

Mkango Resources Ltd

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Mkango Resources teams up with rare earth magnet recycler HyProMag

Mkango Resources Ltd (LON:MKA, CVE:MKA) is buying a stake in a company that has developed a technology to recycle rare earth magnets, which it hopes to employ at its Songwe Hill project in Malawi.

Mkango is buying a 25% stake for £300,000 and will provide a £200,000 convertible loan for HyProMag, which has developed a patented process for extracting and demagnetising neodymium iron boron alloy powders from magnets embedded in scrap and redundant equipment.

The process, developed at the University of Birmingham and named HPMS, has been licensed exclusively to Mkango's Maginito arm, which aims to blend primary production of rare earth metals from Songwe with recycled production from HyProMag. Mkango has agreed a one-year exclusivity agreement for the technology.

HyProMag's founding directors include professor emeritus Rex Harris, who first developed the HPMS process; professor Allan Walton, current head of the university's Magnetic Materials Group; and two honorary Fellows, Dr John Speight and David Kennedy, who are leading world experts in the field of rare earth magnetic materials, alloys and hydrogen technology, and have significant industry experience.

Mkango chief executive William Dawes said: "We are very pleased to be working with the leading team and university in the field of magnetic materials.

"We believe that rare earth magnet recycling and primary production will play complementary roles in the development of a sustainable electric vehicle supply chain and we see clear synergies with the development of Mkango's advanced stage Songwe Hill rare earths project in Malawi."

Most of the world's rare earth materials are unearthed from China and Mkango is one of only a handful of rare earths companies outside of the People's Republic.

As well as such supply constraints, Prof Walton noted that there is "very little recycling of these materials partly due to the technological challenges for efficiently separating magnets from end of life products".

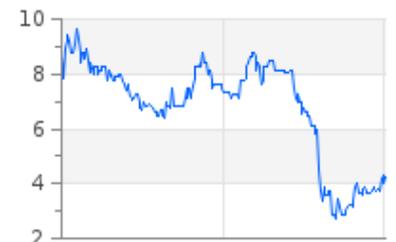
"This investment in HyProMag will exploit HPMS in order to provide a secure supply of rare earth alloys with a very low environmental footprint. The strategic alliance with Mkango has future potential for supplementing and enhancing products with additional independent supply chains."

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Price: 4.3

Market Cap: £5.72 m

1 Year Share Price Graph



June 2019 November 2019 June 2020

Share Information

Code: MKA

Listing: LSE

52 week High Low
11.5 2.2

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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