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MKANGO COMMENCES MAJOR DRILLING PROGRAMME AT THE SONGWE HILL RARE EARTHS PROJECT IN MALAWI

London / Calgary: June 4, 2018 - Mkango Resources Ltd. (AIM / TSXV: MKA) (the "**Company**" or "**Mkango**") is pleased to announce that a major diamond drilling programme has commenced at the Songwe Hill Rare Earths Project ("Songwe") in Malawi. The drilling programme is a key component of the Feasibility Study for Songwe, which is being fully funded by Talaxis Limited ("Talaxis"), a subsidiary of Noble Group Ltd.

The drilling programme is for a minimum of 5,000 metres and will be focused on infill, step-out and geotechnical drilling. Over 50 drill pads have been constructed along with new access roads and enlarged camp infrastructure.

Mkango completed two successful drilling programmes at Songwe in 2011 and 2012, totaling approximately 6,850 metres and culminating in a maiden Mineral Resource Estimate. Mkango is targeting completion of an updated Mineral Resource Estimate by the end of 2018.

On Mkango publishing an NI 43-101 technical report in relation to the updated Mineral Resource Estimate, Talaxis will invest a further £7 million to fund completion of the Feasibility Study for Songwe.

In coming weeks, Mkango will be hosting investor and analyst site visits to Songwe and the Thambani Uranium-Tantalum-Niobium Project, also in Malawi.

William Dawes, CEO, commented: *"We are delighted to announce the commencement of the drilling programme at Songwe. This is a culmination of extensive preparatory work completed over recent months and we are excited to kick off what will be the largest drill programme to date at Songwe. Mkango is fully funded to completion of a feasibility study with a clearly defined pathway to production. We look forward to keeping the market updated as we progress through the drilling programme and other major milestones."*

About Mkango Resources Limited

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". The Company holds interests in three exclusive prospecting licenses in Malawi, the Phalombe licence, the Thambani licence and the Chimimbe Hill licence.

The main exploration target in the 80% held Phalombe licence is the Songwe Hill rare earths' deposit, which features carbonatite-hosted rare earth mineralisation and was subject to previous exploration in the late 1980s. Mkango completed an updated Pre-Feasibility Study for the project in November 2015 and a Feasibility Study is currently underway, the initial phases of which include a major drilling programme.

Under the terms of an agreement with Talaxis, Talaxis will fully fund the Feasibility Study for Songwe by investing £12 million for a 49% interest in the project (via Mkango subsidiary Lancaster Exploration Ltd). Talaxis will also have the option to acquire a further 26% interest by arranging funding for project development including funding the equity component thereof. If Talaxis exercises its option, Mkango will retain a 25% interest, free carried to production. To-date, Talaxis has invested £5 million, which is funding the initial phase of the Feasibility Study, for a 20% interest in the project with Mkango holding 80%.

By investing a further £2 million, Talaxis will acquire a 49% interest in Maginito Ltd, a new subsidiary of Mkango focused on neodymium alloy powders, magnets and other technologies. This includes the collaboration with Metalysis Ltd announced in September 2017, which is focused on advanced alloys using neodymium or praseodymium with other elements for permanent magnet manufacturing. Permanent magnets are critical materials for most electric vehicles, direct drive wind turbines and many other high growth applications. Neodymium is a key rare earth component at Songwe. To date, Talaxis has invested £1 million for a 24.5% interest in Maginito with Mkango holding 75.5%.

The main exploration targets in Mkango's remaining two 100% held licences are, in the Thambani licence, uranium, niobium, tantalum and zircon and, in the Chimimbe Hill licence, nickel and cobalt.

For more information, please visit www.mkango.ca.

Market Abuse Regulation (MAR) Disclosure

Certain information contained in this announcement may have been deemed inside information for the purposes of Article 7 of Regulation (EU) No 596/2014 until the release of this announcement.

Cautionary Note Regarding Forward-Looking Statements

This news release contains forward-looking statements (within the meaning of that term under applicable securities laws) with respect to Mkango, its business and the Project. Generally, forward looking statements can be identified by the use of words such as "plans", "expects" or "is expected", "scheduled", "estimates" "intends", "anticipates", "believes", or variations of such words and phrases, or statements that certain actions, events or results "can", "may", "could", "would", "should", "might" or "will", occur or be achieved, or the negative connotations thereof. Forward looking statements in this news release include statements with respect to the global market for products using the rare earth metals the Company is exploring for, completion of the feasibility study and of the transactions contemplated in the Agreement, as well as the use of proceeds from the investments into the Company by Talaxis and the timing of such expenditures. 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, without limiting the foregoing, market demand for the metals and associated downstream products for which Mkango is exploring, researching and developing, the positive results of a feasibility study on the Project, delays in obtaining financing or governmental or stock exchange approvals. The forward-looking statements contained in this news release are made as of the date of this news release. Except as required by law, the Company disclaims any intention and assumes 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 law. Additionally, the Company 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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