

MANGAZEYA MINING LTD ANNOUNCES ITS PRODUCTION RESULTS

TORONTO, ONTARIO, July 30, 2018 – 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, 2018.

Highlights:

Operating results		Q2 2018	Q2 2017	Y-o-Y change	H1 2018	H1 2017	Y-o-Y change
Total rock moved, '000 m³		1 732	1 189	45,6%	2 918	2 661	9,7%
	Savkinskoye	1 279	1 189	7,5%	2 465	2 661,08	-7,4%
	Kochkovskoye	453	-	100,0%	453	-	100,0%
Stripping, '000 m³		1 571	1 074	46,3%	2 703	2 416	11,9%
	Savkinskoye	1 172	1 074	9,2%	2 304	2 415,73	-4,6%
	Kochkovskoye	399	-	100,0%	399	-	100,0%
Ore mined, kt		373	248	50,6%	497	520	-4,4%
	Savkinskoye	226	248	-8,8%	350	520,36	-32,7%
	Kochkovskoye	147	-	100,0%	147	-	100,0%
Stripping ratio, m³/t		4,22	4,34	-2,8%	5,44	4,64	17,1%
	Savkinskoye	5,19	4,34	19,7%	6,58	4,64	41,7%
	Kochkovskoye	2,72	-	100,0%	2,72	-	100,0%
Average grade in ore mined, g/t		1,59	1,25	27,3%	1,49	1,23	21,7%
	Savkinskoye	1,32	1,25	6,1%	1,28	1,23	4,5%
	Kochkovskoye	1,99	-	100,0%	1,99	-	100,0%
Gold in ore mined, kg		592	309	91,7%	742	638	16,3%
	Savkinskoye	299	309	-3,3%	449	638,08	-29,7%
	Kochkovskoye	293	-	100,0%	293	-	100,0%
Ore stacked, kt		356	480	-25,8%	356	517	-31,1%
	Savkinskoye	297	480	-38,0%	297	516,94	-42,5%
	Kochkovskoye	59	-	100,0%	59	-	100,0%
Average grade in ore stacked, g/t		1,34	1,20	11,5%	1,34	1,19	12,4%
	Savkinskoye	1,23	1,20	2,5%	1,23	1,19	3,4%
	Kochkovskoye	1,93	-	100,0%	1,93	-	100,0%
Gold in ore stacked, kg		478	578	-17,3%	478	617	-22,6%
	Savkinskoye	365	578	-36,9%	365	617,12	-40,9%
	Kochkovskoye	113	-	100,0%	113,27	-	100,0%
Gold production, koz		6	7	-14,5%	7	8	-16,6%
	Savkinskoye	5,57	6,758	-17,6%	6,76	8,3570	-19,1%
	Kochkovskoye	0,215	-	100,0%	0,21	-	100,0%
Gold sold, koz		3	5	-44,9%	4	6	-41,5%
	Savkinskoye	2,67	4,841	-44,9%	3,62	6,1950	-41,5%
	Kochkovskoye	-	-	-	-	-	-

Kochkovskoye deposit

- In Q2 2018, mining operations started at Kochkovskoye deposit. The volume of mining in Q2 was as follows: total ore mined was 147 kt, average grade in ore mined was 1.99 g/t, average stripping ratio was 2.72 m³/t, ore stacked was 59 kt, gold production was 0.21 koz. In Q2 2018, the Company pursued achievement of performance goals and adjusted performance indicators at Kochkovskoye deposit.

Savkinskoye deposit

- Gold production was 6.76 koz in H1 2018, the difference of 19.1% YoY has been caused by the decrease in ore stacked YoY and by the changed process resulting in the increased metal grade

in product solutions and reduced dilution factor. In Q2 2018, gold production was 5.57 koz, the difference of 17.6% YoY.

- Gold sales was 3.62 koz in H1 2018, the difference of 41.5% YoY. The difference mainly resulted from the reduced production volume and the performance of contractual obligations under the gold loan agreement. In Q2 2018, gold sales was 2.67 koz, the difference of 44.9% YoY.
- Total ore mined in H1 2018 was 350 kt, the difference of 32.7% YoY, which resulted from the decrease in ore production at the bottom level of Yugo-Zapadny pit due to high water inflow and the high degree of water content, as well as the organization of the additional measures for water removal on mining horizons in Q1 2018. In Q2 2018, total ore mined was 226 kt, the difference of 8.8% YoY.
- In H1 2018, the average stripping ratio was 6.58 m³/t, the difference of 41.7% as compared to H1 2017. The stripping ratio increase was caused by large volume of stripping in connection with the development of ore areas at Yugo-Zapadny pit and by the final development of Central pit levels. In Q2 2018, the average stripping ratio was 5.19 m³/t, the difference of 19.7% YoY.
- The average grade in ore mined was 1.28 g/t in H1 2018, which was in line with H1 2017. In Q2 2018, the average grade in ore mined was 1.32 g/t.
- In H1 2018, total ore stacked was 297 kt, the difference of 42.5% YoY, with the average gold ratio of 1.23 g/t, which was in line with H1 2017. In Q1 2018, there was no ore stacked. In Q1 2017, there was the experimental placing of ore without agglomeration. Ore stacked in Q2 2018 was lower by 38% as compared to Q2 2017, the reduction was caused by the decrease in ore production and the increase in the percentage of moisture of ore mined.

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:

Georgy Kandelaki
Corporate Secretary
Mangazeya Mining Ltd.
g.kandelaki@mangazeya.ru

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