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## MKANGO IDENTIFIES FURTHER EXTENSIONS OF MINERALISATION IN LATEST DRILL RESULTS FROM THE SONGWE HILL RARE EARTHS PROJECT IN MALAWI

**London / Calgary: September 20, 2018** - Mkango Resources Ltd. (AIM / TSXV: MKA) (the "Company" or "Mkango") is pleased to announce results for a further nine holes from the recently completed 10,900 metre diamond drill programme at the Songwe Hill Rare Earths Project ("Songwe") in Malawi. The drilling programme is a key component of the ongoing initial phases of the Feasibility Study for Songwe, which is fully funded following investments by Mkango's strategic partner, Talaxis Limited, in January 2018.

**Highlights from the results include the following:**

<b>PX068</b>	<b>20.6 m grading 2.8% TREO</b> (39.0 – 59.6 m). Inclined hole (60 degrees west).
<b>PX071</b>	<b>18.0 m grading 1.6% TREO</b> (13.0 – 31.0 m) and <b>72.5 m grading 1.2% TREO</b> (55.6 – 128.1 m). Inclined hole (60 degrees east).
<b>PX074</b>	<b>30.4 m grading 1.7% TREO</b> (15.0 – 45.4 m). Inclined hole (60 degrees west).
<b>PX075</b>	<b>23.8 m grading 2.4% TREO</b> (44.3 – 68.1 m). Inclined hole (60 degrees west).
<b>PX079</b>	<b>30.5 m grading 1.4% TREO</b> (83.0 – 113.5 m). Inclined hole (60 degrees west).

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 encouraged by the continuing consistency of results and intersections outside the area of the previous mineral resource estimate, identifying new zones of mineralisation. The updated resource estimate will incorporate the results of this latest 10,900 metre drill programme and will form the basis of an updated and optimised mine plan for incorporation into the ongoing feasibility study. We look forward to announcing results from the remaining 66 drill holes totalling 8,396 m."*

- The drill programme comprised infill drilling to confirm and upgrade the existing Indicated and Inferred Mineral Resource Estimates, testing extensions to the mineralisation, and geotechnical drilling.
- All nine drill holes intersected rare earth mineralisation, with the table above highlighting selected intersections each averaging 1% TREO or more. The next batch of results from a further eight drill holes will be announced in coming weeks.
- Drill holes PX069, PX074, PX075 and PX079 were step-out drill holes, focused on testing north-west extensions of the mineralisation. These holes are located between previously announced drill hole PX082 and the area drilled in the stage 1 and 2 drill programmes, the first time this zone has been drilled; therefore these initial results are very encouraging.
- PX099 was collared to the east of mapped carbonatite outcrop, and successfully targeted the eastern contact of the mineralisation at depth.
- The remaining drill holes were focused on infill drilling, notably PX068 located on the north-west margin of the previously delineated mineral resource estimate.

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>PX049</b>	40.8	53.9	13.2	(i)	2,740	5,777	679	2,485	359	84	181	20	102	18	44	5	28	3	518	1.3%
(i) Includes 6.8m cavity not sampled. Due to size of cavity, the significance of this intersection is uncertain.																				
<b>PX068</b>	39.0	59.6	20.6		8,471	12,590	1,127	3,603	611	167	398	40	173	26	63	9	52	7	730	2.8%
<b>PX069</b>	70.0	81.6	11.6		2,576	5,466	640	2,453	437	122	290	34	155	25	58	7	37	4	673	1.3%
<b>PX071</b>	13.0	31.0	18.0		4,417	7,209	693	2,139	277	73	173	20	91	14	32	4	23	3	371	1.6%
	55.6	128.1	72.5		3,309	5,527	536	1,735	245	70	173	21	106	17	42	5	30	4	458	1.2%
<b>PX074</b>	1.5	45.4	43.9		3,807	6,515	624	2,058	271	69	163	18	86	14	31	4	22	3	363	1.4%
including	15.0	45.4	30.4		4,593	7,715	726	2,337	295	74	176	20	95	15	34	4	25	3	400	1.7%
<b>PX075</b>	44.3	68.1	23.8		7,159	10,908	977	2,992	361	91	224	28	142	23	55	7	39	5	645	2.4%
<b>PX079</b>	31.1	113.5	82.4		2,682	5,036	542	1,933	296	77	180	21	97	15	35	4	24	3	423	1.1%
including	83.0	113.5	30.5		3,476	6,267	655	2,212	307	77	174	20	92	15	34	4	24	3	406	1.4%
<b>PX097</b>	6.1	30.5	24.4	(i)	2,329	4,894	551	1,996	325	89	212	24	116	19	43	5	27	3	502	1.1%
(i) Includes 3.5m cavity not sampled.																				
<b>PX099</b>	159.0	172.8	13.8	(i)	3,452	5,578	537	1,743	239	65	158	19	83	12	26	3	17	2	316	1.2%
(i) Includes 3.1m 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 PGeo 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 10,900 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.

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