



MKANGO RESOURCES LTD.
550 Burrard Street
Suite 2900
Vancouver
BC V6C 0A3
Canada

MKANGO SUBSIDIARY MAGINITO COMPLETES THE ACQUISITION OF A 25% INTEREST IN HYPROMAG, A UNIVERSITY OF BIRMINGHAM SPINOUT FOCUSED ON RARE EARTH MAGNET RECYCLING

London / Vancouver: January 10, 2020 - Mkango Resources Ltd. (AIM/TSX-V: MKA) (the "Company" or "Mkango") is pleased to announce that its subsidiary, Maginito Limited ("Maginito"), has completed the acquisition of an initial 25% interest in HyProMag Limited ("HyProMag"), a private, United Kingdom-based company focused on rare earth magnet recycling, as previously announced on 23 September 2019 (the "Transaction"). Maginito has invested an initial £300,000 for a 25% interest in HyProMag, and has an option to invest a further £1 million to increase its interest up to 49%.

Maginito is 75.5% owned by Mkango, which is completing a Feasibility Study for the Songwe Hill rare earths project in Malawi, and 24.5% owned by Talaxis Limited ("Talaxis"), a wholly-owned subsidiary of Noble Group Holdings Limited ("Noble") focused on technology metals investment and development. Maginito is a related party of Mkango, Talaxis and Noble.

Consistent with Maginito's strategy focused on downstream opportunities relating to the rare earths supply chain, the Transaction will generate potential synergies, such as first right to supply primary production if required for blending with recycled production from HyProMag, as well as product offtake and marketing rights, leading to enhanced marketing flexibility and access to downstream markets for rare earth permanent magnets, which are critical materials for electric vehicles, wind turbines, consumer electronics and other technology applications.

Highlights of the Transaction include:

- HyProMag has licenced a patented process for extracting and demagnetising neodymium iron boron ("NdFeB") alloy powders from magnets embedded in scrap and redundant equipment named HPMS (Hydrogen Processing of Magnet Scrap). This was originally developed within the Magnetic Materials Group ("MMG") at the University of Birmingham ("UoB").
- Maginito has invested £300,000 for an initial 25% interest in HyProMag and provided a £200,000 convertible loan facility, both of which will be fully funded from Maginito's existing cash resources which are earmarked for such strategic investments. Maginito has a four-year option to increase its interest in HyProMag to up to 49% by investing an additional £1 million. Maginito has a right of first refusal to acquire the balance of HyProMag.
- The founding directors of HyProMag, comprising Professor Emeritus Rex Harris, former Head of the MMG, Professor Allan Walton, current Head of the MMG, and two Honorary Fellows, Dr John Speight and Mr David Kennedy, are leading world experts in the field of rare earth magnetic materials, alloys and hydrogen technology, and have significant industry experience.

Pursuant to the Transaction, HyProMag has appointed William Dawes, a Director of Maginito and CEO of Mkango, to join the Board of HyProMag.

- Maginito's initial investment of £300,000 will fully satisfy HyProMag's matched funding requirements for the three year, £2.6 million Innovate UK grant funded project, "Rare-Earth Recycling for E-Machines" ("RaRE"), which aims to establish a pilot rare earth magnet recycling facility at Tyseley Energy Park, Birmingham ("Tyseley"), to produce sintered rare earth (NdFeB) magnets for use in new electric motor designs for automotive use, and includes Advanced Electrical Machines Research Limited and UoB as collaborators.

William Dawes, Chief Executive of Mkango stated: *"We are very pleased to become a substantial shareholder of HyProMag via Maginito and look forward to working with the HyProMag team, supporting the future growth of the company and development of this very exciting technology. We see rare earth magnet recycling as a major growth industry, complementing the development of new sustainable primary production, such as Mkango's advanced stage Songwe Hill rare earths project in Malawi. This investment further enhances Mkango's role in developing a robust and sustainable electric vehicle and clean technology supply chain for global markets."*

Daniel Mamadou, Executive Director of Talaxis said: *"Our investment in HyProMag marks an exciting step for Maginito and for Talaxis. We are proud to be part of a project that has the potential to revolutionise the magnet recycling sector and support the growing global shift towards renewable energy and electric vehicles. This investment further strengthens our position as the supply partner of choice in the technology metals industry and underlines Noble's wider commitment to decarbonisation and sustainability."*

About HyProMag

The Magnetic Materials Group within the School of Metallurgy at the University of Birmingham has been active in the field of rare earth alloys and processing of permanent magnets using hydrogen for over 40 years. Originated by Professor Rex Harris, the hydrogen decrepitation method, which is used to reduce NdFeB alloys to a powder, is now ubiquitously employed in worldwide magnet processing. In a further development, the MMG patented a process for extracting and demagnetising NdFeB powders from magnets embedded in redundant equipment using hydrogen in a process called HPMS (Hydrogen Processing of Magnet Scrap). This patent and related intellectual property is at the core of HyProMag. The MMG continues to develop new research and development opportunities, cooperates widely in Europe and is currently involved in two significant EU projects (SusMagPro and Neohire). The directors of HyProMag all provide their expertise to the MMG and there is potential for HyProMag to gain possible future access to new intellectual property.

HyProMag's strategy is to establish a recycling facility for NdFeB magnets at Tyseley in Birmingham to provide a sustainable solution for the supply of NdFeB magnets and alloy powders for a wide range of markets including, for example, automotive and electronics. A number of product options are being evaluated including hydrogen decrepitated (HD) demagnetised powders suitable for magnet producers, alloy ingot remelted from HD powders suitable for alloy feed or magnet production, anisotropic alloy powders (HDDR) for bonded magnets and sintered NdFeB magnets as required by the RaRE project for automotive applications.

About Mkango Resources Limited

Mkango's primary business is 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". The Company holds interests in four exclusive prospecting licenses in Malawi: the Phalombe licence, the Thambani licence, the Chimimbe Hill licence and the Mchinji licence.

The main exploration target in the 51% held Phalombe licence is the Songwe Hill rare earths deposit. This 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 and a Feasibility Study is currently underway, the initial phases of which included a 10,900 metre drilling programme and an updated mineral resource estimate, announced in February 2019. In March 2019, the Company announced receipt of a £7 million (C\$12.3 million) investment from Talaxis to fund completion of the Feasibility Study. Following completion of the Feasibility Study, Talaxis has an option to acquire a further 26% interest in Songwe by arranging financing for project development including funding the equity component thereof.

The main exploration targets in Mkango's remaining three 100% held licences are, in the Thambani licence, uranium, niobium, tantalum and zircon, in the Chimimbe Hill licence, nickel and cobalt, and in the Mchinji licence, nickel, cobalt, base metals and graphite.

Mkango also holds a 75.5% interest in Maginito with the balance owned by Talaxis. Maginito is focused on downstream opportunities relating to the rare earths supply chain, in particular neodymium alloy powders, magnet and other technologies geared to accelerating growth in the electric vehicle market.

For more information, please visit www.mkango.ca.

About Talaxis

Founded in 2016, Talaxis is a wholly-owned subsidiary of Noble Group Holdings Limited and invests in and develops projects that are related to technology metals, with a special focus on rare earth elements. Talaxis focuses on battery and electric vehicle materials such as nickel, lithium, graphite and vanadium. Talaxis has supply chain partners in the upstream and midstream segments, and also focuses on research and development solutions for industrial consumers in the downstream segment. Talaxis prioritises sustainable ventures with a strong emphasis on corporate social responsibility. These include projects that contribute to the decarbonisation of the economy and that are aligned with the United Nations Sustainable Development Goals.

For more information, please visit www.talaxis.com.

Market Abuse Regulation (MAR) Disclosure

Certain information contained in this announcement may have been deemed inside information for the purposes of Article 7 of Regulation (EU) No 596/2014 until the release of this announcement.

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 and the Project. Generally, forward looking statements can be identified by the use of words such as "plans", "expects" or "is expected", "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. Forward looking statements in this news release include statements with respect to the global market for products using the rare earth metals the Company is exploring for, completion of the feasibility study and of the Transaction contemplated in the agreement with HyProMag, as well as plans for Tyseley and first commercial sales from Tyseley. 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, market demand for the metals and associated downstream products for which Mkango is exploring, researching and developing, the positive results of a feasibility study on the Project, delays in obtaining financing or governmental or stock exchange approvals. 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.

For further information on Mkango, please contact:

Mkango Resources Limited

William Dawes
Chief Executive Officer
will@mkango.ca

Alexander Lemon
President
alex@mkango.ca

UK: +44 207 3722 744
Canada: +1 403 444 5979

www.mkango.ca
@MkangoResources

Blytheweigh

Financial Public Relations
Tim Blythe, Camilla Horsfall
UK: +44 207 138 3204

SP Angel Corporate Finance LLP

Nominated Adviser and Joint Broker
Jeff Keating, Caroline Rowe
UK: +44 20 3470 0470

Alternative Resource Capital

Joint Broker
Alex Wood, Rob Collins
UK: +44 20 7186 9004; +44 20 7186 9001

For more information about Talaxis, please visit www.talaxis.com or contact:

Finsbury

Alastair Hetherington, Dorothy Burwell, Humza Vanderman
Tel: +44 20 7251 3801
Email: noble@finsbury.com

Citadel-MAGNUS

Peter Brookes, Helen McCombie

Tel: +61 2 8234 0100

Email: media@citadelmagnus.com

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