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MKANGO COMMENCES FINAL STAGE OF HYDROMETALLURGY PILOTING FOR THE SONGWE HILL RARE EARTHS PROJECT IN MALAWI

Highlights

- **Mkango has commenced the final stage of hydrometallurgy piloting at ANSTO in Australia following an extensive phase of flow sheet development and optimisation**
- **Mkango has already successfully completed flotation piloting and five out of six hydrometallurgy pilot campaigns testing all aspects of the optimised processing flow sheet**
- **The targeted product will be a high grade, purified mixed rare earth carbonate, which is expected to feed Mkango's Pulawy separation plant development in Poland, feasibility studies for which are continuing in parallel**
- **This is an integral part of the feasibility study for Songwe, and Mkango joins the ranks of very few rare earth companies globally which have reached this stage of development**

London / Vancouver: December 14, 2021 - Mkango Resources Ltd. (AIM/TSX-V: MKA) (the "Company" or "Mkango") is pleased to announce the commencement of the final stage of hydrometallurgy pilot plant test work for the Songwe Hill Rare Earths project in Malawi ("Songwe" or the "Project"). Design and engineering studies by lead engineer SENET (a DRA Global Group Company) are nearing completion, with the Songwe Feasibility Study targeted for the first quarter of next year.

Rising rare earth prices and concerns over security of supply provide a favourable market backdrop, with accelerating demand geared to growth in green energy and technology applications.

The piloting of the hydrometallurgy processing flowsheet is an integral part of the Feasibility Study and a critical step towards commercialisation of the Songwe project. The feed for the hydrometallurgy pilot plant is flotation concentrate derived from the highly successful flotation pilot programme completed earlier in the year.

William Dawes, Chief Executive of Mkango stated: *"This is a major milestone for the development of Songwe and further cements the Company as being one of very few advanced stage rare earth project developers positioned to meet demand from accelerating growth in the electric vehicle sector, wind power generation and other industries driven by decarbonisation of the economy."*

"Mkango's integrated "mine, refine, recycle" strategy is progressing on all fronts, encompassing development of sustainably produced light (NdPr) and heavy (Dy/Tb) rare earths from Malawi, a rare earths separation and downstream hub in Poland, working with major Polish fertilizer and chemicals company, Grupa Azoty Pulawy, and rare earth magnet (NdFeB) recycling in the UK and Germany, via our interest in HyProMag."

Scientific and technical information contained in this release has been approved and verified by Nicholas Dempers Pr.Eng (RSA) Reg. No 20150196, FSAIMM of SENET (a DRA Global Group Company), who is a "Qualified Person" in accordance with National Instrument 43-101 -- Standards of Disclosure for Mineral Projects.

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 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 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

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.

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. 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 for the metals and associated downstream products for which Mkango is exploring, researching and developing,

results from the current pilot plant studies, the results of the current exploration programme at Mchinji, the development of a separation plant, the positive results of a feasibility study on the 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.

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