

NEWS RELEASE

Mangazeya Mining announces the filing of its 1Q 2021 Financial Statements and MD&A Quarterly highlights

TORONTO, ONTARIO, May 31, 2021 – Mangazeya Mining Ltd. (“**Mangazeya**” or the “**Company**”) (NEX: MGZ.H) announced the filing of its unaudited interim condensed consolidated financial statements (“Financial Statements”) and management’s discussion and analysis (“MD&A”) quarterly highlights for the three months ended March 31, 2021 as required by the National Instrument 51-102 Continuous Disclosure Obligations.

All figures are quoted in Canadian dollars unless otherwise indicated.

First quarter 2021 highlights:

	1Q 2021	1Q 2020	Change	%
Gold production, ounces	13,397	3,386	10,011	295.7%
Refining gold, ounces	13,573	2,594	10,979	423.2%
Gold sales, ounces	12,506	3,243	9,263	285.6%
Ore mined, tonnes	294,606	279,405	15,201	5.4%
Stripping ratio, m ³ /t	2.86	1.50	1.36	72.2%
Ore processed, tonnes	156,771	26,663	130,108	488.0%
Ore grade in ore processed, g/t	2.46	1.72	0.74	43.0%
Revenue	27,606	7,413	20,193	272.4%
Adjusted EBITDA ¹	19,197	3,006	16,191	538.6%
Total cash cost per ounce Savkino (TCC), CAD ¹	-	1,110	(1,110)	(100.0%)
Total cash cost per ounce Kochkovskoye (TCC), CAD	1,008	738	270	36.5%
Total cash cost per ounce Nasedkino (TCC), CAD	830	-	830	-
Average gold price, CAD ¹	2,207	2,286	(79)	(3.4%)
Cash balance	33,436	7,855	25,581	325.7%
Cash flow from operating activities before changes in working capital	17,350	676	16,674	2466.6%
Cash flow used in investing activities	(7,361)	(20,083)	12,722	(63.3%)
Cash flow from financing activities	(13,269)	21,715	(34,984)	(161.1%)

- The revenue for the 1Q 2021 increased by 272% in respect of the comparative period of the previous year as a result of the increase in sales volumes by 286%. The increased volume of revenue is related to production and sales of gold produced at Nasedkino deposit.
- The gold production in 1Q 2021 was 13.4k ounces, which represents a 296% increase in comparison with the previous year, due to start of production at Nasedkino deposit in the second half of 2020.

Savkinskoye deposit

In 1Q 2021 no gold has been produced or sold.

Kochkovskoye deposit

The gold produced in 1Q 2021 and 1Q 2020 amounted to 1.1 and 2.2k ounces respectively. The gold sales were 1.9k and 1.7k ounces in 1Q 2021 and 1Q 2020 respectively. TCC for gold sold in 1Q 2021 was \$1,008 per ounce, which represents a 37% increase in comparison with 1Q2020 (\$738) due to the decrease of production in 1Q 2021 while the fixed cost share in the cost of sales structure remained stable.

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 1Q 2021. 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.

Nasedkino deposit

In 1Q 2021 12.3k ounces of gold were produced and 10.6k ounces of gold were sold. TCC for gold sold in 1Q 2021 was \$830 per ounce.

- The gross profit of Mangazeya Mining Ltd for the first quarter of 2021 amounted to \$13.9 mln, and the gross profit margin was 50%. The increase of this indicator against the comparative period of the previous year is connected with the increase of revenue.
- Administrative expenses for the 1Q 2021 were \$2.2 mln, representing a decrease of 46% compared to 1Q2020.
- In 1Q 2021 the company had a positive adjusted EBITDA of \$19.2 million and adjusted EBITDA margin of 69.5%.
- The finance expenses of the Company in 1Q 2021 amounted to \$12.1 million and included the loss on foreign exchange of \$6.4 mln due to depreciation of the ruble on revaluation of a foreign currency loan, as well as interest expenses in the amount of \$4.0 mln.
- The Company's net income for the first quarter of 2021 was \$3.1 million.

Cash flow and capital resources

- For the 1Q 2021 the Company had a positive cash flow of \$17.5 million from operating activities before changes in working capital, being a result of increased sales and favorable market prices.
- In 1Q 2021 the Company invested \$5.4 million and \$1.3 million in property, plant and equipment and exploration and evaluation assets respectively.
- In 1Q 2021 the Company's cash outflow on financing activity was \$13.3 million, representing a settlement under bank loan agreements, payments under finance lease and financial instruments.

The Financial Statements and MD&A are available on Mangazeya Mining'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.