

MANGAZEYA MINING LTD ANNOUNCES ITS PRODUCTION RESULTS

TORONTO, ONTARIO, May 29, 2017 – Mangazeya Mining Ltd. (“**Mangazeya**” or the “**Company**”) (NEX: MGZ.H) is pleased to announce its production results for the first quarter ended March 31, 2017.

Highlights:

- Gold sales in 1Q 2017 was 1.4 koz, an increase of 20,2% compared to previous year and gold production was 1.6 koz, a 13,6% decrease y-o-y.
- In Q1 2017, total ore mined was 273kt (+52.8% y-o-y) with the average grade 1.21 g/t (+8.4% y-o-y)
- In Q1 2017 the average stripping ratio was 4.93 m³/t compared to 5.57 m³/t in Q1 2016 decreased by 11.4% y-o-y.
- In Q1 total ore stacked was 37.1 thousand tones (+355.7% y-o-y) accompanied with an increase in average grade stacked to 1.06 g/t (+15.7% y-o-y).

	Q1 2017	Q1 2016	Y-o-Y change
Total rock moved, '000 m ³	1,472	1,076	36.8%
Stripping, '000 m ³	1,345	994	35.4%
Ore mined, kt	273	179	52.8%
Stripping ratio, m ³ /t	4.93	5.57	-11.4%
Average grade in ore mined, g/t	1.21	1.12	8.4%
Gold in ore mined, kg	329	199	65.2%
Ore stacked, kt	37.1	8.1	355.7%
Average grade in ore stacked, g/t	1.06	0.92	15.7%
Gold in ore stacked, kg	39.39	7.46	428.1%
Gold production, koz	1.60	1.85	-13.6%
Gold sold, koz	1.354	1.127	20.2%

Sergey Yanchukov, CEO of Mangazeya, stated: “First quarter 2017 was in line with our annual production plan. The Company is on stable production phase and we are looking forward to stable mining operations at Savkinskoe and further progress with our Nasedkino project.”

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:

Sergey Yanchukov

Chief Executive Officer

Mangazeya Mining Ltd.

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 (including, without limitation, statements regarding, the Bridge Loan (including the timing of advances thereunder and the terms thereof), the Company's financial position, financial alternatives and the Company's ability to continue operations and the Loan Facility (including the occurrence of an event of default thereunder and its potential effect on the Company)). 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.

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