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NEWS RELEASE

MKANGO RESOURCES CONTINUES TO INTERSECT BROAD ZONES OF RARE EARTH MINERALISATION FROM NEAR SURFACE, INCLUDING 95.8 m GRADING 1.7% TREO, 100.8 m GRADING 1.7% TREO AND 332.7 m GRADING 1.4% TREO

Calgary, Alberta: July 9, 2012 – Mkango Resources Ltd. (TSXV-MKA) (the "**Corporation**" or "**Mkango**") is pleased to announce results for a further five holes of the Stage 2 drilling programme at the Songwe project in Malawi. Highlights from the new results are as follows:

PX017b	**15.3 m grading 1.9% TREO** (10.4 – 25.6 m) and **58.4 m grading 1.6% TREO** (42.0 – 100.8 m) including **20.5 m grading 2.0% TREO** (77.3 – 97.8 m). Vertical hole.
PX019	**70.2 m grading 1.1% TREO** (6.1 – 76.3 m EoH). Vertical hole.
PX020	**95.8 m grading 1.7% TREO** (4.2 – 100.0 m), **48.0 m grading 1.5% TREO** (147.2 – 195.2 m) and **132.0 m grading 1.3% TREO** (215.0 – 347.0 m). Inclined hole (60 degrees).
PX021	**100.8 m grading 1.7% TREO** (5.7 – 106.5 m)' **54.0m grading 1.6% TREO** (117.0 – 171.0 m) and **26.5 m grading 1.4% TREO** (184.9 – 211.5 m EoH). Inclined hole (60 degrees).
PX022b	**332.7 m grading 1.4% TREO** (15.0 – 347.7 m EoH), including **82.5 m grading 1.6% TREO** (112.5 – 195.0 m) and **27.0 m grading 1.8% TREO** (202.0 – 229.0 m). Vertical hole.

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 38 holes were completed in Stages 1 and 2 for a total of approximately 6,850 metres. All samples from Stage 2 drilling have now been delivered to Intertek-Genalysis Laboratories for assaying and the results for the remaining 10 drill holes will be announced as the analyses become available.

- The MSA Group, Johannesburg, South Africa, will commence estimation of a National Instrument 43-101 compliant resource estimate for the Songwe project on receipt of all the assay results.

- All holes so far announced from Stage 2 have intersected broad zones of rare earth mineralization, including zones of elevated heavy rare earth enrichment, and the consistency of results to date is very encouraging.

- Rare earth mineralisation occurs at surface in broad outcropping zones of carbonatite on the northern slopes of Songwe hill and extends to a vertical depth of at least 350 metres.

- 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.

Ongoing rail, road and other infrastructure developments in southern Malawi provide a favourable backdrop for the accelerated development of Mkango's zircon and rare earth projects in the country.

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

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%**
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%**
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%**
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%**
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%**

(i) Includes 5.3m 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
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%**
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%**
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%**
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 5.7m cavity not sampled.

(i) Includes 2.2m cavity not sampled.

(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