

MANGAZEYA MINING LTD ANNOUNCES ITS PRODUCTION RESULTS

TORONTO, ONTARIO, August 28, 2017 – Mangazeya Mining Ltd. (“**Mangazeya**” or the “**Company**”) (NEX: MGZ.H) is pleased to announce its production results for the second quarter and the six months ended June 30, 2017.

Highlights:

- Gold sales during 1H 2017 was 6.2 koz, a decrease of 6.2% compared to the previous year, and gold production was 8.4 koz, an increase of 3.1% y-o-y.
Gold sales during 2Q 2017 was 4.8 koz, a decrease of 11.6% compared to the previous year, and gold production for 2Q 2017 was 6.8 koz, an increase of 8.0% y-o-y.
- In 1H 2017, total ore mined was 520 kt (14.9% y-o-y) with the average grade 1.23 g/t (21.8% y-o-y). In Q2 2017, total ore mined was 248 kt (-9.7% y-o-y) with the average grade 1.25 g/t (33.3% y-o-y).
- The average stripping ratio in 1H 2017 increased by 1.3% compared to the previous year.
- In 1H 2017, total ore stacked was 517 kt (-3.7% y-o-y) with the average grade 1.19 g/t (-9.9% y-o-y). In Q2 2017, total ore stacked was 480 kt (-9.2% y-o-y) with the average grade 1.20 (-9.6% y-o-y).

	Q2 2017	Q2 2016	Y-o-Y change	H1 2017	H1 2016	Y-o-Y change
Total rock moved, '000 m ³	1,189	1,209	-1.6%	2,661	2,285	16.4%
Stripping, '000 m ³	1,074	1,082	-0.8%	2,416	2,076	16.4%
Ore mined, kt	248	274	-9.7%	520	453	14.9%
Stripping ratio, m ³ /t	4.3	3.9	9.9%	4.6	4.6	1.3%
Average grade in ore mined, g/t	1.25	0.94	33.3%	1.23	1.01	21.8%
Gold in ore mined, kg	309	257	20.3%	638	456	40.0%
Ore stacked, kt	480	528	-9.2%	517	537	-3.7%
Average grade in ore stacked, g/t	1.20	1.33	-9.6%	1.19	1.32	-9.9%
Gold in ore stacked, kg	578	701	-17.6%	617	709	-12.9%
Gold production, koz	6.8	6.3	8.0%	8.4	8.1	3.1%
Gold sold, koz	4.8	5.5	-11.6%	6.2	6.6	-6.2%

Mining and production volumes in 1H 2017 as compared to 1H 2016 were broadly in line with the mining schedule, however the volume of ore mined in Q2 2017 was affected by temporary flooding of a South-West part of the deposit and unproved ore horizon on Khlebniy deposit. Stripping ratio for 1H2017 was in line with mining schedule, however unfavorable weather conditions and the significant quantity of primary ore resulted in increased stripping ratio in Q2 2017 compared to Q2 2016. Average grade in ore mined was higher than was planned, due to development of areas with higher grading.

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

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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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