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## **MKANGO PROVIDES UPDATE ON PLACING**

**London / Vancouver: 16 August, 2021** - Mkango Resources Ltd. (AIM/TSX-V: MKA) (the "Company" or "Mkango") is pleased to announce that further to the Company's announcement of 5 August 2021, it has now received TSX-V conditional approval for the issuance of 23,007,495 common shares of no par value ("New Shares") at an issue price of £0.24 (approx. C\$0.42) per New Share, raising £5.52 million (£5.29m net of fees) from new and existing investors (the "Placing").

Subscriptions from related parties, being Resource Early Stage Opportunities Company ("RESOC") for 1,666,666 New Shares and Derek Linfield for 2,916,666 New Shares, remain conditional on approval from shareholders other than RESOC (in respect of its subscription) and Mr Linfield (in respect of his subscription), which approval will be sought at the Company's Annual General and Special Meeting of Shareholders (the "Meeting") to be held on 6 October 2021. An investor who had previously indicated that it wished to delay its subscription for 350,000 New Shares until after the Meeting informed the Company earlier this week that it no longer wished to delay such subscription.

Accordingly, 18,424,163 New Shares have now been issued pursuant to the Placing with the remaining 4,583,332 New Shares to be issued conditional upon shareholder approvals at the Meeting.

In addition to the New Shares, the Company has issued an aggregate of 344,815 non-transferable warrants to the brokers who advised in connection with the Placing. Each warrant is exercisable for a period of 12 months with an exercise price of £0.24 per warrant. The warrants (and the underlying shares) are subject to a statutory hold period in Canada expiring on the date that is four months and one day from the issuance of the warrants.

### **Admission to trading on AIM and Total Voting Rights**

Application has been made for the 18,424,163 New Shares, which will rank *pari passu* with the existing common shares of no par value each ("Common Shares") of the Company, to be admitted to trading on AIM ("Admission"). It is expected that Admission of 18,074,163 of the New Shares will become effective and dealings will commence at 8:00 a.m. on or around 17 August 2021, and Admission of the remaining 350,000 New Shares will become effective and dealings will commence at 8:00 a.m. on or around 18 August 2021.

Following the issue of these New Shares, the total issued share capital of the Company will consist of 153,949,884 Common Shares. The Company does not hold any Common Shares in Treasury. Therefore, the total current voting rights in the Company following Admission will be 153,949,884 and this figure may be used by shareholders in the Company as the denominator for the calculations by which they will determine if they are required to notify their interest in, or a change in their interest in, the share capital of the Company under the FCA's Disclosure Guidance and Transparency Rules.

The New Shares will also be listed for trading on the TSX-V and will be subject to a statutory hold period in Canada expiring on the date that is four months and one day from issuance of the New Shares.

## **About Mkango**

Mkango's corporate strategy is to develop new sustainable primary and secondary sources of neodymium, praseodymium, dysprosium and terbium to supply accelerating demand from electric vehicles, wind turbines and other clean technologies. This integrated Mine, Refine, Recycle strategy differentiates Mkango from its peers, uniquely positioning the Company in the rare earths sector.

Mkango is developing Songwe Hill in Malawi with a Feasibility Study targeted for completion in Q1 2022. Malawi is known as "The Warm Heart of Africa", a stable democracy with existing road, rail and power infrastructure, and new infrastructure developments underway.

In parallel, Mkango recently announced that Mkango and Grupa Azoty PULAWY, Poland's leading chemical company and the second largest manufacturer of nitrogen and compound fertilizers in the European Union, have agreed to work together towards development of a rare earth Separation Plant at Pulawy in Poland. The Separation Plant will process the purified mixed rare earth carbonate produced at Songwe.

Through its ownership of Maginito ([www.maginito.com](http://www.maginito.com)), Mkango is also developing green technology opportunities in the rare earths supply chain, encompassing neodymium (NdFeB) magnet recycling as well as innovative rare earth alloy, magnet, and separation technologies. Maginito holds a 25% interest in UK rare earth (NdFeB) magnet recycler, HyProMag ([www.hypromag.com](http://www.hypromag.com)) with an option to increase its interest to 49%.

Mkango also has an extensive exploration portfolio in Malawi, including the Mchinji rutile discovery, for which assay results are pending, in addition to the Thambani uranium-tantalum-niobium-zircon project and Chimimbe nickel-cobalt project.

For more information, please visit [www.mkango.ca](http://www.mkango.ca).

## **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, the Plant and Songwe. Generally, forward looking statements can be identified by the use of words such as "plans", "expects" or "is expected to", "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. 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, Shareholder approval of the Transaction and the investments by related parties, TSX-V approval of the Transaction and the Placing, settlement risk with respect to the Placing, governmental action relating to COVID-19, COVID-19 and other market effects on global demand and pricing for the metals and associated downstream products for which Mkango is exploring, researching and developing, factors relating the development of the Separation Plant, including the outcome and timing of the completion of the feasibility studies, cost overruns, complexities in building and operating the Separation Plant, changes in economics and government regulation, the positive results of a feasibility study on Songwe Hill and delays in obtaining financing or governmental approvals for, and the impact of environmental and other regulations relating to, Songwe Hill and the Separation Plant. 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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