



MKANGO RESOURCES LTD.
259 Windermere Road S.W.
Calgary, Alberta T3C 3L2

MKANGO RESOURCES ANNOUNCES PROPOSED NON-BROKERED PRIVATE PLACEMENT

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Calgary, Alberta: April 16, 2015 – Mkango Resources Ltd. (TSXV-MKA) (the "**Corporation**" or "**Mkango**") announces that it is seeking to raise approximately C\$500,000 in a non-brokered private placement (the "**Private Placement**").

Under the proposed terms of the Private Placement, the Corporation will issue 10,000,000 units (the "**Units**") at a price of C\$0.05 per Unit for gross cash proceeds of approximately C\$500,000.

Each Unit will consist of one common share of the Corporation (a "**Common Share**") and one half Common Share purchase warrant (a "**Warrant**"). Each whole Warrant will entitle the holder to acquire one Common Share at a price of C\$0.10 for a period of 18 months following the closing date of the Private Placement.

If, after four months from the closing date of the Private Placement, the closing price (or the average of the 'bid' and the 'ask', if not traded) of the Common Shares on the TSX Venture Exchange exceeds C\$0.15 for a period of 20 consecutive trading days, the Corporation may, within three trading days thereof, accelerate the expiry of the Warrants to 20 trading days after the issuance of a news release announcing the new expiry date.

Units will be offered and sold only to accredited investors in Canada or person in other jurisdictions to whom Units may be offered and sold pursuant to the Private Placement without breach of applicable securities laws. The Private Placement will be completed in one or more tranches and the securities issued under the Private Placement will have a hold period of four months and one day from the applicable closing date of each tranche. The Private Placement will be subject to TSX-V approval.

It is expected that the Corporation will pay finders' fees consisting of either cash or Units, at the finder's election, equal to 7% of the proceeds from the Units sold to investors introduced by, or whose subscriptions are attributable to the efforts of, the finders, or 7% of the number of Units issued in connection with such investors' subscriptions under the Private Placement. The Corporation will also issue to the finders non-transferable finder's warrants ("**Finder's Warrants**") equal to 7% of the number of Units issued in connection with such investors' subscriptions under the Private Placement. Each Finder's Warrant will entitle the finders to acquire one Common Share at a price of C\$0.05 for one year from the closing of the Private Placement.

The use of proceeds will be for the continuation of flow sheet optimisation, expenditure related to the Environmental, Social and Health Impact assessment and drill hole planning, all of which are key components of the feasibility study, in addition to general corporate purposes. Mkango announced a positive pre-feasibility study in September 2014.

Pre-feasibility study

Since commencement of trading on January 5th, 2011, Mkango has undertaken an extensive work program in relation to the Songwe Hill project, culminating in the completion of the pre-feasibility study (“PFS”) announced in September 2014.

- **US\$293 million after-tax net present value (NPV), using a 10% nominal discount rate, and 36% after-tax internal rate of return (IRR)**
- **Initial capital expenditure of US\$217m, including a contingency of US\$20m, is among the lowest in the rare earth sector**

The press release in relation to the PFS is available to be downloaded from Mkango’s website (http://www.mkango.ca/i/pdf/nr/2014-09-23_NR.pdf).

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 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.

About Mkango Resources Ltd.

Mkango's primary business is the exploration for rare earth elements and associated minerals in the Republic of Malawi, a country whose hospitable people have earned it a reputation as “the warm heart of Africa”. Mkango holds, through its wholly owned subsidiary Lancaster Exploration Limited, a 100% interest in two exclusive prospecting licenses covering a combined area of 1,317.1 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, niobium, tantalum, zircon and corundum have been identified.

The Corporation's 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.

Scientific and technical information, contained in this news release, has been approved and verified by Mr William Dawes, CEO, who is a "Qualified Person" in accordance with National Instrument 43-101 - Standards of Disclosure for Mineral Projects.

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 and Mineral Reserves, 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.

For further information, please contact:

William Dawes
Chief Executive Officer
will@mkango.ca

Office: +1 (403) 444 – 5979
www.mkango.ca

Alexander Lemon
President
alex@mkango.ca

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.