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**MKANGO RESOURCES ANNOUNCES 8 MILLION RAND (C\$835,000) GRANT FROM THE SOUTH AFRICAN DEPARTMENT OF TRADE AND INDUSTRY**

**Calgary, Alberta: May 26, 2014** – Mkango Resources Ltd. (TSXV-MKA) (the “**Corporation**” or “**Mkango**”) is pleased to announce that the South African Department of Trade and Industry (DTI) has approved a grant of R7,967,804 (Cdn\$835,000) to the Company under its Capital Projects Feasibility Programme. The grant will be dispersed to the Company between June 2014 and March 2015 as the Company meets certain milestones in relation to a number of activities including environmental and social impact studies, mine planning, design of the processing plant and tailings storage facility, flotation and hydrometallurgical optimisation and marketing studies. Mkango previously appointed the following groups to complete these various aspects of the project:

SNC-Lavalin (Pty) Ltd., South Africa	Beneficiation and hydrometallurgical plant, and associated infrastructure
Digby Wells Environmental, South Africa	Environmental and social impact studies
Epoch Resources (Pty) Ltd., South Africa	Tailings storage facility
Met-Chem Consulting (Pty) Ltd., Australia	Metallurgical optimisation
Mintek, South Africa	Metallurgical optimisation
The MSA Group (Pty) Ltd., South Africa	Mining studies and associated infrastructure
Nagrom Laboratories, Australia	Metallurgical optimisation

Digby Wells Environmental has completed a comprehensive environmental and social pre-feasibility report and is now commencing work for the feasibility study. SNC-Lavalin (Pty) Ltd. has completed the first phase of the pre-feasibility study for the plant, focusing on the mill, flotation plant and associated infrastructure, and is now focusing on the hydrometallurgical process plant. Following a recent site visit in conjunction with a mining contractor, The MSA Group has commenced work on mine planning and associated infrastructure.

**William Dawes, Chief Executive Officer of Mkango stated:** “We would like to thank the South African DTI for their support, and look forward to working closely with them and to developing further synergies with the Republic of South Africa. We are very pleased to qualify for this significant funding which, in addition to our recent \$2.3m fund raising, provides a solid platform to advance the project towards the development phase.”

## 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.

<b>Cut-off grade</b>	<b>Indicated Mineral Resource estimate</b>	<b>Inferred Mineral Resource estimate</b>
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](http://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 km<sup>2</sup> 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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