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MKANGO RECEIVES ESHIA APPROVAL FOR THE SONGWE HILL RARE EARTHS PROJECT

London, U.K. and Vancouver, Canada – January 26, 2023 – Mkango Resources Ltd. (AIM/TSX-V: MKA) (the “Company” or “Mkango”) is very pleased to announce that the Malawi Environmental Protection Agency (“MEPA”) has approved the Environmental Social Health Impact Assessment (“ESHIA”) for Mkango’s flagship Songwe Hill Rare Earths Project (“Songwe Hill”) in the Phalombe district of Malawi.

The approval of the ESHIA is a significant milestone in the Mining Development Agreement (“MDA”) approval process, it is a fundamental requirement for the Company to be granted a mining licence and is expected to unlock significant stakeholder value and future investment for the development of Sub-Saharan Africa’s first large scale, commercial rare earth mining and processing operation in Malawi.

Mkango President Mr Alexander Lemon stated;

“The approval of the ESHIA for the Songwe Hill Rare Earths project is a major achievement for Mkango and Malawi’s first rare earth mining project. We would like to thank the Malawian government for their ongoing cooperation and support and the Malawi Environmental Protection Agency for their advice and support during the ESHIA engagement, review and approval process. We look forward to the Mining Licence and MDA being approved in the coming weeks.

“The Malawi Ministry of Justice has appointed a London based international law firm with mining expertise to carry out a final review of the Mining Development Agreement (“MDA”) and we are hoping to shortly conclude an agreement that is a win-win for both the Nation of Malawi and all of Mkango’s stakeholders.”

The ESHIA was undertaken by Digby Wells Environmental Limited (<https://www.digbywells.com/about-digby-wells/>) in compliance with the latest International Finance Corporation (“IFC”) Performance Standards and the Malawi Environmental Management Act, No. 19 of 2017.

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 completed in July 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 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 "Pulawy Separation Plant"). The Pulawy Separation Plant will process the purified mixed rare earth carbonate produced at Songwe Hill.

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

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. 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 Mkango rare earths recycling capability and the Pulawy Separation Plant, including the outcome and timing of the completion of the feasibility studies, cost overruns, complexities in building and operating recycling and separation plants, changes in economics and government regulation, and delays in obtaining

financing or governmental approvals for, and the impact of environmental and other regulations relating to, Songwe and the recycling and separation plants. 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 disclaim 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 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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