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MKANGO ANNOUNCES CLOSING OF TRANSACTION TO ACQUIRE 100% OF THE SONGWE HILL RARE EARTHS PROJECT AND MAGINITO

London / Vancouver, November 1, 2021 - Mkango Resources Ltd. (AIM/TSX-V: MKA) (the "**Company**" or "**Mkango**") is pleased to announce that it has received final approval from the TSX Venture Exchange in respect of the transaction announced on 5 August 2021 whereby Mkango has acquired (the "**Acquisition**") the 49% interest of Talaxis Limited ("**Talaxis**") in Lancaster Exploration Limited ("**Lancaster**"), which owns the Songwe Hill Rare Earths Project in Malawi, and Talaxis' 24.5% interest in Maginito Limited ("**Maginito**"), which holds a 25% interest in rare earth magnet recycler HyProMag Limited ("**HyProMag**"), for common shares in the Company (the "**Shares**") aggregating to 54,166,666 Shares (the "**Acquisition Shares**"). As a result of the Acquisition, Mkango owns 100% of the shares of Lancaster and 100% of the shares of Maginito.

Mkango has also received final approval from the TSX Venture Exchange in respect of the issuances of 2,916,666 Shares to Mr Derek Linfield, Chairman of Mkango, and 1,666,666 Shares to Resource Early Stage Opportunities Company ("**RESOC**") pursuant to the placing announced on 5 August 2021. (together, the "**Subscription Shares**").

In addition, the Company has received final approval for the issue of 541,666 Shares to Bacchus Capital Advisers ("**BCA**") as part payment of its advisory fee in connection with the Acquisition ("**Fee Shares**").

Following this and the issuance of Shares to two optionholders referred to below, Talaxis will own 69,452,381 Shares, representing approximately 32.4 per cent. of the enlarged issued share capital, Mr. Derek Linfield will own 8,056,227 Shares, representing approximately 3.8 per cent. of the enlarged issued share capital and RESOC will own 15,999,747 Shares, representing approximately 7.5 per cent. of the enlarged issued share capital.

The Shares issued to Talaxis in connection with the Acquisition and to Mr. Derek Linfield, RESOC and BCA are subject to a statutory hold period in Canada expiring on the date that is four months and one day from the issuance of the Shares.

In connection with the closing of the Acquisition, Mkango has issued 33,333 non-transferable warrants to Merlin Partners LLP which advised in connection with issuance of the Shares to RESOC. Each warrant is exercisable for a period of 12 months with an exercise price of £0.24 per warrant. The warrants (and the underlying Shares) are subject to a statutory hold period in Canada expiring on the date that is four months and one day from the issuance of the warrants.

As disclosed in the Company's press release dated 16 August 2021, additional compensation (cash and warrants) was paid to the brokers in connection with the private placement which completed on 16 August 2021. In aggregate, 385,098 warrants (including the 33,333 warrants issued to Merlin Partners LLP in connection with the Shares issued to RESOC) were issued to brokers.

Board Restructuring and Employment Agreements

As per the terms of completion of the Acquisition, Mkango has entered into a lock-in deed (the “**Lock-In Deed**”) with Talaxis which provides, amongst other things, that for so long as it holds 10% or more of the Company’s Shares, Talaxis will not, during the first 12 months following the Acquisition, sell or transfer any of its Shares, other than pursuant to certain limited exceptions. For the second 12 months following the Acquisition, Talaxis has agreed to an orderly market arrangement.

In addition, under the Lock-In Deed the Company has agreed that for so long as Talaxis owns 10% or more of Mkango's Shares, Talaxis will be entitled to nominate a person for election to the board of the Company (the “**Board**”).

Pursuant to the Lock-in Deed and his conditional election at the Company’s annual general and special meeting of shareholders held on 6 October 2021 (“**AGM**”), Mr Stephen James Motteram has been appointed as a non-executive director to the Board. As Talaxis’ nominee, he is considered a non-independent director.

Mr Motteram, aged 50, has 25 years’ experience in financial institutions and trading houses, specialising in project development, commodities trading, M&A, and corporate restructuring with transaction experience in Australia, China, SE Asia, Africa, South America, Russia and the Middle East. He has worked for the Noble Group Holdings group (the parent group of Talaxis) since 2011 and is currently their Head of Corporate Development. Mr Motteram holds a B. Agricultural Science (Honours) from the University of Melbourne and an MBA from the Melbourne Business School and Ivey Business School. He is a Member of CPA Australia and a Graduate and Member of the Australian Institute of Company Directors.

The following information about Mr Motteram is disclosed pursuant to Rule 17 and Schedule Two paragraph (g) of the AIM Rules for Companies:

| Current directorships and/or partnerships: | Former directorships and/or partnerships (within the last five years): |
|--|---|
| General Alumina Holdings Limited General Alumina Jamaica Inc. General Alumina Jamaica Limited M.H.A.G Servicos & Mineracao S.A. Noble Resources DMCC | Xanadu Mines Ltd Cockatoo Coal Limited |

Mr Adrian Reynolds has retired from the Board after over 10 years as a director. The Board would like to thank Mr Reynolds for his very significant contribution to the development of the Company. He has played a key role in the evolution of the Company from an early exploration stage to an advanced stage of development with an integrated strategy.

Derek Linfield, Chairman of Mkango stated: “We are extremely pleased to finalise our restructuring of the Talaxis interests and to welcome Talaxis as a significantly increased shareholder in Mkango. The resulting structure, with Mkango holding 100% of Songwe, Maginito and Mkango Polska, gives us a streamlined platform to move all the assets forward, maximising synergies and allowing us to accelerate our integrated mine, refine, recycle strategy to develop a rare earths mine in Malawi, a separation plant in Poland and, through our interest in HyProMag, a rare earth magnet recycling business in the UK.

"I would also like to welcome Stephen to the Board and look forward to accessing his considerable experience to strengthen the skill sets available to the Board. I would also like to add my personal thanks to Adrian who has provided wise counsel to me as Chairman during my entire tenure and we will miss his contribution to the Board.

"The Company is excited to be moving forward with its new structure in the current favourable demand and pricing environment for rare earths".

The Company also announces that each of Mr Will Dawes, Chief Executive Officer, and Mr Alex Lemon, President, has entered into employment agreements with Mkango Rare Earths UK Limited, a wholly-owned subsidiary of Mkango, to replace previous consulting agreements held directly with Mkango. The employment agreements are on terms substantially similar to, and replace, those consulting agreements.

Grant of Restricted Share Units and Options

The Company also announces that, further to the approval of the Stock Option Plan, RSU Plan and EMI Share Option Plan by shareholders at the AGM, it has issued 2,000,000 restricted share units ("**RSUs**") under the RSU Plan and an aggregate of 900,000 options to acquire Shares ("**Options**") under the Stock Option Plan and the EMI Share Option Plan, in each case to each of Mr Dawes and Mr Lemon.

The RSUs have a vesting period of 10 years but will not vest until a NI 43-101 Report is filed in support of a feasibility study for the Songwe Hill rare earths project in Malawi other than in connection with a change of control.

The Options have an exercise price of C\$0.50 per share and are exercisable for a period of 10 years, in accordance with the Stock Option Plan and EMI Share Option Plan, respectively, but will not vest until a NI 43-101 Report is filed in support of a feasibility study for the Songwe Hill rare earths project in Malawi. In accordance with the Stock Option Plan, the Company may accelerate the vesting of all options if an offer is made by a third party to purchase all of the Shares of the Company. Under the EMI Stock Option Plan, options vest on a change of control.

As disclosed in the management information circular mailed to shareholders in connection with the AGM (the "**Circular**"), the aggregate number of common shares of the Company which may be reserved for issuance under the RSU Plan, in combination with the aggregate number of Shares issuable under the Stock Option Plan and EMI Share Option Plan, will not exceed 15,000,000 Shares, subject to adjustment in accordance with the RSU Plan and as permitted by the TSXV. As also disclosed in the Circular, amendments were made to the Company's Stock Option Plan primarily to (i) reflect that the 10% and 2% limits set out therein would include securities granted under all security based plans of the Company (instead of to securities issued only under the Stock Option Plan); and (ii) to clarify the vesting terms of stock options on termination of employment (which changes were consistent with similar provisions in the RSU Plan and EMI Share Option Plan).

The Company also announces that it has issued an aggregate of 1,340,000 Shares to two individuals who exercised their options under the Company's Stock Option Plan ("**Option Shares**"). The options had an exercise price of C\$0.06 in respect of 630,000 options, C\$0.07 in respect of 180,000 options, C\$0.11 in respect of 250,000 options and C\$0.14 in respect of 280,000 options, for a total consideration of C\$117,100.

Admission to trading and Total Voting Rights

Application will be made for the 60,631,664 Shares (being the Acquisition Shares, the Subscription Shares, the Option Shares and the Fee Shares), which will rank pari passu with the Company's existing Shares, to be admitted to trading on AIM ("**Admission**"). It is expected that Admission will become effective and dealings in the new shares will commence at 8:00am on or around 2 November 2021. The Shares will also trade on the TSX Venture Exchange.

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 share capital will consist of 214,581,548 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 FCA's Disclosure and Transparency Rules.

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 ('RIS'), this inside information is now considered to be in the public domain.

About Mkango

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 targeted for completion in Q1 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 recently announced that 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 Separation Plant will process the purified mixed rare earth carbonate produced at Songwe.

Through its subsidiary 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 25% 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 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, its business, HyProMag, the Separation Plant and Songwe. 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, technical and commercial risks in scaling up HyProMag's business to commercial production, 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 the development of the Separation Plant, including the outcome and timing of the completion of the feasibility studies, cost overruns, complexities in building and operating the Separation Plant,

changes in economics and government regulation, the positive results of a feasibility study on Songwe Hill and delays in obtaining financing or governmental approvals for, and the impact of environmental and other regulations relating to, Songwe Hill and the Separation Plant. 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:
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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.

Dealings by Persons Discharging Managerial Responsibilities

| | | |
|----------|--|---|
| 1 | Details of the person discharging managerial responsibilities / person closely associated | |
| a) | Name | <ol style="list-style-type: none"> 1. Derek Linfield 2. Will Dawes 3. Alexander Lemon |
| 2 | Reason for the notification | |
| a) | Position/status | <ol style="list-style-type: none"> 1. Non-Executive Chairman 2. Chief Executive Officer 3. President |
| b) | Initial notification /Amendment | Initial Notification |
| 3 | Details of the issuer, emission allowance market participant, auction platform, auctioneer or auction monitor | |
| a) | Name | Mkango Resources Ltd |
| b) | LEI | 213800RPILRWUYNTS85 |
| 4 | Details of the transaction(s): section to be repeated for (i) each type of instrument; (ii) each type of transaction; (iii) each date; and (iv) each place where transactions have been conducted | |
| a) | Description of the financial instrument, type of instrument Identification code | <p>common shares of nil par value each</p> <p>ISIN: CA60686A4090</p> |
| b) | Nature of the transaction | <ol style="list-style-type: none"> 1. Participation in Placing <ol style="list-style-type: none"> 2a. Grant of RSUs 2b. Grant of Options and EMI Options 3a. Grant of RSUs |

| | | 3b. Grant of Options and EMI Options | |
|----|--|--------------------------------------|-----------|
| c) | Price(s) and volume(s) | Price(s) | Volume(s) |
| | | 1. 24 pence | 2,916,666 |
| | | 2a. N/A | 2,000,000 |
| | | 2b. C\$0.50 | 900,000 |
| | | 3a. N/A | 2,000,000 |
| | | 3b. C\$0.50 | 900,000 |
| d) | Aggregated information - Aggregated volume - Price | See above. | |
| e) | Date of the transaction | 29 October 2021 | |
| f) | Place of the transaction | Outside a trading venue | |