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MKANGO SIGNS MINING DEVELOPMENT AGREEMENT WITH MALAWI GOVERNMENT FOR THE SONGWE HILL RARE EARTH PROJECT

Highlights

- **Lancaster Exploration, a 100% owned subsidiary of Mkango Resources Limited, and the Malawi Government have signed a Mining Development Agreement ("MDA") for the Songwe Hill Rare Earths Project in Malawi**
- **The signing of the Songwe MDA confirms the fiscal terms applicable to the project and enhances the options to create value for shareholders in the context of the ongoing strategic review and engagement with potential strategic investors, development and commercial banks, and offtakers.**

London / Vancouver: July 29, 2024 - Mkango Resources Ltd. (AIM/TSX-V: MKA) (the "Company" or "Mkango") is pleased to announce that Lancaster Exploration Limited, a British Virgin Islands company and Lancaster Exploration Limited, a Malawi company, both 100% owned subsidiaries of Mkango, and the Malawi Government have signed the Mining Development Agreement ("MDA") for the Songwe Hill Rare Earths Project ("Songwe Hill" or the "Project") in Malawi. The signing ceremony was held at the Office of the President and Cabinet in Lilongwe, Malawi during the evening of Friday 26th July 2024.

Hon. Minister Monica Chang'anamuno MP, Minister of Mining for Malawi stated: "The signing of the MDA marks a momentous and significant occasion in the history of Malawi's mining sector. It is with great pride and optimism that we sign the MDA between the Government of Malawi and Lancaster Exploration Limited (Mkango) paving the way to start mining Rare Earths at Songwe Hill in Phalombe.

The MDA signed by the Government of Malawi is a product of almost two years of hard work. I would like to thank the team at Mkango for their positive partnership spirit during the negotiation period. This Agreement is not just a contractual obligation; it symbolizes a renewed partnership, a commitment to sustainable development, and a shared vision for a prosperous future for both parties. The journey to this has been marked by diligent negotiations, mutual respect, and a deep understanding of the potential that lies beneath our feet.

The conclusion and signing of this MDA is a testament to what can be achieved when we work together with a common purpose. It will ensure that the benefits of our mineral wealth are shared equitably and that our environmental and social responsibilities are upheld. The MDA we have signed today is a win-win agreement and is based on the belief that Government, the mining investor and Malawians share some fundamental interests of benefitting from these future mining activities. On behalf of the Malawi Government I would like to take this opportunity to assure the investors that the Government will adhere to its obligations reflected in this MDA.

I would like to reiterate Government's commitment in ensuring that it provides requisite infrastructure to support the mining activities at Songwe Hill and the country in general. The future mining operations at

support the mining activities at Songwe Hill and the country in general. The future mining operations at Songwe Hill in Phalombe will have far-reaching impacts on our economy. As we are all aware mining represents the hopes and dreams of the Malawian people for economic growth, wealth and job creation in line with Vision 2063 and the Agriculture, Tourism and Mining (ATM) Strategy championed by His Excellency the President Dr Lazarus McCarthy Chakwera.

To the management team at Lancaster Exploration Limited (Mkango) I would like to thank you for your unwavering commitment to Malawi. Together, we are not just signing an agreement; we are embarking on a journey towards a brighter, more prosperous future for Malawi. Let this be a shining example of what can be achieved through partnership, perseverance, and a shared vision for a better tomorrow."

Alexander Lemon, President of Mkango stated: "We are very pleased to announce this major milestone for the Company and the nation of Malawi. I am delighted that the MDA has been agreed and signed with the Government of Malawi. The Project when developed, is expected to be a game changer and transformational for Malawi and Mkango welcomes the very strong support it is receiving from the Government of Malawi and all stakeholders. When developed, my hope is that Songwe Hill will catalyse a new industrial revolution in Malawi, creating employment opportunities, producing high value-added exports, as well as further unlocking Malawi's mineral potential and new infrastructure developments."

Songwe is one of the very few rare earths projects globally to have completed a definitive feasibility study and hold a signed and approved Environmental, Social, Health Impact Assessment ("ESHIA"), which was completed in compliance with IFC Performance Standards and The Global Industry Standard for Tailings Management (2020) ("GISTM") adopted for design and management of the tailings storage facility.

The key rare earths being targeted at Songwe are neodymium, praseodymium, dysprosium and terbium which are all critical for the green transition and are essential to permanent magnets for electric vehicles, wind turbines and many electronic devices.

Key components of the MDA include:

- 5% royalty of gross revenue
- 30% corporate tax rate
- 10% non-diluting equity Interest in the Project to Malawi Government
- Exemption from customs and excise duties - Lancaster will be exempted from Export Duty, Import Duty, Import Excise and Import VAT on imports and exports of capital goods as provided in the applicable law
- 10 years stability period
- 10 years Tax loss carry forward
- Community Development Expenditure is an allowable tax deduction

About Mkango

Mkango is listed on the AIM and the TSX-V. Mkango's corporate strategy is to become a market leader in the production of recycled rare earth magnets, alloys and oxides, through its interest in Maginito Limited ("Maginito"), which is owned 79.4 per cent by Mkango and 20.6 per cent by CoTec Holdings Limited ("CoTec"), and to develop new sustainable sources of neodymium, praseodymium, dysprosium and terbium to supply accelerating demand from electric vehicles, wind turbines and other clean energy technologies.

Maginito holds a 100 per cent interest in HyProMag Limited ("HyProMag") and a 90 per cent direct and indirect interest (assuming conversion of a convertible loan) in HyProMag GmbH, focused on short loop rare earth magnet recycling in the UK and Germany, respectively, and a 100 per cent interest in Mkango Rare Earths UK Ltd ("Mkango UK"), focused on long loop rare earth magnet recycling in the UK via a chemical route.

Maginito and CoTec are also rolling out HyProMag's recycling technology into the United States via the 50/50 owned HyProMag USA LLC joint venture company. HyProMag is also evaluating other jurisdictions, and recently launched a collaboration with Envipro on rare earth magnet recycling in Japan.

Mkango also owns the advanced stage Songwe Hill rare earths project and an extensive rare earths, uranium, tantalum, niobium, rutile, nickel and cobalt exploration portfolio in Malawi, and the Pulawy rare earths separation project in Poland.

For more information, please visit www.mkango.ca

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.

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. Generally, forward looking statements can be identified by the use of words such as "targeted", "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 availability of (or delays in obtaining) financing to develop the various recycling plants in the UK, Germany, governmental action and other market effects on global demand and pricing for the metals and associated downstream products for which Mkango is researching and developing, , the ability to scale the HPMS and chemical recycling technologies to commercial scale, competitors having greater financial capability and effective competing technologies in the recycling and separation business of Maginito, availability of scrap supplies for recycling activities, government regulation (including the impact of environmental and other regulations) on and the economics in relation to recycling and the development of the various recycling plants of Maginito and future investments in the United States pursuant to the cooperation agreement between Maginito and CoTec, the outcome and timing of the completion of the feasibility studies, cost overruns, complexities in building and operating the plants, and the positive results of feasibility studies on the various proposed aspects of Maginito's activities and technical, permitting, environmental, financing and other risks associated with the development of Songwe Hill. 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 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 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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