

MKANGO RESOURCES LTD.
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NEWS RELEASE

POTENTIAL ACQUISITION OF PRINCIPAL SHAREHOLDER OF MKANGO

Calgary, Alberta: July 11, 2013 – Mkango Resources Ltd. (TSXV-MKA) (the "**Company**" or "**Mkango**") has been advised today that its principal shareholder, Leo Mining and Exploration Limited ("**Leominex**"), which owns approximately 48% of Mkango's issued and outstanding shares, had entered into a non-binding term sheet in respect of its acquisition (the "**Transaction**") by Forte Energy NL ("**Forte**"), an Australian company listed on the AIM Market of the London Stock Exchange and on the Australian Stock Exchange. The acquisition of Leominex, if completed, will result in a new control person of the Company under the rules of the TSX Venture Exchange and, as such, will require disinterested shareholder approval.

The Board of Directors of the Company has established a special committee of the board, consisting of the three independent directors of the Company who are not shareholders of Leominex, with a mandate to, among other things, consider whether to recommend that shareholders of Mkango approve the change of control of Leominex as a result of the Transaction and to negotiate a relationship agreement with Leominex and Forte to protect the interests of Mkango's shareholders.

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 Company'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 Company and the Transaction. 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 failure of the Transaction to be consummated in a suitable timeframe or on terms acceptable to the parties; regulatory risks; 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 Company 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 Company 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.