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MKANGO PRODUCES NEODYMIUM AND PRASEODYMIUM ENRICHED RARE EARTH CARBONATE FROM FINAL PILOTING AS FEASIBILITY STUDY FOR SONGWE HILL IN MALAWI NEARS COMPLETION

Highlights

- **The final stage of hydrometallurgical piloting at ANSTO for Mkango’s Songwe Hill Rare Earths Project (“Songwe”) in Malawi has successfully produced rare earth carbonate grading 55% total rare earth oxides (“TREO”) equivalent, enriched in neodymium and praseodymium (“Nd / Pr”) oxides, which together make up 31% of the rare earth oxide content in the carbonate product (i.e. Nd / Pr oxides / TREO = 31%)**
- **Neodymium and praseodymium are key components of permanent magnets used in electric vehicles, wind turbines and many electronic devices and prices for Nd / Pr oxides have risen by 85% and 135% respectively over the last 12 months**
- **The rare earth carbonate produced at Songwe will feed Mkango’s proposed Pulawy separation plant development in Poland**
- **Technical aspects of the feasibility study for Songwe are close to completion, with the majority of engineering workstreams 100% complete and most other key workstreams more than 90% complete. Negotiations of the Mining Development Agreement (“MDA”) with the Government of Malawi are also well advanced**
- **The MDA confirms the fiscal and legal terms for project development, and is expected to take up to three months from today to finalise, upon which the results of the feasibility study and valuation metrics will be announced**
- **During this period, Mkango will continue to advance ongoing discussions with potential strategic investors and off-takers, and work closely with its brokers, project finance advisors, Terrafranca Capital Partners Ltd (www.terrafranca.co.uk), and United States strategic advisors, Jones Group International (www.jonesgroupinternational.com). Mkango also recently engaged EIT RawMaterials (www.eitrawmaterials.eu) to further support financing discussions in Malawi and Poland. EIT RawMaterials provides support to Mkango within the framework of the European Raw Materials Alliance.**
- **The MDA was recently highlighted to the Malawi Parliament in a speech by Malawi State President His Excellency Lazarus Chakwera and also during the Malawi 2022/23 Budget by the Minister of Finance Hon Sosten Gwengwe MP, and both Mkango and the Government of Malawi are prioritising its successful completion**

London / Vancouver: 7 March, 2022 - Mkango Resources Ltd. (AIM/TSX-V: MKA) (the "Company" or "Mkango") is pleased to announce that it has successfully produced neodymium and praseodymium enriched rare earth

carbonate from the final stages of hydrometallurgical piloting at ANSTO in Australia for the Songwe Hill Rare Earths Project in Malawi.

Piloting is an integral part of the feasibility study for Songwe, with Mkango joining the ranks of very few rare earth companies globally which have reached this stage of development. Mkango has now successfully completed flotation piloting and all six hydrometallurgy pilot campaigns, testing all aspects of the processing flow sheet.

The piloting of the hydrometallurgy processing flowsheet is a critical step towards commercialisation of the Songwe project. The feed for the hydrometallurgy pilot plant was flotation concentrate derived from the highly successful flotation pilot programme completed last year.

William Dawes, Chief Executive of Mkango stated: *“Completion of piloting is another major milestone for the development of Songwe and the related Pulawy separation plant in Poland, as Mkango moves towards finalisation of the feasibility study for Songwe. This puts Mkango in a rare class of having an independent rare earths project at this advanced stage of development. Through its investments across the supply chain, Mkango is uniquely positioned to be a future producer of rare earth oxides, recycled alloys and magnets, the latter through its 42% strategic interest in short loop rare earth magnet recycler, HyProMag.”*

Excellent Progress in Malawi

Negotiation of the MDA with the Government of Malawi is well advanced and focused on delivering an advantageous solution for all stakeholders.

Work in Malawi is progressing well with all geotechnical drilling and pitting completed at the project site and the Environmental Social Health Impact Assessment nearing completion. The geotechnical programme comprised 150 five-metre-deep pits and 22 twenty-metre drill holes and was undertaken to confirm soil and ground conditions for all future site infrastructure, such as the processing plants, tailings facility, solar farm and haulage roads.

This major programme was designed to maximise local content, employing 150 locally employed labourers, the specialist geotechnical engineering consultant firms Geoconsult – the leading geotechnical engineering group in Malawi (<https://geoconsult.cc/portfolio/f/mining-and-trading-review-october-edition>) – and Zutari, a leading South African geotechnical engineering group (<https://www.zutari.com/our-projects/>).

There have been significant improvements to local infrastructure in recent months. The Malawi Roads Authority are currently upgrading an existing government road from the nearby city of Migowi to the Songwe Hill rare earth project site. To date, 12 km of an existing 15 km government dirt track has already been upgraded and widened to an all-weather gravelled road with new reinforced concrete culverts, embankments and bridges installed.

Songwe Feasibility Study Nearing Completion

Technical and other workstreams for the feasibility study for Songwe are nearing completion with the following progress estimates provided by SENET (a DRA Global company), lead engineer for the project:

Capital cost estimate: pricing for mechanical equipment, structural steel, civil, electrical, control and instrumentation and piping bill of quantities, process plant EPCM cost estimate, site infrastructure costs, transport estimates using equipment masses and steelwork quantities are 100% complete. Update of capital cost estimate is 90% complete.

Operating cost estimate: preparation of plant labour schedules and pay rates is 90% complete. Quantities and costs of consumables, spare parts and utility requirements is 100% complete and administration costs and other overheads are 100% complete. Verification of reagent consumption and costs are 92% complete. Update of operating cost with updated labour rates, transport and laboratory costs is 92% complete.

Environmental, Social and Health: review and impact assessments of specialist studies, rehabilitation and closure liability is 100% complete. Environmental, Social and Health Impact Assessment is 98% complete.

Sustainable energy trade-off study: investigation of alternative energy sources, compilation of energy balance, design of solar PV and detailed costing and preliminary wind resource assessment is 100% complete.

Metallurgical test work: grinding test work and trade-off, plant raw water testing, solid liquid separation test work, flotation and hydrometallurgical test work is 100% complete. Water and variability test work is 80% complete, and tailings geochemical and geotechnical test work is 50% complete and expected to be completed by the end of this month.

Processing engineering: process flow diagrams, mass balances, process description, mechanical equipment list, design basis, pipe and instrumentation diagrams, process control philosophy and HAZOP 1 and 2 are 100% complete.

Mining: in-pit services, haul road design, waste rock dump design, issue of enquiries into market, mining schedule, pit optimisation and design, storm water handling and water reticulation are 100% complete.

Mechanical, civil and structural engineering: mechanical equipment data and duty sheets, general arrangement drawings, civil design criteria, structural design criteria, bill of quantities, bulk earthworks, civil and steelwork quotes are 100% complete.

Electrical engineering: electrical design criteria, electrical load list, cable schedule, installed and consumed power schedule, electrical material take-off, electrical procurement packages, motor control centres and transformer sizing are 100% complete.

Control and instrumentation engineering: control and instrumentation design criteria, instrument data sheets and schedules, control and instrumentation material take-off, instrumentation diagrams and control and instrumentation procurement packages are 100% complete.

Piping engineering: piping design criteria and calculations, piping material take-off and piping bill of quantities, schedules for line list, pipe supports and tie-ins and piping drawings are 100% complete.

Plant infrastructure engineering: layout drawings for the construction camp, security fencing, guardhouses, warehousing and stores, administration offices and workshops, layout drawings for transformer stations, roads and bill of quantities and pricing for plant infrastructure are 100% complete.

Procurement: vendor list of recommended suppliers, issuing enquiries and tender documents, price comparisons and evaluation of tenders, technical and commercial tender adjudications are 100% complete. Additional earthworks and mining enquiries and adjudication are 96% complete.

Tailings Storage Facility: design of tailings dam, return water dam and storm water measures is 100% complete. Seepage analysis and slope stability analysis to be completed.

Scientific and technical information contained in this release has been approved and verified by Nicholas Dempers Pr.Eng (RSA) Reg. No 20150196, FSAIMM of SENET (a DRA Global Group Company), who is a "Qualified Person" in accordance with National Instrument 43-101 -- Standards of Disclosure for Mineral Projects.

Market Abuse Regulation (MAR) Disclosure

The information contained within this announcement is deemed by the Company to constitute inside information as stipulated under the Market Abuse Regulations (EU) No. 596/2014 ('MAR') which has been incorporated into UK law by the European Union (Withdrawal) Act 2018. Upon the publication of this announcement via Regulatory Information Service, this inside information is now considered to be in the public domain.

About Mkango Resources Limited

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 well advanced. 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 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), 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 42% interest in UK rare earth (NdFeB) magnet recycler, HyProMag (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 exploration project, the Thambani uranium-tantalum-niobium-zircon project and Chimimbe nickel-cobalt project.

For more information, please visit www.mkango.ca

About SENET, a DRA Global company

Mkango Resources Ltd. appointed SENET, a DRA Global company, as lead engineer and to project manage completion of the feasibility study. SENET is leading the multi-disciplinary team comprising of various consultants that are working on the project.

SENET has longstanding experience in project management and in providing detailed multidiscipline engineering, procurement, logistics management, and construction services to the mining, mineral processing, infrastructure and materials handling industries. It has extensive project and construction experience throughout Africa and boasts the largest and most advanced hydrometallurgical process engineering team on the continent.

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, HyProMag, the Separation 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, 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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