

MANGAZEYA MINING LTD ANNOUNCES ITS PRODUCTION RESULTS

TORONTO, ONTARIO, February 3, 2017 – 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, 2016.

Highlights:

- In 2016 Mangazeya produced 27.4k Oz of gold, a 19.2% decrease compared to the previous year. Gold production in 4Q was 6.1k Oz, a 52.7% decrease. Decrease of production was due to reduction in grades.
- Gold sales during 2016 was 27.5k Oz, a 18.2% decrease compared to the previous year, and gold sales for 4Q 2016 was 8.1k Oz, a 46.4% decrease y-o-y.
- Total rock moved for 2016 was 5,010k m³, a 23.8% increase compared to the previous year.
- Stripping ratio increased by 58.1% in 2016 compared to 2015 and by 124.4% in Q4 2016 compared to Q4 2015 due to mining of new pit areas.
- During 2016, total ore mined was 926kt (a 18.1% decrease y-o-y) with the average grade 1.10 g/t (a 32.5% decrease y-o-y). In Q4 2016, total ore mined was 151kt (a 36.0% decrease y-o-y) with the average grade 1.29 g/t (a 15.1% decrease y-o-y).
- For 2016, total ore stacked was 1,036kt (a 1.0% decrease y-o-y) with the average grade 1.21 g/t (a 16.6% decrease y-o-y). In Q4 2016, total ore stacked was 82kt (a 6.5% increase y-o-y) with the average grade 1.22 (-29.9% y-o-y).

| | Q4 2016 | Q4 2015 | Y-o-Y change | 2016 | 2015 | Y-o-Y change |
|---------------------------------------|--------------------|--------------------|-------------------------|-------------|-------------|-------------------------|
| Total rock moved, '000 m ³ | 1,452 | 1,077 | 34.8% | 5,010 | 4,048 | 23.8% |
| Stripping, '000 m ³ | 1,382 | 967 | 42.9% | 4,581 | 3,524 | 30.0% |
| Ore mined, kt | 151 | 236 | -36.0% | 926 | 1,131 | -18.1% |
| Stripping ratio, m ³ /t | 9.2 | 4.1 | 124.4% | 4.9 | 3.1 | 58.1% |
| Average grade in ore mined, g/t | 1.29 | 1.52 | -15.1% | 1.10 | 1.63 | -32.5% |
| Gold in ore mined, kg | 195 | 359 | -45.7% | 1,019 | 1,849 | -44.9% |
| Ore stacked, kt | 82 | 77 | 6.5% | 1,036 | 1,046 | -1.0% |
| Average grade in ore stacked, g/t | 1.22 | 1.74 | -29.9% | 1.21 | 1.45 | -16.6% |
| Gold in ore stacked, kg | 100 | 134 | -25.4% | 1,254 | 1,520 | -17.5% |
| Gold production, koz | 6.1 | 12.9 | -52.7% | 27.4 | 33.9 | -19.2% |
| Gold sold, koz | 8.1 | 15.1 | -46.4% | 27.5 | 33.6 | -18.2% |

Roman Kashuba, CEO of Mangazeya, commented: “2016 was a challenging year for us, however we have managed to increase the volume of our mining operations by almost 24%.

We are optimistic about 2017 year. We will be busy with the active phase of construction on Nasedkino deposit and we will plan to produce about 29 kOz on Savkino deposit for 2017.”

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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