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NEWS RELEASE

MKANGO ANNOUNCES THE CLOSING OF ITS OVERSUBSCRIBED PRIVATE PLACEMENT AND A PROPOSED SECOND TRANCHE

Calgary, Alberta: March 24, 2014 – Mkango Resources Ltd. (TSXV-MKA) (the “Corporation” or “Mkango”) is pleased to announce that it has closed the oversubscribed non-brokered private placement of units (the “Units”) previously announced (the “Private Placement”) and that it intends to carry out a second tranche under the non-brokered private placement of approximately 5,000,000 Units, for contemplated aggregate proceeds of approximately C\$500,000, on the same terms as the Private Placement.

Closing of the Private Placement

Under the Private Placement, 16,262,603 Units of the Corporation were issued at a price of C\$0.10 per Unit for gross cash proceeds of C\$1,626,260.

Each Unit consisted of one common share (a “Common Share”) and one Common Share purchase warrant (a “Warrant”) of Mkango. Each Warrant entitles the holder to acquire one Common Share for C\$0.20 until March 24, 2019. If, after July 24, 2014, the closing price (or the average of the ‘bid’ and the ‘ask’, if not traded) of the Common Shares on the TSX Venture Exchange exceeds C\$0.30 for a period of 20 consecutive trading days, Mkango may, within three trading days thereof, accelerate the expiry of the Warrants to 20 trading days after the issuance of a news release announcing the new expiry date.

The Corporation paid cash finders’ fees totalling C\$85,628.22 and issued 24,500 Units and 880,782 finders’ warrants in connection with the Private Placement. Each finders’ warrant entitles the holder to acquire one Common Share for C\$0.10 until March 24, 2016.

The use of proceeds from the Private Placement will be to finalise the pre-feasibility study for the Songwe project and to facilitate a smooth transition to the feasibility stage, in addition to general corporate purposes.

The securities issued under the Private Placement, including any Common Shares issued on the exercise of the Warrants, have a hold period expiring on July 25, 2014.

An insider of the Corporation participated in the Private Placement, thereby making the Private Placement a “related party transaction” as defined under Multilateral Instrument 61-101 – Protection of Minority Security Holders in Special Transactions (“MI 61-101”). The transaction, however, was exempt

from the formal valuation and minority shareholder approval requirements of MI 61-101 as neither the fair market value of any securities issued to or the consideration paid by the insider exceed 25% of the Corporation's market capitalization. Derek Linfield, a director of the Corporation, subscribed for 1,500,000 Units. Following the closing of the Private Placement, Mr. Linfield now beneficially owns or controls 1,561,500 Common Shares, representing approximately 2.34% of the issued and outstanding Common Shares on an undiluted basis. Mr. Linfield also owns and controls a total of 1,500,000 Warrants. The Private Placement was unanimously approved by the directors of the Corporation.

The Private Placement remains subject to final acceptance of the TSX Venture Exchange.

Proposed Offering of a Second Tranche

Further to the success of the Private Placement, the Corporation is pleased to announce a proposed second tranche under the non-brokered private placement of approximately 5,000,000 Units at a price of C\$0.10 per Unit for gross cash proceeds of approximately C\$500,000 (the "Second Tranche"), on the same terms as the Private Placement.

The Corporation has agreed to pay commissions to certain finders consisting of either cash or Units, at the finder's election, equal to 7% of the proceeds from the Units sold under the Second Tranche to investors introduced by, or whose subscriptions are attributable to the efforts of, the finders, or 7% of the number of Units issued in connection with such investors' subscriptions under the Second Tranche. The Corporation will also issue to the finders that number of finder's warrants equal to 7% of the number of Units issued in connection with such investors' subscriptions under the Second Tranche. No finder's fee will be payable to the finders on Units subscribed for by officers, directors or insiders of the Corporation.

The securities issued under the Second Tranche will have a hold period of four months and one day from the applicable closing date. The Second Tranche is subject to receipt of all necessary approvals, including the acceptance of the TSX Venture Exchange.

The use of proceeds from the Second Tranche will be to prepare the transition to the feasibility stage, in addition to general corporate purposes.

Pre-Feasibility Study

SNC-Lavalin (Pty) Ltd. has completed the first phase of the pre-feasibility study, focusing on the mill, flotation plant and associated infrastructure. Current focus is on further optimisation of the flow sheet in parallel with commencement of design work for the hydrometallurgical process plant.

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 Songwe 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.

On 22 November 2012, Mkango filed a Technical Report (the “Report”) for its maiden NI 43-101 mineral resource estimate entitled NI 43-101 Technical Report and Mineral Resource Estimate for the Songwe Hill Rare Earth Element (REE) Project, Phalombe District, Republic of Malawi authored by Scott Swinden, Ph.D, P.Geo. and Michael Hall, Pr.Sci.Nat., MAusIMM (who are independent “Qualified Persons” in accordance with National Instrument 43-101 – *Standards of Disclosure for Mineral Projects*). The Report’s mineral resource estimates, as previously announced, are summarized below.

Cut-off grade	<i>In-situ</i> Indicated Mineral Resource estimate	<i>In-situ</i> Inferred Mineral Resource estimate
1.0% TREO	13.2 mt grading 1.62% TREO	18.6 mt grading 1.38% TREO
1.5% TREO	6.2 mt grading 2.05% TREO	5.1 mt grading 1.83% TREO

TREO – total rare earth oxides including yttrium. In-situ - no geological losses applied. mt - million tonnes

For further details of mineral resource estimates including breakdowns thereof, please refer to the Report which is available at www.sedar.com.

Mkango is currently completing a pre-feasibility study for the Songwe project.

About Mkango Resources Ltd.

Mkango's primary business is the exploration for rare earth elements and associated minerals in the Republic of Malawi. It holds, through its wholly owned subsidiary Lancaster Exploration Limited, a 100% interest in two exclusive prospecting licenses covering a combined area of 1,751 km² 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.

In parallel, the Corporation is also undertaking regional exploration in the second license area, known as Thambani, where a number of areas with potential for uranium, zircon, corundum and niobium have been identified.

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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