



KATANGA
MINING LIMITED



Partnership, Progress, Prosperity:
Building a leading copper company

INDABA 2007

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Progress: A new era in the DRC



Path to progress

2001 New President, Joseph Kabila, engages with World Bank and IMF on reforming DRC economy

2002-2003 Peace Accord brings formal end to civil war. Transitional government formed and sets out path to democracy. Introduction of new Mining Code creates climate for private sector investment.

2006 First democratic elections in 40 years confirm Joseph Kabila as President. Antoine Gizenga appointed as Prime Minister

Building a leading copper company

- **Partnership** with Gécamines 75/25%
- Brownfield - **production** to begin in **late 2007**
- **43-101** reporting for reserves & resources
- Total r&r approx. **200 million tonnes** at **3.29% Cu**
- **Refined** copper & cobalt producer
- **150,000 tonnes** of Cu and **5,000 tonnes** of Co per year
- **\$0.22/lb Cu** net of Co credits (site cash costs)
- Venture compliant with **new mining code**

Strong board with local representation

Eight member board – some board members include:

Arthur H. Ditto, CEO, President & Director

Formerly Kinross Gold Corp.'s President, COO & Director.

George Forrest, non-executive vice Chairman

Chairman & CEO of the Forrest Group of Companies.

Jean-Claude Masangu, Director

Governor of the Central Bank of the DRC and formerly with Citibank.

Mabunda L. Mudiaya, Director

GM of a DRC agency that aids and promotes small and medium sized enterprises in the industrial & agricultural sector. Formerly with Citibank.

Experienced and proven management team

Seven member management team – some members include:

René Nolevaux, SVP & Managing Director Operations

Mining Engineer with more than 40 years' industry experience; several years with Gécamines and started career with Kamoto.

Rick Dye, SVP Technical Services

Mining Engineer with over 28 years' experience in operations & mine construction. Formerly Kinross Gold Corp.'s VP Technical Services.

Steve Jones, CFO & SVP

Over 26 years' experience in accounting and finance for natural resource companies. Formerly CFO of Freeport McMoRan Copper & Gold Inc.

Jean Louis LaBelle, Sr. Project Manager

Civil engineer; over 30 years in project management in North America. Last 13 years managing major projects in Africa w/ SNC-Lavalin.

Reserves and Resources

Classification	Ore Tonnes (000s)	Cu Grade %	Cu Tonnes (000s)	Co Grade %	Co Tonnes (000s)
Total Reserves					
Proven + Probable Reserves	92,600	3.16%	2,924	0.31%	288
Total Resources					
Measured + Indicated	68,902	3.47%	2,388	0.39%	270
Total Reserves & Resources					
Kamoto U/G & Open Pits	161,502	3.29%	5,312	0.35%	558

Source: June 2006 Feasibility Study & National Instrument 43-101

Financing on track

Capitalization

Share capitalization 12/31/06	78,037,476
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Financial Overview

Equity (May 2006)	US\$128 million
Corp. Debenture (Oct 2006)	US\$100 million
Project Debt (Sept. 2007)	US\$260 million

Working Capital

Cash as of 12/31/06	US\$197 million
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Capital program: on budget

	Total(000s USD)	USD/t ore	USD/lb. Cu
Initial Capex – Phase 1 (2007-2008)	175,558	1.97	0.04
Initial Capex – Phase 2 (2008-2009)	96,522	1.08	0.02
Initial Capex – Phase 3 (2009-2010)	104,579	1.17	0.02
Initial Capex – Phase 4 (2010-2011)	50,128	0.56	0.01
Total Initial Capex (4 phases)	426,786	4.78	0.09
Total Sustaining Capex (17 years)	231,263	2.59	0.05
TOTAL CAPITAL	658,049	7.37	0.14

Source: June 2006 amended technical report

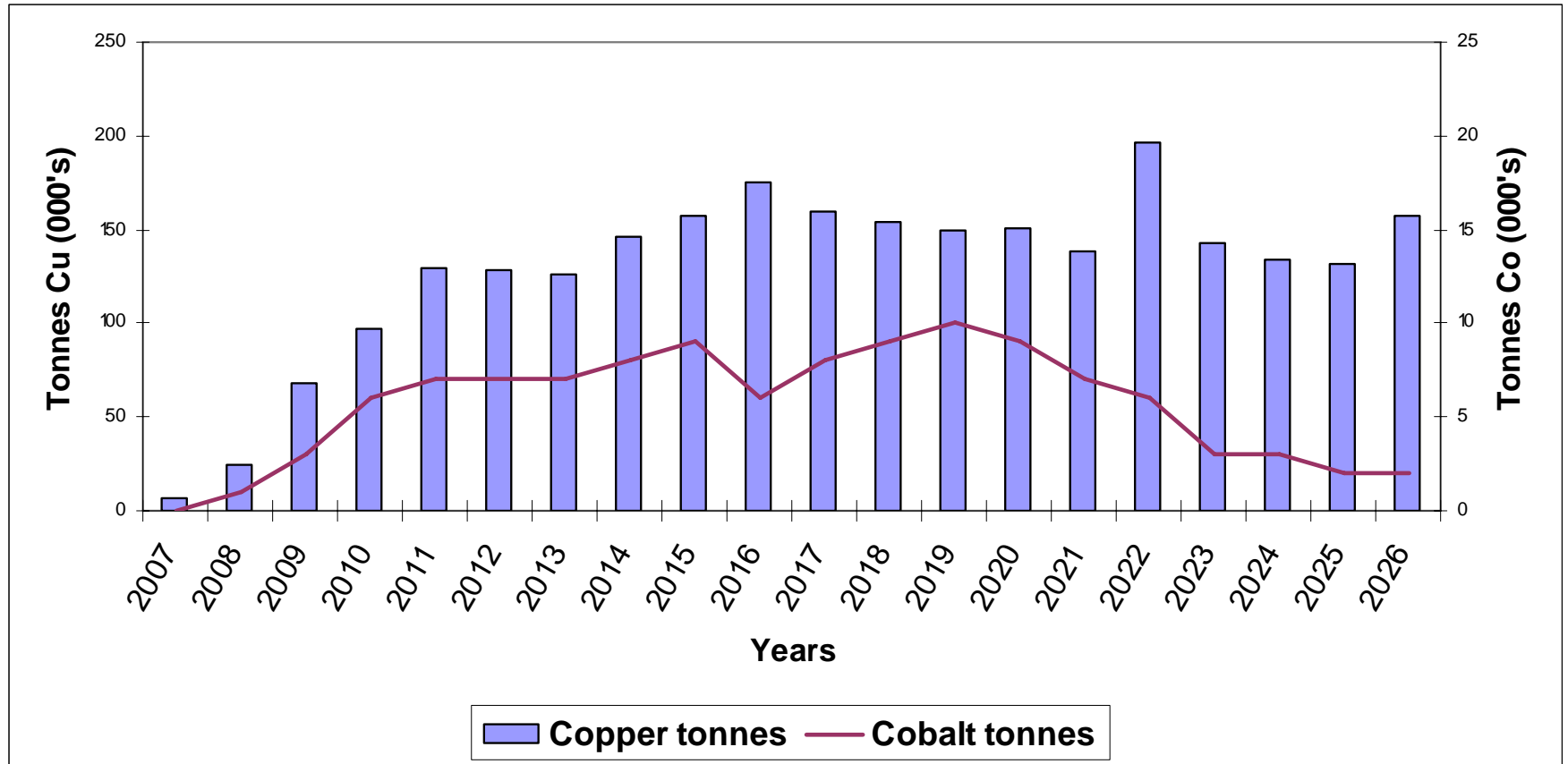
Low cost producer

	2008 Phase 1	2009 Phase 2	2010 Phase 3	2011+ Phase 4	Average
Recovered Copper (lbs 000)	57,000	151,000	242,000	4,300,000	
Recovered Cobalt (lbs 000)	2,000	6,000	14,000	229,000	
Site Operating Cost (x1000)	106,000	172,000	219,000	3,100,000	
Site cost \$/lb Cu	1.77	1.14	0.91	0.71	0.75
After Co credit	1.42	0.74	0.34	0.18	0.22
Transportation					0.16
Royalties					0.05
Capital					0.14
Total Costs					0.57

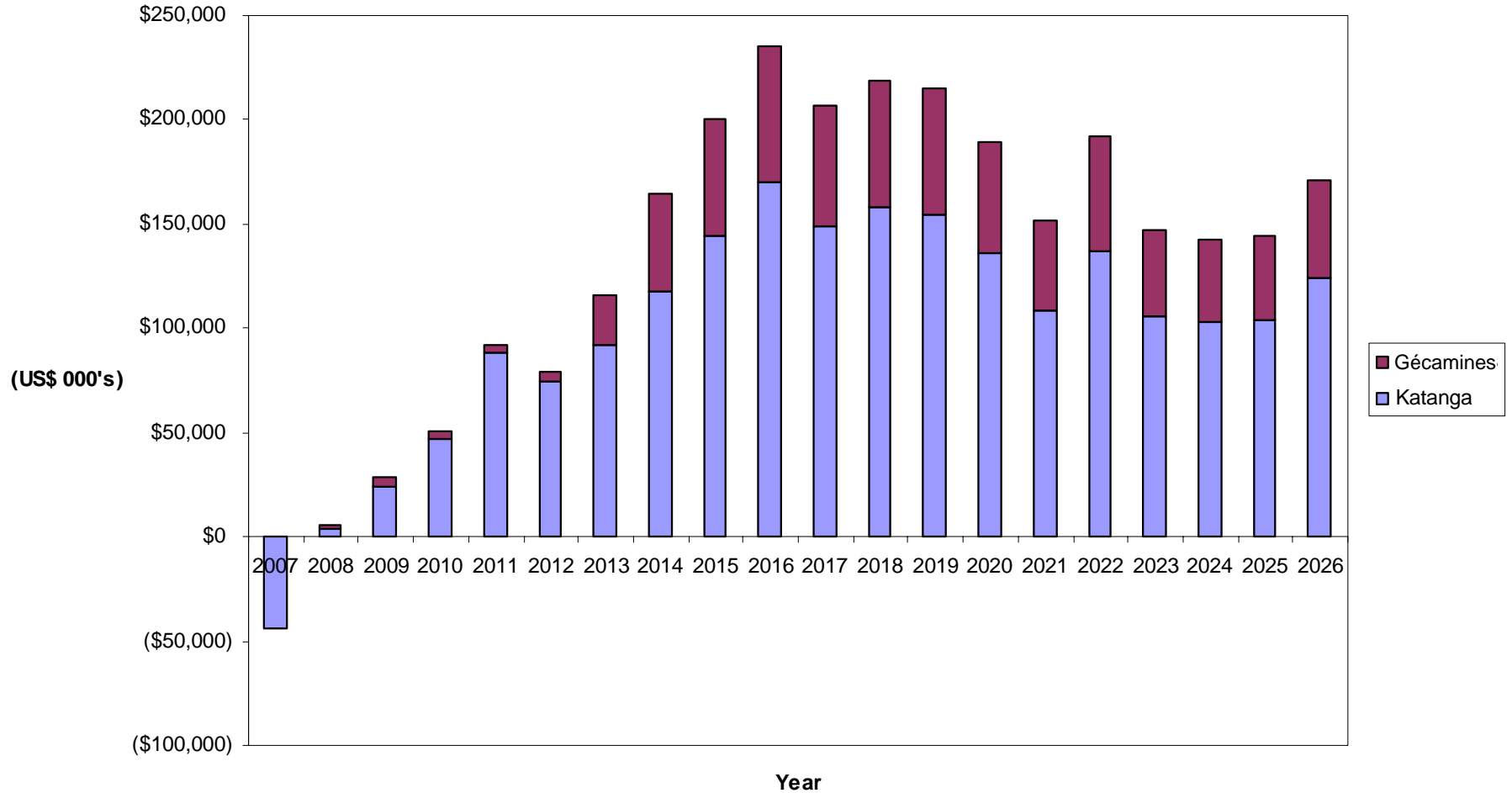
Co \$10.00

Source: June 2006 Amended Technical Report

Production profile: 20 years

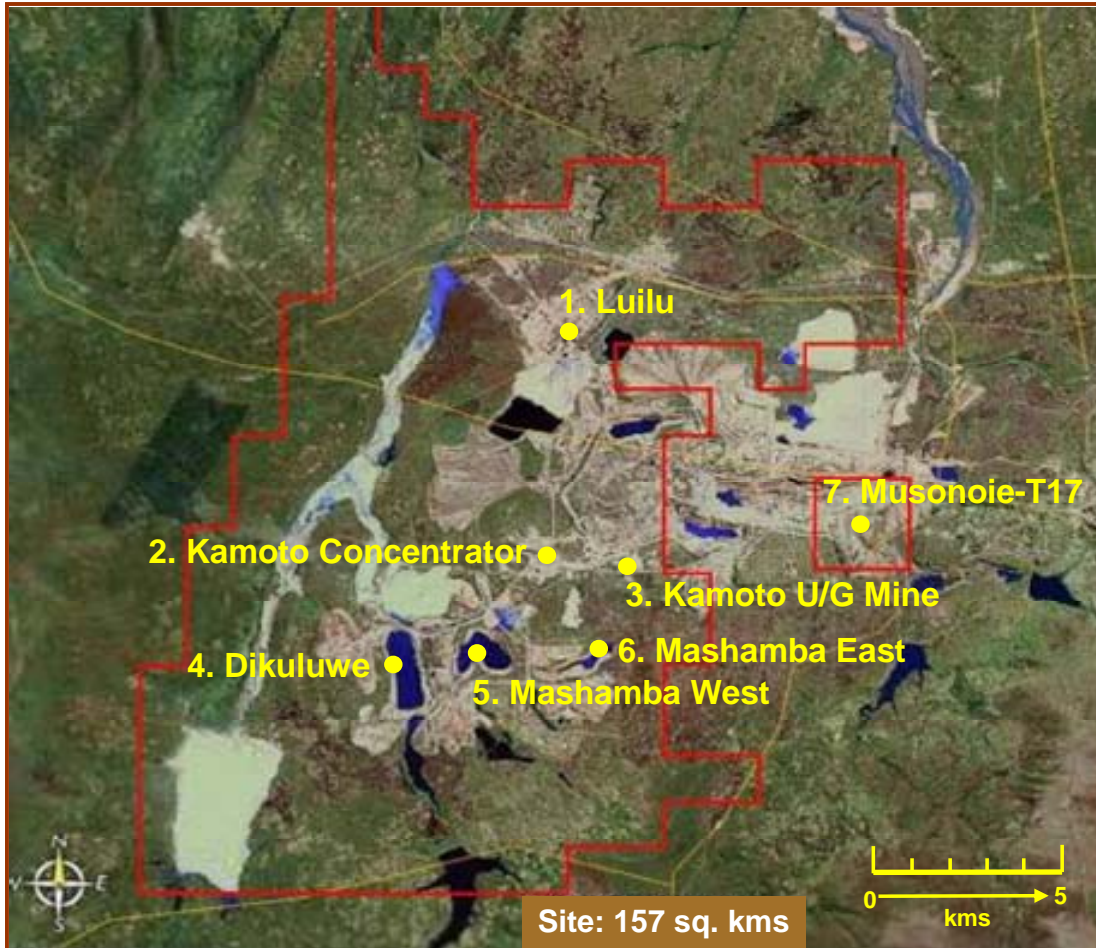


Project net cash flow



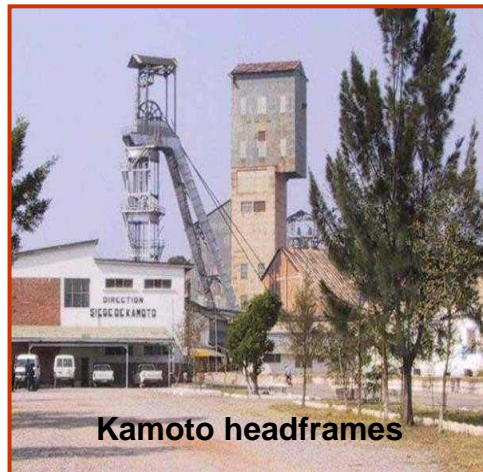
\$ 1.25 Cu \$ 10.00 Co

Progress: An overview



1. Luilu Metallurgical Plant
2. Kamoto / Dima Concentrator
3. Kamoto U/G Complex
4. Dikuluwe (open pit)
5. Mashamba West (open pit)
6. Mashamba East (open pit)
7. Musonoie-T17 (open pit)

Kamoto Underground Mine



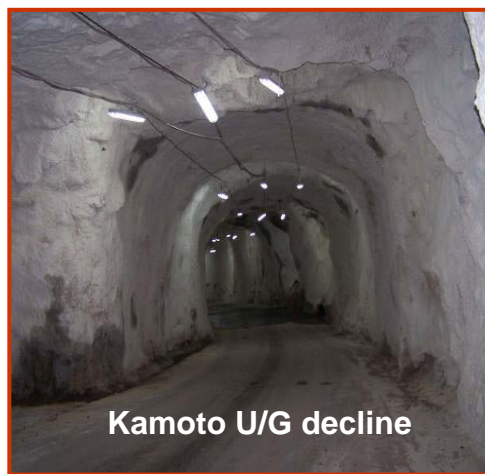
Kamoto headframes



Surface maintenance facility



Kamoto portals



Kamoto U/G decline

- Twin 6.5X6m ramp declines with 11,000 tonnes per day capacity shaft system
 - Average production of three million tonnes of ore a year during 1980s
 - Purchase new mining fleet
 - Refurbish pumping system
 - Refurbish ventilation system
- ➔ **Total Capital \$80.3 Million**
- ➔ **On schedule for April 2007 start up**

Kamoto Open Pits

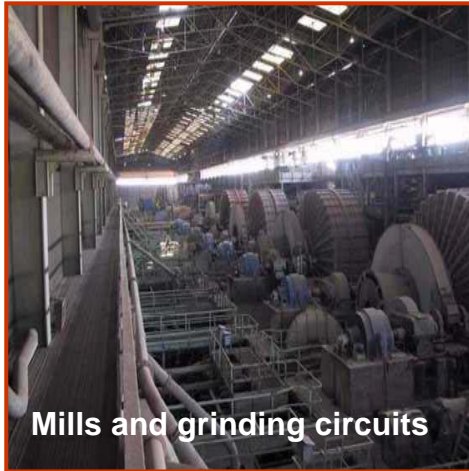
- Dikuluwe, Mashamba East and Mashamba West (together known as DIMA) and Musonoie-T17
- Produced 5.5 million tonnes of ore at peak production in 1986
- DIMA pits to be dewatered over a few years
- Waste stripping required ahead of sustained production

 **Total Capital \$14.6 Million**

 **Musonoie-T17 on schedule for April 2007 start up**



Kamoto Concentrator



- Design capacity of 7.5 million tonnes of ore a year - sufficient capacity for all production phases
- Reline and refurbish two mills
- Refurbish existing floatation cells
- Install new piping, instrumentation system & upgrade electrical system
- Install new Kamoto-to-Luilu concentrate delivery system
- Build new tailings facility


➔ **Total Capital \$55.2 Million**

➔ **On schedule for July 2007 start up**

Luilu Metallurgical Plant

- Separate copper and cobalt leach circuits
- Roasting facilities and electrowinning tank houses
- Capable of producing 175,000 tonnes of copper and 8,000 tonnes of cobalt per year
- Replace or repair pumps, agitators, filters, tanks and piping
- Install new instrumentation system & upgrade electrical system
- Build new tailings facility

 **Total Capital \$150.1 Million**

 **On schedule for Sept 2007 start up**



Infrastructure & logistics

Power:

Hydroelectric power cost approx. \$0.030 per kilowatt hours
Sufficient power available for the Project—70MW Phase I, 145MW at full capacity

Rail:

Rail link to site
Feasibility study based on North/South transport (21 days by rail)
Transport through Angola will reduce travel time - to 5 days and eliminate three border crossings

Road:

Improving road north & west of Likasi – complete

Customs:

Goods to be bonded from Jo'Burg through to Kolwezi

Procurement & Transportation:

Preference given to local suppliers and contractors



Corporate social responsibility



- Detailed environmental and social assessment shaping our approach
- Engage and consult with local community, regional and national government, and NGOs
- Ultimate employment 2,500 people, current payroll injecting US\$950,000 a month into gov't & local economy
- Focus on strategically high impact, self sustaining projects – healthcare & education and training
- International standards (OECD, Equator Principles) guide our policies
- One of few companies in DRC to adopt the Extractive Industries Transparency Initiative

Tax regime at a premium to major mining countries

	DRC	Zambia	Chile	US (Arizona)	Canada (Ontario)
Corporation tax on profits	30%	25%	17% (35% if distributed)	35% federal + 6.7% state	22.12% + 12% Prov. Tax
Withholding tax on distributions	10%	Nil	Nil	5%	Nil
Purchase tax	5%-30%	Nil	Nil	6% on non-mining equipment	Nil
Import duty	5%	Nil	6%	N/A	N/A
Government royalties	2% of net income	0.6% of net smelter return	5% of net operating profit	1.7-1.9% of net mining profits	10% of mining profits > \$500k
Government stake	25%	Generally 15%	None	None	None

Prosperity: Strong returns to the DRC

Contributions to Date	
Source	US\$ (000's)
Locally Sourced Goods	5,097
Import Duties	690
Payroll & Social Support	4,626
Total	10,413

Next 20 Years*	
Source	US\$ (000's)
DRC Royalty	173,540
Gécamines Royalty	123,231
Tax on Income	1,194,181
Dividend Tax	242,724
Capital Equipment Duties	15,657
Import Duties Consumables	16,994
Payroll & Social Support	413,787
Total	2,180,114

* \$1.25 Cu \$10.00 Co

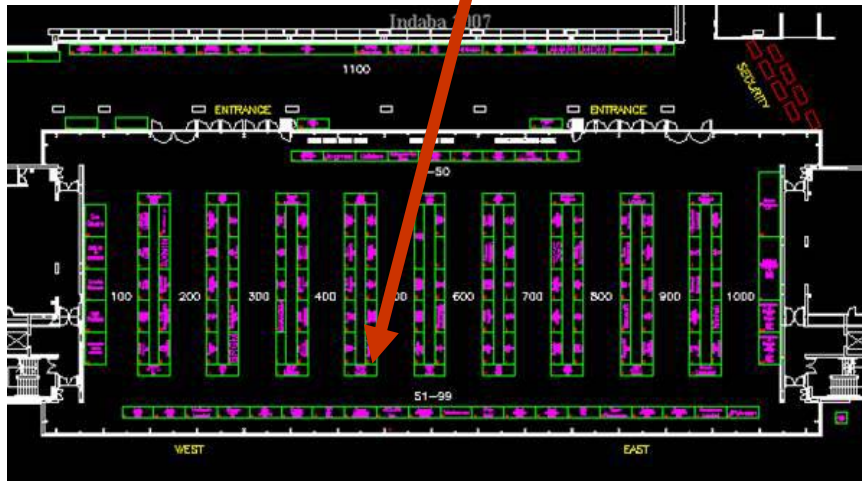
Building a leading copper company

- **Proven copper producer** with long life, high grade reserves
- One of the **world's lowest** operating costs
- **Refined** copper and cobalt **producer**
- **Strong Board** with local representation
- First copper shipped **December 2007**

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Forward looking statement



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