



MKANGO RESOURCES LTD.
550 Burrard Street
Suite 2900
Vancouver
BC V6C 0A3
Canada

MKANGO APPOINTS BACCHUS CAPITAL AS STRATEGIC AND FINANCIAL ADVISER

London / Vancouver: December 21, 2020 - Mkango Resources Ltd. (AIM/TSX-V: MKA) (the "Company" or "Mkango") is pleased to announce the appointment of Bacchus Capital Advisers Limited ("Bacchus Capital") as strategic and financial adviser, encompassing mergers and acquisitions, takeover defence, strategic and other financial advice.

Bacchus Capital is a London-based independent investment and merchant banking boutique. The Bacchus Capital team members have been involved in building some of the world's most successful mining companies from the earliest stages and have played a key role in many of the metals and mining industry's most significant transactions in recent decades.

William Dawes, Chief Executive of Mkango stated: *"We are very pleased to appoint Bacchus Capital as strategic and financial adviser. This comes at a critical time in Mkango's development, against the backdrop of transformational changes in the rare earths sector, and we look forward to working with Bacchus Capital to best position the company for new opportunities and to increase value for shareholders."*

Richard Allan, Managing Director and COO of Bacchus Capital stated: *"We are excited to begin working with Mkango at a time when the wider market is starting to appreciate the material structural supply deficit facing critical materials, such as rare earths. Mkango will play an important role in supplying the increasing demand for the rare earths required to support a global shift towards a sustainable economy, specifically in light of the increased demand for electric vehicles and wind power."*

Under the terms of the advisory agreement, Bacchus Capital will receive a fee of US\$30,000 and, subject to TSX Venture Exchange approval, 325,000 shares on 31 January 2021, and a further 625,000 shares on 18 December 2021 should its engagement continue with the Company until such date.

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 and cobalt, and in the Mchinji licence, rutile, nickel, cobalt, base metals and graphite. Mkango recently completed an extensive exploration program following a new rutile discovery within the Mchinji licence.

Mkango also holds a 75.5% interest in Maginito (www.maginito.com) with the balance owned by Talaxis. Maginito was established by Mkango and Talaxis to pursue downstream 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's strategy is underpinned by offtake rights for sustainably sourced primary and secondary raw materials, and geared to accelerating growth in the electric vehicle sector, wind power generation and other industries driven by decarbonization of the economy.

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 rare earth metals the Company is exploring for, completion of the feasibility study for Songwe. 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, 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.

For further information on Mkango, please contact:

Mkango Resources Limited

William Dawes
Chief Executive Officer
will@mkango.ca
Canada: +1 403 444 5979

Alexander Lemon
President
alex@mkango.ca

www.mkango.ca
@MkangoResources

Blytheweigh

Financial Public Relations
Tim Blythe
UK: +44 207 138 3204

SP Angel Corporate Finance LLP

Nominated Adviser and Joint Broker
Jeff Keating, Caroline Rowe
UK: +44 20 3470 0470

Alternative Resource Capital

Joint Broker
Alex Wood
UK: +44 20 7186 9004

Bacchus Capital Advisers

Strategic and Financial Adviser
Richard Allan
UK: +44 20 3848 1642

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.