



NIKANOR

6 November 2007

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Recommended Merger of Katanga and Nikanor to Create a Leading African Copper and Cobalt Company

The Boards of Katanga Mining Limited and Nikanor PLC are pleased to announce today that they have reached agreement on the terms of a recommended Merger of the two companies. The Merger will create a company with a combined market capitalisation of approximately US\$3.3 billion and the potential to become by 2011 Africa's largest copper producer and the world's largest cobalt producer.

Summary

- The Merger will bring together the adjacent properties in the Democratic Republic of Congo (DRC) owned by Katanga and Nikanor, which were previously part of the same mine complex, to create a major single-site operation.
- Substantial high-grade resources of both copper and cobalt will create an exceptional foundation for a large-scale, low-cost and long-life operation.
- Based on work completed to date, the Merged Company intends to develop a unified mine complex with annual output approaching 400,000 tonnes of copper and 40,000 tonnes of cobalt by 2011. It is believed that the combined operations will be the largest single-site project in the world producing both copper and cobalt.
- The Merger is expected to deliver significant value enhancement for shareholders of both companies resulting from capital savings, lower unit operating costs and increased production.
- More cost effective operations are expected to increase revenue to the DRC government. The coordination of the Merged Company's infrastructure spend and corporate social responsibility activities will also be more effective in producing positive change for the communities surrounding the operations.
- Officials in the DRC have been kept apprised of the potential Merger and have expressed their support.
- The Merger will be implemented by way of an offer by Katanga for Nikanor together with a Cash Return to Nikanor Shareholders of US\$452 million.

- The Merged Company will be well-funded, with a pro forma cash balance of approximately US\$745 million as at 30 September 2007, after taking account of the Cash Return.
- The Merged Company will follow Katanga and Nikanor's existing strategies of financing their projects through a mixture of debt and equity. The level of additional financing required will be determined as part of a combined business plan, but it is expected that production from Katanga and a phased approach to capital expenditure will result in a lower and delayed requirement for additional financing than for Nikanor standalone.
- Katanga has received irrevocable undertakings to support the Merger and accept the Offer from Glencore Finance, RP Capital Entities with interests in Nikanor Shares, Oakey Invest Holdings Inc. and Pitchley Properties Limited representing 78.4 per cent. of Nikanor Shares in issue.
- Nikanor has received irrevocable undertakings from Arthur Ditto, Tain Holdings Limited, George Forrest and RP Capital Entities with interests in Katanga Shares representing 48.1 per cent. of Katanga Shares in issue to support the Merger and not to accept any competing proposal.
- In addition, Arthur Ditto and Tain Holdings Limited have undertaken to vote in aggregate in respect of 6,843,000 Katanga Shares, representing 8.7 per cent. of Katanga Shares in issue, in favour of the Merger at the Katanga extraordinary general meeting.
- The Merged Company will be led by Arthur Ditto as President and CEO supported by executives to be drawn from both companies. An integration committee consisting of four members, two from Katanga and two from Nikanor, will be set up to oversee the integration of the two businesses.
- The Merged Company, which will retain the name Katanga Mining Limited, will make an application to obtain a primary listing on the Main Market of the London Stock Exchange within 5 months of the Effective Date. The Merged Company will therefore have primary listings on the TSX and the Main Market of the London Stock Exchange.

Arthur Ditto, proposed President and CEO of the Merged Company, stated: "Combining the assets of Katanga and Nikanor will create an industry leader in both copper and cobalt. We believe it offers the opportunity for a dramatic increase in value for shareholders of both companies and is a transaction where the whole is definitely greater than the sum of the parts. Transacting the deal now gives us the best opportunity to lower the overall capital spending and deliver maximum benefit from a consolidated suite of operations. We will have a much more efficient business model with greater benefits for all stakeholders including employees, shareholders, and the DRC".

Jonathan Leslie, Executive Chairman of Nikanor, said: "Individually, Nikanor and Katanga both present compelling copper and cobalt investment cases; combined, they transform into an African champion with phenomenal resources and potential. This merger is precisely the type of transaction we envisaged when we listed the

company more than year ago, creating a premier publicly traded copper and cobalt company and generating significant operating and financial synergies. The combined company will create value for shareholders and other stakeholders alike and be even better placed to help play a positive role in the development of the Katanga Province and as a long-term partner to Gécamines and ultimately to the DRC”.

Martin Kabwelulu, Minister of Mines of the DRC, said: “The DRC government would like to highlight its support for the merger of Katanga and Nikanor. This transaction highlights the quality of Katanga and Nikanor’s deposits and provides a natural platform between these two projects for the development of these assets into a major copper and cobalt producer. The combination of operational synergies between these two companies will result in increased financial benefits for the DRC state and shareholders. The DRC has 10 per cent. of the world's copper reserves and less than 1 per cent. of its production. This transaction is a significant milestone in the transformation of the DRC's mining sector towards production. The DRC government welcomes the merger as proof of the confidence of the business community in the future of the DRC mining sector”.

Merger terms

The Merger will be effected by way of the Offer and Cash Return to Nikanor Shareholders. Under the terms of the Merger Nikanor Shareholders will be entitled to receive for each Nikanor Share:

0.613 New Katanga Shares, and

US\$2.16 in cash by way of the Cash Return.

Following the Merger, Nikanor Shareholders will hold 60 per cent. and Katanga Shareholders 40 per cent. of the Merged Company, calculated on a fully diluted basis, excluding the recently announced convertible loan from Glencore Finance. Based on the closing share prices of Katanga (on the TSX) and Nikanor (on AIM) on 5 November 2007, the Merged Company would have a combined market capitalisation of US\$3.3 billion after the proposed Cash Return, calculated on the fully diluted number of shares for both companies. The cash element of the Merger will be paid by way of the Cash Return of US\$452 million from Nikanor’s existing cash resources.

Katanga and Nikanor have entered into an Implementation Agreement in relation to the Merger, which contains provisions regarding the implementation of the Merger and certain assurances and confirmations between the parties.

This summary should be read in connection with the attached Announcement and Appendices. Appendix I of this Announcement sets out the conditions and principal further terms of the Offer. Appendix II of this Announcement contains information on sources and bases used in this summary and the following Announcement. Certain terms used in this summary are defined in Appendix IV of this Announcement.

Media Conference Calls

Journalists will be invited to join a media conference call which will be held at 2.30 p.m. UK (9.30 a.m. EST).

Analyst and Investor Conference Calls

Analysts and investors will be invited to join a conference call for analysts and investors which will be held at 3.00 p.m. UK (10.00 a.m. EST).

Investor Contacts: Katanga

Arthur H. Ditto Chairman, President & CEO Tel: +44 (0)20 7440 5800	Steve Jones Senior Vice President & CFO Tel: +44 (0)20 7440 5800	Anu Dhir VP, Corporate Development Tel: +44 (0)20 7440 5800
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Investor Contacts: Nikanor

Jonathan Leslie Executive Chairman Tel: +44 (0)20 7529 5800	Peter Sydney-Smith Finance Director Tel: +44 (0)20 7529 5800	Richard Boorman Head of Investor Relations Tel: +44 (0)20 7529 5800
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CIBC World Markets plc, financial adviser to Katanga

Mick Oliver +44 (0)20 7234 6000	Jonathan Stephens +44 (0)20 7234 6000
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JPMorgan Cazenove, financial adviser and corporate broker to Nikanor

Ian Hannam +44 (0)20 7588 2828	Adam Brett +44 (0)20 7588 2828	Joe Seifert +44 (0) 20 7588 2828
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Media Contacts: Katanga

David Orford Manager, Communications Tel: +44 (0)20 7440 5828 Mobile: +44 (0)7983 428920	Simon Robinson Parkgreen Communications Tel: +44 (0)20 7851 7480 Mobile: +44 (0)7887 985671	Caroline Spivak Fleishman-Hillard Tel: +1 416 645 8185 Mobile: +1 416 371 9740
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Media Contacts: Nikanor

Kate Delahunty Citigate Dewe Rogerson Tel: +44 (0)207 282 2934 Mobile: +44 (0)7775 560812	George Cazenove Citigate Dewe Rogerson Tel: +44 (0)207 282 2870 Mobile: +44 (0)7834 767054
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About Katanga

Katanga Mining Limited operates a major copper-cobalt mine complex in the DRC on behalf of the Kamoto Copper Company joint venture, in which it holds a 75 per cent. interest. Copper production is expected to begin 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. Katanga is listed on the TSX under the symbol KAT.

For further information on Katanga go to www.katangamining.com and www.sedar.com.

About Nikanor

Nikanor PLC holds 75 per cent. of a joint venture at Kolwezi in the DRC. The company's key mine is KOV, containing one of the world's largest high quality copper and cobalt ore bodies. Nikanor is rehabilitating this well documented brownfield site and intends to build a major state of the art copper and cobalt refinery

to produce 250,000 tonnes per year of LME A-grade copper cathode and 27,500 tonnes per year of cobalt products. Nikanor is admitted to AIM.

For further information on Nikanor go to www.nikanor.co.uk

CIBC World Markets plc, which is authorised and regulated in the United Kingdom by the Financial Services Authority, is acting exclusively for Katanga and no-one else in connection with the Offer and will not be responsible to anyone other than Katanga for providing the protections afforded to clients of CIBC World Markets plc or for providing advice in relation to the Offer or any other matter referred to in this Announcement.

JPMorgan Cazenove Limited, which is authorised and regulated in the United Kingdom by the Financial Services Authority, is acting exclusively for Nikanor and no-one else in connection with the Offer and will not be responsible to anyone other than Nikanor for providing the protections afforded to clients of JPMorgan Cazenove Limited or for providing advice in relation to the Offer or any other matter referred to in this Announcement.

The directors of Katanga accept responsibility for the information contained in this Announcement other than the information relating to Nikanor. To the best of the knowledge and belief of the directors of Katanga (who have taken all reasonable care to ensure that such is the case), the information contained in this Announcement for which they accept responsibility is in accordance with the facts and does not omit anything likely to affect the import of such information.

The directors of Nikanor accept responsibility for the information contained in this Announcement relating to Nikanor. To the best of the knowledge and belief of the directors of Nikanor (who have taken all reasonable care to ensure that such is the case), the information contained in this Announcement for which they accept responsibility is in accordance with the facts and does not omit anything likely to affect the import of such information.

Persons who are resident in the United Kingdom should note the following:

- (a) The Offer will not be subject to the jurisdiction of the Panel but will be conducted generally in accordance with the provisions of the Code save for exceptions agreed between Nikanor and Katanga.*
- (b) The formal offer and the Offer Document will not constitute a prospectus for the purposes of the Prospectus Rules published by the Financial Services Authority of the United Kingdom (the "FSA"). Accordingly, the formal offer and the Offer Document will not be reviewed or approved by the FSA or by London Stock Exchange and it is not intended that any action will be taken by Katanga or by CIBC World Markets plc that would permit a public offer of Katanga Shares to be made in the United Kingdom which would require an approved prospectus in accordance with FSMA and the Prospectus Rules.*
- (c) The Offer will be made to, and acceptance of Nikanor Shares will be accepted from, only those shareholders in the United Kingdom who are (or who are acting on behalf of), and who are able to establish to the satisfaction of Katanga that they are (or are acting on behalf of): "qualified investors" within the meaning of section 86(7) of FSMA, or (ii) persons to whom the Offer may otherwise be made or directed without an approved prospectus having first been made available to the public in the United Kingdom. UK shareholders receiving the formal offer and the Offer Document should consult with their legal advisers to determine whether they are eligible as "qualified investors" or are otherwise able to receive and accept the Offer.*

Unless otherwise determined by Katanga, the Offer will not be made, directly or indirectly, in or into, or by the use of mails or by any means or instrumentality (including, without limitation, by means of telephone, facsimile, telex, internet or other forms of electronic communication) of interstate or foreign commerce of, or any facility of a national state or other securities exchange of, the United States, Canada, Australia or Japan or any other Restricted Jurisdiction and the Offer will not be capable of acceptance by any such use, instrumentality or facility or from within those jurisdictions. Accordingly, copies of this Announcement and formal documentation relating to the Offer are not being, and must not be, directly or indirectly, mailed or otherwise forwarded, transmitted, distributed, sent or accessed in or into or from the United States, Australia or Japan or any other Restricted Jurisdiction. Persons receiving this Announcement (including without limitation custodians, nominees and trustees) should observe these restrictions and must not mail or otherwise forward, transmit, distribute or send it in or into or from the United States, Australia or Japan or any other Restricted Jurisdiction. Doing so may render invalid any purported acceptance of the Offer. The availability of the Offer may be affected by the laws of the relevant jurisdictions in which they are located or of which they are citizens. Such persons should inform themselves of, and observe any, applicable legal or regulatory requirements of their jurisdictions.

The New Katanga Shares have not been, and will not be, registered under the US Securities Act 1933, as amended (the "Securities Act"), or under the securities laws of any state, district, province or other jurisdiction of the United States, Australia or Japan or any other Restricted Jurisdiction. Accordingly, unless an exemption under relevant securities laws is applicable, the New Katanga Shares are not being, and may not be, offered, sold, resold, delivered, distributed or otherwise transferred, directly or indirectly, in or into the United States, Australia or Japan or any other Restricted Jurisdiction, or require registration thereof in, such jurisdiction, or to or for the account or benefit of any US Person (as defined in Regulation S under the Securities Act) or resident of Australia or Japan).

This Announcement has been prepared in accordance with English law and information disclosed may not be the same as that which would have been prepared in accordance with the laws of jurisdictions outside England.

This Announcement is not intended to, and does not, constitute or form any part of an offer to sell or an invitation to purchase or subscribe for any securities or the solicitation of an offer to buy or subscribe for any securities pursuant to the Offer or otherwise. The Offer will be made solely on the basis of the Offer Document and the Form of Acceptance accompanying the Offer Document, which will contain the full terms and conditions of the Offer, including details of how the Offer may be accepted. The Offer Document will be posted to those shareholders able to receive it in due course. Those shareholders receiving the Offer Document are strongly advised to read it in full, as it will contain important information.

The contents of this document must not be construed as legal, business, tax or investment advice. Each prospective recipient of New Katanga Shares should consult his, her or its own legal adviser, financial adviser, tax adviser or independent financial adviser for legal, financial, tax or investment advice.

The price and value of securities can go down as well as up. If you are in any doubt as to the action you should take, you are recommended to seek your own personal financial advice immediately from your stockbroker, bank manager, solicitor, accountant, fund manager or other independent financial adviser authorised under FSMA if you are in the United Kingdom, or, if you are not, from another appropriately authorised independent financial adviser.

Cautionary and Forward-Looking Statements

This press release 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 and the Merged Company's operations in future periods; planned exploration activities; the adequacy of Katanga's and the Merged Company's financial resources and other events or conditions that may occur in the future; estimated production and synergies; the benefits of the development potential of Katanga's and the Merged Company's properties; the future price of copper and cobalt; information concerning the interpretation of drill results; 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; success of exploration activities; permitting time lines and permitting, mining or processing issues; currency exchange rate fluctuations; government regulation of mining operations; 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" 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 and the Merged Company 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. Neither Katanga nor Merged Company undertakes to update any forward-looking statements that are incorporated by reference herein, except in accordance with applicable securities laws. Comparative market information is as of, or a date prior to, the date of this presentation.

Dealing disclosure requirements

The Nikanor Board has determined that Rule 8 disclosures should not be required in connection with the Merger

RECOMMENDED MERGER OF KATANGA AND NIKANOR

Introduction

The Boards of Katanga and Nikanor are pleased to announce that they have agreed the terms of a recommended Merger of Katanga and Nikanor to be implemented by way of an offer by Katanga for the entire issued and to be issued share capital of Nikanor and a Cash Return. Further terms and conditions relating to the Offer are contained in Appendix I of this Announcement and will be set out in full in the Offer Document. Appendix II of this Announcement contains information on sources and bases used in this summary and the following Announcement. Terms used in this Announcement have the meaning given to them in Appendix IV of this Announcement.

Significant potential synergies have been identified, including capital and operating savings, operating efficiencies and increased production. The Merged Company's objective will be to use a phased approach to the construction and development of facilities with a combined output potential of 400,000 tonnes of copper cathode and 40,000 tonnes of cobalt (as metal or salt). The DRC will benefit from the creation of a strong regional champion with enhanced output and higher royalties and tax payments. The coordination of the Merged Company's infrastructure spend and corporate social responsibility activities will also be more effective in producing positive change for the communities surrounding the operations.

The Merger will bring together the adjacent properties owned by Katanga and Nikanor and create a Merged Company with the potential by 2011 to become Africa's largest copper producer and the world's largest cobalt producer.

Officials in the DRC have been kept apprised of the potential Merger and have expressed their support.

The Merged Company, which will retain the name Katanga Mining Limited, will make an application to obtain a primary listing on the Main Market of the London Stock Exchange within 5 months of the Effective Date. The Merged Company will therefore have primary listings on the TSX and the Main Market of the London Stock Exchange.

Terms of the Merger

Under the terms of the Merger, Nikanor Shareholders will be entitled to receive for each issued Nikanor Share:

0.613 Katanga Shares; and

US\$2.16 in cash by way of the Cash Return.

A total of up to 128.1 million New Katanga Shares will be issued upon completion of the Offer. Immediately following completion of the Offer, Nikanor's current shareholders will own 60 per cent. and Katanga Shareholders will own approximately 40 per cent. of the Merged Company calculated on a fully diluted basis, excluding

the recently announced convertible loan from Glencore Finance. The cash entitlement of the Offer will be paid by way of a Cash Return of US\$452 million, based on the fully diluted share capital of Nikanor, from Nikanor's existing cash resources. Nikanor Shareholders may elect to receive their proportion of the Cash Return in pounds sterling, at the exchange rate prevailing at the date of payment.

It is intended that until the Effective Date, Nikanor will maintain its listing on AIM, following which a de-listing would take effect no earlier than 20 business days after the Effective Date.

The Katanga Board and the Nikanor Board have unanimously approved the Merger and are recommending it to their shareholders.

In addition to the receipt of sufficient acceptances under the Offer from Nikanor Shareholders, the Offer will be subject, amongst other things, to the approval of the transaction by Katanga Shareholders, the approval by Nikanor Shareholders of the re-registration of Nikanor under the Companies Act so as to facilitate certain steps in relation to the Cash Return and regulatory and other approvals. The Merger is expected to be completed by the end of the first quarter of 2008.

Katanga has received irrevocable undertakings to support the Merger and accept the Offer from Glencore Finance, RP Capital Entities with interests in Nikanor Shares, Oakey Invest Holdings Inc. and Pitchley Properties Limited representing 78.4 per cent. of Nikanor Shares to support the Offer, subject to certain exceptions in relation to financing arrangements.

Nikanor has received irrevocable undertakings from Arthur Ditto, Tain Holdings Limited, George Forrest, RP Capital Entities with interests in Katanga Shares representing 48.1 per cent. of Katanga Shares to support the Merger and not to accept any competing offer. In addition, Nikanor has received a similar irrevocable undertaking from Glencore Finance with respect to the Katanga Shares issuable upon conversion of the US\$150 million convertible loan from Glencore Finance which was completed on 5 November 2007. In addition, Arthur Ditto and Tain Holdings Limited have undertaken to vote in favour of the Merger at the Katanga extraordinary general meeting in aggregate in respect of 6,843,000 Katanga Shares, representing 8.7 per cent. of the Katanga Shares in issue.

Further details of these irrevocable undertakings are set out in Appendix III to this Announcement.

Background and Reasons for the Merger

- The Merger reunites two adjacent assets that were previously part of the same mine complex. By integrating the two projects, mining plans and capital expenditure programmes can be optimized and production and operating efficiencies achieved.
- Financial and operational synergies are anticipated over the life of the project from pooling expertise, logistics, mining fleets and processing facilities. Benefits include reduced capital expenditure requirements due to shared infrastructure, higher copper and cobalt recoveries, production of a higher grade copper cathode,

increased cobalt production, reduced acid costs resulting from a balance of oxide and sulphide ores and other cost savings.

- The Merged Company will have a significantly enhanced profile and the ability to compete on a global scale. Based on the closing share prices of Katanga (on the TSX) of C\$11.75 and Nikanor (on AIM) of £5.885 on 5 November 2007, the Merged Company, would have a combined market capitalisation of US\$3.3 billion after the proposed Cash Return calculated on the fully diluted basis number of shares after the proposed Cash Return for both companies.
- The Merged Company will be well-funded, with a pro forma cash balance of approximately US\$745 million as at 30 September 2007, after taking account of the Cash Return.
- The Merged Company will follow Katanga and Nikanor's existing strategies of financing their projects through a mixture of debt and equity. The level of additional financing required will be determined as part of a combined business plan but it is expected that production from Katanga and a phased approach to capital expenditure will result in a lower and delayed requirement for additional financing than for Nikanor standalone.
- Management intends to use the phased expansion approach currently being used by Katanga to bring its Kamoto complex into production on schedule and on budget. This phased expansion is likely to delay achieving maximum capacity relative to the combined standalone business plans but will allow a greater portion of capital expenditure to be funded from internally produced cash flows and reduced implementation risk.
- The existing program to rehabilitate the Kamoto joint venture to achieve 150,000 tonnes of refined copper and 8,000 tonnes of refined cobalt a year will be continued more aggressively, while a mine plan for the combined assets is being detailed and a new feasibility study completed.

Combined Reserves and Resources

Katanga's reserves and resources are reported to Canadian National Instrument 43-101 ("NI 43-101") requirements. Proven and probable reserves comprise 93 million tonnes of ore at 3.53% copper and 0.37% cobalt. Measured and indicated resources (excluding reserves) comprise 69 million tonnes of ore at 3.47% copper and 0.39% cobalt. Total contained copper excluding inferred resources is 5.7 million tonnes and total contained cobalt is 614,000 tonnes. (Source: June 2006 Feasibility Study and press release dated 22 February 2007).

Nikanor's reserves and resources are reported to SAMREC requirements. A revised interim statement of Nikanor's assets, based on existing data and compliant with NI 43-101, will be filed as part of Katanga's submission to its shareholders to approve the Merger. Following completion of the Merger, a full feasibility study will be commissioned on the combined project and, when complete, a new NI 43-101 reserves and resources statement will be issued.

Rick Dye, Senior Vice President, Technical Services of Katanga and a qualified person under Canadian National Instrument 43-101, has supervised the reserve calculations for Katanga and has reviewed and approved the use of the reserve and resource statements in this press release.

Nikanor Irrevocable Undertakings

Irrevocable undertakings to accept the Offer, subject to certain exceptions in relation to financing arrangements, have been received from certain major Nikanor Shareholders, being Glencore Finance, RP Capital Entities with interests in Nikanor Shares, Oakey Invest Holdings Inc. and Pitchley Properties Limited in respect of in total 162,015,413 Nikanor Shares representing in aggregate approximately 78.4 per cent. of Nikanor's issued share capital. These irrevocable undertakings continue to be binding in the event of a higher offer being made by a third party for Nikanor but cease to be binding if:

- there occurs a material adverse event in relation to Katanga which shall only be deemed to have occurred if such event causes an interruption in substantially all of production at any of Katanga's mines and such interruption is reasonably likely to continue for a period of more than 45 days or a Katanga Negative Concession Review Event occurs;
- the Offer is withdrawn by Katanga unless a new revised Offer on equivalent or superior terms is announced by Katanga or it is announced that it cannot become unconditional; or
- the Offer or the new revised or replacement Offer has not become unconditional by 15 March 2008.

Katanga Irrevocable Undertakings

Irrevocable undertakings to support the Offer and not to accept any competing proposal, subject to certain exceptions in relation to financing arrangements, have been received from certain major shareholders and members of the Katanga Group, being Arthur Ditto, Tain Holdings Limited, George Forrest, RP Capital Entities with interests in Katanga Shares in respect of in total 37,918,000 Katanga Shares representing in aggregate approximately 48.1 per cent of Katanga's entire issued share capital. In addition, Nikanor has received a similar irrevocable undertaking from Glencore Finance with respect to the Katanga Shares issuable upon conversion of the US\$150 million convertible loan from Glencore Finance which was completed on 5 November 2007. These irrevocable undertakings cease to be binding if:

- there occurs a material adverse event in relation to Nikanor which shall only be deemed to have occurred if such event causes an interruption in substantially all of production at any of Nikanor's mines and such interruption is reasonably likely to continue for a period of more than 45 days or a Nikanor Negative Concession Review Event occurs;
- the Offer is withdrawn by Katanga in accordance with the terms of the Implementation Agreement unless a new revised Offer on equivalent or superior terms is announced by Katanga and Nikanor or it is announced that it cannot become unconditional; or
- the Offer or the new revised or replacement Offer has not become unconditional by 15 March 2008.

In addition, Arthur Ditto and Tain Holdings Limited have undertaken to vote in favour of the Merger at the Katanga extraordinary general meeting in aggregate in respect of 6,843,000 Katanga Shares, representing 8.7 per cent. of Katanga Shares.

RP Capital Entities, by virtue of the size of their shareholding in both Katanga and Nikanor, and George and Malta Forrest, by virtue of contractual arrangements to be entered into between the Merged Company and Forrest group companies as described below, will not be permitted to vote in favour of all resolutions to be considered at the extraordinary general meeting of Katanga. However George Forrest and RP Capital Entities with interests in Katanga Shares, who together hold in aggregate 31,075,000 Katanga Shares, representing approximately 39.4 per cent. of Katanga's existing issued share capital have agreed not to support any competing proposals.

Board of Directors

The proposed board of the Merged Company is to be made up of 10 directors as follows:

Con Fauconnier	Independent Non Executive Director	(Chairman)
Arthur Ditto	President and Chief Executive Officer	
Terry Robinson	Independent Non Executive Director	
Robert Wardell	Independent Non Executive Director	
George Forrest	Non Executive Director	(George Forrest nominee)
Malta Forrest	Non Executive Director	(George Forrest nominee)
Raphael Berber	Non Executive Director	(Cosaf Limited / Pitchley Properties Limited nominee)
Stephen Oke	Non Executive Director	(Oakey Invest Holdings Inc. nominee)
Aristotelis Mistakidis	Non Executive Director	(Glencore Finance nominee)

It is proposed that an additional Independent Non Executive Director will be identified and announced (upon approval from the Boards of both Katanga and Nikanor) prior to the posting of the Offer Document. It is proposed that Stephen Jones, the current Chief Financial Officer of Katanga will become the Chief Financial Officer of the Merged Company and that Peter Sydney Smith, as a member of the Integration Committee, will have responsibility for the London listing.

Relationships with Major Shareholders

Nikanor and its major shareholders currently have in place relationship agreements under which the major shareholders have the rights to appoint certain of the directors to the Nikanor Board. As part of the terms of the approval of the Offer by certain of the major shareholders of both companies of the Offer, it has been agreed that the major shareholders will have certain appointment and nomination rights in respect of directors following the Offer becoming unconditional in all respects.

In particular, it is proposed that George Forrest shall have the right to appoint 2 non-executive directors; Glencore Finance one non-executive director; Cosaf Limited and Pitchley Properties Limited (taken together) one non-executive director and Oakey Invest Holdings Inc. one non-executive director.

After three years from the Effective Date, Art Ditto shall cease to be the President and Chief Executive Officer unless re-appointed by Glencore. In addition in the event that Arthur Ditto ceases to be the President and Chief Executive Officer of the Merged Company, Glencore Finance shall have the right to nominate (but not remove) the Chief Executive Officer and in the event that Con Fauconnier ceases to be the Chairman, George Forrest has the right to nominate (but not remove) the Chairman. Such nominations are subject to confirmation by the nomination committee of the Board. George Forrest will also be given the right to appoint the Non Executive Chairman of DCP and KCC. It is intended that Simon Tuma-Waku will be the Vice Chairman of these entities.

None of the rights of the major shareholders set out above shall prejudice the Merged Company's shareholders right to remove any of the major shareholders' nominees in general meeting. Any director appointed to the board by the board of the Merged Company will automatically come up for re-election at the subsequent annual general meeting of the Merged Company.

The rights of the major shareholders as set out above to nominate and/or appoint director(s) is subject to them and their associates holding certain minimum interests in the Merged Company, being 5 per cent. in the case of each of George Forrest and Glencore Finance and 10 per cent. in respect of each of RP Capital Entities and Pitchley Properties Limited (taken together) and Oakey Invest Holdings Inc.

It is intended that Relationship Agreements will be entered into between the Merged Company and these shareholders to take effect on the Effective Date. With effect from the Effective Date the existing relationship agreements between Nikanor and its major shareholders will cease to have effect.

Glencore Finance, Ruwenzori Limited, Karisimbi Limited (which does not currently hold any Nikanor Shares) and Cosaf Limited have entered into a co-operation and voting agreement in relation to Nikanor. The agreement is intended, amongst other things, to ensure that the parties exercise their respective rights as shareholders in Nikanor in a co-ordinated manner. The agreement also includes specific obligations (i) on each party to notify the other parties when it purchases further Nikanor Shares; and (ii) on the parties (if required by Glencore Finance) to vote the Nikanor Shares which they respectively hold (a) in favour of the appointment of Glencore Finance's appointee as either the chief financial officer and executive chairman or as the chief financial officer and chief executive officer (as the case may be) of Nikanor (or against the removal of such person from such office) and (b) in favour of the execution by Nikanor of certain offtake agreements with Glencore. The agreement also includes restrictions on the transfer of the Nikanor Shares which are held by the respective parties and certain pre-emption rights in relation thereto. It is intended that as from the Effective Date, this agreement will terminate and be replaced by an agreement in relation to Katanga which will contain essentially the same terms and conditions as applied with respect to Nikanor and otherwise making it consistent with agreements as they apply to Glencore Finance as described in this section and

under "Transactions with Major Shareholders" below. The agreement is governed by English law.

Transactions with Major Shareholders

In connection with the approval of the Offer the Merged Company has agreed to enter into the arrangements with each of Glencore and George Forrest as set out immediately below.

Glencore

Katanga and Nikanor have agreed that the Merged Company shall appoint Glencore as the exclusive offtaker for the Merged Company and its subsidiaries from time to time pursuant to which it will buy and take delivery of 100 per cent. of the quantity of copper and cobalt produced by the mines currently owned and subsequently acquired by Katanga, save for any existing offtake agreements of the Katanga Group and existing offtake agreements in place at the time of any newly acquired mines. The terms on which Glencore shall be appointed shall be on the same terms, including the same commercial terms, as the offtake entered into on 5 November 2007 between Katanga and Glencore save that it shall be extended for the life of all Katanga's mines. However, in respect of Nikanor, the existing offtake arrangements between Nikanor and Glencore shall continue post the Effective Date. Following the Effective Date, Katanga will work with Glencore on the terms of a unified contract for the offtake from the Merged Company's operations.

George Forrest

KOL and Entreprise General Malta Forrest have entered into the T17 Open Pit Mining Agreement and the Dima LOI (a letter from KOL to Entreprise General Malta Forrest confirming KOL's intention to enter into a commercial contract with Entreprise General Malta Forrest for the exploitation of open pits of the mining complex "DIMA" on the basis of the T17 Open Pit Mining Agreement and the usual standards for such type of contract) and these agreements shall continue following the Effective Date. Notwithstanding the Dima LOI, the final pricing for the Dima LOI is to be agreed with the management of the Merged Company and approved by the board of the Merged Company.

In addition George Forrest will be granted the right to bid for any new contract mining or construction contract for the Merged Company's KOV open cut operations. If there is more than one bidder, then if the proposals are equivalent then George Forrest's proposal will be preferred. In the event that the sequence of mining is changed and KOV is to be mined ahead of the DIMA pits, then the Dima LOI will be transferred across to KOV and, notwithstanding the Dima LOI, the final prices and terms will be agreed between George Forrest and the management of the Merged Company and approved by the board of the Merged Company.

It is proposed that George Forrest and the management of the Merged Company will agree upon the price and terms on which the existing Nikanor and/or DCP on site, or ordered, equipment will be sold across to, and paid for by, George Forrest to enable him to perform under his contracts with the Merged Company.

At any board meeting of the Merged Company to vote on these matters, neither of the Directors appointed by George Forest shall vote on the proposed resolution.

KOL Call Option

In order to give the Merged Company the opportunity to acquire KOL, an entity owned by George Forrest and Tain Holdings Limited (an entity connected with Art Ditto) which is the operator of KCC's assets pursuant to the KOL Operating Agreement, George Forrest and Tain Holdings Limited have entered into a call option pursuant to which the Merged Company has an option to acquire KOL free from all encumbrances. The purchase price payable if the option is exercised will be determined by an independent investment bank agreed between the parties as the fair market value to the KOL shareholders, as at the date of the valuation, based on the Katanga stand alone model as at the date of this Announcement.

The call option shall be exercisable once the purchase price is determined and has been notified to the parties, subject to the approval of the board of the Merged Company and to such regulatory and stock exchange approvals as may be required. The call option shall terminate if not exercised within 3 months from the date the purchase price is determined and notified to the parties.

If the call option is exercised by the Merged Company, the consideration may be paid in cash or in Katanga Shares or a combination thereof at the election of George Forrest and Tain Holdings Limited. The number of Katanga Shares to be issued shall be calculated by reference to the volume weighted average price per Katanga Share on the TSX for the 5 trading days prior to the exercise by Katanga of the notice. No consideration will be paid to George Forrest or Tain Holdings Limited for the grant of the call option.

At any board meeting of the Merged Company to determine whether to exercise the option, neither Arthur Ditto nor any of the Directors appointed by George Forrest shall vote on the proposed resolution.

Integration Committee

Katanga will set up an Integration Committee following this Announcement, to continue until the listing on the London Stock Exchange is achieved, to oversee the integration of Nikanor and Katanga into the Merged Company. The Integration Committee shall consist of at least 4 members, being not less than 2 nominees of Nikanor and not less than 2 nominees of Katanga. The initial members of the Integration Committee shall be Peter Sydney-Smith, Rick Dye, Al Schoening, and Jim Gorman. Peter Sydney-Smith shall be responsible for listing and integration to hold office until the listing is completed. The Integration Committee will be constituted within 2 weeks of the date of this Announcement and will meet in the period prior to and after the Effective Date, but their proposals will only be implemented following the Effective Date. Should the Nikanor appointees resign, they will be replaced by Nikanor employees for the duration of the committee.

Management and Employees

Katanga and Nikanor attach great importance to retaining the skills and expertise of their management and employees. The boards of Katanga and Nikanor believe that, although the combination of similar functions may lead to some operating restructuring, the increased size and strength of the Merged Company will offer attractive career prospects for its employees.

The existing employment rights of employees of both Katanga and Nikanor will be fully safeguarded.

Recommendation of the Board of Nikanor

The Nikanor Directors, who have been so advised by JPMorgan Cazenove Limited, consider the terms of the Offer to be fair and reasonable. In providing their advice to the Nikanor Directors, JPMorgan Cazenove Limited has taken into account the commercial assessments of the Nikanor Directors. Accordingly, the Nikanor Directors intend unanimously to recommend that Nikanor Shareholders accept the Offer, as they intend to do in respect of their own beneficial holdings, which in aggregate amount to 253,350 Nikanor Shares, representing approximately 0.1 per cent. of Nikanor's existing issued share capital.

Katanga Shareholder Approval and Recommendation of the Board of Katanga

The Offer is conditional on the approval of Katanga Shareholders at an extraordinary general meeting of Katanga to be convened. The Katanga Board intends unanimously to recommend that Katanga Shareholders vote in favour of the Offer, and Arthur Ditto and Tain Holdings Limited have irrevocably undertaken to do so in respect of in aggregate 6,843,000 Katanga Shares representing approximately 8.7 per cent. of the issued share capital of Katanga, and not to support any competing proposals.

Nikanor Shareholder Resolutions

The Offer is also conditional upon the passing at an extraordinary general meeting of Nikanor of certain resolutions, each conditional upon the Offer being unconditional in all other respects, including, in particular resolutions to (i) re-register Nikanor as a company incorporated under the Companies Act; and (ii) to adopt new memorandum and articles of association suitable for a company governed by the Companies Act, each in order to allow the Nikanor Directors to effect the Cash Return in accordance with section 50 of the Companies Act.

Conditions to the Offer

The Offer is subject to certain conditions, which are set out in full in Appendix I of this Announcement.

Inducement Fee

Under the Implementation Agreement:

Nikanor has agreed to pay an inducement fee of £7.62 million (or if lower, 1 per cent. of the Offer value to Nikanor Shareholders, excluding the Cash Return) to Katanga, subject to any adjustment for VAT, if:

- (a) a third party announces prior to the Offer lapsing that it may make an offer for Nikanor, or another third party announces an offer within six months of the announcement by the first party and one of such offers is declared unconditional in all respects or completed;
- (b) Nikanor Directors fail to recommend the Offer, or withdraw their recommendation or otherwise fail to take the steps required to implement the Offer, save in the event of a Katanga Negative Concession Review Event; or

- (c) Nikanor enters into an agreement which would breach Rule 21(a), (b)(iv) and (v) of the Code.

Katanga has agreed to pay an inducement fee of US\$9.93 million (or if lower, 1 per cent. of the market value of Katanga at the time of this Announcement) to Nikanor, subject to any adjustment for VAT, if:

- (a) a third party announces prior to the Offer being withdrawn that it may make an offer for Katanga or another third party announces an offer within six months of the announcement by the first party, and one of such offers is declared unconditional in all respects or is completed;
- (b) Katanga withdraws or fails to make the Offer, save in the event of a Nikanor Negative Concession Review Event occurring or any event giving rise to an inducement fee payable to Katanga having occurred; or
- (c) Katanga Directors fail to recommend the Offer, or withdraw their recommendation that shareholders of Katanga approve the transaction or otherwise fail to take the steps required to implement of the Offer, save in the event of a Nikanor Negative Concession Review Event. No amount shall be payable if the condition relating to the requirement for Katanga's shareholder approval is not satisfied unless Katanga's directors withdraw their recommendation in respect of such approvals.

Cash Return

The cash payment due to Nikanor Shareholders as part of the Merger is funded by a distribution paid by Nikanor financed from Nikanor's existing cash resources. It is intended that Nikanor Shareholders are to approve the re-registration of Nikanor as a private "Manx" company under the Companies Act, such approval being conditional on the Offer becoming unconditional and the re-registration effected in all respects. Upon the Offer becoming unconditional, the Nikanor Board will make a distribution to the then Nikanor Shareholders which, at the time of the distribution will include Katanga. To the extent Katanga receives cash pursuant to the distribution, it will pay the relevant proportion of the Cash Return to those Nikanor Shareholders whose shares it has acquired pursuant to the Offer. The Nikanor Shareholders of whose Nikanor Shares Katanga has not acquired as at the date of the Cash Return will receive their proportional share of the Cash Return directly from Nikanor. The Cash Return is only required to be paid once Katanga has received the amount from Nikanor.

Nikanor has agreed pending the Offer becoming unconditional to retain an amount of cash equal to the Cash Return in a separate account in immediately available funds.

Nikanor and Katanga will work together in order to determine the most effective way of giving effect to the Cash Return in a manner to ensure the amount received by Katanga will be treated as a capital return. Further details will be contained in the Offer Document.

Compulsory Acquisition / AIM Cancellation

On receipt of acceptances under the Offer in respect of 90 per cent. or more of the Nikanor Shares, Katanga intends to apply the provisions of section 160 of the Companies Act to acquire compulsorily any remaining Nikanor Shares. The 78.4 per

cent. of Nikanor Shares under the irrevocable undertakings to support the Merger will count towards this 90 per cent. threshold.

In addition, subject to the Offer becoming or being declared unconditional in all respects, Katanga intends to procure that Nikanor applies to the London Stock Exchange for the cancellation of the admission to AIM of the Nikanor Shares. It is anticipated that such cancellation will take effect no earlier than 20 business days after the Offer becomes or is declared unconditional in all respects. Katanga also intends to re-register Nikanor as a “Manx” company under the Companies Act.

Disclosure of Interest in Nikanor Shares

Neither Katanga, nor any Katanga Directors (i) has any interest in or right to subscribe for any relevant Nikanor securities, nor (ii) has any short positions in respect of relevant Nikanor securities (whether conditional or absolute and whether in the money or otherwise), including any short position under a derivative, any agreement to sell or any delivery obligation or right to require another person to take delivery, (iii) has borrowed or lent any relevant Nikanor securities (save for any borrowed shares which have been on-lent or sold), (iv) has any securities convertible or exchangeable into, or any rights to subscribe for or purchase, or holds any options to purchase any Nikanor Shares or holds any derivative referenced to securities of Nikanor which remain outstanding nor (v) has any arrangements of the kind referred to in Note 6 to Rule 8 of the Code (including indemnity or option arrangements or agreements or understandings of whatever nature relating to Nikanor Shares which may be an inducement to deal or refrain from dealing).

Katanga and Nikanor Share Option Schemes

As a result of the Merger, options and awards under the Nikanor Share Plan 2006 will vest and become exercisable. The Offer will extend to any Nikanor Shares issued and unconditionally allotted or issued whilst the Offer remains open for acceptance, including any Nikanor Shares unconditionally allotted or issued upon exercise of options or vesting of share awards granted under the Nikanor Share Plan 2006. To the extent that such options are not exercised and share awards do not vest, and if the Offer becomes or is declared unconditional in all respects, Katanga will make appropriate proposals to option holders in due course. It is the intention of the Merged Company to implement new share incentive arrangements for all management and employees following completion of the Merger.

Implementation Agreement

Katanga and Nikanor have today entered into an Implementation Agreement which provides, amongst other things, for the implementation of the Merger and contains assurances and confirmations between the parties, including provisions as to the procedure to implement the Offer on and governing the conduct of the business of Nikanor pending the Effective Date.

The Offer is not subject to the jurisdiction of the Panel. However, Katanga and Nikanor have agreed in the Implementation Agreement the process for the Offer under which Katanga and Nikanor have agreed to conduct the Offer as if the Code applied to Nikanor, save for exceptions agreed between Katanga and Nikanor. Nikanor has agreed that for the purpose of Articles 167 and 170 of Nikanor’s existing articles of association, the Offer is a “Permitted Acquisition” (as defined therein).

The Implementation Agreement shall, save in respect of the inducement fee provisions and any other accrued rights thereunder, terminate upon the earliest to occur of:

- (a) the Offer not being approved by Katanga Shareholders;
- (b) any Condition becoming incapable of satisfaction or being invoked;
- (c) the Offer lapsing or not being made; and
- (d) 30 April 2008 if the Offer has not been declared unconditional as to acceptances on or before that date.

Each of Katanga and Nikanor has given certain undertakings in relation to the conduct of the Offer. In addition, Katanga has given Nikanor certain limited warranties.

UK and Overseas Shareholders

The Offer will be made to, and acceptance of Nikanor Shares will be accepted from, only those shareholders in the United Kingdom who are (or who are acting on behalf of), and who are able to establish to the satisfaction of Katanga that they are (or are acting on behalf of): "qualified investors" within the meaning of section 86(7) of FSMA, or (ii) persons to whom the Offer may otherwise be made or directed without an approved prospectus having first been made available to the public in the United Kingdom. The availability of the Offer to Nikanor Shareholders who are not resident in and citizens of the United Kingdom may be affected by the laws of the relevant jurisdiction in which they are located or of which they are citizens. Nikanor Shareholders who are not resident in or citizens of the United Kingdom should inform themselves about, and observe, any applicable legal or regulatory requirements of their jurisdictions. Further details in relation to UK and overseas shareholders will be contained in the Offer Document.

Notwithstanding the foregoing, Katanga retains the right to permit the Offer to be accepted and any sale of securities pursuant to the Offer to be completed if, in its sole discretion, it is satisfied that the transaction in question can be undertaken in compliance with applicable law and regulation.

Issued Share Capital

As at close of business on 5 November 2007, Katanga confirms that it has 78,887,743 Katanga Shares in issue. The CUSIP reference for these securities is G5221G109.

As at close of business on 5 November 2007, Nikanor confirms that it has 206,550,000 Nikanor Shares in issue. The ISIN reference for these securities is GB00B182MG48.

Advisers

Katanga is being advised by CIBC World Markets plc and its legal advisers are Cassels Brock & Blackwell LLP in Canada, Norton Rose LLP in the UK and Appleby in Bermuda. Nikanor is being advised by JPMorgan Cazenove Limited and its legal advisers are Linklaters LLP in the UK, Stikeman Elliott LLP in Canada and Cains Advocates Limited in the Isle of Man.

General

The Offer Document will be posted to Nikanor Shareholders and made available, for information only, to participants in the Nikanor Share Scheme, as soon as practicable and in any event within 28 days of the date of this Announcement unless agreed otherwise between Katanga and Nikanor.

Appendix I Conditions and Further Terms of the Offer

The Offer is subject to the following conditions:

- (a) valid acceptances of the Offer being received (and not, where permitted, withdrawn) by no later than 1 p.m. (London time) on the first closing date of the Offer (as set out in the Offer Document) (or such later time(s) and/or date(s) as Katanga may decide) in respect of not less than 90 per cent. of all of the Nikanor Shares and not less than 90 per cent. of the voting rights carried by those Nikanor Shares (or in each case such lesser percentage as Katanga may decide), provided that this condition shall not be satisfied unless Katanga and/or its wholly-owned subsidiaries shall have acquired or agreed to acquire, pursuant to the Offer or otherwise, Nikanor Shares carrying in aggregate more than 50 per cent. of the voting rights normally exercisable at a general meeting of Nikanor including for this purpose any such voting rights attached to any Nikanor Shares unconditionally allotted or issued before the Offer becomes or is declared unconditional as to acceptances, whether pursuant to the exercise of any outstanding subscription rights or otherwise and for the purposes of this condition:
 - (i) Nikanor Shares which have been unconditionally allotted but not issued shall be deemed to carry the voting rights which they will carry upon issue; and
 - (ii) valid acceptances shall be deemed to have been received in respect of Nikanor Shares which have been acquired or contracted to be acquired by Katanga by virtue of acceptances of the Offer;
- (b) the passing at an extraordinary general meeting of Nikanor (or at any adjournment thereof) of all such resolutions as may be reasonably necessary to approve, implement or effect (as the case may be) the Offer, the acquisition by Katanga of Nikanor pursuant thereto and the Cash Return in each case conditional upon the Offer being unconditional in all other respects, including, in particular:
 - (i) re-registering Nikanor as a company incorporated under the Companies Act;
 - (ii) adopting new memorandum and articles of association suitable for a company governed by the Companies Act (such articles not containing any takeover provisions); and
 - (iii) implementing the Cash Return in accordance with section 50 of the Companies Act;
- (c) the New Katanga Shares will have been accepted for listing by the TSX, no later than the first closing date of the Offer (as set out in the Offer Document);
- (d) Katanga obtaining shareholder approvals as may be required by applicable securities laws and regulatory requirements (including the requirements of the TSX) in respect of the completion of the Offer and any other transactions as may be agreed between Katanga and Nikanor;
- (e) a Katanga Negative Concession Review Event not having occurred;
- (f) the granting of any necessary or desirable United Kingdom, Canadian, Democratic Republic of Congo or Bermudan governmental, regulatory or exchange control consents required to implement the Offer;
- (g) no central bank, government or governmental, quasi-governmental, supranational, statutory, regulatory, environmental or investigative body, court, trade agency, professional association, institution, employee representative body or any other such body or person whatsoever in any jurisdiction (each a “**Third Party**” and all collectively “**Third Parties**”) having given written notice of a decision to take, institute or threaten any material action, proceeding, suit, investigation, enquiry or reference, or having required any action to be taken, or having enacted, made or proposed and there not continuing to be outstanding any statute, regulation, decision or order which would or might reasonably be expected to:
 - (i) make the Offer or its implementation or the acquisition or proposed acquisition by Katanga of all or any Nikanor Shares, or the acquisition or proposed acquisition of control of Nikanor, by any member of the Wider Katanga Group, void, illegal or unenforceable under the laws of any relevant jurisdiction, or otherwise, directly or indirectly, restrain, restrict, prohibit, challenge, delay, hinder or otherwise materially interfere with the same, or impose material additional adverse conditions or obligations with respect thereto, or otherwise materially challenge or require material amendment to the terms of the Offer or any such acquisition;

- (ii) require, prevent or delay the divestiture, or alter the terms envisaged for any proposed divestiture, by any member of the Wider Katanga Group or by any member of the Wider Nikanor Group of all or any portion of their respective businesses, assets or properties or impose any limitation on the ability of any of them to conduct their respective businesses (or any part of them) or to own or manage their respective assets or properties or any part of them to an extent which is material in the context of the Wider Katanga Group taken as a whole or the Wider Nikanor Group taken as a whole (as the case may be);
- (iii) impose any material limitation on, or result in a material delay in, the ability of any member of the Wider Katanga Group, directly or indirectly, to acquire or to hold or to exercise effectively all or any rights of ownership in respect of shares, loans or other securities (or the equivalent) in the Wider Nikanor Group or to exercise management control over any such member to an extent which is material in the context of the Wider Katanga Group taken as a whole;
- (iv) otherwise adversely affect any or all of the businesses, assets, liabilities, profits or prospects of any member of the Wider Katanga Group or any member of the Wider Nikanor Group (including any action which would or might adversely affect or prejudice any of the status, licences, authorisations, exemptions or consents of any member of the Wider Katanga Group or of the Wider Nikanor Group) to an extent which is material in the context of the Wider Katanga Group taken as a whole or the Wider Nikanor Group taken as a whole (as the case may be);
- (v) save pursuant to the Offer or section 160 the Companies Act, require any member of the Wider Katanga Group or the Wider Nikanor Group to acquire, or offer to acquire, any shares or other securities (or the equivalent) in, or any asset owned by, any member of the Wider Nikanor Group or the Wider Katanga Group to an extent which, is material in the context of the Wider Katanga Group taken as a whole, or as the case may be, the Wider Nikanor Group taken as a whole;
- (vi) require a divestiture by Katanga or any member of the Wider Katanga Group of any shares or other securities (or the equivalent) in the Wider Nikanor Group to an extent which is material in the context of the Wider Katanga Group taken as a whole;
- (vii) limit the ability of any member of the Wider Katanga Group or the Wider Nikanor Group to co-ordinate or integrate its business, or any part of it, with the business or any part of the business of any other member of the Wider Katanga Group or of the Wider Nikanor Group, to an extent which is material in the context of the Wider Katanga Group taken as a whole or the Wider Nikanor Group taken as a whole (as the case may be); or
- (viii) result in any member of the Wider Nikanor Group or the Wider Katanga Group ceasing to be able to carry on business under any name which it presently does so to an extent which is materially adverse in the context of the Wider Nikanor Group taken as a whole,

and all applicable waiting and other time periods during which any such Third Party could take, institute, implement or threaten any action, proceeding, suit, investigation, enquiry or reference under the laws of any relevant jurisdiction or enact any such statute, regulation, order or decision or take any steps having expired, lapsed or been terminated;

- (h) all authorisations, orders, recognitions, grants, consents, licences, confirmations, clearances, certificates, exemptions, permissions and approvals ("**Authorisations**") necessary or appropriate in any relevant jurisdiction for or in respect of the Offer or the proposed acquisition of all or any Nikanor Shares, or control of, Nikanor by any member of the Wider Katanga Group having been obtained on terms and in a form reasonably satisfactory to Katanga from all appropriate Third Parties or persons with whom any member of the Wider Nikanor Group has entered into contractual arrangements where the absence of such Authorisations would have a materially adverse effect on the Wider Katanga Group taken as a whole or the Wider Nikanor Group taken as a whole, as the case may be, and all such Authorisations, together with all Authorisations necessary or appropriate to carry on the business of any member of the Wider Nikanor Group where such business is material in the context of the Wider Nikanor Group taken as a whole remaining in full force and effect at the time at which the Offer becomes otherwise unconditional and there being no indication of any intention to revoke, withdraw, suspend, restrict, withhold or modify or not to grant or review any of the same;
- (i) all necessary and material filings or applications having been made in connection with the Offer, and all appropriate waiting periods (including extensions thereof) in respect of the Offer or its implementation under any applicable legislation or regulations in any relevant jurisdiction having expired, lapsed or been terminated (as appropriate) and all necessary statutory or regulatory obligations in any relevant jurisdiction

having been complied with in connection with the Offer or the acquisition by any member of the Wider Katanga Group of any shares or other securities in, or control of, Nikanor;

(j) save as disclosed to Katanga by or on behalf of Nikanor or as publicly announced to a Regulatory Information Service prior to 6 November 2007 there being no provision of any material agreement, authorisation, arrangement, lease, licence, permit or other instrument to which any member of the Wider Nikanor Group is a party or by or to which any such member or any of its assets may be bound, entitled or subject, which in consequence of the Offer or the proposed acquisition by Katanga or any member of the Wider Katanga Group of any shares) in Nikanor or because of a change in the control or management of any member of the Wider Nikanor Group, would or might reasonably be expected to result, in a manner which could or might reasonably be expected to result (in each case to an extent which is or would be material in the context of the Wider Nikanor Group taken as a whole) in:

- (i) any monies borrowed by or any other indebtedness (actual or contingent) of, or grant available to, any member of the Wider Nikanor Group, being or becoming repayable or being capable of being declared repayable immediately or prior to their or its stated maturity date or repayment date or the ability of any such member to borrow monies or incur any indebtedness being withdrawn, prohibited or inhibited or becoming capable of being withdrawn, prohibited or inhibited;
- (ii) any such agreement, authorisation, arrangement, licence, permit or other instrument or the rights, liabilities, obligations or interests of any member of the Wider Nikanor Group thereunder being terminated or adversely modified or affected or any onerous obligation or liability arising or any adverse action being taken or arising thereunder;
- (iii) any assets or interests of any member of the Wider Nikanor Group being or falling to be disposed of or charged or any right arising under which any such asset or interest could be required to be disposed of or charged otherwise than, in any such case, in the ordinary course of business;
- (iv) the creation or enforcement of any mortgage, charge or other security interest over the whole or any material part of the business, property or assets of any member of the Wider Nikanor Group, or any such mortgage, charge or other security interest (whenever arising or having arisen) becoming enforceable or being enforced;
- (v) the rights, liabilities, obligations or interests of any member of the Wider Nikanor Group in, or the business of any such member with, any person, company, firm or body (or any agreements or arrangements relating to any such interest or business) being terminated, or adversely modified or adversely affected;
- (vi) the value of any member of the Wider Nikanor Group or its financial or trading position or profits or prospects being materially prejudiced or materially and adversely affected;
- (vii) any member of the Wider Nikanor Group ceasing to be able to carry on business under any name under which it presently does so; or
- (viii) the creation or assumption of any material liability, actual or contingent, by any member of the Wider Nikanor Group other than in the ordinary course of business,

and no event having occurred which, under any provision of any agreement, authorisation, arrangement, lease, licence, permit or other instrument to which any member of the Wider Nikanor Group is a party or by or to which any such member or any of its assets are bound, entitled or subject, would be reasonably likely to result in any of the events referred to in sub-paragraph (i) to (viii) of this paragraph (j);

(k) save as disclosed to Katanga in writing by or on behalf of Nikanor or as publicly announced to a Regulatory Information Service (prior to 6 November 2007), or as disclosed in the annual report and accounts for the year ended 31 December 2006, no member of the Wider Nikanor Group having, since 31 December 2006:

- (i) (save as between Nikanor and wholly-owned subsidiaries of Nikanor, or for Nikanor Shares issued pursuant to the exercise of options granted under the Nikanor Share Plan 2006 prior to 6 November 2007,) issued or agreed to issue or authorised or announced its intention to authorise the issue of additional shares of any class or securities convertible into or exchangeable for, shares of any class or rights, warrants or options to subscribe for, or acquire, any such shares or convertible securities;
- (ii) recommended, declared, paid or made or proposed to recommend, declare, pay or make any bonus issue, dividend or other distribution whether payable in cash or otherwise other than dividends (or

other distributions whether payable in cash or otherwise) lawfully paid or made by any wholly-owned subsidiary of Nikanor to Nikanor or any of its wholly-owned subsidiaries;

- (iii) other than pursuant to the Offer (and save for transactions between Nikanor and its wholly-owned subsidiaries or other than in the ordinary course of business) implemented, effected, authorised or proposed or announced its intention to implement, effect, authorise or propose any merger, demerger, reconstruction, amalgamation, scheme, commitment or acquisition or disposal of assets or shares or loan capital (or the equivalent thereof) in any undertaking or undertakings in any such case that is material in the context of the Wider Nikanor Group taken as a whole;
- (iv) (save for transactions between Nikanor and its wholly-owned subsidiaries or other than in the ordinary course of business) disposed of, or transferred, mortgaged or created any security interest over any asset or any right, title or interest in any asset that is material in the context of the Wider Nikanor Group taken as a whole or authorised, proposed or announced any intention to do so;
- (v) (save as between Nikanor and its wholly-owned subsidiaries) made or authorised or announced an intention to make any material change in its loan capital;
- (vi) (save as between transactions between Nikanor and its wholly-owned subsidiaries) issued, authorised, or announced an intention to authorise, the issue of or made any change in or to the terms of any debentures or become subject to any material contingent liability or incurred or increased any material indebtedness other than in the ordinary course of business;
- (vii) (save for transactions between members of the Wider Nikanor Group) purchased, redeemed or repaid, or announced any intention to purchase, redeem or repay, any of its own shares or other securities or reduced or made any other change to or proposed the reduction or other change to any part of its share capital;
- (viii) entered into, implemented, effected, varied, authorised proposed or announced its intention to enter into, any material reconstruction, amalgamation, scheme, commitment or other transaction or arrangement which is of long term or unusual or onerous nature in any case that is material in the context of the Wider Nikanor Group taken as a whole and otherwise than in the ordinary course of business;
- (ix) entered into or materially varied or terminated or authorised, proposed or announced its intention to enter into or vary any material contract, arrangement, agreement, transaction or commitment (whether in respect of capital expenditure or otherwise) which has a term in excess of 6 months, or which is onerous or unusual in nature or magnitude or which is or is likely to be materially restrictive on the business of any member of the Wider Nikanor Group or which involves or is likely to involve an obligation of such a nature or magnitude or which is other than in the ordinary course of business and in any such case is material in the context of the Wider Nikanor Group taken as a whole;
- (x) entered into or varied to a material extent the terms of, or made any offer (which remains open for acceptance) to enter into or vary the terms of, any contract, service agreement or arrangement with any director or senior executive of any member of the Wider Nikanor Group to an extent which is material to the Wider Nikanor Group taken as a whole, save for salary increases, bonuses or variations of terms in the ordinary course of business;
- (xi) terminated or varied the terms of any agreement or arrangement between any member of the Wider Nikanor Group and any other person in a manner which would or might reasonably be expected to have a material adverse effect on the financial position or prospects of the Wider Nikanor Group taken as a whole;
- (xii) proposed, agreed to provide or modified the terms of any share option scheme, incentive scheme or other benefit relating to the employment or termination of employment of any person employed in the Wider Nikanor Group which is material in the context of the Wider Nikanor Group taken as a whole;
- (xiii) made or consented to any significant change to the terms of the trust deeds and rules constituting the pension scheme(s) established for its directors, employees or their dependants or to the benefits which accrue, or to the pensions which are payable, thereunder, or to the basis on which qualification for, or accrual or entitlement to, such benefits or pensions are calculated or determined or to the basis upon which the liabilities (including pensions) of such pension schemes are funded or made, or agreed or consented to, any change to the trustees, including the appointment of a trust

corporation, to an extent in any such case which is material in the context of the Wider Nikanor Group taken as a whole;

- (xiv) been unable, or admitted in writing that it is unable, to pay its debts or having stopped or suspended (or threatened to stop or suspend) payment of its debts generally or ceased or threatened to cease to carry on all or a substantial part of its business which is material in the context of the Wider Nikanor Group taken as a whole;
 - (xv) (other than in respect of a member of the Wider Nikanor Group which is dormant and was solvent at the relevant time) taken or proposed any corporate action, or had any legal proceedings threatened or instituted against it for its winding-up (voluntarily or otherwise), dissolution or reorganisation or for the appointment of a receiver, administrative receiver, administrator, trustee or similar officer of all or any material part of its assets or revenues or any analogous or equivalent steps or proceedings in any relevant jurisdiction having been taken or had any such person appointed;
 - (xvi) waived or compromised or settled any claim otherwise than in the ordinary course of business which is material in the context of the Wider Nikanor Group taken as a whole; or
 - (xvii) entered into any contract, agreement, commitment or arrangement or passed any resolution or made any offer (which remains open for acceptance) with respect to or announced any intention to, or to propose to, effect any of the transactions, matters or events referred to in this condition (k);
- (l) save as disclosed to Katanga in writing by or on behalf of Nikanor or as publicly announced to a Regulatory Information Service prior to 6 November 2007 or as disclosed in the annual report and accounts for the year ended 31 December 2006, since 31 December 2006;
- (i) no material adverse change or deterioration having occurred in the business, assets, financial or trading position or profits or prospects or operational performance of any member of the Wider Nikanor Group to an extent which is material in the context of the Wider Nikanor Group taken as a whole;
 - (ii) no litigation, arbitration proceedings, prosecution or other legal proceedings or investigations having been threatened in writing, announced, instituted or remaining outstanding by, against or in respect of any member of the Wider Nikanor Group or to which any member of the Wider Nikanor Group is or may become a party (whether as a claimant, defendant or otherwise) and no enquiry or investigation by any Third Party against or in respect of any member of the Wider Nikanor Group having been commenced, announced or threatened in writing by or against or remaining outstanding in respect of any member of the Wider Nikanor Group in each case which might reasonably be expected to have a material adverse effect on the Wider Nikanor Group taken as a whole;
 - (iii) no contingent or other liability having arisen which would or might reasonably be expected to adversely affect any member of the Wider Nikanor Group to an extent which is material in the context of the Wider Nikanor Group taken as a whole; and
 - (iv) no steps having been taken and no omissions having been made which are likely to result in the withdrawal, cancellation, termination or modification of any licence held by any member of the Wider Nikanor Group, which is necessary or appropriate for the proper carrying on of its business and the withdrawal, cancellation, termination or modification of which is likely to materially and adversely affect the Wider Nikanor Group taken as a whole;
- (m) save as disclosed to Katanga in writing by or on behalf of Nikanor, or publicly announced to a Regulatory Information Service prior to 6 November 2007 or as disclosed in the annual report and accounts for the year ended 31 December 2006, Katanga not having discovered after 5 November 2007:
- (i) that any financial, business or other information concerning the Wider Nikanor Group publicly announced or disclosed at any time by or on behalf of any member of the Wider Nikanor Group to the Wider Katanga Group, is materially misleading, contains a material misrepresentation of any fact or omits to state a fact necessary to make that information not materially misleading and which in any case, is material in the context of the Wider Nikanor Group taken as a whole;
 - (ii) that any present member of the Wider Nikanor Group or any partnership, company or other entity in which any member of the Wider Nikanor Group has a controlling interest and which is not a subsidiary undertaking of Nikanor, is subject to any material liability, contingent or otherwise, which

is not disclosed in the annual report and accounts for Nikanor for the year ending 31 December 2006 and which is material in the context of the Wider Nikanor Group taken as a whole;

- (iii) any information which materially affects the import of any information disclosed at any time by or on behalf of any member of the Wider Nikanor Group (to an extent which is material in the context of the Wider Nikanor Group taken as a whole);
- (iv) that any member of the Wider Nikanor Group has not complied with all applicable legislation, regulations or other requirements of any relevant jurisdiction with regard to the use, treatment, storage, disposal, discharge, spillage, leak or emission of any waste or hazardous substance or any substance likely to impair the environment or harm human health, or otherwise relating to environmental matters or that there has otherwise been a material emission, discharge, disposal, spillage or leak of waste or hazardous substance or any substance likely to impair the environment or harm human health (whether or not the same constituted a non-compliance by any person with any such legislation or regulations, and wherever the same may have taken place) on or from any land or property of any description or other asset now or previously owned, occupied or made use of by any member of the Wider Nikanor Group or in which any such member may now or previously have had an interest which would, in any case, be likely to give rise to any material liability (whether actual or contingent) on the part of any member of the Wider Nikanor Group which is material in the context of the Wider Nikanor Group taken as a whole;
- (v) that there is or is likely to be any material liability (whether actual or contingent) on the part of any member of the Wider Nikanor Group to make good, repair, reinstate or clean up any property of any description or other asset now or previously owned, occupied or made use of by any past or present member of the Wider Nikanor Group, or in which any such member may now or previously have had an interest, under any environmental legislation, regulation, notice, circular or order of any Third Party which is material in the context of the Wider Nikanor Group taken as a whole;
- (vi) that circumstances exist (whether as a result of the making of the Offer or otherwise) which would be likely to lead to any Third Party instituting, (or whereby any member of the Wider Nikanor Group would be likely to be required to institute), an environmental audit or take any steps which would in any such case be likely to result in any actual or contingent liability to improve or install new plant or equipment or to make good, repair, reinstate or clean up any property of any description or other asset now or previously owned, occupied or made use of by any member of the Wider Nikanor Group, or in which any such member may now or previously have had an interest which is material in the context of the Wider Nikanor Group taken as a whole;
- (vii) that circumstances exist whereby a person or class of persons would be likely to have any claim or claims in respect of any product or process of manufacture or materials used therein now or previously manufactured, sold or carried out by any member of the Wider Nikanor Group, which claim or claims would be likely to be materially adverse in the context of the Wider Nikanor Group taken as a whole.

For the purposes of these conditions the “**Wider Nikanor Group**” means Nikanor and its subsidiaries, associated undertakings and any other undertaking in which Nikanor and/or such undertakings (aggregating their interests) have a significant interest and the “**Wider Katanga Group**” means Katanga and its subsidiaries, associated undertakings and any other undertaking in which Katanga and/or such undertakings (aggregating their interests) have a significant interest and for these purposes “**subsidiary undertaking**”, “**associated undertaking**” and “**undertaking**” have the meanings given by the UK Companies Act, and “**significant interest**” means a direct or indirect interest in more than twenty per cent. of the equity share capital (as defined in the UK Companies Act).

Katanga reserves the right to (if capable of waiver) waive, in whole or in part, all or any of conditions (b) to (m) inclusive, save that conditions (b), (c) and (f) may only be waived by Katanga with the written consent of Nikanor. Katanga and Nikanor have agreed that there shall be no restrictions on Katanga exercising its discretion not to waive conditions (b), (c) and (f). Conditions (b) to (m) must be satisfied as at, or (if capable of waiver) waived on or before midnight (London time), on the twenty first day after the later of the first closing date of the Offer (as set out in the Offer Document) and the date on which condition (a) is fulfilled or waived (or in each case such later date as Katanga and Nikanor may agree), otherwise the Offer will lapse.

Katanga shall be under no obligation to waive (if capable of waiver) or treat as fulfilled any of conditions (b) to (m) inclusive by a date earlier than the latest date specified above for the fulfilment thereof, notwithstanding that the other conditions of the Offer may at such earlier date have been fulfilled and that there are, at such earlier date, no circumstances indicating that any of such conditions may be incapable of

fulfilment.

The Offer will lapse if it is referred to the Competition Commission or the European Commission initiates proceedings under Article 6(1)(c) of the Merger Regulation, or following a referral under Article 9(1) of the Merger Regulation, there is a subsequent reference to the Competition Commission, in each case before 1 p.m. (London time) on the first closing date of the Offer (as set out in the Offer Document) or the time and date on which the Offer becomes or is declared unconditional as to acceptances, whichever is the later. In such circumstances, the Offer will cease to be capable of further acceptance and persons accepting the Offer and Katanga shall thereupon cease to be bound by Form of Acceptance delivered on or before the date on which the Offer so lapses.

The availability of the Offer to persons in Restricted Jurisdictions may be affected by the laws of the relevant jurisdictions. Persons who are resident in a Restricted Jurisdiction should inform themselves about and observe any applicable requirements.

The Offer will be governed by English law and will be subject to the jurisdiction of the English courts. The Offer will not be subject to the jurisdiction of the Panel but will be conducted generally in accordance with the provisions of the Code save for exceptions agreed between Nikanor and Katanga

Appendix II Sources and Bases

- (a) The combined market capitalisation of the Merged Company is based upon a fully diluted number of Katanga Shares of 94,584,985, the latest closing price of Katanga Shares on TSX on 5 November 2007 of C\$11.75 (converted into US\$ as set out in paragraph (h) below), the fully diluted number of Nikanor Shares of 208,893,529 and the latest closing price of Nikanor Shares on AIM on 5 November 2007 of £5.885 (converted into US\$ as set out in paragraph (i) below), less the Cash Return of US\$452 million.
- (b) The total amount of the Cash Return is based upon US\$2.16 per Nikanor Share and 208,893,529 Nikanor Shares (being the fully diluted share capital of Nikanor).
- (c) The market price of Katanga Shares is the closing middle market quotation derived from the TSX.
- (d) The market price of Nikanor Shares is the closing middle market quotation derived from AIM.
- (e) The calculation of 128.1 million New Katanga Shares to be issued is based upon Nikanor's fully diluted share capital of 208,893,529 shares on 5 November 2007 multiplied by 0.613.
- (f) Information relating to Katanga's reserves and resources are based upon Katanga's June 2006 Feasibility Study and press release dated 22 February 2007 (available on www.sedar.com).
- (g) The pro forma cash balance for the Merged Company as at 30 September 2007 is calculated using the unaudited management accounts for September 2007 of Nikanor and Katanga.
- (h) The US dollar : Canadian dollar exchange rate used in this Announcement is 1.071 US\$/C\$.
- (i) The US dollar : sterling exchange rate used in this Announcement is 2.090 US\$/£.

**Appendix III
Irrevocable Undertakings**

The following holders of Nikanor Shares have given the following irrevocable undertakings to accept the Offer:

Name	Number of Nikanor Shares	Percentage of issued share capital of Nikanor
Glencore Finance (Bermuda) Limited	28,679,417	13.88%
RP Explorer Master Fund	25,455,713	12.32%
Ruwenzori Limited	25,000,000	12.10%
Cosaf Limited	7,500,000	3.63%
Oakey Invest Holdings Inc.	47,370,283	22.93%
Pitchley Properties Limited	28,010,000	13.56%
	162,015,413	78.4%

The following holders of Katanga Shares have given the following support undertakings in relation to the offer:

Name	Number of Katanga Shares	Percentage of issued share capital of Katanga
Arthur Ditto	1,318,000	1.67
Tain Holdings Limited	5,525,000	7.00
George Forrest	18,800,000	23.83
RP Capital Entities	12,275,000	15.56

**Appendix IV
Definitions**

“AIM”	the AIM market of the London Stock Exchange
“Cash Return”	the payment by Katanga of US\$2.16 per Nikanor Share to Nikanor Shareholders funded by way of distribution in a manner agreed to by Katanga and Nikanor to Nikanor Shareholders in accordance with the Companies Act immediately following the Effective Date, such that the payment shall be made to Katanga in respect of the Nikanor Shares which have been assented to the Offer
“Companies Act”	Isle of Man Companies Act 2006
"Code"	the City Code on Takeovers and Mergers issued by the Panel
“Conditions”	the conditions to the implementation of the Offer set out in Appendix I to this Announcement and “Condition” meaning any one of them
“DCP”	DRC Copper and Cobalt Project s.p.r.l, a company incorporated in the DRC
“Dima LOI”	a letter dated 30 April 2007 from KOL to Entreprise General Malta Forrest confirming KOL’s intention to enter into a commercial contract with Entreprise General Malta Forrest for the exploitation of open pits of the mining complex "DIMA" (including the Dikuluwe, Mashamba West and Mashamba East pits) on the basis of the T17 Open Pit Mining Agreement and the usual standards for such type of contract
“DRC”	Democratic Republic of Congo
“Effective Date”	the date on which the Offer becomes unconditional in all respects
"Form of Acceptance"	the form of acceptance and authority relating to the Offer which will accompany the Offer Document, which may only be completed by holders of Nikanor Shares in certificated form
“Glencore”	Glencore International AG
“Glencore Finance”	Glencore Finance (Bermuda) Limited
“Implementation Agreement”	the agreement between Katanga and Nikanor dated 6 November 2007 in connection with the implementation of the Offer
"Katanga"	Katanga Mining Limited
"Katanga Board"	the board of directors of Katanga
"Katanga Directors"	the board of directors of Katanga and a “ Katanga Director ” being any one such director

"Katanga Negative Concession Review Event"	the receipt by KCC or Katanga of an official notice issued by the government, relevant ministry or courts of the Democratic Republic of the Congo notifying KCC or such entity of the intention to withdraw, revoke, or otherwise alter, or the withdrawal, revocation or alteration of, any licence, lease or permit that, if enacted, would prevent KCC from lawfully mining and exploiting any of the Kamoto underground mine, the T17, Dikuluwe, Mashamba East and Mashamba West open pits, the Kamoto concentrator or the Luilu metallurgical facility
"Katanga Shareholder"	a holder of Katanga Shares
"Katanga Shares"	common shares of US\$0.01 each in the share capital of Katanga
"KCC"	Kamoto Copper Company SARL, a company incorporated in DRC
"KOL"	Kamoto Operating Limited, a company incorporated in DRC
"KOL Operating Agreement"	the operating agreement between KOL and the Kamoto Copper Company dated 2 November 2005 in respect of the exploration, development, mining, processing and related operations with respect to the Kamoto project properties
"KOV"	the open pit mine situated near Kolwezi in the Katanga province of DRC, consisting of the Kamoto East, Oliveira, Virgule and FNSR orebodies
"London Stock Exchange"	London Stock Exchange plc or its successor
"Merged Company"	the enlarged entity following the Merger
"Merger"	the merger of Katanga and Nikanor on the terms and conditions set out in this Announcement
"Merger Regulation"	the EC Merger Regulation (Regulation 139/2004)
"New Katanga Shares"	the new Katanga Shares to be issued as consideration for Nikanor Shares pursuant to the Offer
"Nikanor"	Nikanor PLC
"Nikanor Board"	the board of directors of Nikanor
"Nikanor Directors"	the board directors of Nikanor and a " Nikanor Director " meaning any one such director
"Nikanor Negative Concession Review Event"	the receipt by DCP or Nikanor of an official notice issued by the government, relevant ministry or courts of the Democratic Republic of the Congo notifying DCP or such entity of the intention to withdraw, revoke, or otherwise alter, or the withdrawal, revocation or alteration of, any licence, lease or permit that, if enacted, would prevent DCP from lawfully mining

	and exploiting any of the Kov mine, the Tilwezembe mine, the Kolwezi concentrator and the new refinery/processing plant
"Nikanor Shareholder"	a holder of Nikanor Shares
"Nikanor Share Plan 2006"	the Nikanor Group share option and award plans comprising the Nikanor plc Share Plan 2006
"Nikanor Shares"	ordinary shares of US\$0.01 each in the capital of Nikanor
"Offer"	the recommended offer by Katanga for the whole of the issued ordinary share capital of Nikanor not already owned by Katanga on the terms and subject to the conditions to be set out in the Offer Document including, where the context so requires, any subsequent revision, variation, extension or renewal of such offer
"Offer Document"	the document to be addressed to Nikanor Shareholders containing the Offer
"Panel"	the Panel on Takeovers and Mergers
"Regulatory Information Service"	a service approved by the London Stock Exchange for the distribution to the public of AIM announcements and included within the list maintained on the London Stock Exchange's website
"Relationship Agreements"	the agreements to be entered into between Katanga and each of Glencore Finance, RP Explorer Master Fund, Pitchley Properties Limited and their associates (taken together) and Oakey Invest Holdings Inc. as the major shareholders of the Merged Company
"Restricted Jurisdiction"	any jurisdiction where local laws or regulations may result in a significant risk of civil, regulatory or criminal exposure for Katanga or Nikanor if information or documentation concerning the Offer is sent or made available to Nikanor Shareholders in that jurisdiction
"RP Capital Entities"	RP Explorer Master Fund, New Horizon Minerals Limited, Cosaf Limited and Ruwenzori Limited or any of them as the context may require
"SAMREC"	the South African Code for Reporting of Mineral Resources and Mineral Reserves prepared by The South African Mineral Resource Committee under the auspices of The South African Institute Of Mining And Metallurgy
"subsidiary" and "subsidiary undertaking"	a subsidiary (as defined by section 1159 and Schedule 6 UK Companies Act) or a subsidiary undertaking (as defined by section 1162 UK Companies Act)
"T17 Open Pit Mining Agreement"	an agreement between KOL and Entreprise Generale Malta Forrest dated 11 April 2007

"TSX"	the Toronto Stock Exchange
"UK Companies Act"	United Kingdom Companies Act 2006
"United Kingdom"	United Kingdom of Great Britain and Northern Ireland
"United States" or "U.S."	the United States of America, its territories and possessions, any state of the United States of America the District of Colombia, and all other areas subject to its jurisdiction or any political subdivision thereof
"Wider Katanga Group"	Katanga and its subsidiaries, associated undertakings and any other undertaking in which Katanga and/or such undertakings (aggregating their interest) have a significant interest
"Wider Nikanor Group"	Nikanor and its subsidiaries, associated undertakings and any other undertaking in which Nikanor and/or such undertakings (aggregating their interest) have a significant interest