



Creating a Leading African Copper & Cobalt Company

Project Update & 2Q Financials | Aug 12, 2008



Cautionary and Forward-Looking Statements

This management presentation contains “forward-looking statements”, within the meaning of the United States Private Securities Litigation Reform Act of 1995 and similar Canadian legislation, concerning the business, operations and financial performance and condition of Katanga. Forward-looking statements include, but are not limited to, statements with respect to anticipated developments in Katanga’s operations in future periods; planned exploration activities; the adequacy of Katanga’s financial resources and other events or conditions that may occur in the future; estimated production and synergies; the ability of Katanga to become a significant low cost copper/cobalt company; the ability of Katanga to continue to create value for its shareholders; the ability of Katanga to meet expected financing requirements; the future price of copper and cobalt; the estimation of mineral reserves and resources; the realization of mineral reserve estimates; the timing and amount of estimated future production; costs of production; capital expenditures; permitting time lines and permitting, mining or processing issues; currency exchange rate fluctuations; government regulation of mining operations; information concerning the interpretation of drill results; success of exploration activities; environmental risks; unanticipated reclamation expenses; title disputes or claims; and limitations on insurance coverage. Generally, these forward-looking statements can be identified by the use of forward-looking terminology such as “plans”, “expects” or “does not expect”, “is expected”, “budget”, “scheduled”, “estimates”, “forecasts”, “intends”, “anticipates” or “does not anticipate”, or “believes”, or variations of such words and phrases or state that certain actions, events or results “may”, “could”, “would”, “might”, “will” or “will be taken”, “occur” or “be achieved”. Forward looking statements are based on the opinions and estimates of management as of the date such statements are made, and they are subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of Katanga to be materially different from those expressed or implied by such forward-looking statements, including but not limited to risks related to: unexpected events during construction, expansion and start-up; variations in ore grade, tonnes mined; delay or failure to receive board or government approvals; timing and availability of external financing on acceptable terms; risks related to international operations; conclusions of economic evaluations; changes in project parameters as plans continue to be refined; future prices of copper and cobalt; possible variations in ore reserves, grade or recovery rates; failure of plant, equipment or processes to operate as anticipated; political unrest and insurrection; acts of terrorism; accidents, labour disputes and other risks of the mining industry; delays in the completion of development or construction activities, as well as those factors discussed in or referred to in the current annual Management’s Discussion and Analysis and current Annual Information Form of Katanga filed with the securities regulatory authorities in Canada and available at www.sedar.com. Although management of Katanga has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking statements, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements. Katanga does not undertake to update any forward-looking statements that are incorporated herein, except in accordance with applicable securities laws.



2Q Operations

Art Ditto, President & CEO



From Mine to Metal



Underground Mining



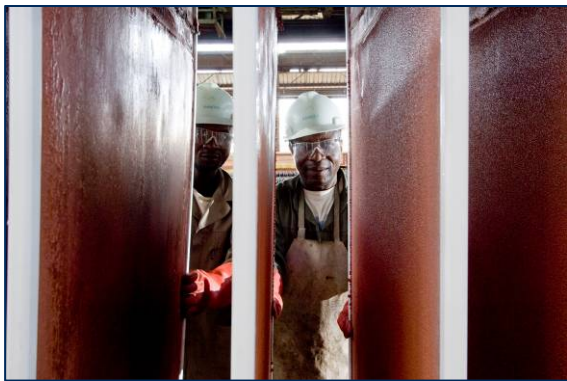
Open Pit Mining



Milling



Flotation



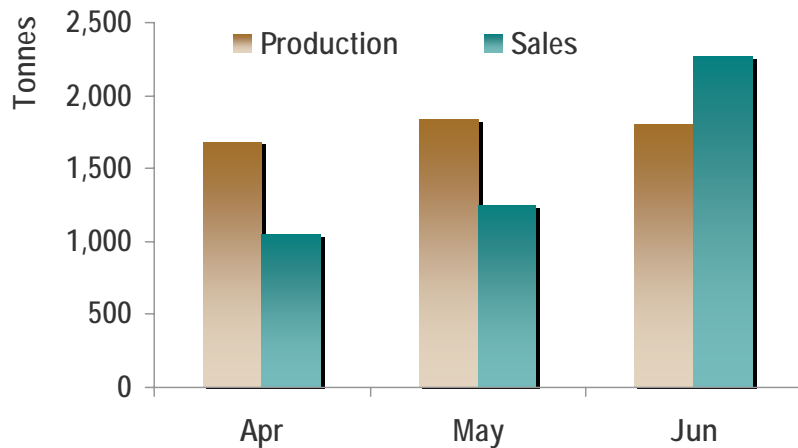
Copper cathode



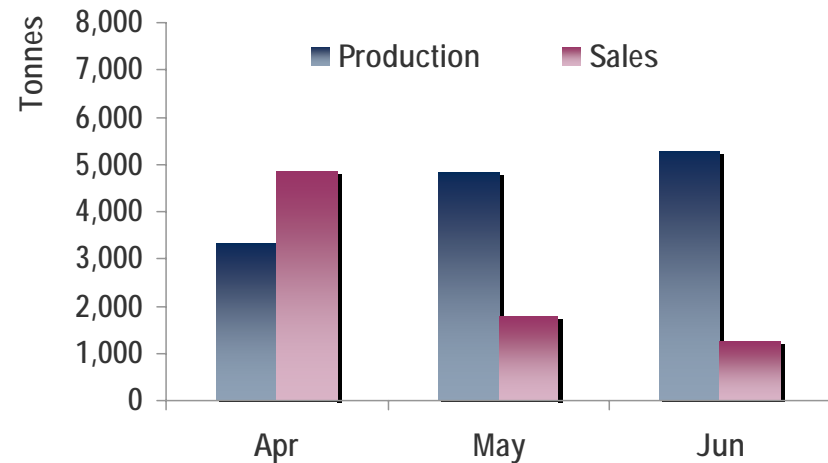
Cobalt metal

2Q 2008 Production and Sales

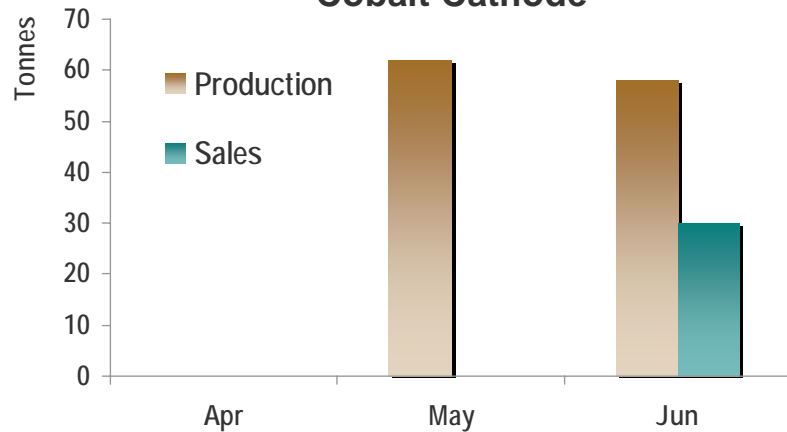
Copper Cathode



Concentrate



Cobalt Cathode



- ⊗ May & June concentrate sales lagged due to rail car shortage and 3-week government ban on concentrate export
- ⊗ Concentrate sales remained low in July and are increasing in August

Kamoto Underground Mining

- ⊗ 2Q underground mine production increased 6.4% quarter over quarter
- ⊗ Ore production for 2H 2008 revised to 420kt from 510kt to reflect primarily slower than anticipated work force productivity improvement
- ⊗ Technical services, supervision, ventilation, mine servicing plus procurement and warehousing improved during the quarter

2Q 2008

Ore hoisted (mt)	125,505
Cu grade	3.94%
Co grade	0.45%
Ore development meters	942



Open Pit Mining

Musonoie-T17

- ⊗ Mining rates exceed plan and copper rich ore production increased 52% quarter over quarter

2Q 2008	Copper ore	Cobalt ore
Ore mined (mt)	51,192	52,599
Cu grade	2.61%	0.91%
Co grade	0.62%	0.98%

Tilwezembe

- ⊗ Ore mining and ore haulage to KZC resumed in April

2Q 2008	
Ore mined (mt)	156,632
Cu grade	1.36%
Co grade	1.32%

Updated Datamine resource models developed for both T17 and Tilwezembe leading to more refined mine planning

Concentrators

2Q 2008	KTC		KZC
	Oxide	Sulphide	Oxide
Concentrate (DMT)	10,650	11,293	13,463
Concentrate Cu grade	17.2%	40.0%	11.7%
Concentrate Co grade	3.08%	4.85%	5.48%



Kamoto (KTC) Concentrator

- ⊗ Performed satisfactorily
- ⊗ Capacity build up on target

Kolwezi (KZC) Concentrator

- ⊗ Concentrator resumed operation April 9
- ⊗ Expected concentrate production for 2H 2008 increased from 4,500t/month to 6,700t/month
- ⊗ Initiatives to refine ore blending & recovery and concentrate grades ongoing



Luilu Metallurgical Plant

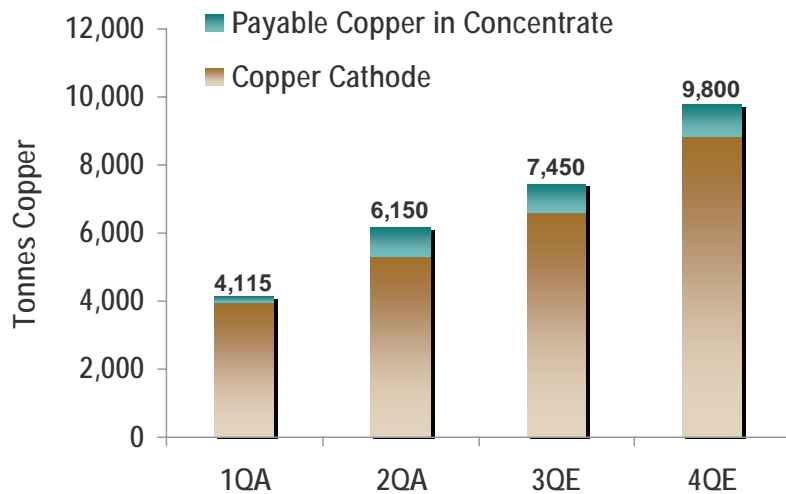
- ⊗ Second oxide concentrate dewatering drum filter available late August and third belt filter in October
- ⊗ Throughput and processing efficiency constrained by concentrate dewatering and residue filtration capacity & efficiency
- ⊗ Cobalt shipments began in June
- ⊗ Cobalt tank house solution grades up to desired levels by August thus enhancing performance

2Q 2008

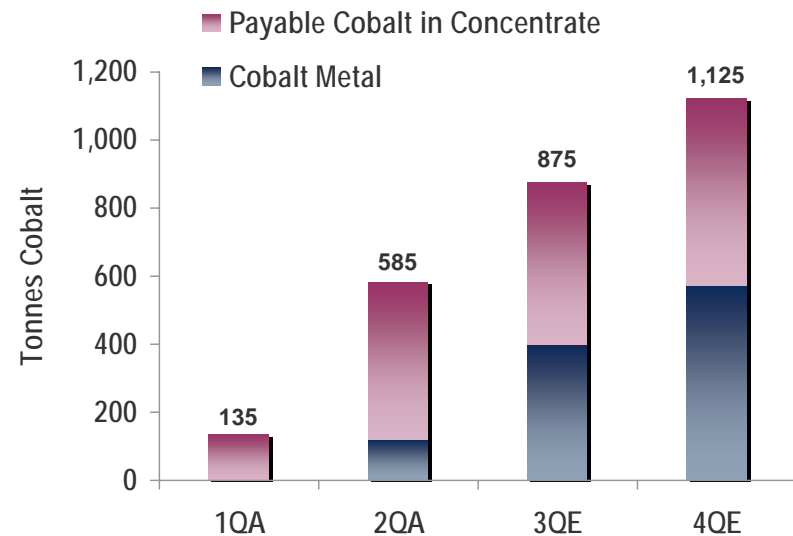
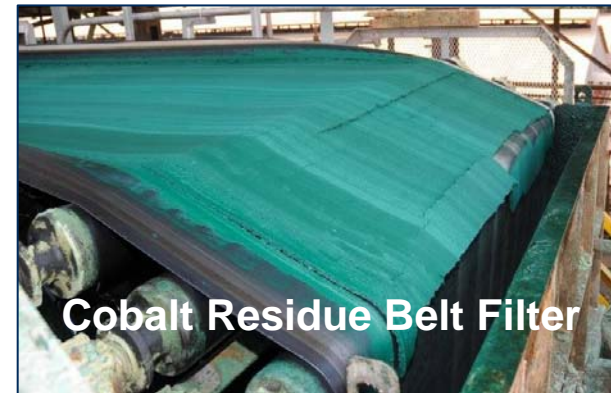
Cu Cathode (mt)	5,314
Co Cathode (mt)	120



2008 Expected Quarterly Production



- ⊗ 2Q copper production on forecast, but 2H 2008 forecast lowered
- ⊗ 2008 expected payable production of 27,500t copper & 2,700t cobalt
- ⊗ Previous forecast 33,500t payable copper & 2,900t payable cobalt





2Q Financials

Steve Jones, CFO

Balance Sheet – June 30, 2008

	Actual As of 30-Jun-08 \$m	Actual As of 31-Mar-08 \$m
Assets		
Cash	352.5	463.4
Other current assets	123.5	148.7
Total current assets	476.0	612.1
Property, plant and equipment	2,582.7	2,428.7
Other assets	17.1	3.1
Total assets	3,075.8	3,043.9
Liabilities		
Current liabilities	130.0	110.2
Long term debt	271.8	266.4
Other long term liabilities	563.0	554.5
Total shareholders' equity	2,111.0	2,112.8
Total liabilities and shareholders' equity	3,075.8	3,043.9

Summary Financial Table

	Second Quarter	
	2008 \$000	2007 \$000
Revenues	48,847	0
Operating profit/ (loss)	16.3	0
Net loss	(9,925)	(13,992)
Loss per share (\$ per share)	(0.05)	(0.18)
Cash flow from operating activities	3,998	(2,947)
Average Common Shares Outstanding ('000s)	206,251	78,087

2008 Expected Production

KTC Copper Concentrate (tonnes) – feed to Lulu	106,000
Copper cathode (pounds)	54 million
Cobalt metal (pounds)	2.4 million
KZC Cobalt Concentrate (tonnes)	54,000
Payable copper (pounds)	6.3 million
Payable cobalt (pounds)	3.5 million
Total Payable copper (pounds)	60.3 million
Total Payable cobalt (pounds)	5.9 million

2008 Expected Production Costs

Copper Cathode Production Costs

May 14 estimate: Operating costs before Cobalt credit (US\$/lb)	\$2.15
Increase due to lower expected production	\$0.52
Increase due to cost escalation	\$0.39
Operating costs before Cobalt credit (US\$/lb)	\$3.06
Cobalt credit (US\$/lb)	\$(1.32)
Operating costs after Cobalt credit (US\$/lb)	\$1.74

Copper Cathode Operating Cost Analysis

Cobalt (US\$/lb)	Credit (US\$/lb)	Net Cost (US\$/lb)
@ \$50	\$(2.16)	\$0.90
@ \$40	\$(1.74)	\$1.32
@ \$30	\$(1.32)	\$1.74

KZC Cobalt Concentrate total costs (US\$/tonne) \$2,041



Project Update

Art Ditto, President & CEO

Key Project Milestones*

Task	2008				2009				2010				2011
	Qtr1	Qtr2	Qtr3	Qtr4	Qtr1	Qtr2	Qtr3	Qtr4	Qtr1	Qtr2	Qtr3	Qtr4	Qtr1
Kamoto phase II ¹	■				■ Est. Capex \$152 m								
Kamoto phase III ¹				■				■ Est. Capex \$124 m					
Kamoto phase IV ¹							■				■ Est. Capex \$64 m		
Expansion Feasibility Study	■												
Module 1 SX/EW Construction	■		■										
Module 2 SX/EW Construction					■								
Mining of KOV Begins				◆									
Acid Plant Commissioning												◆	
New Cobalt Plant Commissioning													◆

*Based on scoping study. Feasibility study will finalize schedule.

1. Current estimate of capex schedule for Kamoto project. Phases III & IV are being reviewed as part of the Expansion Feasibility Study

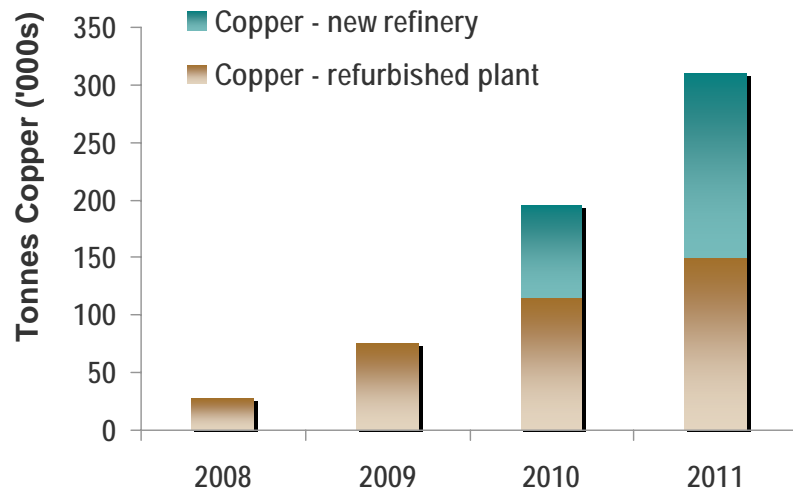
Kamoto Phase II Rehabilitation

Production capacity of 70,000 tpa Cu and 3,000 tpa Co
Completion scheduled for end 2008

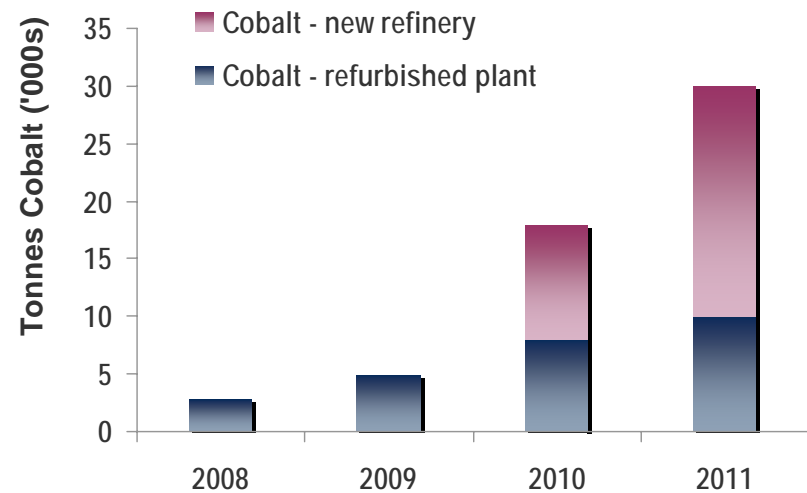
- ⊗ KTC:
 - 3rd cascade mill
 - 58 flotation cells
- ⊗ Luilu:
 - New roaster
 - Doubling leaching & electro-winning capacity
- ⊗ Work completed to date:
 - 9 of 14 leach & CCD tanks
 - 10 of 54 electro-winning cells
 - 12 of 58 float cells
- ⊗ Piling of roaster line 2 starting in August



Phased Production Growth



⊗ New feasibility study and mine plan available near end of Sept 2008 will redefine the production profile



KOV Open Pit



- ⊗ Oxide:Sulphide ratio at KOV calculated to be 65:35
- ⊗ Equipment arriving on site and commissioning ongoing
- ⊗ Fleet and workshop to be fully operational by year end

Feasibility Study

- ⊗ Scheduled for completion near end September 2008
- ⊗ Mineral resource evaluations to be updated to comply with NI 43-101
- ⊗ Project capital and operating costs to be updated
- ⊗ Assessment of the environmental issues related to the combined operations sufficient to complete a revised EIS/EMPP

Mining Lease & Contract Review

Memorandum of Understanding with Gécamines signed, July 31

- ⊗ Merging DCP and KCC Joint Ventures
- ⊗ Mining licence to be held directly by KCC
- ⊗ Addressing requirements of DRC resulting from Mining Contract Review
- ⊗ Provisions of July 31 MoU, together with provisions of Feb 7 agreement, will be integrated into the merged JV document

Goals for 2H 2008

- ⊗ Continue to strengthen management team
- ⊗ Complete Kamoto Phase II construction
- ⊗ Continue production ramp up of copper cathode and cobalt metal
- ⊗ Start mining at KOV
- ⊗ Complete feasibility study near end of 3Q
- ⊗ Consolidate Joint Ventures & complete contract review process
- ⊗ Preparation for LSE listing in 2009
- ⊗ Generate earnings and positive cash flow from operations

Conference Call Replay Details

Call available for replay until midnight on Aug 18 at:
+44 (0)20 8196 1998 (Standard International) using ID 6736718.

Webcast archived at:

<http://services.choruscall.eu/links/katanga080812.html>



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