

Mangazeya Mining Announces Filing of its Q3 and nine months 2019 Financial Statements and MD&A Quarterly Highlights

TORONTO, ONTARIO, November 29, 2019 – 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 (“**MD&A**”) – quarterly highlights (“**QH** for the third quarter and the nine months ended September 30, 2019. All figures are quoted in Canadian dollars unless otherwise indicated.

THIRD QUARTER AND NINE MONTHS 2019 HIGHLIGHTS¹

	3Q 2019	3Q 2018	Change	%	9m 2019	9m 2018	Change	%
Operational highlights								
Gold production, ounces	17,643	12,177	5,465	45%	26,728	19,149	7,579	40%
Refining gold, ounces	19,521	12,177	7,344	60%	26,315	19,149	7,166	37%
Gold sales, ounces	16,360	8,391	7,969	95%	22,386	12,012	10,374	86%
Ore mined, tonnes	493,584	503,375	(9,971)	(2%)	1,031,815	1,000,595	31,220	3%
Stripping ratio, m ³ /t	1.41	3.38	(1,96)	(58%)	1.65	4.40	(2.25)	(63%)
Ore stacked, tonnes	393,025	455,835	(62,810)	(14%)	804,763	811,839	(7,076)	(1%)
Ore grade in ore stacked, g/t	1.95	1.39	0.55	40%	1.78	1.37	0.41	30%
Financial highlights								
Revenue	32,191	13,906	18,285	131%	42,782	20,215	22,567	112%
Adjusted EBITDA ¹	13,895	3,453	10,442	302%	10,394	(3,400)	13,794	406%
Total cash cost per ounce Savkinskoye (TCC), CAD ¹	1,597	939	658	70%	1,520	1,038	482	46%
Total cash cost per ounce Kochkovskoye (TCC), CAD ¹	1,227	1,427	(200)	(14%)	1,686	1,427	259	18%
Average gold price, CAD ¹	1,968	1,593	375	24%	1,911	1,665	246	15%
Cash balance	7,445	1,523	5,922	389%	7,445	1,523	5,922	389%
Cash flow (used in)/received from operating activities before changes in working capital	(58,287)	3,163	(61,450)	(1,943%)	(66,185)	(6,010)	(60,175)	1,001%
Cash flow (used in)/provided by financing activities	78,940	18,688	60,252	322%	132,156	37,493	94,663	252%
Cash flow (used in)/provided by investing activities	(8,736)	(6,261)	(2,475)	40%	(40,823)	(13,947)	(26,876)	193%

- 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.
- For 9m 2019 the revenue increased by 112% comparing to 9m 2018, the company sold 22,386 ounces of gold and 6,854 ounces of silver (9m 2018 – 12,012 ounces of gold and 10,572 ounces of silver). In Q3 2019 revenue increased by 131% comparing to Q3 2018, the company sold 16,360 ounces of gold (6,852 ounces at Savkinskoye and 15,534 ounces at Kochkovskoye) and 4,950 ounces of silver (Q3 2018 - 8,391 ounces of gold and 1,909 ounces of silver). 1,259 ounces of gold in Q3 2019 were transferred as the performance of contractual obligations under the gold loan agreement.
- TCC Savkinskoye for 9m 2019 (\$1,520 per ounce) increased by 31.7% as compared to TCC for 9m 2018 (\$1,038 per ounce) as a result of a decrease in gold production and in gold sales. TCC

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 1Q2018. 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.

in Q3 2019 increased by 70.1% compared to Q3 2018.

TCC Kochkovskoye for ore gold for 9m 2019 was \$1,686 per ounce in comparison with 9m 2018 (\$1,427) due to higher rate of TCC in the first half of 2019. In Q3 2019 TCC for ore gold decreased to \$1,227 from \$1,427 for Q3 2018 due to growth in production and sales volume in the 2nd half of 2019 year.

TCC Kochkovskoye for placer gold where mining is performed by the contractor for 9m 2019 is in line with TCC for 9m 2018 with a slight growth of 9% and 2% in Q3 2019 in comparison with Q3 2018 due to inflation.

- Gross profit margin was 47% for 9m 2019 and 33% as for 9m 2018. The gross profit margin in Q3 2019 was 54% comparing to 40% in Q3 2018. Gross profit increased by 198% for 9m 2019 comparing to 9m 2018 due to increase of revenue and gold sold.
- Administrative expenses for 9m 2019 increased by 19% compared to 9m 2018 due to active construction and exploration works in Nasedkino and exploration works in Zolinsko-Arkiinskaya areas and resulting increase in management service fees.
- As a result the Company increased the positive adjusted EBITDA for 9m 2019 (\$10,394k) from negative \$3,400k for 9m 2018. The positive adjusted EBITDA for 3Q 2019 increased to \$13,895k from \$3,453k in Q3 2018.
- The finance expenses for 9m 2019 increased by 814% YoY (\$17.6 million for 9m 2019 and \$2 million for 9m 2018) mainly because of the payment of obligations under the loan agreement with VTB Bank (PJSC) by Mangazeya Mining LLC. In Q3 2019 the Company recognized loss due to difference in gold price on loan in gold payment equal to \$12.5 million. The finance expenses for Q3 2019 are 2,462% higher than Q3 2018 (\$13.1 million in Q3 2019 and \$0.5 million in Q3 2018).
- The net loss for 9m 2019 was \$7.2 million comparing with the net loss of \$6.6 million in 9m 2018. The net loss for Q3 2019 was \$3.8 million comparing with the net income of \$2.9 million in Q3 2018.

Cash flow and capital resources:

- For 9m 2019 cash used in operating activity before changes in working capital was \$66.2 million in comparison with cash used in operating activities 9m 2018 of \$6 million. Cash used in investing activities in 9m 2019 was \$40.8 million as compared to \$13.9 million in 9m 2018. Cash received from financing activities in 9m 2019 was \$132.2 million compared to cash received from financing activities of \$37.5 million in 9m 2018;
- For Q3 2019, cash used in operating activity before changes in working capital was \$58.3 million in comparison with \$0.1 million in Q3 2018. Cash used in investing activities for Q3 2019 was \$8.7 million as compared to \$6.3 million for Q3 2018. Cash received from financing activities in Q3 2019 was \$78.9 million compared to \$18.7 million in Q3 2018;
- For 9m 2019 the Company invested \$40.8 million (\$18 million in 9m 2018). Out of them in property, plant and equipment - \$39.8 million (\$14.5 million in 9m 2018); in Mine properties - \$0 million (\$2 million in 9m 2018); in Exploration and evaluation assets - \$1.0 million (\$1.6 million in 9m 2018).
- 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.