

Mkango Resources Ltd

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Mkango Resources increases mineral resource estimate at Songwe

Mkango Resources Ltd (LON:MKA) has increased the mineral resource estimate at its Songwe Hill rare earths project in Malawi.

The results from last year's "highly successful" drill programme have allowed the explorer to increase the measured and indicated resource estimate to 21mln tonnes grading 1.41%.

READ: Mkango gets licence extension for Malawi project

Much of what was previously in the inferred resource has been upgraded to either the measured or indicated categories.

Almost all the mineral resource is located less than 160 metres below the surface so there is potential for the estimates to increase should Mkango dig further down.

The updated resource underpins the ongoing feasibility study, as well as Mkango's aim of being a long-term producer of neodymium, praseodymium, dysprosium and terbium - elements used in electric vehicle motors and wind turbines.

The publication of the NI 43-101 Technical Report associated with the resource update will trigger the next £7mln milestone investment from Talaxis to fund completion of the feasibility study.

Next wave of funding due for feasibility study

"All the objectives for the 2018 drill programme have been achieved and we are very pleased to announce this increased resource at Songwe," said chief executive William Dawes.

"This provides a solid platform for completion of a revised mine plan to be incorporated into the feasibility study.

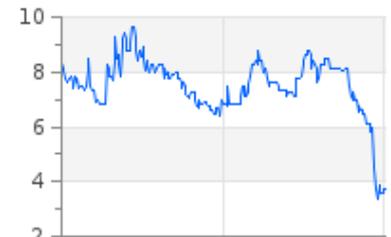
"Based on the larger Measured and Indicated Resource, the feasibility study will evaluate opportunities to include more tonnes into the mine plan, expand operations, extend the mine life, reduce the strip ratio and therefore reduce mining costs."

Mkango shares were down 2.4% to 9.2p in early deals on Monday.

Price: 3.75

Market Cap: £4.99 m

1 Year Share Price Graph



March 2019 September 2019 March 2020

Share Information

Code: MKA

Listing: LSE

52 week High Low
11.5 3

Sector: Rare earths & specialist minerals

Website: www.mkango.ca

Company Synopsis:

Mkango Resources Ltd. (TSX-V / AIM: MKA) is a Canadian dual TSX-V and AIM listed mineral exploration and development company focused on rare earth elements (REE) and associated minerals in the Republic of Malawi, a country whose hospitable people have earned it a reputation as "the warm heart of Africa".

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