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NEWS RELEASE

MKANGO RESOURCES INTERSECTS 66.5 METRES GRADING 2.3% TREO FROM 5.7 METRES AT THE SONGWE RARE EARTH PROJECT IN MALAWI

Calgary, Alberta: May 16, 2012 – Mkango Resources Ltd. (TSXV-MKA) (the "**Corporation**" or "**Mkango**") is pleased to announce results for three holes (PX006, PX013 and PX014) of the Stage 2 drilling programme at the Songwe project in Malawi. The results for a further 22 drill holes from the Stage 2 drilling will be announced as the analyses become available.

Highlights from the new results are as follows:

PX006	30.4 m grading 1.7% TREO (100.0 – 130.4 m). Vertical hole testing an area to the west of main carbonatite zone.
PX013	66.5 m¹ grading 2.3% TREO (5.7 – 72.2 m), including 18.1 m grading 3.2% TREO (21.1 – 39.2 m) and 10.2 m grading 3.7% TREO (44.6 – 54.8 m). Inclined hole (60 degrees) demonstrating southerly extension of the higher grade zone previously intersected in PX003.
PX014	39.1 m grading 1.7% TREO (142.0 – 181.1 m). Inclined hole (80 degrees) indicating depth extension of mineralized zone previously intersected in PX004.

¹ Includes 5.3 m cavity which was 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.

- A total of 25 holes will be completed in Stage 2, with the 24th hole currently underway and a total of approximately 4,500 metres drilled to date. Drilling continues to intersect broad zones of mineralised carbonatite, carbonatite breccia and fenite.
- The Stage 2 drilling programme was designed to complement the 13 hole, 2,000m Stage 1 drilling programme and systematic channel sampling completed in 2011, and is focusing on an area measuring approximately 350m by 100m comprising rare earth enriched carbonatite, carbonatite breccia and fenite lithologies, largely exposed at surface.
- Niton XRF analyses of carbonatite from a vertical hole demonstrated that the mineralised zones have the potential to extend to a vertical depth of at least 350 m and remain open laterally within the extents of the Songwe carbonatite complex.
- Mkango has engaged The MSA Group to complete a National Instrument 43-101 compliant resource estimate for the Songwe project to commence on receipt of all the assay results.

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

As Malawi's rainy season finishes and pending receipt of all the assay results for Songwe, exploration will re-focus on other rare earth targets in the Phalombe licence and on zircon and uranium targets in the Thambani licence.

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 km² 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 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 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

Drill Hole	From m	To m	Interval m	La ₂ O ₃ ppm	Ce ₂ O ₃ ppm	Pr ₂ O ₃ ppm	Nd ₂ O ₃ ppm	Sm ₂ O ₃ ppm	Eu ₂ O ₃ ppm	Gd ₂ O ₃ ppm	Tb ₂ O ₃ ppm	Dy ₂ O ₃ ppm	Y ₂ O ₃ ppm	Other ¹ ppm	TREO ² %	Nb ₂ O ₅ %	% HREO ³ + Y ₂ O ₃
PX006	100.0	130.4	30.4	3,255	7,318	859	3,096	531	154	382	47	217	883	166	1.7%	0.04%	10.9%
PX013	5.7	72.2	66.5 (i)	6,924	10,801	1,005	2,978	319	85	196	24	117	514	92	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	106	3.2%	0.15%	3.7%
	44.6	54.8	10.2	12,157	17,333	1,491	4,132	395	102	225	26	114	466	86	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	101	1.7%	0.26%	6.6%
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¹ Other comprises Ho₂O₃, Er₂O₃, Tm₂O₃, Yb₂O₃ and Lu₂O₃; ² TREO: total rare earth oxides including yttrium; ³ HREO defined here as oxides of Eu, Gd, Tb, Dy, Ho, Er, Tm, Yb & Lu