

News release

Katanga Announces US\$150 Million Loan Following Review of Strategic Options

LONDON, UK October 4, 2007 – **Katanga Mining Limited** (TSX – **KAT**) (“Katanga” or the “Company”) today announces that it has completed its review of strategic options currently available to the Company and has secured a US\$150 million one-year loan facility.

An Independent Committee was established in July by the Board of Katanga to carry out the strategic review following an unsolicited takeover bid, which was recently withdrawn. The Committee concluded that it is currently in the best interests of Katanga’s shareholders to obtain the necessary financing to develop independently the Company’s mine complex in the Democratic Republic of Congo.

Graham Mascal, Chairman of the Independent Committee, stated: “We were encouraged by the strong interest shown in Katanga during the review process. Various alternatives including the loan facility were reviewed by the Committee and the best direction for Katanga shareholders is for the Company to proceed independently with this financing.”

Katanga has signed a term sheet for a US\$150 million one-year loan facility with Glencore International AG (“Glencore”). The loan bears interest at LIBOR plus 4% payable upon maturity. During the one year term, the loan is convertible at the option of Glencore into 9,157,509 (fixed number) common shares of the Company. Katanga has the right to repay the loan at any time. Additionally, the Company and Glencore have agreed to a 10 year off-take contract under which Glencore will buy 100% of the Company’s annual copper and cobalt production at market terms. The agreement provides for payment by Glencore of 90% of the expected sales value upon loading at the mine gate with the balance payable upon delivery of the metal at the discharge port. Funding from the loan facility is expected to be available within the next two weeks upon completion of the loan documentation.

Arthur Ditto, Chairman, President and CEO of Katanga, stated: “Katanga has a strong track record of delivering as an independent company and we look forward to continuing to deliver by producing copper this year. This loan from Glencore means that the next phase of our development is now fully financed. Although our formal strategic review process has concluded, we remain open to future opportunities that maximize shareholder value.”

Due to the withdrawal of the unsolicited offer, the Board has determined that it will not seek shareholder approval for the shareholder rights plan (the “Plan”). The Plan will lapse in accordance with its terms on November 9, 2007. The Board concluded that the Plan has served the purpose for which it was put in place (discouraging the acquisition of control of the Company without making a formal offer to all of the Company’s shareholders) and that it is no longer required. The special meeting to increase the Company’s authorized share capital will take place as planned on November 2, 2007 and shareholders will be mailed the information circular in due course.

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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.

Copper will be produced 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.