



Condensed Interim Consolidated Financial Statements

MKANGO RESOURCES LTD.

For the three months ended March 31, 2021 and 2020

Unaudited condensed interim consolidated financial statements. In accordance with National Instrument 51-102 released by the Canadian Securities administrators, the Company discloses that its auditors have not reviewed these condensed interim consolidated financial statements for the three months ended March 31, 2021 and 2020.

MKANGO RESOURCES LTD
Consolidated Statements of Financial Position
Reported in US dollars

As at	Notes	March 31, 2021	December 31, 2020
ASSETS			
Current			
Cash		3,658,641	4,924,567
Government remittances receivable		105,317	106,436
Other receivables		1,784	2,119
Prepaid expenses and accrued income		114,290	94,867
Total current assets		3,880,032	5,127,989
Property and equipment	5	56,774	64,536
Investment in associate	6	574,838	586,863
Total assets		4,511,644	5,779,388
LIABILITIES			
Current			
Accounts payable and accrued liabilities	8	342,768	254,927
Due to related parties	7	55,578	34,172
Total liabilities		398,346	289,099
SHAREHOLDERS' EQUITY			
Share capital	9	12,981,538	12,563,211
Shares to be issued reserve		-	346,983
Contributed surplus		3,532,943	3,495,724
Accumulated other comprehensive income		125,663	120,897
Retained deficit		(7,164,588)	(6,313,809)
Total shareholders' equity of parent		9,475,556	10,213,006
Non-controlling interest	10	(5,362,258)	(4,722,717)
Total equity		4,113,298	5,490,289
Total liabilities and shareholders' equity		4,511,644	5,779,388

Approved on behalf of the Board:

(signed)

William Dawes, CEO and Director

(signed)

Shaun Treacy, Director

Refer to accompanying notes to the consolidated financial statements.

MKANGO RESOURCES LTD
Consolidated Statements of Comprehensive Loss
Reported in US dollars

		For the three months ended March 31,	
	Notes	2021	2020
Expenses			
General and administrative		557,355	471,872
Mineral project expenditures		915,458	564,415
		1,472,813	1,036,287
Other items			
Interest income		(3,443)	(6)
Share of associated company losses		4,490	2,970
Fair value losses		13,428	-
Foreign exchange (gain) loss		4,076	483,439
Net loss before tax		1,491,364	1,522,690
Income tax		-	-
Net loss after tax		1,491,364	1,522,690
Net loss attributable to			
Common shareholders		850,779	883,002
Non-controlling interest	10	640,585	639,688
Attributable net loss		1,491,364	1,522,690
Other comprehensive loss			
Items that may be reclassified subsequently to net loss			
Exchange difference on translating foreign operations		(5,810)	48,387
Total comprehensive loss		1,485,554	1,571,077
Total comprehensive loss attributable to			
Common shareholders		846,013	919,517
Non-controlling interest	10	639,541	651,560
Attributable comprehensive loss		1,485,554	1,571,077
Net loss per share – basic and diluted	13	(0.006)	(0.007)

Refer to accompanying notes to the consolidated financial statements.

MKANGO RESOURCES LTD
Consolidated Statements of Cash Flows
Reported in US dollars

		For the three months ended March 31,	
	Notes	2021	2020
Cash flow used by operating activities			
Net (loss) for the period		\$(1,491,364)	\$(1,522,690)
Items not affecting cash:			
Share based payments	9(b)	108,563	67,962
Share of associated company losses	6	4,490	2,970
Fair value losses	6	13,428	-
Depreciation	5	7,762	7,910
Unrealized foreign exchange loss		3,003	489,403
Change in non-cash operating capital			
Government remittances receivable and prepaid expenses		(17,969)	(32,258)
Due to related parties		21,406	(8,406)
Accounts payable and accrued liabilities		87,840	(229,206)
Cash flow used by operating activities		(1,262,841)	(1,224,316)
Cash flow used by investing activities			
Investment in associate	6	-	(391,650)
Cash flow used by investing activities		-	(391,650)
Effect of exchange rate changes on cash		(3,085)	(519,773)
Change in cash		(1,265,926)	(2,135,739)
Cash at the beginning of the period		4,924,567	9,530,017
Cash at the end of the period		\$3,658,641	\$7,394,278

Refer to accompanying notes to the consolidated financial statements.