BAAR, Switzerland, Sept. 11, 2015 /CNW/ - Katanga Mining Limited (TSX: KAT) ("Katanga" or the "Company") today announces that the Board of Directors has confirmed the decision to suspend the processing of copper and cobalt. This suspension is expected to last up to 18 months. The Company will continue with the planned investment of USD 880 million into ongoing processing plant upgrades and the waste stripping of the KOV and Mashamba open pits. These process upgrades include the commissioning of the new leach plant which will replace the existing oxide concentration process. This is expected to significantly improve both copper recoveries and operating unit costs when processing resumes. C1 costs are expected to be reduced to c.$1.65/lb.

The Company aims to minimize the impact of the suspension on its employees and will retain a minimum of 80% of the existing workforce. Initially, a process of voluntary redundancies and voluntary early retirement will be followed before assessing the need for compulsory headcount reductions. During the suspension, the Company will invest in a skills development program which will include work programs at other operations and the attendance of identified staff at a technical school in Zambia.

The Company and Mutanda Mining SARL will continue to invest in the INGA power project, which includes the rehabilitation of the G27 and G28 turbines at INGA, along with increased power transmission from Kinshasa to Katanga.

In line with the commitment to responsible operations, during the suspension the Company will continue to operate its hospitals for the benefit of its employees and dependents and continue to run its health projects, including the various water supply projects. The Company will also continue to invest in its planned 2016 CSR projects. Additionally, following consultation with Government of the DRC, the Company will expand existing social projects, in particular farming, in response to the headcount reductions. These expansions will be implemented after engagement with the affected communities.

Representatives of the Company have been in Kinshasa to meet with the relevant DRC Government Ministers including the Prime Minister, and have presented details on the suspension plan and whole ore leach ("WOL") project. The Company undertakes to take into account the issues raised by the Government during these discussions.

Glencore has indicated it will provide or procure the additional funding required for the WOL project and other capital expenditure during the WOL project building and commissioning phase, in addition to any funding necessary for the care and maintenance related activities which will continue during the suspension period.

This press release was prepared under the supervision of Tim Henderson, Technical Consultant and Director, Katanga and a "qualified person" as such term is defined in NI 43-101. Mr. Henderson has reviewed and approved the contents of this press release.

About Katanga Mining Limited
Katanga Mining Ltd. 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.

Forward Looking Statements
This press release may contain forward-looking statements. Often, but not always, forward-looking statements can be identified by the use of words such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or describes a "goal", or variation of such words and phrases or state that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved.

All forward-looking statements reflect the Company's beliefs and assumptions based on information available at the time the statements were made. Actual results or events may differ from those predicted in these forward-looking statements. All of the Company's forward-looking statements are qualified by the assumptions that are stated or inherent in such forward-looking statements, including the assumptions listed below. Although the Company believes that these assumptions are reasonable, this list is not exhaustive of factors that may affect any of the forward-looking statements. The key assumptions that have been made in connection with the forward-looking statements include: the impact of the suspension of copper and cobalt production on Katanga and its stakeholders; permitting, development, operations, expansion and acquisitions being consistent with the Company's current expectations; continued recognition of the Company's mining concessions and other assets, rights, titles and interests in the Democratic Republic of Congo ("DRC"); political and legal developments in the DRC being consistent with its current expectations; the continued provision or procurement of additional funding from Glencore for operations and the WOL project; certain price assumptions for copper and cobalt; prices for diesel, natural gas, fuel oil, electricity and other key supplies being approximately consistent with current levels; the accuracy of the current ore reserve and mineral resource estimates of the Company (including but not limited to ore tonnage and ore grade estimates); the time of the resumption of copper and cobalt production; the completion of the WOL project on time and on budget and labour and material costs increasing on a basis consistent with the Company's current expectations; and the ability of the Company to sustain its investments in its workforce, the INGA project, hospitals, water projects, social and other CSR projects during the suspension.

Forward-looking statements involve known and unknown risks, future events, conditions, uncertainties and other factors which may cause the actual results, performance or achievements to be materially different from any future results, prediction, projection, forecast, performance or achievements expressed or implied by the forward-looking statements. Such factors include, among others, the time of the resumption of copper and cobalt production; conclusions of economic evaluations; changes in project parameters as plans continue to be refined; future prices of copper and cobalt; possible variations in ore grade or recovery rates; failure of plant, equipment or processes to operate as anticipated; accidents, labour disputes and other risks of the mining industry; delays in obtaining governmental approvals or financing or in the completion of exploration, development or construction activities, delays due to strikes or other work stoppage, both internal and external to the Company, as well as those factors disclosed in the Company's current annual information form and other publicly filed documents. Although Katanga has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. There can be no assurance that forward-looking 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.

The Company disclaims any intention or obligation to update or revise any forward-looking statements whether as a result of new information, future events, or otherwise, except in accordance with applicable securities laws.

SOURCE Katanga Mining Ltd.

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