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**MKANGO RAISES £1.25M (C\$2.19M) FROM EXISTING SHAREHOLDERS AND IN ADDITION, €0.20M (C\$0.30M) FROM EIT
RAWMATERIALS TO ADVANCE ITS PORTFOLIO OF ADVANCED STAGE STRATEGIC RARE EARTH ASSETS**

Highlights

- **Mkango Resources ("Mkango" or the "Company") has conditionally raised gross proceeds of £1.25M (C\$2.19M) via a direct Company subscription from existing shareholders (the "Subscription").**
- **EIT RawMaterials GmbH ("EIT RawMaterials") will, subject to the approval of the Toronto Venture Exchange (TSX-V), provide additional funding of €200,000 (C\$302,000) and receive a 5.7% interest in Mkango Polska sp. z o.o. ("Mkango Polska"), currently a 100% held subsidiary of Mkango developing the Pulawy Rare Earths Separation Project in Poland (the "Pulawy Project"), which will fund commencement of process optimisation for the Songwe Hill Rare Earths Project (the "Songwe Project") in Malawi, a future source of mixed rare earth carbonate feed for the Pulawy Project.**
- **EIT RawMaterials is an impact investor, and provides strategic support to start-up and scale-up projects across metals and minerals value chain. EIT RawMaterials was established in 2015 to develop raw materials into a major strength for Europe by driving innovation, education, and entrepreneurship. EIT RawMaterials is the acting legal entity of the Knowledge and Innovation Community "EIT RawMaterials" comprising some 300 members from industry, university and research and development in the raw materials sector collaborating with the European Institute of Innovation and Technology, and co-funded by the European Union, and mandated to lead the European Raw Materials Alliance.**
- **Last month's signing of the Mine Development Agreement ("MDA") for the Songwe Project and the opportunity to progress process optimisation through the investment by EIT RawMaterials enhance options for the Songwe and Pulawy Projects in conjunction with the ongoing strategic review.**
- **In parallel, discussions continue with potential strategic investors, project finance providers, grant funding bodies and other sources to finance recycling scale-up opportunities and further technology roll-out.**
- **Use of proceeds from the Subscription include the acquisition of additional equipment for the 2025 commercial development of rare earth magnet recycling operations at Tyseley Energy Park in Birmingham, UK and at Pforzheim, Germany, by HyProMag Limited ("HyProMag") and HyProMag GmbH, respectively, in addition to working capital.**
- **The Company continues to put a strong focus on cost cutting initiatives to conserve working capital in order to advance the Company's assets, and executive management have agreed to continue the salary reductions and bonus scheme announced on 10th May 2024.**

London / Vancouver: August 21, 2024- Mkango Resources Ltd. (AIM/TSX-V: MKA) is pleased to announce that it has conditionally raised gross proceeds of £1.25 million (approximately C\$2.19 million) through the issuance, on a private placement basis, of 25,000,000 Units of the Company at a price of £0.05 per Unit

(approximately C\$0.088). A Unit comprises one common share of the Company (the "Subscription Share") and one warrant (the "Warrant"). Each Warrant will entitle the holder to acquire one common share at a price of £0.07 per common share ("Mkango Share") for a period of 3 years following the closing of the Subscription. EIT RawMaterials will provide funding of €200,000 (C\$302,000) and receive a 5.7% interest in Mkango Polska, currently a 100% held subsidiary of Mkango. EIT RawMaterials' interest in Mkango Polska is convertible into common shares of Mkango ("Mkango Shares") by no later than 30 November 2024 or such later time as the parties may agree in writing at the prevailing market price of Mkango Shares (subject to a minimum price of C\$0.115 per Mkango Share) via put and call options exercisable by either Mkango or EIT RawMaterials.

William Dawes, Chief Executive of Mkango stated:*"In light of progress being made by HyProMag as it progresses towards commercialisation of rare earth magnet recycling in the UK and Germany and completion of the USA feasibility study, and with the recent signing of the Mine Development Agreement for Songwe, existing shareholders were happy to continue to support the Company with further investment at a minimal discount to prevailing prices. Furthermore, the investment by EIT RawMaterials further highlights the strategic importance of Songwe and Pulawy to the strengthening of rare earth supply chains in Europe and beyond.*

"Since obtaining the MDA for Songwe last month, we now believe there is additional value to be unlocked from both Songwe and Pulawy which is not reflected in our current market capitalisation and will be considered in our review of strategic options for the project. Nevertheless, our current focus remains on advancing our recycling business to commercial production - the see-through valuation for Mkango's interest in Maginito implied by the CoTec investment alone was £15 million in March 2023 with significant progress made by Maginito since then."

The Subscription

The issue price equates to a discount of 4% and 22.1% to the trailing five-day volume weighted average price ("VWAP") of Mkango's shares on AIM and TSX-V respectively.

The Subscription is expected to close on or around 5 September 2024 and is subject to the receipt of all necessary approvals including the approval of the TSX-V, and admission of the Subscription Shares to trading on AIM.

The 25,000,000 Subscription Shares will rank pari passu with the Company's existing shares and application will be made for the Subscription Shares to be admitted to trading on AIM ("Admission"). It is expected that Admission will become effective and dealings in the Subscription Shares will commence at 8:00am on or around 5th September, 2024. The Subscription Shares and Mkango Shares issuable pursuant to exercise of the Warrants will be subject to a statutory hold period in Canada expiring on the date that is four months and one day from issuance of the Subscription Shares and Warrants and will also be listed for trading on the TSX-V, provided that approval of such listing from the TSX-V is obtained.

In accordance with the Disclosure Guidance and Transparency Rules (DTR 5.6.1R) the Company hereby notifies the market that immediately following Admission of the Subscription Shares, its issued and outstanding share capital will consist of 293,453,574 Mkango 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 Financial Conduct Authority's Disclosure and Transparency Rules.

In connection with the Subscription, Mkango has agreed to pay, at completion of the Subscription, commissions of 5% in cash and 5% in non-transferable broker warrants ("Broker Warrants") to Jub Capital Management LLP ("Jub Capital") on funds raised by Jub Capital. The Broker Warrants will have a term of 3 years from issue and an exercise price of 5p each (approximately C\$0.088). The total number of Broker Warrants to be issued on completion of the Subscription is 1,250,000. Payment of the commissions (and issuance of the Broker Warrants) to Jub Capital is subject to acceptance of the TSX-V. The Mkango Shares issuable pursuant to exercise of the Broker Warrants will be subject to a statutory hold period in Canada expiring on the date that is four (4) months and one day from issuance of the Broker Warrants.

The EIT RawMaterials Investment

In addition to the Subscription, Mkango Polska will, subject to TSX-V approval, receive further funding of €200,000 from EIT RawMaterials. EIT RawMaterials is a European innovation initiative that aims to develop raw materials into a major strength for Europe. It focuses on responsible sourcing, sustainable materials and circular societies for a carbon-neutral future.

This funding will be used to optimise the chemical and physical properties of the raw material, specifically mixed rare earth carbonate sourced from Songwe Hill in Malawi, in preparation for the production of rare earth oxides at the planned Pulawy Project in Poland.

The funding is structured as a combination of equity and grant funding. EIT RawMaterials will be issued with 6 new shares in Mkango Polska resulting in a 5.7% interest in Mkango Polska for PLN300. Concurrently, a grant of €200,000 will be awarded to Mkango Polska by EIT RawMaterials. €150,000 of this grant is payable immediately and €50,000 is payable upon final approval of the final project report scheduled by no later than 30 June 2025.

A put and call agreement has been entered into between EIT RawMaterials and Mkango, whereby both the equity investment and grant can be converted, subject to TSX-V approval, at either parties' option into Mkango Shares no later than 30 November 2024 or such later time as the parties may agree in writing.

The number of Mkango Shares to be issued to EIT RawMaterials shall be determined by dividing the sum of €200,000 and PLN 300 converted to Canadian dollars by the closing price of a Mkango Share on the TSX-V on the day before the date of conversion, subject to a minimum share price of C\$0.115.

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, 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 and a 90 per cent direct and indirect interest (assuming conversion of Maginito's 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 Songwe Hill Project, 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. 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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