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MKANGO ANNOUNCES RUTILE AND ILMENITE DISCOVERY IN MALAWI

London / Vancouver: September 15, 2020 – Mkango Resources Ltd. (AIM/TSX-V: MKA) (the "Company" or "Mkango") is pleased to announce the results of a reconnaissance shallow soil sampling and auger programme in 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.

(see map https://mkango.ca/site/assets/files/4775/20200914_mchinji_sampling_on_topo.jpg)

The results demonstrate the presence of interesting grades of rutile plus anatase (both naturally occurring mineral forms of titanium dioxide: TiO_2) mineralisation of up to 1.07%, with overall TiO_2 grades in the range 0.51 to 4.10% in auger samples and 0.14–2.38% in soil samples; also ilmenite grades of 1.30 to 3.40% (average 1.85%) – see table below.

The grade of the TiO_2 -bearing minerals in the highest-grading auger hole are in the range of 0.63 to 1.07% rutile plus anatase (average 0.73%) and 1.30 to 3.40% ilmenite (average 1.85%), hosted in free-dig saprolite material from surface.

Mkango's President Alexander Lemon commented:

"Mkango is focused on developing the Songwe rare earth deposit in Phalombe district in Malawi and is looking forward to completing the feasibility study. We are very pleased to add this new rutile and ilmenite discovery to our portfolio of projects in Malawi. These early stage results show similarities in terms of saprolite-hosted mineralisation to the recent rutile discoveries made on the adjoining Sovereign Metals Ltd licence to the east, and suggest the potential for discovering high-grade rutile deposits within Mkango's large licence area, in what could potentially be a new province of rutile mineralisation."

Twelve vertical auger holes were drilled to depths of 0.45 to 9.40m, for a total of 35.8m, from which 41 samples were collected. Available equipment was not able to penetrate beneath a shallow ferricrete horizon in the Ludzi river channel to test the assumed river sands beneath, and eight holes failed to reach more than 2m depth; new auger exploration equipment with improved ground cutting capability has been purchased and is currently being shipped to Malawi. The other four holes were drilled in saprolite on higher ground between the Ludzi's tributaries.

Soil sampling was carried out in pits dug to 50cm ('B horizon') on a 500m staggered grid in four areas of the licence, producing 134 samples.

Sample preparation and analysis was provided by Scientific Services laboratory in Cape Town, employing two-acid microwave digestion and ICP-OES techniques suitable for multi-element determination and following strict internal QAQC procedures inserting blanks and standards. Internal laboratory QAQC was also completed to include blanks, standards and duplicates.

The highest TiO₂ grades were returned by nine consecutive samples in a single auger hole (A6), drilled to a depth of 8.9m, that contain between 4.10 and 9.01% total heavy minerals (specific gravity > 2.95) and grade between 3.17 and 4.09% TiO₂. These samples were processed by heavy mineral separation and magnetic separation and the separated fractions were sent to XRD Analytical and Consulting CC in Pretoria for quantitative determination of the heavy minerals by X-ray diffraction (“XRD”). Results are given in the table below for vertical auger hole A6 positioned at co-ordinates 507971E 8482591N in UTM Zone 36S:

Auger hole A6	Total heavy minerals %	TiO₂ %	Rutile + anatase %	Ilmenite %
0 – 1 m	5.32	4.09	0.66	3.40
1 – 2 m	4.95	3.74	0.66	2.87
2 – 3 m	7.12	3.29	0.69	1.71
3 – 4 m	8.04	3.21	0.66	1.31
4 – 5 m	7.78	3.17	0.63	1.30
5 – 6 m	9.01	3.24	0.74	1.41
6 – 7 m	5.79	3.56	0.65	1.44
7 – 8 m	4.10	3.89	0.85	1.58
8 – 8.9 m	4.18	3.81	1.07	1.62
<i>Weighted average</i>	<i>6.28</i>	<i>3.55</i>	<i>0.73</i>	<i>1.85</i>

Geochemistry of the soil samples reveals anomalous TiO₂ values around auger holes A6 and A11, suggesting potential for follow-up and indicating that soil geochemistry may be a useful regional exploration tool.

Mkango is planning an exploration programme of more extensive soil sampling, additional auger drilling, and mineralogical test work to identify rutile prospects across this potential new rutile province within the Mchinji licence. The exploration programme will be funded from the Company's existing working capital.

Rutile, anatase and ilmenite are naturally occurring TiO₂ minerals, whose main uses are 90% for pigments, 5% production of titanium metal and 5% welding. Sierra Rutile owned by Iluka is the only high grade, large scale operating primary source natural rutile mine globally.

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'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 Hill 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, with respect to the Mchinji licence, the potential for discovering high-grade rutile deposits within the licence area, 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.

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