



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

## **MKANGO ANNOUNCES BOARD RESTRUCTURING AND RELEASE OF FINANCIAL STATEMENTS AND MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE PERIOD ENDING JUNE 30, 2018**

**London / Calgary: August 29, 2018** - Mkango Resources Ltd. (AIM / TSXV: MKA) (the "Company" or "Mkango") is pleased to announce a restructuring of its board to reflect the increasingly international scope of the Company's activities, markets and shareholders, and in light of its progression towards development of the Songwe Hill rare earths project in Malawi ("Songwe"):

### **Summary**

- **Susan Muir** has been appointed to the Board as Non-executive Director with immediate effect. Ms Muir is a highly experienced investor relations executive, with over 30 years' experience in the mining sector and in capital markets. She is based in Toronto and was formerly Vice President, Investor Communications at Barrick Gold Corporation ("Barrick").
- **Sandra du Toit** has been appointed to the Board as Non-executive Director with immediate effect. Ms du Toit is a highly experienced investment banker based in Johannesburg and has advised on numerous transactions in the African mining and finance space. She is currently Executive Vice President with Standard Bank.
- **Shaun Treacy** has been appointed as a consultant to the Company and will be nominated to join the Board as Non-executive Director at the upcoming shareholders meeting of the Company. Mr Treacy is a senior strategic and financial adviser. He is based in Sydney, Australia and is currently Chief Investment Officer for the private equity firm, Arete Capital Partners, and previously held senior investment banking positions with JPMorgan, Lehman Brothers, Nomura and UBS.

Mr Treacy and Ms du Toit will work closely with Mkango's management and its strategic partner, Talaxis Limited ("Talaxis"), as the Company moves towards completion of a feasibility study for Songwe, followed by project finance and mine development, while Ms Muir's experience and background will help to enhance the Company's profile in the North American and other global markets.

In connection with the appointments of Ms Muir, Ms du Toit and Mr Treacy, the board has granted each of them 335,000 options (the "Options"). Each Option will entitle the holder thereof to acquire one common share of Mkango at an exercise price equal to the higher of the TSX-V closing price of Mkango shares on 27<sup>th</sup>, 28<sup>th</sup> August and 29<sup>th</sup> August, 2018, 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.

The Company has called a Special and Annual General Meeting for October 2, 2018 (the "Meeting"). At the Meeting shareholders will be asked to approve the continuance of the Company from Alberta to British Columbia (the "Continuance"), among other things. Current directors, Eugene Chen and David Berg, will not

stand for re-election at the Meeting. The mailing of a management information circular to Mkango's shareholders in connection with the Meeting is expected in early September, 2018. The Continuance is expected to occur following the Meeting, provided that all shareholder, court, stock exchange and regulatory approvals are obtained. The Continuance remains subject to the approval of the TSXV.

Mkango is also pleased to announce that it has released the Financial Statements and Management's Discussion and Analysis for the period ending June 30, 2018. The reports will be available under the Company's profile on SEDAR ([www.sedar.com](http://www.sedar.com)) and on the Company's website (<http://www.mkango.ca/s/financials.asp>).

**Derek Linfield, Chairman, commented:** *"It's my pleasure to welcome Sandra, Susan and Shaun to the Board. The appointment of our new directors further broadens the Company's international footprint and global network, following the Company's major transaction with Talaxis at the end of 2017.*

*"The Board is extremely appreciative of the contributions of David and Eugene who, over the last seven years, have played key roles in setting the strategic direction for the growth of the Company, enabling us to reach our current stage of development. The addition of the new Board members will bring complementary skill sets to those of the current Board and positions the Company for its transformation from an exploration company with an African-focused asset base into a development and production company."*

## Biographies

Susan Ann Muir, aged 61, is a seasoned Investor Relations executive based in Toronto, and was previously Vice President, Investor Communications at Barrick following a series of increasingly senior roles since 2007. She was, most recently, Vice President, Investor Relations & Corporate Communications at Arizona Mining, which she joined in August, 2016. Prior to Barrick, Susan also has 25 years of experience analyzing and covering large and small cap precious metals equities, respectively, for several major Canadian investment banks. Ms. Muir holds a Bachelor of Arts from Concordia University.

There are no other disclosures in accordance with Schedule 2(g) of the AIM Rules.

Sandra du Toit, aged 43, has been with Standard Bank for over 10 years where, having previously been the Head of Corporate Finance for Mining, she now focuses on complex, cross-border African transactions in mining and metals, from an advisory, capital markets and funding perspective. Sandra started her career as an academic at the University of the Free State, lecturing on company law and tax law, before joining Johannesburg law firm Brink Cohen le Roux & Roodt. After graduating with an undergraduate degree in accounting and tax, and a Master's degree in law, she became involved in the mining industry, working first on the labour side of the business before moving on to the corporate and commercial end of practice.

The following details in relation to the appointment of Sandra du Toit are disclosed in accordance with Schedule 2(g) of the AIM Rules:

Current directorships	Past directorships held within the last five years
None	Main Street 904 (Proprietary) Limited

There are no other disclosures in accordance with Schedule 2(g) of the AIM Rules.

Shaun Treacy, aged 52, is currently Chief Investment Officer for Arete Capital Partners, and was previously a senior investment banker with JPMorgan (head of Metals and Mining advisory for Europe, Middle East and

Africa and Head of Natural Resources in Australia), Lehman Brothers (Global head of Metals and Mining), Nomura (Global Co-Head of Natural Resources and Power) and UBS (Co-Head of All Industries Group for Asia and Vice Chairman of the Global Metals and Mining Group) and worked as a corporate finance adviser at Coopers & Lybrand. Shaun has lived and worked in Australia, the United States, the United Kingdom and Hong Kong, holds a Bachelor of Commerce degree from the University of Queensland, a Graduate Diploma of Applied Finance & Investment, is an Associate of the Institute of Chartered Accountants in Australia and is a Member of the Australian Institute of Company Directors.

### **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 Hill Rare Earths Project, 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](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: 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](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.