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MKANGO ANNOUNCES R&D PROGRAMME WITH METALYSIS TO DEVELOP 3D PRINTED RARE EARTH MAGNETS FOR ELECTRIC VEHICLES

Calgary, Alberta: March 20, 2017 - Mkango Resources Ltd. (TSXV / AIM: MKA) (the "Company" or "Mkango") is pleased to announce that it has entered into a Memorandum Of Understanding ("MOU") with Metalysis Limited ("Metalysis") to jointly research, develop and commercialise novel rare earth metal alloys for use in three-dimensional (3D) printed permanent magnets.

The MOU will combine Mkango's intelligence surrounding the performance characteristics and future global demand outlook for rare earth magnets with Metalysis' disruptive, solid-state process, which can generate high margins from the manufacture of metal powders for markets including 3D printing. Together, the parties envisage a comprehensive research and development ("R&D") programme, culminating in the joint pursuit of commercial opportunities. One such opportunity includes evaluating the United Kingdom as a future host country for a manufacturing plant to exploit a commercialised technology.

Rare earth permanent magnets are a critical component of many electric vehicles, as well as other consumer and green technologies. China dominates the rare earth permanent magnet industry, and with one of the few rare earths projects outside China to have advanced beyond the pre-feasibility stage, Mkango is well placed to respond to the global demand outlook.

Mkango's share of the first phase of R&D costs will be funded out of existing cash resources.

William Dawes, Chief Executive Officer of Mkango, said:

"We are very pleased to collaborate with Metalysis. It is a core part of Mkango's strategy to be at the forefront of research and technology in every step of the rare earths supply chain; positioning the Company as a future low cost, sustainable supplier of rare earths used in electric vehicles and other green technologies, which have entered a new phase of accelerating demand growth. The R&D programme will seek to enhance marketing flexibility, increase future margins and affirm the Company's competitive positioning."

About Metalysis Limited

Metalysis is a growing company, based in South Yorkshire, U.K, with global rights to disruptive technology posing proven economic and environmental benefits over traditional metal production methods. The Company is committed to transforming the metals industry through its patented process for producing Titanium, Tantalum, other metals and innovative alloy powders.

Metalysis' process, originating from the University of Cambridge and proven at industrial scale, can generate high margins from the manufacture of metal powders for markets including 3D printing.

About Mkango Resources Limited

Mkango's primary business is the exploration for rare earth elements and associated minerals in the Republic of Malawi, a country whose hospitable people have earned it a reputation as “the warm heart of Africa.” Mkango holds, through its wholly owned subsidiary Lancaster Exploration Limited, a 100% interest in two exclusive prospecting licenses in southern Malawi, the Phalombe licence and the Thambani licence.

The main exploration target in the Phalombe licence is the Songwe Hill rare earths’ deposit, which features carbonatite hosted rare earth mineralisation and was subject to previous exploration in the late 1980s. Mkango completed an updated Pre-feasibility Study for the project in November 2015. Mkango’s strategy for Songwe is to further optimise the project with a view to maximising efficiency and reducing costs, thereby providing a strong platform for entering into partnerships, marketing and offtake arrangements. The main exploration targets in the Thambani licence are uranium, niobium, tantalum and other associated minerals.

Cautionary Note Regarding Forward-Looking Statements

This news release may contain forward-looking statements. 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, delays in obtaining financing or governmental or stock exchange approvals. 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 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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