

NEWS RELEASE

Mangazeya Mining announces the filing of its 2020 Year-end Financial Statements and MD&A, and financial results

TORONTO, ONTARIO, April 30, 2021 – Mangazeya Mining Ltd. (“**Mangazeya**” or the “**Company**”) (NEX: MGZ.H) announced the filing of its annual audited financial statements (“**Financial Statements**”) and management’s discussion and analysis (“**MD&A**”) for the financial year ended December 31, 2020 as required by the National Instrument 51-102 Continuous Disclosure Obligations.

All figures are quoted in Canadian dollars unless otherwise indicated.

Fourth quarter and year 2020 highlights:

	4Q 2020	4Q 2019	Change	%	2020	2019	Change	%
Operational highlights								
Gold production, ounces	17,328	17,635	(307)	(1.7%)	51,562	44,363	7,199	16.2%
Refining gold, ounces	21,067	18,048	3,019	16.7%	50,729	44,363	6,366	14.3%
Gold sales, ounces	20,991	19,127	1,864	9.7%	51,995	41,513	10,482	25.2%
Ore mined, tonnes	302,599	460,606	(158,007)	(34.3%)	1,343,775	1,492,421	(148,646)	(10.0)%
Stripping ratio, m ³ /t	2.23	1.21	1.02	84.9%	2.00	1.51	0.49	32.5%
Ore processed, tonnes	326,450	220,842	105,608	47.8%	1,340,975	1,025,605	315,370	30.7%
Ore grade in ore processed, g/t	1.99	2.21	(0.22)	(9.8%)	1.60	1.87	(0.27)	(14.4)%
Financial highlights								
Revenue	53,087	37,143	15,944	42.9%	128,361	79,925	48,436	60.6%
Adjusted EBITDA ¹	25,452	14,654	10,798	73.7%	58,731	26,424	32,307	122.3%
Total cash cost per ounce Savkino (TCC), CAD ¹	1,843	1,382	461	33.4%	1,533	1,453	80	5.5%
Total cash cost per ounce Kochkovskoye (TCC), CAD	1,294	1,010	284	28.1%	1,200	924	276	29.9%
Total cash cost per ounce Nasedkino (TCC), CAD	923	-	923	-	1,001	-	1,001	-
Average gold price, CAD ¹	2,529	1,941	588	30.3%	2,469	1,925	544	28.3%
Cash balance	45,734	23,108	22,626	97.9%	45,734	23,108	22,626	97.9%
Cash flow from operating activities before changes in working capital	20,575	88,792	(68,217)	(76.8%)	51,478	22,673	28,805	127.0%
Cash flow used in investing activities	(19,004)	(42,246)	23,242	(55.0%)	(58,292)	(83,136)	24,844	(29.9)%
Cash flow from financing activities	11,511	(40,777)	52,288	(128.2%)	63,201	91,379	(28,178)	(30.8)%

- The revenue for the 4Q and year 2020 increased by 43% and 61% respectively compared to 4Q and year 2019 due to a higher average sales price as well as the increase in sales volumes as a result of the start of sales of gold produced at Nasedkino deposit in the 2nd half of 2020.
- The gold production in 2020 was 51.6k ounces, which represents a 16% increase in comparison with the previous year, due to start of production at Nasedkino deposit.

Savkinskoye deposit

The production volume in 2020 was 5.2k ounces, which is 66% less than in the same period of the preceding year. In 4Q of 2020 0.4k ounces of gold were produced. The decrease is related to the completion of the deposit development.

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 2020. 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.

The sales volumes in 2020 decreased by 49% YoY and in 4Q 2020 by 78% YoY, in line with the lower production.

TCC for 2020 increased by 6% as compared to TCC for 2019 and by 33% in the 4Q 2020 compared to 4Q 2019 mainly due to the decrease of sales while the fixed cost component remained at the same level.

Kochkovskoye deposit

Gold produced in 2020 and 2019 amounted to 29.6 and 29.4k ounces respectively. In 4Q 2020 6.4k ounces of gold were produced, representing a decrease by 44% in comparison with the same period of the previous year due to reduction of gold grade in ore processed. Gold sales were 29.1k and 28.1k ounces in 2020 and 2019 respectively. The sales in 4Q 2020 were 7.6k ounces which is 39% less than in the same period of the previous year due to lower volume of production in this period.

TCC for gold for 2020 was \$1,200 per ounce, which represents a 30% increase in comparison with 2019 (\$924) due to the decrease of production and sales volumes in the 4Q of 2020, while the fixed cost share in the cost of sales structure remained stable.

Nasedkino deposit

In 2020 16.8k ounces of gold were produced and 16.0k ounces of gold were sold.

- The gross profit of Mangazeya Mining Ltd in the year 2020 amounted to \$60.8 mln, and the gross profit margin was 47%. Both these indicators have increased in comparison with the previous year, which is connected mostly with the increase in sales volumes and the increase in average sales price.
- Administrative expenses in 2020 decreased by 19% compared to 2019.
- As a result, in 2020 the company had a positive adjusted EBITDA of \$58.7 million and adjusted EBITDA margin of 46% (compared to \$26.4 million and 33% in 2019).
- The finance expenses in 2020 increased by \$60 million compared to 2019, mainly because of loss on foreign exchange due to depreciation of the ruble on revaluation of a foreign currency loan, the loss on repayment of the loan in gold, bank commissions on early debt repayment to VTB Bank (PJSC), as well as fair value measurement of the derivative financial instrument within the agreement with PJSC Bank “Finance Corporation “Otkritie” (PJSC).
- As a result, the Company’s net loss for the year 2020 amounted of \$22.9 million.

Cash flow and capital resources

- For the 4Q and year 2020 the Company had a positive cash flow from operating activities before changes in working capital of \$20.6 million and \$51.5 million respectively.
- The Company invested \$19.0 million in 4Q 2020 and \$58.3 million in 2020 in property, plant and equipment and exploration and evaluation assets.
- In 4Q and year 2020 the company had a net positive cash flow from financing activities in the amount of \$11.5 and \$63.2 million, representing settlement and receipt of funds under bank loan agreements.

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

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