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NEWS RELEASE

MKANGO RENEWS SONGWE HILL LICENCE AND PROVIDES CORPORATE UPDATE

Calgary, Alberta: January 15, 2013 – Mkango Resources Ltd. (TSXV-MKA) (the "**Corporation**" or "**Mkango**"), is pleased to announce that the Government of Malawi has granted a further two year renewal for Exclusive Exploration Licence ("EPL") 0284/10R ("the Phalombe Licence"), in southeast Malawi. Mkango's flagship project, the Songwe Hill rare earth project is located in the Phalombe Licence.

Milestones to Date

Since commencement of trading on January 5th, 2011, Mkango has undertaken an extensive work program in relation to the Songwe Hill project, including two phases of diamond drilling totaling 6,850 metres, and ongoing scoping metallurgical test work. The work program culminated in the announcement of a NI 43-101 compliant mineral resource estimate in October 2012 and filing of the corresponding technical report in November 2012. This is available on www.sedar.com.

The work program also included detailed mineralogical programs, comprising scanning electron microscope (SEM), electron microprobe analysis (EMPA) and laser ablation inductively coupled plasma mass spectrometry (LA-ICP-MS), analyses, systematic surface channel sampling using rock saws, ground radiometric, gravity and magnetic surveys and geological mapping. In parallel with the work at Songwe Hill, regional exploration was initiated and is currently ongoing within the 1,283 square kilometre ("km²") Phalombe Licence. This is focused on two main target types: heavy rare earth enriched breccias and ion adsorption clay-hosted rare earth deposits.

Current Activities

The Company's main priority with respect to the Songwe Hill project is completion of scoping metallurgical test work in parallel with further mineralogical studies, both of which are partially funded by external research programs in South Africa and the United Kingdom. The Company is evaluating a number of potential flowsheet options in parallel with flowsheet optimization. The results of this work will be a key component of scoping and feasibility studies and therefore the Company is placing the highest priority on its completion.

Given the significant size of the Indicated mineral resource already defined by Mkango at Songwe Hill, no further drilling is anticipated in the near term. The current focus on the ground is on regional exploration within the Phalombe and Thambani Licences, commencement of environmental studies at Songwe Hill and continuation of the Company's social responsibility initiatives.

William Dawes, Chief Executive of Mkango stated: *"Mkango has successfully delivered on the objectives outlined at the time of listing and is now focused on progressing the Songwe Hill project to the production stage. Mkango believes Malawi is one of the most favourable jurisdictions to be operating in Africa and has the potential to become one of Africa's foremost rare earth producers."*

Social Responsibility Programs

In December 2012, Mkango completed the first phase of one of its most successful social responsibility initiatives, the Soya Bean Seed growing Project. This initiative was setup in response to the President, Mrs. Joyce Banda's, Government Initiative on Poverty and Hunger Reduction. This program has to date, donated soya bean seeds for planting to over 100 families in 9 villages within the Phalombe district. This program supports and empowers the local communities and has set a benchmark in terms of reducing poverty and hunger.

Licence Renewal

The Phalombe Licence has been renewed for a further period of two years, effective January 20, 2013 and grants the exclusive rights to carry on prospecting operations for all 17 rare earth elements including yttrium in addition to strontium, niobium, iron ore, manganese, gold, silver, copper, bauxite, fluorite, phosphate, uranium, thorium, monazite, nepheline syenite, zircon, tantalum, clay, kaolinite, and associated minerals, over an area of 1,283 km². The expenditure commitment for the Phalombe EPL is 150,000,000 Malawian Kwacha ([US\$429,800] based on MK349 exchange rate) over two years. The licence is renewable for a further two year period in January 2015.

The Songwe Hill Rare Earth Project

The Songwe Hill rare earth project is located within the 100% owned 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.

In November 2012, Mkango filed a Technical Report (the "Report") for the maiden NI 43-101 technical report filed, entitled *NI 43-101 Technical Report and Mineral Resource Estimate for the Songwe Hill Rare Earth Element (REE) Project, Phalombe District, Republic of Malawi*, which is available on www.sedar.com. The 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 the Mineral Resource estimates including breakdowns thereof, please refer to the Report.

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*.

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.

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

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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; 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.

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.