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MKANGO CLOSES £500,000 PLACING WITH TALAXIS

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Calgary, Alberta: October 26, 2017 - Mkango Resources Ltd. (AIM / TSX-V: MKA) (the "Company" or "Mkango") is pleased to announce that it has received conditional regulatory approval for the previously announced placing (the "Placing") whereby Talaxis Ltd ("Talaxis"), a wholly owned subsidiary of Noble Group ("Noble"), has invested £500,000 (C\$833,333) at 3.5 pence (C\$0.058) per equity unit to acquire a 14.5% interest in Mkango.

The principal uses of proceeds from the Placing will be to commence Phase II of the research and development ("R&D") programme with Metalysis, continued optimisation of the Songwe Hill rare earths project, ongoing evaluation of additional opportunities in addition to other expenditures.

This follows the successful completion of Phase I R&D, which saw the production of a neodymium-iron-boron ("NdFeB") alloy powder using Metalysis' solid-state technology, as announced in September 2017 (<http://www.mkango.ca/s/news.asp?ReportID=803952>).

The Phase II work programme with Metalysis includes product quality optimisation, test work scale-up, and further analyses of the alloy to determine characteristics such as its morphology, chemical composition, and physical and magnetic properties. Phase II will also incorporate customer appraisal of the product and further investigation of opportunities in relation to 3D printing of magnets.

Will Dawes, Chief Executive of Mkango, commented: "We are very pleased to have Talaxis as a new and our largest shareholder. Having signed the collaboration agreement with Noble in December 2016, this latest transaction is a natural extension of that relationship and demonstrates strong confidence in the Company and the sector. We look forward to continuing to work with Talaxis and Noble to progress both the advanced stage Songwe Hill rare earths project and the Metalysis NdFeB R&D programme through the development phases."

The investment by Talaxis has been completed by way of a Placing of 14,285,715 equity units of Mkango at 3.5 UK pence per equity unit. Application has been made for the new shares to be admitted to AIM and it is expected that admission will become effective and dealings will commence at 8am UK time on 26 October 2017. Following the Placing, Talaxis will hold an interest of 14.5% in Mkango.

In connection with the Placing, Talaxis has been issued 14,285,715 common shares of Mkango ("Shares") and Share purchase warrants to acquire up to 12 million Shares of Mkango (the "Talaxis Warrants"). Each Talaxis Warrant is exercisable at a price of 6.6 UK pence until December 31, 2020. The 12 million Share purchase warrants previously issued to Noble Resources International Pte Ltd ("Noble Resources"), a wholly owned subsidiary of Noble, in December 2016, will be cancelled. Talaxis has agreed not to exercise that proportion of its Talaxis Warrants which would result in it holding 20% or more of the outstanding Shares.

The Company will pay cash finders' fees totaling £25,000 and issue (i) 714,285 non-transferable finders' warrants ("Finder's Series 1 Warrants"), and (ii) 1,200,000 non-transferable finders' warrants ("Finder's Series 2 Warrants"), to Zenith Advisory Services Pty Ltd. in connection with the Placing. Each Finder's Series 1 Warrant will entitle the holder to acquire one Share for 3.5 UK pence for one year from the closing of the Placing. Each Finder's Series 2 Warrant will entitle the holder to acquire one Share for 6.6 UK pence until December 31, 2020. The 1,200,000 Share purchase warrants previously issued to Zenith Advisory Services Pty Ltd. in December 2016 will be cancelled.

Following admission, the Company will have 98,198,187 common shares in issue.

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.

Talaxis Early Warning Reporting

As a result of the Placing and the Shares and warrants issued thereunder, Talaxis (whose address is Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola, VG1110, British Virgin Islands) now owns and controls 14,285,715 Shares and warrants exercisable to acquire a further 12,000,000 Shares of Mkango, and in the event that Talaxis exercises these warrants, it would have ownership and control over 26,285,715 Shares of Mkango, representing approximately 23.9% of the Shares of Mkango (post-exercise). The Company is advised that Talaxis 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 Talaxis with applicable securities commissions in connection with this issuance of Shares and 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.

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. In December 2016, Mkango entered into an agreement with Noble Resources to collaborate in the rare earths sector.

In September 2017, Mkango signed a binding joint venture principles and exclusivity agreement with Metalysis for advanced alloys using neodymium or praseodymium with other elements for magnet manufacturing. Following successful Phase I production of a neodymium-iron-boron ("NdFeB") alloy powder using Metalysis' solid-state technology, the Phase II R&D programme has commenced. NdFeB alloys are used to make permanent magnets, critical components of most electric vehicles, direct drive wind turbines and many other high growth applications. Neodymium is also a key component of the Company's Songwe Hill rare earths project.

The main exploration targets in the Thambani licence are uranium, niobium, tantalum and zircon.

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

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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