

MANGAZEYA MINING LTD ANNOUNCES ITS PRODUCTION RESULTS

TORONTO, ONTARIO, August 29, 2019 – 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, 2019.

Operating results		Q2 2019	Q2 2018	Y-o-Y change	H1 2019	H1 2018	Y-o-Y change
Total rock moved, '000 m3		611	1 732	-64,7%	1 232	2 918	-57,8%
	Savkinskoye	-	1 279	-100,0%	297	2 465	-87,9%
	Kochkovskoye	611	453	34,9%	934	453	106,1%
Stripping, '000 m3		467	1 571	-70,3%	1 001	2 703	-62,9%
	Savkinskoye	-	1 172	-100,0%	266	2 304	-88,4%
	Kochkovskoye	467	399	17,0%	735	399	84,2%
Ore mined, kt		348	373	-6,6%	538	497	8,3%
	Savkinskoye	-	226	-100,0%	65	350	-81,4%
	Kochkovskoye	348	147	137,0%	473	147	222,1%
Stripping ratio, m3/t		1,34	4,22	-68,2%	1,86	5,44	-65,8%
	Savkinskoye	-	5,19	-100,0%	4,10	6,58	-37,7%
	Kochkovskoye	1,34	2,72	-50,6%	1,55	2,72	-42,8%
Average grade in ore mined, g/t		2,19	1,59	38,0%	2,11	1,49	41,7%
	Savkinskoye	-	1,32	-100,0%	1,23	1,28	-3,9%
	Kochkovskoye	2,19	1,99	9,8%	2,24	1,99	12,0%
Gold in ore mined, kg		763	592	28,9%	1 138	742	53,4%
	Savkinskoye	-	299	-100,0%	80	449	-82,2%
	Kochkovskoye	763	293	160,2%	1 058	293	260,9%
Ore stacked, kt		412	356	15,7%	412	356	15,7%
	Savkinskoye	251	297	-15,7%	251	297	-15,7%
	Kochkovskoye	161	59	174,3%	161	59	174,3%
Average grade in ore stacked, g/t		1,62	1,34	20,7%	1,62	1,34	20,7%
	Savkinskoye	1,09	1,23	-11,4%	1,09	1,23	-11,4%
	Kochkovskoye	2,45	1,93	26,9%	2,45	1,93	26,9%
Gold in ore stacked, kg		667	478	39,6%	667	478	39,6%
	Savkinskoye	273	365	-25,1%	273	365	-25,1%
	Kochkovskoye	394	113	247,7%	394	113	247,7%
Gold production, ounces		6,83	5,78	18,1%	9,09	6,97	30,3%
	Savkinskoye	3,56	5,57	-36,0%	4,29	6,76	-36,5%
	Kochkovskoye	3,26	0,21	1420,3%	4,80	0,21	2134,4%
	<i>including</i>	<i>0,00</i>	-	<i>0,0%</i>	-	-	<i>0,0%</i>
	<i>Gold from hard-rock deposit</i>	<i>2,25</i>	<i>0,21</i>	<i>946,1%</i>	<i>3,78</i>	<i>0,21</i>	<i>1660,2%</i>
	<i>Gold from placers</i>	<i>1,02</i>	-	<i>100,0%</i>	<i>1,02</i>	-	<i>100,0%</i>
Including Refining gold, ounces		5,08	5,78	-12,2%	6,79	6,97	-2,5%
	Savkinskoye	2,80	5,57	-49,8%	3,43	6,76	-49,2%
	Kochkovskoye	2,28	0	100,0%	3,36	0,21	1466,5%
	<i>including</i>	-	-	<i>0,0%</i>	-	-	<i>0,0%</i>
	<i>Gold from hard-rock deposit</i>	<i>1,97</i>	-	<i>100,0%</i>	<i>3,05</i>	<i>0,21</i>	<i>1320,0%</i>
	<i>Gold from placers</i>	<i>0,31</i>	-	<i>100,0%</i>	<i>0,31</i>	-	<i>100,0%</i>
Gold sold, ounces		4,21	2,67	57,8%	6,03	3,62	66,4%
	Savkinskoye	1,93	2,67	-27,7%	2,66	3,62	-26,5%
	Kochkovskoye	2,28	-	100,0%	3,36	-	100,0%
	<i>including</i>	-	-	<i>0,0%</i>	-	-	<i>0,0%</i>
	<i>Gold from hard-rock deposit</i>	<i>1,97</i>	-	<i>100,0%</i>	<i>3,05</i>	-	<i>100,0%</i>
	<i>Gold from placers</i>	<i>0,31</i>	-	<i>100,0%</i>	<i>0,31</i>	-	<i>100,0%</i>

General analysis

- In H1 2019, total stripping ratio at Sakinskoye and Kochkovskoye deposits reduced to 1.86 m³/t as compared to 5.44 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 H1 2019, the gold in ore mined increased by 53.4% YoY, or from 742 kg to 1,138 kg, due to the increased gold grade in ore mined (2.11 g/t and 1.49 g/t in 2019 and 2018, respectively) at Kochkovskoye deposit. The gold in ore mined was 763 kg in Q2 2019 and 592 kg in Q2 2018.
- Gold production increased from 6.97k ounces in H1 2018 to 9.09k ounces in H1 2019 due to the commencement of active mining at Kochkovskoye deposit. In Q2 2019, 6.83k ounces were produced, in Q2 2018 – 5.78k ounces (including 5.08k ounces and 5.78k ounces of refined gold, respectively).
- Gold sales increased by 66.4%, or from 3.62k ounces in H1 2018 to 6.03k ounces in H1 2019, which has been caused by the start of sales of gold produced at Kochkovskoye deposit. In Q2 2019, 4.21k ounces were sold as compared to 2.67k ounces in Q2 2018.

Kochkovskoye deposit

- The volume of mining in H1 2019 was as follows: total ore mined was 473k tons, gold in ore mined was 1,058 kg, average grade in ore mined was 2.24 g/t, as compared to 147k tons, 293 kg and 1.99 g/t, respectively, in H1 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). In Q2 2019, the volume of ore mined was 348k tons, gold in ore mined - 763 kg, average gold grade – 2.19 g/t. In Q2 2018, 147k tons, 293 kg and 2.99 g/t, respectively.
- In Q2 2019, ore stacked was 161k tons, or by 174.3% more YoY (59k tons in Q2 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 Q1 2019 and Q1 2018, there was no ore stacked.
- In H1 2019, average gold grade in ore stacked increased by 26.9% YoY (from 1.93 g/t to 2.45 g/t) due to higher-grade ore production and processing.
- Gold produced increased from 0.21k ounces in H1 2018 to 4.80k ounces in H1 2019 due to gold production from ore stacked in 2018.
In Q2 2019, 3.26k tons of gold were produced, in Q2 2018 – 0.21k tons.
- In H1 2019, gold sales was 3.36k ounces, and in Q2 2019 – 2.28k ounces. In H1 2018, no gold from Kochkovskoye deposit was sold.
- The gold produced and sold was mostly ore gold. In H1 2019, 3.05k ounces of ore gold and 0.31k ounces of placer gold were produced and sold.

Savkinskoye deposit

- In H1 2019, gold production reduced by 49.2% YoY due to processing of lower-grade gold (1.09 g/t) YoY (1.23 g/t in H1 2018), decrease in ore stacked from 297k tons in 2018 to 251k tons in 2019, and completion of deposit final development.
In Q2 2019, gold production reduced by 49.8% YoY.
- In H1 2019, gold sales reduced by 26.5% YoY. The difference mainly resulted from the decrease in production volume. In Q2, gold sales reduced by 27.7% YoY.
- Total ore mined in H1 2019 reduced by 81.4% YoY. The reduction was caused by the scheduled mining suspension at Khlebny site.
There was no ore produced in Q2 2019.
- In H1 2019, the average stripping ratio reduced by 37.7% YoY. The reduction was caused by the final development of lower horizons of Khlebny site.

- Average gold grade in ore mined in H1 2019 was in line with H1 2018.
- In H1 2019, ore stacked reduced by 15.7% YoY as there was no ore produced in Q2 2019.

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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