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MKANGO RESOURCES APPOINTS DEREK LINFIELD TO THE BOARD OF DIRECTORS AND ANNOUNCES A PROPOSED NON-BROKERED PRIVATE PLACEMENT

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Calgary, Alberta: January 31, 2014 – Mkango Resources Ltd. (TSXV-MKA) (the “**Corporation**” or “**Mkango**”) is pleased to appoint Mr. Derek Linfield as a director of the Corporation, effective as of today, and to announce a proposed non-brokered private placement to raise gross proceeds of up to C\$1 million (the “**Private Placement**”).

Appointment of Derek Linfield as Non-Executive Director

Mr. Linfield is the managing partner of the law firm Stikeman Elliott (London) LLP, the UK office of Canadian law firm Stikeman Elliott LLP. Mr Linfield has practiced as a Canadian lawyer in London for 17 years, where he has focused on cross-border financings and M&A in the mining and oil & gas sectors, including taking internationally managed companies to Toronto Stock Exchange and the Toronto Venture Exchange as well as Canadian companies to the London Stock Exchange.

William Dawes, Chief Executive Officer of Mkango stated: *“We are very pleased to welcome Derek to the Board. His extensive network and experience in the global mining sector, particularly in Africa, encompassing cross-border financings, M&A and other transactions, will prove invaluable as Mkango moves into the next stage of development and growth. His experience of both the London and Canadian markets will also prove a great complement to that of the current members of the board. Derek recently visited Malawi where he met Mkango’s local management team and was also given a warm welcome by local traditional chiefs when he visited the Songwe site, so he has gained first-hand experience of the country and our project.”*

Non-Brokered Private Placement

Mkango is also pleased to announce a proposed non-brokered private placement of up to 6,700,000 units (the “**Units**”) at a price of C\$0.15 per Unit for gross cash proceeds of up to C\$1,005,000 (the “**Private Placement**”).

Each Unit will consist of one common share (“**Common Share**”) and one Common Share purchase warrant (“**Warrant**”) of Mkango. Each whole Warrant will entitle the holder to acquire one Common Share for C\$0.30 for a period of 5 years following the closing date of the Private Placement. Where the closing price of the common shares on the TSX Venture Exchange equals or exceeds C\$0.35 for 20 consecutive trading days following the date that is four months and one day after the date of issuance of the Warrants, the Corporation will have the right to require conversion of the Warrants at the exercise price upon 30 days' notice.

The Private Placement will be completed in one or more tranches and the Corporation will seek to ensure that any participating shareholder wishing to maintain its position in Mkango has the opportunity to do so. The securities issued under the Private Placement will have a hold period of four months and one day from the applicable closing date.

The use of proceeds from the Private Placement will be to finalise the pre-feasibility study for the Songwe project and to facilitate a smooth transition to the feasibility stage, in addition to general corporate purposes.

SNC-Lavalin (Pty) Ltd. has completed the first phase of the pre-feasibility study, focusing on the mill, flotation plant and associated infrastructure. Current focus is on further optimisation of the flow sheet in parallel with commencement of design work for the hydrometallurgical process plant.

The Songwe Hill Rare Earth Project

The Songwe Hill rare earth project is located within the 100% owned Exclusive Exploration Licence 0284/10R in southeast Malawi. The Songwe project is accessible by road from Zomba, the former capital, and Blantyre, the principal commercial town of Malawi. Total travel time from Blantyre is approximately 2 hours, which will reduce as infrastructure continues to be upgraded in the area.

On 22 November 2012, Mkango filed a Technical Report (the “Report”) for its maiden NI 43-101 mineral resource estimate entitled NI 43-101 Technical Report and Mineral Resource Estimate for the Songwe Hill Rare Earth Element (REE) Project, Phalombe District, Republic of Malawi authored by Scott Swinden, Ph.D, P.Geo. and Michael Hall, Pr.Sci.Nat., MAusIMM (who are independent “Qualified Persons” in accordance with National Instrument 43-101 – *Standards of Disclosure for Mineral Projects*). The Report’s mineral resource estimates, as previously announced, are summarized below.

Cut-off grade	<i>In-situ</i> Indicated Mineral Resource estimate	<i>In-situ</i> Inferred Mineral Resource estimate
1.0% TREO	13.2 mt grading 1.62% TREO	18.6 mt grading 1.38% TREO
1.5% TREO	6.2 mt grading 2.05% TREO	5.1 mt grading 1.83% TREO

TREO – total rare earth oxides including yttrium. In-situ - no geological losses applied. mt - million tonnes

For further details of mineral resource estimates including breakdowns thereof, please refer to the Report which is available at www.sedar.com.

Mkango is currently completing a pre-feasibility study for the Songwe project.

About 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 Exploration Limited, 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.

In parallel, the Corporation is also undertaking regional exploration in the second license area, known as Thambani, where a number of areas with potential for uranium, zircon, corundum and niobium have been identified.

The Corporation's corporate strategy is to further develop the Songwe Hill rare earth deposit and secure additional rare earth element and other mineral opportunities in Malawi and elsewhere in Africa.

On behalf of the Board of Mkango Resources Ltd.,

"William Dawes"
Chief Executive Officer

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; uncertainty of estimates of mineral resources, 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.

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The TSX Venture Exchange has neither approved nor disapproved the contents of this press release.

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