MKANGO RESOURCES LTD.
259 Windermere Road S.W.
Calgary, Alberta T3C 3L2

MKANGO RESOURCES RAISES C$750,000 IN FIRST TRANCHE OF PRIVATE PLACEMENT

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Calgary, Alberta: July 31, 2015 – Mkango Resources Ltd. (TSXV-MKA) (the "**Corporation**" or "**Mkango**") is pleased to announce that it has closed the first tranche of its non-brokered private placement (the "**Private Placement**"), raising C$750,000 of the total Private Placement of up to C$1.5 million announced in its press release of July 6, 2015.

30,000,000 units (the "Units") were issued in the first tranche at a price of C$0.025 per Unit for gross cash proceeds of C$750,000.

Each Unit will consist of one common share of the Corporation (a "**Common Share**") and one half of a Common Share purchase warrant (a "**Warrant**"). Each whole Warrant will entitle the holder to acquire one Common Share at a price of C$0.05 for a period of 3 years following the closing date of the Private Placement.

If, after four months from the closing date of the Private Placement, the closing price (or the average of the 'bid' and the 'ask', if not traded) of the Common Shares on the TSX Venture Exchange (the "**TSX-V**") exceeds C$0.075 for a period of 20 consecutive trading days, the Corporation may, within three trading days thereof, accelerate the expiry of the Warrants to 20 trading days after the issuance of a news release announcing the new expiry date.

The Corporation paid cash finders' fees totalling C$3,500 and issued 1,680,000 Units and 1,820,000 finders' warrants in connection with the Private Placement. Each finder's warrant entitles the holder to acquire one Common Share for C$0.05 until July 31, 2016.

An insider of the Corporation participated in the first tranche of the Private Placement, thereby making the Private Placement a "related party transaction" as defined under Multilateral Instrument 61-101 - Protection of Minority Security Holders in Special Transactions ("MI 61-101"). The transaction, however, was exempt from the formal valuation and minority shareholder approval requirements of MI 61-101 as neither the fair market value of any securities issued to or the consideration paid by the insider exceed 25% of the Corporation's market capitalization. Derek Linfield, a director of the Corporation, subscribed for 2,111,456 Units. Following the closing of the Private Placement, Mr. Linfield now beneficially owns or controls 3,672,956 Common Shares, representing approximately 3.5% of the issued and outstanding Common Shares on an undiluted basis. Mr. Linfield also owns and controls a total of 2,555,728 Warrants. The Private Placement was unanimously approved by the directors of the Corporation.

The Private Placement remains subject to final acceptance of the TSX Venture Exchange.

The use of proceeds for the Private Placement will be for the continuation of flow sheet optimisation, product marketing and other technical expenditures, expenditures related to the Environmental, Social and Health Impact assessment ("ESHIA"), which are key components of the feasibility study, ongoing costs largely in Malawi and Canada, with the balance made up of a contingency on aforementioned technical and ESHIA related expenditures, fees relating to the Private Placement and any non - contingent fees payable in connection with the proposed listing on the AIM board of the London Stock Exchange.

The securities issued under the Private Placement, including any Common Shares issued on the exercise of the Warrants and/or finder's warrants, have a hold period expiring on December 1, 2015.

Cautionary Note Regarding Forward-Looking Statements

This news release may contain forward-looking statements relating to the completion of the Private Placement on the terms set forth herein, the anticipated closing date of the Private Placement and the use of proceeds from the Private Placement, including the proposed listing of the Corporation on the AIM board of the London Stock Exchange. 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.

For further information, please contact:

William Dawes
Chief Executive Officer
will@mkango.ca
Office: +1 (403) 444 – 5979
www.mkango.ca

Alexander Lemon
President
alex@mkango.ca

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 Corporation in the United States. The securities of the Corporation 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.