

Site progress update

Site Overview

- **Copper production on schedule** for December 2007.
- **Musonoie-T17 oxide ore extraction commenced.**
- **Oxide circuit being commissioned** at Kamoto Concentrator.
- **2,170 employees** and **930 contractors** now working at site.
- Focus now on completing **metallurgical plant commissioning.**

Mines – operational on schedule

Underground Mine – Over 70,000 tonnes of ore has been mined since April. Production was 12,000 tonnes in September. This is below the target of 25,000 due a shortage of pumps and a faulty transformer in the production shaft, which is now fully operational. Production of 30,000 to 40,000 tonnes is targeted in October, ramping up to 60,000 tonnes per month by the end of the year. All the Phase I mining fleet is now at site.

Open Pit Mine – Blasting began at the end of September at the Musonoie-T17 open pit and the first ore has been extracted. This is behind the original schedule, but sufficient ore will be available for the commissioning of the oxide circuit. Over 1.3 million tonnes of waste has been moved in pre-stripping.

Kamoto Concentrator – operational on schedule

The sulphide circuit is now fully operational, with over 4,500 tonnes of concentrate produced in August and September. Work has now switched to the oxide circuit where commissioning is in progress on the oxide mill and flotation cells. The circuit will be fully operational by the end of October. In total, 2 mills and 88 flotation cells are being refurbished for Phase I. Work on the two new tailings areas for the concentrator and metallurgical plant is ongoing.

Luilu Metallurgical Plant – commissioning on schedule

Commissioning has started and will continue through November. The concentrate receiving area is fully operational and dried concentrate is currently being stockpiled. The leach agitators are being installed and construction of nine replacement tanks will be completed by the end of October. Brickwork and insulation is being completed on one of the two existing roasters, which will be fired for the first time by the end of the month. The 54 copper electrowinning cells required for Phase I are now structurally complete, with busbars in place.



Open pit mining at T17



Commissioning oxide mill



Concentrate stockpile



Lifting lead anodes at Luilu

Other Site Developments

Phase II started – Preliminary engineering and planning has begun for Phase II of the rehabilitation program, to ensure a smooth transition from Phase I. This includes engineering design work and the development of initial procurement lists. For the new roaster in Phase II, procurement packages have been identified and tenders are currently being received for material and work. Site civil works for the new roaster are due to begin in November.

Logistics on track – 502 loads of material on 270 trucks have now been dispatched to site from Johannesburg. There are now only around 20 truckloads of materials left to arrive for Phase I. Clearing customs at site has improved transit times, with some journeys as short as seven days. Following refurbishment, the Lualaba barge is available for loads exceeding bridge capacity of 60 tonnes.

Corporate Developments

Strategic review concluded – The Independent Committee appointed by the Board has concluded that it is currently in the best interests of shareholders for Katanga to obtain the necessary financing to develop its mine complex independently. (See PR October 4, 2007)

Financing in place – A US\$150m one-year loan facility was arranged with Glencore International AG and a 10 year off-take contract beginning in 2009 has been agreed to. Funding from the loan is expected to be available this month. (See PR October 4, 2007)

Special meeting called – A special meeting has been scheduled for November 2, 2007 when shareholders will vote on increasing the *authorized* share capital from 100m to 300m shares to ensure Katanga has flexibility for possible future corporate transactions or opportunities. (See PR August 22, 2007 and materials available on Katanga's website)



Acid tank construction



Completed electrowinning cells



New concentrator control system
(with old in background)

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To learn more about Katanga Mining Limited, please visit our website at www.katangamining.com

Katanga Mining Limited operates a major copper-cobalt mine complex in the Democratic Republic of Congo.

Copper will be produced in December 2007 and the site is expected to reach full production in 2011, when 150,000 tonnes of refined copper and 8,000 tonnes of refined cobalt will be produced a year. The Company will be among the world's lowest cost producers.

Katanga Mining Limited is listed on the Toronto Stock Exchange under the symbol KAT.