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AIRBORNE SURVEY HIGHLIGHTS RARE EARTHS EXPLORATION TARGETS IN THE PHALOMBE LICENCE

Calgary, Alberta: August 9, 2016 - Mkango Resources Ltd. (TSXV: MKA; AIM: MKA) (the "**Corporation**" or "**Mkango**"), is pleased to announce results of the airborne geophysical survey (the "Survey") covering approximately two thirds of its Phalombe licence. The Survey was part of a US\$25 million World Bank funded nationwide airborne geophysical programme.

The airborne radiometric survey highlights a number of exploration targets within the Phalombe licence. The Songwe Hill rare earths project, for which Mkango announced an updated pre-feasibility study in November 2015, was not covered by the Survey.

Apart from Songwe Hill, there are two other identified vent systems in the Phalombe licence, Nkalonje and Namangale. In both cases, the Survey indicates strong thorium radiometric anomalies coincident with the vents, which, similar to Songwe, are expressed as steep hills rising above the surrounding plain. Thorium radiometrics are known as a highly effective tool for rare earths exploration and the Songwe Hill carbonatite is also characterized by a thorium radiometric anomaly, identified through previous geophysical surveys. Unlike Songwe Hill, the Nkalonje and Namangale vent systems do not feature large areas of outcropping carbonatite, the host rock for rare earths at Songwe Hill. However, both contain outcrops of carbonatite veins and dykes suggesting that there may be potential for a carbonatite body below surface, in particular at Nkalonje, where the new airborne magnetic survey indicates that the vent complex coincides with a magnetic low.

A map showing the thorium radiometric anomalies superimposed on a topographic map, indicating local infrastructure, and the locations of Nkalonje and Namangale can be accessed via the following link: [http://www.mkango.ca/i/maps/Results-of-Airborne-Radiometric-Survey-\(Th\)-on-Topo-Aug.jpg](http://www.mkango.ca/i/maps/Results-of-Airborne-Radiometric-Survey-(Th)-on-Topo-Aug.jpg)

William Dawes, Chief Executive of Mkango, stated:

"The airborne survey further supports the rare earths exploration potential of the broader Phalombe licence area. The Songwe project itself has significant resource upside, both laterally and to depth, and together with other targets in the Phalombe licence, underpins Mkango's potential to be a long term, sustainable producer of rare earths. We believe ongoing infrastructure developments in Malawi will catalyse mineral development, and, with ongoing Government and stakeholder support, Mkango's objective is to spearhead development of Malawi's very substantial rare earths resource base."

"We continue to explore partnership opportunities for both the Songwe and Thambani projects with a view to accelerating exploration and development of the projects for the benefit of all stakeholders."

Nkalonje and other areas in the Phalombe licence including Songwe and satellite rare earth occurrences will be further investigated as part of the HiTech AlkCarb research project. Mkango is an industry partner in HiTech AlkCarb, a €5.4 million research project funded under the European Union's Horizon 2020 Research and

Innovation programme in partnership with University of Exeter, British Geological Survey, GeoAfrica Prospecting Services, Terratec Geophysical Services, Eberhard Karls University of Tubingen, Mendel University in Brno, University of St Andrews, Natural History Museum, A Speiser Environmental Consultants, Geological Survey of Denmark and Greenland and Gabriele d'Annunzio University of Chieti-Pescara.

The scope of the research project encompasses developing new geological models to explore for 'hi-tech' raw materials (such as the rare earth elements, scandium, niobium, tantalum, zirconium, hafnium and fluorspar), improving and developing interpretation of geophysical and downhole data, building exploration expertise in hi-tech raw materials and ensuring knowledge exchange between Europe and Africa and assessing environmental and socio-economic impacts of mining for these raw materials, and develop best practice.

Scientific and technical information, contained in this release 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.

Change in Corporate (Registered) Address

The Corporation also announces that its corporate (registered) address has been changed to 706 27 Avenue NW, Calgary, Alberta, T2M 2J3, Canada, with immediate effect.

About Mkango Resources Ltd.

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 Thambani licence and the Phalombe 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 both for entering into partnerships, marketing and offtake arrangements.

The main exploration targets in the Thambani licence are uranium, niobium and tantalum. In January 2015, Mkango announced the first set of assay results of 142 soil and rock chip samples from 9 trenches, which returned variably anomalous uranium, niobium and tantalum values in most trenches, ranging up to 4.70 % U_3O_8 , 3.25 % Nb_2O_5 in soil and up to 0.42 % U_3O_8 , 0.78 % Nb_2O_5 and 972 ppm Ta_2O_5 in rock chips. In July 2016, the Corporation announced the results of an airborne geophysical survey covering approximately two thirds of the licence area, highlighting a number of significant radiometric and magnetic anomalies.

The company's corporate strategy is to develop new sustainable sources of rare earth elements and other minerals geared to growth in the low carbon "green" economy, technology and the Fourth Industrial Revolution.

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 Corporation 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 securities law. Additionally, the Corporation 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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