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Mkango Enters Into Agreement With Noble to Collaborate in the Rare Earths Sector and Raises £450,000 in Connection With the Transaction

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Calgary, Alberta: December 19, 2016 - Mkango Resources Ltd. (TSXV / AIM: MKA) (the "**Company**" or "**Mkango**"), is pleased to announce that it has entered into a collaboration agreement (the "**Agreement**") with Noble Resources International ("**Noble**"), which will also allow Noble to acquire up to a 12.5% interest in Mkango.

Noble is one of world's largest commodity traders and the largest in Asia, with a presence throughout the region. It is listed on the Singapore Stock Exchange with a market capitalization of approximately US\$1.5 billion.

Under the key terms of the Agreement, Noble will provide the following services to Mkango:

- Identifying the optimal markets and counterparties for Mkango's future rare earths production from the Songwe Hill rare earths project (the "**Project**") in Malawi, during the bankable feasibility study and in advance of mine development;
- Identifying the best strategy for the Project's product mix given the international market for different rare earths concentrates and separated rare earths oxides, and advising Mkango on the way forward;
- Identifying the optimal logistics route to take the Project's production to market;
- Introductions to potential strategic partners to finance development of the Project; and
- Assistance in market-related discussions with key stakeholders, including Mkango's financial, technical and legal advisers, prospective investors and lenders and relevant government agencies associated with the Project.

Noble will also have the right to negotiate a marketing services agreement for rare earths produced by the Project.

In connection with the Agreement, Mkango will, subject to regulatory approval, issue 12 million common share purchase warrants ("**Warrant**") to Noble, aligning Noble's interests with those of Mkango's shareholders. Each whole Warrant will entitle Noble to acquire one common share of the Company at a price of 6.6 pence for a period of two years following the date of the Agreement. The Warrants give Noble the right to acquire up to a 12.5% interest in Mkango.

Will Dawes, Chief Executive of Mkango, stated: "This is a Company transforming transaction and we are delighted to be working with Noble, the largest commodity trader in Asia, seeing this as a key stepping stone to moving the Project through the development phase. Mkango is focused on one of the few advanced stage rare earths projects outside China, and through Noble's network and relationships in Asia and elsewhere, its

marketing expertise, logistics platform and offtake capabilities, we are very well positioned to advance the project against the backdrop of a recovering rare earths sector.

We are also very pleased to welcome two specialist institutional funds, the Rare Earth Elements Fund and Metals Exploration Fund, as major new investors in the Company, in addition to continued support from existing shareholders.”

In connection with the Agreement and in respect of ongoing advice in the Asian and Australian markets, Zenith Advisory Services Pty Ltd. will be issued, subject to regulatory approval, with warrants to acquire 1.2 million common shares of the Company on the same terms as those issued to Noble.

Complementary to and on the basis of the Agreement, Mkango has raised £450,000 (£430,125 net of finders' fees) from existing shareholders and new institutional investors.

As a result, following the Placing, two specialist Swiss mutual funds, the Rare Earth Elements Fund and the Metals Exploration Fund, will each hold an interest of 3.6% in Mkango.

The fund raising is subject to regulatory approval and is to be completed by way of a placing of 12,857,124 common shares at 3.5 UK pence per common share ("**Share**") (the "**Placing**").

The issue price equates to premiums of 29.6% and 1.5% relative to the most recent closing Share prices of Mkango on the TSX Venture Exchange and AIM, respectively.

The main uses of proceeds from the Placing will be to accelerate the optimisation of the processing flow sheet and evaluation of product marketing options to facilitate further marketing, offtake and partnership discussions, as well as to evaluate additional opportunities and other expenditures.

Mkango's current strategy is to bring in financial or strategic partners to fund a bankable feasibility study for the Songwe Hill rare earths project and further exploration for the Thambani uranium project. The Agreement with Noble enhances Mkango's position to deliver on this strategy and to advance the projects against the backdrop of accelerating demand for rare earths used in clean technology applications such as wind turbines and electric vehicles.

Mkango will pay finders' fees in relation to the Placing consisting of a fee equal to a maximum of 5% of the gross proceeds from Shares placed with investors introduced by, or whose subscriptions are attributable to the efforts of, the finders and non-transferable finder's warrants ("**Finder's Warrants**") equal to a maximum of 5% of the number of Shares issued in connection with such investors' subscriptions under the Placing. Each Finder's Warrant will entitle the finders to acquire one Share at a price of 3.5 UK pence for one year from the closing of the Placing.

The Placing was unanimously approved by the Directors of the Company. The Placing, and any fees paid in connection therewith, is subject to the approval of the TSX Venture Exchange.

Application has been made for the Depository Interests representing the new common shares to be admitted to trading on AIM. It is expected that Admission will become effective and dealings in the new Depository Interests will commence on or around 22 December 2016.

About Noble Resources International

Noble Group (SGX: N21) manages a portfolio of global supply chains covering a range of industrial and energy products. Noble facilitates the marketing, processing, financing and transportation of essential raw materials. Sourcing bulk commodities from low cost regions such as South America, South Africa, Australia and Indonesia, the Group supplies high growth demand markets, particularly in Asia and the Middle East. For more information, please visit www.thisisnoble.com.

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

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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