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MKANGO RESOURCES COMPLETES INITIAL SAMPLING AND GROUND GEOPHYSICS AT THE NKALONJE HILL RARE EARTHS PROJECT AND IDENTIFIES DRILL TARGETS

Highlights

- Assays of carbonatite dyke samples return grades of up to 5.92% TREO (Total Rare Earth oxides) median 2.96%.
- Mapping and geophysics results confirm that the major geological features of Nkalonje Hill (“Nkalonje”) are those of an alkali silicate-carbonatite intrusive complex, similar to Songwe Hill.
- Geophysics has identified a primary shallow drilling target beneath exposed mineralised dykes and a secondary deeper drilling target.

London / Vancouver: April 7, 2022 – Mkango Resources Ltd. (AIM/TSX-V: MKA) (the "Company" or "Mkango") is pleased to provide an update on the exploration programme at the Nkalonje Hill Rare Earths Project, 14 km from Mkango’s Songwe Hill Rare Earths development project (see Figure 1). Mapping, sampling and ground geophysical data were obtained at Nkalonje in Q4 2021, following up on encouraging historical regional geophysical data.

Alexander Lemon, President of Mkango, commented:

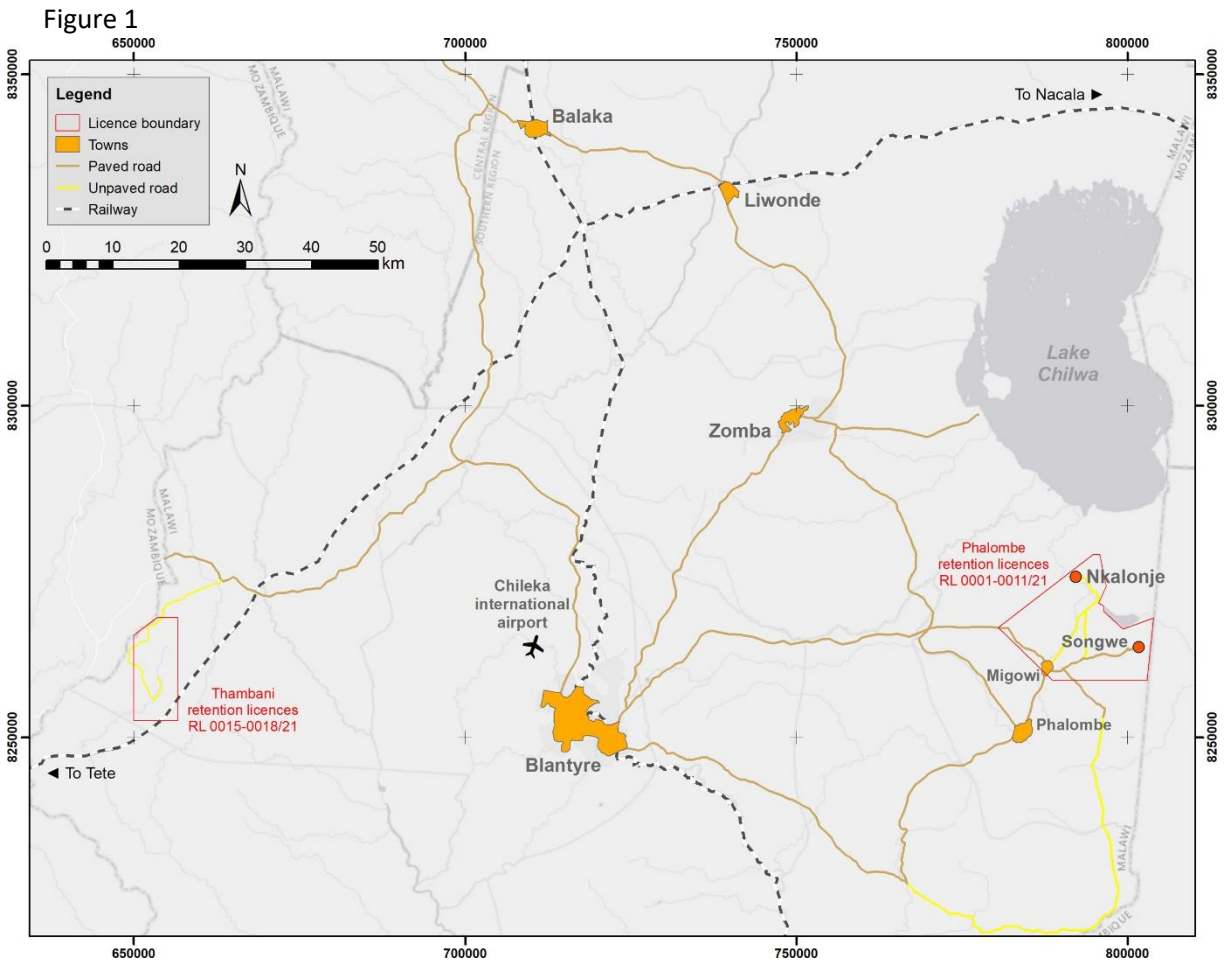
“We are extremely encouraged by the recent exploration results for the Nkalonje Hill Rare Earths project. The targets generated from the mapping and geophysics data are exciting indicators of the potential for further mineralisation at depth. The similarities between Nkalonje and Songwe Hill, and the high TREO grades from the assay results, demonstrate a strong case for further investigation. In the long term, the close proximity of Nkalonje to Songwe provides a good potential source of additional REE feedstock for processing at Songwe.”

Nkalonje Hill Rare Earths Project

- Nkalonje is located 23 km by road (14 km straight line) north-west of Mkango’s Songwe Hill Rare Earths Project, within the Company’s Phalombe Licences. The project is approximately 95 km by road from the commercial centre of Blantyre, which has an international airport and a railhead. Paved roads run from Blantyre to within 19 km of Nkalonje.
- Nkalonje is underlain by an alkali silicate–carbonatite intrusive complex geologically similar to Songwe Hill, comprising two connected hills underlain by fenite, nepheline syenite and breccia (see map below). Regional geophysical data from the World Bank funded programme in 2016 demonstrates that Nkalonje is marked by a magnetic low and thorium high. Thorium radiometrics are known as a highly effective tool

for rare earths exploration and the Songwe Hill carbonatite is also characterised by a thorium radiometric anomaly, identified through previous geophysical surveys.

- The fenites on Nkalonje are intruded by carbonatite veins and dykes that are locally enriched in rare earth elements, suggesting potential for a larger mineralised carbonatite body below surface.



Infrastructure map showing the location of Nkalonje and Songwe in Mkango’s Phalombe Licences relative to the commercial capital Blantyre, other towns, and the Tete–Nacala railway. Grid is UTM Zone 36S in WGS84 Datum.

Exploration results

Geological mapping and geophysics data for Nkalonje confirms the presence of previously mapped nepheline syenite, breccia and carbonatite (see Figure 2).

- The ground geophysics data support the geological interpretation of a ring complex structure, as seen at Songwe, and at other carbonatite vents in Malawi. The overall diameter of this structure is approximately 1.7 km and comprises an outer ring of nepheline syenite and a central vent of breccia.
- The breccia body is approximately 900 m in diameter and comparable in lateral extent to Songwe Hill.
- Mapping to date has identified eight carbonatite dykes reaching 4 m in width and traceable at surface up to 90 m along strike.
- Two different carbonatite types are noted at Nkalonje: (1) calcite carbonatite, and, (2) a banded ferroan calcite carbonatite.

- Assay results for 12 calcite carbonatite and 17 ferroan calcite carbonatite grab samples returned TREO grades of up to 5.92%, with a median value of 2.96% in the ferroan calcite carbonatite, suggesting concentration of the rare earth elements (“REE”) in the more evolved carbonatite phases.

Table 1

		La ₂ O ₃	Ce ₂ O ₃	Pr ₆ O ₁₁	Nd ₂ O ₃	Sm ₂ O ₃	Eu ₂ O ₃	Gd ₂ O ₃	Tb ₄ O ₇	Dy ₂ O ₃	Ho ₂ O ₃	Er ₂ O ₃	Tm ₂ O ₃	Yb ₂ O ₃	Lu ₂ O ₃	Y ₂ O ₃	TREO
Ferroan calcite carbonatite n=17	Median	7643	14134	1243	3224	240	57	120	17	102	22	69	11	72	10	762	2.96
	Max	17197	29706	2767	7300	551	123	254	36	277	65	185	23	129	16	2101	5.92
	Min	4076	7571	695	1879	157	41	85	11	59	11	30	4	27	4	320	1.53
Calcite carbonatite n=12	Median	3343	5662	529	1557	150	35	82	12	56	10	28	4	23	4	275	1.20
	Max	5474	8811	781	2172	204	50	109	15	75	14	36	5	31	4	423	1.80
	Min	1089	1874	169	480	55	16	40	6	32	6	19	3	16	2	191	0.40

Table 1: Assay results for grab samples from the Nkalonje Hill Rare Earths Project. Grades for individual rare earth oxides reported in parts per million (ppm), total rare earth oxides (TREO) in weight percent.

- The geophysical characteristics of the central breccia vent include a low magnetic response, low density and high conductivity. However, it also includes a central gravity anomaly extending from the surface to approximately 300 m depth. This feature is tentatively interpreted as a shallow body of carbonatite, which fits the observed lithologies present at Nkalonje, and the conceptual structure of the hill.

Exploration targets at Nkalonje

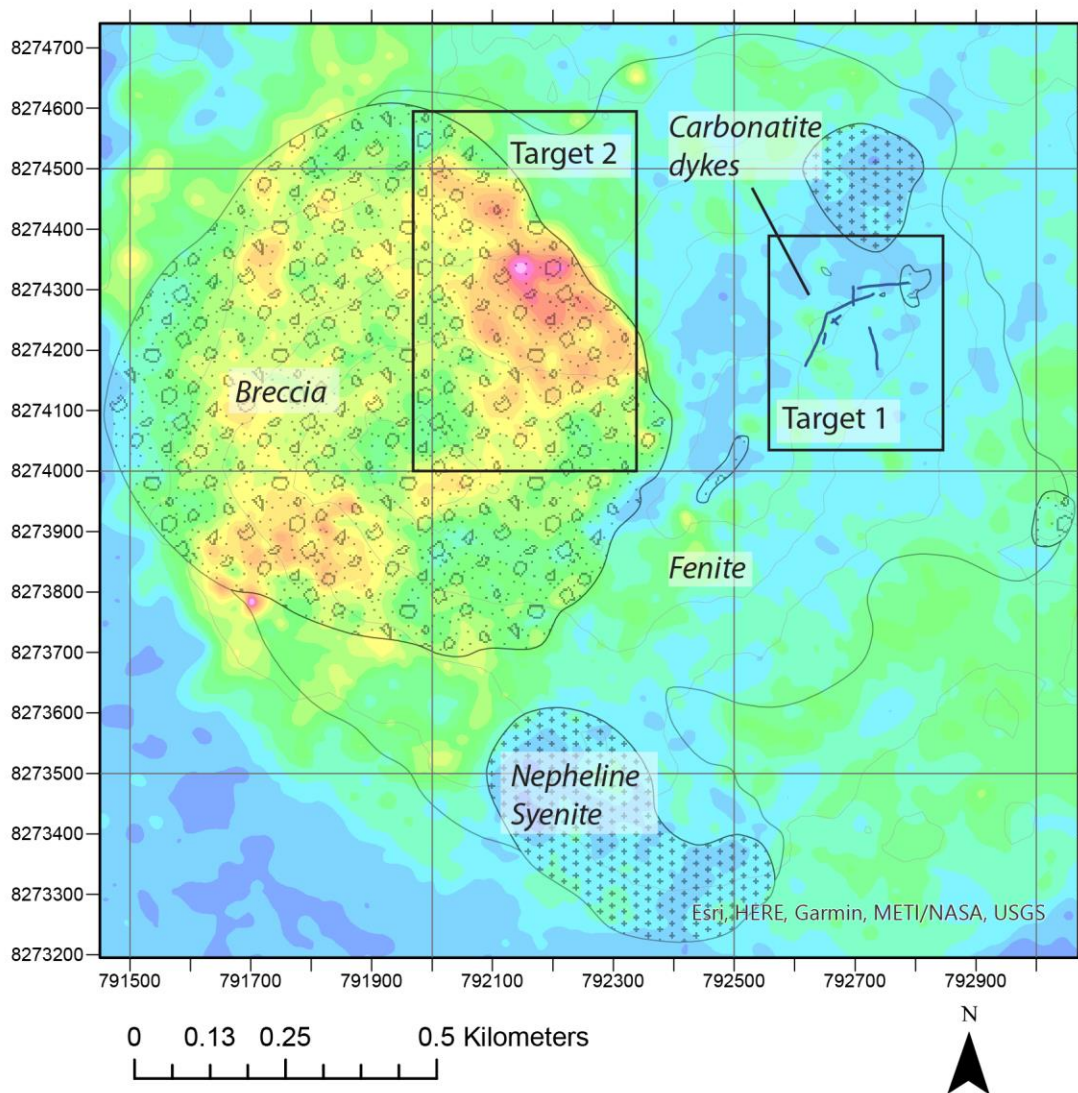
Based on interpretation of the recent data, the Company has identified two drilling targets at Nkalonje (see Figure 2 below).

- Target 1 is centred on known mineralisation around the carbonatite dykes. Further mineralisation at depth is interpreted from Induced Polarity (“IP”) and Natural Source Audio Magneto-Telluric (“NSAMT”) geophysical anomalies which present a series of potential shallow drill targets extending down-dip of the exposed dykes.
- Target 2 is a conceptual target based on geophysical anomalies which consist of a surface radiometric anomaly (high Th), a gravity high and magnetic low, with an IP anomaly at depth. The target is in a relatively eroded, poorly exposed part of the hill. These geophysical and geomorphological features fit with a conceptual model of a central carbonatite body, common to other carbonatite complexes, which the surface dykes suggest may potentially contain REE mineralisation.

Work plan

Planned work at Nkalonje consists of continued evaluation of the dykes at Target 1, including new sampling (including channel sampling where possible) in order to trace the grade of the dykes along strike. A soil/auger sampling and trenching programme is planned to ground truth the geophysical anomalies at Target 2.

Figure 2



Geological and thorium anomaly map of Nkallonje showing exploration targets. Blue = low, red/yellow = high thorium counts, Grid is UTM Zone 36S in WGS84 Datum.

Methods and Quality Control

Sample preparation and analytical work was provided by Intertek-Genalysis Laboratories (Johannesburg, South Africa, and Perth, Australia), employing ICP-MS techniques suitable for REE analyses and following strict internal laboratory QA/QC procedures, inserting blanks, standards and duplicates, in addition to blanks and standards inserted by Mkango.

Ground geophysics data was acquired over the Nkallonje vent by Gregory Symons Geophysics (Namibia) in November-December 2021. Ground magnetic, radiometric and gravity data were collected over an area of 2.7 x 2.7 km, covering the hill and surrounding lake sediments, with magnetic and radiometric data collected at 50 m line spacing, and gravity data collected along selected lines at 100 m spacing. 3D inversions of the magnetic and gravity data were processed using VOXI Earth Modelling in Oasis Montaj software. The NSAMT data was

acquired on two lines, bisecting the hill at 50 m station spacing, and the IP survey was carried out using a pole-dipole electrode spread on eight lines with a 50 m dipole spacing.

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.

Market Abuse Regulation (MAR) Disclosure

The information contained within this announcement is deemed by the Company to constitute inside information as stipulated under the Market Abuse Regulations (EU) No. 596/2014 ('MAR') which has been incorporated into UK law by the European Union (Withdrawal) Act 2018. Upon the publication of this announcement via Regulatory Information Service, this inside information is now considered to be in the public domain.

About Mkango Resources Limited

Mkango's corporate strategy is to develop new sustainable primary and secondary sources of neodymium, praseodymium, dysprosium and terbium to supply accelerating demand from electric vehicles, wind turbines and other clean technologies. This integrated Mine, Refine, Recycle strategy differentiates Mkango from its peers, uniquely positioning the Company in the rare earths sector.

Mkango is developing Songwe Hill in Malawi with a Feasibility Study nearing completion. Malawi is known as "The Warm Heart of Africa", a stable democracy with existing road, rail and power infrastructure, and new infrastructure developments underway.

In parallel, Mkango and Grupa Azoty PULAWY, Poland's leading chemical company and the second largest manufacturer of nitrogen and compound fertilizers in the European Union, have agreed to work together towards development of a rare earth Separation Plant at Pulawy in Poland. The Separation Plant will process the purified mixed rare earth carbonate produced at Songwe.

Through its ownership of Maginito (www.maginito.com), Mkango is also 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. Maginito holds a 42% interest in UK rare earth (NdFeB) magnet recycler, HyProMag (www.hypromag.com) with an option to increase its interest to 49%.

Mkango also has an extensive exploration portfolio in Malawi, including the Mchinji rutile exploration project, the Thambani uranium-tantalum-niobium-zircon project and Chimimbe nickel-cobalt project.

For more information, please visit www.mkango.ca

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, HyProMag, the Separation Plant and Songwe. Generally, forward looking statements can be identified by the use of words such as "plans", "expects" or "is expected to", "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 and pricing for the metals and associated downstream products for which Mkango is exploring, researching and developing, factors relating the development of the Separation Plant, including the outcome and timing of the completion of the feasibility studies, cost overruns, complexities in building and operating the Separation Plant, changes in economics and government regulation, the positive results of a feasibility study on Songwe Hill and delays in obtaining financing or governmental approvals for, and the impact of environmental and other regulations relating to, Songwe Hill and the Separation Plant. 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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