

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

October 29, 2021

Item 3 - News Release

The news release was disseminated through Globe Newswire on November 1, 2021 and a copy was filed on SEDAR and is available at www.sedar.com.

Item 4 - Summary of Material Change

On October 29, 2021, the Company announced that it has received final approval from the TSX Venture Exchange in respect of the acquisition announced on 5 August 2021 whereby Mkango has acquired (the “**Acquisition**”) the 49% interest of Talaxis Limited (“**Talaxis**”) in Lancaster Exploration Limited (“**Lancaster**”), which owns the Songwe Hill Rare Earths Project in Malawi, and Talaxis’ 24.5% interest in Maginito Limited (“**Maginito**”), which holds a 25% interest in rare earth magnet recycler HyProMag Limited (“**HyProMag**”), for common shares in the Company (the “**Shares**”), aggregating to 54,166,666 Shares (the “**Acquisition Shares**”). As a result of the Acquisition, Mkango owns 100% of the shares of Lancaster and 100% of the shares of Maginito.

Item 5 - Full Description of Material Change

5.1 Full Description of Material Change

On October 29, 2021, the Company announced that it has received final approval from the TSX Venture Exchange in respect of the acquisition announced on 5 August 2021 whereby Mkango has acquired the 49% interest of Talaxis in Lancaster, which owns the Songwe Hill Rare Earths Project in Malawi, and Talaxis’ 24.5% interest in Maginito, which holds a 25% interest in rare earth magnet recycler HyProMag, for 54,166,666 Acquisition Shares. As a result of the Acquisition, Mkango owns 100% of the shares of Lancaster and 100% of the shares of Maginito.

Mkango has also received final approval from the TSX Venture Exchange in respect of the issuances of 2,916,666 shares to Mr. Derek Linfield, Chairman of Mkango, and 1,666,666 shares to Resource Early Stage Opportunities Company (“**RESOC**”) pursuant to the placing announced on 5 August 2021 (together, the “**Subscription Shares**”).

In addition, the Company has received final approval for the issue of 541,666 Shares to Bacchus Capital Advisers (“**BCA**”) as part payment of its advisory fee in connection with the Acquisition (“**Fee Shares**”).

Following this and the issuance of Shares to two optionholders (as further described in the news release disseminated on November 1, 2021), Talaxis will own 69,452,381 Shares, representing approximately 32.4 per cent. of the enlarged issued share capital, Mr. Derek Linfield will own 8,056,227 Shares, representing 3.8 per cent. of the enlarged issued share capital and RESOC will own 15,999,747 Shares, representing 7.5 per cent. of the enlarged issued share capital.

The Shares issued to Talaxis in connection with the Acquisition and to Mr. Derek Linfield, RESOC and Bacchus are subject to a statutory hold period in Canada expiring on the date that is four months and one day from the issuance of the Shares.

In connection with the closing of the Acquisition and the issuance of the Subscription Shares, Mkango has issued 33,333 non-transferable warrants to Merlin Partners LLP which advised in connection with issuance of the Shares to RESOC. Each warrant is exercisable for a period of 12 months with an exercise price of £0.24 per warrant. The warrants (and the underlying Shares) are subject to a statutory hold period in Canada expiring on the date that is four months and one day from the issuance of the warrants.

As disclosed in the Company's press release dated 16 August 2021, additional compensation (cash and warrants) was paid to the brokers in connection with the private placement which completed on 16 August 2021. In aggregate, 385,098 warrants (including the 33,333 warrants issued to Merlin Partners LLP in connection with the Subscription Shares issued to RESOC) were issued to brokers.

As per the terms of completion of the Acquisition, Mkango has entered into a lock-in deed (the "**Lock-In Deed**") with Talaxis which provides, amongst other things, that for so long as it holds 10% or more of the Company's Shares, Talaxis will not, during the first 12 months following the Acquisition, sell or transfer any of its Shares, other than pursuant to certain limited exceptions. For the second 12 months following the Acquisition, Talaxis has agreed to an orderly market arrangement.

In addition, under the Lock-In Deed the Company has agreed that for so long as Talaxis owns 10% or more of Mkango's Shares, Talaxis will be entitled to nominate a person for election to the board of the Company (the "**Board**").

Pursuant to the Lock-in Deed and his conditional election at the Company's annual general and special meeting of shareholders held on 6 October 2021, Mr Stephen James Motteram has been appointed as a non-executive director to the Board. As Talaxis' nominee, he is considered a non-independent director.

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

November 4, 2021