



MKANGO RESOURCES LTD.  
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## **MKANGO SECURES EXCLUSIVE OPTION OVER HYDROCHLORIC ACID REGENERATION TECHNOLOGY FROM MCGILL UNIVERSITY, CANADA**

**Calgary, Alberta: July 26, 2016** -- Mkango Resources Ltd. (TSXV: MKA; AIM: MKA ) (the "**Corporation**" or "**Mkango**"), is pleased to announce that it has secured a two-year exclusive option and right to acquire, on commercially standard terms, the worldwide licence for a technology to produce high strength (up to 30%) hydrochloric acid ("HCL") from calcium chloride feed streams (the "Technology") using sulphuric acid, applicable in rare earths processing and other potential industrial applications. The Technology has been developed by Dr. Thomas Feldmann and Professor George Demopoulos of McGill University in Montreal, Canada.

Mkango's processing flowsheet for the Songwe Hill rare earths project ("Songwe") incorporates a HCL gangue leach step, producing calcium chloride in solution. The HCL will be regenerated using the calcium chloride feed stream, supplemented with additional calcium chloride, together with sulphuric acid produced from sulphur at a plant on-site. This means that the import of large quantities of liquid HCL will not be required, effectively being replaced by the import of solid sulphur and calcium chloride, therefore bringing significant potential cost and logistical benefits. The production of a gypsum by-product for sale in Malawi and elsewhere will also be investigated.

***William Dawes, Chief Executive of Mkango, stated:***

**"We are very pleased to be working with McGill, a leading University in the field of hydrochloric acid regeneration and rare earths processing. This technology is not only applicable for Songwe but potentially for other primary carbonatite hosted rare earths projects. We are also interested in evaluating the technology's use in other industrial applications where high strength hydrochloric acid is required."**

**"The option agreement is consistent with Mkango's strategy to further optimise the Songwe project, thereby providing a strong platform to secure a financial or strategic partner to accelerate exploration and development of the project."**

**"Mkango strives to be at the forefront of technology development in the rare earths sector and is collaborating in a number of other leading edge research programmes including HiTech AlkCarb and SoS RARE."**

### **About Mkango Resources Ltd.**

Mkango's primary business is the 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." Mkango holds, through its wholly owned subsidiary Lancaster Exploration Limited, a 100% interest in two exclusive prospecting licenses in southern Malawi, the Thambani licence and the Phalombe licence.

The main exploration target in the Phalombe licence is the Songwe Hill rare earths deposit, which 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.

Mkango's strategy for Songwe is to further optimise the project with a view to maximising efficiency and reducing costs, thereby providing a strong platform both for entering into partnerships, marketing and offtake arrangements.

The main exploration targets in the Thambani licence are uranium, niobium and tantalum. In January 2015, Mkango announced the first set of assay results of 142 soil and rock chip samples from 9 trenches, which returned variably anomalous uranium, niobium and tantalum values in most trenches, ranging up to 4.70 %  $U_3O_8$ , 3.25 %  $Nb_2O_5$  in soil and up to 0.42 %  $U_3O_8$ , 0.78 %  $Nb_2O_5$  and 972 ppm  $Ta_2O_5$  in rock chips. In July 2016, the Corporation announced the results of an airborne geophysical survey covering approximately two thirds of the licence area, highlighting a number of significant radiometric and magnetic anomalies.

The company's corporate strategy is to develop new sustainable sources of rare earth elements and other minerals geared to growth in the low carbon "green" economy, technology and the Fourth Industrial Revolution.

### **Cautionary Note Regarding Forward-Looking Statements**

This news release may contain forward-looking statements. 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, delays in obtaining financing or governmental or stock exchange approvals. 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 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 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.

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