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MKANGO RAISES £3.5M (C\$5.7M) TO CATALYSE NEAR TERM MINING AND RECYCLING MILESTONES

Highlights

- **Mkango Resources (“Mkango” or the “Company”) has conditionally raised gross proceeds of £3.5 million (C\$5.7 million) through its joint brokers SP Angel Corporate Finance LLP (“SP Angel”) and Alternative Resource Capital (“ARC”), together with Merlin Partners LLP, with proceeds focused on catalysing near term milestones for the Company’s mining and recycling assets:**
 - **Finalisation of the Mine Development Agreement (“MDA”) for the Songwe Hill Rare Earths Project (“Songwe”) with the Government of Malawi. This follows the definitive feasibility study announced in July 2022 and approval of the Environment, Social and Health Impact Assessment (“ESHIA”) announced in January 2023**
 - **Kick-start development of a new rare earth magnet recycling facility in Germany by HyProMag GmbH with minimum capacity of 100 tonnes per year (“tpa”) of NdFeB comprising recycled sintered magnets, alloys and powders with first production targeted for 2024. This complements the similar sized plant being developed at Tyseley Energy Plant in the UK by HyProMag Limited and the University of Birmingham, where first production is targeted for second half of 2023**
- **Mkango is continuing to advance discussions with potential lenders and strategic investors for the Songwe Hill Rare Earths Project in Malawi and the Pulawy Separation Project in Poland (the “Projects”)**
 - **The Projects will now be developed sequentially with initial focus on stand-alone development of Songwe to produce a mixed rare earth carbonate – next milestone is MDA approval, which is a key step towards project financing and development**
 - **Economic studies to date indicate the Pulawy Separation Project can add significant value, and financing options to complete the feasibility study and develop as a stand-alone project continue to be evaluated**
- **Bacchus Capital Advisers has been appointed to provide strategic and corporate finance advice, including strategic financing options for Songwe and Pulawy**

London / Vancouver: February 13, 2023 – Mkango Resources Ltd. (AIM/TSX-V: MKA) is pleased to announce that it has conditionally raised gross proceeds of £3.5 million (approximately C\$5.7 million) via a placing and subscription totalling 28,000,000 new common shares without par value each in the Company (the “Placing Shares”) at a price of 12.5 pence (“p”) (approximately C\$0.205) per Placing Share (the “Placing”).

William Dawes, Chief Executive of Mkango stated: *“I am very pleased to welcome new institutional and private investors to the shareholder base and thank existing shareholders for their strong support for this oversubscribed fund raising. This positions the Company for some major upcoming milestones, as negotiations for the Mine*

Development Agreement approach their conclusion, and to capitalise on its early mover advantage in rare earth magnet recycling with potential for near term production.”

Prof. Carlo Burkhardt, Co-founder and Director of HyProMag GmbH stated: *“We are very pleased that Mkango Resources is sharing this journey with us as we scale up operations in Germany. This investment enables us to stay at the forefront of rare earth magnet recycling in Europe and creates a strong platform for future growth in the region.”*

HyProMag GmbH

In connection with the Placing, Mkango subsidiary, Maginito Limited (“Maginito”), has entered into a convertible loan agreement (the “Convertible Loan”) with HyProMag’s German subsidiary, HyProMag GmbH, to acquire up to a 50% interest, which will, if converted, result in Maginito holding a direct and indirect (via its 42% interest in HyProMag Limited) interest in HyProMag GmbH of 66.8%. Under the terms of the Convertible Loan, Mkango has granted HyProMag GmbH a loan facility for €2.5 million (approximately C\$3.6 million) available to be drawn down in accordance with an agreed investment plan and convertible into a 50% interest in HyProMag GmbH.

This investment by Maginito will contribute to the matched funding requirements to unlock the €3.7 million (approximately C\$5.3 million) grants announced by Mkango on November 23, 2022, for development of a production facility in Baden-Württemberg State with a minimum capacity of 100tpa NdFeB (neodymium, iron, boron) comprising recycled rare earth sintered magnets, alloy pellets and powders. First production is targeted for 2024.

The initial production facility in Germany will be a similar size to the £4.3 million (approximately C\$7.0m) project being developed by HyProMag Limited and the University of Birmingham at Tyseley Energy Park in the UK, funded by Driving the Electric Revolution - an Industrial Strategy Challenge Fund challenge delivered by UK Research and Innovation, with first production targeted for second half of 2023.

Mine Development Agreement

The Malawi Ministry of Justice has appointed a London based international law firm with mining expertise to carry out a final review of the MDA. The Company is focused on concluding an agreement that is beneficial for both the Nation of Malawi and all of Mkango’s stakeholders.

The Placing

Mkango has conditionally raised gross proceeds of £3.5 million (approximately C\$5.7 million) via a placing and subscription totalling 28,000,000 Placing Shares at a price of 12.5p (approximately C\$0.205) per Placing Share (“Placing”). The net proceeds after fees is £3.3 million (approximately C\$5.4 million). The issue price equates to a discount of 21.3% to the trailing five-day volume weighted average price (“VWAP”) of Mkango’s shares on AIM. The Company intends to use the net proceeds of the Placing to provide matched funding (invested via the abovementioned convertible loan) to unlock grants for HyProMag GmbH, enabling progression to first production in Germany, costs associated with finalising the MDA and Mining Licence for the Songwe Hill Rare Earths Project in Malawi, and for working capital.

The Placing is expected to close on or around 27th February, 2023 and is subject to the receipt of all necessary approvals including the approval of the TSX-V, and admission of the Placing Shares to trading on AIM.

The Placing Shares will rank pari passu with the existing shares and application has been made for the Placing Shares to be admitted to trading on AIM (“Admission”). It is expected that Admission will become effective and dealings in the Placing Shares will commence at 8:00am on or around 27th February, 2023. The Placing Shares will be subject to a statutory hold period in Canada expiring on the date that is four months and one day from issuance of the Placing Shares, and will also be listed for trading on the TSX-V, provided that approval of such listing from the TSX-V is obtained.

In accordance with the Disclosure Guidance and Transparency Rules (DTR 5.6.1R) the Company hereby notifies the market that immediately following Admission, its issued and outstanding share capital will consist of 243,206,548 shares. The Company does not hold any shares in treasury. Shareholders may use this figure as the denominator for the calculations by which they will determine if they are required to notify their interest in, or a change to their interest in, the Company under the Financial Conduct Authority's Disclosure and Transparency Rules.

In connection with the Placing, Mkango has agreed to pay, at completion of the Placing, commissions of up to 5% in cash and 5% in non-transferable broker warrants, in each case with reference to cash raised by each of SP Angel, ARC and Merlin Partners LLP. In addition, SP Angel and ARC will be entitled to a corporate finance fee of £10,000 (approximately C\$16,393) and £7,500 (approximately C\$12,295), respectively. In addition, SP Angel will be paid settlement fees totalling £3,000 (approximately C\$4,918). The broker warrants will have a term of 12 months from issue and an exercise price of £0.125 (approximately C\$0.205). The total number of broker warrants to be issued on completion of the Placing is 1,400,000. Payment of the commissions (and issuance of the warrants) to the brokers is subject to acceptance of the TSX-V. The shares issuable pursuant to exercise of the broker warrants will be subject to a statutory hold period in Canada expiring on the date that is four (4) months and one day from issuance of the warrants.

Market Abuse Regulation (MAR) Disclosure

The information contained within this announcement is deemed by the Company to constitute inside information as stipulated under the Market Abuse Regulations (EU) No. 596/2014 ('MAR') which has been incorporated into UK law by the European Union (Withdrawal) Act 2018. Upon the publication of this announcement via Regulatory Information Service, this inside information is now considered to be in the public domain.

About Mkango Resources Limited

Mkango's corporate strategy is to develop new sustainable primary and secondary sources of neodymium, praseodymium, dysprosium and terbium to supply accelerating demand from electric vehicles, wind turbines and other clean technologies. This integrated Mine, Refine, Recycle strategy differentiates Mkango from its peers, uniquely positioning the Company in the rare earths sector.

Mkango is developing Songwe Hill in Malawi with a Feasibility Study completed in July 2022. Malawi is known as "The Warm Heart of Africa", a stable democracy with existing road, rail and power infrastructure, and new infrastructure developments underway.

In parallel, Mkango and Grupa Azoty PULAWY, Poland's leading chemical company and the second largest manufacturer of nitrogen and compound fertilizers in the European Union, have agreed to work together towards development of a rare earth Separation Plant at Pulawy in Poland (the "Pulawy Separation Plant"). The Pulawy Separation Plant will process the purified mixed rare earth carbonate produced at Songwe Hill.

Through its ownership of Maginito (www.maginito.com), Mkango is also developing green technology opportunities in the rare earths supply chain, encompassing neodymium (NdFeB) magnet recycling as well as innovative rare earth alloy, magnet, and separation technologies. Maginito holds a 42% interest in UK rare earth (NdFeB) magnet recycler, HyProMag (www.hypromag.com), with an option to increase its interest to 49%.

Mkango also has an extensive exploration portfolio in Malawi, including the Mchinji rutile exploration project, the Thambani uranium-tantalum-niobium-zircon project and Chimimbe nickel-cobalt project.

For more information, please visit www.mkango.ca

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. Generally, forward looking statements can be identified by the use of words such as "plans", "expects" or "is expected to", "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. 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, governmental action relating to COVID-19, COVID-19 and other market effects on global demand and pricing for the metals and associated downstream products for which Mkango is exploring, researching and developing, factors relating to the development of the Pulawy Separation Plant, the production facilities in Baden-Württemberg State and Tyseley Energy Park (the “Plants”), including the outcome and timing of the completion of the feasibility studies, cost overruns, complexities in building and operating the Plants, changes in economics and government regulation, the positive results of feasibility studies and delays in obtaining financing or governmental approvals for, and the impact of environmental and other regulations relating to, Songwe and the Plants. 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 assume 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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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.