

NEWS RELEASE

Mangazeya Mining announces the filing of its 3Q 2021 Financial Statements and MD&A Quarterly highlights

TORONTO, ONTARIO, November 29, 2021 – Mangazeya Mining Ltd. (“**Mangazeya**” or the “**Company**”) (NEX: MGZ.H) announced the filing of its unaudited interim condensed consolidated financial statements (“Financial Statements”) and management’s discussion and analysis (“MD&A”) quarterly highlights for the three months and nine months ended September 30, 2021 as required by the National Instrument 51-102 Continuous Disclosure Obligations.

All figures are quoted in thousands of Canadian dollars unless otherwise indicated.

Third quarter and nine months 2021 highlights:

	3Q 2021	3Q 2020	Change	%	9M 2021	9M 2020	Change	%
Gold production, ounces	19,838	20,088	(250)	(1.2%)	50,818	34,234	16,584	48.4%
Refining gold, ounces	19,665	17,690	1,975	11.2%	48,701	29,663	19,038	64.2%
Gold sales, ounces	19,876	17,482	2,394	13.7%	49,097	31,004	18,093	58.4%
Ore mined, tonnes	593,567	379,187	214,380	56.5%	1,396,701	1,041,176	355,525	34.1%
Stripping ratio, m ³ /t	2.05	2.03	0.02	1.0%	2.34	1.93	0.41	21.3%
Ore processed, tonnes	415,839	561,177	(145,338)	(25.9%)	965,499	1,014,033	(48,534)	(4.8%)
Ore grade in ore processed, g/t	2.06	1.45	0.61	42.4%	2.08	1.47	0.61	41.1%
Revenue	44,570	45,746	(1,176)	(2.6%)	109,422	75,274	34,148	45.4%
Adjusted EBITDA ¹	23,008	22,411	597	2.6%	60,217	33,464	26,753	79.9%
Total cash cost per ounce								
Savkino (TCC), CAD ¹	-	1,283	(1,283)	(100.0%)	-	1,452	(1,452)	(100.0%)
Total cash cost per ounce								
Kochkovskoye (TCC), CAD	2,009	1,006	1,003	99.7%	1,793	1,165	628	53.9%
Total cash cost per ounce								
Nasedkino (TCC), CAD	650	1,229	(579)	(47.1%)	743	1,229	(486)	(39.5%)
Average gold price, CAD ¹	2,242	2,617	(375)	(14.3%)	2,229	2,428	(199)	(8.2%)
Cash balance	13,003	30,834	(17,831)	(57.8%)	13,003	30,834	(17,831)	(57.8%)
Cash flow from operating activities before changes in working capital	23,148	21,230	1,918	9.0%	59,690	30,903	28,787	93.2%
Cash flow used in investing activities	(8,835)	(15,908)	7,073	(44.5%)	(25,090)	(39,288)	14,198	(36.1%)
Cash flow (used in) / provided by financing activities	(14,837)	6,144	(20,981)	(341.5%)	(42,300)	51,690	(93,990)	(181.8%)

- The total revenue for the 9 months of 2021 increased by 45% as compared to the same period of the previous year in line with the increase in sales volumes by 58%.
- The gold production in 9 months 2021 amounted to 50.8k ounces, which represents a 48% increase in comparison with the same period of the previous year, due to the increased volumes of mining and production at Nasedkino deposit.

Savkinskoye deposit

In 3Q and 9 months of 2021 no gold has been produced or sold.

Kochkovskoye deposit

The gold produced in 3Q and 9 months of 2021 amounted to 5.5 and 10.1k ounces respectively, which is lower than in the same periods of the previous year in line with the planned reduction of volumes of mining.

The sales of gold were 5.7k and 9.7k ounces in 3Q 2021 and 9 months of 2021 respectively.

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 1Q 2021. 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.

TCC for gold sold in 9 months of 2021 was \$1,793 per ounce, which represents a 54% increase in comparison with the same period of the previous year (\$1,165) due to the decrease of production volumes, while the fixed cost share in the cost of sales structure remained stable.

Nasedkino deposit

In 3Q and 9 months of 2021 14.2k and 39.4k ounces of gold were sold. TCC for gold sold was \$650 and \$743 per ounce respectively.

- The gross profit of Mangazeya Mining Ltd for the 9 months of 2021 amounted to \$48.5 mln, and the gross profit margin was 44%. The increase of gross profit against the comparative period of the previous year by 38% is connected with the increase of revenue.
- The general and administrative expenses for the 9 months of 2021 were \$6.7 mln, representing a decrease of 28% compared to the same period of the previous year.
- In the 9 months of 2021 the Company had a positive adjusted EBITDA of \$60.2 million and an adjusted EBITDA margin of 55%.
- The finance expenses of the Company in the 9 months of 2021 amounted to \$23.6 million, including the expenses on derivative financial instruments of \$13.1 mln as well as interest expenses on bank loans in the amount of \$8.4 mln.
- The Company's net income for the third quarter and nine months of 2021 was \$4.8 million and \$19.5 million respectively.

Cash flow and capital resources

- For the 9 months of 2021 the Company had a positive cash flow of \$59.7 million from operating activities before changes in working capital, being a result of increased sales and favorable market prices.
- In 9 months of 2021 the Company invested \$18.8 million and \$2.5 million in property, plant and equipment and exploration and evaluation assets respectively.
- In 9 months of 2021 the Company's cash outflow on financing activity was \$42.3 million, representing a settlement under bank loan agreements, payments under finance lease and financial instruments.

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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