

MANGAZEYA MINING LTD ANNOUNCES ITS PRODUCTION RESULTS

TORONTO, ONTARIO, August 31, 2020 – 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, 2020.

Operating results		Q2 2020	Q2 2019	Y-o-Y change	H1 2020	H1 2019	Y-o-Y change
Total rock moved, '000 m3		974	611	59.4%	1,510	1,232	22.6%
	Savkinskoye	-	-	0.0%	-	297	-100.0%
	Kochkovskoye	552	611	-9.7%	1,087	934	16.4%
	Nasedkino	423	-	100.0%	423	-	100.0%
Stripping, '000 m3		818	467	75.2%	1,238	1,001	23.6%
	Savkinskoye	-	-	0.0%	-	266	-100.0%
	Kochkovskoye	440	467	-5.8%	860	735	17.0%
	Nasedkino	378	-	100.0%	378	-	100.0%
Ore mined, kt		383	348	9.9%	662	538	23.0%
	Savkinskoye	-	-	0.0%	-	65	-100.0%
	Kochkovskoye	260	348	-25.4%	539	473	13.9%
	Nasedkino	123	-	100.0%	123	-	100.0%
Stripping ratio, m3/t		2.14	1.34	59.4%	1.87	1.86	0.5%
	Savkinskoye	-	-	0.0%	-	4.10	-100.0%
	Kochkovskoye	1.69	1.34	26.3%	1.60	1.55	2.7%
	Nasedkino	3.08	-	100.0%	3.08	-	100.0%
Average grade in ore mined, g/t		1.36	2.19	-37.9%	1.46	2.11	-31.0%
	Savkinskoye	-	-	0.0%	-	1.23	-100.0%
	Kochkovskoye	1.40	2.19	-36.3%	1.50	2.24	-33.0%
	Nasedkino	1.29	-	100.0%	1.29	-	100.0%
Gold in ore mined, kg		520	763	-31.8%	965	1,138	-15.2%
	Savkinskoye	-	-	0.0%	-	80	-100.0%
	Kochkovskoye	362	763	-52.5%	807	1,058	-23.7%
	Nasedkino	158	-	100.0%	158	-	100.0%
Ore stacked, kt		426	412	100.0%	453	412	10.0%
	Savkinskoye	49	251	-80.5%	49	251	-80.5%
	Kochkovskoye	377	161	134.3%	404	161	150.9%
Average grade in ore stacked, g/t		1.48	1.62	100.0%	1.50	1.62	-7.6%
	Savkinskoye	1.13	1.09	3.7%	1.13	1.09	3.7%
	Kochkovskoye	1.53	2.45	-37.6%	1.54	2.45	-37.1%
Gold in ore stacked, kg		632	667	100.0%	677	667	1.6%
	Savkinskoye	56	273	-79.6%	55.59	273	-79.6%
	Kochkovskoye	576	394	100.0%	621.89	394	57.9%
Gold production, ounces		9.13	6.83	33.7%	12.51	9.09	37.7%
	Savkinskoye	1.86	3.56	-47.7%	3.05	4.29	-29.0%
	Kochkovskoye	7.26	3.26	122.6%	9.47	4.80	97.4%
	<i>including</i>						
	<i>Gold from hard-rock deposit</i>	7.14	2.25	218.1%	9.35	3.78	147.3%
	<i>Gold from placers</i>	0.12	1.02	-88.1%	0.12	1.02	-88.1%
Refining gold, ounces		9.38	5.08	84.7%	11.97	6.79	76.2%
	Savkinskoye	2.18	2.80	-21.9%	3.14	3.43	-8.4%
	Kochkovskoye	7.20	2.28	215.3%	8.83	3.36	162.5%
	<i>including</i>						
	<i>Gold from hard-rock deposit</i>	7.10	1.97	260.7%	8.73	3.05	186.3%
	<i>Gold from placers</i>	0.10	0.31	-68.5%	0.10	0.31	-68.5%
Gold sold, ounces		10.28	4.21	144.1%	13.52	6.03	124.4%
	Savkinskoye	3.21	1.93	66.1%	4.71	2.66	76.8%
	Kochkovskoye	7.07	2.28	210.0%	8.82	3.36	162.1%
	<i>including</i>						
	<i>Gold from hard-rock deposit</i>	6.97	1.97	254.5%	8.72	3.05	185.9%
	<i>Gold from placers</i>	0.10	0.31	-68.5%	0.10	0.31	-68.5%

General analysis

- In Q2 2020, mining works started at Nasedkino deposit.
- In H1 2020, the total stripping ratio for all deposits (1.87 m³/t) remained nearly unchanged YoY (1.86 m³/t). The lack of change in 2020 was caused by the final development of Khlebny pit, Savkinskoye deposit, and start of mining works at Nasedkino deposit. In Q2 2020, the stripping ratio was 2.14 m³/t compared to 1.34 m³/t in Q2 2019.
- In H1 2020, the gold in ore mined reduced by 15.2% YoY, or from 1.138 kg to 965 kg due to the reduced gold grade in ore mined (1.46 g/t and 2.11 g/t in 2020 and 2019, respectively) mainly at Kochkovskoye deposit. The gold in ore mined was 520 kg in Q2 2020 and 763 kg in Q2 2019.
- Gold production increased from 9.09k ounces in H1 2019 to 12.51k ounces in H1 2020, as in H1 2019 161k tons of ore with average gold grade of 2.45 g/t and 393.9 kg of gold in ore were stacked, and in H1 2020, 404k tons of ore with average gold grade of 1.54 g/t and 621.9 kg of gold in ore were stacked. In Q2 2020, 9.13k ounces of gold were produced, in Q2 2019 – 6.83k ounces (9.38k and 5.08k ounces of gold were refined, respectively).
- Gold sales increased consequently by 124.4%, or from 6.03k ounces in H1 2019 to 13.52k ounces in H1 2020. In Q2 2020, 10.28k ounces of gold were sold as compared to 4.21k ounces in Q2 2019.

Kochkovskoye deposit

- The volume of mining in H1 2020 was as follows: total ore mined was 539k tons, gold in ore mined was 807 kg, average grade in ore mined was 1.50 g/t, as compared to 473k tons, 1.058 kg and 2.24 g/t, respectively, in H1 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 Q2 2020, total ore mined was 260k tons, gold in ore mined was 362 kg, average grade in ore mined was 1.4 g/t, as compared to 348k tons, 763 kg of gold and average grade of 2.19 g/t in Q2 2019. The volume of mining reduced in Q2 2020 as compared to Q2 2019 as the volume of oxide ore available at ore storage facilities was sufficient to ensure work of ore beneficiation facilities at full capacity.
- In H1 2020, ore stacked was 404k tons, or by 150.9% more YoY (161k tons in H1 2019). The volume of ore stacked increased due to the improved processing flow and the start of ore stacking in March 2020, while in 2019, ore stacking started in May, after completion of construction of crushing-and-screening unit. In Q2 2020, 377k tons of ore were stacked, and in Q2 2019 – 161k tons.
- In H1 2020, average gold grade in ore stacked reduced by 37.1% YoY (from 2.45 g/t to 1.54 g/t) due to the mining of lower-grade ore.
- Gold produced increased from 4.80k ounces in H1 2019 to 9.47k ounces in H1 2020 due to increased volume of ore stacked.
In Q2 2020, 7.26k ounces of gold were produced, in Q2 2019 - 3.26k ounces.
- Gold sales were 8.82k ounces in H1 2020, and 3.36k ounces in H1 2019. In Q2 2020, gold sales were 7.07k ounces, in Q2 2019 - 2.28k ounces.
- Most of gold produced and sold is hard-rock gold. In H1 2020, 8.73k ounces of gold were produced, and 8.72k ounces of hard-rock gold and 0.1k ounces of placer gold were sold. In H1 2019, 3.05k ounces of hard-rock gold and 0.31k ounces of placer gold were produced and sold.

Savkinskoye deposit

- In H1 2020, the volume of production reduced by 29.0% YoY. The change was caused by the completion of deposit development. In Q2 2020, the reduction was by 47.7% YoY.
- The gold sold in H1 2020 increased by 76.8% YoY due to the sales of earlier produced metal. In Q2, the gold sold increased by 66.1% YoY.
- In H1 2020, no mining or stripping works were performed due to deposit development and production of gold from earlier mined ore.
- The volume of ore stacked in H1 2020 reduced by 80.5% YoY due to lack of mining in H1 2020.

Nasedkino deposit

- The volume of mining in Q2 and H1 2020 was as follows: total rock moved was 423k tons, total ore mined – 123k tons, stripping ratio – 3.08 m³/t, gold in ore mined – 158kg, average gold grade in ore mined – 1.29 g/t.

In Q2 2020, neither refining nor production of gold mined at the deposit was performed. The gold production technology used at Nasedkino deposit is different from that one used at Savkinskoye and Kochkovskoye deposits. At Savkinskoye and Kochkovskoye deposits, heap leaching method is used, and at Nasedkino deposit, gravity concentration and direct cyanidation methods will be used at gold recovery factory.

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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