of ore with an average grade of 2.04 g/t were processed compared with 428 thousand tonnes in 2021, a decrease of 3.5%, or 15 thousand tonnes.

INCOME AND CASH FLOWS

In 2022, gold sales were 882 kg, which increased by 8% compared to the prior period (819 kg). Gold sales revenue amounted to US\$ 51.1 mln (2021: US\$ 47.7 mln).

In 2022, the average net gold sales price was 1800 \$/oz, which included discounts to the LBMA price, due to sanctions against Russia (2021: 1812 \$/oz).

Operating profit was US\$ 11.4 mln, which was almost in line with 2021 – US\$ 11.8 mln. EBITDA was US\$ 15.4 mln; compared to 2021, EBITDA reduced by US\$ 7.1 mln mainly due to the reduction of WIP and stripping assets by US\$ 3.1 mln, an increase in stripping volumes by 18% as well as cost increases. This led to a reduction of earnings of US\$ 7.4 mln, partially compensated by revenue growth of US\$ 3.4 mln.

2022 cash costs per ounce were \$1,245/oz, which was an increase of 54% compared to 2021 – \$806/oz. This was the result of a lower volume of gold produced with increased stripping to secure access to future ore and the RUR exchange rate increase against the USD.

In 2022, the total Group income tax charge amounted to US\$ 1.6 mln (2021: US\$ 2.5 mln). Net profit after tax increased by 7% and amounted to US\$ 7.6 mln compared to US\$ 7.1 mln in 2021.

In 2022, cash inflows from operating activities amounted to US\$12.3 mln, of which US\$ 10.3 mln were used for repayment of borrowings, mainly to VTB.

FINANCING

In 2021, we managed to reduce interest costs associated with the Company's loan facility. The loan interest rate was reduced by 100 bps. During 2022 we worked closely with VTB to further reduce the cost of borrowing, and in February 2023, the Company extended the repayment period of the existing VTB bank loan of US\$ 7.6 mln until the end of 2024. The currency of the bank loan was converted from USD into RUR with a new interest rate of Central Bank key rate (7.5%) plus a margin of 3.25%. Due to the fact that the Company's revenue is linked to the US dollar (USD) and most of the expenses are denominated in local currency (RUR), conversion of the loan currency from USD into RUR will have a positive effect on the Company's cash liquidity position and margin, as the RUR depreciates against the USD due to international sanctions against Russia and other geopolitical events.

Also, KFM has agreed to extend the repayment of US\$ 2.6 mln until the end of 2031. Starting from January 2023, debt of US\$ 2.6 mln will be reduced by monthly payments of a maximum of US\$ 29 thousand, including accrued interest. The loan extension until 31 December 2031 also has a positive effect on the Company's cash position.

OUTLOOK

The Company expects to produce a total of 630 – 670 kg (20,255 – 21,541 oz) at Tardan and Solcocon in 2023. The Ore feed for the Tardan CIL plant will come from Tardan's ore zones and tailings from the Heap Leach. Annual throughput of the CIL plant will amount to 390 - 420 thousand tonnes.

We will continue to focus on cost control as well as strengthening the Company's balance sheet by reducing debt. We will also focus on further work with the Government Authorities on various different levels to provide them with all the necessary documents and support for speeding up the process of the power line financing and construction. Kara Beldyr has geological resources of 26.8 tonnes according to JORC, which shows a life of mine of 10- 11 years producing 2 tonnes of gold per year. We are hopeful, despite the background of the current situation, that the regional development program for electricity will be partly state funded, and that the powerline will be built and provide sufficient electrical power for the commencement of the development of Kara Beldyr.

All of this would not be possible without the strong support we have from our shareholders, members of our Board, staff and all our other stakeholders. I hope that I and the management team can continue to make progress and drive shareholder value in the upcoming period.

Danilo Lange
Chief Executive Officer
Auriant Mining AB

AURIANT GOLD ASSETS



Tardan

- Flagship mine located in Republic of Tyva;
- 2022 gold production of 771,5 kg of gold;
- Open pit;
- CIL;
- Resources&reserves ~ 5,4 t of gold.

Staroverinskaya (Solcocon)

- Alluvial production restarted in 2017;
- 2022 production of 8.6 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

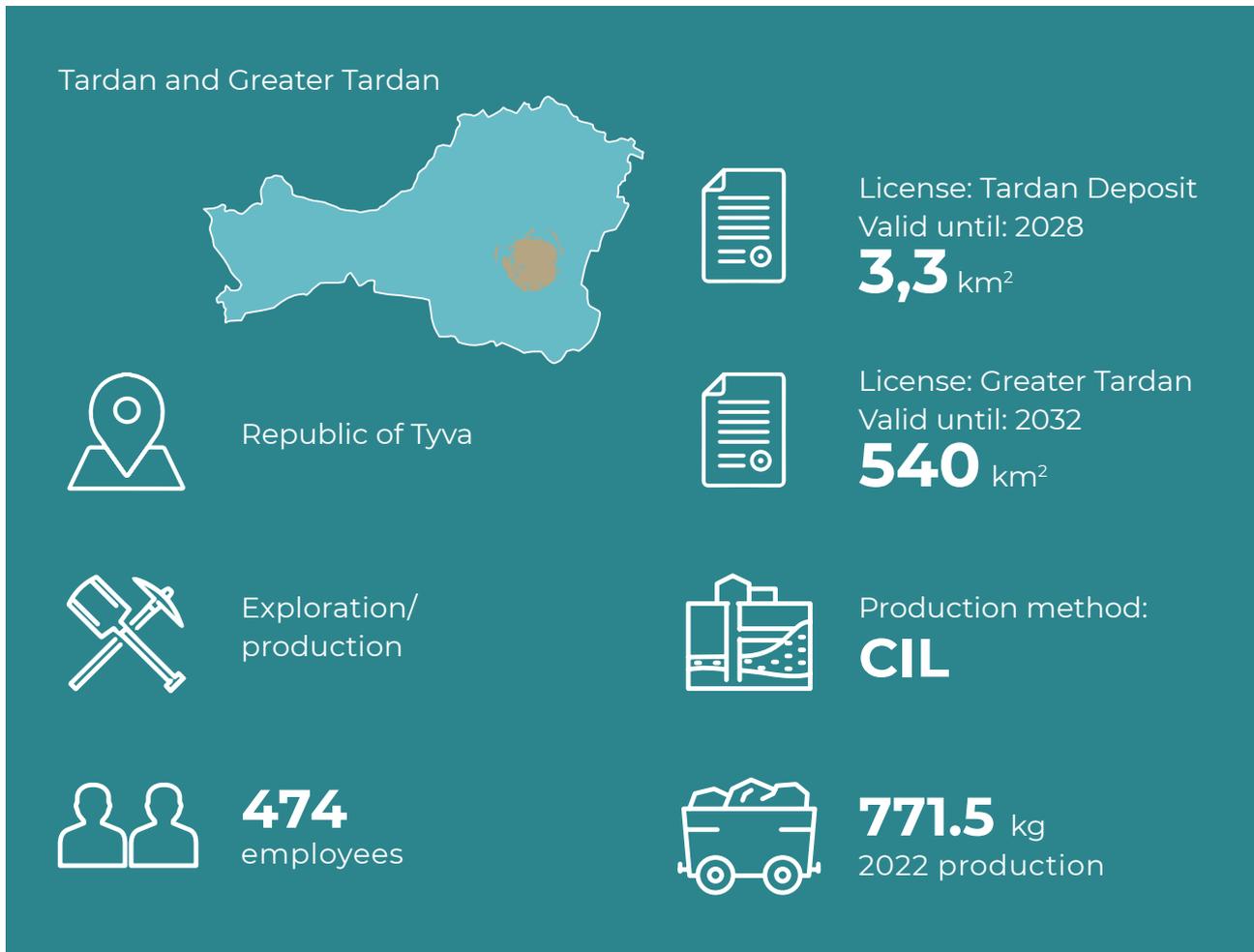
- Greenfield;
- Located in Republic of Khakassia;
- Exploration started in 2016;
- Targeted reserves at 1st stage: ~10 t of gold;
- Good infrastructure.

AURIANT RESOURCES AND RESERVES

| Classification | Tonnage | g/t | 000 oz | kg |
|---|-------------------|-------------|-------------|---------------|
| TARDAN | | | | |
| TARDAN DEPOSIT /GKZ/ | | | | |
| C ₁ + C ₂ Reserves | 848 728 | 3,99 | 109 | 3 385 |
| GOLD IN ORE | | | | |
| Total gold in ore | 848 728 | 3,99 | 109 | 3 385 |
| TAILINGS | | | | |
| Heap leach tailings | 2 108 950 | 0,97 | 66 | 2 047 |
| TOTAL GOLD | | | | |
| Tardan total gold | 2 957 678 | 1,84 | 175 | 5 432 |
| 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 |
| STAROVERINSKAYA (SOLCOCON) /GKZ/ | | | | |
| BOGOMOLOVSKOE DEPOSIT | | | | |
| C ₁ + C ₂ Reserves | 1 934 186 | 3,65 | 227 | 7 060 |
| KOZLOVKOE DEPOSIT (GKZ) | | | | |
| C ₁ + C ₂ Reserves | 1 059 000 | 8,14 | 277 | 8 615 |
| Total Solcocon | 2 993 186 | 5,24 | 504 | 15 675 |
| ALLUVIAL | | | | |
| C ₁ + C ₂ Reserves | 599 000 | 0,78 | 15 | 468 |
| TOTAL AURIANT RESERVES&RESOURCES | | | | |
| Tardan | 848 728 | 3,99 | 109 | 3 385 |
| Kara-Beldyr | 10 020 000 | 2,68 | 862 | 26 811 |
| Staroverinskaya (Solcocon) | 2 993 186 | 5,24 | 504 | 15 675 |
| TOTAL ORE | 13 861 914 | 3,31 | 1475 | 45 871 |
| Tardan (tailings) | 2 108 950 | 0,97 | 66 | 2 047 |
| Solcocon (alluvial gold) | 599 000 | 0,78 | 15 | 468 |
| TOTAL | | | 1556 | 48 386 |



TARDAN AND GREATER TARDAN



RESERVES AND RESOURCES

| Classification | Tonnage | g/t | 000 oz | kg |
|--|-----------|------|--------|-------|
| TARDAN | | | | |
| TARDAN DEPOSIT /GKZ/ | | | | |
| C ₁ + C ₂ Reserves | 848,728 | 3.99 | 109 | 3,385 |
| GOLD IN ORE | | | | |
| Total gold in ore | 848,728 | 3.99 | 109 | 3,385 |
| TAILINGS | | | | |
| Heap leach tailings | 2,108,950 | 0.97 | 66 | 2,047 |
| TOTAL GOLD | | | | |
| Tardan total gold | 2,957,678 | 1.84 | 175 | 5,432 |

GEOLOGY AND EXPLORATION

GEOLOGY

The Tardan ore cluster is an integral part of the TapsaKaahemsky 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:

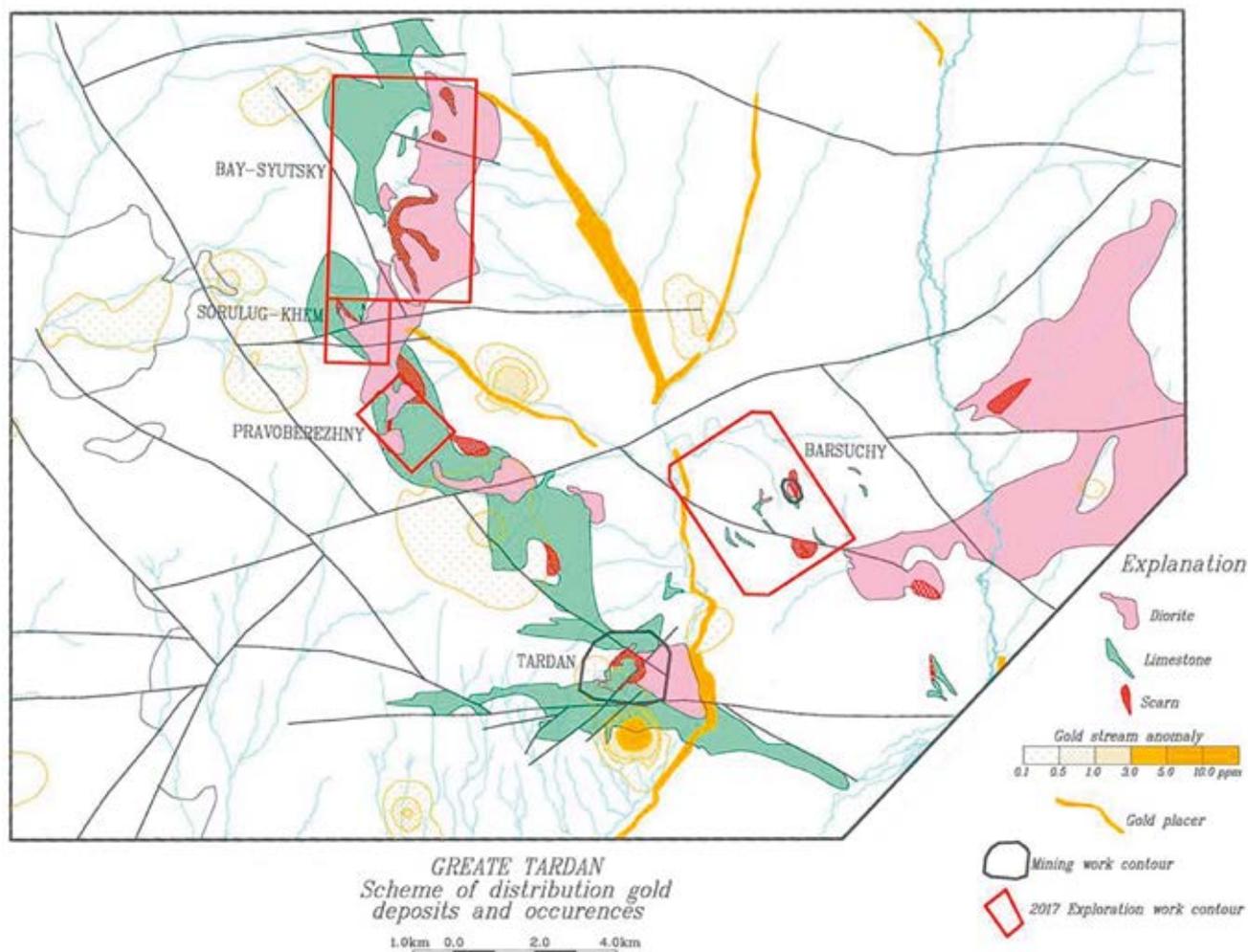
- Late Riphean volcanic-terrigenous sequence;
- On it lie interbedded limestones and dolomites of Vendian-Cambrian;
- All these formations are broken by the intrusion of the granodiorites of the Middle Cambrian.

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

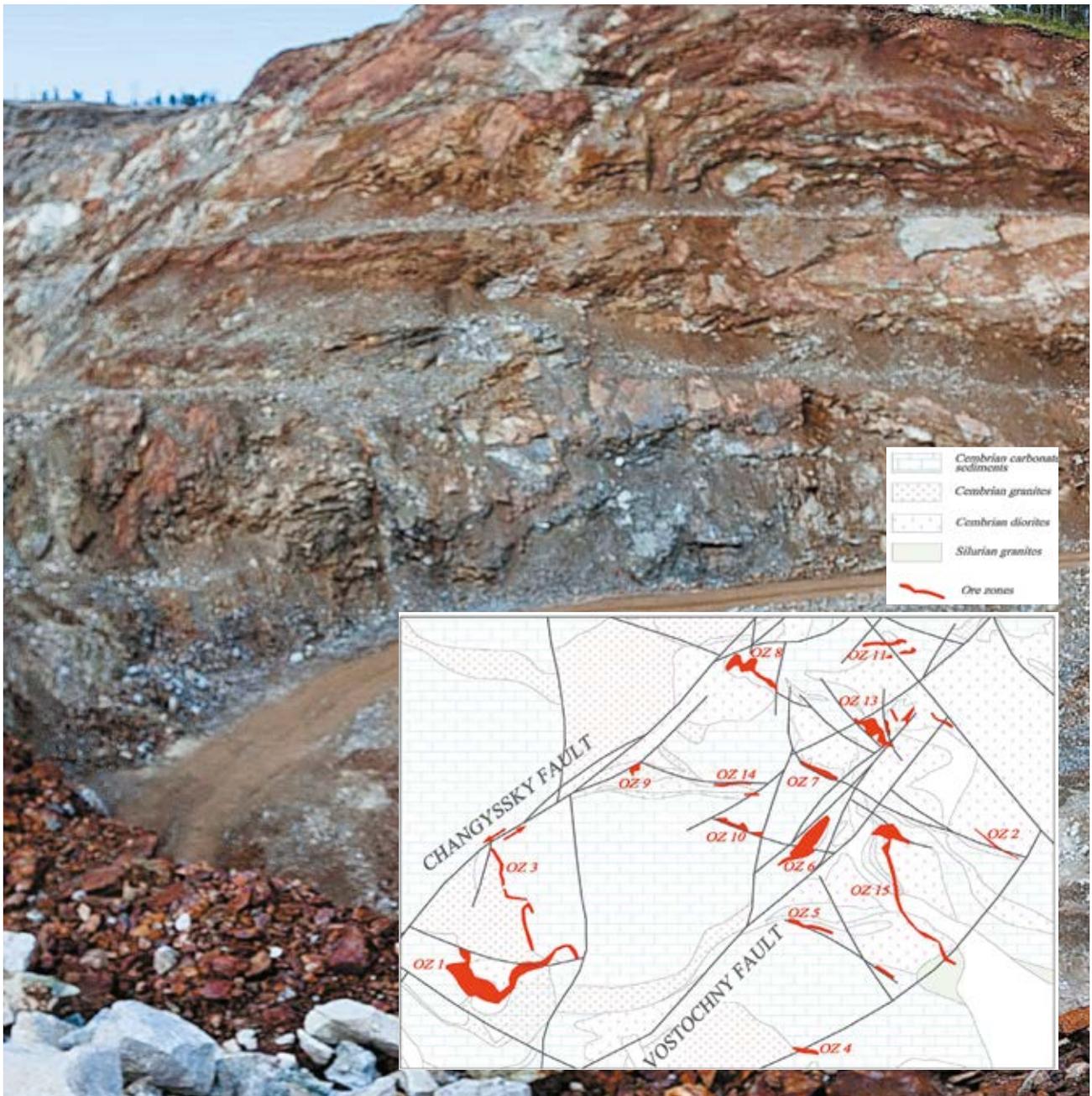
On Tardan a total of 16 ore zones containing 41 ore bodies have been identified.

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 underlain by granitoids of the Cambrian complex, of which diorites are the most common.

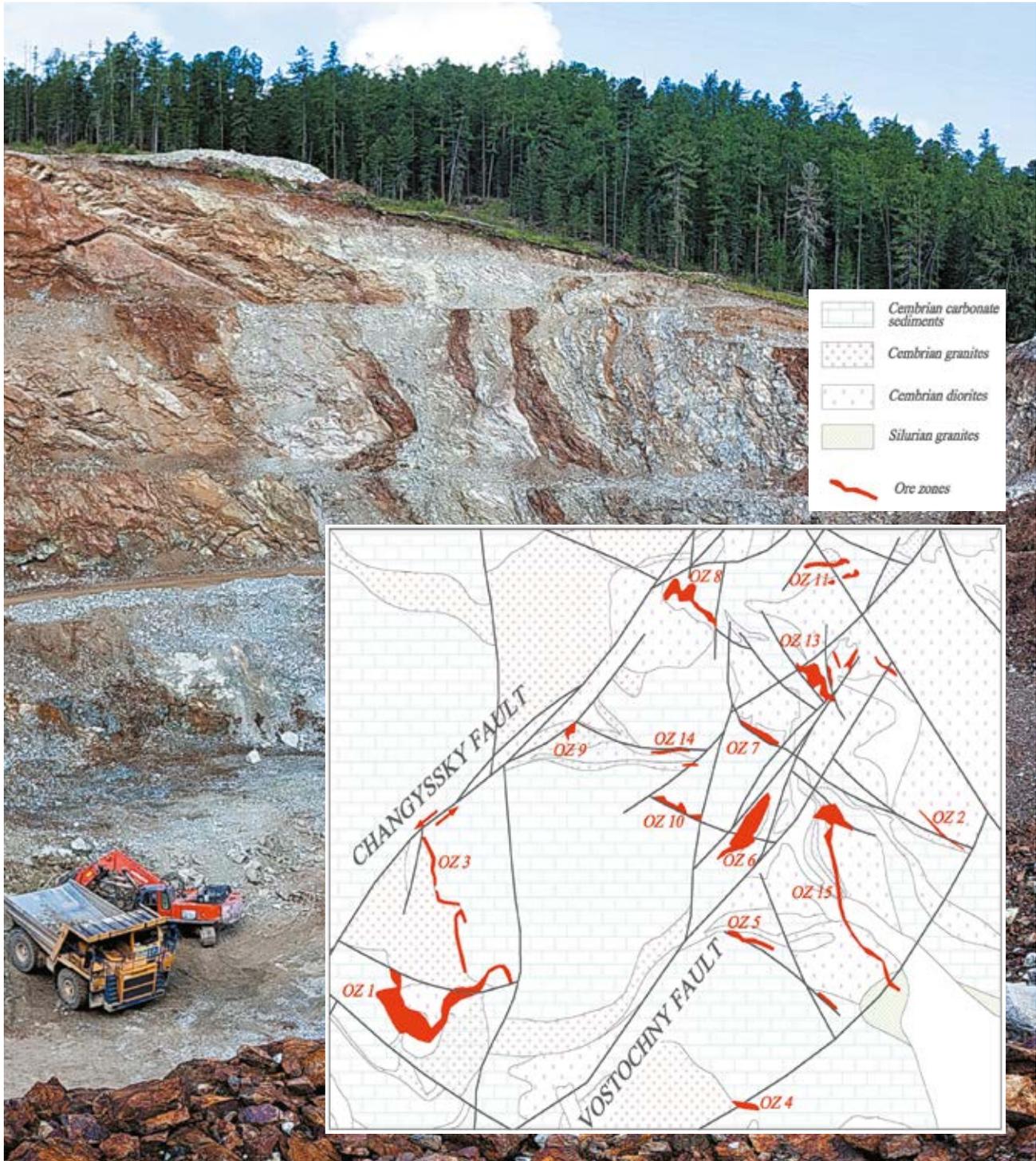
The major structural elements of the deposit are faults found on the contacts between the granites (diorites) and the host and carbonate rocks. Virtually, almost all of the ore zones are located in contact limestones of Vadibalinskaya formations and diorite sills of the Tannuolsky complex.



TARDAN EXPLORATION

In 2022 the Company continued 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 included, OZ15 and Bay-Suit. The drilling program is ongoing. Some gold grades were indicated within Bay-Suit area, but they were single and could not be united to any mineable ore zone.



TARDAN 2022 PRODUCTION

During 2022, the Company's main source of ore was the Pravoberezhniy deposit, Ore zone #3 and Ore body #26. Total stripping works amounted to 2,196.3 thousand m³. Ore mined amounted to 355.3 thousand tonnes with an average grade of 1.92 g/t (total gold in ore was 681.4 kg). In 2023, the Company will continue mining Ore zone #3 and Ore body #26 and Ore zone #6.

In 12m of 2022, the CIL plant operated at an targeted throughput and recovery rate of 91.5% resulted to 771.5 kg of gold produced in 2022. The achieved ability of our team to adapt the CIL plant to different type of ore with no decline in capacity provides the confidence that we will be able to manage our targets further.

| | Unit | 12m 2022 | 12m 2021 | Change | Change, % |
|----------------------------|--------------------|--------------|--------------|---------------|-------------|
| Mining | | | | | |
| Waste stripping | 000 m ³ | 2,196.3 | 1,859.3 | 337.0 | 18% |
| Ore mined | 000 tonnes | 355.3 | 458.5 | -103.2 | -23% |
| Gold in Ore | kg | 681.4 | 1065.7 | -384.3 | -36% |
| Average grade | g/t | 1.92 | 2.32 | -0.41 | -17% |
| CIL | | | | | |
| Ore processing | 000 tonnes | 413.3 | 428.3 | -15.0 | -4% |
| Grade | g/t | 2.04 | 2.30 | -0.26 | -11% |
| Gold in ore processing | kg | 842.8 | 983.9 | -141.1 | -14% |
| Gold produced CIL | kg | 771.5 | 893.3 | -121.8 | -14% |
| Recovery | % | 91.5% | 91.2% | 0.0% | 0.4% |
| Warehouse on Dec 31 | | | | | |
| Ore | 000 tonnes | 88.9 | 131.6 | -42.7 | -32% |
| Grade | g/t | 1.59 | 2.19 | -0.60 | -27% |

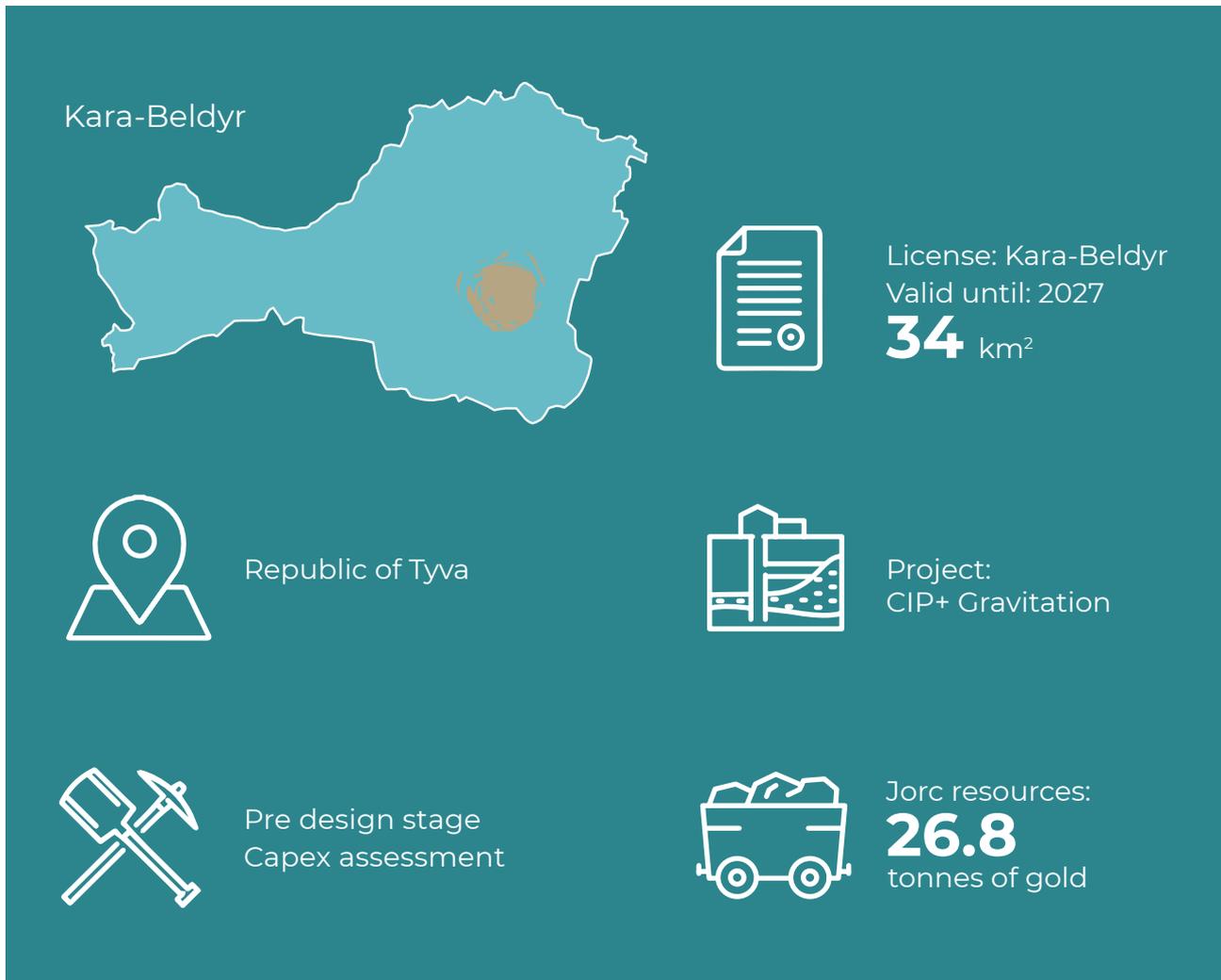
TAILINGS

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 2,109 thousand tonnes with average gold grade of 0.97 g/t (total gold in tailings - 2,047 kg).

Tailings of the heap leach are targeted to be processed through CIL plant further. In order to improve its technological route for the tailings processing the Company successfully processed some amount of the tailings in different time of year and different temperature conditions.



KARA-BELDYR AND AYEN



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.

In 2021 civil engineering for the mine site area was completed.

Field works for the access road were partially completed. The field works will be resumed after the power line's route is defined.

The forest category for the whole area was transferred from protected to exploitable in 2021. All the necessary paper work was prepared and registered in 2022, so that the area is available to be rent for industrial activity.

Working closely with the Ministry of Industry and Trade and government of Tyva republic the Company managed to include the power line into a comprehensive plan of Tyva electrification. According to the plan, federal funding of the power line will be started once the financial framework is identified by the government. 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. Definition of the source to finance the power line construction was not finalised in 2022 and expected to be defined in 2023.



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.

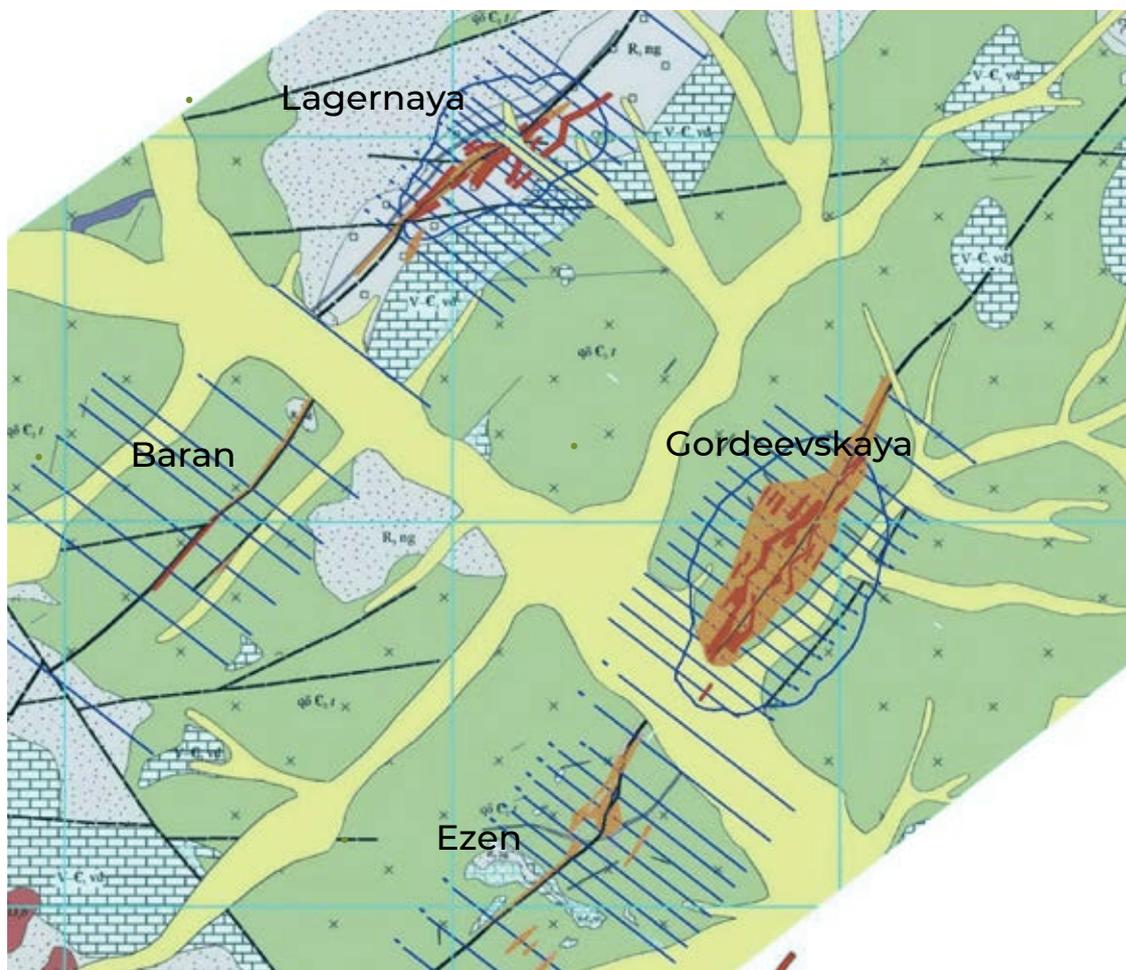
The Kara-Beldyr orogenic Au project consists of fault controlled Devonian age gold-silver mineralisation associated with metasomatised quartz diorites at Gordeyevskoye and conglomerates and dolomites at Lagerny.

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-zoigranitoids.

The stratified deposits consist of Late Riphean the volcanic-terrigenous Noganoykaya formation and the carbonate Cambrian-Vendian Sarygchazinskaya formation divided by a pre-Vanadian unconformity. At Kara-Beldyr the carbonates (limestones and dolomite) underlie the volcanic-terrigenous 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 gabbro-tonalite-plagiogranite (not mapped within the Kara-Beldyr license area) and an early-Devonian Leucogranite. Close to the license boundaries, small occurrences of late-Riphean serpentinised dunnites have been identified.



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.

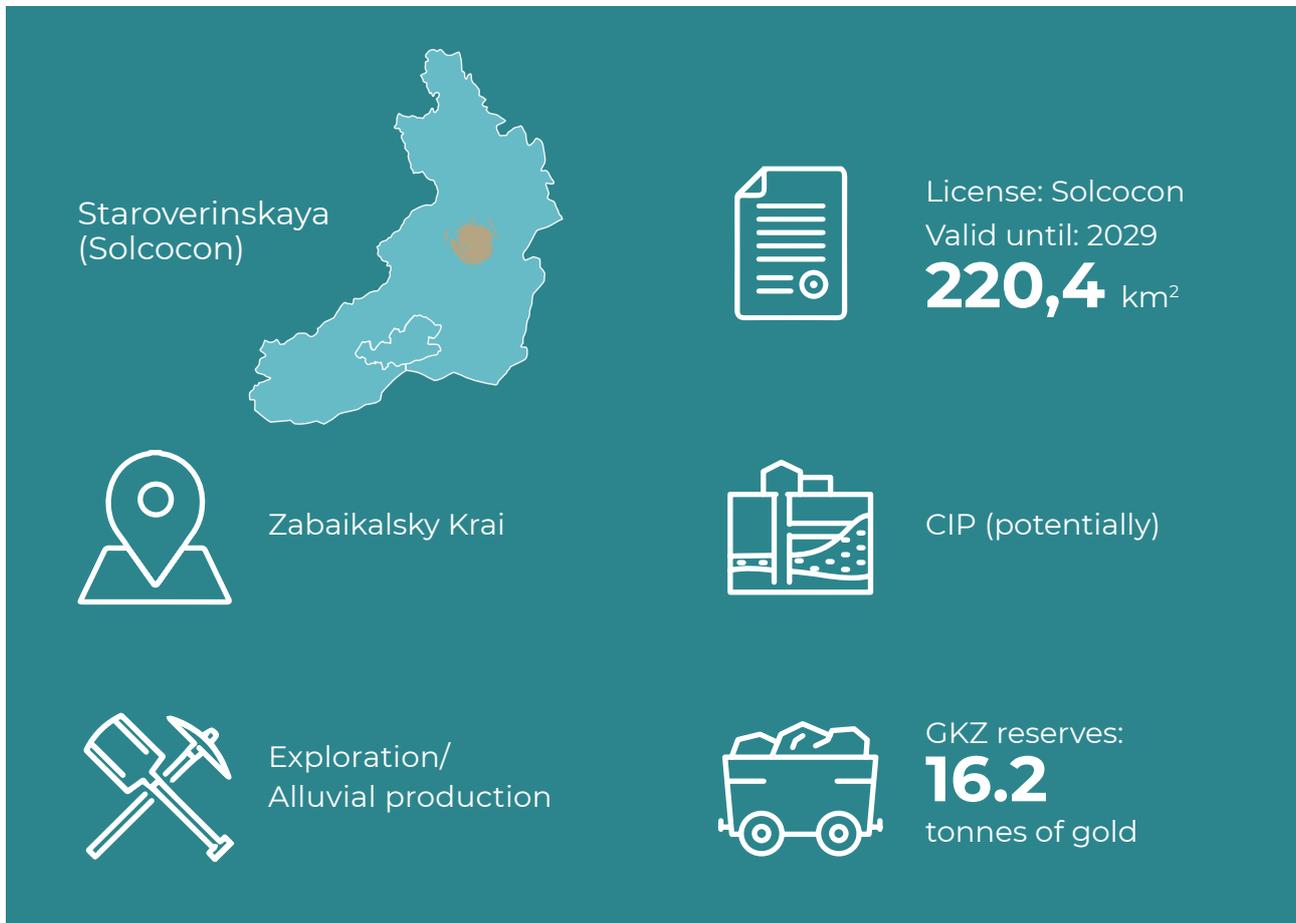
The value of this license will depend on an initial assessment of its geological potential. This is based on the assumption that the fault structures which host the Gordeevskoye and Lagernoye deposits continue through the hill toward the Ayen creek area. Sediment tests of the creek bed show increased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





STAROVERINSKAYA (SOLCOCON)



RESERVES AND RESOURCES

| Classification | Tonnage | g/t | 000 oz | kg |
|---|-----------|------|------------|---------------|
| STAROVERINSKAYA (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 | 599,000 | 0.78 | 15 | 468 |
| TOTAL STAROVERINSKAYA (SOLCOCON) | | | 519 | 16,143 |

GEOLOGY AND EXPLORATION

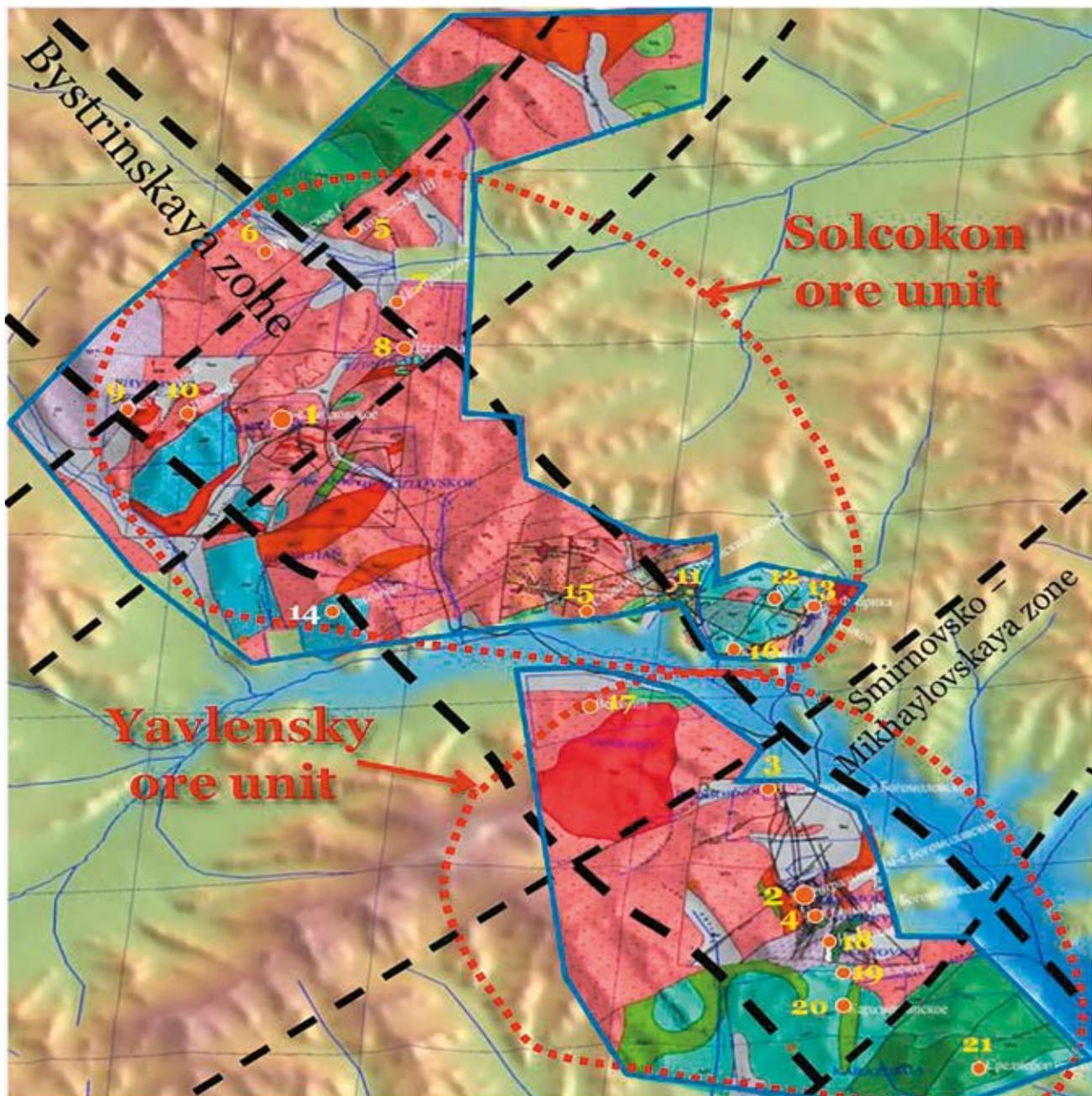
GEOLOGY

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 occurrences 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.

SOLCOCON GOLD DISTRIBUTION MAP

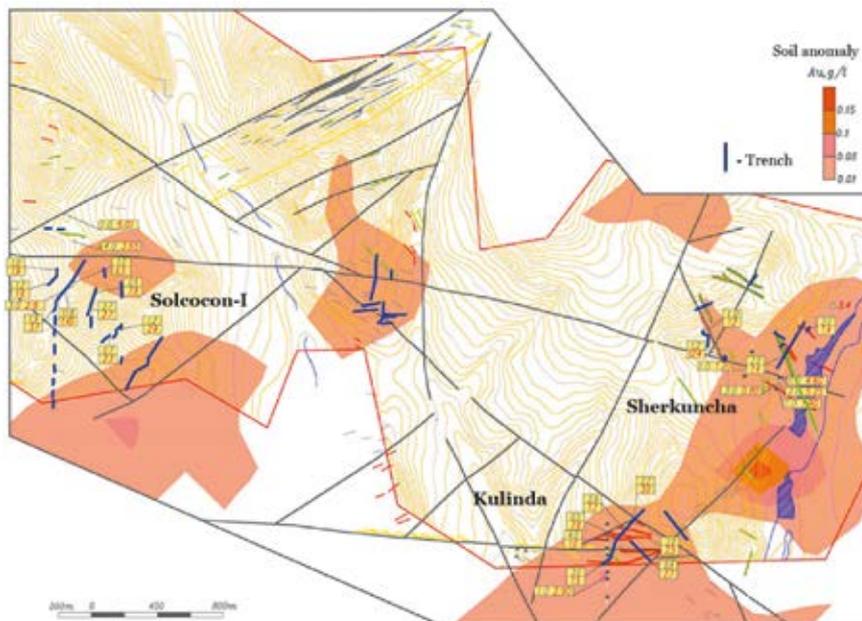


EXPLORATION

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, Karazyrga, and some others.

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



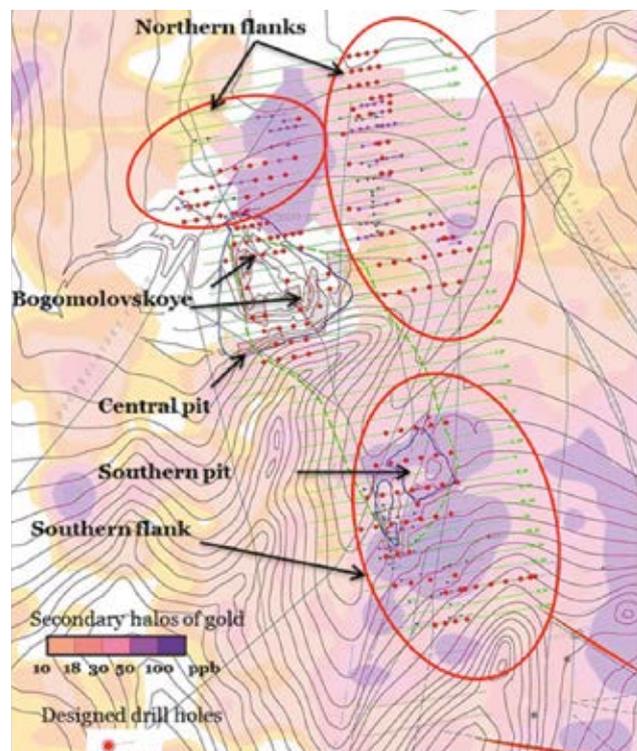
In 2020 the Company started its exploration drilling campaign and drilled 8,800 meters of core drilling on Bogomolovskoye deposit and its flanks. The main purposes of the drilling are

- 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.

In 2021 the Company completed over 10,520 m of drilling. The results are promising and they demonstrate that more drilling needs to be done at Staroverinskaya in order to get sufficient understanding of the area.

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

Focusing on short term planning the Company proceeded with preparation all necessary documents for Degtyinka to be involved into alluvial mining.





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 south-east 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 Pj are 5,585 kg.

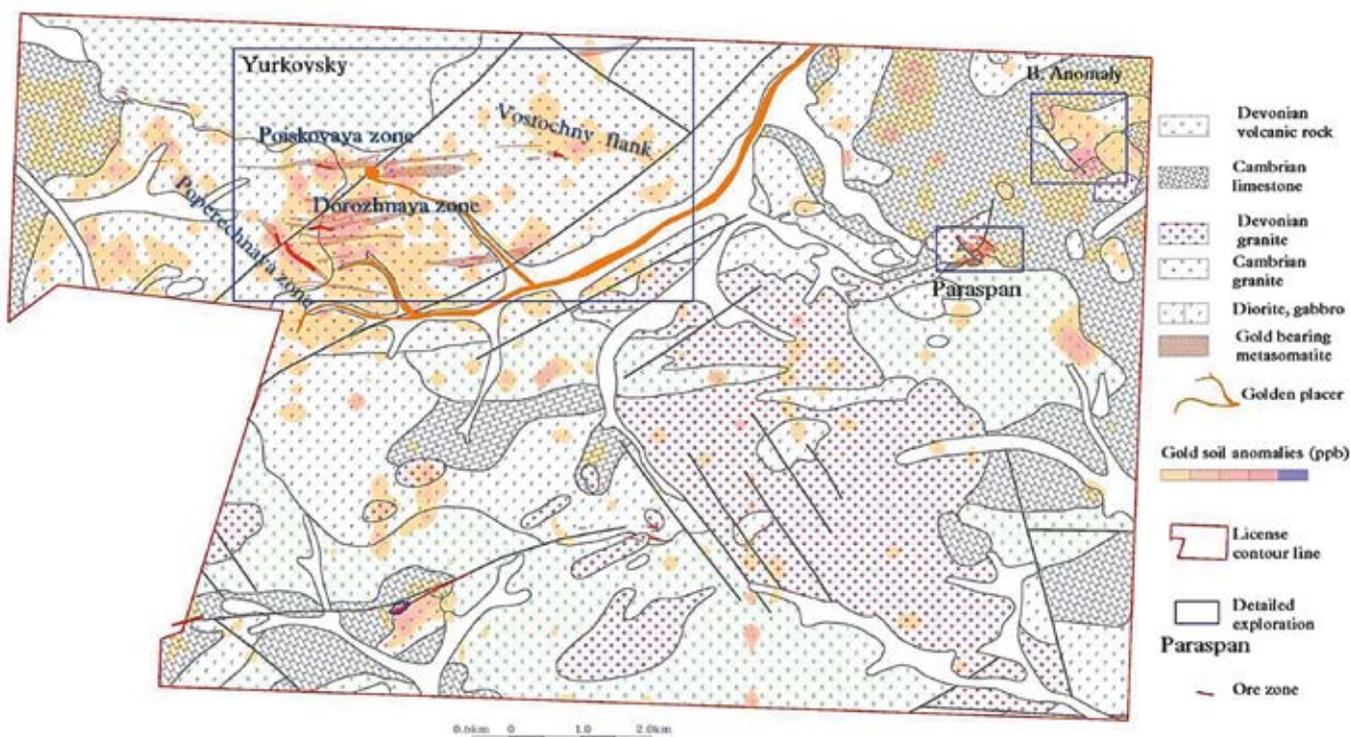
The geological report was submitted for examination by GKZ in November 2017 however resources were not approved by GKZ. In 2018, an addendum to the exploration project is prepared for detailing resources.

In 2020 the company approved its initial exploration program.

In 2021 the company complete 5,700 meters of geological trenches and 2,000 meters of core drilling. That is just a part of this initial exploration program. The received results are promising and demonstrate that the program should be continued.

In 2022 based on the current geopolitical situation the Company decided to put on hold the field works in Uzhunzhul and focused on analysing the geological date which was previously received.

UZHUNZHUL GEOLOGICAL MAP





SOCIAL AND CORPORATE RESPONSIBILITY

Auriant Mining Group is committed to continuous improvement in all aspects of Corporate and Social Responsibility and compliance with safety, health and environmental standards, local regulatory requirements and practices, in order to prevent accidents, to ensure a favorable working environment and to maintain a mutually beneficial cooperation with local communities.

The Group currently has two producing mines: Tardan in the Republic of Tyva and Staroverinskaya alluvial in the Zabaikalsky region.

The Corporate and Social Responsibility section describes principles and policies applied throughout the Group, with particular emphasis on the CSR program of LLC "Tardan Gold", which is the main producing mine with the largest number of employees and the biggest economic and social impact.

OVERVIEW

The operations of LLC "Tardan Gold" play an important role in the economic development of the region, fostering economic growth. LLC "Tardan Gold" is one of the largest investors and taxpayers in the Republic of Tyva. Profit tax paid by the company in 2022 amounted to approximately US\$ 3 million.

The company spent approx. US\$ 66.8 thousand on its CSR program in 2022. The bigger part of this amount, around US\$ 60.2 thousand, or 90%, was provided in the form of direct funding, while the remaining amount was provided in the form of services and in-kind resources.

The total CSR budget was allocated between social projects of the Republic of Tyva (ca. US\$23.5 thousand, or 35%), and funds and resources provided under the Agreement on Social and Economic Cooperation between the company and the municipal administrations of Kaa-Khem district and Kundustug village (US\$ 43.3 thousand, or 65%).

COOPERATION WITH THE REGION

The company has established good working relationships with local communities and the respective authorities in the region. During 2022, the company's CSR program focused on social infrastructure support, charitable projects, and sponsoring socially important activities.

Social infrastructure support

Social infrastructure support remained the focus of the company's corporate social responsibility

program in 2022, receiving ca. US\$35.5 thousand (53% of the company's total CSR spending) in the reporting period:

- Around US\$8.2 thousand was provided to Ush-Beldir wellness center, for ongoing maintenance works. The center was founded in 1933 in a remote area, and is known for its thermal waters, with up to 96% observed efficiency in treatment of certain medical conditions.
- The company provided financial support for the construction of a new building for the medical station in Kundustug village, in the amount of US\$ 8.7 thousand. Medical equipment and fencing materials were purchased. The old building was built in 1971 and no longer met the modern healthcare standards. The new building has seven rooms built in accordance with medical requirements, a waiting room for patients, hot and cold water systems. The medical station will serve 1015 residents of Kundustug, including 327 children, as well as residents of 28 shepherds' camps located nearby. On average 15 visitors per day come to the station to seek medical help.
- The company purchased materials for fencing the territory of the local social club, elementary school and Kundustug administration, for the total amount of US\$ 6.1 thousand.
- US\$ 1.6 thousand was spent on repairing the leaking roof of a kindergarten facility in Kundustug. The kindergarten is attended by 160 children.
- The company provided financial assistance in the amount of US\$10.9 thousand for purchasing new doors and windows for the Kaa-Khem administration building.





In addition, the company provided the following services and in-kind resources:

- 10 truckloads of gravel were provided for leveling the ground around the new medical station building in Kundustug village;
- 45 bunkbeds to be used in case of emergency situations in Tyva were provided to the Civil Defense and Emergency Management Service of the Tyva Republic;
- 3,200 liters of diesel fuel were provided in support of forest fires prevention and liquidation, for farming activities in the Kaa-Khem District, and for maintenance of public areas and hay-making in Kundustug village;
- On two occasions, the company provided its land grader to clear the snow from the streets of Kundustug village and from roads to shepherd's camps of the participants of the Governor's Young Family Support project.

Charity and sponsorship

The company spent US\$ 24.7 thousand (37% of the total CSR expenditure) on charitable projects and sponsoring socially important activities:

- purchased 130 holiday gifts for the International Children's Day, 300 sweet New Year gift boxes for children from low-income and large families in the Kaa-Khem district, and 11 sets of household appliances as New Year gifts to Kundustug families;
- purchased and installed a solar power station 340-600 for the shepherd's camp under the Governor's Young Family Support project in Sug-Baji (US\$1.6 thousand);
- delivered 100 tons of coal to social facilities in the Kaa-Khem district (US\$5.4 thousand);
- delivered 3 tons of humanitarian aid to families from Lugansk and Donetsk regions;



- purchased a gas chainsaw Shtil-260, to be used in liquidation of forest fires in the Kaa-Khem district;
- purchased spare parts for a car used by the Forestry Service;
- provided financial assistance for publication of a book on World War II heroes from the Tyva Republic;
- supported publication of the "Kaa-Khem Gazette", a municipal newspaper distributed in Kaa-Khem district.

OUR PEOPLE

Employee's engagement is a key component of every business process. Our people are our team. The company's approach is based on principles of sustainable development and is focused on employing local residents, providing financial and non-financial incentives, professional growth and training opportunities, and creation of safe and healthy working environment.

As at the end of 2022, 288 employees of LLC "Tardan Gold" (60% of the total number of employees) were residents of the Republic of Tyva, and 186 employees (40%) came from the neighboring Krasnoyarsk region and Khakassia Republic.

The company aims to offer competitive remuneration. Indexation of salaries was carried out in 2022. The average monthly salary exceeded the average monthly salary in the region by approximately 25%.

The company implements a number of professional development programs. In 2022, 18 employees learned new professions at local colleges, and 65 employees improved their qualifications.

The company continues its long-term cooperation with Employment Centers of Kaa-Khemsy district and the Republic Tyva, keeping them informed of vacancies and job opportunities in the company.

Employees receive fire safety trainings and industrial safety trainings on an ongoing basis.

BOARD OF DIRECTORS



PETER DARESBUY

*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 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 Far East Antimony Ltd, Sen Ltd and Jockey Club Catering Ltd and Non-Executive Director of 4C Labs. 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*

Born in 1966, Board member since 2009. Preston Haskell is a citizen of Sweden and Saint Kitts and Nevis, and has been active as a businessman in real estate and mining industries in Russia and in Africa. Preston was Chief Executive Officer of the Company from 2009 until May 2012, and Chairman of the Board from May 2012 to May 2014. Preston has a Degree in Business Administration from the University of Southern California in the U.S.

Shareholding in the Company:

Shares – 51,563,892
(through companies);
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. He is currently Vice President Finland Operations for Strategic Resources Inc. 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



THOR ÅHLGREN

*Born 1997,
Member of the Board since 2022*

Thor Åhlgren is a Swedish citizen and has a Master of Science in Applied Mathematics and a Bachelor of Science in Mechanical Engineering, both from the Royal Institute of Technology, Stockholm. Thor has previously worked with financial transactions involving mining companies as an investment analyst and as a corporate finance analyst. Thor is currently a board member and CEO of Runaware Holding and is working with investments at Modelio Equity.

Thor Åhlgren is regarded as independent in relation to the Company and its management, and not independent in the relation to the Company's major shareholders.

Shareholding in the Company:

Shares – No;
Stock options – No

GROUP 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



ALEXANDER BUCHNEV

Born in 1982, CFO since 2022

Alexander graduated from the Financial Academy in Moscow in 2004 with a Degree in Crisis Management. Alexander is qualified as an ACCA and his 20 years' extensive financial and accounting experience includes CFO of Planeta Sirius Group, a top 5 Russian workwear producer, as well as CFO of VEDK Group, a gold producer in the Republic of Yakutia (Russia), and 8 years of experience at Ernst&Young. Alexander previously already worked for Auriant Mining Group as CFO and IFRS Leader in 2013-2018.

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. Petr started his career at Muruntau open pit which is one of the world's largest gold mines. 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 Kwartsevaya (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 2022

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 2022.

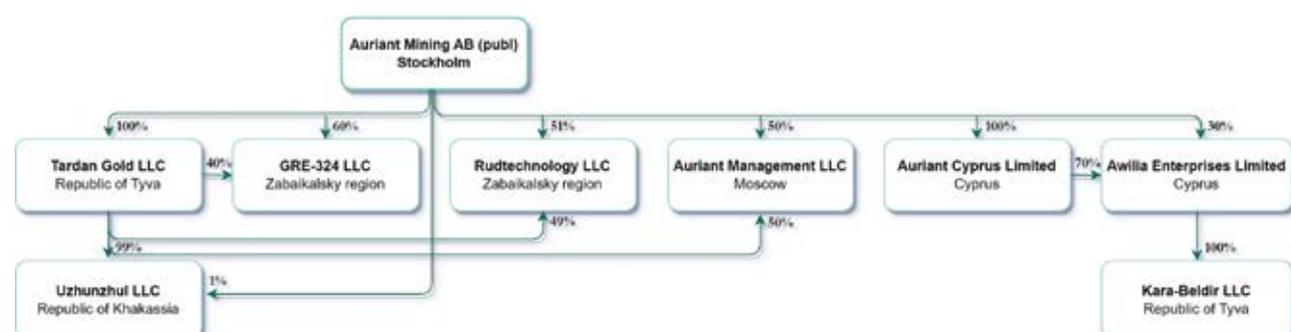
GROUP STRUCTURE AND OPERATIONS

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 license areas operated are Tardan, Greater Tardan, Staroverinskaya, 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 31, 2022 was 3,138.

| Company | Location | Operations | Ownership |
|----------------------------|--|---|---|
| Auriant Mining AB | Stockholm, Sweden | Parent Company | See the Auriant Share section |
| SUBSIDIARIES | | | |
| LLC Tardan Gold | Kyzyl, Republic of Tyva, Russia | License holder and operator of hard rock gold production and exploration at the Tardan and Greater Tardan license areas | 100% owned by AUR AB |
| LLC GRE-324 | Chita, Zabaikalsky region, Russia | License holder, alluvial gold producer at 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, the Uzhunzhul license area | 1% owned by AUR AB 99% owned by LLC Tardan Gold |
| LLC Auriant Management | Moscow, Russia | Consultancy services to the Russian subsidiaries | 50% owned by AUR AB 50% owned by LLC Tardan Gold |
| Awilia Enterprises Limited | Limassol, Cyprus | Owner of the operating company, LLC Kara-Beldyr | 70% Auriant Cyprus Limited 30% owned by AUR AB |
| Auriant Cyprus Limited | Limassol, Cyprus | Co-owner of Awilia Enterprises Limited (holds 70% in Awilia Enterprises Limited) | 100% owned by AUR AB |
| LLC Kara-Beldyr | Kyzyl, Republic of Tyva, Russia | License holder, the Kara-Beldyr license area | 100% owned by Awilia Enterprises Limited |





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 interruptions caused by weather conditions might lead to a significant delay in production and consequent decrease in profits. The Group's assets are located in the Republic of Tyva and in the Zabaikalsky region, in remote areas 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 and spare parts are ordered with adequate lead time. The Group also has contingency plans in place to address any disruption to services.

Obtaining necessary permits 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.

Infrastructure

The commencement of gold production at Kara-Beldyr is contingent, among other things, upon timely implementation of the Government's final decision to finance the power line in the Republic of Tyva and its construction.

The company actively engages with state authorities to ensure that electricity needs of the Kara-Beldyr project are taken into account in the development programs implemented in the Republic of Tyva.

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 deviations are therefore possible.

The Group employs a 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 external 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 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. Furthermore, material breach of those regulations could result in the suspension of operations, which could have a material adverse effect on the Group's 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 discharge of materials and contaminants into the environment, disturbance of land, flora and fauna, and other environmental concerns. The licenses under which the Group operates include conditions regarding environmental compliance. The terms of the Group's subsoil licenses include site clean-up, restoration and rehabilitation obligations. In case of Group companies' failure to comply with those obligations, they may be held liable for the resulting damage in addition to administrative fines, which may have an adverse impact on the Group's financial results.

The Group implements proactive environmental planning. The Group's experienced environmental experts ensure compliance with applicable regulations and apply cost-effective, technically sound solutions to 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 bodies. Such revocation or suspension may 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 lack of cooperation by local and regional authorities in granting land lease rights over land plots, where exploration or mining activities are planned to be carried out.

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

ECONOMIC SANCTIONS RISKS

Financial and economic sanctions imposed by a number of countries against the Russian economy, businesses and individuals, and counter-measures imposed by Russia, may affect Auriant Mining Group's operations in a number of ways, including but not limited to the following risks. The Group may not have access to capital outside of Russia, including from countries that have not themselves imposed sanctions, due to risks of secondary sanctions. The Group's ability to enter into business transactions in Russia may be further restricted by the Russian counter-measures, since the Group includes a Swedish parent company. Like other Russian gold producers who sell gold in Russia, the Group companies may need to sell gold at higher discounts and/or face lack of demand due to buyers losing access to the international gold market. The Group companies operating in Russia may experience shortages of supplies and price increases. Bans on exports of equipment into Russia may limit the Group's choice of equipment for new projects, delay implementation of new projects and make them less economically viable. The ability of the Russian subsidiaries to make payments to the Swedish parent company may be further restricted. The Group companies may experience closures of their bank accounts and difficulties with opening new ones. The current sanctions may also have other negative implications, and there remains a possibility of further sanctions (and counter-measures) which may have further negative impact.

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

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

For more information refer to Note 27.

THE AURIANT SHARE

The number of outstanding shares as of December 31, 2022 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 2022 year-end according to the articles

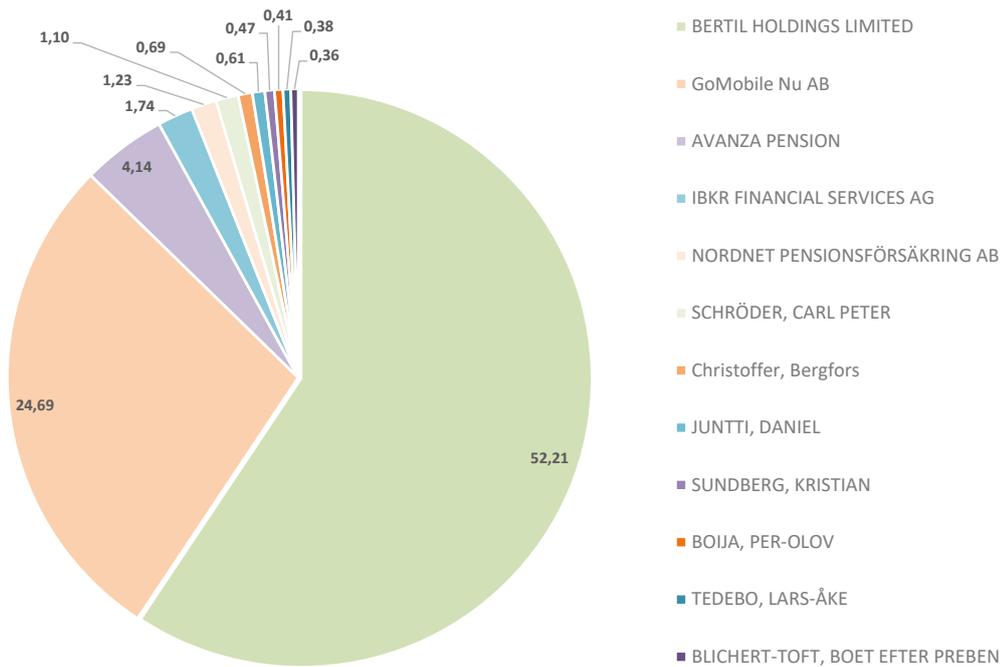
of association were not less than MSEK 5.3 and not more than MSEK 21.3. The limit for the number of shares according to the articles of association was not less than 47,400,000 and not more than 189,600,000.

LARGEST OWNERS

The 12 largest shareholders in Auriant Mining AB as of December 30, 2022

| Shareholder | Number of shares | % share of ownership |
|---|-------------------|----------------------|
| BERTIL HOLDINGS LIMITED | 51 563 892 | 52,21 |
| GoMobile Nu AB | 24 389 825 | 24,69 |
| AVANZA PENSION | 4 086 446 | 4,14 |
| IBKR FINANCIAL SERVICES AG | 1 715 134 | 1,74 |
| NORDNET PENSIONS FÖRSÄKRING AB | 1 216 154 | 1,23 |
| SCHRÖDER, CARL PETER | 1 086 171 | 1,10 |
| Christoffer, Bergfors | 685 141 | 0,69 |
| JUNTTI, DANIEL | 600 000 | 0,61 |
| SUNDBERG, KRISTIAN | 466 010 | 0,47 |
| BOIJA, PER-OLOV | 404 536 | 0,41 |
| TEDEBO, LARS-ÅKE | 377 008 | 0,38 |
| BLICHERT-TOFT, BOET EFTER PREBEN | 356 612 | 0,36 |
| Subtotal for the 12 largest owners | 86 946 929 | 88,03 |
| Other 3,126 shareholders | 11 821 341 | 11,97 |
| Total number of shares outstanding before dilution | 98 768 270 | 100,00 |

Source: Euroclear



STOCK OPTIONS AND WARRANTS

As at the end of 2022, there were no outstanding stock options or warrants in the Company.

AURIANT SHARE PRICE

The Auriant share is listed on Nasdaq First North Premier Growth Market (ticker AUR). The share price and daily numbers of shares traded are displayed in the graph below. As of December 30, 2022 the Company had a market capitalization of approximately MSEK 126.4 (equivalent to US\$ 12.1 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 2022

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 2022, in total, 98,768,270 shares in the Company and the same number of votes. There were 3,138 shareholders in the Company as of December 31, 2022. The largest shareholder was Bertil Holdings Ltd with 52.21% of shares. The second largest shareholding was that of GoMobile Nu AB, which held 24.69% of shares as of December 31, 2022. 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 31, 2022 totaled SEK 11,111,430.32.

ANNUAL GENERAL MEETING 2022

Auriant's 2022 AGM was held on May 10, 2022. The minutes from the meeting are available at www.auriant.com. The Annual General Meeting was conducted by advance voting only, without physical presence of shareholders, proxies and third parties, on the basis of temporary statutory rules.

The following principal resolutions were adopted at the Annual General Meeting 2022:

- 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), Preston Haskell, Jukka Pitkääjärvi and Birgit Köster Hoffmann were re-elected to the Board. 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 resolved to approve the loan facility of up to SEK 9,400,000 to the Company from the shareholder GoMobile Nu AB.
- 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 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 2022, a total of 73,527,049 shares were represented by advance votes submitted on behalf of 2 shareholders. The shares represented comprised approximately 74.44 per cent of the total number of shares in the Company.

EXTRAORDINARY GENERAL MEETING 2022

The Extraordinary General Meeting was held on December 28, 2022, by advance voting, without physical presence of shareholders, proxies and third parties, on the basis of temporary statutory rules. Following the resignation of Ms. Birgit Köster Hoffmann, there was a vacancy on the Board of the company. The Extraordinary General Meeting resolved to elect Thor Åhlgren as a new member of the Board until the end of the next annual general meeting.

At the Extraordinary General Meeting 2022, a total of 24,110,936 shares were represented by advance votes submitted on behalf of 1 shareholder. The shares represented comprised approximately 24.41 per cent of the total number of shares in the Company. The minutes from the meeting are available at www.auriant.com.

ANNUAL GENERAL MEETING IN 2023

The Annual General Meeting of shareholders will be held on Tuesday, May 16, 2023. The annual report for 2022 is available on the Company's website as of April 25, 2023.

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 10, 2022, 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 2022 resolved that the Instruction to the Nomination Committee shall remain unchanged. The Instruction is available on the Company's website.

The Nomination Committee for the 2023 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 76 percent of the voting rights in the Company as of the last banking day in September 2022. 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 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 2022 Annual General Meeting re-elected Lord Peter Daresbury as Chairman of the Board. During 2022, 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 2022, Auriant's Board was comprised of four ordinary Board Members, Peter Daresbury (Chair), Thor Åhlgren, Preston Haskell, and Jukka Pitkäljärvi. Thor Åhlgren was elected by the Extraordinary General Meeting on December 28, 2022, and all other Board members were elected by the Annual General Meeting on May 10, 2022. Mr. James Provoost Smith Jr., who was elected as Deputy Board Member by the 2022 AGM, resigned from the Board in October 2022.

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 |
| Thor Åhlgren | 0 | 0 | Yes | No |
| Preston Haskell | 51,563,892 | 0 | No | No |
| Jukka Pitkäjärvi | 0 | 0 | Yes | Yes |

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

BOARD MEMBERS' ATTENDANCE AT BOARD MEETINGS IN 2022*

| Name | Position | Present |
|------------------|----------|---------|
| Peter Daresbury | Chair | 10/10 |
| Preston Haskell | Member | 10/10 |
| Jukka Pitkäjärvi | Member | 10/10 |

¹ Information on the attendance of Board meetings by Thor Åhlgren is not presented as he was elected to the Board on December 28th 2022.

THE BOARD'S WORK IN 2022

The Board held 10 meetings in 2022, including 4 ordinary meetings with personal attendance, and 6 meetings held by teleconference. In addition, the Board passed 31 resolutions per capsulam, i.e. by correspondence. Important issues dealt with by the Board in 2022, in addition to the approval of the annual financial statements and the interim reports, and approval of the budgets, included:

- The Company's and the Group's financial position and liquidity
- Strategic decision-making
- Preparation for the Annual General Meeting and the Extraordinary 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

During 2022, the Remuneration Committee was comprised of Peter Daresbury and Preston Haskell. The Committee was chaired by Peter Daresbury. The Remuneration Committee submits proposals for resolution by the Board regarding salary and other terms of employment of the CEO. The Committee also considers and approves the CEO's proposals regarding salaries and other terms of employment of the Group's management. The Committee's other tasks include monitoring

and evaluating programmes for variable remuneration to the executive management.

In 2022, the Remuneration Committee held one meeting, attended by both members of the Committee.

Finance and Audit Committee

In 2022, the Finance and Audit Committee was first comprised of JP Smith, Birgit Köster Hoffmann and Peter Daresbury. At the year end, following the changes in the composition of the Board detailed above, the functions of the Finance and Audit Committee were performed by the Board as a whole. In January 2023, the Board approved the new composition of the Finance and Audit Committee, consisting of Peter Daresbury, Thor Åhlgren and Jukka Pitkäljärvi, with Peter Daresbury serving as Chairman of the Committee. The members of the Committee have the necessary competence and experience in accounting matters.

In 2022, four meetings of the Finance and Audit Committee were held, including one meeting during the period when the whole Board performed the functions of the committee. Two meetings were attended by the Company's auditor. The attendance at the meetings was as follows:

| | |
|------------------------|-----|
| Peter Daresbury | 4/4 |
| Birgit Köster Hoffmann | 3/4 |
| JP Smith | 2/4 |
| Jukka Pitkäljärvi | 1/4 |

Technical Committee

During 2022, the Technical Committee was comprised of Jukka Pitkäljärvi and Preston Haskell. Mr. Pitkäljärvi served as Chairman of the Committee. The Committee's task is to advise the remainder of the Board on mining and technical issues.

In 2022, there were no meetings of the Technical Committee as all important mining and technical issues were considered at the Board level.

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 2022: for the Chairman of the Board 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 2022, 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 36-37 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. Ms. Danilo Lange is the CEO of the Company since 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

For information regarding remuneration to the Chief Executive Officer, senior executives and other employees, please see Note 5 on page 76-77 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 10, 2022 re-elected, for a period until the 2023 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 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. Principal risks and uncertainties

as well as measures to address them are set out on pages 40-41 of the annual report.

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. Deviations from the 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. 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 2023.

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. As a temporary measure following the Covid-19 pandemic, rules 1.1-

1.3 of the Code did not need to be applied in 2022, as announced by the Swedish Corporate Governance Board on 25 February 2022. Accordingly, no deviation from the Code is deemed to have taken place if these rules are not applied.

The Company did not comply with the following rules of the Code in 2022, 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 2022 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. However, upon the resignation of Mr. Smith in October 2022, no new Deputy Board Member was appointed to fill in the vacancy. As a result, the Company currently does not have any deputies for directors elected by the shareholders' meeting, and thus complies with the Code rule 4.2.

• *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 the Code rule 4.4, was a member of the Remuneration Committee in 2022. Mr. Haskell's involvement in the Remuneration Committee is considered to be in the best interests of all 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 2022 amounted to US\$ 1.4 mln, of which share capital is US\$ 1.438 mln.

In the Parent Company the unrestricted shareholders equity amounts to:

| | |
|----------------------------------|----------------------|
| | 2022 |
| | SEK |
| Share premium reserve | 780,638,510 |
| Retained earnings | -990,932,376 |
| Net income/loss for the year | - 57,926,913 |
| Total unrestricted equity | - 268,220,779 |

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 112 of the annual report.



FINANCIAL STATEMENTS

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OPERATIONAL KEY RATIOS, US\$

| | 2022 | 2021 | 2020 | 2019 | 2018 | Definitions |
|--|------------|------------|------------|------------|------------|--|
| Profitability | | | | | | |
| Ore processed, 000 tonnes | 413 | 428 | 394 | 372 | 214 | Quantity of ore processed |
| Gold sands processed, 000 m ³ | 49 | 128 | 45 | 151 | 189 | Volume of gold sands processed |
| Gold production, oz | 25,082 | 29,283 | 31,014 | 22,137 | 13,611 | Gold production obtained during the period (troy oz) |
| Gold sales, oz | 28,364 | 26,316 | 30,428 | 21,021 | 14,147 | Actual sold gold production during the period (troy oz) |
| Revenue from sale of gold and gold equivalents, US\$ 000 | 51,054 | 47,685 | 53,409 | 29,762 | 17,373 | Revenue from sale of gold and gold equivalents |
| Average realized gold price, US\$/oz | 1,800 | 1,812 | 1,755 | 1,416 | 1,228 | Average price received during the period (USD/oz) |
| Total cash costs per ounce, US\$/oz | 1,245 | 806 | 676 | 884 | 1,069 | Average total cash costs per ounce of gold produced |
| Profit/loss before income tax, US\$ 000 | 9,149 | 9,584 | 13,517 | -1,514 | -11,934 | |
| Return on total assets, % | 11.0% | 10.6% | 15.1% | -1.8% | -15.0% | Net profit/loss for the period as a percentage of average total assets during the period |
| Capital structure | | | | | | |
| Equity, US\$ 000 | 1,419 | -6,241 | -13,277 | -24,317 | -23,154 | Total equity at the end of the period, including non-controlling interests |
| Interest-bearing liabilities, US\$ 000 | 51,413 | 58,996 | 67,359 | 83,929 | 78,546 | Total interest-bearing liabilities at the end of the period |
| Equity ratio, % | 2.07% | -9.13% | -20.50% | -33.0% | -35.0% | Equity, including non-controlling interests, as a percentage of the balance sheet total |
| Cash flow and liquidity | | | | | | |
| Cash flow before investments, US\$ 000 | 12,312 | 17,761 | 27,484 | 8,856 | 3,417 | Cash flow from operating activities |
| Cash flow after investments and financing, US\$ 000 | -529 | 1,036 | 560 | -1,055 | -3,150 | Operating cash flow plus cash flow after investments and financing |
| Liquid assets, US\$ 000 | 1,125 | 1,474 | 422 | 145 | 1,189 | Bank deposits and cash at the end of the period |
| Total assets, US\$ 000 | 72,282 | 72,167 | 64,870 | 73,734 | 66,126 | |
| Investments | | | | | | |
| Capital investments, US\$ 000 | 1,374 | 2,701 | 2,065 | 9,711 | 10,773 | Net investments in material fixed assets, minus any disinvestments |
| Employees | | | | | | |
| Average number of employees during the period | 564 | 584 | 571 | 507 | 438 | |
| Share data | | | | | | |
| Number of outstanding shares before dilution | 98,768,270 | 98,768,270 | 98,768,270 | 98,648,502 | 98,648,502 | 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 | 98,768,270 | 98,768,270 | 98,698,673 | 98,648,502 | 92,192,802 | 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 | Number of non-exercised warrants at the end of the respective period. |
| Quotient value, US\$ | 0.01 | 0.01 | 0.01 | 0.01 | 0.01 | Each share's proportion of the total share capital |
| Earnings per share, US\$ | 0.08 | 0.07 | 0.11 | -0.01 | -0.11 | Net profit/loss after tax divided by the average number of outstanding shares during the period |
| Equity per share, US\$ | 0.01 | -0.06 | -0.13 | -0.25 | -0.23 | Total equity, including non-controlling interests, 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\$ | 0.12 | 0.34 | 0.70 | 0.35 | 0.28 | Latest market price paid for the shares on the last trading day of the respective period. |

CONSOLIDATED INCOME STATEMENT

| | Note | 2022 US\$000 | 2021 US\$000 |
|--|------|-----------------|-----------------|
| Revenue | 1 | 51,054 | 47,685 |
| Cost of sales | 2 | -37,482 | -30,240 |
| Gross profit | | 13,572 | 17,445 |
| General and administrative expenses | 3 | -2,814 | -2,754 |
| Other operating income | 4 | 1,004 | 99 |
| Other operating expenses | 4 | -349 | -2,962 |
| Operating profit | | 11,413 | 11,828 |
| Financial income | 6 | 1,691 | 915 |
| Financial expenses | 7 | -3,955 | -3,159 |
| Profit before income tax | | 9,149 | 9,584 |
| Income tax | 8 | -1,587 | -2,497 |
| Net profit for the period | | 7,562 | 7,087 |
| Whereof attributable to: | | | |
| The owners of the parent company | | 7,562 | 7,087 |
| Earnings per share before dilution (SEK, US\$) | 17 | 0.08 | 0.07 |
| Earnings per share after dilution (SEK, US\$) | | 0.08 | 0.07 |
| Number of shares issued at period end | | 98,768,270 | 98,768,270 |
| Average number of shares for the period | | 98,768,270 | 98,768,270 |
| Average number of shares for the period after dilution | | 98,768,270 | 98,768,270 |

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

| | 2022 US\$ 000 | 2021 US\$ 000 |
|--|------------------|------------------|
| Net profit for the period | 7,562 | 7,087 |
| Items that may be subsequently reclassified to profit or loss | | |
| Translation difference | 98 | -51 |
| Total comprehensive income for the period | 7,660 | 7,036 |

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

| | Note | 31-12-2022 US\$000 | 31-12-2021 US\$000 |
|--|-------|-----------------------|-----------------------|
| ASSETS | | | |
| NON-CURRENT ASSETS | | | |
| Intangible fixed assets | | | |
| Mining permits and capitalised exploration costs | 9 | 19,860 | 19,214 |
| Tangible fixed assets | | | |
| Buildings and land | 10 | 12,712 | 14,006 |
| Machinery, equipment and other technical plant | 11 | 11,791 | 13,686 |
| Construction in progress | 12 | 647 | 797 |
| | | 25,150 | 28,489 |
| Stripping assets | | 3,372 | 2,006 |
| Deferred taxes recoverable | 8 | 8,014 | 7,910 |
| Total non-current assets | | 56,396 | 57,619 |
| CURRENT ASSETS | | | |
| Inventories | 14 | 11,868 | 10,564 |
| Accounts receivable trade | 20 | 62 | 15 |
| Other current receivables | 15 | 2,098 | 1,651 |
| Prepaid expenses | 15 | 733 | 844 |
| Cash and bank equivalents | 16 | 1,125 | 1,474 |
| Total current assets | | 15,886 | 14,548 |
| TOTAL ASSETS | | 72,282 | 72,167 |
| EQUITY AND LIABILITIES | | | |
| EQUITY | | | |
| Share capital | 17 | 1,438 | 1,438 |
| Additional paid in capital | | 79,220 | 79,220 |
| Translation difference reserve | | -13,203 | -13,301 |
| Retained earnings | | -66,036 | -73,598 |
| TOTAL EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT | | 1,419 | -6,241 |
| TOTAL EQUITY | | 1,419 | -6,241 |
| NON-CURRENT LIABILITIES | | | |
| Deferred tax | 8 | 3,632 | 3,817 |
| Provisions | 18 | 1,375 | 1,247 |
| Bank loans and other notes | 19,20 | 287 | 8,354 |
| Debt to shareholder | 19,20 | 39,029 | 35,955 |
| Other non-current liabilities | 24 | 12,298 | 9,381 |
| Total non-current liabilities | | 56,621 | 58,754 |
| CURRENT LIABILITIES | | | |
| Trade and other accounts payable | 21 | 1,360 | 1,330 |
| Bank loans payable | 19,20 | 9,295 | 10,363 |
| Other current liabilities | 22 | 3,587 | 7,961 |
| Total current liabilities | | 14,242 | 19,654 |
| TOTAL EQUITY AND LIABILITIES | | 72,282 | 72,167 |

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Attributable to the shareholders of the Parent Company

| All amounts in US\$000 | Share capital | Additional paid in capital | Translation difference reserve | Retained earnings | Non-controlling interest | Total equity |
|--|---------------|----------------------------|--------------------------------|-------------------|--------------------------|----------------|
| Equity as at December 31, 2020 | 1,438 | 79,220 | -13,250 | -80,685 | - | -13,277 |
| Comprehensive income | | | | | | |
| Net profit/loss for the period | - | - | - | 7,087 | - | 7,087 |
| Other comprehensive income | - | - | -51 | - | - | -51 |
| Total comprehensive income for the period | - | - | -51 | 7,087 | - | 7,036 |
| Equity as at December 31, 2021 | 1,438 | 79,220 | -13,301 | -73,598 | - | -6,241 |
| Comprehensive income | | | | | | |
| Net profit/loss for the period | - | - | - | 7,562 | - | 7,562 |
| Other comprehensive income | - | - | 98 | - | - | 98 |
| Total comprehensive income for the period | - | - | 98 | 7,562 | - | 7,660 |
| Equity as at December 31, 2022 | 1,438 | 79,220 | -13,203 | -66,036 | - | 1,419 |

CONSOLIDATED CASH FLOW STATEMENT

| | 2022 | 2021 |
|---|----------------|----------------|
| | US\$ 000 | US\$ 000 |
| OPERATING ACTIVITIES | | |
| Receipts from gold sales | 51,053 | 47,708 |
| VAT and other reimbursement | 5,453 | 4,153 |
| Payments to suppliers | -27,426 | -20,998 |
| Payments to employees and social taxes | -11,991 | -9,785 |
| Income tax paid | -3,013 | -2,645 |
| Other taxes paid | -1,764 | -672 |
| Net cash flows from operating activities | 12,312 | 17,761 |
| INVESTING ACTIVITIES | | |
| Purchase and construction of property plant and equipment | -801 | -1,193 |
| Exploration and research work | -265 | -2,720 |
| Net cash flows used in investing activities | -1,066 | -3,913 |
| FINANCING ACTIVITIES* | | |
| Proceeds from borrowings, net | 67 | - |
| Repayment of borrowings, net | -10,266 | -8,448 |
| Interest paid | -826 | -2,188 |
| Lease payments | -717 | -2,053 |
| Other finance income/expenses | -33 | -123 |
| Net cash used in financing activities | -11,775 | -12,812 |
| Net increase/(decrease) in cash and cash equivalents | -529 | 1,036 |
| Net foreign exchange difference | 179 | 16 |
| Opening balance cash and cash equivalents | 1,474 | 422 |
| Closing balance cash and cash equivalents | 1,125 | 1,474 |

*For more information please refer to Note 27.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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 3,138 shareholders.

The Board of directors approved these consolidated accounts for publication on April 25, 2023.

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 2022 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, 2022 and effect on the Group's consolidated financial statement.

| Title | Subject | Effective for annual periods beginning on or after | Effect on the consolidated financial statements |
|--|---|--|---|
| Amendments to IAS 37 | Cost of assessing the onerous contracts | 1 January 2022 | No effect |
| Amendments to IFRS 1 | Subsidiary as a first-time adopter | 1 January 2022 | No effect |
| Amendments to IAS 16 | Prohibits an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the entity is preparing the asset for its intended use | 1 January 2022 | No effect |
| Amendments to IFRS 9 | Commission fees in the "10% test" for derecognition of financial liabilities | 1 January 2022 | No effect |
| Conceptual Framework for Financial Reporting | Updates of references to or from the Conceptual Framework for Financial Reporting | 1 January 2022 | No effect |

The following new, amended or improved accounting policies and interpretations have been published and are to be applied in 2023 or thereafter: a number of narrow-scope amendments to IAS 12 Income Taxes, IAS 1 Presentation of Financial Statements and IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors, as well as the new standard IFRS 17 Insurance Contracts, have been published effective periods beginning on or after January 2023. Possible early adoption has not been applied. These new and amended policies are not expected to have a material impact on the financial reporting for the financial year 2023. Narrow-scope amendments have been published and are to be applied as from January 2024 relating to IAS 1, Presentation of financial statements, on the classification of liabilities, and to IFRS 16, Leases, on reporting lease liability associated with sale and leaseback transactions.

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, 2022 (December 31, 2021 - 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 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.

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.

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:

- assets and liabilities for each of the statements of financial position are converted at the closing rate;
- 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
- 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.

Currency rates used in the report:

| Year 2022 | RUB/USD | SEK/USD | SEK/RUB | Year 2021 | RUB/USD | SEK/USD | SEK/RUB |
|--------------|---------|---------|---------|--------------|---------|---------|---------|
| Average Q1 | 87,3479 | 9,345 | 9,4568 | Average Q1 | 74,3686 | 8,3995 | 8,8577 |
| Average Q2 | 66,5141 | 9,8382 | 6,7608 | Average Q2 | 74,2936 | 8,4083 | 8,8244 |
| Average Q3 | 59,4783 | 10,547 | 5,6394 | Average Q3 | 73,4709 | 8,6481 | 8,4968 |
| Average Q4 | 62,6937 | 10,7245 | 5,8458 | Average Q4 | 72,6543 | 8,8543 | 8,2039 |
| March 31 | 84,0851 | 9,2641 | 10,4868 | March 31 | 75,7023 | 8,7239 | 8,6736 |
| June 30 | 51,1580 | 10,2194 | 5,0060 | June 30 | 72,3723 | 8,5103 | 8,5399 |
| September 30 | 57,4130 | 11,1227 | 5,1618 | September 30 | 72,7608 | 8,7911 | 8,2664 |
| December 31 | 70,3375 | 10,4371 | 6,7392 | December 31 | 74,2926 | 9,0437 | 8,2235 |

(d) Revenue recognition

Revenue is measured at the fair value of consideration to which the entity expects to be entitled in a contract with a customer in exchange for transferring promised goods, excluding amounts collected on behalf of third parties, such as value added tax (VAT). Group recognizes revenue when it transfers control of a product or service to a 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.

There were no long-term incentive programs in 2022 and 2021.

(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.

(i) 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, 2022, the Group recognised the stripping assets in an amount of US\$ 3.4 mln (December 31, 2021: US\$ 2.0 mln).

(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 impairment

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.

(I) 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 are classified as non-current assets. The group held no instruments in this category during 2022 and 2021.

At initial recognition, it is allowed to irrevocably classify equity instruments (shares) that are not 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) 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.

For more information refer to Note 13.

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, 2022 and December 31, 2021.

(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, 2022. 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 9-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 key assumptions applied in the test were the average price of gold during the test period of 1,870 - 1,950 USD/oz (2021: 1,750 USD/oz), and a pre-tax discounting rate of 12.0% (2021: 8.0%). 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 2022. By applying a 6 percent higher pre-tax discount rate to forecast the cash flows for the cash-generating unit no impairment requirement arises.

An impairment test of significant assets is also performed at Parent Company level. The impairment test is based on an 9-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. Based on the impairment test performed as at December 31, 2022 there is no impairment indicated in 2022 in the subsidiary LLC "Tardan Gold". Investment in the subsidiary LLC "Tardan Gold" was impaired by MSEK 87.1 (US\$ 10.1 mln) in 2021. 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. See Note P9 *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

The Group's subsidiaries sold gold with discounts to the LBMA gold price during the reporting period. Group revenue from the sale of gold and gold equivalents of US\$ 51.1 mln in 2022 (2021: US\$ 47.7 mln) was generated by the Russian entities of the Group. No revenue was generated in Sweden. Physical volume of gold sold increased by 8% or 63 kg (2,048 oz) to 882 kg (28,364 oz) in 2022. The average realized gold price per ounce decreased from US\$ 1,812 in 12m 2021 down to US\$ 1,800 in 12m 2022, or by 1%.

The Group diversified its gold sales channels in 2022:

- the new sales contracts with refinery plants were signed;
- LLC "Tardan Gold" obtained a Gold Sales Export license in May 2022;
- LLC "Tardan Gold" sold gold to the new banks under a new gold sales contracts at discounts that were lower than those offered by alternative sales channels. In 2021 the Group had one customer for gold – the Russian bank, VTB.

| | 2022 US\$000 | 2021 US\$000 |
|---|-----------------|-----------------|
| Revenue from sale of hard rock gold | 50,503 | 46,531 |
| Revenue from sale of alluvial gold | 428 | 1,013 |
| Revenue from sale of gold equivalents | 122 | 141 |
| Total revenue from sale of gold and gold equivalents | 51,054 | 47,685 |

Note 2

COST OF SALES

| | 2022 US\$000 | 2021 US\$000 |
|---|-----------------|-----------------|
| External expenses | 11,029 | 8,420 |
| Materials | 10,581 | 7,587 |
| Employee benefit expenses | 10,106 | 8,024 |
| Taxes | 996 | 639 |
| Alluvial operator costs | 268 | 708 |
| Depreciation, amortization and write downs | 4,878 | 8,302 |
| Change in stripping asset | -950 | -588 |
| Change in stock of finished and semi-finished goods | 574 | -2,852 |
| Total cost of sales | 37,482 | 30,240 |

In 2022, the Group's cost of sales increased by 24% compared to 2021, to US\$ 37.5 mln, while cash operating expenses increased by 30%, to US\$ 33.0 mln. Higher stripping volumes and lower gold grades as well as increased prices for mining contractors, materials, spare parts and fuel negatively impacted the cost performance during the reporting period.

Higher cash operating expenses as well as lower volume of hard rock gold produced during 2022 led to the growth of the cash cost per ounce. The average cash cost per ounce produced at LLC "Tardan Gold" increased by 54% from US\$ 806/oz in 2021 to US\$ 1,245/oz in 2022.

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. RUB strengthening against the USD during 2022 had a negative effect on the Group's margin.

Deferred stripping has been pulled forward to secure access to ore in 2023-2024. The changes in work in progress in 2022 and 2021 were in line with mining and production activities.

In 2022 and 2021, the Company engaged one contractor working at Solcocon, on the basis of 85% split of gold sales. Alluvial operator costs decreased by 62% in line with the gold production: 8.6 kg (278 oz) compared to 18 kg (563 oz) in 2021.

Note 3

GENERAL AND ADMINISTRATIVE EXPENSES

| | 2022 US\$000 | 2021 US\$000 |
|--|-----------------|-----------------|
| Employee benefit expenses | 2,091 | 1,934 |
| External expenses* | 702 | 744 |
| Depreciation, amortization and write downs | 21 | 76 |
| Total general and administrative expenses | 2,814 | 2,754 |

General and administrative expenses relate to LLC "Auriant Management" and Parent Company.

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

Audit fees

| | 2022 US\$000 | 2021 US\$000 |
|--|-----------------|-----------------|
| PWC | | |
| Audit engagement | 141 | 117 |
| Tax advisory services | 2 | 1 |
| Other services | 12 | 20 |
| Total fees for the audit and related services to PWC | 155 | 138 |
| Other auditing firms | | |
| Statutory audit and related services | 10 | 11 |
| Total fees for the audit and related services to auditing firms | 165 | 149 |

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

| | 2022 US\$000 | 2021 US\$000 |
|--|-----------------|-----------------|
| Other operating income | | |
| Reversal of waste disposal provision for year 2021 | 899 | - |
| Fixed assets sale | 68 | 58 |
| Inventory stock-take surplus | 20 | - |
| Services to contractors (rent, accomodation services, other) | 15 | 30 |
| Other | 2 | 11 |
| Total other operating income | 1,004 | 99 |

| | 2022 US\$000 | 2021 US\$000 |
|--|-----------------|-----------------|
| Other operating expenses | | |
| Sponsorship fees | -87 | -62 |
| Inventory obsolescence | -60 | -53 |
| Liquidation of fixed assets | -57 | -189 |
| Bank fees | -42 | -28 |
| Penalties from suppliers and tax authorities | -11 | -233 |
| Additional waste disposal payment 2019-2020 | - | -2,280 |
| Other | -93 | -116 |
| Total other operating expenses | -349 | -2,962 |

In 2021, US\$ 2.3 mln provision for waste disposal was accrued in LLC "Tardan Gold" for 2019-2021 (including US\$ 1.1 mln for year 2019-2020 and US\$ 1.2 mln – for 2021). In 2022 the part of provision for 2021 in amount of US\$ 0.9 mln was adjusted. The revised amount of payment for waste disposal for year 2021 is US\$ 0.3 mln.

Note 5

EMPLOYEE BENEFITS

| | 2022 US\$000 | 2021 US\$000 |
|--|-----------------|-----------------|
| Salaries and remuneration in Sweden | | |
| Board of Directors | 142 | 183 |
| Senior executives | 70 | 112 |
| CEO | 56 | 46 |
| | 268 | 341 |
| Salaries and remuneration in Russia | | |
| CEO | 505 | 302 |
| Senior executives | 451 | 407 |
| Other employees | 8,316 | 6,742 |
| | 9,272 | 7,451 |
| Total salaries and remuneration | 9,540 | 7,792 |
| Social security expenses in Sweden | | |
| Board of Directors | 30 | 40 |
| Senior executives | 25 | 39 |
| CEO | 17 | 15 |
| <i>including pension expenses</i> | - | - |
| | 72 | 94 |
| Social security expenses in Russia | | |
| CEO | 1 | 1 |
| <i>including pension expenses</i> | - | - |
| Senior executives | 97 | 86 |
| <i>including pension expenses</i> | 67 | 42 |
| Other employees | 2,487 | 1,985 |
| <i>including pension expenses</i> | 1,563 | 1,331 |
| | 2,585 | 2,072 |
| Total social security expenses | 2,657 | 2,166 |
| Total employee benefit expenses | 12,197 | 9,958 |

The Group's personnel costs for the financial years ended 31 December 2022 and 2021 are included in the consolidated income statement lines Cost of sales and General and administrative expenses.

Remuneration and other benefits of the Board and Senior executives

| | 2022 US\$000 | 2021 US\$000 |
|---|-----------------|-----------------|
| Board of directors | | |
| Lord Daresbury (Peter), Chairman of the Board | 44 | 53 |
| Preston Haskell | 30 | 37 |
| James Provoost Smith | 23 | 32 |
| Jukka Tapani Pitkäljärvi | 27 | 32 |
| Birgit Köster Hoffman | 18 | 20 |
| Danilo Lange | - | 9 |
| Total Board of directors | 142 | 183 |
| Senior Executives* | | |
| Payroll | 521 | 519 |
| <i>including bonuses</i> | - | 82 |
| Chief Executive Officer | | |
| Payroll | 561 | 348 |
| <i>including bonuses</i> | 253 | 66 |
| Total Senior Executives and CEO | 1,082 | 867 |

Remuneration to the Board of Directors is approved by AGM.

* Senior Executives in 2022 and 2021 includes CFO, Deputy CEO, Group General Counsel, Chief Operating Officer and Head of HR.

| | 2022 | 2021 |
|---|------|------|
| Group – Board of Directors at year-end | | |
| Women | - | 1 |
| Men | 4 | 4 |
| Group – Management at year-end | | |
| Women | 2 | 2 |
| Men | 4 | 4 |

| | Total 2022 | of which woman | Total 2021 | of which woman |
|--|---------------|-------------------|---------------|-------------------|
| Number of employees | | | | |
| Average number of employees | | | | |
| Parent Company in Sweden | 2 | 1 | 2 | 1 |
| Subsidiaries in Russia | 562 | 91 | 582 | 109 |
| Total for the Group | 564 | 92 | 584 | 110 |
| Number of employees at year-end | | | | |
| Parent company in Sweden | 2 | 1 | 2 | 1 |
| Subsidiaries in Russia | 511 | 77 | 576 | 97 |
| Total for the Group | 513 | 78 | 578 | 98 |

Note 6

FINANCIAL INCOME

| | 2022 US\$000 | 2021 US\$000 |
|-------------------------------|-----------------|-----------------|
| Exchange rate differences | 1,422 | 911 |
| Other interest income | 269 | 4 |
| Total financial income | 1,691 | 915 |

Other interest income relates to interest on bank deposits.

Note 7

FINANCIAL EXPENSES

| | 2022 US\$000 | 2021 US\$000 |
|---|-----------------|-----------------|
| Interest expenses on loans and borrowings | -3,833 | -2,877 |
| Interest expenses on leasing | -70 | -243 |
| Unwinding of discount of site restoration provision | -52 | -39 |
| Total financial expenses | -3,955 | -3,159 |

The increase in average interest rate on bond liability to Golden Impala from 5.4% in 2021 to 8.6% in 2022 together with the increase of principal amount of the bond resulted in additional interests in amount of US\$ 1.3 mln. These were partially eliminated by the reduction of bank interest expenses in 2022 by US\$ 0.3 mln due to decrease of loan liabilities to the bank.

Interest expenses on leasing reduced by 71% due to repayments of lease agreements.

Note 8

INCOME TAX AND DEFERRED INCOME TAX

| | 2022 US\$000 | 2021 US\$000 |
|---|-----------------|-----------------|
| Current tax | -1,970 | -2,456 |
| Deferred tax | 383 | -41 |
| Total | -1,587 | -2,497 |
| Connection between tax expense and reported profit/loss | | |
| Pre-tax profit | 9,149 | 9,585 |
| Tax according to applicable tax rate | -1,431 | -1,501 |
| Tax effect of expenses that are non-deductible for tax purposes | -987 | -1,375 |
| Tax effect of non-taxable income | 1,812 | 1,093 |
| Reversal of deferred tax liability | 256 | 310 |
| Tax losses for which no deferred income tax asset was recognised | -383 | -276 |
| Tax effect of loss carry-forwards for which deferred taxes recoverable are not reported | -854 | -748 |
| Total | -1,587 | -2,497 |

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%. 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 1.2 %.

According to Russian legislation, tax losses are accumulated in the statement of financial position and can be offset against future taxable earnings. 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 2022, income tax charge at LLC «Tardan Gold» amounted to US\$ 2.0 mln. In 2021, income tax charge of US\$ 3.0 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".

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.

As at 31 December 2022 the total accumulated losses carried forward amounted to US\$ 19.2 mln with US\$ 11.7 mln related to the Parent Company and US\$ 7.5 mln to Russian subsidiaries.

Deferred taxation is attributable to the temporary differences that exist between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for tax purposes.

Deferred tax relates to the following:

| | Losses available for offsetting against future taxable income | Exploration costs | Work in progress | Depreciation of fixed assets | Site restoration provision | Accruals | Inventories | Other current assets | Deferred forex gain (since year 2022) | Functional currency on non-monetary items | Total |
|-------------------------------|---|-------------------|------------------|------------------------------|----------------------------|-----------|-------------|----------------------|---------------------------------------|---|--------------|
| As at 1 January 2020 | 2,029 | -2,543 | -1,085 | -436 | 68 | 13 | 22 | 43 | - | 5,892 | 4,003 |
| Charge to income statement | -585 | 782 | -349 | -206 | -15 | 15 | -21 | -3 | - | 341 | -41 |
| Exchange differences | 102 | 7 | 7 | 6 | -2 | 33 | - | -30 | - | 8 | 131 |
| As at 31 December 2021 | 1,546 | -1,754 | -1,427 | -636 | 51 | 61 | 1 | 10 | - | 6,241 | 4,093 |
| Charge to income statement | -89 | 567 | 434 | -41 | 19 | -31 | -1 | - | -845 | 370 | 383 |
| Exchange differences | -168 | 162 | -92 | - | -1 | 5 | - | - | - | - | -94 |
| As at 31 December 2022 | 1,289 | -1,025 | -1,085 | -677 | 69 | 35 | - | 10 | -845 | 6,611 | 4,382 |

Deferred tax assets and liabilities are offset where the Group has a legally enforceable right to do so. The following analysis shows deferred tax balances presented for financial reporting purposes:

| | 31-12-2022 | 31-12-2021 |
|--------------------------|------------|------------|
| Deferred tax assets | 8,014 | 7,910 |
| Deferred tax liabilities | -3,632 | -3,817 |

Note 9

MINING PERMITS AND CAPITALISED EXPLORATION COSTS

| | 31-12-2022 | 31-12-2021 |
|---|----------------|----------------|
| | US\$000 | US\$000 |
| Opening balance | 43,647 | 39,844 |
| Capitalized exploration costs | 177 | 2,436 |
| FV revaluation of contingent liability effect | 963 | 1,367 |
| Closing balance | 44,787 | 43,647 |
| Opening balance amortizations and write downs | -24,433 | -21,320 |
| Amortization for the period | -494 | -3,113 |
| Closing amortizations and write downs | -24,927 | -24,433 |
| Closing net book value | 19,860 | 19,214 |

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, 2022. The key assumptions applied in the test were the average price of gold during the test period of 1,870 - 1,950 USD/ oz, and a pre-tax discounting rate of 12.0%. The result of the impairment tests was that no impairment of the intangible assets was required as at December 31, 2022.

Note 10

BUILDINGS AND LAND

| | 31-12-2022 | 31-12-2021 |
|---|----------------|---------------|
| | US\$000 | US\$000 |
| Opening balance | 23,662 | 23,623 |
| Fixed assets put into use | 65 | 133 |
| Change in site restoration provision | - | 730 |
| Reclassification | - | -7 |
| Disposals | -3 | -817 |
| Closing balance accumulated acquisition values | 23,724 | 23,662 |
| Opening balance | -9,656 | -8,925 |
| Depreciation for the financial year | -1,356 | -1,380 |
| Disposals | - | 642 |
| Reclassification | - | 7 |
| Closing balance accumulated depreciation | -11,012 | -9,656 |
| Closing net book value | 12,712 | 14,006 |

Note 11

MACHINERY, EQUIPMENT AND OTHER TECHNICAL PLANTS

| | 31-12-2022 US\$000 | 31-12-2021 US\$000 |
|---|-----------------------|-----------------------|
| Opening balance | 43,047 | 43,132 |
| Purchases | 463 | 1,964 |
| Fixed assets put into use | 996 | 160 |
| Reclassification | - | -3 |
| Disposals | -2,140 | -2,206 |
| Closing accumulated acquisition values | 42,366 | 43,047 |
| Opening balance | -29,361 | -27,972 |
| Depreciation for the financial year | -3,049 | -3,892 |
| Disposals | 1,835 | 2,479 |
| Reclassification | - | 24 |
| Closing accumulated depreciation | -30,575 | -29,361 |
| Closing net book value | 11,791 | 13,686 |

Note 12

CONSTRUCTION IN PROGRESS

| | 31-12-2022 US\$000 | 31-12-2021 US\$000 |
|---------------------------|-----------------------|-----------------------|
| Opening balance | 797 | 373 |
| Purchases during the year | 911 | 737 |
| Fixed assets put into use | -1,061 | -292 |
| Reclassification | - | -21 |
| Closing book value | 647 | 797 |

Note 13

RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

This note provides information for leases where the group is a lessee. At 31 December 2022 right-of-use assets comprised of properties related to Tardan license area. Lease terms for production equipment are generally between 3 and 5 years.

The Company excluded the following lease agreements from the right-of-use assets and lease liabilities and recognises the lease payments associated with those leases as expenses on a straight-line basis over the lease term:

- Lease agreements of land plots to explore for or use minerals and similar non-generative resources;
- Short-term lease agreements that expire within 12 months from the date of initial application.

Amounts recognised in the Consolidated statement of financial position:

| | 31-12-2022 | 31-12-2021 |
|---|--------------|--------------|
| | US\$000 | US\$000 |
| Right-of-use assets | | |
| Machinery, equipment and other technical plants | 3,746 | 5,103 |
| Total Right-of-use assets | 3,746 | 5,103 |
| Lease liabilities | | |
| Current | 453 | 451 |
| Non-current | 65 | 424 |
| Total lease liabilities | 519 | 874 |

For information on the maturity of the lease liability, please refer to Note 20

Amounts recognised in the Consolidated income statement:

| | 31-12-2022 | 31-12-2021 |
|--|------------|------------|
| | US\$000 | US\$000 |
| Depreciation charge of right-of-use assets | -1,452 | -1,504 |
| Interest expense | -70 | -243 |

The total cash outflow for leases in 2022 was US\$ 0.7 mln (2021: US\$ 2.1 mln).

The Company has no leasing agreements that have not yet begun but to which the Company is committed.

No significant variable lease payments that are not included in the lease liability have been identified.

Note 14

INVENTORIES

| | 31-12-2022 US\$000 | 31-12-2021 US\$000 |
|-------------------------------|-----------------------|-----------------------|
| Raw materials and consumables | 2,663 | 2,045 |
| Finished goods | 2,254 | 3,516 |
| Work in progress | 6,951 | 5,003 |
| Total | 11,868 | 10,564 |

The cost of inventories recognised as expense amounted to US\$ 10.6 mln. (2021: US\$ 7.6 mln).

Work in progress included the balances of gold in process of 41.8 kg (2021: 57.9 kg) and the ore in stock of 88.9 thousand tonnes (131.6 thousand tonnes as at December 31, 2021). The higher TCC per ounce of gold produced contributed to the increased value of ore in warehouse and gold in process as at 31 December, 2022.

The balance of finished goods on December 31, 2022 related to 43.4 kg of gold produced but not sold (123.1 kg on December 31, 2021).

Note 15

OTHER CURRENT RECEIVABLES AND PREPAID EXPENSES

| | 31-12-2022 US\$000 | 31-12-2021 US\$000 |
|--|-----------------------|-----------------------|
| VAT receivable* | 1,073 | 1,432 |
| Income tax advances | 929 | 168 |
| Other current receivables | 115 | 62 |
| Less allowance for doubtful debts | -19 | -11 |
| Total other current receivables | 2,098 | 1,651 |
| Prepaid expenses | 733 | 844 |
| Total prepaid expenses | 733 | 844 |

* 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.

Prepaid expenses are comprised of advances paid out to suppliers for materials and services to be provided in 2023 during the normal course of the Group's business.

Note 16

CASH AND CASH EQUIVALENTS

| | 31-12-2022 US\$000 | 31-12-2021 US\$000 |
|--|-----------------------|-----------------------|
| Cash at bank, incl.: | 1,125 | 283 |
| in RUR | 221 | 139 |
| in USD | 880 | 113 |
| in EUR | 15 | 31 |
| in TRY | 8 | - |
| in GBP | 1 | - |
| Bank deposits* | - | 1,191 |
| Total cash and cash equivalents | 1,125 | 1,474 |

*Bank deposits are short-term investments with a maturity of three months or less which can easily be transformed into cash. Bank deposits as at 31 December 2021 are presented by the RUR deposits in VTB bank, bearing an average interest rate of 5.2% per annum. There were no deposits as at 31 December 2022.

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.

| | 2022 US\$000 | 2021 US\$000 |
|---|-----------------|-----------------|
| Profit/Loss attributable to the Parent Company's shareholders | 7,562 | 7,087 |
| Weighted average number of ordinary shares | 98,768,270 | 98,768,270 |
| Earnings per share, US\$ | 0.08 | 0.07 |

b) After dilution

As at the end of 2022, there were no outstanding stock options or warrants in the Company.

| | 2022 US\$000 | 2021 US\$000 |
|---|-----------------|-----------------|
| Profit/Loss attributable to the Parent Company's shareholders | 7,562 | 7,087 |
| Weighted average number of ordinary shares | 98,768,270 | 98,768,270 |
| Number of share options at year end | - | - |
| Average number of shares for the period after dilution | 98,768,270 | 98,768,270 |
| Earnings per share after dilution, US\$ | 0.08 | 0.07 |

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

At the 2022 and 2021 year-ends, the number of shares was as follows:

| Number of shares | 2022 | 2021 |
|---|-------------------|-------------------|
| Opening balance | 98,768,270 | 98,768,270 |
| New share issued during the period | - | - |
| Number of shares outstanding at each year-end | 98,768,270 | 98,768,270 |
| Share capital (Quotient value SEK 0,1125 per share), SEK | 11,111,430 | 11,111,430 |
| Share capital in US\$ | 1,438,254 | 1,438,254 |

The share capital limits at the 2022 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 2021 is 98,768,270.

Note 18

PROVISIONS

| | 31-12-2022 US\$000 | 31-12-2021 US\$000 |
|--|-----------------------|-----------------------|
| Opening provision for restoration costs | 1,247 | 492 |
| Additional provisions charged to property, plant and equipment (Note 10) | - | 730 |
| Unwinding of discount | 52 | 39 |
| Translation difference | 76 | -14 |
| Total provisions | 1,375 | 1,247 |

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. 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

| | 31-12-2022 US\$000 | Effective interest rate in 2022 | 31-12-2021 US\$000 | Effective interest rate in 2021 |
|--|-----------------------|---------------------------------------|-----------------------|---------------------------------------|
| Debt to shareholder, USD* | 39,029 | 8.6% | 35,955 | 5.4% |
| Bank loans payable, USD** | - | - | 8,083 | 4.4% |
| Notes payable, RUR | 287 | - | 272 | - |
| Total long-term loans, notes and bond | 39,316 | | 44,309 | |
| Bank loans payable, USD** | 9,295 | 5.0% | 10,363 | 4.4% |
| Total short-term loans and bond | 9,295 | | 10,363 | |

* Debt to shareholder was represented by Consolidated bond, the liability to Golden Impala Limited (a company related to the major shareholder). In December 2021 a new Addendum to bond issue agreement regarding extension of Maturity date till 31 December 2024 and new Interest rate of three months U.S. Dollars LIBOR plus 6.44 percent was signed.

** In 2022, the Group repaid US\$ 9.2 mln to VTB in accordance with the repayment schedule. In February 2023, the Group extended the repayment period of the existing VTB bank loan until the end of 2024. The currency of the bank loan was converted from USD into RUR with a new interest rate of central bank key rate (7.5%) plus a margin of 3.25%.

Loan covenants.

Under the terms of the loan agreement with VTB, the Group is required to comply with certain financial and non-financial covenants that, if breached by the Company, permit the bank to increase the interest rate of the loan. As of December 31, 2022 the Group complied with all covenants.

| | US\$000 |
|---|---------------|
| Liability to Golden Impala as of December 31, 2021 | 35,955 |
| Changes during the period due to: | |
| Interest accrued | 3,074 |
| Interest paid | - |
| Liability to Golden Impala as of December 31, 2022 | 39,029 |

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

| | 31-12-2022 US\$000 | 31-12-2021 US\$000 |
|---|-----------------------|-----------------------|
| Debt to shareholder* | 39,029 | 35,955 |
| Bank loans and notes payable** | 287 | 8,354 |
| Lease payable | 65 | 424 |
| Liability to KFM*** | 2,313 | - |
| Other long-term liabilities**** | 9,920 | 8,957 |
| Total long-term financial liabilities | 51,614 | 53,690 |
| Bank loans payable** | 9,295 | 10,363 |
| Lease payable | 453 | 451 |
| Liability to KFM*** | 289 | 3,722 |
| Trade accounts payable | 779 | 648 |
| Other current liabilities | 5 | - |
| Total short-term financial liabilities | 10,822 | 15,183 |

* 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 November 2022 the amendment to payment schedule of existing debt with KFM was signed. In line with new plan, the Company paid US\$ 0.1 mln in December 2022. Starting from January 2023, the remaining debt will be paid to KFM according to a payment plan providing for monthly payments until 31 December 2031, where each monthly payment will not exceed USD 29,000 (including principal and accrued interest of 2%).

**** Other long-term liabilities as at December 31, 2022 and December 31, 2021 included liability to Centerra in accordance with royalty agreement, described in note 24 "Other long-term liabilities".

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

| | 31-12-2022 US\$000 | 31-12-2021 US\$000 |
|---|-----------------------|-----------------------|
| Fair value of financial liabilities, US\$000 | Fair value | Fair value |
| Debt to shareholder | 39,029 | 35,955 |
| Bank loans payable | 9,295 | 18,446 |
| Other current and long-term liabilities | 12,527 | 12,679 |
| Trade accounts payable | 779 | 648 |
| Leases payable | 518 | 874 |
| Notes payable | 287 | 272 |
| Total financial liabilities | 62,436 | 68,873 |

The fair values of non-current borrowings and finance lease liabilities are based on discounted cash flows using a current borrowing rate. The fair values of the borrowings and finance lease liabilities are not materially different from their carrying amounts, since the interest payable on those borrowings is either close to current market rates or the borrowings are of a short-term nature. The fair values of trade and other payables are the same as their carrying amounts due to their short-term nature.

The following table shows the undiscounted contractual maturities of the financial liabilities as at 31 December 2022:

| Maturity structure of financial liabilities as at December 31, 2022 | < 1 year from reporting date, US\$000 | > 1 year but < 5 years from reporting date, US\$000 | > More than 5 years, US\$000 | Total, US\$000 |
|--|---|--|--|-----------------------|
| Trade accounts payable | 779 | - | - | 779 |
| Liability to KFM | 338 | 1,296 | 1,204 | 2,837 |
| Other liabilities | 5 | 3,315 | 6,605 | 9,925 |
| Debt to shareholder | 4,519 | 43,662 | - | 48,181 |
| Banks loans payable | 9,599 | - | - | 9,599 |
| Notes payable | - | - | 287 | 287 |
| Leases payable | 482 | 67 | - | 549 |
| Total financial liabilities | 15,723 | 48,339 | 8,096 | 72,158 |

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 variable 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:

| | 31-12-2022 US\$000 | 31-12-2022 US\$000 | 31-12-2022 US\$000 |
|----------------------------|-------------------------------|-------------------------------|----------------------------------|
| | Minimum lease payments | Interest | Present value of payments |
| Less than one year | 482 | 29 | 453 |
| Between one and five years | 67 | 1 | 65 |
| Total | 549 | 30 | 519 |

Financial assets disclosures:

| Cash and cash equivalents, US\$000 | 31-12-2022 US\$000 | 31-12-2022 US\$000 | 31-12-2021 US\$000 | 31-12-2021 US\$000 |
|---|-------------------------------|-------------------------------|-------------------------------|-------------------------------|
| | Fair value | Reported value | Fair value | Reported value |
| Cash and cash equivalents in USD | 880 | 880 | 113 | 113 |
| Cash and cash equivalents in EUR | 15 | 15 | 31 | 31 |
| Cash and cash equivalents in TRY | 8 | 8 | - | - |
| Cash and cash equivalents in GBP | 1 | 1 | - | - |
| Cash and cash equivalents in RUR | 221 | 221 | 1,330 | 1,330 |
| Total cash and cash equivalents | 1,125 | 1,125 | 1,474 | 1,474 |

Fair and carrying values of financial assets:

| All amounts in US\$000 | 31-12-2022 | 31-12-2022 | 31-12-2022 | 31-12-2021 | 31-12-2021 | 31-12-2021 |
|-----------------------------------|--------------|----------------|---------------------|--------------|----------------|---------------------|
| | US\$000 | US\$000 | US\$000 | US\$000 | US\$000 | US\$000 |
| | Fair value | Reported value | Maximum credit risk | Fair value | Reported value | Maximum credit risk |
| Accounts receivable trade | 62 | 62 | 62 | 15 | 15 | 15 |
| Other current receivables | 115 | 115 | 115 | 230 | 230 | 230 |
| Less allowance for doubtful debts | -19 | -19 | -19 | -11 | -11 | -11 |
| Cash and cash equivalents | 1,125 | 1,125 | - | 1,474 | 1,474 | - |
| Total financial assets | 1,282 | 1,282 | 157 | 1,708 | 1,708 | 234 |

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.

Other receivables are non-interest bearing and are generally due for settlement within 30 days and are therefore all classified as current. Due to their short-term nature, the carrying amounts of trade and other receivables approximate their fair values. Cash and cash equivalents are carried at amortised cost which approximates their current fair value.

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 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.

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. RUB strengthening against the USD during the year 2022 had a negative effect on the Group's margin. In Q1 2022, the average USD/RUB exchange rate amounted to 87.35 (Q1 2021: 74.37), in Q2 2022 the average USD/RUB exchange rate fell to 66.51 (Q2 2021: 74.29), in Q3 2022 the average USD/RUB exchange rate was 59.48 (Q3 2021: 73.47) and in Q4 2022 the average USD/RUB exchange rate rose to 62.69 (Q4 2021: 72.65). As at 31 December 2022, the RUB strengthened against the USD by 5% compared to 31 December 2021, which resulted in increasing RUB-denominated monetary assets and liabilities in the Consolidated statement of financial position.

Group financial assets and liabilities by currency:

| All amounts in US\$000 | 31-12-2022 | 31-12-2022 | 31-12-2022 | 31-12-2022 | 31-12-2022 | 31-12-2022 | 31-12-2022 |
|---|------------|----------------|------------|------------|------------|---------------|----------------|
| | US\$000 | US\$000 | US\$000 | US\$000 | US\$000 | US\$000 | US\$000 |
| | SEK | USD | EUR | TRY | GBP | RUR | Total |
| Cash and cash equivalents | - | 880 | 15 | 8 | 1 | 221 | 1,125 |
| Trade accounts receivable | - | - | - | - | - | 62 | 62 |
| Other current receivables | 56 | - | - | - | - | 40 | 95 |
| Total financial assets | 56 | 880 | 15 | 8 | 1 | 323 | 1,282 |
| Trade accounts payable | 66 | - | - | - | - | 713 | 779 |
| Other current and long-term liabilities | 5 | 12,522 | - | - | - | - | 12,527 |
| Debt to shareholder | - | 39,029 | - | - | - | - | 39,029 |
| Loans payable | - | 9,295 | - | - | - | - | 9,295 |
| Notes payable | - | - | - | - | - | 287 | 287 |
| Lease payable | - | - | - | - | - | 518 | 518 |
| Total financial liabilities | 71 | 60,847 | - | - | - | 1,518 | 62,436 |
| Net financial items | -15 | -59,966 | 15 | 8 | 1 | -1,195 | -61,154 |

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

| | 31-12-2022 | 31-12-2022 | 31-12-2022 | 31-12-2022 |
|--|------------------------------------|---|------------------------------------|---|
| | Changes in Exchange rate of RUR, % | Effect on profit before income tax, US\$000 | Changes in Exchange rate of SEK, % | Effect on profit before income tax, US\$000 |
| | 10% | Decrease by 3,937 | 10% | Decrease by 30 |
| | -10% | Increase by 3,937 | -10% | Increase by 30 |

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 to a diversified client base (different banks and refineries). As a result, various bases for spot gold prices are used such as the London AM/ PM fixing, Central Bank rate and trade-book market orders (stop-loss or take-profit). 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 LBMA price of gold was US\$ 1,877 per ounce in Q1 2022 (US\$ 1,794 in Q1 2021), US\$ 1,871 per ounce in Q2 2022 (US\$ 1,816 in Q2 2021), US\$ 1,729 per ounce in Q3 2022 (US\$ 1,790 in Q3 2021) and US\$ 1,726 per ounce in Q4 2022 (US\$ 1,795 in Q4 2021). The average realized gold price per ounce decreased from US\$ 1,812 in 2021 down to US\$ 1,800 in 2022, or by 1%.

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, US\$000 |
|------------------------------------|-------------------------------------|
| +10%, other things being equal | Increase by 5,105 |
| -10%, other things being equal | Decrease by 5,105 |

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 interest rate expenses, which, in its turn, may have a material adverse effect on the Group's business, net income and financial position.

Sensitivity

The Group's sensitivity profit or loss to interest rates is prepared assuming a 100 basis point change as it is used when reporting interest rate risk internally for key management personnel and represents management's assessment of the reasonably possible change in interest rates. If interest rates had been 100 basis points higher/lower, the Group's profit for the year ended 31 December 2022 would have decreased/increased by TUSD 517 (2021: TUSD 562).

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 within three working days. 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

The Company 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 political situation

Financial and economic sanctions imposed by a number of countries against the Russian economy, businesses and individuals, and counter-measures imposed by Russia have limited direct effect on Auriant Mining Group's operations. The Company's subsidiaries continue to sell gold with discounts to the LBMA gold price, as previously reported. This, together with strengthened RUB in the 2nd half of 2022, are factors negatively affecting the Group's financial performance. The indirect effect of immense sanctions is also substantial and includes continuing risks associated with global financial system as well as supply chain delivery. The Group may not have access to capital outside of Russia, including from countries that have not themselves imposed sanctions, due to risks of secondary sanctions. The Group's ability to enter into business transactions in Russia may be further restricted by the Russian counter-measures, since the Group includes a Swedish Parent Company. The Group companies operating in Russia may experience shortages of supplies and price increases. Bans on exports of equipment into Russia may limit the Group's choice of equipment for new projects, delay implementation of new projects and make them less economically viable. The ability of the Russian subsidiaries to make payments to the Swedish Parent Company may be further restricted. The situation is dynamic, and a lot of uncertainties exist and there remains a possibility of further sanctions (and counter-measures), which may have further negative impact. The Company continuously monitors the situation and takes additional mitigation measures such as:

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

Note 21

TRADE AND OTHER ACCOUNTS PAYABLE

| | 31-12-2022 US\$000 | 31-12-2021 US\$000 |
|---|-----------------------|-----------------------|
| Trade accounts payable | 779 | 723 |
| Advances received | - | 44 |
| Other payables* | 489 | 482 |
| Accrued fees | 91 | 81 |
| Total trade and other accounts payable | 1,360 | 1,330 |

* As at 31 December 2022 and 2021, other payables mainly consisted of finance lease liability.

Note 22

OTHER CURRENT LIABILITIES

| | 31-12-2022 US\$000 | 31-12-2021 US\$000 |
|---|-----------------------|-----------------------|
| Short-term debt to KFM* | 289 | 3,722 |
| Payroll and social contributions | 1,978 | 1,661 |
| Tax liabilities** | 1,315 | 2,578 |
| Other short-term liabilities to related parties | 5 | - |
| Total other current liabilities | 3,587 | 7,961 |

* In November 2022 an amendment to payment schedule of existing debt between Auriant Mining AB and KFM was signed. In line with the new schedule, starting from January 2023, the remaining debt will be paid to KFM according to a payment plan providing for monthly payments until 31 December 2031, where each monthly payment will not exceed USD 29,000 (including principal and accrued interest of 2%).

**Tax liabilities at the end of year 2022 included the waste disposal provision of US\$ 0.9 mln accrued in LLC "Tardan Gold" for 2019-2022, US\$ 0.4 mln - other tax liabilities.

Note 23

PLEGDED ASSETS

| | 31-12-2022 US\$000 | 31-12-2021 US\$000 |
|---|-----------------------|-----------------------|
| Fixed assets | 11,741 | 14,966 |
| Net assets of pledged subsidiaries (excluding directly pledged fixed assets)* | 43,603 | 29,471 |
| Total | 55,344 | 44,437 |

Under the loan agreements with VTB the Group pledged 100% of shares of LLC "Tardan Gold" and signed guarantee agreements with Auriant Mining AB, LLL "GRE-324" and LLC "Auriant Management" in favor of VTB bank.

Note 24

OTHER LONG-TERM LIABILITIES

| | 31-12-2022 US\$000 | 31-12-2021 US\$000 |
|--|-----------------------|-----------------------|
| Other long-term liabilities * | 9,920 | 8,957 |
| Long-term debt to KFM ** | 2,313 | - |
| Lease payable | 65 | 424 |
| Total other long-term liabilities | 12,298 | 9,381 |

* In October 2014, the Group acquired 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 AB will pay Centerra Gold Inc. a Net Smelter Royalty of 3.5% on any mineral revenue from Kara-Beldyr in the future. As the 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. Cash flow model included 3 scenarios: realistic, optimistic and pessimistic with probabilities of 90%, 5% and 5% respectively. The range of main assumptions for scenarios were the following: Gold price: 1550-1750 \$/oz, WACC - 17.5%. All changes in fair value considerations are accounted for through the asset's cost. As of December 31, 2022 contingent consideration equals to US\$ 9.9 mln (December 31, 2021 – US\$ 9.0 mln).

** In November 2022 an amendment to payment schedule of existing debt between Auriant Mining AB and KFM was signed. In line with the new schedule, starting from January 2023, the remaining debt will be paid to KFM according to a payment plan providing for monthly payments until 31 December 2031, where each monthly payment will not exceed USD 29,000 (including principal and accrued interest of 2%).

Note 25

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 indirectly owned by a Board Member Mr. Preston Haskell. The remaining approximately 48% of the shares in Auriant are held amongst 3,137 shareholders.

Financing

As at 31 December 2022, the bond liability to Golden Impala Limited amounted to US\$ 39.0 mln.

Accrued interest expenses for transactions with related parties in 2022 amounted to US\$ 3.1 mln, compared to US\$ 1.8 mln in 2021.

| Financing Golden Impala Limited | US\$000 |
|---|----------------|
| Liability to Golden Impala as of December 31, 2020 | 35,338 |
| Interest accrued for the period | 1,816 |
| Interest paid | -1,199 |
| Liability to Golden Impala as of December 31, 2021 | 35,955 |
| Interest accrued for the period | 3,074 |
| Liability to Golden Impala as of December 31, 2022 | 39,029 |

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

| | 2022 US\$000 | 2021 US\$000 |
|--|-----------------|-----------------|
| Interest expenses to related parties: | | |
| Interest to companies controlled by the ultimate controlling party | 3,074 | 1,816 |
| Interest to shareholders* | 6 | - |
| Balances with related parties at the end of the year: | | |
| Liabilities to companies related to the ultimate controlling party | 39,029 | 35,955 |
| Liabilities to shareholders* | 5 | - |

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

Note 26

SUPPLEMENTARY INFORMATION TO THE STATEMENT OF CASH FLOW

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

| | Liabilities from financing activities | | | | | | | Total |
|--|---------------------------------------|------------------------------|-----------------------------|----------------------------------|---------------------------------|---------------------------------|--------------------------------|---------------|
| | 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 | |
| | US\$ 000 | US\$ 000 | US\$ 000 | US\$ 000 | US\$ 000 | US\$ 000 | US\$ 000 | |
| Financial liabilities as at January 1, 2021 | 35,338 | 9,199 | 17,695 | 1,217 | 261 | 3,649 | - | 67,359 |
| Cash flows | -1,199 | -9,437 | - | -2,053 | - | -123 | - | -12,812 |
| Acquisitions - finance leases | - | - | - | 628 | 359 | 123 | - | 1,110 |
| Reclassifications | - | 9,612 | -9,612 | 197 | -197 | - | - | - |
| Foreign exchange adjustments | - | - | - | 9 | - | - | - | 9 |
| Other non-cash movements | 1,816 | 989 | - | 454 | - | 73 | - | 3,332 |
| Financial liabilities as at December 31, 2021 | 35,955 | 10,363 | 8,083 | 451 | 424 | 3,722 | - | 58,998 |
| Cash flows | - | -9,851 | - | -717 | - | -1,174 | - | -11,742 |
| Acquisitions - finance leases | - | - | - | 43 | 33 | - | - | 77 |
| Reclassifications | - | 8,083 | -8,083 | 392 | -392 | -2,313 | 2,313 | - |
| Foreign exchange adjustments | - | - | - | 69 | - | - | - | 69 |
| Other non-cash movements | 3,074 | 700 | - | 214 | - | 60 | - | 4,048 |
| Financial liabilities as at December 31, 2022 | 39,029 | 9,295 | - | 453 | 65 | 294 | 2,313 | 51,450 |

Note 27

SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

In February 2023, the Group extended the repayment period of the existing VTB bank loan of US\$ 7.6 mln until the end of 2024. The total available amount under the loan agreement was unchanged, the currency of the bank loan was converted from USD into RUR with a new interest rate of central bank key rate (7.5%) plus a margin of 3.25%. The refinancing was considered as a modification without any impact on profit or loss in 2023.

As of 1 January 2023 the Group changed its functional currency from the US Dollar to Russian Rouble. 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. Economic sanction and restrictions imposed on certain russian institutions since February 2022 resulted in change of factors influences on:

- the sales prices for gold and gold equivalents;
- the currency in which funds from financing activities were generated.

For all Russian entities the functional currency is the Russian Rouble (RUB). The functional currency of the Group's entities located and operating in Cyprus is EURO. The functional currency of the parent company is Swedish Krona (SEK). The presentation currency is unchanged.

In accordance with the requirements in IAS 21 the effect of a change in functional currency is accounted for prospectively, i.e., an entity translates all items into the new functional currency using the exchange rate at the date of the change.

The current conflict in Ukraine has led to severe sanctions imposed by a number of countries against the Russian economy, businesses and individuals. These sanctions resulted in restricted access to the global financial system, cross-border financial transactions and trade as well as depreciation of the Russian Rouble. As new sanctions and counter-sanctions continue to emerge, the full impact of the situation on future operations and the financial position of the Company is difficult to estimate now. The Company implements measures to secure sales and supply channels, and manage liquidity, and takes other steps to minimise the impact of economic sanctions.

Despite a wide range of uncertainties, we will be working under in 2023. The Group announces its total production forecast of 630-670 kg of gold for FY 2023. Further updates will be provided as the circumstances change. The Company currently forecasts to continue to deliver positive free cash flow.



PARENT COMPANY FINANCIAL STATEMENTS

PARENT COMPANY INCOME STATEMENT

| | Note | 2022 TSEK | 2021 TSEK |
|--|------|----------------|-----------------|
| Income | | | |
| Other operating income | P3 | 500 | 950 |
| Operating costs | | | |
| General and administrative expenses | P4 | -7,892 | -8,191 |
| Operating result | | -7,392 | -7,241 |
| Financial income | P6 | 16,048 | 10,746 |
| Financial expenses | P7 | -66,583 | -40,252 |
| Impairment: Investment in subsidiaries | P9 | - | -87,058 |
| Result after financial items | | -57,927 | -123,805 |
| Income tax | P8 | - | - |
| Result for the year | | -57,927 | -123,805 |

PARENT COMPANY STATEMENT OF COMPREHENSIVE INCOME

| | Note | 2022 TSEK | 2021 TSEK |
|--|------|----------------|-----------------|
| Net result for the year | | -57,927 | -123,805 |
| Other comprehensive income | | | |
| Translation differences | | - | - |
| Total comprehensive income for the year | | -57,927 | -123,805 |

PARENT COMPANY BALANCE SHEET

| | Note | 31-12-2022 TSEK | 31-12-2021 TSEK |
|--------------------------------------|------|--------------------|--------------------|
| ASSETS | | | |
| NON-CURRENT ASSETS | | | |
| Financial non-current assets | | | |
| Investments in subsidiaries | P9 | 325,996 | 325,817 |
| Loans to subsidiaries | P10 | 117,744 | 100,132 |
| Total non-current assets | | 443,740 | 425,948 |
| CURRENT ASSETS | | | |
| Other current receivables | P11 | 1,498 | 1,251 |
| Prepaid expenses | P11 | 205 | 205 |
| Cash and cash equivalents | | 355 | 278 |
| Total current assets | | 2,058 | 1,734 |
| TOTAL ASSETS | | 445,798 | 427,682 |
| EQUITY AND LIABILITIES | | | |
| EQUITY | | | |
| Restricted equity | | | |
| Share capital | | 11,111 | 11,111 |
| Statutory reserve | | 266,306 | 266,306 |
| Total restricted equity | | 277,417 | 277,417 |
| Unrestricted equity | | | |
| Share premium reserve | | 780,639 | 780,639 |
| Retained earnings | | -990,932 | -867,127 |
| Net result for the year | | -57,927 | -123,805 |
| Total unrestricted equity | | -268,220 | -210,293 |
| TOTAL EQUITY | | 9,197 | 67,124 |
| NON-CURRENT LIABILITIES | | | |
| Long-term loans | P12 | 431,496 | 325,164 |
| Total non-current liabilities | | 431,496 | 325,164 |
| CURRENT LIABILITIES | | | |
| Trade and other accounts payable | P13 | 1,578 | 1,406 |
| Other current liabilities | P14 | 3,527 | 33,988 |
| Total current liabilities | | 5,105 | 35,394 |
| TOTAL EQUITY AND LIABILITIES | | 445,798 | 427,682 |

PARENT COMPANY STATEMENT OF CHANGES IN EQUITY

| All amounts in TSEK | Restricted Equity | | Unrestricted Equity | | | | Total equity |
|--|-------------------|-------------------|-----------------------|--------------------------------|-------------------|---------------------------|-----------------|
| | Share capital | Statutory reserve | Share premium reserve | Translation difference reserve | Retained earnings | Net income for the period | |
| Equity as at December 31, 2020 | 11,111 | 266,306 | 780,639 | - | -671,095 | -196,032 | 190,929 |
| Profit/loss brought forward | - | - | - | - | -196,032 | 196,032 | - |
| Comprehensive income | | | | | | | |
| Net profit/loss for the period | - | - | - | - | - | -123,805 | -123,805 |
| Other comprehensive income | - | - | - | - | - | - | - |
| Total comprehensive income for the period | - | - | - | - | - | -123,805 | -123,805 |
| Equity as at December 31, 2021 | 11,111 | 266,306 | 780,639 | - | -867,127 | -123,805 | 67,124 |
| Profit/loss brought forward | - | - | - | - | -123,805 | 123,805 | - |
| Comprehensive income | | | | | | | |
| Net profit/loss for the period | - | - | - | - | - | -57,927 | -57,927 |
| Other comprehensive income | - | - | - | - | - | - | - |
| Total comprehensive income for the period | - | - | - | - | - | -57,927 | -57,927 |
| Equity as at December 31, 2022 | 11,111 | 266,306 | 780,639 | - | -990,932 | -57,927 | 9,197 |

PARENT COMPANY CASH FLOW STATEMENT

| | 2022 | 2021 |
|---|----------------|----------------|
| | TSEK | TSEK |
| OPERATING ACTIVITIES | | |
| Receipts from customers | - | 897 |
| VAT and other reimbursement | 912 | - |
| Payments to suppliers | -5,079 | -5,241 |
| Payments to employees and Board Members | -3,042 | -2,829 |
| Net cash flows used in operating activities | -7,209 | -7,173 |
| INVESTING ACTIVITIES | | |
| Borrowings given/Proceeds from borrowings given | 18,488 | 17,253 |
| Net cash flows from investing activities | 18,488 | 17,253 |
| FINANCING ACTIVITIES | | |
| Proceeds from borrowings | 722 | - |
| Repayment of borrowings | -10,302 | - |
| Interest paid | -1,217 | -10,323 |
| Other finance income/expenses | -363 | - |
| Net cash used in financing activities | -11,160 | -10,323 |
| Net increase/(decrease) in cash and cash equivalents | 119 | -243 |
| Net foreign exchange difference | -42 | -21 |
| Opening balance cash and cash equivalents | 278 | 542 |
| Closing balance cash and cash equivalents | 355 | 278 |



NOTES TO THE PARENT COMPANY FINANCIAL STATEMENTS

Note P1

GENERAL INFORMATION

Auriant Mining AB (publ.) ("AUR AB", "the Parent company" or "the Company") and its subsidiaries (collectively referred to as "the Group" or "the Auriant Mining Group") are focused on gold exploration and production in Russia, primarily in Zabaikalye and the Republics of Khakassia and Tyva. The Parent Company is a registered public limited liability company with its head office in Sweden. The address of the head office is Box 55696, 102 15 Stockholm. AUR AB was listed on the Swedish NGM Nordic Growth Market stock exchange on March 29, 2005 and has been listed on the Swedish NASDAQ First North Premier Growth Market stock exchange since July 19, 2010. At present, the Company has 3,138 shareholders.

Note P2

ACCOUNTING PRINCIPLES AND BASIS OF PREPARATION

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 of Summary of significant accounting policies on pages 59-72 of the annual report. The Annual Report was prepared on a historical cost basis.

In accordance with the Swedish Accounting Act, the Parent Company's financial information is reported in Swedish krona (SEK).

Note P3

REVENUE FROM SUBSIDIARY COMPANIES

| | 2022 TSEK | 2021 TSEK |
|-------------------------------------|--------------|--------------|
| Other operating income | | |
| Consulting services to subsidiary | 500 | 950 |
| Total other operating income | 500 | 950 |

The total amount of the Parent Company's revenue for 2022 and 2021 year is related to consulting services provided to the subsidiary company LLC «Auriant Management». The agreement was terminated in June 2022 due to restrictive measures imposed by EU regulation.

Note P4

GENERAL AND ADMINISTRATIVE EXPENSES

| | 2022 TSEK | 2021 TSEK |
|--|--------------|--------------|
| Employee benefit expenses | 3,445 | 3,735 |
| External expenses* | 4,447 | 4,456 |
| Total general and administrative expenses | 7,892 | 8,191 |

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

| | 2022 TSEK | 2021 TSEK |
|---|--------------|--------------|
| PWC | | |
| Audit engagement | 1,430 | 1,000 |
| Tax advisory services | 19 | 9 |
| Other services | 125 | 172 |
| Total fees for the audit and related services to PWC | 1,574 | 1,181 |

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 P5

EMPLOYEE BENEFITS

| | 2022 TSEK | 2021 TSEK |
|--|--------------|--------------|
| Salaries and remuneration in Sweden | | |
| Board of Directors | 1,437 | 1,569 |
| Senior executives | 707 | 960 |
| CEO | 563 | 407 |
| | 2,707 | 2,935 |
| Social security expenses in Sweden | | |
| Board of Directors | 308 | 339 |
| Senior executives | 253 | 332 |
| CEO | 177 | 128 |
| <i>including pension expenses</i> | - | - |
| | 738 | 799 |
| Total employee benefit expenses | 3,445 | 3,735 |

Remuneration and other benefits of the Board* and Senior executives

| | 2022 TSEK | 2021 TSEK |
|---|--------------|--------------|
| Board of directors | | |
| Lord Daresbury (Peter), Chairman of the Board | 450 | 450 |
| Preston Haskell | 300 | 318 |
| James Provoost Smith | 229 | 275 |
| Jukka Tapani Pitkäljärvi | 275 | 275 |
| Birgit Köster Hoffman | 183 | 175 |
| Danilo Lange | - | 76 |
| Total Board of directors | 1,437 | 1,569 |
| Senior Executives | | |
| Payroll | 707 | 960 |
| Chief Executive Officer | | |
| Payroll | 563 | 407 |
| <i>including bonuses</i> | <i>283</i> | <i>121</i> |
| Total Senior Executives and CEO | 1,269 | 1,367 |

*Remuneration to the Board of Directors is approved by AGM.

| | 2022 | 2021 |
|---|------|------|
| Group – Board of Directors and CEO at year-end | | |
| Women | - | 1 |
| Men | 5 | 5 |
| Group – Management at year-end | | |
| Women | 1 | 1 |
| Men | - | - |

Note P6

FINANCIAL INCOME

| | 2022 TSEK | 2021 TSEK |
|--------------------------------------|---------------|---------------|
| Interest income from Group companies | 16,048 | 10,746 |
| Total financial income | 16,048 | 10,746 |

Note P7

FINANCIAL EXPENSES

| | 2022 TSEK | 2021 TSEK |
|---|----------------|----------------|
| Interest expenses on loans and borrowings | -32,007 | -16,176 |
| Total interest expenses | -32,007 | -16,176 |
| Exchange rate differences | -34,576 | -24,076 |
| Total financial expenses | -66,583 | -40,252 |

Note P8

INCOME TAX

| | 2022 TSEK | 2021 TSEK |
|---|--------------|--------------|
| Current tax | - | - |
| Deferred tax | - | - |
| Total | - | - |
| Connection between tax expense and reported profit/loss | | |
| Pre-tax profit/loss | -57,927 | -123,805 |
| Tax according to applicable tax rate | 11,933 | 25,504 |
| Tax effect of expenses that are non-deductible for tax purposes | -3,288 | -19,082 |
| Tax effect of loss carry-forwards for which deferred taxes recoverable are not reported | -8,645 | -6,422 |
| Total | - | - |

The applicable tax rate for the Parent Company is 20.6%. 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 122 and are not limited in time.

Note P9

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, 2022 (TSEK) | Book value of shares in subsidiaries on Parent Company on December 31, 2021 (TSEK) |
|----------------------------|---------------|-------------|---|---|--|--|
| LLC Tardan Gold | 1041700563519 | Kyzyl | 100% | 100% | 290,032 | 290,032 |
| LLC Uzhunzhul* | 1071901004746 | Abakan | 1% | 100% | 2,577 | 2,577 |
| LLC GRE-324* | 1037542001441 | Chita | 60% | 100% | - | - |
| LLC Rudtechnology* | 1077530000570 | Kalga | 51% | 100% | - | - |
| LLC Auriant Management* | 1097746422840 | Moscow | 50% | 100% | 8,518 | 8,518 |
| Auriant Cyprus Limited** | 334919 | Limassol | 100% | 100% | 493 | 423 |
| Awilia Enterprises Limited | 270158 | Limassol | 30% | 100% | 24,377 | 24,268 |
| LLC Kara-Beldyr*** | 1071701001460 | Kyzyl | 0% | 100% | - | - |
| Total | | | | | 325,996 | 325,817 |

* The subsidiaries LLC "Uzhunzhul", LLC "GRE-324", LLC "Rudtechnology" and LLC "Auriant Management" are indirectly owned by 100% through the subsidiary LLC "Tardan Gold".

** 70% of Awilia Enterprises Limited is indirectly owned through the subsidiary Auriant Cyprus Ltd.

*** The subsidiary LLC "Kara-Beldyr" is indirectly owned through the subsidiary Awilia Enterprises Limited; 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. The key assumptions applied in the test were the average price of gold during the test period of 1,870 - 1,950 USD/oz (2021: 1,750 USD/oz), and a pre-tax discounting rate of 12.0% (2021: 8.0%). Based on the Impairment test performed as at December 31, 2022 there is no impairment indicated in 2022 in the subsidiary LLC "Tardan Gold". Investment in the subsidiary LLC "Tardan Gold" was impaired by MSEK 87.058 in 2021. All investments and loans into Solcocon (LLC "GRE 324", LLC "Rudtechnology") were impaired in 2015.

Note P10

LOANS TO SUBSIDIARIES

| | 31-12-2022 TSEK | 31-12-2021 TSEK |
|---------------------------|--------------------|--------------------|
| Opening balance | 100,132 | 97,159 |
| Accrued interest | 16,048 | 10,746 |
| Repaid during the year | -18,488 | -17,472 |
| Translation difference | 20,052 | 9,698 |
| Closing book value | 117,744 | 100,132 |

Note P11

OTHER CURRENT RECEIVABLES AND PREPAID EXPENSES

| | 31-12-2022 TSEK | 31-12-2021 TSEK |
|--|--------------------|--------------------|
| VAT receivable | 179 | 44 |
| Other current receivables | 1,319 | 1,207 |
| Total other current receivables | 1,498 | 1,251 |
| Prepaid expenses | 205 | 205 |
| Total prepaid expenses | 205 | 205 |

Note P12

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 indirectly owned by a Board Member Mr. Preston Haskell. The remaining approximately 48% of the shares in Auriant are held amongst 3,137 shareholders.

Financing

As at 31 December 2022, the bond liability to Golden Impala Limited amounted to MSEK 407.4.

Accrued interest expenses for transactions with related parties in 2022 amounted to MSEK 31.4, compared to MSEK 15.5 in 2021.

| Financing Golden Impala | TSEK |
|---|----------------|
| Liability to Golden Impala as of December 31, 2020 | 289,371 |
| Interest accrued for the period | 15,549 |
| Interest paid | -10,320 |
| Exchange rate differences | 30,564 |
| Liability to Golden Impala as of December 31, 2021 | 325,164 |
| Interest accrued for the period | 31,403 |
| Interest paid | - |
| Exchange rate differences | 50,787 |
| Liability to Golden Impala as of December 31, 2021 | 407,354 |

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

| | 2022 | 2021 |
|--|-------------|-------------|
| | TSEK | TSEK |
| Interest expenses to related parties: | | |
| Interest to companies controlled by the ultimate controlling party | 31,403 | 15,549 |
| Interest to shareholders* | 62 | - |
| Balances with related parties at the end of the year | | |
| Liabilities to companies related to the ultimate controlling party | 407,354 | 325,164 |
| Liabilities to shareholders* | 50 | - |

* In April 2022 Auriant Mining AB entered into the conditional loan commitment agreement with its related party, GoMobile Nu AB, which currently holds approximately 24 percent of the shares and the votes in the Company. Under the loan commitment agreement, the creditor made available, between 10 May 2022 and 9 May 2023 (the commitment period), a loan facility of up to SEK 9,400,000, which could be drawn by the Company in one or more tranches. A stand-by fee of 1,5 percent per annum is payable on any undrawn amount of the loan facility during the commitment period. The main purpose of the facility was to serve as a back-up solution to enable the Company to pay its general corporate expenses while the Company was working to open a new bank account. As the Company has successfully opened a new bank account, which has become fully operational, the Board considered that the loan facility was no longer needed. The Company has therefore exercised its right under the agreement to end the commitment period earlier, so as to limit the stand-by fee expenditure. The Company has not drawn any tranches under the loan commitment agreement prior to its termination.

Note P13

TRADE AND OTHER ACCOUNTS PAYABLE

| | 31-12-2022 | 31-12-2021 |
|---|-------------------|-------------------|
| | TSEK | TSEK |
| Trade accounts payable | 690 | 678 |
| Other payables | 13 | 13 |
| Accrued fees* | 875 | 715 |
| Total trade and other accounts payable | 1,578 | 1,406 |

*Accrued expenses represented by auditor's fees.

Note P14

OTHER CURRENT LIABILITIES

| | 31-12-2022 TSEK | 31-12-2021 TSEK |
|---|--------------------|--------------------|
| Short-term debt to KFM* | 3,017 | 33,657 |
| Payroll and social contributions | 448 | 275 |
| Other short-term liabilities to related parties | 50 | - |
| Tax liabilities | 12 | 56 |
| Total other current liabilities | 3,527 | 33,988 |

* In November 2022 an amendment to payment schedule of existing debt between Auriant Mining AB and KFM was signed. In line with the new schedule, starting from January 2023, the remaining debt will be paid to KFM according to a payment plan providing for monthly payments until 31 December 2031, where each monthly payment will not exceed USD 29,000 (including principal and accrued interest of 2%).

Note P15

OTHER LONG-TERM LIABILITIES

| | 31-12-2022 TSEK | 31-12-2021 TSEK |
|--|--------------------|--------------------|
| Debt to shareholder | 407,354 | 325,164 |
| Long-term debt to KFM | 24,142 | - |
| Total other long-term liabilities | 431,496 | 325,164 |

Note P16

SUPPLEMENTARY INFORMATION TO THE STATEMENT OF CASH FLOW

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

| | Debt to shareholder TSEK | Other liabilities within 1 year TSEK | Other liabilities after 1 year TSEK | Total TSEK |
|--|--------------------------------|--|---|----------------|
| Financial liabilities as at January 1, 2021 | 289,371 | 29,877 | - | 319,248 |
| Cash flows | -10,323 | - | - | -10,323 |
| Foreign exchange adjustments | 30,567 | 3,153 | - | 33,720 |
| Other non-cash movements | 15,549 | 627 | - | 16,176 |
| Financial liabilities as at December 31, 2021 | 325,164 | 33,657 | - | 358,821 |
| Cash flows | - | -10,796 | - | -10,796 |
| Reclassifications | - | -24,142 | 24,142 | - |
| Foreign exchange adjustments | 50,787 | 3,745 | - | 54,532 |
| Other non-cash movements | 31,403 | 603 | - | 32,007 |
| Financial liabilities as at December 31, 2022 | 407,354 | 3,067 | 24,142 | 434,563 |



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 accepted

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 25, 2023

Lord Daresbury
Chairman of the Board

Preston Haskell
Board Member

Jukka Pitkälä
Board Member

Thor Åhlgren
Board Member

Danilo Lange
CEO

The annual report and the consolidated financial statements have, as stated above, been approved for issue by the Board of Directors on April 25, 2023. 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 16, 2023.

Our audit report was submitted on April 25, 2023
Ohrlings PricewaterhouseCoopers AB

Anna Rozhdestvenskaya

Authorised Public Accountant

AUDITOR'S REPORT

Unofficial translation

To the general meeting of the shareholders of Auriant Mining AB (publ),
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 2022, with the exception of corporate governance report on pages 45 - 51. The annual accounts and consolidated accounts of the company are included on pages 38 – 51, 55 – 111 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 2022 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 2022 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. 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 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 - 37 and 52-54. 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.

Responsibilities of the Board of Director's 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](http://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 Directors and the Managing Director of Auriant Mining AB (publ) for the year 2022 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 Directors 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 Director's 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's 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 report

The Board of Directors is responsible for that the corporate governance statement on pages 45 - 51 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 25 April 2023
Öhrlings PricewaterhouseCoopers AB

Anna Rozhdestvenskaya
Authorized Public Accountant

ADDITIONAL INFORMATION

TRANSLATION

This text is the English version of the 2022 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 2023

Auriant Mining AB's financial year runs from 1 January to 31 December. In 2023, the Company will issue interim financial information as follows:

Interim report (1) January-March 2023:

[31 May 2023](#)

Interim report (2) January - June 2023:

[31 August 2023](#)

Interim report (3) January - September 2023:

[30 November 2023](#)

Interim report (4) January - December 2023:

[29 February 2024](#)





AURIANT

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