



Mkango Issues Shares to Bacchus Capital in Relation to Its Appointment as Strategic and Financial Advisor

LONDON and VANCOUVER, British Columbia, Feb. 08, 2021 (GLOBE NEWSWIRE) -- Mkango Resources Ltd. (AIM/TSX-V: MKA) (the "Company" or "Mkango") announces that, further to its press release of December 21, 2020, it has issued 325,000 shares (the "Shares") to Bacchus Capital Advisors Limited ("Bacchus Capital"), in connection with the financial advisory services provided by Bacchus Capital to the Company for the period from December 18, 2020 to January 31, 2021. The Shares were issued at a deemed price per Share of C\$0.27.

The Shares may not be sold through the facilities of the TSX-V or, absent a prospectus exemption, otherwise to a resident of Canada until June 8, 2021. Final acceptance of the TSX Venture Exchange to the issuance of the Shares has been obtained.

The Shares will rank pari passu with the existing shares and application has been made for the Shares to be admitted to trading on AIM ("Admission"). It is expected that Admission will become effective and dealings in the Shares will commence at 8:00am on or around February 11, 2021. The Shares will also trade on the Toronto Venture Exchange.

In accordance with the Disclosure Guidance and Transparency Rules (DTR 5.6.1R) the Company hereby notifies the market that immediately following Admission, its issued share capital will consist of 135,525,721 shares. The Company does not hold any shares in treasury. Shareholders may use this figure as the denominator for the calculations by which they will determine if they are required to notify their interest in, or a change to their interest in, the Company under the FCA's Disclosure and Transparency Rules.

Mkango will issue a further 625,000 shares on 18 December 2021 should its engagement continue with the Company until such date.

Mkango continues to work closely with Bacchus Capital, whose mandate encompasses mergers and acquisitions, takeover defence, strategic and other financial advice.

About Mkango

Mkango's corporate strategy is to develop new sustainable primary and secondary sources of neodymium and praseodymium to supply accelerating demand from electric vehicles, wind turbines and other clean technologies.

Mkango is developing the 51% owned Songwe Hill rare earths project in Malawi with the ongoing Feasibility Study funded through a £12 million investment by strategic partner, Talaxis Limited. Malawi is known as "The Warm Heart of Africa", a stable jurisdiction with major road, rail and power developments. 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.

In parallel, through its 75.5% interest in Maginito Limited (www.maginito.com), Mkango is 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, and recently invested in UK rare earth (NdFeB) magnet recycler, HyProMag Limited (www.hypromag.com).

Maginito's strategy is underpinned by offtake rights for sustainably sourced primary and secondary raw materials from Songwe and HyProMag, respectively, and geared to accelerating growth in the electric vehicle sector, wind power generation and other industries driven by decarbonization of the economy.

Mkango also has an extensive exploration portfolio in Malawi, including the recently announced Mchinji rutile discovery, in addition to the Thambani uranium-tantalum-niobium-zircon project and Chimimbe nickel-cobalt project.

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

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. 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 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 and 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.

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The TSX Venture Exchange has neither approved nor disapproved the contents of this press release. Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

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.