

# News release

## Katanga Announces Accelerated Development Plan

**LONDON, UK** September 8, 2009 –**Katanga Mining Limited** (TSX – **KAT**) (“Katanga” or the “Company”) today announced its intention to accelerate the ramp-up of its project in the Katanga Province in the Democratic Republic of Congo (“DRC”) to 150,000 tons of copper and 8,000 tons of cobalt per annum (the “Accelerated Development Plan”) through the earlier completion of the construction of Phases 3 and 4, as disclosed in the technical report (the “Technical Report”) of the Company dated March 31, 2009. The Accelerated Development Plan has rescheduled approximately US\$ 140.6 million of capital expenditures related to modules 1 and 2 of Phase 5 to beyond the Accelerated Development Plan. It is expected that the Accelerated Development Plan will be substantially funded by existing cash balances and cash generated by operations.

Following the completion of its USD 250 million rights offering on July 7, 2009, the signing of its amended joint venture agreement on July 25, 2009, the successful cost cutting initiatives that have been implemented since the beginning of 2009 and the recovery of copper and cobalt prices, the Company has reviewed the timing of Phases 3 and 4 of its project development program as outlined in the Technical Report and filed on SEDAR at [www.sedar.com](http://www.sedar.com).

Below are the results of this review:

- Phases 3 and 4 as described in the Technical Report have now been combined into one new Phase 3 which will take installed copper and cobalt capacity up to 150,000 and 8,000 tons per annum respectively through the refurbishment of existing facilities and infrastructure at the Kamoto Concentrator and the Luilu Refinery by the end of Q2 2011. This compares with an original completion date of Q1 2013 from the Technical Report.
- The Accelerated Development Plan for new Phase 3 is scheduled to ramp-up installed copper capacity from the current 70,000 tons per annum by 20,000 tons per annum increments every 6 months with the first increment being completed during Q1 2010.
- The tables below shows revised project capital expenditures out to 2013 for the Accelerated Development Program with a comparison to the Technical Report:

<b>Accelerated Development Plan</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>Total</b>
<b>Mining capex</b>					
Includes Kamoto Underground, KOV (capitalized dewatering, pre-strip)	<b>23.4</b>	<b>32.5</b>	<b>15.9</b>	<b>15.9</b>	<b>87.7</b>
<b>Process capex</b>	<b>238.0</b>	<b>24.0</b>	<b>0.0</b>	<b>0.0</b>	<b>262.0</b>
New Phase 3					
<b>Other Cost Centres</b>					
Including tailings, environmental, power and general capital expenditures	<b>76.5</b>	<b>36.4</b>	<b>32.2</b>	<b>33.2</b>	<b>178.3</b>
<b>Total</b>	<b>337.9</b>	<b>92.9</b>	<b>48.1</b>	<b>49.0</b>	<b>528.0</b>

<b>March 31, 2009 Technical Report</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>Total</b>
<b>Mining capex</b>					
Includes Kamoto Underground, KOV (capitalized dewatering, pre-strip) <sup>(1)</sup>	<b>116.1</b>	<b>7.9</b>	<b>5.6</b>	<b>2.9</b>	<b>132.5</b>
<b>Process capex</b>					
Phase 3 & Phase 4	<b>76.4</b>	<b>108.7</b>	<b>38.0</b>	<b>0.0</b>	<b>223.1</b>
<b>Other Cost Centres</b>					
Including tailings, environmental, power and general capital expenditures <sup>(2)</sup>	<b>57.7</b>	<b>53.7</b>	<b>76.4</b>	<b>125.2</b>	<b>313.0</b>
<b>Total</b>	<b>250.2</b>	<b>170.3</b>	<b>120.0</b>	<b>128.1</b>	<b>668.6</b>
<sup>(1)</sup> Dewatering capital expenditures in 2009 are included in 2010 amount.					
<sup>(2)</sup> Musonoi Village relocation capital expenditure included.					

- Certain unit operating costs have been updated to reflect actual and forecast levels. Assuming current operating cost assumptions, average cash costs over the period until 2013 for the Accelerated Development Plan is expected to be US\$ 0.86/lb after cobalt by-product credit (US\$ 14/lb cobalt price) compared to US\$ 0.87/lb after cobalt by-product (US\$ 15/lb cobalt price) in the Technical Report.
- Based on current copper and cobalt spot prices and current operating cost assumptions in the Accelerated Development Plan, it is expected that capital expenditures relating to the Accelerated Development Plan will be substantially funded by existing cash balances and cash generated from operations.
- The KOV mine plan has been optimized to reduce pre-strip capital, reduce the strip ratio over the first six years of operation and balance ore production from the KOV open-pit and Kamoto underground mines with the process plant requirements for the Accelerated Development Plan. This mine plan will also allow for further delineation and potential up-grade in classification of resources through additional drilling.
- The 2 modules of Phase 5 described in the Technical Report will in future be represented as Phases 4 and 5, with Phase 4 ramping up to 230,000 tons of installed copper capacity per annum and Phase 5 ramping up to 310,000 tons of installed copper capacity per annum, through the construction of new facilities.
- In this regard, the Company will also progress with a Scoping and Engineering study that will re-visit the process engineering completed for the Technical Report with a view towards reducing capital expenditures and simplifying process design to ease the integration of existing process systems and infrastructure into the development required for new Phases 4 and 5.
- The Scoping and Engineering Study will confirm the phasing of capital expenditures related to the new Phases 4 and 5 after the completion of the Accelerated Development Plan. However, for the Accelerated Development Plan, the Company has deferred capital expenditures relating to the hydro-dam power projects (US\$ 50 million) and the Far West tailings infrastructure (US\$ 88 million) which would only be required for the new Phases 4 and 5. The Company is also assessing the potential to mine the Kamoto East ore body from underground and has therefore removed the capital expenditure allocated to the relocation of the Musonoi village, which amounted to US\$ 58 million during the period of the Accelerated Development Plan in the Technical Report.

## Qualified Person

*This press release and the information forming the basis hereof was prepared under the supervision of Tim Henderson, Technical Consultant, Katanga Mining and a 'Qualified Person' as such term is defined in National Instrument 43-101. Mr. Henderson has reviewed and approved the contents of this press release.*

## Cautionary Statements

This press release contains “forward-looking statements” within the meaning of Canadian securities legislation, concerning the business and operations of Katanga. Forward-looking statements include, but are not limited to, statements with respect to anticipated developments in Katanga’s operations in future periods; estimated production; estimated capital expenditures for the Accelerated Development Plan; the ability of Katanga to meet expected financing requirements; the future price of copper and cobalt; the estimation of mineral reserves and mineral resources; the realization of mineral reserve estimates; the timing and amount of estimated future production; costs of production and anticipated capital expenditures. 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 and expansion; variations in ore grade and tonnes mined; delay or failure to receive board or government approvals; timing and availability of external financing on acceptable terms, if required; 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 herein or referred to in the current annual information form and MD&A of Katanga filed with certain of the securities regulatory authorities in Canada and available at [www.sedar.com](http://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.

The Toronto Stock Exchange does not accept responsibility for the adequacy or accuracy of this release.

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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.*