



# GLENCORE

## Joint News Release

### **Katanga Completes US\$172.3 Million Early Liquidity Closing**

**LONDON, UK** June 10, 2009 – Further to the press release dated May 22, 2009 and final prospectus (the “Prospectus”) of **Katanga Mining Limited** (TSX – **KAT**) (“Katanga” or the “Company”) filed on May 22, 2009 with each of the Canadian securities regulators (see [www.sedar.com](http://www.sedar.com)), Katanga and Glencore Finance (Bermuda) Limited (“Glencore”) today announced the completion of the early liquidity closing (the “Early Liquidity Closing”) in connection with Katanga’s previously announced US\$250 million rights offering (the “Offering”). As a result of the Early Liquidity Closing, Katanga has issued an aggregate of 492,379,266 common shares (“Common Shares”) to Glencore and Jangleglade Limited (the “Standby Purchaser”), subsidiaries of Glencore International AG, for aggregate gross proceeds to the Company of US\$172,332,743. Katanga has used approximately US\$32.5 million of the proceeds received today from the Early Liquidity Closing to fully repay its outstanding bridge loan facility. Glencore’s and the Standby Purchaser’s total percentage holding, taken together, of outstanding Common Shares as at completion of the Early Liquidity Closing is 78.1 per cent.

Shareholders who are entitled to exercise their rights under the Offering (“Rights”) must do so on or before 5:00 p.m. (Toronto time) on June 26, 2009. Shareholders should consult the Prospectus and their financial advisors to determine their rights and entitlements under the Offering.

Katanga announces that Stephen Oke, George Forrest and Malta Forrest have each tendered their resignations as directors of Katanga and Steven Isaacs, the Interim CEO, has been appointed as a director, effective today. The Chairman of the board, Hugh Stoyell, stated that “on behalf of Katanga I would like to thank each Director resigning today for his outstanding service and dedication to the Company during his tenure as a director and wish each of them all the best in their future endeavors. We are pleased to welcome Steven Isaacs and look forward to his additional contribution to the Company in his new capacity.”

#### **Early Warning Disclosure**

On completion of the Early Liquidity Closing and exercise of the Standby Purchaser’s and Glencore’s Basic Subscription Privileges (as defined in the Prospectus): (a) the Standby Purchaser beneficially owns, or exercises control or direction over, 1,210,126,587 Common Shares representing approximately 72.5% of the outstanding Common Shares, and (b) Glencore beneficially owns, or exercises control or direction over, 93,832,072 Common Shares representing approximately 5.6% of the total issued and outstanding Common Shares, in each case based on 1,669,723,397 Common Shares outstanding following the Early Liquidity Closing. Glencore has previously issued a call option (the “Call Option”) to Ellesmere Global Limited over (i) a US\$16 million participation (plus accrued interest thereon) in the Company’s US\$265.3 million mandatorily convertible loan facility (the “Facility”), or (ii) after exchange of such participation, the number of shares arising on such exchange. Accordingly, Ellesmere Global Limited has following the exchange of the relevant participation on June 2, 2009, an option over 58,400,760 Common Shares beneficially owned by Glencore (see Katanga’s press release dated June 2, 2009).

Following completion of the Offering, the Standby Purchaser will beneficially own, or exercise control or direction over, the number of Common Shares as set out below, in each of the following circumstances:

*Full Exercise of Rights by other Shareholders.*

Assuming holders of Rights exercise their Basic Subscription Privilege in full and the Standby Commitment (as defined in the Prospectus) is not utilized, following closing of the Offering the Standby Purchaser would beneficially own, or exercise control or direction over, 1,213,876,816 Common Shares representing approximately 64.0% of the then 1,895,380,412 outstanding Common Shares. The number of Common Shares and the percentage of the outstanding Common Shares stated in the preceding sentence are based on: (i) the Standby Purchaser holding 1,210,126,587 Common Shares on completion of the Early Liquidity Closing; (ii) the number of Common Shares outstanding on completion of the Early Liquidity Closing being 1,669,723,397; and (iii) the issuance of 3,750,229 Standby Fee Shares (as defined in the Prospectus) to the Standby Purchaser.

Assuming the Call Option is not exercised, following closing of the Offering, Glencore and the Standby Purchaser will beneficially own, or exercise control or direction over, an aggregate of 1,307,708,888 Common Shares representing approximately 69.0% of the outstanding Common Shares.

*No Exercise of Rights by Shareholders other than the Standby Purchaser and Glencore.*

Assuming none of the holders of Rights exercise their Basic Subscription Privilege (other than the Standby Purchaser and Glencore) and accordingly the Standby Purchaser provides its Standby Commitment in full, following closing of the Offering the Standby Purchaser would beneficially own, or exercise control or direction over, 1,435,783,602 Common Shares representing approximately 75.8% of the then 1,895,380,412 outstanding Common Shares. The number of Common Shares and the percentage of the outstanding Common Shares stated in the preceding sentence are based on: (i) the Standby Purchaser holding 1,210,126,587 Common Shares on completion of the Early Liquidity Closing; (ii) the number of Common Shares outstanding on completion of the Early Liquidity Closing being 1,669,723,397; (iii) the issuance of 3,750,229 Standby Fee Shares to the Standby Purchaser; and (iv) the issuance of 221,906,786 Common Shares to the Standby Purchaser under the Standby Commitment.

Assuming the Call Option is not exercised, following closing of the Offering Glencore and the Standby Purchaser will beneficially own, or exercise control or direction over, an aggregate of 1,529,615,674 Common Shares representing approximately 80.7% of the outstanding Common Shares.

*Investment Intent*

The decision of Glencore and the Standby Purchaser to participate in the Rights Offering and, in the case of the Standby Purchaser, to provide the Standby Commitment, has been made for investment purposes. Each of Glencore and the Standby Purchaser will continue to review its investment alternatives from time to time and may determine to increase or decrease its equity ownership in Katanga through the acquisition or sale of additional outstanding Common Shares or other securities of Katanga through open market or privately negotiated transactions in accordance with applicable securities laws.

Glencore is negotiating with an unrelated third party to establish a joint venture with respect to the Common Shares held by the Standby Purchaser and/or Glencore. If the joint venture is established successfully it may provide that the Standby Purchaser and/or Glencore would contribute all of their Common Shares to the joint venture in exchange for a joint venture interest of 50%. The third party would obtain the other 50% interest in the joint venture by making a cash payment. The third party does not currently own any Shares. Glencore does not intend to update the market on its joint venture negotiations unless it signs a definitive joint venture agreement.

**For further information regarding Katanga Mining Limited contact:**

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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.*

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**About Glencore**

*Glencore International AG, based in Baar, Switzerland, is the parent company of Glencore Finance (Bermuda) Limited and Jangleglade Limited and is a leading privately held, diversified natural resources company with worldwide activities in the smelting, refining, mining, processing, purchasing, selling and marketing of metals and minerals, energy products and agricultural products.*

*Persons who wish to obtain copies of the Early Warning Reports filed by Glencore in connection with this transaction may obtain a copy of such reports from [www.sedar.com](http://www.sedar.com) or by contacting the persons listed above.*

**Forward-looking Information**

*This press release contains "forward-looking information" within the meaning of Canadian securities legislation, concerning the business, operations and financial performance and condition of Katanga. Forward-looking statements include, but are not limited to, the need for the Company to obtain additional equity or debt financing. Generally, these 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", "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: risks related to failure to obtain additional equity or debt financing within a reasonable time period; unexpected events during construction, expansion and start-up; variations in ore grade, tonnes mined; future prices of copper and cobalt; 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](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 such statements 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 forward-looking statements. Katanga does not undertake to update any forward-looking statements that are incorporated herein, except in accordance with applicable securities laws.*