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MKANGO ENTERS INTO AGREEMENT WITH TALAXIS TO FUND DEVELOPMENT OF THE SONGWE HILL RARE EARTHS PROJECT IN MALAWI AND COMMERCIALISATION OF NEW MAGNET TECHNOLOGIES

London / Calgary: November 16, 2017 - Mkango Resources Ltd. (AIM/TSX-V: MKA) (the "**Company**" or "**Mkango**") is pleased to announce that it has entered into an agreement ("Agreement") with Talaxis Limited ("Talaxis"), a wholly owned subsidiary of Noble Group Limited:

- Talaxis has agreed to fully fund a bankable feasibility study ("BFS") for Mkango's Songwe Hill Rare Earths Project ("Songwe" or the "Project") in return for a 49% interest in the Project
- Talaxis will invest £12 million (C\$20 million) in the Project for the BFS in three tranches, with the first tranche of £2 million (C\$3.3 million) invested on receipt of regulatory approval
- Talaxis will also have the option ("Option") to acquire a further 26% interest in the Project by arranging funding for Project development
- Talaxis may also acquire up to a 49% interest in a new venture to be established by Mkango focused on neodymium alloy powders, magnet and other technologies, including Mkango's collaboration with Metalysis, by investing £2 million (C\$3.3 million) in two tranches
- Upon completion of the above investments, Mkango will retain a 25% interest in Songwe, free carried to production, and a 51% in interest in the new venture
- Talaxis and Mkango have agreed to cooperate as preferred partners on rare earths projects worldwide and on other projects in Malawi

William Dawes, Chief Executive Officer of Mkango, said: "This transaction is transformational for Mkango and for Malawi, and is a further endorsement of the Company's strategy and potential. This Agreement significantly strengthens our balance sheet whilst ensuring that the Company is fully funded to progress Songwe and our collaboration with Metalysis. It also comes at a pivotal time in the rare earth market with a very strong demand outlook for rare earths such as neodymium and praseodymium used in permanent magnets for electric vehicles, wind turbines and other clean technology applications. We are very excited to be working with Talaxis, and moving forward with the bankable feasibility study for Songwe and Phase II of the research and development programme with Metalysis."

Daniel Mamadou, Executive Director of Talaxis said: "The global push to decarbonize the economy is creating pressure on the supply of critical elements to the green tech sector. Environmental regulation and the policy changes are driving the price of technology metals. Supported by our access to global logistics capabilities, an extensive marketing network and a team of experienced professionals, Talaxis is pleased to enter into this agreement, which further strengthens our supply chain specialized in tech metal products."

The Agreement is summarised below:

Songwe Hill Rare Earths Project

Under the Agreement, Talaxis is entitled to receive a 49% interest in Mkango's subsidiary, Lancaster Exploration Limited ("Lancaster"), the licence holder for the Project, by investing an aggregate of £12 million (C\$20 million) in Lancaster in three tranches to complete the BFS, with the final tranche of £7 million being subject to the completion of a definitive Joint Venture Agreement. Subject to completion of the definitive Joint Venture Agreement, Talaxis will be granted the Option to acquire a further 26% interest in Lancaster by arranging funding for Project development, which, based on the pre-feasibility study prepared by the MSA Group (Pty) Ltd dated 1 December 2015, would total US\$216 million. If the Option is exercised, Mkango will hold a 25% interest in Lancaster, free carried until the Project commences production. The Agreement provides that the first tranche of the investment by Talaxis will be paid upon receipt of TSX Venture Exchange ("TSXV") approval for the transaction. Payment of the second tranche will be 45 days after such approval, and the payment of the third tranche is conditional on completion of the definitive Joint Venture Agreement in respect of Songwe and on Mkango publishing an updated 43-101 resource referred to below.

- £2,000,000 Phase 1 investment commitment for the Project to be invested on Mkango obtaining approval from the TSX Venture Exchange ("TSXV") for the Agreement, upon which Talaxis will receive a 8% interest in Lancaster.
- £3,000,000 Phase 2 investment commitment for the Project to be invested 45 days after Mkango obtains TSXV approval, upon which Talaxis will receive an additional 12% interest in Lancaster.
- The use of proceeds will fund the first phase of the BFS including infill, geotechnical and exploration drilling, bulk sampling, processing flow sheet optimisation, work in relation to the Environmental, Social and Health Impact Assessment ("ESHIA") and other expenditures.
- £7,000,000 Phase 3 investment commitment for the Project to be invested, subject to Talaxis and Mkango completing the definitive Joint Venture Agreement, on Mkango publishing an updated 43-101 resource, upon which Talaxis will receive a further 29% interest in the Project. The use of proceeds will be to fund completion of the BFS.
- Upon completion of the BFS, and subject to Talaxis and Mkango completing the definitive Joint Venture Agreement, Talaxis will have the Option to acquire a further 26% interest in the Project and offtake rights for 100% of production from the Project (subject to Newco (see below) having the option to retain such amount of offtake as required for Newco's downstream manufacturing activities) in consideration of Talaxis arranging funding for 100% of remaining project development costs, including funding the equity component thereof.

New Venture ("Newco")

In addition, by investing a further £2 million (C\$3.3 million) in two tranches, Talaxis will receive a 49% interest in Newco to be established by Mkango to further develop, commercialise and market production in relation to new rare earth alloy powder, magnet and other technologies geared to accelerating growth in the electric vehicle market. The use of proceeds includes expenditure under the previously announced agreement with Metalysis focused on advanced alloys using neodymium or praseodymium with other elements for magnet development and potential 3D printing applications. Upon completion of the investments, Mkango will hold a 51% interest in Newco. The Agreement provides that the first tranche of the investment by Talaxis will be paid within 45 days of receipt of TSXV approval for the transaction. Payment of the second tranche is conditional on completion of a definitive Investment Agreement in respect of Newco and successful completion of the Phase II R&D programme referred to below.

- £1,000,000 Phase 1 investment commitment for Newco to be invested 45 days after Mkango obtains TSXV approval for the Agreement, upon which Talaxis will receive a 24.5% interest in Newco. The use of proceeds will be to fund the Phase II research and development (“R&D”) programme with Metalysis and other expenditures.
- £1,000,000 Phase 2 investment commitment for Newco to be invested, subject to Talaxis and Mkango completing the definitive Investment Agreement, on successful completion of the Phase II R&D programme with Metalysis, upon which Talaxis will receive a 24.5% interest in Newco. The use of proceeds will be to fund the R&D programme with Metalysis and other expenditures.

Under the terms of the Agreement, Talaxis will be Mkango’s preferred partner for all rare earths’ projects worldwide and for all activities of any sort in Malawi. Talaxis will be granted a right of first offer to finance any such activities of Mkango (including in respect of any of the current assets of Lancaster other than Songwe). Mkango will be Talaxis’ preferred partner for all rare earths’ projects worldwide. All such opportunities will be offered to Mkango on a 50/50 shared economics basis, with Mkango being entitled to participate to any level that it chooses.

The definitive agreements are expected to be completed by January 31, 2017. The transaction is subject to the receipt of all necessary regulatory approvals including the approval of the TSXV and satisfaction of any conditions which it may impose.

Related Party Transaction

Talaxis is the holder of 14.4% of the issued and outstanding shares of Mkango. As such, Talaxis is a Non Arm’s Length Party pursuant to applicable rules of the TSXV. In addition, Talaxis holds 12 million warrants of Mkango, which, upon exercise, could result in Talaxis holding 23.7% of the then-issued and outstanding shares of Mkango. Talaxis has agreed with Mkango that it will not exercise any warrants which would increase the holding of Talaxis in Mkango to 20% or more.

Talaxis is also considered to be a “related party” as defined under the AIM Rules and accordingly, Talaxis’ investments in both Lancaster and Newco constitute a related party transaction for the purposes of Rule 13 of the AIM Rules.

The Directors independent of the transaction, being the Board as a whole, consider, having consulted with SP Angel Corporate Finance LLP, the Company’s nominated adviser, that the terms of the Agreement are fair and reasonable insofar as the Company’s shareholders are concerned.

Finder’s Fee

Subject to acceptance by the TSXV, Mkango proposes to pay a cash finder’s fee of 2% of the amount of each investment to Zenith Advisory Services Pty Ltd. in connection with the transactions contemplated in the Agreement, payable within an agreed period of time following the completion of each phase of the investments.

About Talaxis

Talaxis Limited is a company, currently wholly owned by Noble Group, involved in the investment and development of resources which are critical to green technology supply chains, including cobalt, lithium, and rare earths. Talaxis is also involved in the research and development of industrial applications related to energy solutions providers and permanent magnets consumers. Noble Group (SGX: CGP) 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. 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, 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.

In September 2017, Mkango signed a binding joint venture principles and exclusivity agreement with Metalysis for advanced alloys using neodymium or praseodymium with other elements for magnet manufacturing. Following successful Phase I production of a neodymium-iron-boron (“NdFeB”) alloy powder using Metalysis’ solid-state technology, the Phase II R&D programme has commenced. NdFeB alloys are used to make permanent magnets, critical components of most electric vehicles, direct drive wind turbines and many other high growth applications. Neodymium is a key rare earth component at Songwe.

The main exploration targets in the Thambani licence are uranium, niobium, tantalum and zircon.

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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This press release does not constitute an offer to sell or a solicitation of an offer to buy any equity or other securities of the Company in the United States. The securities of the Company will not be registered under the United States Securities Act of 1933, as amended (the "U.S. Securities Act") and may not be offered or sold within the United States to, or for the account or benefit of, U.S. persons except in certain transactions exempt from the registration requirements of the U.S. Securities Act.