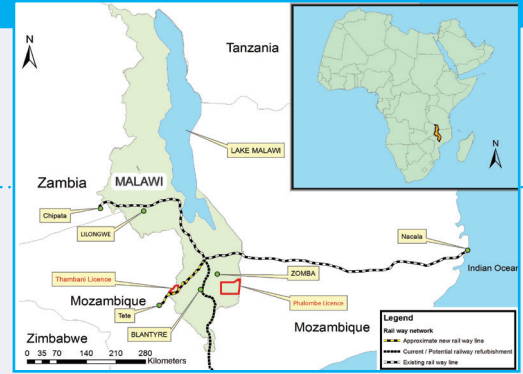


Mkango Resources Ltd

Project name: Songwe Hill Rare Earths Project**Project location:** Phalombe District, Malawi**Commodities / resources:** rare earths*Location of the Songwe Hill Project***Company summary**

Canadian-listed Mkango Resources Ltd (TSX-V: MKA) is a mineral exploration and development company with a mission to maximise shareholder value, while spearheading the development of mining in Malawi and implementing meaningful and successful social responsibility programmes. Mkango's current focus is on the completion of the pre-feasibility study for the Songwe Hill Rare Earths Project.

Mkango spearheads development of Malawi's rare-earth sector

*Exploration drilling (left) and environmental water testing (right)***Background**

The Songwe Hill REE Project lies within the 100%-owned Phalombe Licence, which covers a portion of the Chilwa Alkaline Province in southern Malawi. Early investigations of mineral occurrences in the licence area date from the 1930s-1950s.

The first significant evaluation of REE in this area was a surface exploration and drill programme in the late 1980s by the Japan International Co-operation Agency (JICA) and the Metal Mining Agency of Japan (MMAJ), in conjunction with the Geological Survey of Malawi. Little further work was reported until Mkango Resources Ltd was granted the licence in January 2010.

Malawi, an under-explored and under-developed mineral-rich province, has only recently received a key boost in investment and exploration support. In January 2013, the Mining Governance and Growth Support Project was launched to review and improve the mining legislation, as well as to complete airborne geophysical surveys and geological re-mapping of the entire country.

The project is supported by the World Bank, the EU and France and will help facilitate development of the sector and reduce the risk profile for investors. Mkango is supportive of this project and is confident that continued stakeholder support will enable Malawi to become one of the world's leading rare-earth producers, with Mkango spearheading its development.

Mkango timeline

> October 2012: Announcement of a maiden mineral resource estimate comprising an In-situ indicated mineral resource of 13.2Mt grading 1.62% and an in-situ inferred mineral resource of 18.6Mt grading 1.38 at 1% TREO cut-off grade.

> March 2013: Mkango initiates the pre-feasibility study (PFS) with the appointment of Digby Wells Environmental to complete

Investment highlights

- > Resource:** significant 43-101-compliant resource, broad zones of mineralisation, potential for open-pit mining
- > Development:** PFS well advanced, favourable topography, simple processing flow sheet, defined phase 1 strategy with expansion options
- > Rare earths:** weighted mix to critical & heavy, targeted to high-demand growth sectors
- > Management:** experienced technical team, specialised consultants
- > Country:** spearheading growth in Malawi, support from international community
- > Infrastructure:** railhead in Blantyre, roads being paved to within c15km from project with gravel/dirt roads for the balance, power developments, access to water
- > Future growth:** extensive licence position, exploration upside, rare earths and other commodities

a comprehensive environmental and social pre-feasibility report.

> July 2013: Announcement of a base-case metallurgical flow sheet. Proof of concept testwork, on a bench scale, demonstrated that the flow sheet has the potential to produce a cerium-depleted, high-grade, mixed rare-earth hydroxide (55% TREO¹, 18% HREO²/TREO).

> Sept 2013: Mkango appoints SNC-Lavalin (Pty) Ltd to complete various aspects of the PFS, including the beneficiation and hydrometallurgical process plants and project infrastructure.

> April 2014: Mkango closes a C\$2.27m private placement, bringing in a new North American investor, Sprott Inc and affiliates.

Growth plans

The phase-one development plan is to produce a heavy and critical rare-earth enriched chemical concentrate. An initial, modest-scale operation is being targeted, with significant expansion potential. Mkango's development plans are targeting a lower capital expenditure than other rare-earth projects, lower technical risk, a high-critical and heavy rare-earth-enriched product, resulting in enhanced marketability and the ability to grow with the rare-earth market. Phase-two development allows for expansion based on the market demand and downstream growth.

¹ TREO – total rare-earth oxides including yttrium oxide;
² HREO – heavy rare-earth oxides including yttrium oxide

Drill-road-construction**Contact****Mkango Resources (TSX-V: MKA)****Tel:** +1-403-444-5979259 Windermere Road SW,
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