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**MKANGO RESOURCES ANNOUNCES RESULTS OF UPDATED PRE-FEASIBILITY STUDY FOR
THE SONGWE HILL RARE EARTH PROJECT IN MALAWI**

Calgary, Alberta: November 9, 2015 – Mkango Resources Ltd. (TSXV-MKA) (the “**Corporation**” or “**Mkango**”) is pleased to announce the results of the updated Pre-feasibility Study (the Study) for the Songwe Hill Rare Earth Project. Capital expenditure (Capex) and operating costs (Opex) in the Study have been updated to reflect movements in equipment, reagent and other costs, in addition to exchange rates. Furthermore, for the purposes of the Study, the Corporation commissioned a rare earth market review from Adamas Intelligence (Adamas) to evaluate the future rare earth market in the context of Mkango’s potential development timeframe. The results of the updated Study are as follows:

- **After-tax net present value (NPV_{10%}) of US\$345 million and after-tax internal rate of return (IRR) of 37% based on a long term rare earth basket value of US\$59.8 per kg rare earth oxide (REO).**
- **Initial Capex of US\$216 million, including a contingency of US\$20 million, remains among the lowest in the rare earth sector.**
- **Cash operating costs average US\$13.0 per kg REO for the first 5 years of production and US\$16.4 per kg REO for the life of mine with an additional cost of US\$10.0 per kg REO to account for the cost or discount associated with tolling or the sale of a chemical concentrate.**
- **Production of 2,841 tonnes of REO in mixed chemical concentrate per year over an 18 year mine life.**
- **A large proportion of the cerium is removed during the hydrometallurgical process, significantly enhancing the basket value of production.**
- **Over 80% of basket value is attributable to rare earths used in high growth permanent magnet applications, comprising over 65% attributable to neodymium and praseodymium, and over 15% to the heavy rare earths, dysprosium and terbium.**

William Dawes, Chief Executive Officer of Mkango stated: “The market review, completed in conjunction with the updated Pre-feasibility study, validates our strategy and focus on the “big four” magnet rare earths, which have a strong market outlook, geared to China’s emerging green economy and growing consumer demand, and make up over 80% of our potential future revenue.

Benchmarking analyses completed internally by Mkango and independently by Adamas Intelligence indicates that Mkango is favourably positioned with a combination of low capex and opex versus its peer group of advanced stage rare earth projects at the Pre-feasibility or Feasibility stage.”

Market Review

Adamas forecasted three different scenarios for future global REO production from 2015 through 2020:

1. “Business as Usual” scenario (Base Case)
 - China’s Ministry of Land and Resources (MLR) holds production quotas steady at 2015 levels through 2020
 - Illegal/unregulated REO production in China will decrease by 56% over the same period
 - Australian production reaches 22,000 tonnes of total rare earth oxide (TREO) per annum by 2018 and flat thereafter
 - Production from all other nations combined will remain flat at 2015 levels through 2020
2. “Low Production” scenario (Scenario 2)
 - MLR will hold the nation’s production quotas steady at 2015 levels through 2020
 - Illegal/unregulated REO production in China fully eliminated by 2020
 - Australian production reaches 22,000 tonnes of TREO per annum by 2018 and flat thereafter
 - Production from all other nations combined will remain flat at 2015 levels through 2020
3. “High Production” scenario (Scenario 3)
 - MLR will increase national production quota levels by 4,000 tonnes in 2017 (versus 2015), and by an additional 4,000 tonnes in 2019, thereafter holding steady through 2020
 - Illegal/unregulated REO production in China fully eliminated by 2020
 - Australian production reaches 22,000 tonnes of TREO per annum by 2018 and flat thereafter
 - Production from all other nations combined will remain flat at 2015 levels through 2020
 - One new light rare earth producer and one new heavy rare earth producer come into production in 2018

Adamas forecasts that global TREO demand will total approximately 125,000 tonnes in 2015 and will increase for individual REOs by 1% to 13% annually through 2020. In 2020, Adamas forecasts that global TREO demand will conservatively amount to approximately 150,750 tonnes.

Global TREO demand growth is forecasted to be driven heavily by strong demand growth for neodymium oxide, praseodymium oxide, dysprosium oxide, lanthanum oxide, and others from 2015 through the end of the decade, with the permanent magnet and fuel cracking catalyst sectors the key drivers. In all three supply-demand scenarios considered from 2015 through 2020, Adamas forecasts that global demand for oxides of neodymium, praseodymium, dysprosium, terbium, lanthanum, and yttrium will significantly exceed global annual production in the year 2020 implying significantly higher prices versus those currently in 2015.

Forecasted per-REO contribution to Songwe Hill basket value in 2020

Rare earth oxide	Adamas 2020 Price Scenarios			September 2014 Pre-feasibility Study US\$/kg
	November 2015 "Business as Usual"	November 2015 "High Production"	November 2015 "Low Production"	
	Base Case US\$/kg	Scenario 3 US\$/kg	Scenario 2 US\$/kg	
Lanthanum	3.12	2.35	3.61	2.91
Cerium	0.42	0.33	0.43	0.71
Praseodymium	8.62	7.52	8.98	7.31
Neodymium	31.56	28.19	33.24	20.58
Samarium	0.18	0.15	0.18	0.32
Europium	4.52	3.49	4.67	10.04
Gadolinium	1.17	1.02	1.23	1.07
Terbium	1.94	1.69	2.12	2.35
Dysprosium	7.22	6.37	7.87	7.81
Yttrium	1.00	0.84	1.41	1.91
Holmium ¹				
Erbium ¹				
Thulium ¹				
Ytterbium ¹				
Lutetium ¹				
Basket value (US\$/kg)	59.76	51.95	63.75	55.01
% "Magnet" rare earths²	82.6%	84.3%	81.9%	69.2%

¹ No value currently attributed to these rare earths in the financial evaluation

² "Magnet" rare earths assumed to be neodymium, praseodymium, dysprosium and terbium

Economic Analysis

A detailed financial model was constructed based on input parameters from the updated Study. Free cash flows were modelled in both real and nominal terms for a range of discount rates, and on a debt free basis. Long term rare earth price assumptions were based on the Adamas Base Case pricing scenario, resulting in the equivalent price for a total rare earth basket for Songwe Hill of US\$59.8 per kg REO. Prices are assumed to remain flat in real terms over the life of the mine.

Financial evaluation	Nominal	Real	November 2015	November 2015	November 2015	September 2014
	discount rate ¹	discount rate	Pre-feasibility Study Base Case Pricing Post tax NPV US\$m	Pre-feasibility Study Scenario 3 Pricing Post tax NPV US\$m	Pre-feasibility Study Scenario 2 Pricing Post tax NPV US\$m	Pre-feasibility Study Post tax NPV US\$m
	9.0%	6.3%	385	258	446	326
Base case	10.0%	7.3%	345	228	400	293
	11.0%	8.3%	308	201	359	262
	12.0%	9.3%	276	177	323	234
	13.0%	10.2%	248	156	290	210
	14.0%	11.2%	222	137	261	188
	Nominal internal rate of return		37%	29%	40%	36%
	Real internal rare of return		33%	26%	36%	32%
	Long term basket value assumption (US\$/kg)		59.8	52.0	63.8	55.0
	% of basket value attributable to "Magnet" rare earths ²		83%	84%	82%	69%

¹ Includes inflation at 2.5% ² "Magnet" rare earths are assumed to neodymium, praseodymium, dysprosium and terbium

The main revenue drivers are neodymium (53%), praseodymium (14%) and dysprosium (12%) as illustrated below.

Rare earth oxide		REO in conc ¹ tonnes	REO in conc split	REO in conc US\$/kg	REO in conc split by value
Lanthanum	La2O3	1,075	37.8%	3.1	5.2%
Cerium	CeO2	341	12.0%	0.4	0.7%
Praseodymium	Pr6O11	227	8.0%	8.6	14.4%
Neodymium	Nd2O3	756	26.6%	31.6	52.8%
Samarium	Sm2O3	114	4.0%	0.2	0.3%
Europium	Eu2O3	27	0.9%	4.5	7.6%
Gadolinium	Gd2O3	62	2.2%	1.2	2.0%
Terbium	Tb4O7	7	0.3%	1.9	3.3%
Dysprosium	Dy2O3	35	1.2%	7.2	12.1%
Yttrium	Y2O3	165	5.8%	1.0	1.7%
Holmium ²	Ho2O3	6	0.2%		
Erbium ²	Er2O3	13	0.5%		
Thulium ²	Tm2O3	2	0.1%		
Ytterbium ²	Yb2O3	10	0.3%		
Lutetium ²	Lu2O3	1	0.0%		
Average annual production REO in concentrate		2,841	100.0%	59.8	100.0%
Average "magnet" REO production in concentrate³		1,026	36.1%	49.3	82.6%

¹ Average annual at full capacity excluding first and last years

² No value currently attributed to these rare earths in the financial evaluation

³ "Magnet" rare earths assumed to be neodymium, praseodymium, dysprosium and terbium

Project Overview

The Study is based on a conventional open pit operation using contract mining, a mine life of 18 years with targeted first production in 2018, and is focused on the Probable Mineral Reserve Estimate. Based on the input parameters in the updated Study the Probable Mineral Reserve Estimate remains unchanged at 8.5 million tonnes grading 1.60% TREO using a cut-off grade of 1.0% TREO as reported in September 2014. The annual processing capacity was assumed at 500,000 tonnes per year of ore with a view to producing an average of approximately 2,840 tonnes of REO in mixed chemical concentrate per year.

Operating costs

Cash operating costs include the costs of contract mining, milling, flotation, leaching, purification and precipitation in addition to other costs associated with the operation. The Study also assumes an additional cost of US\$10.0 per kg REO to account for the cost or implied discount associated with toll separation or the sale of a mixed chemical concentrate.

Real operating costs	Life of mine	Life of mine	2018-2022	2018-2022
	US\$/kg REO	US\$/t processed	US\$/kg	US\$/t processed
Mining	4.1	23.5	3.0	21.1
Beneficiation	3.7	21.2	3.0	21.0
Hydrometallurgical	7.1	40.4	5.7	40.3
G & A / other	1.5	8.6	1.3	8.6
Cash operating costs	16.4	93.6	13.0	91.1
Tolling / conc sale	10.0	56.9	10.0	70.9
Total cash costs	26.4	150.5	23.0	162.0

Capital expenditure

The largest Capex component is an integrated processing plant comprising a mill, flotation plant, hydrometallurgical plant, and a sulphuric acid plant with power co-generation capacity. The capex estimate for the integrated processing plant was completed by SNC-Lavalin (Pty) Ltd. and is to an accuracy defined as (-20 % +25 %) covering the design, engineering, procurement, supply/manufacture, construction and pre-commissioning of the proposed new processing facility and associated plant complex infrastructure. Other major capex items include the cost of a lined tailings storage facility provided by Epoch Resources (Pty) Ltd.

Initial capital expenditure	US\$m
Site facilities and infrastructure	21.8
Power supply	14.5
Mining	1.7
Beneficiation plant	43.0
Hydrometallurgical plant	54.4
Sulphuric acid plant	34.7
Tailings storage facility	12.7
Other costs	14.0
Total initial capital expenditure	196.6
Contingency	19.7
Total initial capital expenditure including contingency	216.3

Total initial capital expenditure is US\$216.3m including a contingency of US\$19.7m.

Capital expenditure after initial Project development costs are estimated to be US\$1m per year for sustaining capital. The costs of future reclamation are assumed to be provided for by Mkango on an annual basis for the life of the mine and are included in operating costs (G&A/other).

Qualified Persons

An updated NI 43-101 Technical Report supporting the Study is being prepared by The MSA Group (Pty) Ltd. under the guidance of Rob Croll, Principal Consultant for The MSA Group (Pty) Ltd., who is a “Qualified Person” in accordance with National Instrument 43-101 – *Standards of Disclosure for Mineral Projects*.

The Mineral Reserve calculation was completed by The MSA Group (Pty) Ltd. under the supervision of Clive Brown, who is a “Qualified Person” in accordance with National Instrument 43-101 – *Standards of Disclosure for Mineral Projects*.

The process design and cost estimation for the integrated processing plant for the Study was completed by SNC-Lavalin (Pty) Ltd. under the supervision of Nick Dempers who is a “Qualified Person” in accordance with National Instrument 43-101 – *Standards of Disclosure for Mineral Projects*.

The design and cost estimation for the infrastructure associated with the integrated processing plant for the Study was completed by SNC-Lavalin (Pty) Ltd. under the supervision of Craig de Jager who is a “Qualified Person” in accordance with National Instrument 43-101 – *Standards of Disclosure for Mineral Projects*.

The NI 43-101 compliant Technical Report in respect of the results of the Study described herein will be filed on SEDAR within the next 45 days.

Independence of Qualified Persons

All of the Qualified Persons referred to in this press release are independent of Mkango Resources Limited.

The Songwe Hill Rare Earth Project

The Songwe Hill Rare Earth Project is located within the 100% owned Exclusive Exploration Licence 0284/10R in southeast Malawi. The Project is accessible by road from Zomba, the former capital, and Blantyre, the principal commercial town of Malawi. Total travel time from Blantyre is approximately 2 hours, which will reduce as infrastructure continues to be upgraded in the area.

About Mkango Resources Ltd.

Mkango's primary business is the exploration for rare earth elements and associated minerals in the Republic of Malawi, a country whose hospitable people have earned it a reputation as “the warm heart of Africa”. Mkango holds, through its wholly owned subsidiary Lancaster Exploration Limited, a 100% interest in two exclusive prospecting licenses in southern Malawi. The main exploration target is the Songwe Hill rare earth deposit, which features carbonatite hosted rare earth mineralisation and was subject to previous exploration in the late 1980s.

The Corporation's corporate strategy is to further develop the Songwe Hill rare earth deposit and secure additional rare earth element and other mineral opportunities in Malawi and elsewhere in Africa.

On behalf of the Board of Mkango Resources Ltd.,

"William Dawes"

Chief Executive Officer

Cautionary Note Regarding Forward-Looking Statements

This news release may contain forward-looking statements relating to the Corporation. Readers are cautioned not to place undue reliance on forward-looking statements, as there can be no assurance that the plans, intentions or expectations upon which they are based will occur. By their nature, forward-looking statements involve numerous assumptions, known and unknown risks and uncertainties, both general and specific, that contribute to the possibility that the predictions, forecasts, projections and other forward-looking statements will not occur, which may cause actual performance and results in future periods to differ materially from any estimates or projections of future performance or results expressed or implied by such forward-looking statements. Such factors and risks include, among others, the interpretation and actual results of current exploration activities; uncertainty of estimates of mineral resources, changes in project parameters as plans continue to be refined; future commodity prices; possible variations in grade or recovery rates; failure of equipment or processes to operate as anticipated; labour disputes and other risks of the mining industry; delays in obtaining governmental approvals or financing or in the completion of exploration. The forward-looking statements contained in this press release are made as of the date of this press release. Except as required by law, the Corporation disclaims any intention and assume no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by applicable securities law. Additionally, the Corporation undertakes no obligation to comment on the expectations of, or statements made, by third parties in respect of the matters discussed above.

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