

# News release

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## KATANGA MINING ANNOUNCES 2011 FIRST QUARTER RESULTS

**BAAR, SWITZERLAND**, May 9, 2011 – **Katanga Mining Limited** (TSX: **KAT**) ("**Katanga**" or the "**Company**") today announces its financial results for the first quarter of 2011. Katanga's Financial Statements and Management's Discussion and Analysis will be filed on SEDAR, [www.sedar.com](http://www.sedar.com).

### Highlights during and subsequent to the three months ended March 31, 2011

Copper produced in metal and concentrate for the first quarter totalled 18,385 tonnes and cobalt produced totalled 635 tonnes.

During the first quarter, the Company mined 1,056,052 tonnes of ore at a grade of 4.51% resulting in contained copper in ore mined of 47,653 tonnes with contained copper in strategic stockpiles increasing by approximately 11,200 tonnes over the quarter.

Ore mined and hoisted at KTO Underground Mine for the first quarter, at 383,615 tonnes, was above target by 1% and represents a 29% increase compared to the first quarter of 2010. March ore production of 153,126 tonnes represents an annualized production capacity of approximately 1.84 million tonnes, which is consistent with the production rate required to support the Company's Life of Mine Plan through to 2014, as described in Katanga's Independent Technical Report dated March 31, 2011 (the "**ITR**"), available on SEDAR at [www.sedar.com](http://www.sedar.com).

Ore mined at the KOV Open Pit Mine for the first quarter, at 546,033 tonnes, is equivalent to an annualized production capacity of approximately 2.2 million tonnes, which is consistent with the 2012 production rate and the ramp up schedule as required by the ITR. The amount of ore mined was 5% above the last quarter of 2010 and 47% above target and allowed the Company to increase strategic ore stockpiles for future processing in the Kamoto Concentrator ("**KTC**"). The KOV Open Pit Mine is now effectively dewatered allowing the Company the flexibility to conduct mining from multiple in-pit locations in order to optimize mill feed grades. The copper grade of ore mined from the KOV Open Pit Mine for the first quarter averaged 5.65% (vs. 5.29% in the last quarter of 2010).

Ore milled at KTC for the first quarter, at 889,301 tonnes, represents a 43% increase compared to the first quarter of 2010. As at March 31, 2011, the CM7 mill in KTC and its associated feed systems and flotation cells were refurbished and commissioned. This has increased the total milling capacity at KTC from 5.52 million to 7.68 million tonnes of ore per annum which is sufficient milling capacity to support the Life of Mine Plan through to 2014 as described in the ITR.

Total sales for the first quarter of 2011, were \$171.0 million, comprising \$132.8 million (15,056 tonnes) for copper cathode, \$29.0 million for cobalt metal (781 tonnes) and \$9.3 million for copper concentrate (1,223 tonnes of contained copper). In addition, the sales value of material invoiced but not recognized in revenues as the material had not crossed out of the Democratic Republic of the Congo (the point in time when the risks and rewards of ownership are considered to have passed to the customer) as at March 31, 2011, amounted to an additional \$80.0 million.

For the first quarter of 2011, the Company generated a gross profit of \$52.0 million, net income of \$42.0 million and cash generated from operating activities was \$60.0 million.

C1 cash costs for the first quarter were \$1.82 per pound of copper (C1 cash costs per pound of copper are cash costs including mining, processing, administration and refining, net of cobalt credits).

The Company filed its updated ITR on March 31, 2011, describing the New Phase 4 expansion which, once completed, is expected to result in total plant capacity of 310,000 tonnes of copper per annum and capital expenditure savings of \$230.0 million relative to previous estimates for the expansion of process plants. The updated ITR also reflects a substantial increase in the net present value of Katanga's mine project in comparison to the Company's Technical Report dated March 31, 2010 and continues to reflect the Company's earlier expressed expectation that it can fund from operating cash flows its increase to 310,000 tonnes per annum of copper production. The Company remains on schedule to complete the refurbishment program associated with the previously disclosed Accelerated Development Plan by the end of the second quarter of 2011. This will increase production capacity to 150,000 tonnes per annum of copper and 8,000 tonnes per annum of cobalt.

During the second quarter of 2011, the Company expects to complete the front-end engineering and early works project for the New Phase 4 expansion to 310,000 tonnes of copper total plant capacity per annum. By increasing mining production from the KOV Open Pit Mine and in order to utilize excess capacity in KTC, the Company expects to increase the production of oxide concentrate for sale as a finished product. Katanga is currently constructing a 120,000 tonnes per annum concentrate filtration and bagging facility expected to be completed in the second quarter of 2011.

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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.*

#### ***Non-IFRS Measures***

*The Company has included a non-IFRS (as hereinafter defined) 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 using accounting policies consistent with the International Accounting Standards Board ("**IFRS**"), 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 IFRS. C1 cash costs inclusive of by-product credits are calculated by deducting by-product cobalt sales revenues from operating cash costs.*

#### ***Forward-looking Information***

*This press release contains "forward-looking information" within the meaning of Canadian securities legislation under the heading "Highlights during and subsequent to the three months ended March 31, 2011" with respect to the Company's business, operations and financial performance and condition, including the Company's refurbishment works associated with the Accelerated Development Program, Phase 4 expansion, production of oxide concentrate, anticipated future capacities, project expansion opportunities and exploration, development and production. Generally, forward-looking information 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 statements that certain actions, events or results "may", "could", "would", "might", "will" or "will be taken", "occur", or "be achieved". Statements containing forward-looking information 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 statements, including but not limited to: risks relating to the refurbishment of existing facilities; unexpected events during construction, start-up, expansion or production; variations in ore grade or tonnes mined; future prices of copper and cobalt; future prices of oxide concentrate; 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 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 to be as anticipated, estimated or intended. There can be no assurance that statements containing forward-looking information 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 statements containing forward-looking information. Katanga does not undertake to update any forward-looking information or statement that is incorporated herein, except in accordance with applicable securities laws.*