

Mangazeya Mining Announces Filing of its Q3 and nine months 2017 Financial Statements and MD&A Quarterly Highlights

TORONTO, ONTARIO, November 29, 2017 – Mangazeya Mining Ltd. (“Mangazeya” or the “Company”) (NEX: MGZ.H) announced the filing of its unaudited interim condensed financial statements (“Financial Statements”), management’s discussion and analysis – quarterly highlights (“QH”) for the third quarter and the nine months ended September 30, 2017. All figures are quoted in Canadian dollars unless otherwise indicated.

Highlights for the 9 months and Q3 2017 include¹:

	Q3 2017	Q3 2016	Change	%	9m 2017	9m 2016	Change	%
Financial highlights								
Revenue	18,978	21,509	(2,531)	(12%)	29,517	32,308	(2,791)	(9%)
Adjusted EBITDA ¹	7,538	11,575	(4,037)	(35%)	6,219	15,255	(9,036)	(59%)
Total cash cost per ounce (TCC), CAD ¹	654	611	43	7%	814	669	145	22%
Average gold price, CAD ¹	1,602	1,683	(81)	(5%)	1,668	1,657	11	1%
Cash balance	1,558	9,826	(8,268)	(84%)	1,558	9,826	(8,268)	(84%)
Cash flow from operating activities before changes in working capital	7,544	11,928	(4,384)	(37%)	6,224	16,411	(10,187)	(62%)
Cash flow from financing activities	(965)	760	(1,725)	(227%)	25,464	12,424	13,040	105%
Cash flow from investing activities	(10,865)	(11,368)	503	4%	(27,991)	(16,075)	(11,916)	(74%)

- During 9m 2017 Mangazeya decreased **production of gold** by 11% from 21,245oz for 9m 2016 to 18,843oz for 9m 2017; the **sale of gold** decreased by 9% from 19,382oz in 9m 2016 to 17,600oz in 9m 2017. In Q3 2017 the **production of gold** was 10,486oz comparing to 13,135oz in the corresponding period of 2016, the **sale of gold** was 11,405oz in Q3 2017 comparing to 12,780oz in Q3 2016. All production came from Savkinskoye mine;
- **Revenues** for the period made up \$18,978k for Q3 2017 and \$29,517k for 9m 2017 compared to 21,509k for Q3 2016 and 32,308k for 9m 2016. The **average gold price** in Q3 2017 decreased comparing with the average gold price for Q3 2016 from \$1,683 to \$1,602 per ounce or by 5%; and was \$1,657 in 9m 2016 and \$1,668 in 9m 2017 per ounce (US\$ 1,255 per ounce in 9m 2016 to US \$1,276 per ounce in 9m 2017);
- **Total cash cost (TCC¹)** in 9m 2017 increased by 22% compared to 9m 2016 as a result of growth in basic, supporting materials, fuel expenses included into cost of sales and currency rate fluctuation. TCC in Q3 2017 increased by 7% compared to Q3 2016;
- The company reached positive **adjusted EBITDA¹** for the 9m 2017 in the amount of \$6,219k comparing with positive adjusted EBITDA for the 9m 2016 in the amount of \$15,255k. The **adjusted EBITDA¹** in Q3 2017 in the amount of \$7,538k comparing with Q3 2016 in the amount of \$11,575k;
- **Capital expenditures** for 9m 2017 amounted to \$27,263k compared with \$15,536k in 9m 2016. The Company invested in PPE - \$24,959k; in Mine properties – \$212k; in Exploration and evaluation assets - \$2,062k and IA - \$30k. For the same period of 2016 the Company invested in

¹ Non-IFRS financial measures (average gold price, total cash cost per ounce of gold, adjusted EBITDA). See definition and reconciliation the MD&A – Quarterly Highlights for the three and the nine months ended September 30, 2017. 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.

PPE - \$10,542k; in Mine properties - \$1,099k; in Exploration and evaluation assets - \$3,851k and IA - \$44k.

Financial Results for the 9 months and Q3 2017

The Company reported operating income of 6,497k in Q3 2017 compared to income of \$10,901k in Q3 2016. The decrease was mainly the result of decrease in sales volume by 11% and increase of total cash cost by 7%. For 9m 2017, the operating income amounted to \$4,361k compared to operating income of \$14,158k in 9m 2016. The operating loss was mainly the result of the decrease in sales volume by 9%, increase in total cash cost by 22% in 9m 2017.

Administrative expenses for 9m 2017 increased by 188% to \$5,468k from \$1,899 in 9m 2016 (in Q3 2017 increased by 177% to \$1,662k from \$601 in Q3 2016) due to changes in agreements of services as a result of the active construction and exploration works in Nasedkino and Zolinsko-Arkiinskaya areas.

In Q3 2017, the Company incurred finance expenses of \$383k compared to \$175k in Q3 2016 (the finance expenses decreased to \$873k for 9m 2017 from \$1,628k for 9m 2016) due to conversion of loans to equity in March 2016.

Cash received from operating activity before changes in working capital in Q3 2017 was \$7,544k as compared to \$11,928k in Q3 2016. Cash outflow from investing activities in Q3 2017 was \$10,865k as compared to outflow of \$11,368k in Q3 2016. Cash outflow from financing activities in Q3 2017 was \$965k compared to cash received from financing activities of \$760k in Q3 2016.

For the nine months 2017 year, the cash received from operating activity before changes in working capital was \$6,224k as compared to cash inflow of \$16,411k for the 9m 2016. The cash outflow from investing activities in the 9m 2017 was \$27,991k as compared to outflow of \$16,075k in the 9m 2016. The cash received from financing activities for the nine months 2017 was \$25,464k compared to the cash received from financing activities of \$12,424k during the 9m 2016.

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.

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.

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.

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