

# AURARIANT MINING

Presentation

The unique Swedish story of Russian gold  
mining

Sweden, November, 2015

# Disclaimer

Statements and assumptions made in this Presentation with respect to Auriant Mining AB's ("Auriant") current plans, estimates, strategies and beliefs, and other statements that are not historical facts, are forward-looking statements about the future performance of Auriant. Forward-looking statements include, but are not limited to, those using words such as "may", "might", "seeks", "expects", "anticipates", "estimates", "believes", "projects", "plans", "strategy", "forecast" and similar expressions. These statements reflect Auriant's management's expectations and assumptions in light of currently available information. In the light of the many risks and uncertainties surrounding any gold production and exploration company at an early stage of its development, the actual results could differ materially from those presented and forecasted in this Presentation. Auriant do not assume any unconditional obligation to update any such statements and/or forecasts immediately.

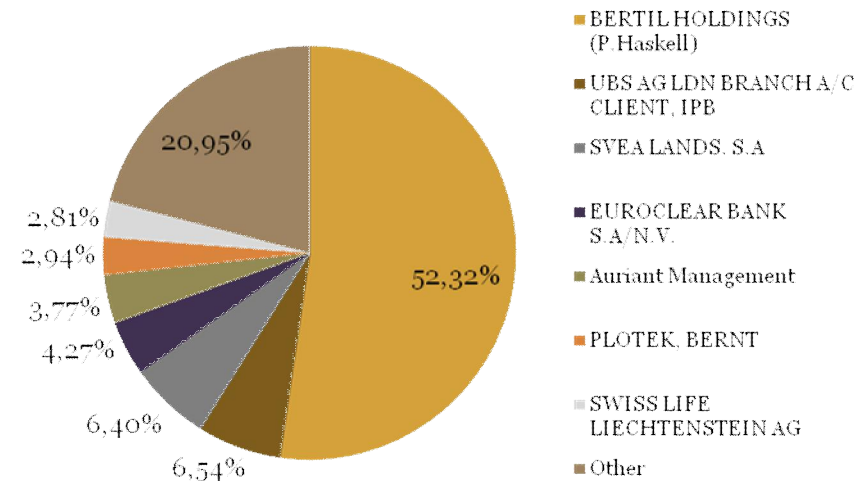


# Auriant Mining now – junior producer with big ambitions

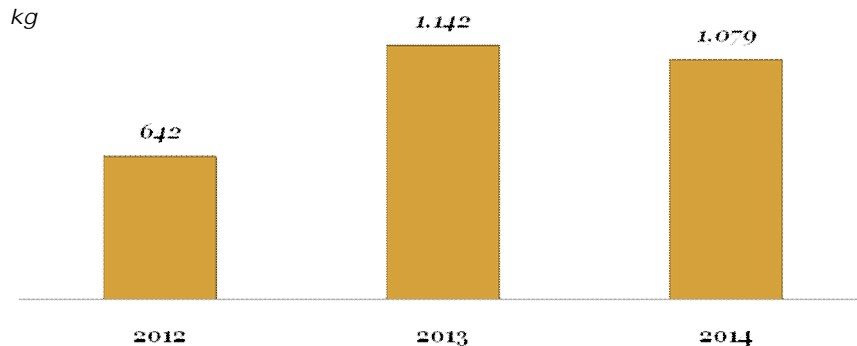
## Swedish junior mining company

- Auriant Mining AB is a Swedish junior mining company focused on gold production in Russia
- Auriant Mining AB is one of only a few publicly listed junior mining companies in Russia
- Gold Reserves – ~1.5 Moz according to Russian C1+C2 categories (including Kara-Beldyr expected reserves)
- Headquartered in Stockholm, Sweden
- Auriant Mining is listed on NASDAQ OMX First North Premier
- Strong corporate governance

## Listed on NASDAQ OMX



## Over 1 tonn of annual production



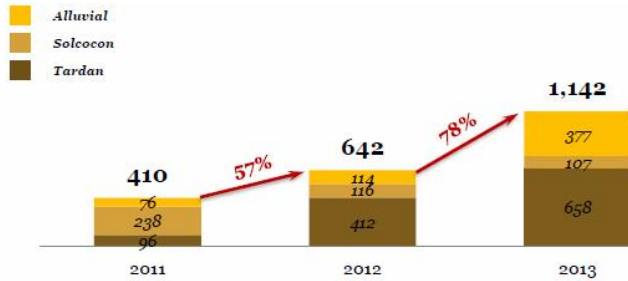
## Reserves at 1.5 Moz

	C1+C2	Alluvial/Hard Rock	Au, kg	Au, 000 oz
Tardan				
Tardan deposit		Hard Rock	5,579	179
Greater Tardan		Hard Rock	2,517	81
Staroverinskaya				
Kozlovskoye		Hard Rock	8,615	277
Bogomolovskoye		Hard Rock	7,060	227
Borzya		Alluvial	1,090	35
Uzhunzhul		Hard Rock		
Kara-Beldyr*		Hard Rock	~20,000	~700
<b>TOTAL</b>			<b>~44,860</b>	<b>~1,500</b>

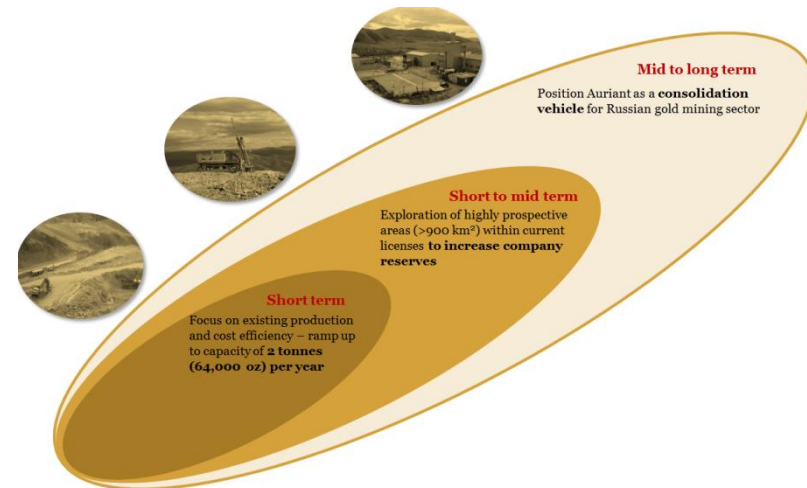
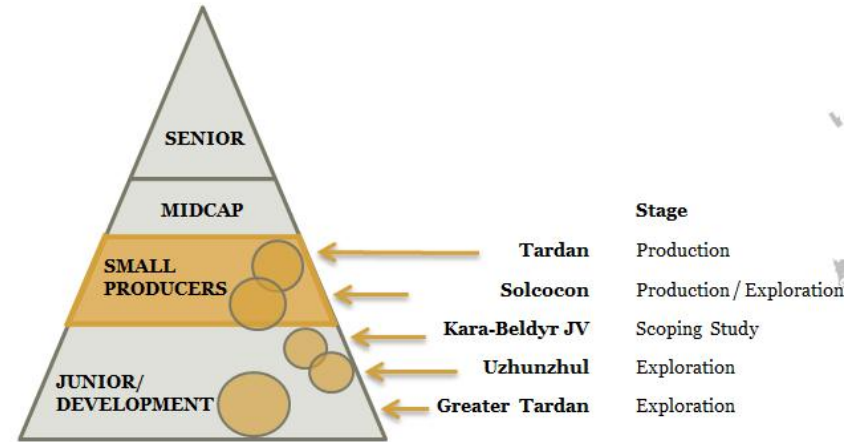
\*Reserves to be approved by authorities in Q3 2015

# Swedish investments in Russian mining – historical view

Central Asia Gold AB → 2012 → Auriant Mining AB

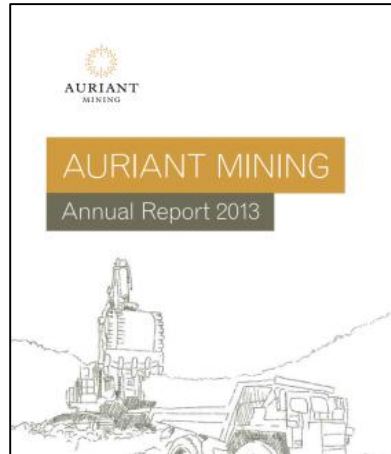
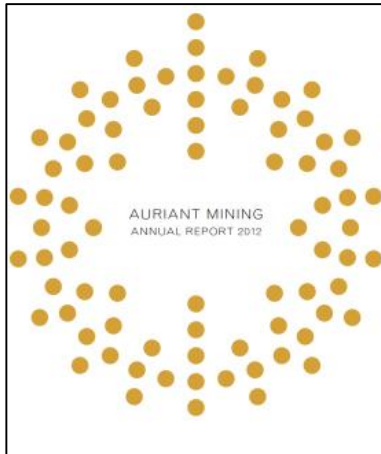


New Management  
New BOD  
New Strategy  
New Vision  
New Company





# The new 2012-2015 turnaround story of Auriant Mining under new team



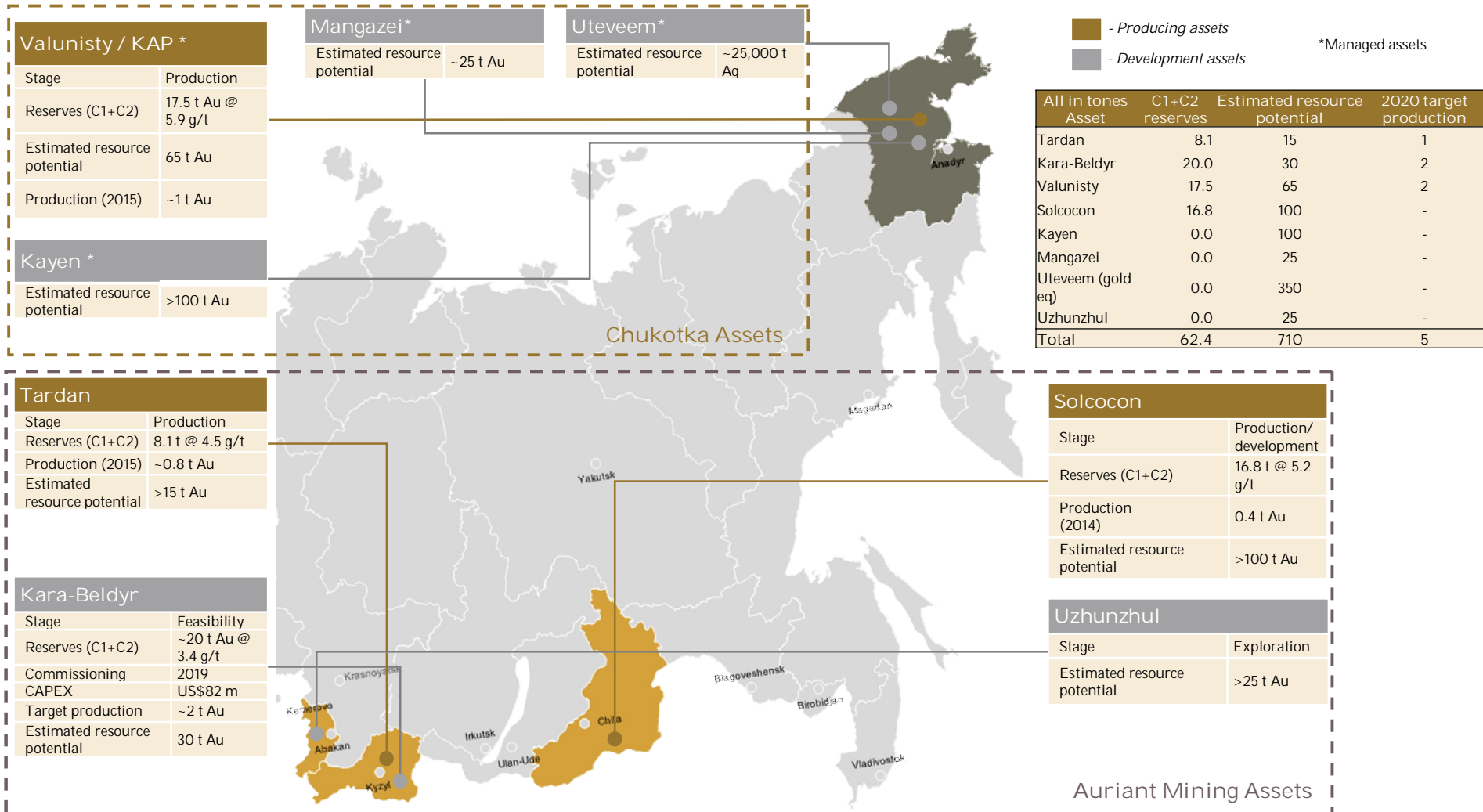
	2012	2013	2014	9m2015
Gold oz production	20,640	36,716	34,689	17,864
Average gold price	\$1,669	\$1,411	\$1,266	\$1,178

## 2012-2015 crucial steps of Auriant Mining AB development

- Denis Alexandrov was appointed as CEO of Auriant Mining AB. He brings to the position over 15 years of experience of gold mining in Russia
- Tardan heap leaching plant commissioned and starts gold production.
- The Company completes its management restructuring with most key managers appointed.
- An additional 937 kg of gold was added at the Tardan deposit, and 2,517 kg of gold as C1 reserves was added at the Greater Tardan.
- Acquisition of the outstanding 70% interest in Kara-Beldyr from Canada's Centerra Gold Inc. Auriant Mining's share of Kara-Beldyr to 100%.
- Auriant Mining AB posts positive EBITDA for 1H15 on the back of ruble devaluation and costs optimization program.
- Auriant Mining AB signs management contract to manage Chukotka assets with around \$3,5mIn management fee for 3-years.

# Auriant Mining AB assets map (including managed assets)

Total resources potential estimates at the level of more than 700 tonnes



# Solid corporate governance structure

## Lord Peter Daresbury Proposed Chairman (NED)



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

Racecourse for 25 years.

Peter has an MA in history from Cambridge University.

## André Bekker (NED)



Board member since November 27, 2012. André is a citizen of South Africa, born 1959.

He is one of the most respected geologists and mining executives in Southern Africa. He is currently an Executive Officer of Sylvania Platinum, a position he has held since 2011. His previous experience includes Technical Director of Amaria Holdings (2006 – 2010) a major resource investment company with projects in platinum, manganese, nickel and coal; Senior Operations Manager of Royal Bafokeng Resources (2005 -2006), a major mining investor; Head of Mining for the Industrial Development Corporation of South Africa (1991 – 2005); as well as serving as the Assistant Resident Geologist for a major Anglo American South African gold mine, and geologist of Rand Mines (1983 – 1986).

André has a BSc (Hons) from the University of Free State and a management diploma from Unisa. He is a member of the Geological Society of South Africa.

Shares: 0 Warrants: 30,000

## Preston Haskell (NED)



Chief Executive Officer until May 24, 2012 and Chairman of the Board since May 24, 2012. Preston Haskell is Saint Kitts and Nevis citizen, born 1966, and has been active as a businessman in Russia since the early 1990s.

Preston has a Degree in Economics from the University of Southern California in the U.S.

Shares: 9,314,968 Warrants: 0

## Ingmar Haga (NED)



Board member since May 24, 2012. Ingmar Haga is a citizen of Finland, born 1951. Ingmar is currently Vice President Europe of Agnico Eagle Mines Limited, a position he has held since 2006. He has held various executive and corporate positions with the Outokumpu Group in Finland and Canada. Prior to joining Agnico Eagle, he was President of Polar Mining Oy, a Finnish subsidiary of Dragon Mining NL of Australia. He has also served as a board member of the Finnish Mining Association from 2007-2008 and as their Chairman in 2009. Since 2010 he has been a member of the Euromines Steering Committee.

Ingmar has an MSc from Åbo Akademi, Finland.

Shares: 0 Warrants: 30,000

## James P. Smith Jr. Deputy Board member



James P. Smith Jr. is a citizen of the United States of America, born in 1944. Graduated cum laude from Princeton University, Princeton, NJ, USA with a degree in Chemistry in 1965 and completed his Masters in Business Administration with high honors from Stanford University Business School in 1970. After Stanford, Mr. Smith worked for McKinsey & Co. before accepting a position as CFO and head of real estate development operations for the Haskell Company in Jacksonville FL, one of the largest design and build companies in the USA. Mr. Smith joined the Charter Company, a Fortune 500 Company in 1975 where he headed the Media Division and was responsible for Magazine and Newspaper Publishing, Radio Broadcasting, and Direct Marketing operations. He left Charter in 1982 to become CEO and principal owner of the Hamilton Collection, a Direct Marketer of Collectible products. Mr. Smith sold Hamilton in 1993 to Stanhome Inc and served as Executive VP of Stanhome Inc for 2 years thereafter, before retiring to pursue real estate development opportunities and his personal interests. He continues to serve as President of HGL Properties, an office park developer in Jacksonville Florida, and is a principal owner of the company. JP Smith has served as an advisor to Preston Haskell IV, Chairman of Auriant Mining AB and was chairman of nomination committee of Auriant Mining AB in 2011-2013.

Mr. Smith served in the Marine Corps and Navy Reserves from 1965 to 1971.

Shares: 0 Warrants: 0



# The life after 2015 – moving into top gold in Russia

The main goal to produce 5t/year of gold in the next 5 years



Costs optimization program to stay effective

Repayment of debt on the back positive operating cash flow expected next years

Official approval of reserves at Kara-Beldyr asset by local Russian government authorities

Start of production at Kara-Beldyr from 2018, targeting 2t/year @4g/t

Implementation of investor relations strategy, increasing liquidity of shares and broadening investors base

Strong corporate governance and protection of minorities rights

Employment of opportunistic M&A strategy to remain in place

*\*Reserves to be approved by authorities in Q3 2015*



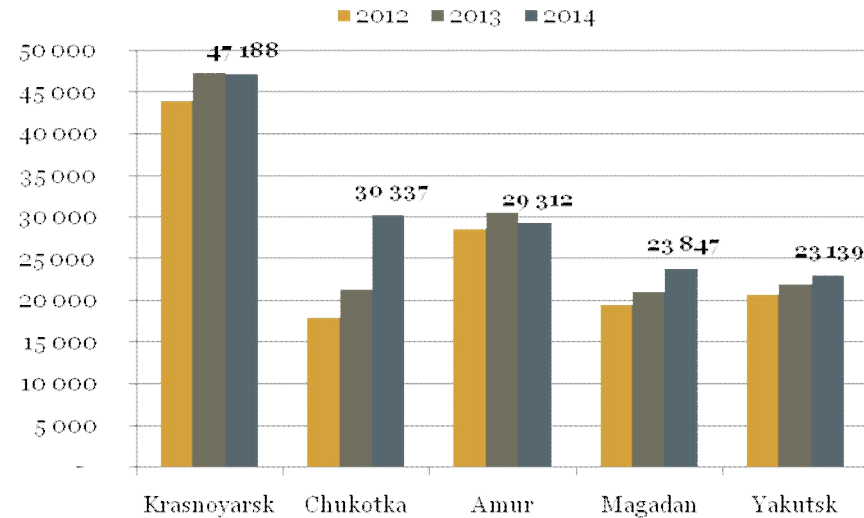
# Fragmented Russian market offers many opportunities

## Many opportunities for consolidation

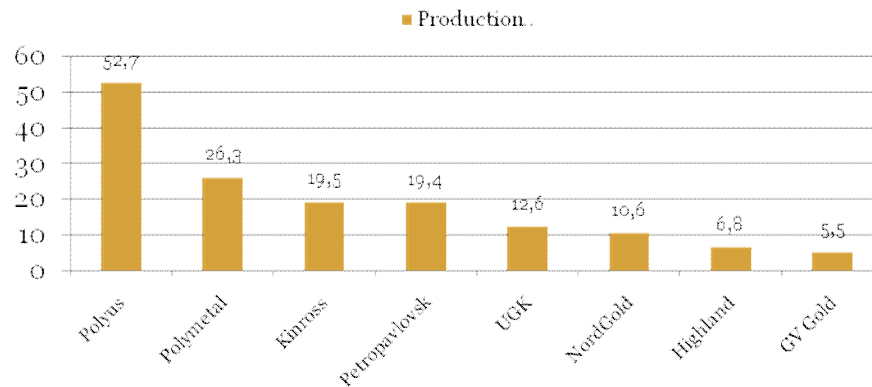
- Top 5 regions hold 65% of total production in Russia
- Top 10 producers hold 70% of total production in Russia
- Top 29 companies produced 82% of total gold
- Production in Chukotka is boosted by more than 40% in 2014 due to new projects and capacities

Still many opportunities for consolidation in the sector as the market remains fragmented

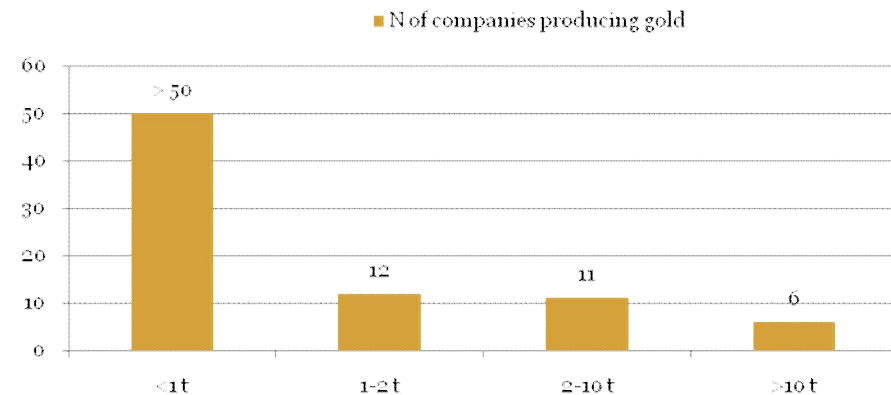
## Chukotka production boosts by 42% in 2014, kg



## Top 8 leaders hold 66% share...

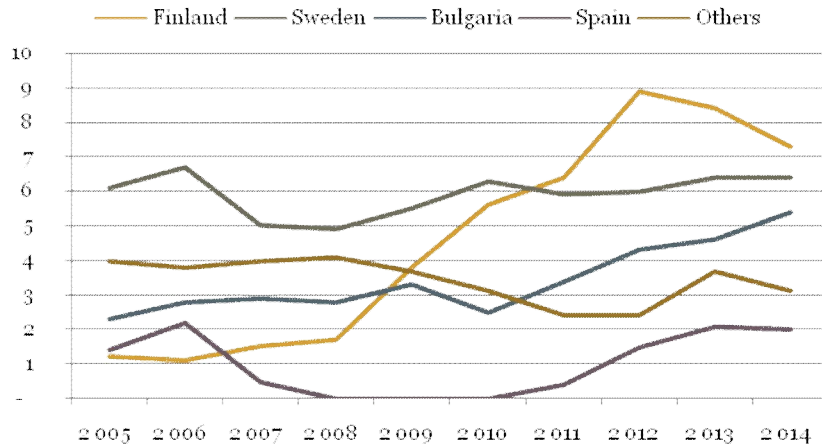


## ...while there are enough small producers

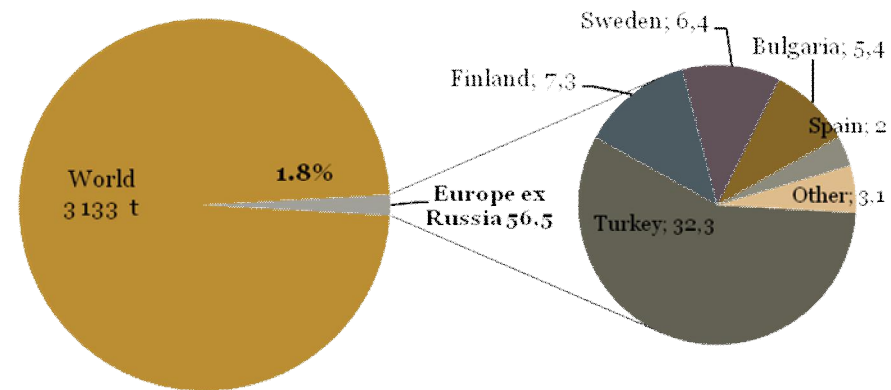


# European gold producers: Its all about Russia, Turkey and Scandies

Finland overcomes Sweden in gold production, 2014, t



Europe ex Russia is less than 2% of world gold production



## European gold mining sector is pretty tiny

- Finland is the leading gold producer now in Europe with above 6 t/year (ex. Russia and Turkey)
- Romania and Greece have the biggest gold reserves amid European countries
- The biggest home grown company is Swedish Boliden Group holding 70% of local gold output
- Costs in Euro do not allow investors to rely on devaluation effect and lower cash costs
- Russia is the only European country to give exposure to low cost, high reserves and fast growing market

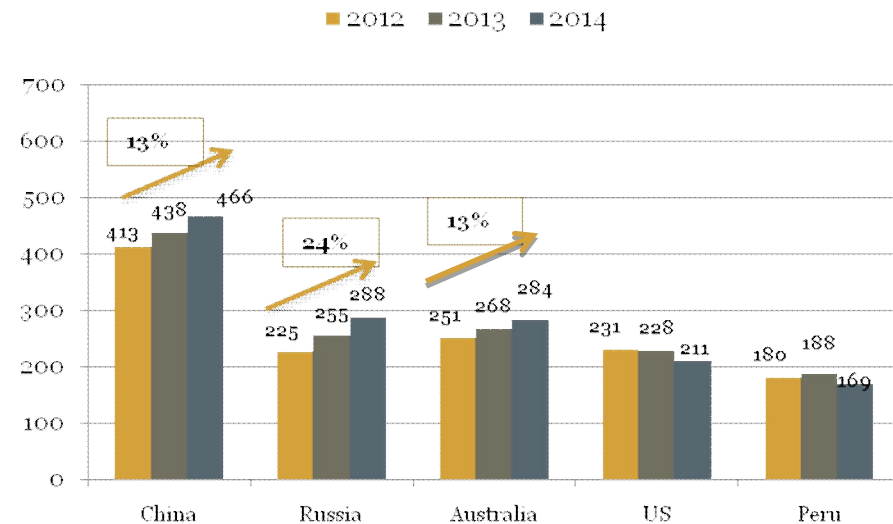
# Why Russia?

## The second global gold producer with low costs

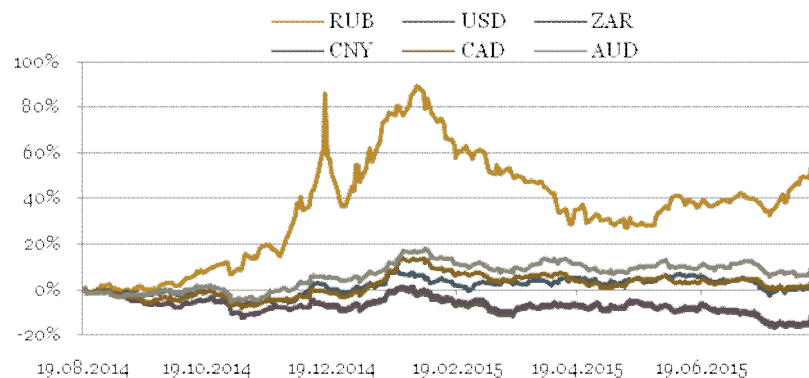
### In the right place in the right time

- Russia is now placed 2th as the world gold producer & fastest growing
- Production in Russia increased by 28% in 2012-14
- Russian metals and mining sector is one of few best performing ones locally amid crisis woes
- More than 40% recent massive ruble devaluation bodes well for costs and revenue
- Gold price in rubles surged by 55% YoY
- Gold production still grows in Russia despite overall industrial production in negative territory in 1H15

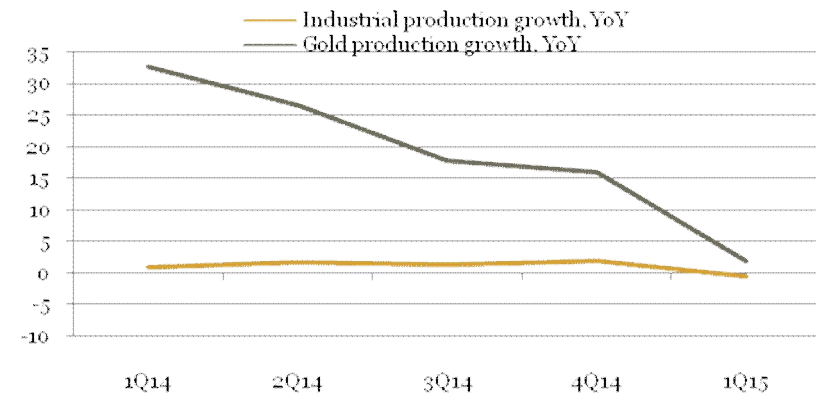
### Outpacing Australia in 2014 on production, t



### Gold prices in major commodity FX, YoY, %



### Gold miners are in good shape even in crisis

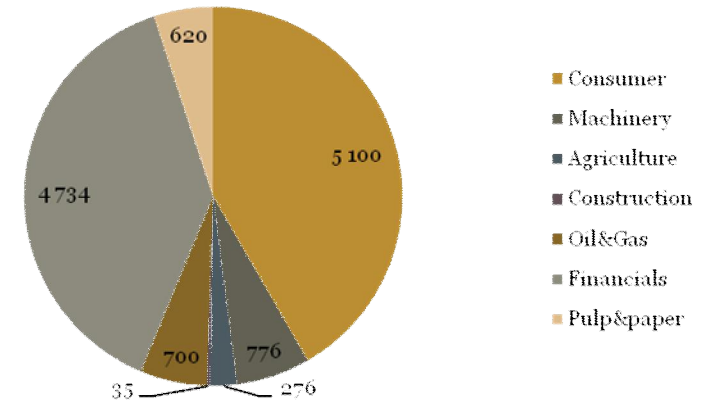


# Swedish investments into Russia– targeting consumer sector

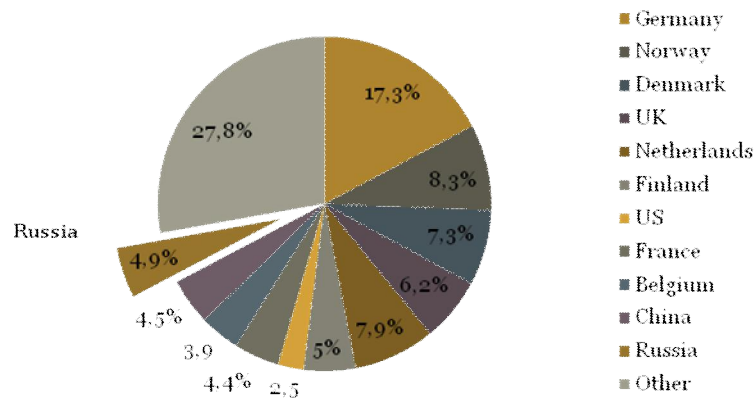
## Strongly placed 11<sup>th</sup> partner with Sweden

- Russia is placed 11<sup>th</sup> as cross-boarder trade partner with Sweden
- More than \$12 bln was invested into Russian economy by Swedish companies
- Most investment go to consumer sector (IKEA/Mega, H&M, Financials (Nordea) and machinery (Volvo,Scania)
- Natural resources sector including metals&mining is almost ignored by Swedish companies with Lundin Petroleum investments of \$700 mln
- Russian aluminum producer Rusal invested \$250 mln into Sweden

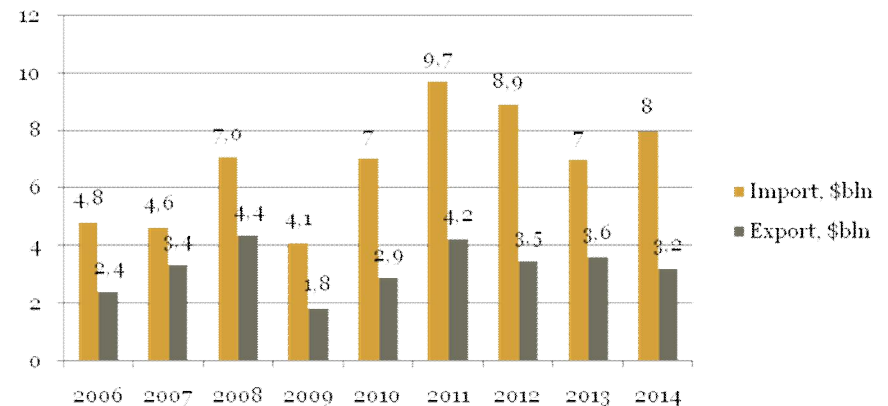
## More than \$12 bln invested by Sweden into Russia



## Russia holds 5% of Swedish import



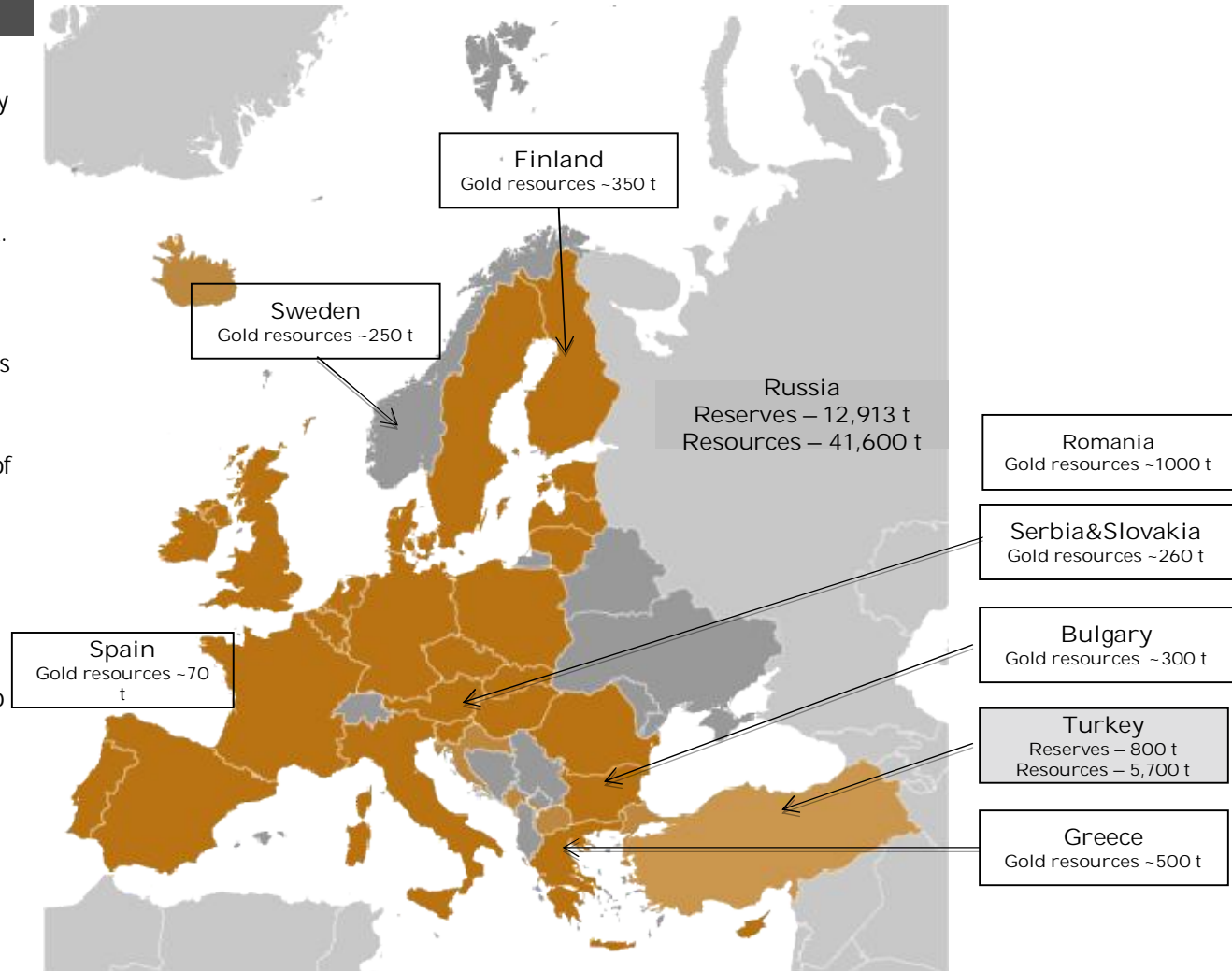
## Equipment into Russia, oil&gas into Sweden



# Russian gold market – undeservedly ignored by European investors

## Gold mining in Europe

- European gold market is dominated by foreign producers
- Finland is the leading gold producer now in Europe with above 6 t/year (ex. Russia and Turkey)
- Romania and Greece have the biggest gold reserves amid European countries
- The biggest home grown company is Swedish Boliden Group holding 70% of local gold output
- Turkish home grown gold producer – Koza Altyn hold 30% of total local output
- Costs in Euro do not allow investors to rely on devaluation effect and lower cash costs
- Russia is the only European country to give exposure to low cost, high reserves and fast growing market



Thank you

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