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AIRBORNE SURVEY CONFIRMS SIGNIFICANT RADIOMETRIC AND MAGNETIC ANOMALIES IN THE THAMBANI LICENCE

Calgary, Alberta: July 12, 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 Thambani licence. The Survey was part of a US\$25 million World Bank funded nationwide airborne geophysical programme flown at 250 metre spacing.

Radiometrics

The Thambani Massif is mainly composed of nepheline-bearing syenite gneiss forming two prominent ridges known as the Thambani East Ridge and West Ridge. The Survey confirms the presence of a previously-identified uranium radiometric anomaly measuring at least 3 kilometres ("km") by 1.5 km, along the western flank of the Thambani East ridge. The Little Ngoni prospect, which previously yielded very encouraging uranium, niobium and tantalum values from geochemical sampling, is located at the northern end of this anomaly.

A further discrete uranium anomaly, orientated approximately east-west, is located to the south of this anomaly and has yet to be investigated in detail.

The Chikoleka prospect in the north-west of the licence area, which also yielded very encouraging results from previous geochemical sampling, was not covered by the Survey.

The first set of assay results of 142 soil and rock chip samples from Little Ngoni and Chikoleka previously returned variably anomalous U, Nb and Ta values ranging up to 4.70 % U₃O₈, 3.25 % Nb₂O₅ in soil and up to 0.42 % U₃O₈, 0.78 % Nb₂O₅ and 972 ppm Ta₂O₅ in rock chips.

A map showing the uranium radiometric anomalies superimposed on a topographic map, indicating local infrastructure, and a digital elevation model can be accessed via the following link:

http://www.mkango.ca/i/maps/Results_of_Airborne_radiometric_survey_on_topo_U_July.jpg

Magnetics

The Survey also highlighted a number of magnetic anomalies not previously identified, including a 2.3 km linear magnetic high anomaly along the Thambani East Ridge, a further 1 km by 0.5 km magnetic high anomaly located to the north along the Thambani East Ridge, a magnetic low anomaly approximately co-incident with the abovementioned east-west orientated uranium anomaly, and anomalies in a number of other locations. These areas require further investigation to determine the significance of the magnetic anomalies, and whether they are related to mineralisation or geological features.

The magnetic high anomalies provide an excellent focus for future exploration for niobium - tantalum, because columbite, a niobium - tantalum mineral, has previously been shown to be closely associated with magnetite and/or ilmenite at Thambani.

A map showing the magnetic anomalies superimposed on a topographic map, indicating local infrastructure, and a digital elevation model can be accessed via the following link: http://www.mkango.ca/i/maps/Results_of_Airborne_magnetic_survey_on_topo_July_2016.jpg

William Dawes, Chief Executive of Mkango, stated:

"We are very excited with the results of the airborne survey, which further confirms significant potential for uranium, niobium, tantalum and other minerals in the Thambani licence. This area benefits from good infrastructure, including roads, power and a new railway line passing through the south of the licence area. To date, the market has yet to recognize Thambani's potential and we continue to look at opportunities to maximise value."

"Review of airborne data covering Mkango's other exploration licence in Malawi, the Phalombe licence, is underway and we will be updating the market on the results in due course."

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.

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, discussed above, and the Phalombe licence.

The main exploration target in the Phalombe licence is the Songwe Hill rare earth deposit, which features carbonatite hosted rare earth mineralisation and was subject to previous exploration in the late 1980s and for which Mkango completed an updated Pre-feasibility study in November 2015.

The company's 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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