

News release

Katanga Announces Signing of Finalised Joint Venture Agreement

LONDON, UK July 27, 2009 – Further to the press release dated March 31, 2009, **Katanga Mining Limited** (TSX – **KAT**) (“Katanga” or the “Company”) today announces the signing on July 25, 2009 of the amended Kamoto Copper Company (“KCC”) Joint Venture Agreement (the “AJVA”) with La Générale des Carrieres et des Mines (“Gécamines”) to release the Dikuluwe and Mashamba West Deposits; merge the DRC Copper and Cobalt Project (“DCP”) and KCC joint ventures; and address requirements of the Government of the Democratic Republic of Congo (“DRC”) resulting from the review of mining partnerships with Gécamines. KCC will be the continuing joint venture company (“Merged JV Company”) and 75% of the share capital in the Merged JV Company will continue to be allocated to Katanga’s wholly owned subsidiaries and 25% to Gécamines. Gécamines’ interest is non-dilutable.

The AJVA became effective as of July 25, 2009 (the "Effective Date") and is on the terms previously disclosed by the Company in its press release dated March 31, 2009 and as further described below. The merger of the DCP and KCC joint ventures is conditional, among other things, on Presidential approval.

The term of the AJVA extends until 2025, subject thereafter to two automatic renewal terms of ten years each time and Katanga's right to terminate the AJVA if there is a change of law in the DRC which materially impacts the economic profitability of the project (the “Project”) for Katanga or affects its rights under the AVJA.

Transfers of Exploitation Permits

The parties have now agreed the perimeters of the KCC/DCP concession area deposits necessary for the Merged JV Company to mine and process the reserves held by the Company. As a result, the following permits will be transferred from Gécamines to the Merged JV Company:

- Kamoto Underground and Mashamba East deposits - 13 carrés (1 carré = 84.955 hectares) ;
- T17 deposit - 2 carrés;
- Kananga deposit - 13 carrés;
- the extension of the Kananga deposit - 1 carré;
- KOV deposit - 10 carrés;
- Tilwezembe deposit - 9 carrés; and
- potentially, one or several further Exploitation Permits that are part of the future development plan.

The “*pas de porte*” (or “entry premium”) payments remain as described in our press release dated March 31, 2009. However, it has been agreed with Gécamines that an initial installment of US\$5 million out of the agreed *pas de porte* of US\$140 million will be paid upon effective registration of the transfer of the Exploitation Permits by Gécamines to KCC pursuant to the transfer deeds which were signed at the same time as the AJVA. The balance of the *pas de porte* will be paid in

accordance with the announced payment schedule subject to the completion of the merger between KCC and DCP.

Necessary Surfaces, Exploration Programme and Replacement Reserves

As previously disclosed, Gécamines will lease to the Merged JV Company all installations and infrastructures (including the Kamoto Concentrator and Luilu Hydrometallurgical plant) and the necessary surfaces within the perimeters for an annual lease payment of US\$1.8 million. All lease payments shall be deducted from, and offset against, the royalties otherwise payable to Gécamines, as described below.

The Merged JV Company will have an option, within three years following the merger of KCC and DCP, to increase, without payment of any additional compensation, the necessary surfaces by 5 carrés if such extension is required for the Project. If the option has not been exercised by the Merged JV Company within the three year period, then should Gécamines thereafter wish to dispose of such carrés to a third party, the Merged JV Company has a pre-emptive right on the same terms and conditions as offered by that third party.

Gécamines and the Merged JV Company have also defined an exploration programme through to 2014 that will enable Gécamines to seek replacement reserves of copper and cobalt tonnages for Katanga. The agreed budget of US\$20 million will be financed by the Merged JV Company through interest free loans to Gécamines. Repayment of these loans will be set off against the dividends and royalties otherwise due to Gécamines from the Merged JV Company.

Gécamines Royalty

As previously disclosed, the Merged JV Company will pay a royalty to Gécamines at a rate of 2.5% of the Merged JV Company's net revenues calculated in the same manner as royalties payable under the DRC Mining Code.

Financing

As previously disclosed, Katanga will, after the Effective Date, provide the Merged JV Company with 5% of its future funding requirements in the form of non-interest bearing equity financing. In respect of the remaining 95% of future funding requirements granted to KCC after the Effective Date, Katanga will pay for all interest costs above a rate of LIBOR plus 3% that the Merged JV Company has to pay under such future funding arrangements as well as the other non-recurring finance costs.

Katanga's obligations in this respect will terminate upon the Project achieving a production rate of 150,000tCu/year.

Steven Isaacs, Interim CEO, Katanga said:

“This is an historic milestone for the Company and we are pleased that after considerable effort, together with our partners Gécamines, we are able to make this announcement today. We can now continue to focus on maximizing the potential of our assets and in doing so increase the value to all stakeholders in Katanga.”

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About Katanga Mining Limited

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