

News release

Katanga announces 2010 Second Quarter Results

BAAR, SWITZERLAND, August 6, 2010 – **Katanga Mining Limited** (TSX: **KAT**) ("**Katanga**" or the "**Company**") today announces its financial results for the second quarter of 2010. Katanga's Interim Financial Statements and Management's Discussion and Analysis for the period will be filed on August 6, 2010, on SEDAR, www.sedar.com.

Highlights during and subsequent to the three months ended June 30, 2010

- Total sales for the second quarter of 2010, were \$115.2 million, comprising \$83.3 million (14,465 tonnes) for copper cathode, \$29.5 million for cobalt metal (801 tonnes) and \$2.3 million for copper concentrate (1,656 tonnes of contained copper).
- The Company had a gross profit of \$4.7 million and net income of \$2.0 million. Results for the second quarter were negatively impacted by the fall in the copper price to \$6,510 per tonne at the end of June. This resulted in a negative mark-to-market adjustment of \$15.6 million on copper awaiting final pricing.
- The Company generated \$41.0 million in positive cash flows from operating activities. The closing cash balance as at June 30, 2010 was \$97.7 million.
- C1 cash cost for the second quarter of 2010 was \$1.70 per pound of copper. C1 costs were negatively impacted by a reduction in cobalt credits and lower than budgeted production. C1 cash costs per pound of copper are cash costs including mining, processing, administration and refining, net of cobalt credits.*
- Copper production was 12,554 tonnes which was a slight improvement on the previous quarter of 12,458 tonnes. Production was constrained by fleet availability at Kamoto underground mine ("KTO") and processing constraints at Luilu which are in the process of being resolved. Cobalt production was 887 tonnes which was in line with production for the first quarter.
- Three major milestones were achieved during and subsequent to the quarter
 1. Commercial mining activities at the KOV pit commenced in July, 2010 and dewatering is progressing as scheduled with approximately 72% of the water having been pumped out as of July 31, 2010.
 2. The CM6 mill in the Kamoto Concentrator ("KTC"), associated feed systems and flotation cells have been refurbished and commissioned. This has increased the milling capacity at KTC from 3.4 million to 5.6 million tonnes per annum. This equates to approximately a total capacity of 196,000 tonnes of contained copper in concentrate per year.
 3. Rehabilitation of the Luilu plant continued with the installation of new thickeners, drum filters and belt filters which have been commissioned and have increased the plant's capacity to 110,000 copper tonnes per annum.

Management of Katanga Mining Limited will host a conference call Friday, August 6, 2010 at 8:30 a.m. ET with John Ross, chief executive officer, and Nicholas Brodie, chief financial officer. Participants may join the call by dialling toll-free 1-888-231-8191, or +1-647-427-7450 for calls from outside Canada and the United States. A recorded playback of the call can be accessed after the event until Friday, August 13, 2010, by dialling 1-800-642-1687, or +1-416-849-0833 for calls outside Canada and the United States. The pass-code is 90215571. A live audio webcast with presentation slides will also be available at the company's website www.katangamining.com. An archived replay of the webcast will be available for 365 days.

For further information contact:

John Ross	Nick Brodie
CEO	CFO
Tel: +41 (041) 766 71 10	Tel: +41 (041) 766 71 12

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.

**The Company has included a non-GAAP performance measure, C1 cash costs, net of by-product credits, per pound of copper. The Company reports C1 cash costs on a production basis. In the copper mining industry, this is a common performance measure but does not have any standardized meaning. The Company believes that, in addition to conventional measures prepared in accordance with GAAP, certain investors use this information to evaluate the Company's performance and ability to generate cash flow. Accordingly, it is intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with GAAP*

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, 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, the current global financial condition; the speculative nature of mining operations; unanticipated variations in mineral resources or ore reserves, grade and recovery rates; risks relating to international operations, including political unrest, social disruption in the local communities and limitations in taking legal actions and enforcing judgments; the lack of infrastructure in the Democratic Republic of the Congo; health risks to Katanga personnel and local population; global competition in the mining sector; relationships with joint venture partners; the existence of a principal shareholder; potential conflicts of interests; dependence on key personnel and third party contracts and business arrangements; compliance with, or changes to, applicable laws, regulations, rules or quality standards, including those relating to Katanga's mineral entitlements and mining rights; insurance coverage limitations and uninsured risks; changes in environmental regulations and/or enforcement of such regulations; fluctuating copper and/or cobalt prices and currency exchange rates; acts of terrorism; accidents, labour disputes and other risks of the mining industry, including the possibility of project cost overruns or unanticipated costs and expenses or the failure of plant, logistics, equipment or processes to operate as anticipated. A more detailed analysis of the risk factors that could affect Katanga's operations and results can be found in the updated Technical Report and most recent Annual Information Form of Katanga, which are available on SEDAR at www.sedar.com.