



MKANGO RESOURCES LTD.
706 27 Avenue NW,
Calgary, Alberta T2M 2J3

MKANGO ANNOUNCES ISSUE OF OPTIONS

London / Calgary: August 31, 2018 - Mkango Resources Ltd. (AIM / TSXV: MKA) (the “Company” or “Mkango”) announces that further to the announcement of 29 August 2018, the board has now granted each of Ms Susan Muir (Non-Executive Director), Ms Sandra du Toit (Non-Executive Director) and Mr Shaun Treacy (Consultant), 335,000 options at an exercise price of C\$0.16, being the higher of the TSX-V closing price of Mkango shares on 27, 28 and 29 August 2018 (“Options”).

Each Option will entitle the holder thereof to acquire one common share of Mkango, exercisable for a period of 10 years from the date of grant. The Options will vest in accordance with Mkango's stock option plan or as otherwise required by the TSX Venture Exchange (the "TSXV"). The grant of the Options is subject to regulatory approval, including the approval of the TSXV.

About Mkango Resources Limited

Mkango’s primary business is 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”. The Company holds interests in three exclusive prospecting licenses in Malawi, the Phalombe licence, the Thambani licence and the Chimimbe Hill licence.

The main exploration target in the Company’s 80%-held Phalombe licence is the Songwe, 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 and a feasibility study (the “Feasibility Study”) is currently underway, the initial phases of which include a major drilling programme.

Under the terms of an agreement with Talaxis (the “Talaxis Agreement”), Talaxis agreed to fully fund the Feasibility Study by investing £12 million for a 49% interest in the Songwe Project (via Mkango subsidiary Lancaster Exploration Ltd). Talaxis will also have the option to acquire a further 26% interest by arranging funding for project development including funding the equity component thereof. If Talaxis exercises its option, Mkango will retain a 25% interest in Songwe, free carried to production. To-date, Talaxis has invested £5 million, which is funding the initial phase of the Feasibility Study, for a 20% interest in the project with Mkango holding 80%.

Talaxis also agreed to invest a further £2 million to acquire a 49% interest in Maginito Ltd (“Maginito”), a new subsidiary of Mkango focused on neodymium alloy powders, magnets and other technologies. This includes the collaboration with Metalysis Ltd announced in September 2017, which is focused on advanced alloys using neodymium or praseodymium with other elements for permanent magnet manufacturing. Permanent magnets are critical materials for most electric vehicles, direct drive wind turbines and many other high growth applications. Neodymium is a key rare earth component at Songwe. To date, Talaxis has invested £1 million for a 24.5% interest in Maginito with Mkango holding 75.5%.

The main exploration targets in Mkango's remaining two 100% held licences are, in the Thambani licence, uranium, niobium, tantalum and zircon and, in the Chimimbe Hill licence, nickel and cobalt.

For more information, please visit www.mkango.ca.

Market Abuse Regulation (MAR) Disclosure

Certain information contained in this announcement may have been deemed inside information for the purposes of Article 7 of Regulation (EU) No 596/2014 until the release of this announcement.

Cautionary Note Regarding Forward-Looking Statements

This news release contains forward-looking statements (within the meaning of that term under applicable securities laws) with respect to Mkango, its business and the Project. Generally, forward looking statements can be identified by the use of words such as "plans", "expects" or "is expected", "scheduled", "estimates" "intends", "anticipates", "believes", or variations of such words and phrases, or statements that certain actions, events or results "can", "may", "could", "would", "should", "might" or "will", occur or be achieved, or the negative connotations thereof. Forward looking statements in this news release include statements with respect to: Songwe; Mkango's board of directors; the Meeting; the Corporation's planned transformation; the Feasibility Study; and the Talaxis Agreement, the use of proceeds to the Company therefrom and the timing of such expenditures. 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, market demand for the metals and associated downstream products for which Mkango is exploring, researching and developing, the positive results of a feasibility study on the Project, delays in obtaining financing or governmental or stock exchange approvals. The forward-looking statements contained in this news release are made as of the date of this news 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.

For further information on Mkango, please contact: Mkango Resources Limited

William Dawes
Chief Executive Officer
will@mkango.ca

UK: +44 207 3722 744
Canada: +1 403 444 5979
www.mkango.ca
@MkangoResources

Alexander Lemon
President
alex@mkango.ca

Blytheweigh

Financial Public Relations
Tim Blythe, Camilla Horsfall, Julia Tilley

UK: +44 207 138 3204

SP Angel Corporate Finance LLP

Nominated Adviser and Joint Broker

Jeff Keating, Caroline Rowe

UK: +44 20 3470 0470

Alternative Resource Capital

Joint Broker

Alex Wood, Rob Collins

UK: +44 20 7186 9004; +44 20 7186 9001

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.

NOTIFICATION AND PUBLIC DISCLOSURE OF TRANSACTIONS BY PERSONS DISCHARGING MANAGERIAL RESPONSIBILITIES AND PERSONS CLOSELY ASSOCIATED WITH THEM

1.	Details of the person discharging managerial responsibilities/person closely associated	
a)	Name:	Susan Muir
2.	Reason for the notification	
a)	Position/status:	Non-Executive Director
b)	Initial notification/Amendment:	Initial notification
3.	Details of the issuer, emission allowance market participant, auction platform, auctioneer or auction monitor	
a)	Name:	Mkango Resources Ltd
b)	LEI:	213800RPILRWUYNTS85
4.	Details of the transaction(s): section to be repeated for (i) each type of instrument; (ii) each type of transaction; (iii) each date; and (iv) each place where transactions have been conducted	
a)	Description of the financial instrument, type of instrument: Identification code:	Common shares without par value CA60686A4090

b)	Nature of the transaction:	Issue of options				
c)	Price(s) and volume(s):	<table border="1"> <thead> <tr> <th>Price(s)</th> <th>Volume(s)</th> </tr> </thead> <tbody> <tr> <td>C\$0.16</td> <td>335,000</td> </tr> </tbody> </table>	Price(s)	Volume(s)	C\$0.16	335,000
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e)	Date of the transaction:	29 August 2018				
f)	Place of the transaction:	Outside a trading venue				

1.	Details of the person discharging managerial responsibilities/person closely associated			
a)	Name:	Sandra du Toit		
2.	Reason for the notification			
a)	Position/status:	Non-Executive Director		
b)	Initial notification/Amendment:	Initial notification		
3.	Details of the issuer, emission allowance market participant, auction platform, auctioneer or auction monitor			
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b)	LEI:	213800RPILRWUYNTS85		
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1.	Details of the person discharging managerial responsibilities/person closely associated		
a)	Name:	Shaun Treacy	
2.	Reason for the notification		
a)	Position/status:	Consultant	
b)	Initial notification/Amendment:	Initial notification	
3.	Details of the issuer, emission allowance market participant, auction platform, auctioneer or auction monitor		
a)	Name:	Mkango Resources Ltd	
b)	LEI:	213800RPILRWUYNTS85	
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