

Mangazeya Mining LTD.

2015 AGM presentation: operating and financial results

27 June 2016

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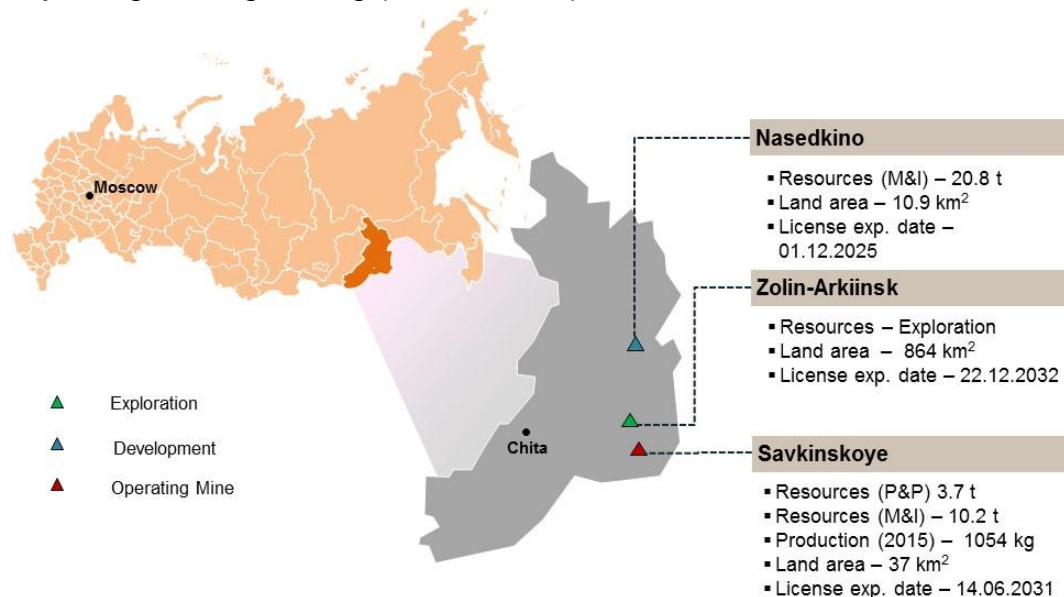
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What is Mangazeya Mining?

- Gold mining company with assets in Zabaikalski region and 1,4Moz of MI&I resources
 - Savkinskoye – operating asset
 - Nasedkino – under construction
 - Zolinsko-Arkiinsk – active exploration phase
- More than 1 ton of gold produced in 2015
- CAD 50.5 mln revenue and CAD 17.4 mln adjusted EBITDA in 2015
- TSX listing (NEX board), preparing to join higher stage listing (TSX Venture)
- Mangazeya Group is a majority shareholder (88.7%) and strategic investor in gold mining
- All related-party debt converted to equity in March 2016



2015 Operating results

- Gold production was 204% higher y-o-y as a result of an increase in ore placed on the leach pad
- Ore stacked on the leach pads increased by 108% with a higher grade than in 2014
- Gold recovery increased from 60% to 69%
- Stripping ratio decreased from 5.40 m3/t to 3.11 m3/t
- In 2015 Mangazeya Mining managed to exceed its production plan due to better operational management and improvements in hydrometallurgy process
- In 2015 the Company renewed exploration works on the flanks of Savkino: 3805 meters of core drilling and 827 meters of search-test drilling were passed

	2014	2015	Change
Ore mined, thousand tons	520	1131	118%
Waste mined, '000 m3	2 809	3 524	25%
Stripping ratio, m3/t	5.40	3.11	
Ore stacked, thousand tons	502	1 046	108%
Grade in ore stacked, g/t	1.15	1.45	
Gold production, koz	11.14	33.92	205%

Financial results: performance indicators

- Threefold increase in revenues in 2015
- Gross profit increased from CAD 5.0 mln to 27.8 mln
 - Gross profit margin improved to 55% in 2015 due to improvements in productivity, higher grade and lower strip ratio
- Adjusted EBITDA increased from negative in 2014 to CAD 17.4 mln
 - increase of production volume, productivity, improvements in grade and weaker Russian Ruble and Canadian dollar
 - Decrease in TCC to 648 CAD/oz
- Net loss for 2015 decreased to CAD 22.7 mln comparing with the net loss of CAD 82.9 mln in 2014
 - Attributable to finance expenses and FX loss

Financial indicators, mln CAD	2014	2015	Change
Total Revenue	15.3	50.5	230%
Cost of sales	-10.3	-22.7	120%
Gross profit	5.0	27.8	458%
Operating income	-19.8	7.9	
Adjusted EBITDA	-1.3	17.4	
Net Income	-82.9	-22.7	
Net operating cash flow	-8.5	15.5	

Performance indicators	2014	2015	Change
Avg realised gold price, CAD/oz	1 365	1 502	10.04%
Total Cash Cost, CAD/oz	767	648	-15.51%
Gross profit margin	32.6%	55.1%	
Adjusted EBITDA margin	-8.8%	34.5%	

Our objectives

Operational efficiency

- Focus on one geographic region
- Operational efficiency and strict cost control

LOM expansion

- Advance Klebniy area to production
- Further drilling on other targets at flanks of Savkino

Production growth

- Start of construction at Nasedkino
- Expedite the development of the Zolinsko-Arkiinskya area

Resource base increase

- Continue exploration at existing properties
- Open for M&A opportunities

Nasedkino: construction

Location: appx. 600 km from Chita

Resources: 20.8 t (M&I)*

Ore AU grade: 1.5 g/t*

- Flanks of the deposit acquired in March 2016
- Updated feasibility report on mineral resources submitted to GKZ for approval (expected in Q3 2016)
 - NI 43-101 complaint report to follow
- Plant-site and base camp preparation and permitting are ongoing
- First production expected in 2018 from an open-pit mine and a simple metallurgy (GIL and CIP) 1Mtpa plant
 - Approximately 70 Koz of annual production expected



Note: * - SRK report, 07.03.2012

Zolin-Arkiinsk: exploration

Location: 500 km from Chita

Reserves: Exploration

Land area: 864 km²

- 3 172 meters of core drilling passed and 4 400 analyses made in 2015
- 2016 exploration program includes over 20 000 meters of drilling and 150 000 m³ trenching
 - Exploration works started in Q1 2016 and are now in an active phase
 - C1+C2 categories are the main targets
- We remain positive on the outcome of the exploration program
 - Supported by current results
- Reserves estimation to be prepared and submitted to GKZ in H1 2017



2016 Outlook

- The Company expects to achieve an aggregate annual gold production from the Savkino mine in excess of 30,000 ounces for 2016
- Start preparation for mining on Khlebniy area
- Start of construction at Nasedkino
- Substantial field exploration program for Zolinsko-Arkiinskaya area

Q1 2016 Results

- The Company continued irrigation of ore stacked in 2015 and managed to produce 1 850 ounces
- Volumes of rock mass moved increase y-o-y
- Due to higher strip ratio the amount of ore mine decreased as compared to Q1 2015
- Preparation made in the end of 2015 and positive daytime temperatures resulted in increase of ore stacked by 294%
- 1 127 ounces of gold and 9 650 ounces of silver sold in Q1 2016 with revenues amounting to around 2mIn CAD
 - Positive adjusted EBITDA already in the first quarter
- TCC amounted to 943 CAD/oz
 - Typically high TCC due to seasonality
- In March 2016 the Company has converted all of its related-party loans into newly-issued shares
 - Debt to equity conversion executed at a deemed price of 0.25 CAD/share – 733% premium to market price

Operating performance	1Q 2015	1Q 2016	Change
Ore mined, tons	190 532	178 517	-6%
Ore stacked, tons	2 065	8 141	294%
Ore grade in ore staked, g/t	1.40	0.92	
Stripping ratio, m3/t	4.79	5.57	
Gold produced, oz	-	1 850	
Gold sold, oz	-	1 127	

Financial performance, thousand CAD	1Q 2015	1Q 2016	Change
Total Revenue	-	2 026	2 026
Cost of sales	-	-1 130	1 130
Gross profit	-	896	896
Operating income	-1 210	401	1 611
Adjusted EBITDA	-1 199	481	1 680
Net Income	-9 522	-902	8 620
Net operating cashflow	-1 326	744	2 070

Performance indicators	1Q 2015	1Q 2016	Change
Avg price of gold sold, CAD/oz	1 502	1 632	8.66%
Total Cash Cost, CAD/oz	n/a	943	
Gross profit margin	-	44.2%	
EBITDA margin	-	23.7%	

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