

Mangazeya Mining Ltd. Announces the Completion of a US\$700,000 Unsecured Loan

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Toronto, July 30, 2019 - [Mangazeya Mining Ltd.](#) (NEX: MGZ.H) ("Mangazeya" or the "Company") is pleased to announce that it has received NEX approval for the unsecured loan of up to USD\$700,000 (the "Loan") from Mangazeya Center LLC (the "Lender") and that the first tranche of funds has been advanced. The Company first announced the Loan transaction on July 12, 2019. The proceeds of the Loan will be used for general working capital purposes.

First Advance Under the Unsecured Loan

On July 12, 2019, the Company announced that it had signed an agreement for the Loan. The Loan is unsecured, bears interest at a rate of 6% per annum and matures on December 31, 2025. The Lender is a Russian company beneficially owned, directly or indirectly, by Mr. Sergey Yanchukov, the Company's Chief Executive Officer and controlling shareholder.

By virtue of Mr. Yanchukov's status as an insider of the Company (as the Chief Executive officer and a shareholder holding more than 10% of the issued and outstanding common shares of the Company), the provision of the Loan constitutes a related party transaction under Multilateral Instrument 61-101 Protection of Minority Security Holders in Special Transactions ("MI 61-101"). However, pursuant to paragraphs 5.5(a) and 5.7(1)(a) of MI 61-101, an exemption from the formal valuation requirement is available as the fair market value of the consideration for the Loan does not exceed 25% of the Company's market capitalization. As at the close of business on July 26, 2019 (being the last business day preceding the calendar month in which the loan agreement was entered into) the Company had 1,288,211,149 common shares outstanding and the closing price of the common shares on that day was C\$0.035. The market capitalization of the Company at that time was C\$45,087,390. Assuming the Loan is fully funded upon closing, the estimated fair market value of the consideration for the Loan (being the interest on the Loan) is approximately US\$147,000 (C\$193,775 using the Bank of Canada US/Canada daily exchange rate as of July 26, 2019) or approximately 0.43% of the Company's market capitalization. The Loan and its related party transaction component is also disclosed in the Company's material change report which will be filed on SEDAR.

The Company is continuing to review additional financing alternatives to ensure its ability to continue operations. However, if the Company does not secure additional financing prior to maturity of the Loan, the Company will not have sufficient funds to continue operations.

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.

Caution Concerning Forward-Looking Information

This news release may contain 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 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. 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 inability to obtain additional financing on acceptable terms or at all; the Company's inability to obtain NEX approval of the Loan in a timely manner or at all; 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.

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