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## **NEWS RELEASE**

### **MKANGO CLOSES OVERSUBSCRIBED PRIVATE PLACEMENT RAISING A TOTAL OF C\$2.27 MILLION**

**Calgary, Alberta: April 3, 2014** – 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 March 24, 2014.

Under the Second Tranche, 6,445,250 Units of the Corporation were issued at a price of C\$0.10 per Unit for gross cash proceeds of C\$644,525. As previously announced, the first tranche of the private placement closed on March 24, 2014 pursuant to which 16,262,603 Units of the Corporation were issued at a price of C\$0.10 per Unit for gross cash proceeds of C\$1,626,260. In total, 22,707,853 Units of the Corporation were issued in connection with the private placement for gross cash proceeds of C\$2,270,785.

**William Dawes, Chief Executive of Mkango, stated** “The placement was a success and provides a strong platform for advancement of the Songwe Hill rare earth project through the pre-feasibility stage and for commencement of the feasibility study. Apart from strong participation from existing shareholders, we are very pleased to welcome Sprott Inc.’s affiliate as a major new shareholder of Mkango.”

Each Unit consisted of one common share (a “Common Share”) and one Common Share purchase warrant (a “Warrant”) of Mkango. Each Warrant entitles the holder to acquire one Common Share for C\$0.20 until April 3, 2019. If, after August 3, 2014, the closing price (or the average of the ‘bid’ and the ‘ask’, if not traded) of the Common Shares on the TSX Venture Exchange exceeds C\$0.30 for a period of 20 consecutive trading days, Mkango 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 totalling C\$40,677 and issued 406,770 finders’ warrants in connection with the Second Tranche. Each finders’ warrant entitles the holder to acquire one Common Share for C\$0.10 until April 3, 2016.

The proceeds from the Second Tranche will be used to commence the feasibility study, following completion of the pre-feasibility study, in addition to general corporate purposes.

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 August 4, 2014.

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

## 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*). The Report's mineral resource estimates, as previously announced, are summarized below.

<b>Cut-off grade</b>	<b><i>In-situ</i> Indicated Mineral Resource estimate</b>	<b><i>In-situ</i> 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).

Mkango is currently completing a pre-feasibility study for the Songwe project.

### Pre-Feasibility Study

SNC-Lavalin (Pty) Ltd. has completed the first phase of the pre-feasibility study, focusing on the mill, flotation plant and associated infrastructure. Current focus is on further optimisation of the flow sheet in parallel with commencement of design work for the hydrometallurgical process plant.

### 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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