

Mangazeya Mining Announces Filing of 2018 Year-End Financial Statements, MD&A and Financial Results for 2018

TORONTO, ONTARIO, April 29, 2019 – Mangazeya Mining Ltd. (“**Mangazeya**” or the “**Company**”) (NEX: MGZ.H) announced the filing of its annual audited financial statements (“Financial Statements”), management’s discussion and analysis (“MD&A”) for the Company’s financial year ended December 31, 2018 as required by National Instrument 51-102 Continuous Disclosure Obligations.

All figures are quoted in Canadian dollars unless otherwise indicated.

FOURTH QUARTER AND TWELVE MONTHS 2018 HIGHLIGHTS

	4Q 2018	4Q 2017	Change	%	12m 2018	12m 2017	Change	%
Operational highlights								
Gold production, ounces	8,523	5,474	3,049	56%	27,672	24,317	3,355	14%
Gold sales, ounces	10,233	6,511	3,722	57%	22,245	24,111	(1,866)	(8%)
Ore mined, tonnes	171,863	103,925	67,938	65%	1,172,458	951,412	221,046	23%
Stripping ratio, m ³ /t	7.2	11.88	(4.68)	(39%)	4.81	4.78	0.03	1%
Ore stacked, tonnes	57,743	150,411	(92,668)	(62%)	869,582	998,679	(129,097)	(13%)
Ore grade in ore stacked, g/t	1.36	1.19	0.17	15%	1.37	1.17	0.2	17%
Financial highlights								
Revenue	16,996	10,729	6,267	58%	37,211	40,246	(3,035)	(8%)
Adjusted EBITDA ¹	(5,892)	(6,111)	219	(4%)	(17,027)	108	(17,135)	(15,866%)
Total cash cost per ounce (TCC), CAD ¹	1,119	1,458	(339)	(23%)	913	988	(75)	(8%)
Average gold price, CAD ¹	1,609	1,618	(9)	(1%)	1,528	1,657	(129)	(8%)
Cash balance	2,291	3,850	(1,559)	(40%)	2,291	3,850	(1,559)	(40%)
Cash flow (used in)/received from operating activities before changes in working capital	(6,754)	(6,758)	4	0%	(20,065)	(534)	(19,531)	(3,657%)
Cash flow (used in)/provided by financing activities	20,187	10,105	10,082	100%	60,410	36,300	24,110	66%
Cash flow (used in)/provided by investing activities	(18,425)	(3,886)	(14,539)	374%	(32,372)	(31,877)	(495)	2%

Highlights for 2018 include ¹:

- For 12m2018 the Company produced 27.7 koz of gold compared to 24.3 kOz, 14% increase for 12m 2018 compared to 12m 2017; in Q4 2018, gold production was 8,5 kOz compared to 5,5 kOz, the production increased by 56%;

Savkinskoye deposit.

Gold production reduced to 19.7 koz from 24,3 koz or by 19.1% in 12m 2018 compared to 12m 2017. The difference has been caused by the decrease in ore stacked for heap leaching compared to prior year. Gold production in Q4 2018 reduced by 3.0% compared to Q42017.

Kochkovskoye deposit

¹ Non-IFRS financial measures (average gold price, total cash cost per ounce of gold, adjusted EBITDA). See definition and reconciliation with the IFRS measures in the MD&A for 2018. Non-IFRS performance measures provide additional information and should not be considered in isolation or a substitute for measure of performance prepared in accordance with IFRS.

From April 2018, mining operations started at Kochkovskoye deposit. Gold production of Ore gold was 6.56 koz, placer gold production was 1.44 koz.

- For 12m2018 revenue decreased to \$37.2 million by 8% compared to 12m 2017, the company sold 22.2 koz of gold and 18.2 koz of silver (2017: 24.1 koz of gold and 13.2 koz of silver). The difference mainly resulted from the performance of the contractual obligations under the gold loan agreement. In the Q4 of 2018 revenue was 58% higher than the comparative quarter of 2017, the company sold 10.2 koz ounces of gold (the Q4 of 2017: 6.5 koz of gold). The average gold price decreased from \$1,657 per ounce in 2017 to \$1,528 in 2018 or by 8% (from US\$1,268 to US\$1,179 per ounce or by 2%);
- In 2018, the total cash costs (TCC) per ounce of gold sold equals \$913 (US\$ 705) compared to \$988 (US\$ 756) in 2017. TCC decreased by 8% in 2018 compared to 2017. TCC decreased by 23% in Q42018 compared to Q42017;

Savkinskoye deposit.

TCC (\$1,314 per ounce) increased by 33% in 12m 2018 compared to TCC for 12 m 2017 (\$988 per ounce) as a result of a decrease in gold production and in gold sales. TCC increased by 16% in the Q4 of 2018 compared to the Q4 of 2017 due to the same reasons.

Kochkovskoye deposit

TCC for 12m 2018 was \$814 per ounce of gold sold.

- The Gross profit margin increased from 33% for 12m 2017 to 36% for 12m 2018;
- Administrative expenses increased by 45% in 12m 2018 compared to 12m2017 due to active construction and exploration works in Nasedkino and Zolinsko-Arkiinskaya areas and resulting increase in management service fee. Administrative expenses increased by 14% in Q4 2018 compared to Q4 2017;
- Other operating expenses increased by 218% for 12m 2018 compared to 12 m 2017 because of the mining operations start at Koryakmining LLC in 2018 year. Mangazeya Mining LLC production team participates in the trial development of the Koryakmimg LLC and provides the mining operational services. Other operating expenses increased by 22% in Q4 2018 compared to Q4 2017;
- The Company increased the negative effect of adjusted EBITDA for 12m 2018 (\$17,027k) comparing with the positive adjusted EBITDA for 12m 2017 \$108k.;
- The finance expenses for 12m 2018 increased by 80% (\$2.2 million in 2018 and \$1.2 million in 2017) as result of growth in the debt load;
- The net loss for 2018 was \$26.2 million comparing with the net loss of \$3.5 million in 2017.

Cash flow and capital resources:

- For 2018, cash used in operating activity before changes in working capital was \$20.1 million in comparison with used in 2017 of \$0.5 million. Cash used in investing activities in 2018 was \$32.4 million as compared to \$31.9 million in 2017. Cash provided by financing activities in 2018 was \$60.4 million compared to cash provided by financing activities of \$36.3 million in 2017;
- For Q4 2018, cash used in operating activity before changes in working capital was \$6.7 million in comparison with cash used in Q4 2017 of \$6.7 million. Cash used in investing activities in Q4 2018 was \$18.4 million as compared to \$3.9 million in Q4 2017. Cash provided by financing activities in Q4 2018 was \$20.2 million compared to cash provided by financing activities of \$10.1 million in Q4 2017;
- The Company invested \$36.4 million in 2018 compared to \$33.97 million in 2017. In PPE - \$29.8 million (\$29.8 million for 2017); in Mine properties – \$5.5 million (\$1.3 million for 2017); in Exploration and evaluation assets - \$1.1 million (\$2.7 million for 2017).

The Financial Statement and MD&A are available on Mangazeya's website at <http://mangazeyamining.ru/> and have been filed on SEDAR at www.sedar.com.

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.

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Caution Concerning Forward-Looking Information

This news release contains forward looking statements within the meaning of the United States Private Securities Litigation Reform Act of 1995 and forward-looking information within the meaning of applicable Canadian securities laws (collectively, "forward-looking statements") relating, but not limited to, the Company's expectations, intentions and beliefs, the Company's financial position, financial alternatives and the Company's ability to continue operations. Words such as "may", "will", "should", "anticipate", "plan", "expect", "believe", "estimate" and similar terminology are used to identify forward-looking statements. Such statements are based on assumptions, estimates, opinions and analysis made by the management of the Company in light of their experience, current conditions and their expectations of future developments as well as other factors which they believe to be reasonable and relevant. Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results to differ materially from those expressed or implied in the forward-looking statements. Risks and uncertainties that may cause actual results to vary include but are not limited to: the Company's ability to obtain additional financing on acceptable terms or at all; the Company's ability to demonstrate compliance with NEX listing requirements; changes in equity and debt markets; inflation; uncertainties relating to the availability and costs of financing needed to complete exploration, development and production activities; failure to establish estimated mineral resources or mineral reserves (the Company's mineral resource and mineral reserve figures are estimates and no assurances can be given that the indicated levels of gold will be produced); exploration costs varying significantly from estimates; delays in the exploration and development of, and/or commercial production from, the properties in which the Company has an interest; unexpected geological or hydrological conditions; the speculative nature of mineral exploration and development, including the uncertainty of reserve and resource estimates; operational and technical difficulties, including the failure of major mining and/or milling equipment; the ability of the Company to service its existing debt facilities; fluctuations in gold and other commodity prices; the existence of undetected or unregistered interests or claims, whether in contract or in tort, over the property of the Company; success of future exploration and development initiatives; competition; operating performance of facilities; environmental and safety risks, including increased regulatory burdens, seismic activity, weather and other natural phenomena; inability to, or delays in, obtaining necessary permits and approvals from government authorities; risks relating to labour; and other exploration, development and operating risks; changes to and compliance with applicable laws and regulations, including environmental laws; political, economic and other risks arising from the Company's activities in Russia; fluctuations in foreign exchange rates; and those risks set out in the Company's public documents filed on SEDAR. Although the Company believes that the assumptions and factors used in preparing the forward-looking information are reasonable, undue reliance should not be placed on such information, which only applies as of the date of this news release, and no assurance can be given that such events will occur in the disclosed time frames or at all. Any forward-looking statement speaks only as of the date on which it is made and, except as may be required by applicable laws, the Company disclaims any intent or obligation to update any forward-looking statement, whether as a result of new information, future events or results or otherwise. Although the Company believes that the assumptions inherent in the forward-looking statements are reasonable, forward-looking statements are not guarantees of future performance and accordingly undue reliance should not be put on such statements due to the inherent uncertainty therein. Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.