

News release

Katanga and Gécamines Sign Memorandum of Understanding

LONDON, UK August 5, 2008 – **Katanga Mining Limited** (TSX – **KAT**) (“Katanga” or the “Company”) reports the signing of a Memorandum of Understanding (MoU) with its joint venture (JV) partner Gécamines that will be the basis for amending the Kamoto Copper Company (KCC) Joint Venture Agreement to incorporate provisions of the February 7, 2008 Agreement releasing the Dikuluwe and Mashamba West Deposits; merging the DRC Copper and Cobalt Project (DCP) and Kamoto Copper Company (KCC) joint ventures; and addressing requirements of the DRC Government resulting from the review of mining partnerships with Gécamines.

Key provisions are:

1. 75% of the share capital of the merged JV is allocated to Katanga’s wholly owned subsidiaries KFL Limited and GEC and 25% to Gécamines; consistent with each of the existing joint venture agreements.
2. Share capital of the merged JV will be increased from US\$1,000,000 to US\$100,000,000.
3. Upon implementation of the merged JV, 5% of all additional joint venture funding until the project reaches 150,000 tonnes of copper output per year will be non-interest bearing and the remaining 95% will bear interest at a rate not greater than LIBOR plus 3%.
4. The royalty rate for equipment and facilities provided by Gécamines as well as for ore reserve depletion will increase from 1.5% to 2.5% of net revenues.
5. The first cash payment to Gécamines for transfer of mining rights under article 4.3 of the February 7, 2008 Agreement is US\$5,000,000 and will be made on implementation of the merged JV.
6. The Board of KCC will be increased to eight members, three of whom will be appointed by Gécamines, and KCC will assume day-to-day management of the merged JV’s operations within 12 months from the date of this MoU. This will result in the elimination of the current operating agreement with Kamoto Operating Limited.

These changes, together with provisions of the February 7, 2008 MoU, will be integrated into the merged JV document that will preserve existing relevant terms and provisions of the DCP and KCC joint ventures.

Arthur Ditto, President and CEO of Katanga stated: “I am very pleased that this MoU addresses outstanding matters affecting joint venture business, including Government requirements from the mining review, and that we can deal with everything in one merged joint venture agreement. We look forward to a closer working relationship with Gécamines and getting the full financial and operating synergy that merging the two joint ventures will bring for the benefit of everyone.”

Mr. Paul Fortin, Director General of Gécamines also noted: “This joint venture is very important to Gécamines and to the economy of the DRC, and we believe the MoU provides a positive framework for its future success.”

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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 mine complex in the Democratic Republic of Congo producing refined copper and cobalt. The company has the potential to become Africa's largest copper producer and the world's largest cobalt producer, with a targeted annual output of over 300,000 tonnes of refined copper and over 30,000 tonnes of refined cobalt by 2011. Katanga is listed on the Toronto Stock Exchange under the symbol KAT.