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News release

Katanga Announces Q3 2011 Results, Approval of Updated Phase 4 Expansion of its Copper Cobalt Project and Financing Commitment for up to $635.5 million

ZUG, SWITZERLAND, November 11, 2011 – **Katanga Mining Limited** (TSX: **KAT**; KAT.NT) ("**Katanga"** or the "**Company**") today announced the following:

- ➢ Financial results for the third quarter of 2011. Katanga's Q3 2011 Financial Statements and Management's Discussion and Analysis will be filed on SEDAR and later available under Katanga's profile at www.sedar.com.
- ➢ Approval of the Updated Phase 4 Expansion (as described below) of its copper cobalt project.
- ➢ A commitment from Glencore International AG ("**Glencore**"), to provide up to $635.5 million in new loan facilities with an interest rate of 10% per annum to fund the Updated Phase 4 Expansion not covered by the Company's cash flows as well as to refinance the Company's outstanding Canadian $115 million of 14% debentures (the "**Commitment**").

Highlights during the three months ("Q3") ended September 30, 2011

Mining

- During Q3 2011, the Company mined 1,239,695 tonnes of ore at a grade of 4.29% resulting in contained copper in ore mined of 53,131 tonnes, 64% higher than Q3 2010. For Q3 YTD 2011, copper in ore mined was 157,658 tonnes, a 96% increase from Q3 YTD 2010.
- The annualized contained copper in ore mined for Q3 2011 was 212,000 tonnes and has allowed an increase in contained copper in strategic stockpiles of approximately 21,000 tonnes (when compared to Q2 2011) in anticipation of the current wet season.
- Ore mined and hoisted at KTO Underground Mine for Q3 2011 was 398,474 tonnes, a 21% increase on Q3 2010. For Q3 YTD 2011, ore mined and hoisted totaled 1,197,117 tonnes, an increase of 28% on Q3 YTD 2010.
- Q3 2011 production was adversely affected by the planned shut-down of the production shaft for seven days for the Koepe winder upgrade which was successfully completed in September and production post the upgrade has increased to budgeted levels.
- A record of 841,221 tonnes of ore was mined at KOV Open Pit for Q3 2011, 313% above Q3 2010. This is equivalent to an annualized production capacity of 3.4 million tonnes which is consistent with the 2013 production rate and the ramp up schedule as described in Katanga's

independent technical report dated March 31, 2011 (the "**Technical Report**"). The copper grade of ore mined from KOV Open Pit for Q3 2011 averaged 4.48%.

- During Q3 2011, the Company continued to dewater Kamoto East pit and the water level to date has dropped by 10.8 meters with 3.6 million cubic meters of water having been removed. The Kamoto East pit dewatering is expected to allow for more efficient and cost effective waste management and the potential development of the Kamoto East resource using underground mining methods.

Processing

- Ore milled at KTC for Q3 2011 was 1,031,151 tonnes, an increase of 35% from Q3 2010. For Q3 YTD 2011, ore milled at KTC was 3,005,936 tonnes, an increase of 44% from Q3 YTD 2010.
- The current milling capacity at KTC of 7.68 million tonnes of ore per annum is sufficient milling capacity to support the Life of Mine Plan through to 2014 described in the Technical Report.
- Mill throughput during Q3 2011 was adversely affected by electrical power disruption events and water management challenges which are being addressed by the Company. Management has instituted processes to minimize the impact of electrical power disruption events on production.
- A 120,000 tonnes per annum concentrate filtration and bagging facility was commissioned during Q3 and the Company continues to increase the production of oxide concentrate for sale as a finished product.
- Copper produced in metal and concentrate for Q3 2011 totaled 23,690 tonnes, an increase of 59% compared to Q3 2010.
- Cobalt produced totaled 593 tonnes, a decrease of 30% compared to the Q3 2010. The decrease in cobalt production is in line with the lower cobalt head grade of the KOV ore.
- Production for Q3 2011 was adversely impacted by roaster maintenance, the completion of the expanded oxide repulp system and the issues highlighted above.

Financial

- Total sales for Q3 2011, were $129.3 million. The sales figure has been adversely affected by an unrealized mark to market adjustment as at September 30, 2011, of $23.4 million (using a copper price of $7,160 per tonne).
- In addition, the sales value of oxide concentrate available to be shipped but not invoiced as at September 30, 2011, amounted to approximately an additional $57 million.
- For Q3 2011, the Company generated a gross profit of $11.4 million, net income of $20.6 million and cash generated from operating activities of $114 million.
- Cash and cash equivalents as at September 30, 2011, amounted to $57 million.
- C1 cash costs for Q3 2011 were $2.23 per pound of copper. C1 cash costs per pound of copper are cash costs including mining, processing, administration and refining, net of cobalt credits and is a non-IFRS measure – refer to Non-IFRS measures in Katanga's Q3 2011 Management's Discussion and Analysis.

Human Resources and Corporate

- On September 22, 2011, the Company announced that Mr. Jeffrey Best, the Company's Chief Operating Officer, had been appointed as the Chief Executive Officer and Director of the Company to succeed Mr. John Ross.
- On October 11, 2011, the Company announced the promotion of Itamar Machado to the position of Chief Operating Officer.

- On August 31, 2011, the Company announced that it has been continued to the Yukon Territory from Bermuda effective August 31, 2011.

Updated Phase 4 Expansion of Katanga's copper cobalt project

Consistent with Katanga's completion of the Phase 3 expansion of its project described in the Technical Report, Katanga commissioned a front end engineering and early works report (the "**Early Works Report**"). The Early Works Report identified the following (collectively, the "**Updated Phase 4 Expansion**"):

- an additional 100,000 tonnes per annum solvent extraction ("SX") plant, over and above the 200,000 tonnes per annum SX plant described in the Technical Report, to be constructed in front of the existing Luilu electrowinning plant;
- Katanga reaching higher copper and cobalt production levels sooner than the timelines described in the Technical Report;
- an increase in expansionary capital expenditures from approximately $537 million as described in the Technical Report to approximately $635 million due primarily to the inclusion of the additional SX plant and an in-pit crusher at KOV Open Pit; and
- the increase of copper production to 270,000 tonnes per annum of LME Grade A copper and thereafter the expansion of copper production to 310,000 tonnes per annum which the Company intends to proceed with utilizing anticipated cash flows from operating activities.

Commitment for up to $635.5 million in New Loan Facilities

Katanga has received the Commitment from Glencore, or one of its Group entities, to provide Katanga with new loan facilities of up to $635.5 million (the "**Facilities**"). Up to $120 million of the Commitment is being provided to Katanga as a new term loan facility (the "**Term Loan**") to enable the refinancing of Katanga's outstanding Canadian $115 million 14% debentures due November 30, 2013 in accordance with the provisions of Katanga's trust indenture dated November 20, 2006. The balance of the Commitment is being provided to Katanga as a senior secured credit facility (the "**Senior Facility**") to fund the Updated Phase 4 Expansion not covered by the Company's cash flows. The Company's 75% interest in Kamoto Copper Company SARL (which holds the copper and cobalt project assets) will be pledged as security for the Senior Facility along with certain other assets of the Company and its subsidiaries. As security for the Term Loan and additional security for the Senior Facility, Katanga will agree, if a Facility is in default, to complete a deeply discounted rights offering with Glencore providing a standby commitment, to repay the Facility. In the case of the Senior Facility, Glencore has agreed to exercise its right to compel Katanga to complete the deeply discounted rights offering prior to realizing on Glencore's other security.

The Facilities will mature on December 31, 2014 and interest will be payable on any amount drawn under the Facilities at a rate of 10% per annum. The Commitment and the Facilities are subject to, among other things, final documentation being agreed and usual and customary drawdown conditions being satisfied.

In addition to the benefits to Katanga of the Updated Phase 4 Expansion, which the Facilities are expected to finance in part, Katanga expects the Updated Phase 4 Expansion will improve copper recovery, utilize existing under-utilized plant capacity, and allow Katanga to produce LME Grade A copper and benefit from the continuity of personnel and competencies involved in the recently completed Phase 3 expansion of its project.

Katanga's Corporate Governance and Nominations Committee (the "**Committee**"), which is comprised of three independent directors, has reviewed the proposed Facilities as contemplated by the Charter of the Committee. The Committee retained Fasken Martineau DuMoulin LLP, independent legal counsel, in connection with that review. Following that review, the Committee has unanimously determined that entering into the Facilities is in the best interests of Katanga.

Glencore beneficially owns, directly or indirectly, or exercises control or direction over approximately 74% of the issued and outstanding common shares of Katanga. Due to this relationship, the Facilities are considered "related party transactions" as defined by Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions* ("**MI 61-101**"). Katanga is relying upon the exemption from the requirement to obtain majority of minority shareholder approval available under MI 61-101 as it has determined that neither the aggregate of the fair market value of the Facilities, nor the fair market value of the consideration for the Facilities, exceeds 25% of Katanga's market capitalization as calculated and determined in accordance with MI 61-101. It is not anticipated that the Facilities will affect the percentage of Katanga's securities beneficially owned or controlled by Glencore.

Glencore has made the Facilities available in the ordinary course of its business. It may from time to time acquire additional securities of Katanga, dispose of some or all of the existing or additional securities it holds or will hold, or may continue to hold its current position.

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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. All dollar amounts are in United States dollars unless otherwise indicated.

Forward-looking Information

This press release contains "forward-looking information" within the meaning of Canadian securities legislation under the headings "Highlights during the three months ("Q3") ended September 30, 2011" and "Updated Phase 4 Expansion of Katanga's copper cobalt project" with respect to the Company's business, operations and financial performance and condition, including the Company's refurbishment works associated with the development program, the New Phase 4 expansion, 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; futures 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 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. 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.*

This press release and the information forming the basis hereof was prepared under the supervision of Tim Henderson, Technical Consultant, Katanga 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.