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HYPROMAG USA PROVIDES POSITIVE UPDATE TO VALUATION OF EXPANDED DALLAS-FORT WORTH PLANT AND COMMENCES STRATEGIC REVIEW TO EXPLORE A U.S. LISTING

Texas Facility Expansion Increases Magnet Capacity, Supports Domestic Critical-Minerals Supply Chains and Increases Post-Tax NPV to US$780 million (forecast prices) and US$409 million (current prices)

London / Vancouver: 15 December 2025 - Mkango Resources Ltd (AIM/TSX-V: MKA) (the "Company" or "Mkango"), is pleased to announce that HyProMag USA, LLC ("HyProMag USA"), a U.S.-based leader in rare-earth recycling and processing, has expanded the magnet capacity of its first facility (the "Texas Hub" or the "Project") and has updated the valuation of the Project with the completion of the Class 2 AACE[i] capital cost estimate as part of the Detailed Engineering Design and Value Engineering Phase (the "Detailed Design"). The Class 2 AACE capital cost estimate and detailed value-engineering work confirm a significant increase in magnet production capacity and materially improved Project economics.

In parallel, HyProMag USA has commenced a strategic review to evaluate a potential separate listing of the shares of HyProMag USA in the U.S. for late 2026 or early 2027, subject to successful execution of the Project and meeting the required regulatory approvals.

Key Highlights

- **Uplift in project valuation:** Detailed Engineering results for state-of-the art rare earth magnet recycling and manufacturing operation in the United States with a Texas Hub supported by two pre-processing spoke sites co-located at Intelligent Lifecycle Solutions ("ILS") sites in South Carolina and Nevada[ii]
    - US$409 million post-tax Net Present Value ("NPV")[iii] and 27.6% real internal rate of return ("IRR") based on current market prices[iv,v]
    - US$780 million post-tax NPV and 38.7% real IRR based on forecast market prices[vi]
- **Increased magnet production capacity:** 941 metric tonnes per annum of recycled sintered neodymium-iron-boron ("NdFeB") magnets and 611 metric tonnes per annum of associated NdFeB co-products (total payable capacity – 1,552 metric tonnes NdFeB) over a 40-year operating life
- **Competitive operating profile:** Low all-in sustaining Cost ("AISC")[Xii,vii] of US$22.3 per kg of NdFeB product versus current weighted average market price of US$56.8 per kg of NdFeB products, with significant scope for price recovery from current market conditions
- **Scalable design with expansion potential:** The optimised layout allows for the inclusion of an additional two furnaces within three years following commissioning for an additional capital cost of approximately US$3 million
- **Up-front capital cost:** Total initial capital cost of US$142 million[viii] (inclusive of an 8.2% contingency margin and Class 2 AACE estimated detailed design study and engineering costs) over a 1 year construction phase.

- **Attractive payback[ix] profile:**
    - Payback at current market prices in 3.1 years at a profitability index (PI)[x] of 2.89
    - Payback at forecast prices in 2.2 years at a PI of 5.5
- **Industrial and workforce impact:** The plant[xi] is expected to support revitalisation of the U.S. magnet sector and create 90-100 skilled magnet manufacturing jobs
- **Feedstock security:** HyProMag USA is continuing to develop its feedstock sources and supply through its partnership with ILS[xii]
- **Carbon profile:** Independent ISO-compliant study confirmed a carbon footprint of 2.35 kg CO_2-eq per kg of NdFeB sintered block product [xiii]
- **Detailed Engineering:** led by PegasusTSI Inc. (U.S.) and BBA USA Inc. (Canada), with support from HyProMag's international teams and the University of Birmingham

Julian Treger, CoTec CEO commented: *"We are very pleased with the results of the Detailed Design to date and the resulting increase in magnet capacity and improved economics of the Texas Hub, the first of several hubs targeted by HyProMag USA. We believe that the Project provides a unique opportunity for the U.S. to partially address its dependence on foreign supplied rare earth magnets and alloy powders, critical inputs for accelerating the reshoring of U.S. manufacturing. With the Texas site secured through a long-term lease, Detailed Design well advanced and robust economics, our focus is now on securing sufficient feedstock and the necessary finance to commence with construction.*

We have also started evaluating the pathway towards a potential U.S. listing, recognising the opportunity to broaden our investor base and strengthen access to capital. Any listing would be subject to a successful execution of the Project and securing the necessary regulatory approvals. We expect that the timing of a U.S. listing, if pursued, would be towards late 2026 or early 2027."

Will Dawes, Mkango CEO commented: "*Detailed Design has further validated the compelling economics for this transformational project, and we are excited to now be exploring listing options in the U.S. Our recent signing of the long-term lease for the project site at Dallas - Fort Worth together with continued momentum towards project development are aligned with the urgent necessity to develop more robust rare earth supply chains in the United States. We look forward to working with our project partners and all stakeholders to bring this exciting project to fruition***."**

Detailed Design and Project Economics Update

The Detailed Design, undertaken by a multidisciplinary team appointed by CoTec and Mkango and led by independent engineers, PegasusTSI and BBA, is now circa 30% complete and part of the study to date included an optimisation of the operation as well as an updated capex profile. This has resulted in an increase in the post-tax NPV of the Project from US$262 million and an IRR of 23% based on current market estimate prices to an NPV of US$409 million and an IRR of 27.6%. Using forecast market prices the post-tax NPV of the Project increases from US$503 million and an IRR of 31% to a post-tax NPV of US$780 million and an IRR of 38.7%.

The main driver of the increased economics was the debottlenecking of the magnet lines resulting in an increase in magnet production from circa 750 tonnes of magnets to 941 tonnes of magnets per annum. Furthermore, the Project is expected to provide 611 tonnes of NdFeB alloy co-products per annum. The average market price of NdFeB magnets increased by circa US$10 per kg product from the feasibility study. NdFeB alloy co-products make up 39% of overall production compared to 28% in the feasibility study with the additional third Hydrogen Processing of Magnetic Scrap ("HPMS") vessel, resulting in an increase in average market price of all NdFeB products from US$55 per kg product to US$57 per kg product.

The Detailed Design review also resulted in an increase in capex for the Project from US$135 million to US$142 million due to the addition of magnet finishing equipment and advanced Grain Boundary Diffusion ("GBD") techniques. GBD allows the Texas Hub greater operational flexibility to make grades of magnets with higher coercivity (>20 kOe), which are capable of operating at higher temperatures.

Potential Future U.S. Listing

HyProMag USA's owners, CoTec Holdings Corp. (TSXV: CTH; OTCQB: CTHCF) ("CoTec") and Mkango believe that a separate listing of the shares of HyProMag USA in the U.S. could potentially provide HyProMag USA with access to a broader investor audience, increased sources of potential capital, increased research coverage from U.S. investment banks and institutions at a key time of rebuilding U.S. critical mineral supply.

HyProMag USA has begun engaging with prospective advisors to evaluate this pathway. Any listing—if ultimately pursued, would depend on:

- Successful execution of the Texas Hub
- Prevailing market conditions
- HyProMag USA's ability to meet U.S. regulatory requirements and secure necessary approvals.

While no decision has been made, HyProMag USA expects that any possible listing would occur no earlier than late 2026 or early 2027.

Data Verification

The independent engineers are professional engineers employed by Pegasus TSI, BBA, and Weston Solutions who are responsible for engineering design, processing, infrastructure, transportation, services, capital costs, operating costs, project timeline, permitting and economic analysis. The independent engineers have reviewed and approved the scientific and technical content and the resulting impact on the economics of the Project contained in this news release.

About Mkango Resources Ltd.

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 Ltd 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 HPMS recycling technology into the United States via the 50/50 owned HyProMag USA LLC joint venture company.

Mkango also owns the advanced stage Songwe Hill rare earths project in Malawi and the Pulawy rare earths separation project in Poland. Both the Songwe Hill and Pulawy projects have been selected as Strategic Projects under the European Union Critical Raw Materials Act. Mkango signed a business combination agreement dated 2 July 2025 with Crown Prop Tech Acquisitions ("CPTK") to list the Songwe Hill and Pulawy rare earths projects on NASDAQ via a SPAC Merger under the name Mkango Rare Earths Limited.

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. 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.

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.

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[i] Association for the Advancement of Cost Engineering (AACE) – Class 2 Estimate includes contingency of 8.2%

[ii] https://mkango.ca/news/hypromag-usa-expands-feedstock-supply-agreement-with-global-electronics-recycler-intelligent-lifecycle-solutions/

[iii] 7% real discount rates. NPVs are calculated by discounting real US dollar cash flows from 2026

[iv] Current market prices ("Current Prices") for all NdFeB products sold in the U.S, excluding residual scrap, derived from updated U.S. 2024 price quotes, over the life of the asset

[v] NPV does not include the economic benefit of any government or state incentives, carbon pricing

[vi] Forecast market prices ("Forecast Prices") are the prices for all NdFeB products sold in the U.S, excluding residual scrap feed, with the rare earth price component thereof derived from the latest rare earth oxide price forecasts from Q4 (2025) Adamas Intelligence, over the life of the asset

[vii] All In Sustaining Cost per kilogram of product sold

[viii] Capital excludes any U.S. tarrifs

[ix] Payback defined as the period required to payback initial capital from first production

[x] The profitability index is a measure of the capital efficiency of a project and is defined as the project's NPV divided by the project capital incurred to reach first production

[xi] https://mkango.ca/news/hypromag-usa-finalises-long-term-lease-for-dallas-fort-worth-rare-earth-magnet-recycling-and-manufacturing-hub/

[xii] https://mkango.ca/news/hypromag-usa-expands-feedstock-supply-agreement-with-global-electronics-recycler-intelligent-lifecycle-solutions/

[xiii] https://mkango.ca/news/hypromag-usas-iso-compliant-product-carbon-footprint-study-confirms-exceptionally-low-co-sub-2-sub-footprint-of-2.35-kg-co-sub/

[Xii] AISC is not a recognizes term under IFRS and have been determined using industry guidelines and practices