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NEWS RELEASE

MKANGO RESOURCES CLOSES FIRST TRANCHE OF PRIVATE PLACEMENT

Calgary, Alberta: March 1, 2013 – Mkango Resources Ltd. (TSXV-MKA) (the "**Corporation**" or "**Mkango**") is pleased to announce that it has closed the first tranche of its non-brokered private placement of units (the "**Units**") announced in its press release of February 25, 2013.

4,285,715 Units were issued to Leo Mining and Exploration Limited ("**Leominex**") at a price of C\$0.175 per Unit for gross cash proceeds of C\$750,000.

Each Unit consists of one common share ("**Common Share**") and one-half of a Common Share purchase warrant ("**Warrant**") of Mkango. Each whole Warrant entitles the holder to acquire one Common Share for C\$0.35 for a period of 12 months following the closing date of the financing. Where the closing price of the common shares on the TSX Venture Exchange equals or exceeds C\$0.40 for 20 consecutive trading days following the date that is four months and one day after the date of issuance of the Warrants, the Corporation shall have the right to require conversion of the Warrants at the exercise price upon 30 days' notice.

The securities issued to Leominex have a hold period of four months and one day from the closing date. No fees were payable in connection with this portion of the Private Placement.

As previously announced, the Corporation also plans to offer up to 7,144,285 Units to certain existing shareholders and other potential investors who are eligible to purchase the Units on a private placement basis. The Corporation will ensure that any participating shareholder wishing to maintain its position in Mkango has the opportunity to do so. The Units will be offered at the same price as was paid by Leominex. This portion of the Private Placement may be completed in a number of tranches however the last closing date of the Private Placement will be no later than permitted by the TSX Venture Exchange. The securities issued under the remaining tranches of the Private Placement will have a hold period of four months and one day from the applicable closing date. Fees may be payable by Mkango on this portion of the Private Placement.

The use of proceeds from the Private Placement comprise further metallurgical test work, mine planning, environmental studies and other aspects required to move the project through the pre-feasibility stage, in addition to regional exploration and general corporate purposes.

As Leominex is an insider of the Corporation, the first tranche of the Private Placement was a "related party transaction" as defined under Multilateral Instrument 61-101 ("MI 61-101"). The transaction, however, was exempt from the formal valuation and minority shareholder approval requirements of MI 61-101 as neither the fair market value of any securities issued to or the consideration paid by Leominex will exceed 25% of the Corporation's market capitalization. Leominex now beneficially owns or controls 24,138,614 common shares of the Corporation, representing approximately 58% of the issued and

outstanding common shares of the Corporation. Assuming the remaining portion of the Private Placement is fully subscribed, Leominex will upon closing of the remaining portion of the private placement beneficially own or control 24,138,614 common shares of the Corporation, representing approximately 49% of the issued and outstanding common shares of the Corporation. The Private Placement was unanimously approved by the directors of the Corporation. The material change report in respect of the Private Placement will be filed less than 21 days before the expected date of the closing which the Corporation considers reasonable and necessary in the present circumstances to continue to move the Songwe project towards the pre-feasibility stage.

The Private Placement remains subject to final acceptance of the TSX Venture Exchange.

The Songwe Hill Rare Earth Project

The Songwe Hill rare earth project is located within the 100% owned Exclusive Exploration Licence 0284/10R in southeast Malawi. The Songwe project is accessible by road from Zomba, the former capital, and Blantyre, the principal commercial town of Malawi. Total travel time from Zomba is approximately 2 hours, which will reduce as infrastructure continues to be upgraded in the area.

On 22 November 2012, Mkango filed a Technical Report (the "Report") for its maiden NI 43-101 mineral resource estimate entitled *NI 43-101 Technical Report and Mineral Resource Estimate for the Songwe Hill Rare Earth Element (REE) Project, Phalombe District, Republic of Malawi* authored by Scott Swinden, Ph.D, P.Geo. and Michael Hall, Pr.Sci.Nat., MAusIMM. The Report's mineral resource estimates, as previously announced, are summarized below.

Cut-off grade	<i>In-situ</i> Indicated Mineral Resource estimate	<i>In-situ</i> Inferred Mineral Resource estimate
1.0% TREO	13.2 mt grading 1.62% TREO	18.6 mt grading 1.38% TREO
1.5% TREO	6.2 mt grading 2.05% TREO	5.1 mt grading 1.83% TREO

TREO – total rare earth oxides including yttrium. In-situ - no geological losses applied. mt - million tonnes

For further details of mineral resource estimates including breakdowns thereof, please refer to the Report which is available at www.sedar.com.

Mkango Resources Ltd.

Mkango's primary business is the exploration for rare earth elements and associated minerals in the Republic of Malawi. It holds, through its wholly owned subsidiary Lancaster Exploration Limited, a 100% interest in two exclusive prospecting licenses covering a combined area of 1,751 km² in southern Malawi. The main exploration target is the Songwe Hill rare earth deposit, which features carbonatite hosted rare earth mineralisation and was subject to previous exploration in the late 1980s.

The Corporation's corporate strategy is to further develop the Songwe Hill rare earth deposit and secure additional rare earth element and other mineral opportunities in Malawi and elsewhere in Africa.

On behalf of the Board of Mkango Resources Ltd.,

"William Dawes"

Chief Executive Officer

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Cautionary Note Regarding Forward-Looking Statements

This news release may contain forward-looking statements relating to the Corporation. 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, among others, the interpretation and actual results of current exploration activities; uncertainty of estimates of mineral resources, changes in project parameters as plans continue to be refined; future commodity prices; possible variations in grade or recovery rates; failure of equipment or processes to operate as anticipated; labour disputes and other risks of the mining industry; delays in obtaining governmental approvals or financing or in the completion of exploration.

The forward-looking statements contained in this press release are made as of the date of this press release. Except as required by law, the Corporation disclaims any intention and assume 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 securities law. Additionally, the Corporation 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.