MOSCOW, Feb. 10, 2016 /CNW/ - Mangazeya Mining Ltd. (the "Company" or "Mangazeya") (NEX: "MGZ.H") announces that it has entered into a shares for debt agreement (the "Agreement") with Mangazeya Center LLC, a company wholly owned by Mr. Sergey Yanchukov, the Chief Executive Officer and controlling shareholder of the Company (the "Controlling Shareholder"). Pursuant to the Agreement, the Company will settle CAD$201,230,563.54 of debt by issuing 804,922,254 Common Shares to the Controlling Shareholder (the "Transaction") at a deemed price of $0.25 per Common Share (the "Share Price").

The Share Price represents a 733% premium to Mangazeya's closing share price of CAD$0.03 as of February 9, 2016. The Controlling Shareholder has agreed to purchase the Common Shares to be issued as part of the Transaction (the "Shares") at a premium in order to maintain the Company's free float of Common Shares above 10%.

Mangazeya expects the Transaction will enhance the Company's liquidity and improve the Company's prospects of raising additional capital in the future in order to advance its mining projects.

The NEX and TSX Venture Exchange (collectively, the "Exchanges") have determined that the Transaction will constitute a reactivation of the Company. As such, the Company intends to submit to the TSX Venture Exchange a reactivation application to be listed on Tier 2 of the TSX Venture Exchange once the Transaction is completed.

The Company has determined that exemptions from the various requirements of TSX Venture Exchange Policy 5.9 and Multilateral Instrument 61-101 are available for the issuance of the Shares to the Controlling Shareholder (i.e., Minority Approval Requirement – Financial Hardship). The issuance of the Shares is subject to TSX Venture Exchange final acceptance.
The Shares will be subject to a statutory hold period of four months from the date of issuance in accordance with applicable securities laws.

A material change report (the "MCR") will be filed on SEDAR and will be available for review at www.sedar.com under Mangazeya's profile. A copy of the MCR can also be obtained from the contact below.

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.

Neither the NEX Board, 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 press release.

Forward-Looking Information

This news release contains forward-looking statements and other statements that are not historical facts. Forward-looking statements are often identified by terms such as "will", "may", "should", "anticipate", "expects", "intends" and similar expressions. All statements other than statements of historical fact included in this release, including, without limitation, those regarding the Transaction, Reactivation and the Company's ability to raise additional capital in the future, are forward-looking statements that involve risks and uncertainties. There can be no assurance that such statements will prove to be accurate and actual results and future events could differ materially from those anticipated in such statements. Important factors that could cause actual results to differ materially from Mangazeya's expectations include, but are not limited to, risks related to the Exchanges not approving the Transaction or Reactivation, adverse market conditions, general capital markets conditions, legislative and regulatory developments, as well as those factors discussed in Mangazeya's documents filed on SEDAR (www.sedar.com).

Although Mangazeya has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking information, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such information will prove to be accurate, as actual results and future events could differ materially from those anticipated. As a result, the reader is cautioned not to place undue reliance on any forward-looking information. Mangazeya does not undertake to update any forward-looking statements that are contained herein, except in accordance with applicable securities laws. Additional information on Mangazeya is available at www.sedar.com.

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