



MKANGO RESOURCES LTD.
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MKANGO RECEIVES REGULATORY APPROVAL FOR NOBLE TRANSACTION AND CLOSSES £450,000 PLACING

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Calgary, Alberta: December 30, 2016 - Mkango Resources Ltd. (TSXV / AIM: MKA) (the "**Company**" or "**Mkango**"), is pleased to announce that it has received regulatory approval for its previously announced agreement (the "**Agreement**") to collaborate with Noble Resources International ("**Noble**") in the rare earths sector and for the £450,000 placing (the "**Placing**") with existing shareholders and new institutional investors.

The press release relating to the Agreement can be accessed via the following link: <http://www.mkango.ca/s/news.asp?ReportID=773885>. In connection with the Agreement, Mkango has issued 12 million common share purchase warrants ("**Warrant**") to Noble, aligning Noble's interests with those of Mkango's shareholders. Each whole Warrant will entitle Noble to acquire one common share of the Company at a price of 6.6 UK pence until December 30, 2018. The Warrants give Noble the right to acquire up to a 12.5% interest in Mkango. In connection with the Agreement and in respect of ongoing advice in the Asian and Australian markets, Zenith Advisory Services Pty Ltd. has been issued with warrants to acquire 1.2 million common shares of the Company on the same terms as those issued to Noble.

Complementary to and on the basis of the Agreement, Mkango completed a Placing of 12,857,124 common shares at 3.5 UK pence per common share ("**Share**") to raise £450,000 (£430,125 net of finders' fees). As a result two specialist Swiss mutual funds, the Rare Earth Elements Fund and the Metals Exploration Fund, each hold an interest of 3.6% in Mkango.

The main uses of proceeds from the Placing will be to accelerate the optimisation of the processing flow sheet and evaluation of product marketing options to facilitate further marketing, offtake and partnership discussions, as well as to evaluate additional opportunities and other expenditures.

The Company will pay cash finders' fees totaling £19,875 and issue 567,856 non-transferable finders' warrants ("**Finder's Warrants**") in connection with the Placing. Each Finder's Warrant entitles the holder to acquire one Share for 3.5 UK pence until December 30, 2017.

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 Venture Exchange.

About Mkango Resources Limited

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 Phalombe licence and the Thambani licence.

The main exploration target in the Phalombe licence is the Songwe Hill rare earths' deposit, which features carbonatite hosted rare earth mineralisation and was subject to previous exploration in the late 1980s. Mkango completed an updated Pre-feasibility Study for the project in November 2015. Mkango's strategy for Songwe is to further optimise the project with a view to maximising efficiency and reducing costs, thereby providing a strong platform for entering into partnerships, marketing and offtake arrangements. The main exploration targets in the Thambani licence are uranium, niobium and tantalum. For more information, please visit www.mkango.ca.

Noble Early Warning Reporting

As a result of the Agreement and the Warrants issued thereunder, Noble (whose address is 60 Anson Road, #19-01 Mapletree Anson, Singapore 079914) now owns and controls Warrants exercisable to acquire 12,000,000 common shares of Mkango, and in the event that Noble exercises these Warrants, it would have ownership and control over 12,000,000 common shares of Mkango, representing approximately 12.5% of the common shares of Mkango (post-exercise). The Company is advised that Noble hold these securities for investment purposes and has no present intention to acquire further securities of the Company, although it may in the future acquire or dispose of securities of the Company, through the market, privately or otherwise, as circumstance or market conditions warrant. A copy of the early warning report required to be filed by Noble with applicable securities commissions in connection with this issuance of Warrants will be available for viewing under the Company's profile on SEDAR at www.sedar.com and a copy of the early warning report may be obtained by contacting Noble via noble@thisisnoble.com or +65 6305 4888.

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 Company 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 law. Additionally, the Company 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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The TSX Venture Exchange has neither approved nor disapproved the contents of this press release. 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.

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 Company in the United States. The securities of the Company 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.