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**MKANGO RESOURCES ANNOUNCES FIRST DAY OF DEALINGS ON AIM AND COMPLETION OF
£1 MILLION (C\$1.8 MILLION) PLACING**

Calgary, Alberta: June 15, 2016 – Mkango Resources Ltd. (TSX-V:MKA) (the "**Corporation**" or "**Mkango**"), a mineral exploration company focused on the Songwe Hill Rare Earths Project in the Republic of Malawi, is pleased to announce that trading in its shares will commence at 8.00am BST today on the AIM market ("**AIM**") of the London Stock Exchange. Mkango will trade on AIM under the ticker symbol MKA.L. In conjunction with admission to AIM, the Corporation has completed its previously announced placing to raise gross proceeds of £1 million (approximately C\$1.8 million) (the "**Placing**"). Under the terms of the Placing, the Corporation has issued 30,303,030 units (the "**Units**") at a price of 3.3 pence per Unit. The Corporation's Admission Document, dated 31 May 2016 and prepared in connection with the admission to AIM, is available under the Corporation's profile at www.sedar.com and on its website at www.mkango.ca.

William Dawes, Chief Executive of Mkango, stated:

"We are very pleased to announce the successful AIM listing and placing, which together with our listing on TSX-V, provides the company with a strong platform moving forward. Over the last five years, Mkango has advanced the Songwe Hill rare earth project in Malawi from an early stage exploration target to an updated pre-feasibility in November 2015 (NPV₁₀ US\$345 million), and is now one of the very few listed rare earth companies globally with an advanced stage rare earth project, and the only focused rare earth company listed on the London Stock Exchange."

"Based on extensive benchmarking and industry analysis, I am confident that Mkango has the potential to be a future low capex, lowest cost quartile, sustainable producer of rare earths, thereby providing a strong foundation for entering into partnerships, marketing and offtake arrangements."

"Approximately 50% of global rare earth demand is attributable to clean technologies so we are well positioned to benefit from global growth in this sector, for example hybrid and electric vehicles, wind power and catalytic convertors. Furthermore, in terms of other rare earth applications, we anticipate China, India and emerging economies to fuel a long-term surge in consumer technology demand growth."

"Our shareholders can continue to expect regular communication on developments relating to the company, the rare earths market and Malawi, and we intend to maintain a transparent and clear line of communication with the market."

The Placing

Each Unit consists of one common share of the Corporation (a "Common Share") and one Common Share purchase warrant (a "Warrant"). Each whole Warrant will entitle the holder to acquire one Common Share at a price of 6.6 pence for a period of 3 years following the closing date of the Placing.

If the closing price of the Common Shares on AIM exceeds 19.8 pence for at least 20 consecutive trading days following the date that is four months after the date of issuance of the Warrants, the Corporation shall have the right, exercisable within three business days thereafter, to accelerate the expiry of the Warrants to 20 business days after the issuance of a news release announcing the new expiry date.

The expected proceeds of the Placing will provide the Corporation with sufficient working capital for a period of one and a half years from completion of the Placing.

SP Angel is Nominated Advisor and Broker in relation to the admission to AIM, and Jub Capital was placing agent for the Placing. A cash commission of £100,000 was paid in connection with the Placing.

Jub Capital will be paid a corporate advisory fee satisfied by the issuance of 333,333 Common Shares.

The securities issued in connection with the Placing, will be subject to the applicable four month hold periods in Canada, in accordance with applicable securities laws and the rules of the TSX-V.

Pre-Feasibility Study

In November 2015, Mkango announced the results of an updated Pre-feasibility study for the Songwe Hill rare earth project:

- After-tax net present value (NPV_{10%}) of US\$345 million and after-tax internal rate of return (IRR) of 37%
- Initial Capex of US\$216 million, including a contingency of US\$20 million, remains among the lowest in the rare earth sector

The press release in relation to the Pre-feasibility Study is available to be downloaded from Mkango's website via the following link: <http://www.mkango.ca/i/pdf/nr/NR-2015-11-09.pdf>. The Technical Report is available to be downloaded from Mkango's profile on SEDAR (www.sedar.com) and is also included in the Admission Document.

Stock Options

Subject to regulatory approval, Mkango has granted a total of 6,650,000 new stock options ("Options") to directors and officers of the Corporation. The Options have an exercise price of C\$0.06 per common share, will vest over the next two years and are valid for a period of 10 years from the date of grant. Mkango also accepted for cancellation 1,969,999 existing options, as adjusted for the previously announced consolidation, held by directors and officers of the Corporation.

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 in the Phalombe licence is the Songwe Hill rare earth deposit, which features carbonatite hosted rare earth mineralisation and was subject to previous exploration in the late 1980s and for which Mkango completed an updated Pre-feasibility study in November 2015 as discussed above.

Cautionary Note Regarding Forward-Looking Statements

This news release may contain forward-looking statements. 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, without limiting the foregoing, delays in obtaining financing or governmental or stock exchange approvals.

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 assumes 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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This press release does not constitute an offer to sell or a solicitation of an offer to buy any equity or other securities of the Corporation in the United States. The securities of the Corporation will not be registered under the United States Securities Act of 1933, as amended (the "U.S. Securities Act") and may not be offered or sold within the United States to, or for the account or benefit of, U.S. persons except in certain transactions exempt from the registration requirements of the U.S. Securities Act.