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MKANGO INTERSECTS HIGHEST GRADE RARE EARTHS MINERALISATION TO DATE IN FINAL DRILL RESULTS FROM THE SONGWE HILL PROJECT IN MALAWI AND COMMENCES RESOURCE UPDATE

London / Vancouver: December 3, 2018 - Mkango Resources Ltd. (AIM / TSXV: MKA) (the "Company" or "Mkango"), the rare earths exploration and development company focused on Malawi, is pleased to announce results for the final twenty one drill holes from the recently completed 10,900 metre diamond drill programme at the Songwe Hill Rare Earths Project ("Songwe"). The process to complete an updated Mineral Resource Estimate has commenced. Nineteen of the latest twenty one drill holes intersected significant zones of rare earths mineralisation grading above 1% total rare earth oxides ("TREO"), including the highest grade intersections of the current phase of drilling in PX112.

Highlights from the results include the following:

PX070	46.6 m grading 1.8% TREO (5.0 – 51.6 m) and 123.0 m grading 1.8% TREO (78.4 – 201.3 m End of Hole ("EoH")) including 43.7 m grading 2.7% TREO (78.4 – 122.0 m). Inclined hole (70 degrees east).
PX078	22.3 m grading 1.3% TREO (6.0 – 28.3 m) and 68.3 m grading 1.8% TREO (76.2 – 144.4 m) including 19.4 m grading 3.0% TREO (125.1 – 144.4 m). Inclined hole (60 degrees west).
PX081	53.3m¹ grading 2.2% TREO (3.7 – 57.0 m) including 26.8 m grading 3.1% TREO (3.7 – 30.5 m). Inclined hole (60 degrees east).
PX086	73.3 m grading 1.9% TREO (21.5 – 94.8 m). Inclined hole (60 degrees west).
PX087	74.4 m² grading 2.1% TREO (16.2 – 90.6 m). Inclined hole (60 degrees west).
PX092	74.9 m grading 1.9% TREO (10.1 – 84.9 m) and 51.9 m grading 1.5% TREO (97.6 – 149.5 m EoH). Inclined hole (60 degrees south).
PX093	83.9 m grading 1.9% TREO (1.5 – 85.4 m) including 18.0 m grading 3.0% TREO (21.0 – 39.0 m). Inclined hole (60 degrees west).
PX109	53.0 m grading 2.1% TREO (22.0 – 75.0 m) including 22.0 m grading 3.0% TREO (24.0 – 46.0 m). Inclined hole (60 degrees east).
PX112	100.9 m grading 3.3% TREO (5.9 – 106.8 m EoH) including 20.5 m grading 4.2% TREO (5.9 – 26.4 m) and 22.2 m grading 4.1% TREO (36.0 – 58.2 m). Inclined hole (60 degrees south).
PX125	104.5 m grading 1.5% TREO (3.5 – 108.0 m) including 51.5 m grading 1.9% TREO (3.5 – 55.0 m). Inclined hole (60 degrees south).

¹ Includes 3.8m cavity not sampled. ² Includes a 2.7m cavity not sampled. TREO: total rare earth oxides based on total La₂O₃, Ce₂O₃, Pr₂O₃, Nd₂O₃, Sm₂O₃, Eu₂O₃, Gd₂O₃, Tb₂O₃, Dy₂O₃, Ho₂O₃, Er₂O₃, Tm₂O₃, Yb₂O₃, Lu₂O₃, Y₂O₃. These intersections are reported as down hole widths and do not necessarily represent true thicknesses and attitude of the mineralised zones, the estimation of which will require further refining of the geological model.

Following the resource update and on subsequent publication of the related NI 43-101 technical report, anticipated in first quarter 2019, Talaxis will invest a further £7 million to fund completion of the Feasibility Study for Songwe, which will be the main focus for 2019.

William Dawes, Chief Executive Officer, commented: *“This rounds off what has been a highly successful drill programme with another excellent set of results. Metallurgical optimisation and work relating to the Environmental, Social and Health Impact Assessment is also progressing well and we look forward to updating the market as we progress the feasibility study through 2019, starting with the resource update in the first quarter.”*

- The drill programme comprised infill drilling to confirm and upgrade the existing Indicated and Inferred Mineral Resource Estimates, step out drilling to test extensions to the mineralisation, and geotechnical drilling.
- Drill holes PX081, PX086, PX087, PX112 and PX125 successfully targeted the higher grade “black carbonatite” zone, located in the north-east, as indicated on the accompanying geological map on the Company’s website. PX054 PX070, PX092 and PX117 were additional infill drill holes.
- PX078, PX080, PX083, PX089, PX093, PX109, PX114, PX118, PX122, PX123 and PX124 were step-out holes focused on testing north-west extensions of the mineralisation, all of which intersected broad zones of mineralisation.
- The drilling database and geological model has been provided to The MSA Group, which has commenced the process to update the Mineral Resource Estimates.

A schematic geological map illustrating the location of the drill hole collars and estimated drill hole traces is available on the Company’s website (www.mkango.ca). The full set results and breakdown of TREO values are as follows:

Drill Hole	From m	To m	Interval m	La ₂ O ₃ ppm	Ce ₂ O ₃ ppm	Pr ₂ O ₃ ppm	Nd ₂ O ₃ ppm	Sm ₂ O ₃ ppm	Eu ₂ O ₃ ppm	Gd ₂ O ₃ ppm	Tb ₂ O ₃ ppm	Dy ₂ O ₃ ppm	Ho ₂ O ₃ ppm	Er ₂ O ₃ ppm	Tm ₂ O ₃ ppm	Yb ₂ O ₃ ppm	Lu ₂ O ₃ ppm	Y ₂ O ₃ ppm	TREO %	
PX054	23.4	182.0	158.7	2,733	5,233	582	2,097	322	86	205	24	113	18	44	6	34	5	521	1.2%	
PX070	5.0	51.6	46.6	5,228	8,218	785	2,502	318	83	192	21	93	14	30	3	19	3	364	1.8%	
	78.4	201.3	123.0	5,186	8,463	824	2,587	305	77	173	19	82	12	27	3	18	2	330	1.8%	
including	78.4	122.0	43.7	8,194	12,954	1,212	3,596	350	81	173	17	75	11	25	3	18	2	303	2.7%	
PX078	6.0	28.3	22.3	3,214	5,866	621	2,144	332	86	207	24	117	19	44	5	29	4	517	1.3%	
	76.2	144.4	68.3	5,114	8,386	832	2,745	366	90	205	22	103	17	39	5	27	3	482	1.8%	
including	125.1	144.4	19.4	9,581	14,066	1,306	4,063	500	119	250	24	98	14	32	4	20	3	403	3.0%	
PX080	5.7	109.8	104.1	(i)	3,118	5,426	578	2,018	316	82	189	21	94	15	34	4	25	3	406	1.2%
PX081	3.7	57.0	53.3	(i)	6,530	10,274	979	3,058	377	97	243	29	137	22	52	6	36	4	638	2.2%
including	3.7	30.5	26.8		9,531	14,108	1,290	3,863	440	108	269	32	144	24	56	7	39	5	684	3.1%
PX083	31.0	73.2	42.2		2,338	4,551	521	1,961	330	92	228	28	134	21	49	6	31	4	619	1.1%
PX086	21.5	94.8	73.3		4,503	8,452	903	3,098	431	115	272	32	158	26	61	7	43	5	731	1.9%
PX087	16.2	90.6	74.4	(i)	5,731	9,603	981	3,234	410	107	247	30	143	23	53	6	36	4	630	2.1%

Drill Hole	From m	To m	Interval m	La ₂ O ₃ ppm	Ce ₂ O ₃ ppm	Pr ₂ O ₃ ppm	Nd ₂ O ₃ ppm	Sm ₂ O ₃ ppm	Eu ₂ O ₃ ppm	Gd ₂ O ₃ ppm	Tb ₂ O ₃ ppm	Dy ₂ O ₃ ppm	Ho ₂ O ₃ ppm	Er ₂ O ₃ ppm	Tm ₂ O ₃ ppm	Yb ₂ O ₃ ppm	Lu ₂ O ₃ ppm	Y ₂ O ₃ ppm	TREO %
PX089	54.3	88.5	34.2	2,215	4,270	465	1,694	285	80	195	23	110	18	42	5	29	4	491	1.0%
PX092	10.1	84.9	74.9	5,133	8,693	859	2,749	374	97	229	26	116	17	39	5	28	4	482	1.9%
	97.6	149.5	51.9	3,376	6,493	708	2,472	375	99	232	26	120	19	49	7	46	6	576	1.5%
PX093	1.5	85.4	83.9	5,070	8,720	892	2,948	394	104	243	29	132	21	51	7	40	5	592	1.9%
including	21.0	39.0	18.0	8,914	14,033	1,348	4,171	472	115	255	28	118	18	41	5	33	5	474	3.0%
PX109	22.0	75.0	53.0	6,078	9,518	896	2,790	348	88	204	23	97	15	33	4	22	3	391	2.1%
including	24.0	46.0	22.0	8,845	13,770	1,285	3,962	477	121	280	31	130	19	41	5	27	3	512	3.0%
PX112	5.9	106.8	100.9	10,530	15,038	1,357	4,067	455	114	279	32	137	22	49	6	35	4	606	3.3%
including	5.9	26.4	20.5	14,172	19,387	1,698	4,949	518	131	323	37	160	25	58	7	39	5	719	4.2%
including	36.0	58.2	22.2	13,856	19,053	1,655	4,776	495	121	289	31	128	19	41	5	28	4	522	4.1%
PX114	56.0	100.7	44.7	(i) 3,762	6,498	663	2,194	319	80	186	21	98	15	34	4	22	3	409	1.4%
(i) Includes two cavities totaling 9.3m not sampled.																			
PX118	4.4	91.0	86.6	3,236	5,889	595	1,919	304	81	192	23	107	18	42	5	31	4	509	1.3%
	120.9	151.6	30.7	(i) 2,248	4,667	497	1,842	346	95	228	27	133	22	52	6	33	4	640	1.1%
(i) Includes 2.2m cavity not sampled.																			
PX122	84.0	106.8	22.8	(i) 3,639	5,899	586	1,934	273	74	172	21	100	16	37	5	27	3	431	1.3%
(i) Includes two cavities totaling 4.2m not sampled.																			
PX123	75.9	100.8	24.9	2,304	4,657	513	1,807	248	61	135	15	67	11	28	4	19	3	331	1.0%
PX124	24.7	58.8	34.1	2,748	5,520	604	2,120	279	73	166	21	107	19	51	7	40	5	556	1.2%
PX125	3.5	108.0	104.5	4,244	6,599	630	1,989	272	77	187	24	113	18	40	5	26	3	475	1.5%
including	3.5	55.0	51.5	5,416	8,469	807	2,505	313	85	205	27	135	22	51	6	34	4	609	1.9%
Drill holes PX044 and PX117 did not intersect significant zones of mineralisation grading above 1% TREO																			

Scientific and technical information contained in this release including sampling, analytical, and test data underlying the information has been approved and verified by Dr. Scott Swinden PGeo of Swinden Geoscience Consultants Ltd, who is a "Qualified Person" in accordance with National Instrument 43-101 - Standards of Disclosure for Mineral Projects.

Sample preparation and analytical work for the drilling and channel sampling programmes are being provided by Intertek-Genalysis Laboratories (Perth, Australia), employing ICP-MS techniques suitable for rare earth element (REE) analyses and following strict internal QAQC procedures, inserting duplicates, blanks and standards. Internal Laboratory QAQC was also completed to include blanks, standards and duplicates.

About Mkango Resources Limited

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 three exclusive prospecting licenses in Malawi: the Phalombe licence, the Thambani licence and the Chimimbe Hill licence.

The main exploration target in the 80% 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 include the recently completed 10,900 metre drilling programme.

Under the terms of an agreement with Talaxis, Talaxis will fully fund the Feasibility Study for Songwe by investing £12 million for a 49% interest in the project (via Mkango subsidiary Lancaster Exploration Ltd). Talaxis will also have the option to acquire a further 26% interest by arranging funding for project development including funding the equity component thereof. If Talaxis exercises its option, Mkango will retain a 25% interest, free carried to production. To-date, Talaxis has invested £5 million, which is funding the initial phase of the Feasibility Study, for a 20% interest in the project, with Mkango holding 80%.

By investing a further £2 million, Talaxis will acquire a 49% interest in Maginito Ltd, a new subsidiary of Mkango focused on neodymium alloy powders, magnets and other technologies. This includes the collaboration with Metalysis Ltd announced in September 2017, which is focused on advanced alloys using neodymium or praseodymium with other elements for permanent magnet manufacturing. Permanent magnets are critical materials for most electric vehicles, direct drive wind turbines and many other high growth applications. Neodymium is a key rare earth component at Songwe. To date, Talaxis has invested £1 million for a 24.5% interest in Maginito with Mkango holding 75.5%.

The main exploration targets in Mkango's remaining two 100% held licences are, in the Thambani licence, uranium, niobium, tantalum and zircon and, in the Chimimbe Hill licence, nickel and cobalt.

For more information, please visit www.mkango.ca.

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 global market for products using the rare earth metals the Company is exploring for, completion of the feasibility study and of the transactions contemplated in the agreement with Talaxis, as well as the use of proceeds from the investments into the Company by Talaxis and the timing of such expenditures. 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, market 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 Project, 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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