

MANGAZEYA MINING LTD ANNOUNCES ITS PRODUCTION RESULTS

TORONTO, ONTARIO, February 4, 2020 – Mangazeya Mining Ltd. (“Mangazeya” or the “Company”) (NEX: MGZ.H) is pleased to announce its production results for the fourth quarter and the twelve months ended December 31, 2019:

Operating results		Q4 2019	Q4 2018	Y-o-Y change	12m 2019	12m 2018	Y-o-Y change
Total rock moved, '000 m3		744	1,339	-44.4%	2,878	6,174	-53.4%
	Savkinskoye	211	1,311	-83.9%	716	5,167	-86.1%
	Kochkovskoye	534	28	1795.7%	2,162	1,007	114.7%
Stripping, '000 m3		555	1,237	-55.1%	2,254	5,636	-60.0%
	Savkinskoye	173	1,209	-85.7%	615	4,778	-87.1%
	Kochkovskoye	382	28	1258.2%	1,639	858	91.1%
Ore mined, kt		461	172	168.0%	1,492	1,172	27.3%
	Savkinskoye	87	213	-59.2%	228	822	-72.3%
	Kochkovskoye	374	- 41	-1008.2%	1,265	350	260.9%
Stripping ratio, m3/t		1.21	7.20	-83.3%	1.51	4.81	-68.6%
	Savkinskoye	1.99	5.68	-65.0%	2.70	5.81	-53.6%
	Kochkovskoye	1.02	- 0.68	-249.6%	1.30	2.45	-47.0%
Average grade in ore mined, g/t		1.93	0.92	110.3%	2.02	1.43	41.6%
	Savkinskoye	2.46	1.13	116.7%	2.21	1.22	81.9%
	Kochkovskoye	1.81	2.03	-10.9%	1.99	1.92	3.3%
Gold in ore mined, kg		890	158	463.6%	3,015	1,673	80.2%
	Savkinskoye	214	241	-11.6%	504	999	-49.6%
	Kochkovskoye	676	- 84	-909.1%	2,511	674	272.6%
Ore stacked, kt		221	58	282.5%	1,026	870	17.9%
	Savkinskoye	77	82	-6.0%	438	678	-35.3%
	Kochkovskoye	144	- 24	-706.6%	587	192	206.0%
Average grade in ore stacked, g/t		2.21	1.36	62.2%	1.87	1.37	36.6%
	Savkinskoye	2.80	1.34	109.0%	1.54	1.20	28.3%
	Kochkovskoye	1.90	1.27	49.6%	2.12	1.96	8.2%
Gold in ore stacked, kg		488	79	520.2%	1,921	1,192	61.1%
	Savkinskoye	215	109	96.8%	675	816	-17.2%
	Kochkovskoye	274	- 30	-1003.1%	1,246	376	231.0%
Gold production, ounces		17.66	8.52	107.2%	44.39	27.67	60.4%
	Savkinskoye	6.29	5.31	18.5%	14.95	19.67	-24.0%
	Kochkovskoye	11.37	3.21	253.8%	29.43	8.00	267.9%
	<i>including</i>						
	<i>Gold from hard-rock deposit</i>	<i>11.03</i>	<i>2.89</i>	<i>282.1%</i>	<i>26.93</i>	<i>6.56</i>	<i>310.6%</i>
	<i>Gold from placers</i>	<i>0.34</i>	<i>0.33</i>	<i>4.3%</i>	<i>2.51</i>	<i>1.44</i>	<i>73.6%</i>
Refining gold, ounces		18.05	8.52	111.8%	44.36	27.67	60.3%
	Savkinskoye	6.29	5.31	18.5%	14.95	19.67	-24.0%
	Kochkovskoye	11.76	3.21	265.8%	29.41	8.00	267.6%
	<i>including</i>						
	<i>Gold from hard-rock deposit</i>	<i>11.03</i>	<i>2.89</i>	<i>282.1%</i>	<i>26.90</i>	<i>6.56</i>	<i>310.2%</i>
	<i>Gold from placers</i>	<i>0.73</i>	<i>0.33</i>	<i>122.7%</i>	<i>2.51</i>	<i>1.44</i>	<i>73.6%</i>
Gold sold, ounces		19.13	10.23	86.9%	41.51	22.24	86.6%
	Savkinskoye	6.55	5.97	9.6%	13.40	14.24	-5.9%
	Kochkovskoye	12.58	4.26	195.2%	28.11	8.00	251.4%
	<i>including</i>						
	<i>Gold from hard-rock deposit</i>	<i>11.85</i>	<i>3.46</i>	<i>242.3%</i>	<i>25.61</i>	<i>6.56</i>	<i>290.5%</i>
	<i>Gold from placers</i>	<i>0.73</i>	<i>0.80</i>	<i>-8.8%</i>	<i>2.51</i>	<i>1.44</i>	<i>73.6%</i>

General analysis

- In 12m 2019, total stripping ratio at Sakinskoye and Kochkovskoye deposits reduced to 1.51 m³/t as compared to 4.81 m³/t YoY. The stripping ratio reduction in 2019 was caused by the final development of Khlebny pit (Savkinskoye deposit) and active mining at Kochkovskoye deposit.
- In 12m 2019, the gold in ore mined increased by 80.2% YoY, or from 1,673 kg to 3,015 kg YoY, due to the increased volume of ore mined (1,492 k tons in 2019 and 1,172 k tons in 2018) and increased gold grade in ore mined (2.02 g/t and 1.43 g/t in 2019 and 2018, respectively). The gold in ore mined was 890 kg in Q4 2019 and 158 kg in Q4 2018.
- Gold production increased from 27.67k ounces in 12m 2018 to 44.39k ounces in 12m 2019 due to the commencement of active mining at Kochkovskoye deposit. In Q4 2019, 17.66k ounces were produced, in Q4 2018 – 8.52k ounces.
- Gold sales increased respectively by 86.6%, or from 22.24k ounces in 12m 2018 to 41.51k ounces in 12m 2019. In Q4 2019, 19.13k ounces were sold as compared to 10.23k ounces in Q4 2018.

Kochkovskoye deposit

- The volume of mining in 12m 2019 was as follows: total ore mined was 1,265k tons, gold in ore mined was 2,511 kg, average grade in ore mined was 1.99 g/t, as compared to 350k tons, 674 kg and 1.92 g/t, respectively, in 12m 2018. The volume of mining increased due to the earlier start of mining in 2019 as compared to 2018 (in 2019 – in February, in 2018 – in April) and more active operations in 2019. In Q4 2019, the volume of ore mined was 374k tons, gold in ore mined - 676 kg, average gold grade – 1.81 g/t.
- In 12m 2019, ore stacked was 587k tons, or by 206% more YoY (192k tons in 12m 2018). The volume of ore stacked increased due to the improved processing flow and the start of ore stacking in 2019 one month earlier than in 2018.
In Q4 2019, the volume of ore stacked was 144 k tons.
- In 12m 2019, the average stripping ratio reduced by 47% YoY. The reduction was caused by the start of pit development in 2018. The open-pit field was larger at the upper horizons and, as a result, the stripping volume was larger than that during further mining.
In Q4 2019, the stripping ratio was 1.02 m³/t.
- Gold produced increased from 8k ounces in 12m 2018 to 29.43k ounces in 12m 2019 as, in 2019, the volume of ore mined was higher and the gold grade in ore stacked was 2.12 g/t which is by 8.2% higher YoY (1.96 g/t in 2018). Low performance in 2018 was caused by the startup and commissioning works, and heavy precipitation in summer. In 2019, processing flow improvement was performed.
In Q4 2019, 11.37k ounces of gold were produced, in Q4 2018 – 3.21k ounces.
- In 12m 2019, gold sales were 28.11k ounces, and in 12m 2018 – 8k ounces. In H1 2018, no gold from Kochkovskoye deposit was sold. In Q4 2019, gold sales were 12.58k ounces, and in Q4 2018 – 4.26k ounces.

Savkinskoye deposit

- In 12m 2019, total ore mined and gold produced reduced by 72.3% and 24% YoY, respectively, due to the scheduled suspension of mining at Khlebny pit in Q2 2019, and completion of deposit final development.
In Q4 2019, the volume of ore mined decreased by 59.2%, and gold production volume increased by 18.5% YoY.
- In 12m 2019, gold sales reduced by 5.9% YoY. The difference mainly resulted from the decrease in production volume. In Q4 2019, gold sales increased by 9.6% YoY.
- In 12m 2019, the average stripping ratio reduced by 53.6% YoY. The reduction was caused by the final development of lower horizons of Khlebny site. Stripping ratio was 1.99 m³/t and 5.68 m³/t in Q4 2019 and Q4 2018, respectively.
- Average gold grade in ore mined in 12m 2019 increased by 81.9% YoY due to production of higher-grade ore. Average gold grade in ore mined was 2.46 g/t in Q4 2019 and 1.13 g/t in Q4 2018.

- In 12m 2019, ore stacked reduced by 35.3% YoY due to the reduction in ore production in 2019. The volume of ore stacked was 77 tons in Q4 2019, and 82 tons - in Q4 2018.

Nasedkino deposit

- For 12 months 2019, the Company performed 36,487 m³ of trenching on 14 trenches, made 2,668 analyses and 3,701 samplings at Nasedkino deposit (Malouryumskoye site). In Q4 2019, the Company performed 2,302.9 m of core drilling on 21 drill holes and made 2,869 core samplings. In 2018, the Company performed 20,387 m³ of trenching on 5 tranches, made 488 analysis and 1,143 trench samplings at the deposit. In Q4 2018, no exploration was performed.
- In 2018, the permit for the construction of gold recovery plant at Nasedkino gold deposit (gold recovery plant and utilities) was obtained, and construction was started. In 2019, including Q4 2019, construction of main building of gold recovery factory, coarse crushing facility, crushed ore storage, reagent storage, and other facilities of the Mining and Processing Plant was continued.

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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