

# News release

## Katanga Announces 2009 Fourth Quarter and Year-End Results

**BAAR, SWITZERLAND** February 8, 2010 – **Katanga Mining Limited** (TSX – **KAT**) (“Katanga” or the “Company”) today announces its financial results for the 2009 fourth quarter and fiscal year end. Katanga’s Financial Statements and Management’s Discussion and Analysis will be filed on SEDAR, [www.sedar.com](http://www.sedar.com).

### Highlights for the fourth quarter ended December 31, 2009

- For the fourth quarter, the Company had a gross profit of \$16.8 million and net income of \$15.3 million.
- Total sales revenue for the quarter was \$100.0 million generated from the sale of 10,275 tonnes of copper and 680 tonnes of cobalt.
- Cash flow from operating activities before changes in non-cash working capital showed a positive contribution of \$15.5 million.
- Production records were set in all areas of Katanga’s business, including:
  - KTO Underground Mine ore mined 329,703 tonnes with an average copper grade of 3.84% and an average cobalt grade of 0.53%;
  - T17 Open Pit ore mined 658,120 tonnes with an average copper grade of 1.08% and an average cobalt grade of 0.93%;
  - the Kamoto concentrator processed 581,876 tonnes of ore and produced 54,782 tonnes of concentrate; and
  - Luilu processing plant produced 13,382 tonnes of copper and 824 tonnes of cobalt.
- On October 1, 2009, the Company commenced commercial production from Phase II of the rehabilitation program. At that point, the Company had exceeded 70% of the planned increase in capacity (to 70,000 tonnes per annum of copper cathode) and had shown that the increase was sustainable.
- Pre-stripping and dewatering of the KOV pit commenced in November 2009. Commercial production from this pit is expected to commence in the third quarter of 2010 in line with the new Accelerated Development Plan discussed below.

### Highlights for the year ended December 31, 2009

- Copper production in 2009 totaled 41,964 tonnes, cobalt production totaled 2,534 tonnes and finished copper concentrate totaled 4,120 tonnes (with a contained metal content of 1,714 tonnes). From the first quarter to the fourth quarter, copper production increased from 8,715 tonnes to 13,382 tonnes and cobalt production increased from 487 tonnes to 824 tonnes.
- KTO Underground exceeded 1,000,000 tonnes of ore mined by 94,088 tonnes with an average copper grade of 3.85% and an average cobalt grade of 0.49%.
- T17 Open Pit mined 1,687,978 tonnes of ore with an average copper grade of 1.30% and an average cobalt grade of 0.85%.

- Total sales revenue for the year was \$285.5 million generated from the sales of 38,126 tonnes of copper, 2,260 tonnes of cobalt and 16,952 tonnes of cobalt concentrate. Total gross loss for the year was \$37.0 million and the net loss was \$108.0 million.
- The Company strengthened its financial position during the year and achieved other important milestones in its business, as follows:
  - raising an additional \$100 million through the issuance of a convertible loan facility which was fully converted into equity on June 2, 2009;
  - raising \$250 million through a rights offering completed on July 7, 2009;
  - signing a new Joint Venture Agreement (“JVA”) with Gécamines on July 25, 2009. The major areas covered by the new JVA being the release of the Dikuluwe and Mashamba West deposits with the associated agreement on replacement deposits; the merger of the Kamoto Copper Company SARL (“KCC”) and DRC Copper and Cobalt Project SARL joint ventures; and the transfer of necessary exploitation permits;
  - completing, with a positive outcome, the mining license review initiated by the Government of the Democratic Republic of the Congo;
  - announcing the accelerated development plan (“the Accelerated Development Plan”) on September 8, 2009, to ramp up the project to 150,000 tonnes of copper and 8,000 tonnes of cobalt per annum through the early completion of Phases III and IV. Katanga continues to expect the Accelerated Development Plan will be funded from existing cash balances and cash generated by operations (based on current copper and cobalt prices and current operating cost assumptions);
  - acquiring Kamoto Operating Limited (“KOL”), which was the operator of the assets of KCC in the DRC, on September 23, 2009. As one of the requirements of the new JVA, the KOL operating agreement was terminated on September 30, 2009.

## Outlook

- The Company is forecasting production of 82,000 tonnes of copper cathode and 5,500 tonnes of cobalt metal in 2010.
- The Company expects to continue the Accelerated Development Plan up to a production capacity of 150,000 tonnes of copper and 8,000 tonnes of contained cobalt per annum by the second quarter of 2011. The Company continues to expect that the Accelerated Development Plan will be funded from existing cash balances and cash generated from operations (based on current copper and cobalt prices and current operating cost assumptions).
- Katanga expects an amendment to the Technical Report of March 17, 2009 will be issued by March 31, 2010 to incorporate the new Accelerated Development Plan.
- The Company expects to undertake a Scoping and Engineering study that will review the process engineering completed for the planned new SX/EW plant with a view towards reducing the capital expenditures and simplifying process design to facilitate the integration with the current site infrastructure.

John Ross, the new CEO of Katanga commented as follows on the year and the outlook going forward: “Katanga re-established its short and medium term objectives in 2009 and consolidated efforts to improve the fundamental aspects of the business with regards to safety, production and unit cost of production. Significant progress in these areas, coupled with concluding the Joint Venture Agreement and obtaining additional financing to strengthen the balance sheet, has resulted in a solid foundation from which Katanga can continue to develop its assets to increase productivity and to sustain profitability.”

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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.*

### **Forward-looking Information**

*This press release contains "forward-looking statements" within the meaning of Canadian securities legislation, concerning the business, operations and financial performance and condition of Katanga. 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", "outlook", "intends", "anticipates", "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 relating to the refurbishment of existing facilities; unexpected events during construction, expansion and start-up; variations in ore grade or tonnes mined; 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, labor 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 of the Company filed with 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 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.*