

MANGAZEYA MINING LTD ANNOUNCES ITS PRODUCTION RESULTS

TORONTO, ONTARIO, November 29, 2019 – Mangazeya Mining Ltd. (“Mangazeya” or the “Company”) (NEX: MGZ.H) is pleased to announce its production results for the third quarter and the nine months ended September 30, 2019.

Operating results		Q3 2019	Q3 2018	Y-o-Y change	9m 2019	9m 2018	Y-o-Y change
Total rock moved, '000 m3		902	1,917	-52.9%	2,134	4,835	-55.9%
	Savkinskoye	208	1,391	-85.0%	506	3,856	-86.9%
	Kochkovskoye	694	526	32.0%	1,628	979	66.3%
Stripping, '000 m3		698	1,699	-59.0%	1,699	4,398	-61.4%
	Savkinskoye	175	1,269	-86.2%	442	3,568	-87.6%
	Kochkovskoye	522	431	21.3%	1,257	830	51.5%
Ore mined, kt		494	503	-1.9%	1,032	1,001	3.1%
	Savkinskoye	76	259	-70.7%	141	609	-76.9%
	Kochkovskoye	418	245	70.8%	891	392	127.5%
Stripping ratio, m3/t		1.41	3.38	-58.2%	1.65	4.40	-62.5%
	Savkinskoye	2.31	4.91	-52.9%	3.14	5.86	-46.5%
	Kochkovskoye	1.25	1.76	-29.0%	1.41	2.12	-33.4%
Average grade in ore mined, g/t		2.00	1.54	30.1%	2.06	1.51	36.0%
	Savkinskoye	2.77	1.19	131.8%	2.06	1.24	65.6%
	Kochkovskoye	1.86	1.90	-2.0%	2.06	1.93	6.5%
Gold in ore mined, kg		987	773	27.7%	2,125	1,515	40.2%
	Savkinskoye	210	309	-32.0%	290	758	-61.7%
	Kochkovskoye	777	464	67.4%	1,835	757	142.3%
Ore stacked, kt		393	456	-13.8%	805	812	-0.9%
	Savkinskoye	111	299	-62.9%	362	596	-39.4%
	Kochkovskoye	282	157	79.7%	443	216	105.4%
Average grade in ore stacked, g/t		1.95	1.39	39.8%	1.78	1.37	29.8%
	Savkinskoye	1.69	1.14	48.2%	1.27	1.19	6.7%
	Kochkovskoye	2.05	1.87	9.6%	2.19	1.88	16.5%
Gold in ore stacked, kg		766	635	20.5%	1,433	1,113	28.7%
	Savkinskoye	188	342	-45.2%	461	707	-34.8%
	Kochkovskoye	578	293	97.1%	972	407	139.0%
Gold production, ounces		17.64	12.18	44.9%	26.73	19.15	39.6%
	Savkinskoye	4.38	7.61	-42.5%	8.66	14.36	-39.7%
	Kochkovskoye	13.27	4.57	190.1%	18.06	4.79	277.3%
	<i>including</i>						
	<i>Gold from hard-rock deposit</i>	<i>12.12</i>	<i>3.46</i>	<i>250.7%</i>	<i>15.90</i>	<i>3.67</i>	<i>333.1%</i>
	<i>Gold from placers</i>	<i>1.15</i>	<i>1.12</i>	<i>2.7%</i>	<i>2.16</i>	<i>1.12</i>	<i>93.9%</i>
Refining gold, ounces		19.52	12.18	60.3%	26.32	19.15	37.4%
	Savkinskoye	5.23	7.61	-31.2%	8.66	14.36	-39.7%
	Kochkovskoye	14.29	5	212.5%	17.65	4.79	268.7%
	<i>including</i>						
	<i>Gold from hard-rock deposit</i>	<i>12.83</i>	<i>3</i>	<i>271.1%</i>	<i>15.87</i>	<i>3.67</i>	<i>332.4%</i>
	<i>Gold from placers</i>	<i>1.46</i>	<i>1.12</i>	<i>31.0%</i>	<i>1.78</i>	<i>1.12</i>	<i>59.2%</i>
Gold sold, ounces		16.36	8.39	95.0%	22.39	12.01	86.4%
	Savkinskoye	4.19	4.65	-9.9%	6.85	8.27	-17.2%
	Kochkovskoye	12.17	4	225.4%	15.53	4	315.4%
	<i>including</i>						
	<i>Gold from hard-rock deposit</i>	<i>10.71</i>	<i>3</i>	<i>245.9%</i>	<i>13.76</i>	<i>3</i>	<i>344.4%</i>
	<i>Gold from placers</i>	<i>1.46</i>	<i>1</i>	<i>127.0%</i>	<i>1.78</i>	<i>1</i>	<i>175.9%</i>

General analysis

- In 9m 2019, total stripping ratio at Savkinskoye and Kochkovskoye deposits reduced to 1.65 m³/t as compared to 4.40 m³/t YoY. The stripping ratio reduction in 2019 was caused by the final development of Khlebny pit (Savkinskoye deposit) and active mining at Kochkovskoye deposit.

- In 9m 2019, the gold in ore mined increased by 40.2% YoY, or from 1,515 kg to 2,125 kg YoY, due to the increased gold grade in ore mined (2.06 g/t and 1.51 g/t in 2019 and 2018, respectively) at Kochkovskoye deposit. The gold in ore mined was 987 kg in Q3 2019 and 773 kg in Q3 2018.
- Gold production increased from 19.15k ounces in 9m 2018 to 26.73k ounces in 9m 2019 due to the commencement of active mining at Kochkovskoye deposit. In Q3 2019, 17.64k ounces were produced, in Q3 2018 – 12.18k ounces.
- Production of refined gold increased from 19.15k ounces in 9m 2018 to 26.32k ounces in 9m 2019. In Q3 2019, 19.52k ounces were refined, and in Q3 2018 - 12.18k ounces. The value is higher than gold produced as gold produced is taken into account on the date of shipment to refinery, and gold refined is taken into account as finished goods on the date of shipment from the refinery. A number of batches of gold were delivered to the refinery at the end of Q2 and were produced as finished goods in Q3.
- Gold sales increased by 86.4%, or from 12.01k ounces in 9m 2018 to 22.39k ounces in 9m 2019, which has been caused by the start of sales of gold produced at Kochkovskoye deposit. In Q3 2019, 16k ounces were sold as compared to 8k ounces in Q3 2018.

Kochkovskoye deposit

- The volume of mining in 9m 2019 was as follows: total ore mined was 891k tons, gold in ore mined was 1,835 kg, average gold grade in ore mined was 2.06 g/t, as compared to 392k tons, 757 kg and 1.93 g/t, respectively, in 9m 2018. The volume of mining increased due to the earlier start of mining in 2019 as compared to 2018 (in 2019 – in February, in 2018 – in April) and more active operations in Q3 2019. In Q3 2019, the volume of ore mined was 418k tons, gold in ore mined - 777 kg, average gold grade – 1.86 g/t. In Q3 2018, 245k tons, 464 kg and 1.9 g/t, respectively.
- In 9m 2019, ore stacked was 443k tons, or by 105.4% more YoY (216k tons in 9m 2018). The volume of ore stacked increased due to the improved processing flow and the start of ore stacking in 2019 one month earlier than in 2018.
In Q3 2019, the volume of ore stacked was by 79.9% more YoY.
- In 9m 2019, average gold grade in ore stacked increased by 16.5% YoY (from 1.88 g/t to 2.19 g/t) due to higher-grade ore production and processing. In Q3 2019, gold grade in ore stacked increased by 9.6% YoY due to production of higher-grade ore.
- Gold produced increased from 4.79k ounces in 9m 2018 to 18.06k ounces in 9m 2019 as, in winter period, gold was produced from ore stacked in 2018.
In Q3 2019, 13.27k ounces of gold were produced, in Q3 2018 – 4.57k ounces.
- In 9m 2019, gold sales was 15.53k ounces, and in 9m 2018 – 3.74k ounces. In H1 2018, no gold from Kochkovskoye deposit was sold.

Savkinskoye deposit

- In 9m 2019, gold production reduced by 39.7% YoY due to the decrease in ore stacked from 596k tons in 2018 to 362k tons in 2019, and completion of deposit final development.
In Q3 2019, gold production reduced by 42.5% YoY.
- In 9m 2019, gold sales reduced by 17.2% YoY. The difference mainly resulted from the decrease in production volume. In Q3, gold sales reduced by 9.9% YoY.
- Total ore mined in 9m 2019 reduced by 76.9% YoY. The reduction was caused by the scheduled mining suspension at Khlebny site in Q2 2019.
In Q3 2019, ore mined was 76k tons as compared to 259k tons in Q3 2018.
- In 9m 2019, the average stripping ratio reduced by 46.5% YoY. The reduction was caused by the final development of lower horizons of Khlebny site.
- Average gold grade in ore produced in 9m 2019 increased by 6.7% YoY due to production of higher-grade ore in Q3 2019.

- In 9m 2019, ore stacked reduced by 39.4% YoY due to the reduction in ore production in 2019.

About Mangazeya Mining Ltd.

Mangazeya Mining Ltd. is a NEX-listed mining and exploration company, focused on the development of mineral resources in the Russian Federation.

Contact:

Anton Grigoryev
Corporate Secretary
Mangazeya Mining Ltd.
a.grigoryev@mangazeya.ru

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