

Mangazeya Mining Ltd announces signing of gold loan agreement with VTB Bank (PJSC) to Fund Expansions in Russia.

Tortola, British Virgin Islands (October 23, 2017) – Mangazeya Mining Ltd (NEX: MGZ.H) (“Mangazeya” or the “Company”) announces that it has signed gold loan agreement with VTB Bank (PJSC) to enter into senior secured term loan facility of up to 800 000 grams of fine weight (Eight Hundred Thousand grams of gold) to fund the Company’s production, development and exploration activities. The deal was approved by the Board of Directors of the Company on October 20, 2017. The funds are to be made available in three tranches – Tranche 1 size: max MUSD 22 or max 600 000.00 grams of gold, Tranche 2 size: max MUSD 8 or max 230 000.00 grams of gold, Tranche 3 size: max MUSD 5 or max 80 000.00 grams of gold.

The Parties:

The Creditor, the Bank – VTB Bank (PJSC)

The Borrower – Mangazeya Mining LLC (Russian subsidiary of Diascia Investments Limited)

The Metal – gold (A98), unallocated, bearing no identifying details (such as bar number, fineness and mark, name of manufacturer, etc.)

Subject Matter of the Agreement: The Bank shall transfer the Metal to the ownership of the Borrower under the terms and conditions as set forth in the Agreement, and the Borrower shall undertake to return the equal volume of Metal (and, in case of the Creditor’s exercising its contractual rights, the RUB equivalent of such volume of Metal), to pay interest on Loan and perform other contractual obligations.

The funds received from the sale of Metal, shall be used for the Borrower’s refinancing of its obligations in part of the credit funds used for financing of current costs of gold production in 2016 and 2017, financing of current operations, including creation of coverage on letter of credit, and granting loans to Russian Operation Companies, and financing of the Borrower’s activities as performed in its ordinary course of business in accordance with its Articles of Association, including working capital financing.

Final repayment: on the date falling One Thousand Ninety Five (1,095) calendar days after the date of the Agreement. The Loan repayment in metal shall be made by the Borrower in unallocated metal of the same kind as has been provided to the Borrower by the Bank.

The Borrower’s obligations will be secured under the Pledge of shares in the Russian legal entities owned by Mangazeya Mining Ltd and guarantees of Russian operation companies.

With the assistance of VTB Bank (PJSC) the Company has increased its financial strength required to meet its planned development growth targets.

About Mangazeya Mining Ltd.

Mangazeya Mining Ltd is a gold mining and exploration company with its assets based in eastern Russia. The common shares of Mangazeya Mining Ltd are listed and posted for trading on the Toronto Stock Exchange (NEX) with the “MGZ.H” ticker.

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Caution Concerning Forward-Looking Information

Caution Concerning Forward-Looking Information This news release contains forward looking statements within the meaning of the United States Private Securities Litigation Reform Act of 1995 and forward-looking information within the meaning of applicable Canadian securities laws (collectively, "forward-looking statements") relating, but not limited to, the Company's expectations, intentions and beliefs (including, without limitation, statements regarding, the Bridge Loan (including the timing of advances thereunder and the terms thereof), the Company's financial position, financial alternatives and the Company's ability to continue operations and the Loan Facility (including the occurrence of an event of default thereunder and its potential effect on the Company). Words such as "may", "will", "should", "anticipate", "plan", "expect", "believe", "estimate" and similar terminology are used to identify forward-looking statements. Such statements are based on assumptions, estimates, opinions and analysis made by the management of the Company in light of their experience, current conditions and their expectations of future developments as well as other factors which they believe to be reasonable and relevant. Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results to differ materially from those expressed or implied in the forward-looking statements. Risks and uncertainties that may cause actual results to vary include but are not limited to: the Company's ability to obtain additional financing on acceptable terms or at all; the Company's ability to demonstrate compliance with NEX listing requirements; changes in equity and debt markets; inflation; uncertainties relating to the availability and costs of financing needed to complete exploration, development and production activities; failure to establish estimated mineral resources or mineral reserves (the Company's mineral resource and mineral reserve figures are estimates and no assurances can be given that the indicated levels of gold will be produced); exploration costs varying significantly from estimates; delays in the exploration and development of, and/or commercial production from, the properties in which the Company has an interest; unexpected geological or hydrological conditions; the speculative nature of mineral exploration and development, including the uncertainty of reserve and resource estimates; operational and technical difficulties, including the failure of major mining and/or milling equipment; the ability of the Company to service its existing debt facilities; fluctuations in gold and other commodity prices; the existence of undetected or unregistered interests or claims, whether in contract or in tort, over the property of the Company; success of future exploration and development initiatives; competition; operating performance of facilities; environmental and safety risks, including increased regulatory burdens, seismic activity, weather and other natural phenomena; inability to, or delays in, obtaining necessary permits and approvals from government authorities; risks relating to labour; and other exploration, development and operating risks; changes to and compliance with applicable laws and regulations, including environmental laws; political, economic and other risks arising from the Company's activities in Russia; fluctuations in foreign exchange rates; and those risks set out in the Company's public documents filed on SEDAR. Although the Company believes that the assumptions and factors used in preparing the forwardlooking information are reasonable, undue reliance should not be placed on such information, which only applies as of the date of this news release, and no assurance can be given that such events will occur in the disclosed time frames or at all. Any forward-looking statement speaks only as of the date on which it is made and, except as may be required by applicable laws, the Company disclaims any intent or obligation to update any forward-looking statement, whether as a result of new information, future events or results or otherwise. Although the Company believes that the assumptions inherent in the forward-looking statements are reasonable, forward-looking statements are not guarantees of future performance and accordingly undue reliance should not be put on such statements due to the inherent uncertainty therein. Neither the TSX Venture

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