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MKANGO AND COTEC TO COLLABORATE IN DOWNSTREAM RARE EARTH TECHNOLOGIES WITH PROPOSED INVESTMENTS TOTTALLING £3.5 MILLION (C\$5.6 MILLION)

Highlights

- Mkango has signed a non-binding term sheet with CoTec Holdings Corp. (“CoTec”), an ESG-focused company investing in innovative technologies, led by Julian Treger and Braam Jonker, in relation to investments by CoTec into Mkango and Mkango’s subsidiary, Maginito Limited (“Maginito”), and collaboration in downstream rare earth technologies (the “Transactions”). The Transactions are expected to include the following key components:
 - CoTec will invest £2 million (C\$3.2 million) into Mkango by way of a two-year, unsecured convertible note (“Mkango Note”) with 5% interest, convertible into Mkango shares at 27p each, providing Mkango with additional working capital as it advances financing discussions for the Songwe Hill rare earths project (“Songwe”) in Malawi and the Pulawy separation plant project in Poland
 - CoTec will also invest £1.5 million (C\$2.4 million) into Maginito, equating to a 10% equity stake in Maginito for the purposes of strategic investments in downstream rare earth technologies and working capital
 - Restructuring resulting in Mkango’s wholly owned subsidiary, Mkango Rare Earths UK Limited, (“Mkango UK”) becoming a wholly owned subsidiary of Maginito
 - In consideration of a four-month exclusivity period, CoTec will advance £500,000 (C\$805,000), no later than June 20, 2022 (the “Advance”), offsetable against and carrying largely the same terms as the Mkango Note
 - 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 definitive documentation, restructuring in relation to Mkango UK and TSX Venture Exchange approval. There can be no certainty that any agreement will be reached nor as to the final terms of the proposed investment.

London, U.K. and Vancouver, CANADA - May 30, 2022 – Mkango Resources Ltd. (AIM/TSX-V: MKA) (the “Company” or “Mkango”) and CoTec Holdings Corp. (TSX-V: CTH) (“CoTec”) are pleased to announce that, on May 29, 2022, they signed a non-binding term sheet in relation to a potential £2 million convertible note investment in Mkango bearing 5% interest, a potential £1.5 million equity investment in Maginito, and a co-operation agreement regarding future investments in rare earth processing technology opportunities in the United States.

William Dawes, Chief Executive of Mkango stated: *“We are very pleased to take this step towards collaborating with CoTec in the rare earths sector. The proposed investments would increase Mkango’s financial flexibility, creating a strong platform to grow Maginito and for future expansion into the U.S. market, whilst the integrated development of Songwe and the Pulawy separation plant continues in parallel.”*

Julian Treger, Chief Executive Officer of CoTec stated: *“Our collaboration with, and investment in, Mkango and Maginito are consistent with CoTec’s focus on investing in innovative, green and scalable technologies in the mineral extraction industry.”*

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 UK 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.

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 CoTec Holdings Corp.

CoTec 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. The Company is committed to supporting the transition to a lower carbon future for the extraction industry, a sector on the cusp of a green revolution as it embraces technology and innovation.

CoTec is a publicly traded mining issuer listed on the Toronto Venture Stock Exchange and trades under the symbol CTH. For more information, please visit www.cotec.ca.

About Mkango Resources Limited

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 nearing completion. 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. Maginito holds a 42% interest in UK rare earth (NdFeB) magnet recycler, HyProMag (www.hypromag.com) with an option to increase its interest to 49%.

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

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, HyProMag, Mkango UK, the Pulawy Separation Plant, the Tyseley Recycling Facilities, the Mkango UK Pilot Plant and Songwe and the Transactions as well as with respect to 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, completion of the Transactions, governmental action relating to COVID-19, COVID-19 and other market effects on global demand and pricing for the metals and associated downstream products for which Mkango is exploring, researching and developing, factors relating the development of the Mkango UK Pilot Plant, the Pulawy Separation Plant, including the outcome and timing of the completion of the feasibility studies, cost overruns, complexities in building and operating the Separation Plant, changes in economics and government regulation, the positive results of a feasibility study on the Pulawy Separation Plant and Songwe 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 and the Pulawy Separation Plant. 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.

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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.