



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

**MKANGO INTERSECTS FURTHER EXTENSIVE ZONES OF RARE EARTHS MINERALISATION AND COMPLETES MAJOR DRILL PROGRAMME AT THE SONGWE HILL PROJECT IN MALAWI**

**London / Calgary: September 11, 2018** - Mkango Resources Ltd. (AIM / TSXV: MKA) (the "Company" or "Mkango") is pleased to announce results for a further eight holes from the latest diamond drill programme at the Songwe Hill Rare Earths Project ("Songwe") in Malawi. The drilling programme has now been completed, totaling 10,891 metres ("m") and comprising 91 drill holes to a maximum depth of 220 m. The drilling programme is a key component of the ongoing initial phases of the Feasibility Study for Songwe.

**Highlights from the results are as follows:**

<b>PX060</b>	<b>51.6 m<sup>1</sup> grading 1.9% TREO</b> (7.2 – 58.8 m EoH) including <b>36.8 m<sup>1</sup> grading 2.3% TREO</b> (7.2 – 44.0 m). Inclined hole (60 degrees south).
<b>PX061</b>	<b>161.1 m<sup>2</sup> grading 1.3% TREO</b> (5.1 – 166.7 m EoH) including <b>31.2 m grading 1.7% TREO</b> (110.8 – 142.0 m). Inclined hole (60 degrees west).
<b>PX064</b>	<b>17.0 m<sup>3</sup> grading 1.8% TREO</b> (21.0 – 38.0 m). Inclined hole (60 degrees west).
<b>PX082</b>	<b>38.0 m grading 1.6% TREO</b> (90.0 – 128.0 m). Inclined hole (60 degrees west).
<b>PX096</b>	<b>43.4 m<sup>4</sup> grading 1.6% TREO</b> (1.7 – 45.0 m) and <b>38.9 m grading 1.6% TREO</b> (57.0 – 95.9 m). (60 degrees south).

<sup>1</sup> Includes a 1.6m cavity not sampled. <sup>2</sup> Includes a 1.7m cavity not sampled. <sup>3</sup> Includes a 2.2m cavity not sampled. <sup>4</sup> Includes a 0.9 m cavity not sampled. TREO: total rare earth oxides based on total La<sub>2</sub>O<sub>3</sub>, Ce<sub>2</sub>O<sub>3</sub>, Pr<sub>2</sub>O<sub>3</sub>, Nd<sub>2</sub>O<sub>3</sub>, Sm<sub>2</sub>O<sub>3</sub>, Eu<sub>2</sub>O<sub>3</sub>, Gd<sub>2</sub>O<sub>3</sub>, Tb<sub>2</sub>O<sub>3</sub>, Dy<sub>2</sub>O<sub>3</sub>, Ho<sub>2</sub>O<sub>3</sub>, Er<sub>2</sub>O<sub>3</sub>, Tm<sub>2</sub>O<sub>3</sub>, Yb<sub>2</sub>O<sub>3</sub>, Lu<sub>2</sub>O<sub>3</sub>, Y<sub>2</sub>O<sub>3</sub>. These intersections are reported as down hole widths and do not necessarily represent true thicknesses and attitude of the mineralised zones, the estimation of which will require further refining of the geological model.

**William Dawes, Chief Executive Officer, commented:** *"We are very pleased to announce another excellent set of results from the recently completed major drill programme at Songwe, which is an integral part of the ongoing Feasibility Study. This is the largest drill programme to date in the history of the project and its successful completion is a great credit to the strong international and Malawian team on the ground. We look forward to announcing results from the remaining 75 drill holes totalling 9,259 m."*

- The drill programme is focused on infill drilling to confirm and upgrade the existing Indicated and Inferred Mineral Resource Estimates, testing extensions to the mineralisation, and geotechnical drilling.
- All eight drill holes intersected rare earth mineralisation, with the table above highlighting selected intersections averaging 1% TREO or more.
- Drill holes PX060, PX061, PX064 and PX096 were focused on infill drilling, and all intersected broad zones of mineralisation. PX052, PX048 and PX043 were collared to the east of mapped carbonatite outcrop, targeting the eastern contact of the mineralisation at depth. Whilst PX052, PX048 and PX043 did intersect mineralised zones at various intervals, albeit relatively narrow in the case of PX043 and PX048, they are not interpreted to have reached the targeted contact zone.

- Drill hole PX082 was focused on testing the north-west extension of mineralisation, outside the previously delineated Indicated and Inferred Mineral Resource Estimate. This is first time mineralisation has been intersected in this area by the Company.

A schematic geological map illustrating the location of the drill hole collars and estimated drill hole traces is available on the Company's website ([www.mkango.ca](http://www.mkango.ca)).

The breakdown of TREO values reported above are as follows:

Drill Hole	From m	To m	Interval m	La <sub>2</sub> O <sub>3</sub> ppm	Ce <sub>2</sub> O <sub>3</sub> ppm	Pr <sub>2</sub> O <sub>3</sub> ppm	Nd <sub>2</sub> O <sub>3</sub> ppm	Sm <sub>2</sub> O <sub>3</sub> ppm	Eu <sub>2</sub> O <sub>3</sub> ppm	Gd <sub>2</sub> O <sub>3</sub> ppm	Tb <sub>2</sub> O <sub>3</sub> ppm	Dy <sub>2</sub> O <sub>3</sub> ppm	Ho <sub>2</sub> O <sub>3</sub> ppm	Er <sub>2</sub> O <sub>3</sub> ppm	Tm <sub>2</sub> O <sub>3</sub> ppm	Yb <sub>2</sub> O <sub>3</sub> ppm	Lu <sub>2</sub> O <sub>3</sub> ppm	Y <sub>2</sub> O <sub>3</sub> ppm	TREO %	
<b>PX052</b>	14.0	42.7	28.7	(i)	2,702	6,681	892	3,543	552	130	283	33	152	25	61	8	47	6	809	1.6%
(i) Includes 5m cavity not sampled. Due to cavities and poor core recovery, the significance of this intersection is highly uncertain.																				
<b>PX060</b>	7.2	58.8	51.6	(i)	4,971	8,643	921	3,037	426	110	250	27	110	16	40	5	32	4	470	1.9%
<b>including</b>	7.2	44.0	36.8	(i)	6,434	10,640	1,103	3,545	497	127	278	27	98	13	27	3	20	3	331	2.3%
(i) Includes 1.6m cavity not sampled.																				
<b>PX061</b>	5.1	166.7	161.6	(i)	3,047	5,671	625	2,208	341	93	221	26	117	18	43	5	30	4	515	1.3%
<b>including</b>	110.8	142.0	31.2		4,085	7,556	844	2,906	423	115	272	32	144	22	52	6	36	5	612	1.7%
(i) Includes 1.7m cavity not sampled.																				
<b>PX064</b>	21.0	38.0	17.0	(i)	4,766	8,101	830	2,604	335	87	200	24	110	18	42	5	26	3	497	1.8%
(i) Includes 2.2m cavity not sampled.																				
<b>PX082</b>	90.0	128.0	38.0		3,589	7,037	780	2,735	397	100	228	26	114	18	43	6	33	4	518	1.6%
<b>PX096</b>	1.7	45.0	43.4	(i)	3,825	6,929	730	2,522	365	102	251	34	173	30	73	9	49	6	869	1.6%
	57.0	95.9	38.9		3,267	7,046	832	3,085	462	117	264	29	133	21	50	6	38	5	623	1.6%
(i) Includes 0.9m cavity not sampled.																				

Scientific and technical information contained in this release including sampling, analytical, and test data underlying the information has been approved and verified by Dr. Scott Swinden of Swinden Geoscience Consultants Ltd, who is a "Qualified Person" in accordance with National Instrument 43-101 - Standards of Disclosure for Mineral Projects.

Sample preparation and analytical work for the drilling and channel sampling programmes are being provided by Intertek-Genalysis Laboratories (Perth, Australia) employing ICP-MS techniques suitable for rare earth element (REE) analyses and following strict internal QAQC procedures inserting duplicates, blanks and standards. Internal Laboratory QAQC was also completed to include blanks, standards and duplicates.

### 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 80% held 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 and a Feasibility

Study is currently underway, the initial phases of which include the recently completed 10,891 metre drilling programme.

Under the terms of an agreement with Talaxis, Talaxis will fully fund the Feasibility Study for Songwe by investing £12 million for a 49% interest in the 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, 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%.

By investing a further £2 million, Talaxis will acquire a 49% interest in Maginito Ltd, 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](http://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 the global market for products using the rare earth metals the Company is exploring for, completion of the feasibility study and of the transactions contemplated in the agreement with Talaxis, as well as the use of proceeds from the investments into the Company by Talaxis 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](mailto:will@mkango.ca)

UK: +44 207 3722 744

Canada: +1 403 444 5979

[www.mkango.ca](http://www.mkango.ca)

@MkangoResources

Alexander Lemon

President

[alex@mkango.ca](mailto: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.*