

News release

Katanga Recommends No Action in Response to Unsolicited Offer

LONDON, UK August 29, 2007 – **Katanga Mining Limited** (TSX – **KAT**) (“Katanga” or the “Company”) notes the unsolicited offer announced today by Central African Mining and Exploration plc (“CAMEC”). The all-share offer is on the basis of 17 CAMEC shares for each common share of Katanga.

The Board, led by the Independent Committee set up to review all strategic alternatives available to the Company, will fully consider the offer and make a recommendation to shareholders in the form of a Directors’ Circular within 15 days. In the meantime, Katanga recommends all shareholders refrain from making any decision and take no action at this time until they have been advised of the Board’s recommendation.

The Company makes a number of preliminary observations in relation to the offer:

- Based on CAMEC’s August 28, 2007 closing price of 52p on the AIM exchange and a currency exchange rate of 2.1298 the CAMEC offer implies a value of CDN\$18.83 per Katanga share, representing a discount of 13% to yesterday’s closing price of Katanga’s shares on the Toronto Stock Exchange of CDN\$21.69.
- CAMEC is attributing a value to its assets (80% interest in 467 and 469 and 50% interest in Mukondo Mountain) of 39p per CAMEC share based on a technical review to Canadian National Instrument 43-101 standards. However, it includes inferred resources, which are highly speculative and there is no certainty that the assessed value would be realized. It would be excluded from any feasibility study.
- The CAMEC offer does not fall within the terms of a permitted bid under the Company’s shareholder rights plan.
- If an offer of sufficiently greater value is received, the soft lock-ups signed by certain Katanga shareholders and relied upon by CAMEC are revocable.
- Katanga does not believe there will be any significant financial or operating synergies from combining the two companies, and will address this point in detail in its full response to the offer.

The Independent Committee of the Board continues to pursue a number of strategic alternatives which may result in greater value for shareholders. A number of parties have expressed interest in Katanga and confidentiality agreements have been signed to enable access to an electronic data room and visits to Katanga’s mine site. Certain interested parties are in the process of reviewing data room materials and selected site visits have been completed.

“The Board, led by the Independent Committee, is exploring all available strategic options,” stated Arthur Ditto, Chairman, President and CEO of Katanga. “We advise shareholders to take no action until we provide them with a Directors’ Circular containing a comprehensive recommendation of the Board.”

CIBC World Markets Inc. and GMP Securities L.P. are acting as financial advisors to the Company. Cassels Brock & Blackwell LLP and Blake, Cassels & Graydon LLP are Katanga's Canadian legal advisors and Norton Rose LLP are its UK legal advisors.

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To learn more about Katanga Mining Limited, please visit our website at www.katangamining.com

Katanga Mining Limited operates a major copper-cobalt mine complex in the Democratic Republic of Congo.

First copper is due to be shipped in December 2007 and the site is expected to reach full production in 2011, when 150,000 tonnes of refined copper and 8,000 tonnes of refined cobalt will be produced a year. The Company will be among the world's lowest cost producers.

Katanga Mining Limited is listed on the Toronto Stock Exchange under the symbol KAT.