

Form 51-102F3

MATERIAL CHANGE REPORT

Item 1 - Name and Address of Reporting Issuer

Mkango Resources Ltd. (the “Company” or “Mkango”)
550 Burrard Street, Suite 2900
Vancouver BC, V6C 0A3

Item 2 - Date of Material Change

February 1, 2023 and February 6, 2023

Item 3 - News Release

The news releases were disseminated through Globe Newswire on February 1, 2023 and February 6, 2023 and are attached hereto as Schedule “A” and Schedule “B”, respectively. Copies of the press releases have also been filed on SEDAR and are available at www.sedar.com.

Item 4 - Summary of Material Change

On February 1, 2023, the Company announced that further to previously reported loan advances from CoTec Holdings Corp (“CoTec”) in an aggregate amount of £1,547,500 (C\$2,545,018), CoTec had agreed to invest an additional £452,500 (C\$744,181) into Mkango pursuant to a £2 million secured convertible loan agreement (the “**Convertible Loan Agreement**”). The Convertible Loan Agreement supersedes the terms of the previous advances from CoTec, bears interest at 5%, compounded annually and matures 60 days following the earliest of two years and certain other events set out in the Convertible Loan Agreement. The £2,000,000 loaned pursuant to the Convertible Loan Agreement, plus interest, is convertible into Mkango shares at 27p per share or, in certain circumstances, exchange into shares of Mkango’s wholly-owned BVI subsidiary, Maginito Limited (“**Maginito**”). On February 6, 2023, the Company announced that the investment of £452,500 (C\$744,181) under the Convertible Loan had been received.

Item 5 - Full Description of Material Change

5.1 Full Description of Material Change

The full details of the material information with respect to the Convertible Loan Agreement and the Subscription Agreement are described in the Company’s news releases attached hereto as Schedule “A” and Schedule “B”.

5.2 Disclosure for Restructuring Transactions

Not applicable.

Item 6 - Reliance on Subsection 7.1(2) of National Instrument 51-102:

Not applicable.

Item 7 - Omitted Information

Not applicable.

Item 8: Executive Officer

For further information, please contact Alex Lemon at +1 403 444 5979 or at alex@mkango.ca.

Item 9: Date of Report

February 9, 2023

SCHEDULE A



Mkango and CoTec Sign Definitive Agreements to Invest in Mkango, Maginito and to Collaborate in Rare Earth Technologies in United States

Highlights

- Mkango Resources Ltd. ("Mkango") has signed definitive agreements with CoTec Holdings Corp. ("CoTec"), an ESG-focused company investing in innovative technologies, in relation to investments by CoTec into Mkango and Mkango's wholly owned subsidiary, Maginito Limited ("Maginito"), and collaboration in downstream rare earth technologies (the "Transactions"):
 - Further to previously reported advances totalling £1,547,500 (C\$2,545,018), CoTec has agreed to invest an additional £452,500 (C\$744,181) into Mkango, and the parties have entered into a convertible loan agreement providing for a two-year, £2 million secured convertible loan from CoTec to Mkango (the "Convertible Loan") with 5% interest, convertible into Mkango shares at 27p each or into Maginito shares
 - CoTec has agreed to subscribe for shares equivalent to a 10% equity stake in Maginito for an investment of £1.5 million (C\$2,466,900) with a closing date not later than 15th March 2023 (the "Maginito Investment Closing")
 - Subject to the Maginito Investment Closing, Mkango and CoTec will enter into a co-operation agreement regarding future investments in rare earth processing technology opportunities in the United States
- The Transactions are subject to various conditions, including Mkango subsidiary, Mkango Rare Earths UK Limited, becoming a wholly owned subsidiary of Maginito, and TSX Venture Exchange ("TSXV") approval.

LONDON and VANCOUVER, British Columbia, Feb. 01, 2023 -- Mkango Resources Ltd. (AIM/TSX-V: MKA) (the "Company" or "Mkango") and CoTec Holdings Corp. (TSX-V: CTH) ("CoTec") are pleased to announce that they have signed definitive agreements in relation to a £2 million convertible loan agreement in Mkango, a £1.5 million equity investment in Maginito, and subject to Closing, a co-operation agreement regarding future investments in rare earth processing technology opportunities in the United States.

£1,500,000 Maginito Investment

CoTec has agreed to subscribe for shares in Maginito ("Maginito Shares"), equivalent to a post-issuance 10% equity stake, for an investment of £1.5 million (C\$2,466,900) with a closing date not later than 15th March 2023.

On the Maginito Investment Closing, CoTec and Mkango will enter into a shareholders agreement with respect to Maginito pursuant to which CoTec would have the right to one Maginito Board seat for so long as CoTec continues to hold at least a five percent (5%) shareholding in Maginito, increasing to two Maginito Board seats if CoTec holds at least a twenty percent (20%) shareholding in Maginito, as well as customary minority investor rights and protections. Additionally, on the Maginito Investment Closing, Mkango and Maginito will enter into a management agreement whereby Mkango will continue to manage Maginito.

£2,000,000 Convertible Loan

CoTec has agreed to invest by no later than February 3, 2023 an additional £452,500 (C\$744,181) for an aggregate investment of £2,000,000 (C\$3,289,200) by way of a convertible loan to Mkango, bearing 5% interest, compounded annually. The Convertible Loan is secured over the shares held by Mkango in Maginito and the terms supersede all previous convertible notes issued by Mkango to CoTec. The Convertible Loan is convertible (both principal and interest) by CoTec ("Mkango Conversion Right") at any time prior to the maturity date of the Convertible Loan, which is 60 days following the earliest of:

- a) two years following the date of the Convertible Loan;
- b) the execution of definitive documentation providing for the financing, in whole or substantial part, of the development of the Songwe Hill Rare Earths Project ("Songwe Hill") in Malawi;
- c) the sale of all or any material portion of Songwe Hill;
- d) the execution of any agreement with a party pursuant to which such party is entitled to acquire greater than 50% of Songwe Hill; or
- e) the date on which any party acquires greater than 50% of the shares of Mkango

(the “Longstop Date”).

The principal amount of £2,000,000 (C\$3,289,200) (the “Principal Amount”) may be converted at 27 pence per Mkango share with interest to be converted at the higher of 27 pence per Mkango Share and the price of the Mkango Shares at the time of conversion. The conversion price is subject to customary anti-dilution adjustments.

Provided that the Maginito Investment Closing occurs, CoTec has the option to convert the Principal Amount and interest into Maginito Shares giving it an effective interest, post conversion, of 20.6% of Maginito (“CoTec Maginito Conversion Right”).

In the event that Maginito increases its interest in HyProMag Limited (“HyProMag”) from 42% to 100%, CoTec is required to exercise either the CoTec Maginito Conversion Right or the Mkango Conversion Right within 120 days following such acquisition, if any.

If the Convertible Loan is not converted prior to the Longstop Date, the Company will be required to repay the loan within 60 days following the Longstop Date, provided however that if the Maginito Investment Closing does not occur prior to 15 March 2023, the repayment date for the Convertible Loan will be extended by one year.

The Convertible Loan is, and any Mkango Shares issuable thereunder will be, subject to a statutory hold period in Canada expiring on the date that is four (4) months and one day from of the date of funding of the Convertible Loan.

United States Co-operation Agreement

Subject to Maginito Investment Closing, Maginito and CoTec will enter into a co-operation agreement regarding future investments in rare earth processing technology opportunities in the United States.

Market Abuse Regulation (MAR) Disclosure

The information contained within this announcement is deemed by the Company to constitute inside information as stipulated under the Market Abuse Regulations (EU) No. 596/2014 (“MAR”) which has been incorporated into UK law by the European Union (Withdrawal) Act 2018. Upon the publication of this announcement via Regulatory Information Service, this inside information is now considered to be in the public domain.

About Maginito

Maginito is focused on 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. Maginito holds a 42% interest in U.K. rare earth (NdFeB) magnet recycler, HyProMag (www.hypromag.com) with an option to increase its interest to 49%. HyProMag has licensed the patented technology called HPMS (Hydrogen Processing of Magnet Scrap) developed in the Magnetic Materials Group (MMG) at the University of Birmingham.

HyProMag's strategy is to establish short loop recycling facilities for NdFeB magnets at Tyseley Energy Park in Birmingham, U.K. (the “Tyseley Recycling Facilities”) and other locations 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. In November 2021, HyProMag established an 80%-owned subsidiary in Germany, HyProMag GmbH, to rollout commercialisation of HPMS technology into Germany and Europe.

Mkango Rare Earths UK Limited (“**Mkango UK**”), a subsidiary of Mkango, is establishing a pilot plant at Tyseley Energy Park (the “Mkango UK Pilot Plant”) to chemically process recycled HPMS NdFeB powder and magnet swarf (i.e. the powder produced from grinding and finishing magnets) from a range of scrap sources including electronic waste, electric motors and wind turbines, complementing the short loop magnet recycling routes being developed in parallel by HyProMag. In connection with the Maginito Investment Closing, Mkango UK will become a subsidiary of Maginito.

About Mkango

Mkango's corporate strategy is to develop new sustainable primary and secondary sources of neodymium, praseodymium, dysprosium and terbium to supply accelerating demand from electric vehicles, wind turbines and other clean technologies. This integrated Mine, Refine, Recycle strategy differentiates Mkango from its peers, uniquely positioning the Company in the rare earths sector.

Mkango is developing Songwe Hill in Malawi with a Feasibility Study completed in July 2022. Malawi is known as “The Warm Heart of Africa”, a stable democracy with existing road, rail and power infrastructure, and new infrastructure developments underway.

In parallel, Mkango and Grupa Azoty PULAWY, Poland's leading chemical company and the second largest manufacturer of nitrogen and compound fertilizers in the European Union, have agreed to work together towards development of a rare earth Separation Plant at Pulawy in Poland (the “Pulawy Separation Plant”). The Pulawy Separation Plant will process the purified mixed rare earth carbonate produced at Songwe Hill.

Through its ownership of Maginito (www.maginito.com), Mkango is also 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.

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

For more information, please visit www.mkango.ca

About CoTec Holdings Corp.

CoTec is a publicly traded investment issuer listed on the Toronto Venture Stock Exchange. The Company is an ESG-focused company investing in innovative technologies that have the potential to fundamentally change the way metals and minerals can be extracted and processed for the purpose of applying those technologies to undervalued operating assets and recycling opportunities, as the Company seeks to transition into a mid-tier mineral resource producer.

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

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 and CoTec. Generally, forward looking statements can be identified by the use of words such as “plans”, “expects” or “is expected to”, “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, the occurrence of the Maginito Investment Closing, approval by the TSXV of the Transactions, governmental action and other market effects on global demand and pricing for the metals and associated downstream products for which Mkango is exploring, researching and developing, availability of scrap supplies for Maginito’s recycling activities, government regulation relation to recycling, factors relating the development of the Mkango UK Pilot Plant, the Pulawy Separation Plant and future investments in the United States pursuant to the proposed cooperation agreement between Maginito and CoTec, including the outcome and timing of the completion of the feasibility studies, cost overruns, complexities in building and operating the plants, changes in economics and government regulation, the positive results of feasibility studies on the various proposed aspects of Mkango’s, Maginito’s and CoTec’s activities, and delays in obtaining financing or governmental approvals for, and the impact of environmental and other regulations relating to , Songwe, the Mkango UK Pilot Plant, the Pulawy Separation Plant and Maginito’s and CoTec’s potential activities in the United States. 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 and CoTec disclaim any intention and assume 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 and CoTec undertake 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
Canada: +1 403 444 5979
www.mkango.ca
@MkangoResources

Alexander Lemon
President
alex@mkango.ca

BlytheRay

Financial Public Relations
Tim Blythe
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, Keith Dowsing
UK: +44 20 7186 9004/5

**For further information on CoTec,
please contact:**

CoTec Holdings Corp.

Braam Jonker

Chief Financial Officer

braam.jonker@cotec.ca

Canada: +1 604 992-5600

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.

SCHEDULE B



CoTec Funding Instalment Received

LONDON and VANCOUVER, British Columbia, Feb. 06, 2023 -- Mkango Resources Ltd. (AIM/TSX-V: MKA) (the "Company" or "Mkango") is pleased to announce that, further to the announcement on 1st February 2022, Mkango has received the £452,500 from CoTec (C\$729,839), being the final instalment under the £2,000,000 convertible loan agreement providing for a two-year, secured convertible loan from CoTec to Mkango (the "Convertible Loan") with 5% interest, convertible into Mkango shares at 27p each or, under certain condition, into shares of Mkango's subsidiary, Maginito Limited.

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For further information on Mkango, please contact:

Mkango Resources Limited

William Dawes
Chief Executive Officer
will@mkango.ca
Canada: +1 403 444 5979
www.mkango.ca
@MkangoResources

Alexander Lemon
President
alex@mkango.ca

BlytheRay

Financial Public Relations
Tim Blythe
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, Keith Dowsing
UK: +44 20 7186 9004/5

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