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**MKANGO RESOURCES ANNOUNCES SIGNIFICANT INCREASE IN LEACH RECOVERIES**

**Calgary, Alberta: May 28, 2014** – Mkango Resources Ltd. (TSXV-MKA) (the "**Corporation**" or "**Mkango**") is pleased to announce the results of further metallurgical optimisation test work completed as part of the ongoing pre-feasibility study for the Songwe Hill rare earth project in Malawi.

Caustic conversion and hydrochloric acid dissolution test work was undertaken at Nagrom, Australia on the residue from the previous bulk leach of a rare earth concentrate. This concentrate was produced via flotation of a representative composite sample of drill core from the project. The results indicate that recoveries may be significantly enhanced by including a caustic conversion step in the flow sheet.

**Leach, caustic conversion and overall recoveries on a flotation concentrate**

| Rare Earth Element | Bulk Leach Recovery (announced Oct 2013 | Caustic Conversion Recovery | Total Leach Recovery |
|---|---|---|---|
| Lanthanum | 75.0% | 18.5% | 93.5% |
| Cerium | 79.5% | 12.4% | 91.9% |
| Praseodymium | 83.3% | 12.7% | 96.0% |
| Neodymium | 85.8% | 10.8% | 96.7% |
| Samarium | 89.4% | 8.0% | 97.4% |
| Europium | 90.9% | 6.7% | 97.6% |
| Gadolinium | 92.1% | 5.7% | 97.8% |
| Terbium | 92.6% | 4.7% | 97.2% |
| Dysprosium | 92.6% | 4.0% | 96.6% |
| Yttrium | 89.8% | 3.8% | 93.7% |

During the caustic conversion step, the bulk leach residue was contacted with a 50% sodium hydroxide solution at 100ºC for a 4 hour period. Upon cooling, the solids were filtered, washed and then dissolved in 5% hydrochloric acid.

Other metallurgical optimisation is ongoing, including the incorporation of a gangue pre-leach step to provide a clean solution for hydrochloric acid recycling along with improvements to the flotation stage. With respect to the latter, recent test work has demonstrated an increase in heavy rare earth recoveries to a level similar to light rare earth recoveries.

**William Dawes, Chief Executive Officer of Mkango stated:** "These increased leach recoveries could potentially have a significant impact on the economics of the project, in particular the increase in recoveries for neodymium, praseodymium, europium and dysprosium which account for a large proportion of the in-situ value for Songwe Hill. "

Songwe Hill's favourable mineralogy, comprising synchysite and apatite that is anomalously enriched in heavy rare earths, means that high capital and energy intensive kilns will not be required in the flow sheet, in contrast to projects dominated by monazite, xenotime or other refractory REE minerals. Plant design will comprise conventional technology largely comprised of tanks, pumps and filters, and will be modular, facilitating the potential for future expansions, the latter underpinned by significant resource base. The use of low strength acid will enable the use of plastics or composite materials for tanks and pipework, and will facilitate acid recycling using cheaper sulphuric acid.

Scientific and technical information contained in this release in relation to metallurgical test work has been approved and verified by Mr Gavin Beer BSc. (Ext. Met.) MAusIMM (CP), consultant metallurgist who is a "Qualified Person" in accordance with National Instrument 43-101 – *Standards of Disclosure for Mineral Projects*.

**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*), prepared by The MSA Group (Pty) Ltd. The Report's Mineral Resource estimates, as previously announced, are summarized below.

| Cut-off grade | Indicated Mineral Resource estimate | 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.

**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.***

***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.***