

# News release

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## Katanga announces 2010 Third Quarter Results

**BAAR, SWITZERLAND**, November 4, 2010 – **Katanga Mining Limited** (TSX: **KAT**) ("**Katanga**" or the "**Company**") today announces its financial results for the third quarter of 2010. Katanga's Interim Financial Statements and Management's Discussion and Analysis for the period will be filed later today on SEDAR, [www.sedar.com](http://www.sedar.com).

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

- ... Total sales for the third quarter of 2010, were US\$129.4 million, comprised of US\$91.6 million (12,632 tonnes) for copper cathode, US\$33.2 million for cobalt metal (902 tonnes) and US\$4.6 million for copper concentrate (944 tonnes of contained copper).
- ... For the third quarter of 2010, the Company had a gross profit of US\$30.3 million and net income of US\$21.1 million.
- ... C1 cash cost\* for the third quarter of 2010 was US\$1.81 per pound of copper (C1 cash costs per pound of copper are cash costs including mining, processing, administration and refining, net of cobalt credits) which was US\$0.11 per pound of copper higher than the second quarter due to an increase in maintenance costs at Luilu.
- ... Production data for the third quarter:
  - o Copper production was 12,826 tonnes which was a slight improvement on the previous quarter of 12,554 tonnes. Finished copper production was constrained at Luilu due to delays in achieving nameplate design throughput for recently commissioned equipment in the concentrate reception area. These problems are currently in the process of being resolved. Additionally, power instability originating from the provincial grid resulted in frequent disruptions and productivity loss in the copper electro-winning tank house and the cobalt purification circuits. Power instability issues are being resolved through ongoing project related initiatives between the Company and the national power utility company.
  - o Cobalt production was 852 tonnes which was in line with production for the second quarter.
  - o Concentrate production for sale as a finished product was 10,899 tonnes (2,044 tonnes of contained copper) as the Company is exploiting the additional capacity of its concentrator.
- ... Commercial production at the KOV pit commenced with 203,793 tonnes of ore mined with an average copper grade of 2.24% and cobalt grade of 0.29%. The copper and cobalt grades are expected to significantly increase in the next quarter as higher grade reserves are exploited. KOV pit is now nearly fully dewatered with only 7% of the original water volume remaining.
- ... A Scoping and Engineering Study is continuing as planned. The Company expects the study will provide a more efficient solution for the expansion of the plant to 310,000 tpa copper production which will be integrated with the current infrastructure and which will achieve the objective of reducing the associated capital expenditures.

- ... Progress on the Accelerated Development Plan to increase the production capacity to 150,000 tonnes of copper per annum by July 2011 is as anticipated, with:
- CM6 mill and its associated infrastructure commissioned in July 2010. The concentrator now has the monthly capacity to mill 195,000 tonnes of sulphide ore and 245,000 tonnes of oxide ore with associated flotation systems also having being installed.
  - A new receiving thickener, drum filter, residue belt filter, cobalt belt filter and additional electro-winning cells rehabilitated in the copper tank house at Luilu. Luilu now has the capacity to produce 110,000 tonnes per annum of finished copper.

**For further information contact:**

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

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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.*

*\*The Company has included a non-GAAP performance measure, CI cash costs, net of by-product credits, per pound of copper. The Company reports CI 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](http://www.sedar.com).*