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NEWS RELEASE

MKANGO RESOURCES INTERSECTS FURTHER EXTENSIVE ZONES OF REE MINERALISATION AT SONGWE AND COMMENCES ESTIMATION OF NI 43-101 COMPLIANT MINERAL RESOURCE

Calgary, Alberta: September 4, 2012 – Mkango Resources Ltd. (TSXV-MKA) (the "**Corporation**" or "**Mkango**") is pleased to announce results for the remaining holes of the Stage 2 drilling programme at the Songwe project in Malawi. Highlights from the new results are as follows:

PX007a	**45.5 m[1] grading 1.8% TREO** (51.9 – 97.3 m). Inclined hole (60 degrees).
PX008	**165.8 m grading 1.3% TREO** (26.1 – 191.9 m), **34.0 m grading 1.8% TREO** (257.0 – 291.0 m) and **20.1 m grading 2.1% TREO** (318.9 – 339.0 m). Inclined hole (70 degrees).
PX016	**40.9 m grading 1.8% TREO** (322.7 – 363.6 m EoH). Inclined hole (80 degrees).
PX026	**26.5 m grading 1.1% TREO** (163.6 – 190.1 m) and **28.9 m grading 1.3% TREO** (243.0 – 271.9 m). Inclined hole (80 degrees).
PX028	**134.3 m grading 1.9% TREO** (10.7 – 145.0 m), including **67.7 m grading 2.3% TREO** (40.3 – 108.0 m), **29.0 m grading 1.2% TREO** (159.0 – 188.0 m). Inclined hole (60 degrees).
PX029	**112.7 m grading 1.7% TREO** (4.6 – 117.3 m), including **24.6 m grading 2.4% TREO** (5.6 – 30.2 m). Inclined hole (60 degrees).
PX032	**164.5 m grading 1.2% TREO** (2.5 – 167.0 m), including **46.1 m grading 1.6% TREO** (2.5 – 48.6 m). Inclined hole (60 degrees).
PX034	**21.5 m grading 1.7% TREO** (13.0 – 34.5 m), **79.0m grading 1.7% TREO** (47.0 – 126.0 m), including **13.2 m grading 3.0% TREO** (89.0 – 102.2 m), **44.9 m grading 1.5% TREO** (155.0 – 199.9 m) and **27.6 m grading 1.1% TREO** (241.4 – 269.0 m). Inclined hole (65 degrees).

[1] Includes two cavities totalling 9.4m not sampled. TREO: total rare earth oxides including yttrium. These intersections are reported as down hole widths and do not necessarily represent true thicknesses and attitude of the mineralised zones, the estimation of which will require further refining of the geological model. See Appendix for contents of TREO and for further details on results of Stage 2 drilling programme. PX007b and PX010 were planned to test potential depth extensions of mineralised zones in PX007a and PX001, but were aborted prematurely at 21m and 52 m, respectively, due to bad ground conditions and are therefore not reported.

- A total of 38 holes were completed in Stages 1 and 2 for a total of approximately 6,850 metres, focusing on an area measuring approximately 350 m by 100 m comprising rare earth enriched lithologies largely exposed at surface.

- The majority of Stage 1 and 2 drill holes intersected broad zones of rare earth mineralization, including zones of elevated heavy rare earth enrichment.

- The MSA Group, Johannesburg, South Africa, has commenced estimation of a National Instrument 43-101 compliant mineral resource estimate for the Songwe project and an announcement will be forthcoming in the next few weeks.

- Mineralisation is open to depth and along strike, and there are known areas of additional carbonatite exposure within the Songwe vent system constituting further exploration upside.

A schematic geological map illustrating the location of the drill hole collars and estimated drill hole traces is available on the Company's website (www.mkango.ca).

The Songwe Hill Rare Earth Project

The Songwe Hill rare earth project is located within a 100% owned exclusive prospecting licence covering an area of 1,283 km^2 in southeast Malawi (the "Phalombe Licence"). Songwe is accessible by road from Zomba, the former capital, and Blantyre, the principal commercial town of Malawi. Total travel time from Zomba is approximately 2 hours, which will reduce as infrastructure continues to be upgraded in the area.

Scientific and technical information, including data verification, 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*.

Sample preparation and analytical work for the drilling and channel sampling programmes are being provided by Intertek-Genalysis Laboratories (Johannesburg, South Africa and Perth, Australia) employing ICP-MS techniques suitable for rare earth element (REE) analyses and following strict internal QAQC procedures inserting duplicates, blanks and standards. Internal Laboratory QAQC was also completed to include blanks, standards and duplicates.

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, a 100% interest in two exclusive prospecting licenses covering a combined area of 1,751 km^2 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 Corporation's corporate strategy is to further delineate the rare earth mineralisation at Songwe Hill and secure additional rare earth element and other mineral opportunities in Malawi and elsewhere in Africa.

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Cautionary Note Regarding Forward-Looking Statements

This news release may contain forward-looking statements relating to the Corporation. 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 interpretation and actual results of current exploration activities; 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 Corporation 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 Corporation 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.

Appendix – Selected Stage 2 drill results (latest results shaded)

Drill Hole	From m	To m	Interval m		La_2O_3 ppm	Ce_2O_3 ppm	Pr_2O_3 ppm	Nd_2O_3 ppm	Sm_2O_3 ppm	Eu_2O_3 ppm	Gd_2O_3 ppm	Tb_2O_3 ppm	Dy_2O_3 ppm	Y_2O_3 ppm	Other[1] ppm	TREO[2] %	Nb_2O_5 %	% HREO[3] + Y_2O_3
PX006	**100.0**	**130.4**	**30.4**		3,255	7,318	859	3,096	531	154	382	47	217	883	159	**1.7%**	0.04%	**10.9%**
PX007a	**51.9**	**97.3**	**45.5**	(i)	3,615	7,916	930	3,392	475	133	312	39	194	847	163	**1.8%**	0.22%	**9.4%**
(i) Includes two cavities totalling 9.4m not sampled.																		
PX008	**26.1**	**191.9**	**165.8**		3,532	5,894	601	1,934	262	70	168	19	87	444	91	**1.3%**	0.16%	**6.7%**
	257.0	**291.0**	**34.0**		4,108	8,137	900	3,208	457	108	223	22	93	452	77	**1.8%**	0.04%	**5.5%**
	318.9	**339.0**	**20.1**		6,002	9,220	912	2,944	378	99	230	29	152	807	152	**2.1%**	0.17%	**7.0%**
PX013	**5.7**	**72.2**	**66.5**	(i)	6,924	10,801	1,005	2,978	319	85	196	24	117	514	93	**2.3%**	0.20%	**4.5%**
including	**21.1**	**39.2**	**18.1**		9,950	15,126	1,375	3,980	404	106	236	28	133	593	109	**3.2%**	0.15%	**3.8%**
	44.6	**54.8**	**10.2**		12,157	17,333	1,491	4,132	395	102	225	26	114	466	83	**3.7%**	0.23%	**2.8%**
(i) Includes 5.3m cavity not sampled.																		
PX014	**142.0**	**181.1**	**39.1**		4,481	7,605	770	2,535	336	92	222	27	128	534	103	**1.7%**	0.26%	**6.6%**
PX015	**20.1**	**97.8**	**77.8**		2,687	5,048	522	1,793	248	71	183	25	135	652	131	**1.1%**	0.10%	**10.4%**
including	**82.0**	**92.0**	**10.0**		5,957	8,954	803	2,557	309	88	211	28	136	611	123	**2.0%**	0.16%	**6.1%**
PX016	**322.7**	**363.6**	**40.9**		3,681	7,705	874	3,125	435	121	281	37	191	1,001	223	**1.8%**	0.16%	**10.5%**
PX017a	**-**	**39.1**	**39.1**		5,353	8,445	846	2,676	373	107	249	32	147	659	134	**1.9%**	0.16%	**7.0%**
including	**-**	**13.5**	**13.5**		11,170	16,233	1,536	4,562	594	165	379	44	190	804	155	**3.6%**	0.21%	**4.8%**

[1] Other comprises Ho_2O_3, Er_2O_3, Tm_2O_3, Yb_2O_3 and Lu_2O_3; [2] TREO: total rare earth oxides including yttrium; [3] HREO defined here as oxides of Eu, Gd, Tb, Dy, Ho, Er, Tm, Yb & Lu

Drill Hole	From m	To m	Interval m		La_2O_3 ppm	Ce_2O_3 ppm	Pr_2O_3 ppm	Nd_2O_3 ppm	Sm_2O_3 ppm	Eu_2O_3 ppm	Gd_2O_3 ppm	Tb_2O_3 ppm	Dy_2O_3 ppm	Y_2O_3 ppm	Other[1] ppm	TREO[2] %	Nb_2O_5 %	% HREO[3] + Y_2O_3
PX017b	**10.4**	**25.6**	**15.3**		4,825	8,378	903	3,310	507	129	288	29	137	701	129	**1.9%**	0.09%	**7.3%**
	42.3	**100.8**	**58.4**		3,780	6,895	746	2,697	379	97	215	23	110	551	109	**1.6%**	0.18%	**7.1%**
including	**77.3**	**97.8**	**20.5**		5,213	8,973	927	3,246	424	113	261	31	155	752	149	**2.0%**	0.25%	**7.2%**
PX018	**9.0**	**56.3**	**47.3**		6,290	10,224	1,028	3,209	420	118	278	31	146	540	98	**2.2%**	0.12%	**5.4%**
	102.8	**116.4**	**13.6**		5,608	9,136	941	3,208	487	141	318	37	160	611	111	**2.1%**	0.17%	**6.6%**
	125.6	**225.4**	**99.8**		2,745	5,378	603	2,137	303	79	169	18	75	328	63	**1.2%**	0.10%	**6.2%**
including	**125.6**	**164.3**	**38.7**		3,444	6,490	718	2,569	382	105	228	25	106	442	86	**1.5%**	0.14%	**6.8%**
	236.0	**260.2**	**24.2**		2,928	5,421	586	2,032	291	75	163	16	71	343	68	**1.2%**	0.10%	**6.1%**
PX019	**6.1**	**76.3**	**70.2**		2,457	4,878	533	1,853	269	81	206	30	162	784	156	**1.1%**	0.03%	**12.4%**
PX020	**4.2**	**100.0**	**95.8**		3,918	7,432	795	2,800	409	110	248	28	127	556	107	**1.7%**	0.14%	**7.1%**
	147.2	**195.2**	**48.0**		4,127	6,883	686	2,318	330	89	215	23	101	389	70	**1.5%**	0.18%	**5.8%**
	215.0	**347.0**	**132.0**		2,984	5,845	656	2,327	371	103	245	28	124	575	121	**1.3%**	0.20%	**8.9%**
PX021	**5.7**	**106.5**	**100.8**		3,742	7,295	804	2,894	436	120	274	35	165	792	149	**1.7%**	0.20%	**9.2%**
	117.0	**171.0**	**54.0**		3,935	7,380	788	2,726	392	104	220	24	116	508	92	**1.6%**	0.17%	**6.5%**
	184.9	**211.5**	**26.5**		2,861	5,817	688	2,551	385	111	254	29	144	703	124	**1.4%**	0.33%	**10.0%**
PX022a	**11.6**	**73.2**	**61.7**	(i)	2,671	5,933	700	2,700	419	116	258	32	162	774	143	**1.4%**	0.17%	**10.7%**
including	**37.0**	**68.0**	**31.0**	(i)	3,362	7,274	825	3,068	441	123	281	37	193	930	175	**1.7%**	0.25%	**10.4%**
	88.0	**103.7**	**15.7**		3,576	7,919	904	3,394	514	135	296	34	161	731	142	**1.8%**	0.21%	**8.4%**

(i) Includes 5.7m cavity not sampled.

[1] Other comprises Ho_2O_3, Er_2O_3, Tm_2O_3, Yb_2O_3 and Lu_2O_3, [2] TREO: total rare earth oxides including yttrium; [3] HREO defined here as oxides of Eu, Gd, Tb, Dy, Ho, Er, Tm, Yb & Lu

Drill Hole	From m	To m	Interval m		La_2O_3 ppm	Ce_2O_3 ppm	Pr_2O_3 ppm	Nd_2O_3 ppm	Sm_2O_3 ppm	Eu_2O_3 ppm	Gd_2O_3 ppm	Tb_2O_3 ppm	Dy_2O_3 ppm	Y_2O_3 ppm	Other[1] ppm	TREO[2] %	Nb_2O_5 %	% HREO[3] + Y_2O_3
PX022b	**15.0**	**347.7**	**332.7**		3,224	6,190	690	2,510	357	96	219	26	124	590	122	**1.4%**	0.15%	**8.3%**
including	**49.1**	**89.5**	**40.4**		2,776	6,069	719	2,652	381	109	258	34	172	831	162	**1.4%**	0.17%	**11.1%**
	112.5	**195.0**	**82.5**		3,901	7,133	768	2,745	385	102	223	25	119	566	122	**1.6%**	0.08%	**7.2%**
	202.0	**229.0**	**27.0**		4,363	8,148	856	3,096	414	110	259	32	142	659	135	**1.8%**	0.16%	**7.3%**
	235.5	**347.7**	**112.2**		3,627	6,710	741	2,665	370	100	229	27	124	572	124	**1.5%**	0.20%	**7.7%**
PX025	**89.4**	**117.0**	**27.6**		3,724	7,801	895	3,308	455	124	280	33	159	692	127	**1.8%**	0.25%	**8.0%**
PX026	**163.6**	**190.1**	**26.5**		2,409	4,702	537	1,919	341	101	249	28	132	544	95	**1.1%**	0.10%	**10.4%**
	243.0	**271.9**	**28.9**		3,071	5,753	610	2,140	309	79	171	17	74	316	59	**1.3%**	0.12%	**5.7%**
PX028	**10.7**	**145.0**	**134.3**		5,215	8,379	836	2,769	379	103	243	28	120	489	88	**1.9%**	0.14%	**5.7%**
including	**40.3**	**108.0**	**67.7**		6,668	10,344	1,018	3,337	437	116	265	30	130	531	94	**2.3%**	0.13%	**5.1%**
	159.0	**188.0**	**29.0**		2,621	5,290	604	2,189	363	106	256	29	138	686	137	**1.2%**	0.13%	**10.9%**
PX029	**4.6**	**117.3**	**112.7**		4,568	7,728	791	2,621	357	94	212	25	124	548	114	**1.7%**	0.16%	**6.5%**
including	**5.6**	**30.2**	**24.6**		7,052	10,968	1,054	3,265	398	100	226	26	128	541	114	**2.4%**	0.22%	**4.8%**
PX032	**2.5**	**167.0**	**164.5**		2,567	5,021	576	2,024	311	85	205	26	125	630	130	**1.2%**	0.17%	**10.3%**
including	**2.5**	**48.6**	**46.1**		3,548	6,809	781	2,715	398	108	267	37	188	1,015	217	**1.6%**	0.30%	**11.4%**
PX033	**4.2**	**101.0**	**96.8**	(i)	4,005	7,004	731	2,539	379	103	247	30	136	596	114	**1.6%**	0.18%	**7.7%**
including	**42.0**	**84.3**	**42.3**		5,920	9,323	914	2,968	411	110	258	30	132	552	102	**2.1%**	0.15%	**5.7%**

(i) Includes 2.2m cavity not sampled.

[1] Other comprises Ho_2O_3, Er_2O_3, Tm_2O_3, Yb_2O_3 and Lu_2O_3; [2] TREO: total rare earth oxides including yttrium; [3] HREO defined here as oxides of Eu, Gd, Tb, Dy, Ho, Er, Tm, Yb & Lu

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PX034	**13.0**	**34.5**	**21.5**		4,664	7,779	756	2,450	322	92	231	30	140	561	108	**1.7%**	0.15%	**6.8%**
	47.0	**126.0**	**79.0**		5,030	7,522	692	2,148	271	75	180	23	112	489	92	**1.7%**	0.17%	**5.8%**
including	**89.0**	**102.2**	**13.2**		9,108	13,724	1,256	3,861	451	120	282	38	192	945	181	**3.0%**	0.12%	**5.8%**
	155.0	**199.9**	**44.9**		4,024	6,669	697	2,354	311	85	210	26	132	580	116	**1.5%**	0.11%	**7.6%**
	241.4	**269.0**	**27.6**		2,356	4,603	479	1,663	251	73	186	27	142	663	130	**1.1%**	0.10%	**11.5%**
PX035	**-**	**96.3**	**96.3**	(i)	3,390	6,589	731	2,570	373	107	254	32	156	741	158	**1.5%**	0.22%	**9.6%**
including	**41.5**	**66.5**	**25.0**		3,940	7,877	890	3,165	465	130	303	37	176	810	162	**1.8%**	0.27%	**9.0%**
	72.3	**95.0**	**22.7**		4,204	8,368	930	3,222	428	121	285	35	160	611	130	**1.8%**	0.21%	**7.3%**

(i) Includes 2.6m cavity not sampled.

[1] Other comprises Ho_2O_3, Er_2O_3, Tm_2O_3, Yb_2O_3 and Lu_2O_3; [2] TREO: total rare earth oxides including yttrium; [3] HREO defined here as oxides of Eu, Gd, Tb, Dy, Ho, Er, Tm, Yb & Lu