

NEWS RELEASE

Mangazeya Mining announces the filing of its 2021 Year-end Financial Statements and MD&A, and financial results

TORONTO, ONTARIO, April 29, 2022 – Mangazeya Mining Ltd. (“**Mangazeya**” or the “**Company**”) (NEX: MGZ.H) announced the filing of its audited consolidated financial statements (“Financial Statements”) and management’s discussion and analysis (“MD&A”) for the financial year ended December 31, 2021 as required by the National Instrument 51-102 Continuous Disclosure Obligations.

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

Fourth quarter and 2021 highlights:

	4Q 2021	4Q 2020	Change	%	2021	2020	Change	%
Gold production, ounces	37,048	17,328	19,720	113.8%	87,866	51,562	36,304	70.4%
Refining gold, ounces	37,732	21,067	16,665	79.1%	86,433	50,729	35,704	70.4%
Gold sales, ounces	36,818	20,991	15,827	75.4%	85,915	51,995	33,920	65.2%
Ore mined, tonnes	498,174	302,599	195,575	64.6%	1,894,875	1,343,775	551,100	41.0%
Stripping ratio, m ³ /t	2.75	2.23	0.52	23.3%	2.45	2.00	0.45	22.5%
Ore processed, tonnes	387,526	326,450	61,076	18.7%	1,353,025	1,340,975	12,050	0.9%
Ore grade in ore processed, g/t	3.10	1.99	1.11	55.8%	2.37	1.60	0.77	48.1%
Revenue	83,897	53,087	30,810	58.0%	193,319	128,361	64,958	50.6%
Adjusted EBITDA ¹	57,905	25,452	32,453	27.5%	118,122	58,731	59,391	101.1%
Total cash cost per ounce								
Savkino (TCC), CAD ¹	-	1,843	(1,843)	(100.0%)	-	1,533	(1,533)	(100.0%)
Total cash cost per ounce								
Kochkovskoye (TCC), CAD	1,812	1,294	518	40.0%	1,799	1,200	599	49.9%
Total cash cost per ounce								
Nasedkino (TCC), CAD	457	923	(466)	(50.0%)	614	1,001	(387)	(38.7%)
Average gold price, CAD ¹	2,233	2,529	(296)	(11.7%)	2,223	2,465	(242)	(9.8%)
Cash balance	37,799	45,734	(7,935)	(17.4%)	37,799	45,734	(7,935)	(17.4%)
Cash flow from operating activities before changes in working capital	56,227	20,575	35,652	73.3%	115,917	51,478	64,439	125.2%
Cash flow used in investing activities	(12,897)	(19,004)	(6,107)	(32.1%)	(37,987)	(58,292)	20,305	(34.8%)
Cash flow (used in) / provided by financing activities	(5,173)	11,511	(16,684)	(144.9%)	(47,473)	63,201	(110,674)	(175.1%)

- In 2021 the total revenue of the Group increased by 51% compared to the previous year in line with the increase in sales volumes by 65%.
- The total gold production in 2021 amounted to 87.9k ounces, which represents a 70% increase in comparison with the previous year, mostly because of the higher volumes of production and processing of ore with higher concentration of gold at Nasedkino deposit.
- The Group had a total net negative cash flow of \$7.3 million in 2021, that also excludes a payment under the bank loan agreement in the amount of \$9.4 million (7.5 million USD) that was technically rescheduled from December 2021 to January 2022.
- The decrease of the total cash cost per ounce at Nasedkino deposit among other factors is attributed to processing of ore with a high concentration of gold (2.9 g/t) in 2021, it is expected that in 2022 and onwards this parameter would be of a lower level.
- The recent developments in relation to the geopolitical environment since the end of February 2022 and the corresponding serious sanction measures imposed on Russia represent significant

¹The adjusted EBITDA, total cash cost and average gold price are non-IFRS performance measures explained on page 3 of this News Release. 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.

challenges for the Company's operations and its financial position (see below 'subsequent events').

Savkinskoye deposit

In 2021 no gold has been produced or sold, the Company resumed stripping activities at the end of 2021 and plans to resume production in 2022.

Kochkovskoye deposit

The gold produced in 4Q and in the year 2021 amounted to 3.5 and 13.6k ounces respectively, which is lower than in the same periods of the previous year due to reduction of mining and processing activities in part of oxidized ore.

The sales of gold were 4.1k and 13.5k ounces in 4Q 2021 and 2021 respectively.

The average TCC for gold mined at Kochkovskoye for 2021 was \$1,799 per ounce, which represents a 50% increase in comparison with 2020 (\$1,200) due to the decrease of production and sales volumes, while the fixed cost share in the cost of sales structure remained stable.

Nasedkino deposit

In 4Q and in the year 2021 respectively 33.6k and 74.3k ounces of gold were produced representing a significant increase in comparison with the previous year due to higher volumes of gold mined and processed.

In 4Q and in the year 2021 respectively 32.7k and 72.1k ounces of gold were sold.

The TCC for gold sold amounted to \$614 per ounce that is by 39% lower than in the comparative period due to the effect of decrease of the fixed cost component in the cost of sales structure per one unit sold because of the increased volumes of production and sales. The decrease is also related to processing of the ore of a higher gold grade that is a temporary factor applicable for the reporting period (2021), the Company expects this parameter to be of a lower level since 2022 and onwards.

- The gross consolidated profit of Mangazeya Mining Ltd for the 2021 amounted to \$103.4 mln, and the gross profit margin was 53%. The increase of gross profit against the comparative period by 70% due to higher revenue as well as the reduction of the fixed costs share in the cost of sales structure of Nasedkino due to higher amount of production and sales volumes.
- The general and administrative expenses for 2021 were \$9.9 mln, representing a decrease of 15% compared to the same period of the previous year.
- In the 2021 the Company had a positive adjusted EBITDA of \$118.1 million and an adjusted EBITDA margin of 61%.
- The finance expenses of the Company in 2021 totaled \$56.0 million, including the expenses on derivative financial instruments of \$39.8 mln as well as interest expenses on bank loans in the amount of \$11.3 mln.
- The Company's net income for the year 2021 was \$51.8 million.

Cash flow and capital resources

- In 2021 the Company had a positive cash flow of \$115.9 million from operating activities before changes in working capital, being a result of increased volumes of sales and stable market prices.
- During 2021 the Company invested \$38.0 million in technical enhancement of the production facilities, exploration and evaluation activities and upgrade of IT infrastructure.
- In 2021 the Company's cash outflow on financing activity was \$47.5 million, representing settlements under bank loan agreements, payments in regard to finance lease obligations and

financial instruments. This excludes the payment under the bank loan agreement in the amount of \$9.4 million (7.5 million USD) that was technically rescheduled from December 2021 to January 2022.

Subsequent events

The deterioration of the geopolitical situation resulting from the conflict in Ukraine rapidly developing since the end of February 2022 has led to severe economic sanctions adopted by the United States, the European Union, the United Kingdom, Canada and other countries against Russian Federation. The already adopted measures and announced future restrictions represent significant challenges and an increased level of uncertainty for the Russian economy in general and specific industries in particular, including the metals and mining sector. The management of the Company considers the main factors of risk:

- the global disruptions in the supply chains, leading to higher operational and capital costs for the Company.
- the sanctions imposed on the banking system imply difficulties of access to capital markets, resulting in increased borrowing rates
- the general macroeconomic environment may affect the gold sales by the increased discounts to the gold price.

While the management assumes that the Company will be able to continue its current operational activities and work on the achievement of its business goals, the unprecedented sanctions already adopted and possible in the future, and further unpredictable developments of economic and political situation are expected to have an impact on the financial results of 2022.

Non-IFRS measures

- The adjusted EBITDA is a non-IFRS measure used by the Company to analyze its performance in regard to its ordinary operational activity and also for comparison purposes with the other companies in the industry excluding non-recurring and irregular items.
- The Total Cash Cost (TCC) is a non-IFRS measure that is used by the Company to evaluate and analyze its performance and for comparison purposes between own assets as well as with other companies in the industry.
- The average price of gold sales is a non-IFRS measure that is used for analytical purposes and represents the total revenue from the sales of gold divided by the total amount of units sold.

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

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, the Company's financial position, financial alternatives and the Company's ability to continue operations. 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 forward-looking 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 Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.