

## MANGAZEYA MINING LTD ANNOUNCES ITS PRODUCTION RESULTS

TORONTO, ONTARIO, June 16<sup>th</sup> 2020 – Mangazeya Mining Ltd. (“Mangazeya” or the “Company”) (NEX: MGZ.H) is pleased to announce its production results for the first quarter ended March 31, 2020.

Operating results		Q1 2020	Q1 2019	Y-o-Y change
<b>Total rock moved, '000 m3</b>		<b>535</b>	<b>620</b>	<b>-13.7%</b>
	Savkinskoye	-	297	-100.0%
	Kochkovskoye	535	323	65.8%
<b>Stripping, '000 m3</b>		<b>420</b>	<b>534</b>	<b>-21.4%</b>
	Savkinskoye	-	266	-100.0%
	Kochkovskoye	420	268	56.8%
<b>Ore mined, kt</b>		<b>279</b>	<b>190</b>	<b>47.0%</b>
	Savkinskoye	-	65	-100.0%
	Kochkovskoye	279	125	123.5%
<b>Stripping ratio, m3/t</b>		<b>1.50</b>	<b>2.81</b>	<b>-46.5%</b>
	Savkinskoye	-	4.10	-100.0%
	Kochkovskoye	1.50	2.14	-29.8%
<b>Average grade in ore mined, g/t</b>		<b>1.59</b>	<b>1.97</b>	<b>-19.4%</b>
	Savkinskoye	-	1.23	-100.0%
	Kochkovskoye	1.59	2.36	-32.6%
<b>Gold in ore mined, kg</b>		<b>445</b>	<b>375</b>	<b>18.5%</b>
	Savkinskoye	-	80	-100.0%
	Kochkovskoye	445	295	50.7%
<b>Ore stacked, kt</b>		<b>27</b>	<b>-</b>	<b>100.0%</b>
	Kochkovskoye	27	-	100.0%
<b>Average grade in ore stacked, g/t</b>		<b>1.72</b>	<b>-</b>	<b>100.0%</b>
	Kochkovskoye	1.72	-	100.0%
<b>Gold in ore stacked, kg</b>		<b>46</b>	<b>-</b>	<b>100.0%</b>
	Kochkovskoye	46	-	100.0%
<b>Gold production, ounces</b>		<b>3.39</b>	<b>2.26</b>	<b>49.9%</b>
	Savkinskoye	1.18	0.73	62.8%
	Kochkovskoye	2.20	1.53	43.7%
	<i>including</i>			
	<i>Gold from hard-rock deposit</i>	<i>2.20</i>	<i>1.53</i>	<i>43.7%</i>
<b>Refining gold, ounces</b>		<b>2.59</b>	<b>1.72</b>	<b>51.1%</b>
	Savkinskoye	0.96	0.64	51.1%
	Kochkovskoye	1.63	1.08	51.1%
	<i>including</i>			
	<i>Gold from hard-rock deposit</i>	<i>1.63</i>	<i>1.08</i>	<i>51.1%</i>
<b>Gold sold, ounces</b>		<b>3.24</b>	<b>1.81</b>	<b>78.7%</b>
	Savkinskoye	1.50	0.73	104.8%
	Kochkovskoye	1.74	1.08	61.1%
	<i>including</i>			
	<i>Gold from hard-rock deposit</i>	<i>1.74</i>	<i>1.08</i>	<i>61.1%</i>

## General analysis

- In Q1 2020, total stripping ratio at Savkinskoye and Kochkovskoye deposits reduced to 1.50 m<sup>3</sup>/t as compared to 2.81 m<sup>3</sup>/t YoY. The stripping ratio reduction in 2020 was caused by refinement of ore body contours and the increased ore capacity in the main ore zone of Kochkovskoye deposit as well as absence of mining works at Savkinskoye deposit.
- In Q1 2020, the gold in ore mined increased by 18.5% YoY, or from 375 kg to 445 kg due to the active ore stacking before November 2019 at Kochkovskoye deposit and increase in volume of stacking up to 587k tons in comparison with 190 k tons in 2018 year.

- Gold production in Q1 2020 increased from 2.26k ounces to 3.39k ounces YoY due to active mining at Kochkovskoye deposit and processing of ore produced in 2019 at Savkinskoye deposit.
- Gold sales increased respectively by 78.7%, or from 1.81k ounces in Q1 2019 to 3.24k ounces in Q1 2020.

#### **Kochkovskoye deposit**

- The volume of mining in Q1 2020 was as follows: total ore mined was 279k tons, gold in ore mined was 445 kg, average grade in ore mined was 1.59 g/t, as compared to 125k tons, 295 kg and 2.36 g/t, respectively, in Q1 2019. The volume of mining increased as in Q1 2019 mining was performed from February to March, and in Q1 2020 – from January to March nonstop.
- In Q1 2020, ore stacked was 27k tons. In Q1 2019 no ore was stacked.
- In Q1 2020, the average stripping ratio reduced by 29.8% YoY. The reduction was caused by refinement of ore body contours and the increased ore capacity in the main ore zone of Kochkovskoye deposit.
- Gold produced increased from 1.53k ounces in Q1 2019 to 2.20k ounces in Q1 2020 as in Q1 2020, 245k tons of ore were sprayed over as compared to 106k tons YoY, which, in its turn has been caused by the difference in ore stacked: 587k tons in 2019 as compared to 190k tons in 2018.
- In Q1 2020, gold sold was 1.74k ounces, and in Q1 2019 - 1.08k ounces.

#### **Savkinskoye deposit**

- In Q1 2020, no mining was performed at the deposit.
- In Q1 2020, total gold produced increased by 62.8% YoY due to stacking of ore with higher gold grade in 2019 year on Filevskiy deposit.
- In Q1 2020, gold sales increased by 104.8% YoY mainly due to the increase in production volume.

#### **Nasedkino deposit**

- In Q1 2020, no exploration works were performed at Nasedkino as in Q1 2019.
- In Q1 2020, construction of main building of gold recovery factory, coarse crushing facility, crushed ore storage, and reagent storage was continued. In Q1 2019, construction of main building of gold recovery factory, and coarse crushing facility was performed.

#### **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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