



MKANGO RESOURCES LTD.
550 Burrard Street
Suite 2900
Vancouver, BC
V6C 0A3
Canada

MKANGO COMPLETES RUTILE EXPLORATION PROGRAMME AND AWAITS LABORATORY RESULTS

London / Vancouver: 3 December, 2020 – Mkango Resources Ltd. (AIM/TSX-V: MKA) (the "Company" or "Mkango") is pleased to announce the completion of an extensive hand-auger drilling and soil sampling programme to identify rutile prospects within its 869 square kilometre ("sq. km") Mchinji licence (EPL 0544/19) in Mchinji district, Malawi, held by Mkango's 100% owned subsidiary MKA Exploration Ltd.

Four geological teams have completed 75 auger drill holes containing 581 samples and a further 446 soil samples have been collected from a soil sampling programme on a regular 500m sampling grid with 21 soil samples collected from other points of interest.

A map of the sample positions is provided at the following link:

https://mkango.ca/site/assets/files/4775/20201202_Mchinji_sample_map.jpg

All samples have now been transported overland from Malawi to a specialist assay laboratory, Scientific Services in Cape Town, South Africa. Preparation of samples for heavy mineral separation is in progress, following which detailed mineralogical analysis will take place. The Company looks forward to updating the market further once it has received and evaluated the assay and mineralogical results.

The auger holes included a grid of holes centred around hole A6, drilled in June 2020 to 8.9m depth, which produced nine consecutive samples that contain between 4.10% and 9.01% total heavy minerals (specific gravity greater than 2.95) and grade between 3.17% and 4.09% titanium dioxide (TiO₂) – see Mkango press release of 15 September, 2020: <https://www.mkango.ca/news/mkango-announces-rutile-and-ilmenite-discovery-in-malawi>

Rutile Market

- Rutile, anatase and ilmenite are naturally occurring titanium dioxide (TiO₂) minerals, whose main uses are 90% for pigments, 5% production of titanium metal and 5% welding. Rutile is the purest, highest-grade natural form of TiO₂ and is the preferred feedstock in manufacturing titanium pigment and producing titanium metal.
- Finely powdered rutile is a brilliant white pigment and is used in paints, plastics, paper, foods, and other applications that call for a bright white colour. It has also been widely used in the production of glass, porcelain, and ceramics, as it is a valuable colouring agent. It can also be used to add colour to steels and copper alloys.

- Titanium also has specialty uses including in welding, aerospace and military applications.
- Iluka Resources Ltd (“Iluka”) reports that, when compared to current deposits and operations, the industry is facing declining grades and assemblages (the relative weightings of each mineral) for future deposits being developed. Sierra Rutile in Sierra Leone, owned by Iluka Resources Limited, is the only high-grade, large-scale operating primary-source natural rutile mine in the world.
- The rutile market fundamentals are robust with current and forecast pricing remaining strong. Iluka, in its Q3 2020 quarterly review, declared a weighted average received price for rutile of US\$1,225 in the year to date, an increase of 7.3% over the full-year 2019 price. The most recent market price is approximately US\$1,400 (source: FerroAlloyNet.com, 2nd December, 2020).

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

Mkango is focused on developing the Songwe Hill (“Songwe”) rare earth deposit in Phalombe district in Malawi and is looking forward to completing the feasibility study. Mkango's primary business is 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”. The Company holds interests in four exclusive prospecting licenses in Malawi: the Phalombe licence, the Thambani licence, the Chimimbe Hill licence and the Mchinji licence.

The main exploration target in the 51% held Phalombe licence is the Songwe rare earths deposit. This 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 and a Feasibility Study is currently underway, the initial phases of which included a 10,900-metre drilling programme and an updated mineral resource estimate, announced in February 2019. In March 2019, the Company announced receipt of a £7 million (C\$12.3 million) investment from Talaxis to fund completion of the Feasibility Study. Following completion of the Feasibility Study, Talaxis has an option to acquire a further 26% interest in Songwe by arranging financing for project development including funding the equity component thereof.

The main exploration targets in Mkango’s remaining three 100% held licences are, in the Thambani licence, uranium, niobium, tantalum and zircon, in the Chimimbe Hill licence, nickel, cobalt and chromite and in the Mchinji licence, rutile, gold, nickel, cobalt, base metals and graphite.

Mkango also holds a 75.5% interest in Maginito with the balance owned by Talaxis. Maginito is focused on downstream opportunities relating to the rare earths supply chain, in particular, recycling and other innovative technologies for the production of neodymium alloy powders and magnets used in electric vehicles, wind turbines and other industries geared to decarbonisation of the economy.

Market Abuse Regulation (MAR) Disclosure

Certain information contained in this announcement may have been deemed inside information for the purposes of Article 7 of Regulation (EU) No 596/2014 until the release of this announcement.

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 and the Project. Generally, forward looking statements can be identified by the use of words such as “plans”, “expects” or “is expected”, “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. Forward looking statements in this news release include statements with respect to the completion of the feasibility study for Songwe, the potential for discovering high-grade rutile deposits within Mchinji licence, the potential for a new province of rutile mineralisation in the area of the licence and Mkango’s plans for an exploration programme on the licence. 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, market effects on global demand for the metals and associated downstream products for which Mkango is exploring, researching and developing, the positive results of a feasibility study on the Songwe Hill rare earths project and delays in obtaining financing or governmental or stock exchange approvals. 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.

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.

For further information on Mkango, please contact:

Mkango Resources Limited

Alexander Lemon

President

alex@mkango.ca

UK: +44 207 3722 744

Canada: +1 403 444 5979

www.mkango.ca

William Dawes

Chief Executive Officer

will@mkango.ca

Dr Paul Armitage

Chief Geologist

paul@mkango.ca

@MkangoResources

Blytheweigh

Financial Public Relations

Tim Blythe

UK: +44 207 138 3204

SP Angel Corporate Finance LLP

Nominated Adviser and Joint Broker

Jeff Keating, Caroline Rowe

UK: +44 20 3470 0470

Alternative Resource Capital

Joint Broker

Alex Wood

UK: +44 20 7186 9004