

News release

Katanga Completes Merger with Nikanor to Create a Leading African Copper and Cobalt Company

- Katanga shareholders approve the merger with Nikanor at a special meeting held today
- Offer is declared unconditional with over 90 per cent acceptance by Nikanor shareholders
- Application to de-list Nikanor shares and compulsory acquisition process to commence.

LONDON, UK January 11, 2008 – **Katanga Mining Limited** (TSX – **KAT**) (“Katanga” or the “Company”) is pleased to announce that its shareholders approved the merger with Nikanor PLC (“Nikanor”) at a special meeting held earlier today in Toronto, Ontario. With over 90 per cent of shares tendered by Nikanor shareholders at the first closing date of the Offer, all conditions of the Offer have been satisfied and the Offer has been declared unconditional.

The Merger brings together the adjacent properties in the Democratic Republic of Congo owned by Katanga and Nikanor to create a major single-site operation. It creates a company with the potential to become Africa’s largest copper producer and the world’s largest cobalt producer, with a targeted annual output approaching 400,000 tonnes of copper and 40,000 tonnes of cobalt by 2011.

Arthur Ditto, Chairman, President and CEO of Katanga stated: “The strong support from both sets of shareholders is extremely gratifying and demonstrates shareholders’ belief in the value generated by the merger and the merits of bringing the two companies together. This is an exciting time for Katanga as we look forward to combining our assets and experience with that of Nikanor to create an industry leader in copper and cobalt.”

Over 80 per cent of Katanga shareholders voted at the special meeting. A simple majority of votes cast by shareholders eligible to vote was required to pass each resolution. The votes in favour are shown below; full details are available on SEDAR (www.sedar.com).

Resolution	Votes in favour
(a) To approve the Merger and the issuance of Katanga shares	72.40 %
(b) To approve amendments to Katanga’s general Bye-Laws	85.93 %
(c) To approve amendments to Katanga’s Stock Option Plan	85.78 %

Katanga also confirms that it has received conditional approval from the Toronto Stock Exchange for the listing of the new Katanga shares to be issued pursuant to the Offer on the Toronto Stock Exchange.

As at 1.00 p.m. (London time) on January 11, 2008, the first closing date of the Offer, valid acceptances of the Offer had been received in respect of a total of 194,378,242 Nikanor shares, representing approximately 94.10 per cent of the existing issued share capital of Nikanor. In addition, at an Extraordinary General Meeting of Nikanor held yesterday in London, all of the resolutions required to implement the transaction were overwhelmingly approved by over 99.96 per cent of the Nikanor shares voted.

All of the remaining conditions of the Offer have now been satisfied and/or waived. Accordingly, Katanga is pleased to announce that the Offer has been declared unconditional in all respects, and will remain open until further notice.

Application will be made by Nikanor to the Isle of Man Financial Supervision Commission for the re-registration of Nikanor as a company under the Isle of Man Companies Act 2006, and to the London Stock Exchange for the cancellation of admission to trading and listing of Nikanor Shares on AIM. It is anticipated that re-registration will take effect from January 14, 2008 and the cancellation of listing and trading of Nikanor Shares on AIM in mid-February.

As stated in the Offer Document, given that the Offer is now unconditional in all respects and Katanga has received valid acceptances under the Offer in respect of more than 90 per cent of the Nikanor Shares, Katanga intends to implement the procedures set out in Section 160 of the Companies Act to acquire compulsorily any outstanding Nikanor Shares to which the Offer relates.

CIBC World Markets plc and GMP Securities L.P. are Katanga's financial advisors. Its legal advisers are Cassels Brock & Blackwell LLP in Canada, Norton Rose LLP in the UK and Appleby in Bermuda. Kingsdale Shareholder Services Inc. is the Company's proxy solicitation agent.

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

Katanga Mining Limited operates a major copper-cobalt mine complex in the Democratic Republic of Congo. Production began in December 2007 and the site is expected to reach full production in 2011 when, pre-merger, 150,000 tonnes of refined copper and 8,000 tonnes of refined cobalt will be produced a year at one of the world's lowest production costs. The Company is listed on the Toronto Stock Exchange under the symbol KAT.

The definitions set out in the Offer Document dated December 6, 2007 apply to this announcement (including this Appendix) unless otherwise indicated. Copies of the Offer Document are available from Capita Registrars, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU.

The directors of Katanga accept responsibility for the information contained in this announcement. 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 is in accordance with the facts and does not omit anything likely to affect the import of such information.

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 nor for providing advice in relation to the Offer, the contents of this announcement, or any transaction or arrangement referenced herein.

This announcement is not intended to, and does not, constitute or form part of any offer, invitation or the solicitation of an offer to purchase, otherwise acquire, subscribe for, sell or otherwise dispose of, any securities or the solicitation of any vote or approval in any jurisdiction pursuant to this announcement or otherwise. The Offer Document contains the full terms and conditions of the Offer, including details of how the Offer may be accepted.

Unless otherwise determined by Katanga and permitted by applicable law and regulation, the Offer is not being, and will not be, made, directly or indirectly, in or into or by the use of the mails of, or by any other means or instrumentality (including, without limitation, electronic mail, facsimile transmission, telex, telephone, 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 Australia, Japan or any other Restricted Jurisdiction and will not be capable of acceptance by any such use, means, instrumentality or facility or from within Australia, Japan or any other Restricted Jurisdiction.

Accordingly, unless otherwise determined by Katanga and permitted by applicable law and regulation, copies of this announcement are not being, and must not be, directly or indirectly, mailed, transmitted or otherwise forwarded, distributed or sent in, into or from Australia, Japan or any other Restricted Jurisdiction and persons receiving this announcement (including, without limitation, custodians, nominees or trustees) must not mail or otherwise forward, distribute or send it in, into or from such jurisdiction. Any person (including, without limitation, any custodian, nominee or trustee) who would, or otherwise intends to, or who may have a contractual or legal obligation to, forward this announcement and/or the Offer Document and/or any other related document to any jurisdiction outside the United Kingdom should inform themselves of, and observe, any applicable legal or regulatory requirements of their jurisdiction.

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