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NEWS RELEASE

MKANGO CLOSES PRIVATE PLACEMENT RAISING A TOTAL OF C\$1,125,000

Calgary, Alberta: October 20, 2015 – Mkango Resources Ltd. (TSXV-MKA) (the “Corporation” or “Mkango”) is pleased to announce that it has closed the second tranche (the “Second Tranche”) of its non-brokered private placement of units (the “Units”) announced on July 6, 2015.

Under the Second Tranche, 15,000,000 Units of the Corporation were issued at a price of C\$0.025 per Unit for gross cash proceeds of C\$375,000. As previously announced, the first tranche of the private placement closed on July 31, 2015 pursuant to which 30,000,000 Units of the Corporation were issued at a price of C\$0.025 per Unit for gross cash proceeds of C\$750,000. In total, 45,000,000 Units of the Corporation were issued in connection with the private placement for gross cash proceeds of C\$1,125,000.

William Dawes, Chief Executive of Mkango, stated "The placement was completed successfully under very difficult market conditions and, together with our planned dual listing on the London Stock Exchange, will provide a strong platform for continued advancement of the Songwe Hill project in Malawi, one of the few rare earth projects outside China to have advanced beyond the pre-feasibility stage."

Each Unit will consist of one common share of the Corporation (a "Common Share") and one half of a Common Share purchase warrant (a "Warrant"). Each whole Warrant will entitle the holder to acquire one Common Share at a price of C\$0.05 for a period of 3 years 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 (the "TSX-V") exceeds C\$0.075 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.

The Corporation paid cash finders' fees totaling C\$17,500 and issued 280,000 Units and 980,000 finders' warrants in connection with the Private Placement. Each finder's warrant entitles the holder to acquire one Common Share for C\$0.05 until October 19, 2016. In addition, 1,000,000 Common Shares were issued to Jub Capital as a corporate advisory fee in connection with the financing.

The use of proceeds for the Private Placement will be for the continuation of flow sheet optimisation, product marketing and other technical expenditures, expenditures related to the Environmental, Social and Health Impact assessment ("ESHIA"), which are key components of the feasibility study, ongoing costs largely in Malawi and Canada, with the balance made up of fees relating to the Private Placement

and any non - contingent fees payable in connection with the proposed listing on the AIM board of the London Stock Exchange.

The securities issued under the Second Tranche, including any Common Shares issued on the exercise of the Warrants and the finders' warrants, have a hold period expiring on February 20, 2016.

The Second Tranche remains subject to final acceptance of the TSX Venture Exchange.

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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