

MKANGO RESOURCES LTD.

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NEWS RELEASE

MKANGO GRANTS STOCK OPTIONS

Calgary, Alberta: September 25, 2013 – Mkango Resources Ltd. (TSXV-MKA) (the "**Company**" or "**Mkango**"), is pleased to announce that, subject to regulatory approval, Mkango has granted 1,980,000 stock options ("options") to directors, officers, employees and consultants of the Company. The options have an exercise price of \$0.20 per common share, will vest over the next two years and are valid for a period of 10 years from the date of grant. The options were granted in accordance with the Company's stock option plan pre-approved by shareholders on June 14, 2013.

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 is accessible by road from Zomba, the former capital, and Blantyre, the principal commercial town of Malawi. On 22 November 2012, Mkango filed a Technical Report (the "Report") for its maiden NI 43-101 mineral resource estimate for Songwe Hill. Mkango is currently completing a pre-feasibility study for the project. In parallel, the company 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 Company's corporate strategy is to further explore and develop the Songwe Hill rare earth deposit and Thambani licence, 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.