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MKANGO COMMENCES PILOT PLANT PROCESSING OF BULK SAMPLE FROM SONGWE HILL RARE EARTHS PROJECT

London / Vancouver: February 24, 2021 - Mkango Resources Ltd. (AIM/TSX-V: MKA) (the "Company" or "Mkango") is pleased to announce the commencement of flotation pilot plant test work for the Songwe Hill Rare Earths project in Malawi ("Songwe" or the "Project").

- Flotation pilot plant processing has commenced at ALS Metallurgy in Perth, Australia - a new, optimised flotation regime has been developed and now scaled up as part of the pilot programme
- Preparation for hydrometallurgical pilot testing is underway at ANSTO in Australia, which will process rare earth mineral concentrate produced from the flotation pilot plant
- Design and engineering studies by lead engineer SENET (a DRA Global Group Company) are continuing in parallel, with the Songwe Feasibility Study targeted for completion in the fourth quarter of this year
- Scoping studies for rare earth separation have been completed, and strategic options for moving forward with potential sites are being evaluated
- Rising rare earth prices and concerns over security of supply provide a very favourable market backdrop, with accelerating demand geared to growth in green technology applications

The selection and piloting of the flotation processing flowsheet is an integral part of the Feasibility Study and a critical step towards commercialisation of the Songwe project. The feed for the flotation pilot plant is derived from the 60 tonne bulk sample previously shipped from Malawi to Australia, having been selected from areas within the previously announced upgraded Measured and Indicated Mineral Resource Estimates, which underpin the ongoing Feasibility Study. No further resource drilling is required.

William Dawes, Chief Executive of Mkango stated: *"The start of pilot plant processing is a major milestone for the company and Mkango joins the ranks of the very few rare earths projects that have been advanced to this stage of development. We look forward to announcing results from the pilot plant when available."*

"Mkango is uniquely positioned in the rare earths sector with an integrated "mine, refine, recycle" strategy encompassing sustainably sourced rare earths from Malawi, rare earth magnet recycling in the UK, via its interest in HyProMag, and strategic options to develop EU and UK rare earth separation and refining capacity. Rare earth prices have risen significantly over the recent months and the demand outlook is very positive, directly linked to growth in electric vehicles, wind power and other clean technology applications."

Processing and mineralogy are key value drivers for rare earth projects, and pilot test work is an integral part of developing a robust feasibility study and bankable project. The Songwe processing flow sheet has been developed and optimised by leading experts in rare earths processing and comprises flotation of run of mine ore to produce an upgraded mineral concentrate, which is then processed via hydrometallurgy to produce a high

grade purified, cerium depleted, mixed rare earth carbonate enriched in neodymium, praseodymium, dysprosium and terbium.

Flotation Pilot Plant

Flotation is a key part of the processing flowsheet for Songwe with significant test work having been completed in South Africa, Canada and Australia in order to increase grade and recovery from those in Mkango's previously announced pre-feasibility study. This work has resulted in a new flotation regime, which has been scaled up during the pilot programme. The flotation pilot plant will also provide SENET (a DRA Global Group Company) with essential operating data to assist it in the engineering of the Company's commercial scale operation as well as providing mineral concentrate feed for hydrometallurgical pilot testing at ANSTO.

Hydrometallurgy Pilot Plant

As part of the feasibility study, significant optimisation test work has been successfully completed at ANSTO in Australia resulting in an improved process compared to the pre-feasibility study. Hydrometallurgical piloting will be completed at ANSTO following completion of flotation piloting.

The majority of Songwe's rare earths are hosted within fluorocarbonate minerals, which means that high capital and energy intensive kilns will not be required during hydrometallurgical processing, in contrast to projects dominated by monazite or other refractory rare earths minerals.

Scientific and technical information contained in this release has been approved and verified by Nicholas Dempers Pr.Eng (RSA) Reg. No 20150196, FSAIMM of SENET (a DRA Global Group Company), who is a "Qualified Person" in accordance with National Instrument 43-101 -- Standards of Disclosure for Mineral Projects.

About Mkango

Mkango's corporate strategy is to develop new sustainable primary and secondary sources of neodymium and praseodymium to supply accelerating demand from electric vehicles, wind turbines and other clean technologies.

Mkango is developing the 51% owned Songwe Hill rare earths project in Malawi with the ongoing Feasibility Study funded through a £12 million investment by strategic partner Talaxis Limited. Malawi is known as "The Warm Heart of Africa", a stable jurisdiction with existing road, rail and power infrastructure, and new infrastructure developments underway. 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.

In parallel, through its 75.5% interest in Maginito Limited (www.maginito.com), Mkango is developing 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, and recently invested in UK rare earth (NdFeB) magnet recycler, HyProMag Limited (www.hypromag.com).

Maginito's strategy is underpinned by offtake rights for sustainably sourced primary and secondary raw materials from Songwe and HyProMag, respectively, and is geared to accelerating growth in the electric vehicle sector, wind power generation and other industries driven by decarbonization of the economy.

Mkango also has an extensive exploration portfolio in Malawi, including the recently announced Mchinji rutile discovery, for which assay results are pending, in addition to the Thambani uranium-tantalum-niobium-zircon project and Chimimbe nickel-cobalt project.

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. 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, results from the current pilot plant studies, the results of the current exploration programme at Mchinji, the development of a separation plant, 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.

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