

**MKANGO RESOURCES LTD.**

**AMENDED AND RESTATED BY-LAW NO. ONE**

**A BY -LAW RELATING GENERALLY  
TO THE TRANSACTION OF THE  
BUSINESS AND AFFAIRS OF  
MKANGO RESOURCES LTD.**

## ARTICLE 1

### DEFINITIONS AND INTERPRETATION

#### **Section 1.1 Definitions**

In the By-laws, unless the context otherwise requires:

- (a) "**Act**" means the *Business Corporations Act* (Alberta), as amended, and all regulations under the Act in force from time to time;
- (b) "**appoint**" includes elect and vice versa;
- (c) "**Articles**" includes the original or restated articles of incorporation, articles of amendment, articles of amalgamation, articles of continuance, articles of reorganization, articles of arrangement, articles of dissolution and articles of revival of the Corporation, and any amendment to any of them;
- (d) "**Board**" means the board of directors of the Corporation;
- (e) "**By-laws**" means this by-law and all other by-laws of the Corporation from time to time in force;
- (f) "**Corporation**" means Mkango Resources Limited;
- (g) "**director**" means an individual who is duly elected or appointed as a director of the Corporation;
- (h) "**Indemnified Party**" has the meaning set out in section 5.2 for purposes of that section;
- (i) "**officer**" means any officer of the Corporation appointed by the Board; and
- (j) "**shareholder**" means a shareholder of the Corporation.

#### **Section 1.2 Interpretation**

In the By-laws, except if defined in section 1.1 or the context does not permit:

- (a) words and expressions defined in the Act have the meaning given to them in the Act;
- (b) words importing the singular include the plural and vice versa;
- (c) words importing gender include masculine, feminine and neuter genders; and
- (d) words importing persons include bodies corporate.

#### **Section 1.3 Headings**

The headings used in the By-laws are inserted for convenience of reference only. The headings are not to be considered or taken into account in construing the terms of the Bylaws nor are they to be deemed in any way to clarify, modify or explain the effect of any term of the By-laws.

#### **Section 1.4 By-laws Subject to the Act, etc.**

The By-laws are subject to the Act, any unanimous shareholder agreement relating to the Corporation and the Articles, in that order.

## ARTICLE 2

### SHAREHOLDERS

#### **Section 2.1 Place and Time of Meetings**

Meetings of shareholders may be held at the place within Alberta and at the time the Board determines. A meeting of shareholders may be held outside Alberta if all the shareholders entitled to vote at that meeting agree to holding the meeting outside Alberta. A shareholder who attends a meeting of shareholders held outside Alberta is deemed to have agreed to holding the meeting outside Alberta, except when the shareholder attends the meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully held.

#### **Section 2.2 Calling of Meetings**

The Board must call an annual meeting of shareholders not later than fifteen months after holding the last preceding annual meeting and may at any time call a special meeting of shareholders to be held at the place within Alberta and at the time the Board determines.

#### **Section 2.3 Notice of Meetings**

Notice of the time and place of a meeting of shareholders must be sent not less than twenty-one days and not more than fifty days before the meeting:

- (a) to each shareholder entitled to vote at the meeting;
- (b) to each director; and
- (c) to the auditor of the Corporation.

#### **Section 2.4 Notice to Joint Shareholders**

If two or more persons are registered as joint holders of any share, notice to one of those persons is sufficient notice to all of them. A notice must be addressed to all those joint holders and the address to be used by the Corporation must be the address appearing in the securities register of the Corporation in respect of that joint holding or the first address appearing if there is more than one address.

#### **Section 2.5 Failure to Give Notice**

The accidental failure to give notice of a meeting of shareholders to any person entitled to a notice or any error in a notice not affecting its substance does not invalidate any action taken at the meeting to which the notice relates.

#### **Section 2.6 Waiver of Notice**

A shareholder or any other person entitled to attend a meeting of shareholders may waive, in any manner, notice of a meeting of shareholders. Attendance of a shareholder or other person at a meeting of shareholders is a waiver of notice of the meeting, except when the shareholder or other person attends the meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully called.

#### **Section 2.7 Notice of Adjourned Meetings**

With the consent of the shareholders present at a meeting of shareholders, the chairperson may adjourn that meeting to another fixed time and place. If a meeting of shareholders is adjourned by one or more adjournments for an aggregate of less than thirty days, it is not necessary to give notice of the adjourned meeting, other than by verbal announcement at the time of the adjournment. If a meeting of shareholders is adjourned by one or more adjournments for an aggregate of thirty days or more, notice of the adjourned meeting must be given as for the

original meeting.

### **Section 2.8 Persons Entitled to be Present**

The only persons entitled to be present at a meeting of shareholders are:

- (a) the shareholders entitled to vote at the meeting;
- (b) any individual authorized by a resolution of the directors or governing body of a body corporate or association which is a shareholder entitled to vote at the meeting;
- (c) the directors and officers;
- (d) the auditor of the Corporation; and
- (e) any others who, although not entitled to vote, are entitled or required under any provision of the Act, any unanimous shareholder agreement, the Articles or the By-laws to be present at the meeting.

Any other person may be admitted only on the invitation of the chairperson of the meeting or with the consent of the meeting.

### **Section 2.9 Meeting by Electronic Means/Telephone**

Any person described in paragraphs (a) through (e) of section 2.8 may participate in a meeting of the shareholders by electronic means, telephone or other communication facilities that permit all persons participating in the meeting to hear or otherwise communicate with each other. A shareholder participating in a meeting by electronic means, telephone or other communication facilities is deemed to be present at the meeting.

### **Section 2.10 Quorum**

If there is only one shareholder, or one holder of a class of shares, that shareholder in person or by proxy constitutes a meeting.

If there are two or more shareholders or two or more holders of a class of shares, a quorum of shareholders is present at a meeting of shareholders if at least two individuals are present in person, each of whom is entitled to vote at a meeting, and who hold or represent by proxy in the aggregate not less than 5% of the total number of shares entitled to be voted at the meeting. If any share entitled to be voted at a meeting of shareholders is held by two or more persons jointly, the persons or those of them who attend the meeting of shareholders constitute only one shareholder for the purpose of determining whether a quorum of shareholders is present.

### **Section 2.11 Loss of Quorum**

If a quorum is present at the opening of a meeting of shareholders, the shareholders present may proceed with the business of the meeting, even if a quorum is not present throughout the meeting.

### **Section 2.12 Chairperson**

The chairperson of any meeting of shareholders will be the first mentioned of the following officers (if appointed) present at the meeting: Chairman of the Board, President, Senior Vice-President or any other Vice-President. If none of the Chairman of the Board, President or Senior Vice-President is present at the meeting, and if more than one Vice-President is present, the first Vice-President to arrive will be chairperson of the meeting. If none of the foregoing officers is present, the shareholders present and entitled to vote at the meeting may choose a chairperson from among those individuals present.

**Section 2.13 Procedure at Meetings**

The chairperson of any meeting of shareholders will conduct the proceedings at the meeting in all respects. The chairperson's decision on any matter or thing relating to procedure, including, without limiting the generality of the foregoing, any question regarding the validity of any instrument of proxy, is conclusive and binding upon the shareholders.

**Section 2.14 Voting**

Voting at a meeting of shareholders must be by a show of hands of those present in person or represented by proxy or by a verbal poll of those present by telephone or other communication facilities. If a ballot is required by the chairperson of the meeting or is demanded by a shareholder or proxy entitled to vote at the meeting, either before or on the declaration of the result of a vote by a show of hands or verbal poll, voting must be by ballot. A demand for a ballot may be withdrawn at any time before the ballot is taken. If a ballot is taken on a question, a prior vote on that question by show of hands or verbal poll has no effect. At every meeting a shareholder present in person or represented by proxy or present by telephone or other communication facilities and entitled to vote has one vote on a show of hands and, subject to the Articles, one vote on a ballot for each share held.

**Section 2.15 Decision on Questions**

At every meeting of shareholders all questions proposed for the consideration of shareholders must be decided by the majority of votes, unless otherwise required by the Act or the Articles. In the case of an equality of votes, the chairperson does not, either on a show of hands or verbal poll or on a ballot, have a casting vote in addition to the vote or votes to which the chairperson may be entitled as a shareholder or proxy.

**Section 2.16 Resolution in Lieu of Meeting**

A resolution in writing signed by all the shareholders entitled to vote on that resolution is as valid as if it had been passed at a meeting of the shareholders. A resolution in writing may be signed in one or more counterparts, all of which together constitute the same resolution. A facsimile or a duplicate copy produced by electronic means of a signed counterpart of a resolution in writing is as valid as an originally signed counterpart.

**ARTICLE 3**

**DIRECTORS**

**Section 3.1 Number of Directors**

The Board consists of that number of directors as the shareholders may determine from time to time by ordinary resolution, but there must not be less than the minimum and not more than the maximum number of directors permitted by the Articles at any one time.

**Section 3.2 Election and Term of Office**

At each annual meeting of shareholders at which an election of directors is required, the shareholders, by ordinary resolution, must elect directors to hold office for a term expiring not later than the close of the next annual meeting of shareholders following the election.

**Section 3.3 Calling of Meetings**

The Chairman of the Board, if any, the President or any director may call a meeting of directors. A meeting of directors may be held at any place within the municipality in which the registered office of the Corporation is located or at any other place determined by the Board.

**Section 3.4 Notice of Meetings**

Notice in writing of the time and place of a meeting of directors must be sent to each director not less than forty-eight hours before the time fixed for that meeting.

**Section 3.5 Failure to Give Notice**

The accidental failure to give notice of a meeting of directors to any director entitled to a notice or any error in a notice not affecting its substance does not invalidate any action taken at the meeting to which the notice relates.

**Section 3.6 Waiver of Notice**

A director may waive, in any manner, notice of a meeting of directors. Attendance of a director at a meeting of directors is a waiver of notice of the meeting, except when the director attends the meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully called.

**Section 3.7 Meetings Without Notice**

No notice of meeting need be given:

- (a) to a newly elected Board following its election at an annual or special meeting of shareholders; or
- (b) for a meeting of directors at which a director is appointed to fill a vacancy in the Board,

if a quorum is present.

**Section 3.8 Meeting by Electronic Means/Telephone**

If all the directors consent, a director may participate in a meeting of directors or of a committee of directors by electronic means, telephone or other communication facilities that permit all persons participating in the meeting to hear or otherwise communicate with each other. A director participating in a meeting by electronic means, telephone or other communication facilities is deemed to be present at the meeting.

**Section 3.9 Quorum**

From time to time the directors may fix the quorum for meetings of directors or of a committee of directors, but unless so fixed, a majority of the directors or of a committee of directors constitutes a quorum and, to the extent required by the Act, no business may be transacted unless at least one-quarter of the directors present are resident Canadians.

**Section 3.10 Chairperson of Meetings**

The chairperson of any meeting of directors will be the first mentioned of the following officers (if appointed) who is a director and is present at the meeting: Chairman of the Board, President, Senior Vice-President or any other Vice-President. If none of the Chairman of the Board, President or Senior Vice-President is present at the meeting, and if more than one Vice-President is present, the first Vice-President to arrive will be chairperson of the meeting. If none of the foregoing officers is present, the directors present may choose one of their number to be chairperson of the meeting.

**Section 3.11 Decision on Questions**

At every meeting of directors all questions proposed for the consideration of the directors must be decided by the majority of votes. In the case of an equality of votes, the chairperson does not have a casting vote.

**Section 3.12 Resolution in Lieu of Meeting**

A resolution in writing signed by all the directors entitled to vote on that resolution at a meeting of directors or committee of directors is as valid as if it had been passed at a meeting of directors or committee of directors. A resolution in writing may be signed in one or more counterparts, all of which together constitute the same resolution. A facsimile or a duplicate copy produced by electronic means of a signed counterpart of a resolution in writing is as valid as an originally signed counterpart.

**Section 3.13 Borrowing Power**

Without authorization of the shareholders, the directors may authorize the Corporation to:

- (a) borrow money on the credit of the Corporation;
- (b) issue, reissue, sell or pledge debt obligations of the Corporation;
- (c) subject to section 45 of the Act, give a guarantee on behalf of the Corporation to secure performance of an obligation of any person; and
- (d) mortgage, hypothecate, pledge or otherwise create a security interest in all or any property of the Corporation, owned or subsequently acquired, to secure any obligation of the Corporation.

The directors, by resolution, may delegate to a director, a committee of directors or an officer all or any of the powers conferred on them by this section.

**Section 3.14 Compensation**

The Corporation may pay to the directors the remuneration fixed by the Board and may reimburse the directors in respect of transportation and other expenses actually incurred in attending meetings of the directors or in otherwise performing the duties of their office.

**ARTICLE 4**

**OFFICERS**

**Section 4.1 Appointment of Officers**

The directors may designate offices of the Corporation and appoint individuals to those offices as they consider advisable. No officer need be a director. The same individual may hold two or more offices of the Corporation.

**Section 4.2 Term of Office**

All officers are subject to removal by the directors, with or without cause. An officer may resign at any time by giving notice to the Board.

**Section 4.3 Duties of Officers**

Subject to any limitations imposed by the Act, any unanimous shareholder agreement or the Articles, an officer has all the powers and authority and must perform all the duties usually incident to, or specified by the By-laws or the Board for, the office held.

## ARTICLE 5

### LIABILITY AND INDEMNIFICATION

#### **Section 5.1      Limitation of Liability**

Every director and officer in exercising the powers and discharging the duties of office must act honestly and in good faith with a view to the best interests of the Corporation and must exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. No director or officer is liable for:

- (a) the acts, omissions or defaults of any other director or officer or an employee of the Corporation,
- (b) any loss, damage or expense incurred by the Corporation through the insufficiency or deficiency of title to any property acquired for or on behalf of the Corporation,
- (c) the insufficiency or deficiency of any security in or upon which any of the money of the Corporation is invested,
- (d) any loss or damage arising from the bankruptcy, insolvency or tortious or criminal acts of any person with whom any of the Corporation's money is, or securities or other property are, deposited,
- (e) any loss occasioned by any error of judgement or oversight, or
- (f) any other loss, damage or misfortune which occurs in the execution of the duties of office or in relation to it,

unless occasioned by the wilful neglect or default of that director or officer. Nothing in this By-law relieves any director or officer of any liability imposed by the Act or otherwise by law.

#### **Section 5.2      Indemnity**

Subject to the Act, the Corporation indemnifies a director or officer, a former director or officer and a person who acts or acted at the Corporation's request as a director or officer of a body corporate of which the Corporation is or was a shareholder or creditor (the "**Indemnified Parties**") and the heirs and legal representatives of each of them, against all costs, charges and expenses, which includes, without limiting the generality of the foregoing, the fees, charges and disbursements of legal counsel on an as-between-a-solicitor- and-his-own-client basis and an amount paid to settle an action or satisfy a judgement, reasonably incurred by an Indemnified Party, or the heirs or legal representatives of an Indemnified Party, or both, in respect of any action or proceeding to which any of them is made a party by reason of an Indemnified Party being or having been a director or officer of the Corporation or that body corporate, if:

- (a) the Indemnified Party acted honestly and in good faith with a view to the best interests of the Corporation; and
- (b) in the case of a criminal or administrative action or proceeding that is enforced by a monetary penalty, the Indemnified Party had reasonable grounds for believing that the Indemnified Party's conduct was lawful.

The Corporation indemnifies an Indemnified Party and the heirs and legal representatives of an Indemnified Party in any other circumstances that the Act permits or requires. Nothing in this By-law limits the right of a person entitled to indemnity to claim indemnity apart from the provisions of this By-law.



### **Section 5.3 Insurance**

The Corporation may purchase and maintain insurance for the benefit of a person referred to in section 5.2 against the liabilities and in the amounts the Act permits and the Board approves.

## **ARTICLE 6**

### **REQUIREMENTS OF AIM RULES**

#### **Section 6.1 Shareholder Disclosure**

Subject to the Business Corporations Act (Alberta), for so long as the shares of the Corporation are listed for trading on the AIM market of the London Stock Exchange (“**AIM**”) or until such time as it shall no longer be a requirement under the AIM Rules for Companies published by the London Stock Exchange from time to time (or any successor rule) (the “**AIM Rules**”), all shareholders interested in three percent (3%) or more of the Corporation's shares shall notify the Corporation of their holdings (as such term is defined in the AIM Rules) of shares (including all legal and beneficial interests, direct or indirect, of such shareholder, including all positions in "financial instruments" (as such term is defined in the AIM Rules) and of any subsequent relevant changes to their holdings (being each one percent (1%) increment increase or decrease whilst the shareholder's holdings (as defined above) are above the three percent (3%) threshold) so that these disclosures can be properly notified to the AIM market.

#### **Section 6.2 Delisting From AIM**

Subject to the *Business Corporations Act* (Alberta), or so long as the shares of the Corporation are listed for trading on AIM or until such time as it shall no longer be a requirement under the AIM Rules, cancellation of the admission to trading of the Corporation's securities on AIM shall be conditional upon the consent of not less than seventy-five percent (75%) of votes cast by the shareholders at a duly called meeting thereof (save where the London Stock Exchange agrees that such shareholder consent is not required) and the Corporation will observe the notification, timing and other requirements of Rule 41 of the AIM Rules in connection with any such proposed cancellation.