

KATANGA MINING LIMITED

NOTICE OF ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN that the annual meeting of shareholders (the "**Meeting**") of Katanga Mining Limited (the "**Company**") will be held at the offices of Bennett Jones LLP at Suite 3400, One First Canadian Place, Toronto, Ontario, on Wednesday, May 5, 2010 at 4:30 p.m. (Toronto time) for the following purposes:

- (a) to receive and consider the financial statements of the Company for the year ended December 31, 2009 and the report of the auditors thereon;
- (b) to appoint Deloitte & Touche LLP, as auditors of the Company for the current year and to authorize the directors to fix their remuneration;
- (c) to elect the directors of the Company for the ensuing year;
- (d) to consider and, if thought advisable, pass a resolution approving the stock option plan and performance share unit plan adopted by the board of directors of the Company on March 17, 2010, each as more particularly described under the caption "Particulars of Matters to be Acted Upon at the Meeting – Adoption of Equity Incentive Plans";
- (e) to consider and, if thought advisable, pass a resolution approving the amendments to the Bye-laws of the Company adopted by the board of directors of the Company on March 17, 2010, as more particularly described under the caption "Particulars of Matters to be Acted Upon at the Meeting - Approval of Bye-Law Amendments"; and
- (f) to transact such other business as may properly come before the Meeting or any adjournments or postponements thereof.

This notice is accompanied by a form of proxy, the management information circular, the financial statements of the Company for the year ended December 31, 2009 and the request form for annual materials.

Regardless of whether or not you are able to be present at the Meeting, shareholders are requested to complete, date, sign and return the enclosed form of proxy in accordance with its instructions (unregistered shareholders must deliver their completed proxies in accordance with the instructions given by their financial institution or other intermediary that forwarded the form of proxy to them) so that as large a representation as possible may be had at the Meeting.

The Board has fixed the close of business on March 22, 2010 as the record date, being the date for the determination of registered holders of common shares of the Company entitled to receive notice of the Meeting and any adjournments thereof.

To be effective, forms of proxy must be received by Equity Transfer & Trust Company, Attn: Proxy Department, 200 University Avenue, Suite 400, Toronto, Ontario, M5H 4H1 (Fax: (416) 342-1095) no later than 48 hours (excluding Saturdays, Sundays and statutory holidays in the City of Toronto, Ontario) prior to the time of the Meeting, or if the Meeting is adjourned or postponed, no later than 48 hours (excluding Saturdays, Sundays, and statutory holidays in the City of Toronto, Ontario) prior to the time of such adjourned or postponed Meeting.

DATED at Toronto this 31st day of March, 2010.

BY ORDER OF THE BOARD

(Signed) "*Hugh Stoyell*"

Non-Executive Chairman

**KATANGA MINING LIMITED
MANAGEMENT INFORMATION CIRCULAR**

DATED MARCH 31, 2010

GENERAL PROXY INFORMATION

Solicitation of Proxies

This management information circular (the "**Circular**") is furnished in connection with the solicitation of proxies by the management of Katanga Mining Limited (the "**Company**") for use at the annual and special meeting of the shareholders of the Company (the "**Meeting**") at the time and place and for the purposes set forth in the accompanying Notice of Annual and Special Meeting of Shareholders. References in this Circular to the Meeting include any adjournments or postponements thereof. It is expected that the solicitation will be primarily by mail; however, proxies may also be solicited personally by regular employees of the Company and the Company may use the services of an outside proxy solicitation agency to solicit proxies. The cost of solicitation will be borne by the Company.

The board of directors of the Company (the "**Board**") has fixed the close of business on March 22, 2010 as the record date, being the date for the determination of the registered holders of securities entitled to receive notice of the Meeting. Duly completed and executed proxies must be received by the Company's transfer agent at the address indicated on the enclosed envelope no later than 48 hours (excluding Saturdays, Sundays and statutory holidays in the City of Toronto, Ontario) prior to the time of the Meeting, or if the Meeting is adjourned or postponed, no later than 48 hours (excluding Saturdays, Sundays, and statutory holidays in the City of Toronto, Ontario) prior to the time of such adjourned or postponed Meeting.

In this Circular, unless otherwise indicated, all dollar amounts "\$" are expressed in Canadian dollars and references to "US\$" are to United States dollars.

Unless otherwise stated, the information contained in this Circular is as of March 31, 2010.

Appointment and Revocation of Proxies

The persons named in the enclosed form of proxy are officers and/or directors of the Company. **A shareholder has the right to appoint some other person or company, who need not be a shareholder, to represent them at the Meeting, and may do so by inserting such person's name in the blank space provided in the enclosed form of proxy or by completing another proper form of proxy and, in either case, depositing the completed and executed proxy at the office of the Company's transfer agent indicated on the enclosed envelope no later than 48 hours (excluding Saturdays, Sundays and statutory holidays in the City of Toronto, Ontario) prior to the time of the Meeting, or if the Meeting is adjourned or postponed, no later than 48 hours (excluding Saturdays, Sundays, and statutory holidays in the City of Toronto, Ontario) prior to the time of such adjourned or postponed Meeting.**

A shareholder forwarding the enclosed proxy may indicate the manner in which the appointee is to vote with respect to any specific item by checking the appropriate space. If the shareholder giving the proxy wishes to confer a discretionary authority with respect to any item of business, then the space opposite the item is to be left blank. The shares represented by the proxy submitted by a shareholder will be voted in accordance with the directions, if any, given in the proxy.

A proxy given pursuant to this solicitation may be revoked by an instrument in writing executed by a shareholder or by a shareholder's attorney authorized in writing (or, if the shareholder is a corporation, by a duly authorized officer or attorney) and deposited either at the registered office of the Company, or at

the offices of Equity Transfer & Trust Company, Attn: Proxy Department, 200 University Avenue, Suite 400, Toronto, Ontario, M5H 4H1 (Fax: (416) 361-0470) at any time up to and including the last business day preceding the day of the Meeting, or any adjournments or postponements thereof, or with the Chairman of the Meeting on the day of the Meeting, or any adjournments or postponements thereof, or in any other manner permitted by law.

Exercise of Discretion by Proxies

The persons named in the enclosed form of proxy will vote the shares in respect of which they are appointed in accordance with the direction of the shareholders appointing them. **In the absence of such direction, such shares will be voted in favour of passing all of the resolutions described below. The enclosed form of proxy confers discretionary authority upon the persons named therein with respect to amendments or variations to matters identified in the Notice of Annual and Special Meeting of Shareholders and with respect to other matters which may properly come before the Meeting.** At the time of printing of this Circular, management knows of no such amendments, variations or other matters to come before the Meeting. However, if any other matters that are not now known to management should properly come before the Meeting, the proxy will be voted on such matters in accordance with the best judgment of the named proxies.

Voting by Non-Registered Shareholders

Only registered shareholders of the Company or the persons they appoint as their proxies are permitted to vote at the Meeting. Most shareholders of the Company are "non-registered" shareholders ("**Non-Registered Shareholders**") because the shares they own are not registered in their names but are instead registered in the name of the brokerage firm, bank or trust company through which they purchased the shares. Shares beneficially owned by a Non-Registered Shareholder are registered either: (i) in the name of an intermediary (an "**Intermediary**") that the Non-Registered Shareholder deals with in respect of the shares of the Company (Intermediaries include, among others, banks, trust companies, securities dealers or brokers and trustees); or (ii) in the name of a clearing agency (such as CDS Clearing and Depository Services Inc.) of which the Intermediary is a participant. In accordance with applicable securities law requirements, the Company will have distributed copies of the Notice of Annual and Special Meeting of Shareholders, this Circular, the form of proxy and the request form (collectively, the "**Meeting Materials**") to the clearing agencies and Intermediaries for distribution to Non-Registered Shareholders.

Intermediaries are required to forward the Meeting Materials to Non-Registered Shareholders unless a Non-Registered Shareholder has waived the right to receive them. Intermediaries often use service companies to forward the Meeting Materials to Non-Registered Shareholders. Generally, Non-Registered Shareholders who have not waived the right to receive Meeting Materials will either:

- (i) be given a voting instruction form **which is not signed by the Intermediary** and which, when properly completed and signed by the Non-Registered Shareholder and returned to the Intermediary or its service company, will constitute voting instructions (often called a "**voting instruction form**") which the Intermediary must follow. Typically, the voting instruction form will consist of a one page pre-printed form. Sometimes, instead of the one page pre-printed form, the voting instruction form will consist of a regular printed proxy form accompanied by a page of instructions which contains a removable label with a bar-code and other information. In order for the form of proxy to validly constitute a voting instruction form, the Non-Registered Shareholder must remove the label from the instructions and affix it to the form of proxy, properly complete and sign the form of proxy and submit it to the Intermediary or its service company in accordance with the instructions of the Intermediary or its service company; or

- (ii) be given a form of proxy **which has already been signed by the Intermediary** (typically by a facsimile, stamped signature), which is restricted as to the number of shares beneficially owned by the Non-Registered Shareholder but which is otherwise not completed by the Intermediary. Since the Intermediary has already signed the form of proxy, this form of proxy is not required to be signed by the Non-Registered Shareholder when submitting the proxy. In this case, the Non-Registered Shareholder who wishes to submit a proxy should properly complete the form of proxy and **deposit it with the Company, c/o Equity Transfer & Trust Company, Attn: Proxy Department, 200 University Avenue, Suite 400, Toronto, Ontario, M5H 4H1 (Fax: (416) 342-1095).**

In either case, the purpose of these procedures is to permit Non-Registered Shareholders to direct the voting of the shares of the Company they beneficially own. Should a Non-Registered Shareholder who receives one of the above forms wish to vote at the Meeting in person (or have another person attend and vote on behalf of the Non-Registered Shareholder), the Non-Registered Shareholder should strike out the persons named in the form of proxy and insert the Non-Registered Shareholder or such other person's name in the blank space provided. In either case, Non-Registered Shareholders should carefully follow the instructions of their Intermediary, including those regarding when and where the proxy or voting instruction form is to be delivered.

A Non-Registered Shareholder may revoke a voting instruction form or a waiver of the right to receive Meeting Materials and to vote which has been given to an Intermediary at any time by written notice to the Intermediary, provided that an Intermediary is not required to act on a revocation of a voting instruction form or of a waiver of the right to receive Meeting Materials and to vote which is not received by the Intermediary at least seven (7) days prior to the Meeting.

INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON

None of the directors or executive officers of the Company, any person who has held such a position since the beginning of the last completed financial year of the Company, any proposed nominee for election as a director of the Company nor any associate or affiliate of the foregoing persons, has any substantial or material interest, directly or indirectly, by way of beneficial ownership of securities or otherwise, in any matter to be acted on at the Meeting, other than the election of directors or the appointment of auditors, except that (a) the directors and executive officers of the Company may be granted stock options ("**Options**") to acquire common shares ("**Common Shares**") in the capital of the Company under the new stock option plan (the "**New Stock Option Plan**") adopted by the Board on March 17, 2010, and (b) executive officers of the Company may be granted performance share units under the performance share unit plan (the "**PSU Plan**" and, together with the New Stock Option Plan, the "**New Plans**") adopted by the Board on March 17, 2010, in each case if the resolution adopting the New Plans is approved by the shareholders at the Meeting. See "Particulars of Matters to be Acted Upon at the Meeting – Adoption of Equity Incentive Plans".

VOTING SECURITIES AND PRINCIPAL HOLDERS THEREOF

As of February 28, 2010, a total of 1,907,380,413 Common Shares were issued and outstanding. Each Common Share entitles the holder thereof to one vote on each matter coming before the Meeting. The Company does not have any other class of security entitled to vote at the Meeting. The record date for the determination of shareholders entitled to receive notice of the Meeting has been fixed at March 22, 2010.

The 2009 AIF is available on SEDAR at www.sedar.com and, upon request, the Company will promptly provide a copy of the 2009 AIF to any securityholder of the Company free of charge.

To the knowledge of the directors and executive officers of the Company, as of the date hereof, no person or company beneficially owns, controls or directs, directly or indirectly, voting securities of the Company carrying more than 10% of the voting rights attached to any class of voting securities of the Company other than:

Name	Common Shares Beneficially Owned #/% ⁽¹⁾
Glencore International AG	1,371,473,914 (74.4%)
Line Trust Corporation Limited, in its capacity as Trustee of the Ashdale Settlement	264,234,726 (13.8%)

Notes:

(1) The information as to Common Shares beneficially owned, controlled or directed, not being within the knowledge of the Company, has been obtained by the Company from the shareholders listed above.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

No current or former director, executive officer or employee of the Company has incurred any currently outstanding indebtedness (a) to the Company or any of its subsidiaries, or (b) for which the Company or any of its subsidiaries has given a guarantee or entered into a support agreement, letter of credit or similar arrangement or understanding.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table provides details of compensation plans under which equity securities of the Company are authorized for issuance as of the financial year ended December 31, 2009.

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted-average price of outstanding options, warrants and rights	Number of securities remaining available for future issuance under equity compensation plans ⁽³⁾
Equity compensation plans approved by securityholders ⁽¹⁾	4,450,686	\$12.20	4,450,686
Equity compensation plans not approved by securityholders ⁽²⁾	N/A	N/A	182,320,955
Total	4,450,686	\$12.20	186,771,641

Notes:

(1) Represents the Existing Stock Option Plan (as defined below) as well as 902,353 Common Shares issuable under the Nikanor Options (as defined below) as at December 31, 2009.

(2) Represents the New Stock Option Plan and PSU Plan adopted by the Board on March 17, 2010, which plans are subject to shareholder approval at the Meeting. These plans are described in greater detail under the caption "Particulars of Matters to be Acted Upon at the Meeting – Approval of Equity Incentive Plans".

(3) Based on the maximum percentage of Common Shares reserved for issuance under the Existing Stock Option Plan (10%) and the New Plans (10%), in each case less the total number of securities to be issued upon exercise of outstanding options, warrants and rights, as at December 31, 2009.

Equity Compensation Plans Approved by Securityholders

Existing-Global Stock Option Plan

Pursuant to the Company's Existing Stock Option Plan (the "**Existing Stock Option Plan**"), as amended by shareholders on January 11, 2008, the Board may grant Options to directors, officers, employees and consultants of the Company and its Affiliates (as such term is defined in the *Securities Act* (Ontario)) or to employees of a corporation providing management or administrative services to the Company. The

aggregate maximum number of Common Shares available for issuance from treasury under the Existing Stock Option Plan is not to exceed 5% of the issued and outstanding Common Shares from time to time. **If the resolution adopting the New Stock Option Plan is approved by the shareholders at the Meeting, all future grants of Options will be made under the New Stock Option Plan and no additional Options will be granted under the Existing Stock Option Plan.**

The number of Common Shares subject to each Option is determined by the Board within the guidelines established by the Existing Stock Option Plan. The Options enable such persons to purchase Common Shares at a price fixed pursuant to such guidelines. The Options are exercisable by the optionee giving the Company notice and payment of the exercise price for the number of Common Shares to be acquired. Under the Existing Stock Option Plan, the number of Common Shares issuable pursuant to Options granted to Insiders (as such term is defined in the *Securities Act* (Ontario)) shall not exceed 10% of the outstanding Common Shares at the time of grant. In addition, the number of Common Shares issued to Insiders pursuant to Options, within a one year period, shall not exceed 10% of the Common Shares outstanding at the time of grant.

All Options granted pursuant to the Existing Stock Option Plan must be subject to a written agreement. Such Option agreements must provide that the Option can only be exercised by the optionee and only so long as the optionee is a director, officer, consultant or employee of the Company or Affiliate or as an employee of the management or administrative corporation and during a period of not more than 90 days after ceasing to be a director, officer, consultant or employee (unless otherwise approved by the Board) or, if the optionee dies, by their legal representatives up to and including the expiry date of the Option. The Options terminate immediately upon an optionee being removed, dismissed or terminated with cause from such a position. The agreements also provide that disinterested shareholder approval must be obtained prior to the reduction of the exercise price of Options granted to Insiders.

Options granted under the Existing Stock Option Plan are not transferable or assignable other than pursuant to laws of succession, except that Options may be assigned by an optionee to his or her holding company, subject to the rules of the Toronto Stock Exchange ("**TSX**").

Options expiring during a blackout period, or within two business days after the last day of a blackout period, are automatically extended to the date which is ten trading days after the expiry of the blackout period.

Pursuant to the terms of the Existing Stock Option Plan, the Board is permitted to make amendments to the Existing Stock Option Plan that, in their sole judgment are required, without obtaining the approval of shareholders, except for: (a) reductions in the exercise price of Options granted to Insiders of the Company; (b) amendments to the maximum number of Options that can be granted under the Stock Option Plan to acquire Common Shares; and (c) amendments to extend the terms of outstanding Options granted pursuant to the Existing Stock Option Plan. The Board may, subject to requisite regulatory approval, make all other amendments to the Existing Stock Option Plan that are not of the type contemplated in items (a), (b) and (c) above, including, but not limited to, amendments of a "housekeeping nature", changes to the vesting schedule of outstanding Options (however, such changes shall not extend vesting of options beyond three years), and amendments to allow for the addition of a cashless exercise feature, payable in cash or securities, which provides for a full deduction of the number of underlying securities from the Existing Stock Option Plan.

In addition to the limit on the number of Common Shares issuable pursuant to the Existing Stock Option Plan, Common Shares are issuable upon exercise of outstanding options of Nikanor ("**Nikanor Options**") rolled-over pursuant to the terms of the Merger. Such Nikanor Options will continue to be governed by the terms of the Nikanor Share Plan 2006 and are not governed by the terms of the Existing Stock Option Plan.

Restricted Share Unit Plan

The restricted share unit plan of the Company (the "**Restricted Share Unit Plan**") is administered by the Board (or a committee of the Board). The purpose of the Restricted Share Unit Plan is to provide directors, officers, full time employees and consultants ("**Eligible Persons**") of the Company and its affiliates with compensation opportunities that will encourage ownership of Common Shares, enhance the Company's ability to attract, retain and motivate key personnel, and reward Eligible Persons for their contribution to the growth of the Company.

Subject to the terms of the Restricted Share Unit Plan, each right (a "**Right**") granted to an Eligible Person to receive one Common Share purchased by the trustee (the "**Trustee**"), appointed by the Board under the Restricted Share Unit Plan, vests over a period of three years from the date of grant in equal amounts at the end of each year. The Board may however, at its sole discretion, provide for any other vesting schedule upon the grant of Rights. Upon the vesting of Rights, the Company will pay to the Trustee a sufficient amount of funds for the Trustee to purchase forthwith on the TSX one Common Share for each Right then vested. The Trustee must use the funds received to purchase Common Shares on the TSX and register them in the name of the holder (or in the name of any of the holder's brokerage accounts, as directed by such holder) and deliver such Common Shares as directed by the holder. The Trustee must purchase the Common Shares as soon as practicable following receipt of the funds paid by the Company. If the funds provided to the Trustee are insufficient to purchase all Common Shares necessary for all Rights then vested, the Trustee must advise the Company forthwith and the Company must immediately provide the necessary additional funds to the Trustee. Excess funds held by the Trustee are to be returned to the Company.

In the event of the retirement, termination or resignation of an Eligible Person, all unvested Rights held by the Eligible Person immediately terminate and are of no further force or effect, provided that the Board has the absolute discretion to waive such termination. Rights under the Restricted Share Unit Plan can be granted for a maximum term of five years.

If there is a Change of Control (as defined in the Restricted Share Unit Plan) of the Company while any Rights granted under the Restricted Share Unit Plan are outstanding, such Rights, subject to approval of the TSX (if required), will vest immediately and be fully converted notwithstanding the terms thereof.

Equity Compensation Plans Not Approved by Securityholders

New Stock Option Plan and PSU Plan

On March 17, 2010, the Board adopted the New Stock Option Plan and the PSU Plan, subject to shareholder approval at the Meeting. The New Stock Option Plan provides that the Company may grant Options to directors, officers, employees and consultants of the Company. The PSU plan provides that the Company may grant PSUs to officers, employees and consultants of the Company. The maximum number of Common Shares issuable under all security based compensation arrangements of the Company will not exceed 10% of the issued and outstanding Common Shares from time to time. The terms and conditions of the New Plans are described in greater detail under the caption "Particulars of Matters to be Acted Upon at the Meeting – Approval of Equity Incentive Plans".

STATEMENT OF EXECUTIVE COMPENSATION

COMPENSATION DISCUSSION AND ANALYSIS

Objectives of Compensation Program

The objectives of the Company's compensation program are to attract, hold and inspire the performance of members of senior management in order to enhance profitability and growth of the Company. Specifically, the compensation strategy has been designed to ensure internal consistency in rewarding contribution and external validity against the market. A flexible reward structure was identified to respond to organisational growth and market changes whilst driving performance of the key members of the executive team.

Overview of the Compensation Philosophy

The following principles guide the Company's overall compensation philosophy: (i) providing a fair and competitive level of compensation; (ii) attracting, retaining and motivating its executives who are critical to the Company's long-term success; (iii) rewarding performance, both on an individual basis and with respect to the business in general; and (iv) reinforcing the link between the shareholders' interests and the compensation of the Company's executive officers.

In order to achieve these objectives, the compensation paid to executive officers consists of the following components: (a) base salary; (b) annual performance-based incentives; (c) Option grants under the Stock Option Plan; (d) Rights grants under the Restricted Share Unit Plan; (e) payments under the Executive Retirement Allowance Plan ("**ERAP**"); (f) assignment completion bonuses ("**ACB**"); and (g) various perquisites. These components are included in the employment agreements of the Named Executive Officers (as hereinafter defined). Also see "Summary Compensation Table" below.

The Compensation Committee and Compensation Review Process

The Compensation Committee assists the Board by making recommendations to the Board concerning the salary, bonus, and other benefits of the Chief Executive Officer and other members of the senior management team. In setting base salaries and bonuses for the Chief Executive Officer and other executive officers, the Compensation Committee reviews compensation paid to other chief executive officers and senior executive officers in the industry and the particular individual's achievement of the Company's objectives during the previous financial year. The Compensation Committee reviews on an annual basis the compensation of the Board. The Compensation Committee also reviews salary guidelines, share plan proposals and employment benefit trends and makes recommendations to the Board where appropriate. The Compensation Committee has been involved in determining the remuneration and compensation package for the new interim Chief Executive Officer. Kepler Associates was engaged in 2009 to assist the Compensation Committee in designing a new long term incentive plan. The recommendations of Kepler Associates were widely considered and have been adopted by the Compensation Committee.

The following table sets forth the meetings held by the Compensation Committee during the year ended December 31, 2009.

Date	Topics of Discussion
January 28, 2009	<ul style="list-style-type: none">• Appointments of CEO – Steven Isaacs• Proposal to appoint John Ross as the Director Générale
February 3, 2009	<ul style="list-style-type: none">• Change of Control Payment

Date	Topics of Discussion
February 4, 2009	<ul style="list-style-type: none">• Change of Control Issue
February 24, 2009	<ul style="list-style-type: none">• Steven Isaacs – Appointment as permanent CEO
March 17, 2009	<ul style="list-style-type: none">• Information Circular• Change of Control payments – Executive officers• CEO – Steven Isaacs
April 16, 2009	<ul style="list-style-type: none">• Restructure of contractual details for Interim Chief Executive Officer "CEO"• Directors Fees
May 6, 2009	<ul style="list-style-type: none">• Steven Isaacs' employment contract• Tim Henderson Secondment Contract
August 18, 2009	<ul style="list-style-type: none">• RSUs and Stock Options• CFO Compensation Package• Board Fees Q2
November 4, 2009	<ul style="list-style-type: none">• Long Term Incentive Plan• Change of Control
December 11, 2009 joint meeting with Corporate Governance & Nomination Committee	<ul style="list-style-type: none">• Independent Status of Certain Directors• CEO Position
December 18, 2009 joint meeting with Corporate Governance & Nomination Committee	<ul style="list-style-type: none">• Potential Conflict of Interest• Director Independence and Board Committee Composition• Proposal to appoint Mr. Ross as CEO and Director• CEO Compensation• Position of Director General for KCC

In conducting its review and making its recommendations to the Board, the Compensation Committee was satisfied that all recommendations complied with the Compensation Committee's philosophy and guidelines set forth above.

Elements of Executive Compensation

The six main elements of compensation of the Chief Executive Officer and other senior executive officers of the Company for the financial year ended December 31, 2009 included annual compensation in the form of base salary, annual performance-based incentives, long-term equity based incentives in the form of Options and Rights and long-term non-equity based incentives in the form of ERAP and ACB payments. Long-term non-equity based incentives in the form of ERAP and ACB payments were relevant in 2009 for existing senior executive officers and/or those leaving the Company; however, these elements ceased to be included in the contracts of employment of promoted or newly recruited eligible employees. Competitive benefits and perquisites are also provided at the discretion of the Board.

Cash-Based Compensation

Base Salary

Salaries form an essential component of the Company's compensation mix as they are the first base measure to compare and remain competitive relative to peer groups. Base salaries are fixed and therefore

not subject to uncertainty and are used as the base to determine other elements of compensation and benefits.

The main consideration in establishing base salary ranges for the Company's executive officers is the evaluation of market comparables for similar positions. Within those ranges, individual rates generally vary with weight being placed on the following factors: (a) the particular responsibilities related to the position; (b) salaries paid by comparable businesses; (c) the experience level of the executive officer; and (d) his or her overall performance.

The Compensation Committee believes that it is appropriate to establish compensation levels based in part on benchmarking against similar companies, both in terms of compensation practices as well as levels of compensation. In this way, the Company can gauge and ensure that its compensation is competitive and reasonable in the marketplace.

Accordingly, the Compensation Committee reviews compensation levels for the Named Executive Officers against compensation levels of comparison companies identified by the Compensation Committee members. In choosing a comparative group, the Company uses a group of publicly-traded mining companies of comparable size to the Company, as determined by annual revenue, market capitalization and complexity and scope of operations.

Annual Performance-Based Cash Incentives

Annual cash incentives are a variable component of compensation designed to reward the Company's executive officers, directors, employees and consultants for maximizing annual operating performance.

The Company's business plan requires that the focus is on project development milestones and safe, efficient and responsible (environmental and social) production growth. These measures are therefore regarded as the basis for the annual variable incentive scheme, linking management performance with the commitments made to the Company's shareholders.

Bonus payments are awarded to executives, after taking into account corporate performance and individual performance. In assessing corporate performance, it is recognized that executive officers cannot control certain factors, such as interest rates and the international market for copper and cobalt produced by the Company. When applying the corporate performance criteria, the Compensation Committee considers factors over which the executive officers can exercise control, such as meeting budget targets established by the Board at the beginning of each year, controlling costs, safety performance, taking advantage of business opportunities and enhancing the competitive and business prospects of the Company. In determining payout amounts, significant weight is given to market comparable information. Individual performance is qualitative in nature, based largely on performance relative to goals and objectives determined at the beginning of the year. All awards are at the discretion of the Compensation Committee and on the recommendation of the Chief Executive Officer.

On March 17, 2010, the Board adopted a short-term incentive plan (the "**STIP**") to formalize and replace its annual variable incentive scheme. The Compensation Committee may, subject to Board approval, grant awards under the STIP to any officer or employee of the Company. The Compensation Committee is responsible for setting the performance measures applicable to the award and for determining the extent to which such performance measures are met. The amount of the award may be varied from the amount calculated in the reasonable discretion of the Compensation Committee.

Other Compensation (Perquisites)

Perquisites provided for executive officers are done so at the sole discretion of the Company as a means of attracting and retaining their services. Perquisites are offered for competitive reasons and can be specific to the location of the role and taking into consideration the needs of the individual concerned.

Equity Incentive Plans

Options

The granting of Options is a variable component of compensation intended to attract, motivate and reward the Company's executive officers in advancing the interests and success of the Company. It is also intended to promote ownership of the Company and align the interests of management with the interests of the Company's shareholders. **If the resolution adopting the New Stock Option Plan is approved by the shareholders at the Meeting, all future grants of Options will be made under the New Stock Option Plan and no additional Options will be granted under the Existing Stock Option Plan.**

On March 17, 2010, the Board adopted the New Stock Option Plan, subject to shareholder approval. In determining the number of Options granted under the Existing Stock Option Plan or to be granted under the New Stock Option Plan if shareholder approval is obtained at the Meeting, the Compensation Committee gives consideration to, among other things, the individual's current and potential contribution to the success of the Company as well as the relative position of the individual within the Company.

Under the Existing Stock Option Plan, the Board may determine by resolution those directors, employees, officers and consultants to whom Options should be granted and may grant such Options as it deems appropriate. The Board determines and specifies in its resolutions the number of Common Shares that should be placed under Option to each such employee, consultant, officer or director, the price per Common Share to be paid upon the exercise of each such Option and the period during which the Option may be exercised. Under the New Stock Option Plan, the Compensation Committee will be responsible for determining which directors, employees, officers and consultants should be granted Options, the number of Options to be granted and the terms and conditions of such Options. The grant of Options will continue to be subject to Board approval.

See "Securities Authorized for Issuance under Equity Compensation Plans" for a summary of the material terms and conditions of the Existing Stock Option Plan. See "Particulars of Matters to be Acted Upon at the Meeting – Adoption of Equity Incentive Plans" for a summary of the material terms and conditions of the New Stock Option Plan.

Rights

The granting of Rights is intended to attract, retain and motivate the Company's executive officers and reward them for their contribution to the growth of the Company. It is also intended to promote ownership of the Company and thus serves to align the interests of management with the interests of the Company's shareholders. **If the resolution adopting the PSU Plan is approved by the Shareholders at the Meeting, no additional Rights will be granted under the Restricted Share Unit Plan.**

In determining the number of Rights granted under the Restricted Share Unit Plan, the Compensation Committee gives consideration to, among other things, the individual's current and potential contribution to the success of the Company as well as the relative position of the individual within the Company.

The Board and the Compensation Committee have the power to: (i) appoint the Trustee under the Restricted Share Unit Plan and enter in any agreement with the Trustee necessary in connection with such an appointment; (ii) determine the Eligible Persons who will participate in the Restricted Share Unit Plan;

and (iii) determine the level of participation of each Eligible Person. See "Securities Authorized for Issuance under Equity Compensation Plans" for a summary of the material terms and conditions of the Restricted Share Unit Plan.

PSUs

On March 17, 2010, the Board adopted the PSU Plan, subject to shareholder approval. The granting of PSUs is intended to encourage and reward outstanding performance by officers, employees and consultants who are in a position to contribute materially to the success of the Company and its subsidiaries, to increase their interest in the Company's welfare and to provide a means through which the Company can attract, retain and motivate key personnel.

Under the PSU Plan, the Compensation Committee will be responsible for determining which directors, employees, officers and consultants should be granted PSUs, the number of PSUs to be granted and the terms and conditions of such PSUs. The grant of the PSUs is subject to Board approval.

In determining the number of PSUs to be granted under the PSU Plan, the Compensation Committee gives consideration to, among other things, the individual's current and potential contribution to the success of the Company as well as the relative position of the individual within the Company. It is intended that the performance conditions attached to the PSUs will reflect a combination of personal goals, business objectives for the Company or the applicable subsidiary, and "total shareholder return" on an investment in Common Shares, measured on a relative basis to a group of peer companies identified by the Compensation Committee from time to time.

See "Particulars of Matters to be Acted Upon at the Meeting – Adoption of Equity Incentive Plans" for a summary of the material terms and conditions of the PSU Plan.

Non-Equity Incentive Plans

Executive Retirement Allowance Plan

A further element of the executive compensation entitlement is the ERAP. The purpose of the ERAP is to provide eligible employees with the right to receive a deferred retention bonus upon the completion of service with the Company. Due to the nature of its service-related eligibility, it forms an integral component in retaining executive officers.

At the discretion of the Board, certain employees are entitled to participate in the ERAP in accordance with the terms of their employment agreements. This provision provides that upon the completion of a two-year assignment with the Company, the employee is entitled to receive an ERAP payment equal to 15% of the sum of the participant's base salary, including foreign service premiums, plus annual target bonus, regardless of whether the bonus is in fact achieved for each completed year of service. Following two years of service, any partial years are to be recognized on a pro rata basis. The cash payment pursuant to the ERAP becomes payable upon the cessation of a participant's employment. No payments pursuant to the ERAP are payable in the event a participant's employment is terminated with cause.

As a result of the departure of the majority of the Directors and eligible employees from the Company, the Compensation Committee decided to phase out the ERAP during 2009. No new employees joining the Company have been offered the opportunity to participate in the ERAP scheme and the one remaining eligible employee has been paid the monies owing in full. ERAP will no longer form a part of executive compensation.

Assignment Completion Bonus

At the discretion of the Board, in 2009 certain executive officers are also entitled to receive an ACB in accordance with the terms of their employment agreements. This provision typically provides that upon the completion of a two year assignment with the Company, the employee shall be entitled to receive an ACB equal to 2½ months of their base salary, including foreign service premiums, for each completed year of service. Following two years of service, any partial years are to be recognized on a pro rata basis. The ACB payment is to be included in the employee's final pay and thus serves as a deferred bonus plan payable on termination. The provision of an ACB provides a direct cash benefit to executive officers, which rewards individuals on the basis of long-term service to the Company. **The provision of an ACB ceased to be included in the Contracts of promoted or newly recruited eligible employees.**

Overview of How Compensation Program Supports Compensation Goals

Attract, Hold and Inspire Key Talent

The compensation package meets the goal of attracting, holding and motivating key talent in a highly competitive mining environment through the following elements: (i) a competitive cash compensation program, consisting of base salary and bonus opportunity; (ii) providing an opportunity through the grant of Options, Rights and PSUs to participate in the Company's growth and value; and (iii) providing an opportunity through the ERAP and ACB payments to participate and accrue cash benefits over the long-term.

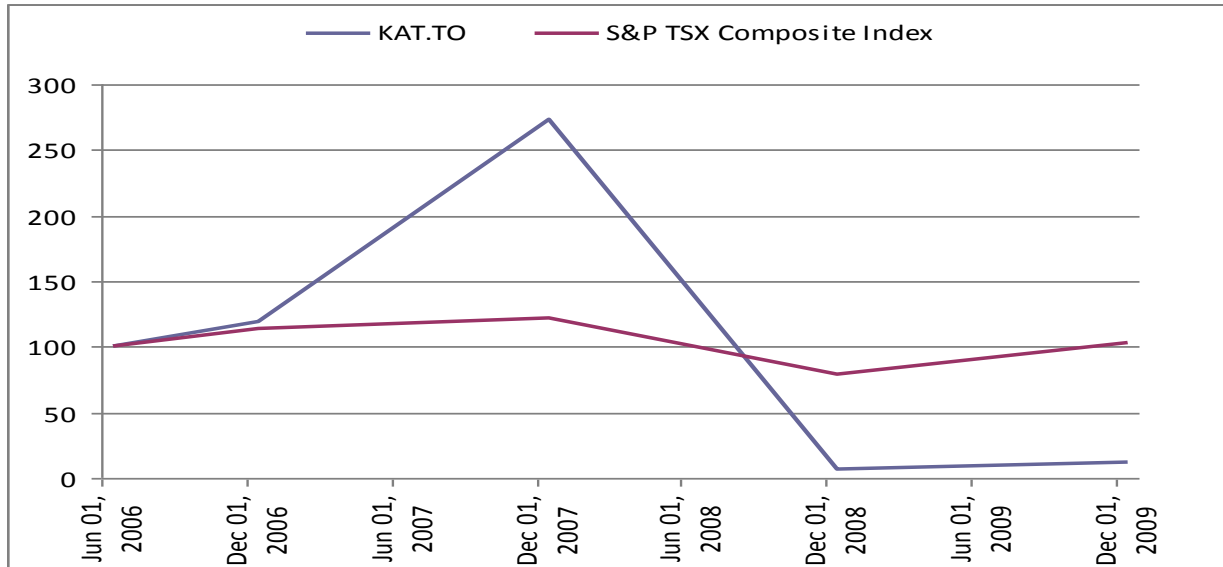
Alignment of Interests of Management with Interest of the Company's Shareholders

The compensation package meets the goal of aligning the interests of management with the interest of the Company's shareholders through the grant of Options, Rights and PSUs, pursuant to which any increase in the Company's shares price over time will benefit both executives and shareholders and through the provision of a three-year vesting period on Rights awards which incentivizes management to focus on long-term growth and increase in share value rather than focusing on short-term increases.

PERFORMANCE GRAPH

The following graph compares the yearly percentage change in the cumulative total shareholder return for C\$100 invested in Common Shares against the cumulative total shareholder return of the S&P/TSX Composite Index for the most recently completed financial years of the Company since it became listed on the TSX, assuming the reinvestment of all dividends.

	June 28 06	Dec. 06	Dec. 07	Dec. 08	Dec. 09
Katanga Mining Limited	100.00	119.21	273.68	6.62	11.59
S&P/TSX Composite Index	100.00	113.91	122.07	79.31	103.65



No part of discretionary bonus payments that were made were as a direct result of the share price and financial status of the Company during the year ended December 31, 2008. The compensation of the Company's executive officers is not based upon the performance of the Company's shares.

SUMMARY COMPENSATION TABLE

The following table provides information for the most recently completed financial year ended December 31, 2009 regarding compensation earned by each of the following executive officers of the Company: (a) the Chief Executive Officer; (b) the Chief Financial Officer; and (c) the other three most highly compensated "executive officers" during the financial year ended December 31, 2009 (the "Named Executive Officers"). The following table outlines the information for the financial year ended December 31, 2009 in accordance with Form 51-102F6.

Financial Year Ended December 31, 2009

Name and principal position	Salary (US\$)	Share-based awards (US\$)	Option-based awards ⁽¹⁾⁽²⁾ (US\$)	Non-equity incentive plan compensation (US\$)		All other compensation (US\$)	Total compensation (US\$)
				Annual incentive plans	Long-term incentive plans ⁽³⁾		
Steven Isaacs Interim Chief Executive Officer	359,970 ⁽²⁾	Nil	Nil	Nil	Nil	54,346 ⁽³⁾⁽⁵⁾	414,316
Nick Brodie Chief Financial Officer	344,300 ⁽³⁾	Nil	Nil	297,350 ⁽³⁾⁽⁸⁾	Nil	44,759 ⁽³⁾⁽⁶⁾	686,409
John Ross Chief Operating Officer	440,439	Nil	Nil	375,411 ⁽⁷⁾	Nil	58,947 ⁽⁴⁾⁽⁹⁾	874,797
Bernie Cyr Chief Engineer	358,273	Nil	Nil	95,971	Nil	59,693 ⁽⁴⁾	513,937
Richard Newton General Manager, Finance & Accounting	385,885	Nil	Nil	75,978	Nil	69,428 ⁽⁴⁾⁽¹⁰⁾	531,291

Notes:

- (1) Amounts represent values earned under the ERAP and ACB.
- (2) Using an average exchange rate for the year of 1.00 Swiss francs= US\$0.923.
- (3) Using an average exchange rate for the year of £1.00 = US\$1.565.
- (4) Earned a US\$39,477 travel allowance.
- (5) The Company reimbursed US\$53,406 of Mr. Isaacs' rent expenses.
- (6) This amount principally represents contributions to Mr. Brodie's personal pension plan.
- (7) This includes a cash bonus of US\$180,000 as a result of joint-venture negotiations.

- (8) This includes a cash bonus of US\$125,200 as a result of joint-venture negotiations.
 (9) This includes a reimbursement for school fees of US\$5,000.
 (10) This includes a reimbursement for school fees of US\$9,500.

INCENTIVE PLAN AWARDS

The following table provides information regarding the incentive plan awards for each Named Executive Officer outstanding as of December 31, 2009.

Outstanding Share Awards and Option Awards

Name	Option Awards				Share Awards	
	Number of securities underlying unexercised options (#)	Option exercise price (US\$)	Option expiration date	Value of unexercised in-the-money options (US\$)	Number of shares or units of shares that have not vested (#)	Market or payout value of share awards that have not vested ⁽¹⁾ (US\$)
Steven Isaacs	Nil	Nil	Nil	Nil	Nil	Nil
Nick Brodie	50,000 25,000	\$7.30 \$15.97	Dec. 17, 2011 May 6, 2012	Nil	1,667	1,112
John Ross	50,000	13.25	Apr. 30, 2013	Nil	3,333	2,223
Bernie Cyr	50,000	10.50	Aug. 14, 2013	Nil	3,333	2,223
Richard Newton	50,000	13.59	Apr. 28, 2013	Nil	Nil	Nil

Note:

- (1) Based on an underlying share value of \$0.70 as at December 31, 2009. The US\$ figures are presented based on the exchange rate as at December 31, 2009 of \$1.00 = US\$0.953.

The following table provides information regarding the value vested or earned on incentive plan awards during the financial year ended December 31, 2009.

Incentive Plan Awards - Value Vested or Earned During the Year

Name	Option awards – Value vested during the year ⁽¹⁾⁽³⁾ (US\$)	Share awards – Value vested during the year ⁽²⁾⁽³⁾ (US\$)	Non-equity incentive plan compensation – Value earned during the year (US\$)
Steven Isaacs	Nil	Nil	Nil
Nick Brodie	Nil	2,727	297,350
John Ross	Nil	484	375,411
Bernie Cyr	Nil	910	95,971
Richard Newton	Nil	Nil	75,978

Notes:

- (1) Aggregate dollar value that would have been realized if the Options had been exercised on the vesting date (computed based on the difference between the market price of shares at exercise and the exercise price of the Options on the vesting date). Note that all the Options outstanding were out-of-the-money as at December 31, 2009.
 (2) Aggregate dollar value realized upon vesting of the share-based awards by multiplying the number of Rights by the market value of the underlying shares on the vesting date.
 (3) These were awarded in Canadian dollars and the vesting values were calculated in Canadian dollars. The US\$ figures are presented based on the average exchange rate for the year ended December 31, 2009 of \$1.00 = US\$0.880.

TERMINATION AND CHANGE OF CONTROL BENEFITS

Employment Agreements

During the year ended December 31, 2009, the Company had employment agreements or similar type arrangements with the following Named Executive Officers, the material terms and conditions of which are described below.

Steven Isaacs

Mr. Isaacs was seconded to the Company as Interim Chief Executive Officer, as per the agreement dated October 2, 2008 between Glencore International AG (the "**Employer**") and the Company. The secondment period commenced on October 2, 2008 and ended effective January 1, 2010.

John Ross

Effective January 4, 2010, Mr. Ross was promoted into the position of Chief Executive Officer and his current annual salary is US\$650,000. Under his employment agreement, Mr. Ross is entitled to an annual performance incentive equal to a percentage of his base salary. Pursuant to the terms of his employment agreement, Mr. Ross may resign by providing not less than four months' written notice to the Company. In the event that Mr. Ross' employment is terminated for cause (as defined in his employment agreement), he is not entitled to notice or payment in lieu of notice. If Mr. Ross' employment is terminated without cause, he is entitled to four months notice or payment in lieu of notice at the Company's discretion.

Nick Brodie

Mr. Brodie entered into a new employment agreement on December 23, 2009, which replaced his previous employment agreement entered into on November 8, 2006. Effective December 15, 2008, Mr. Brodie was promoted into the position of Chief Financial Officer and in 2009 his annual salary was £220,000 (US\$334,300) and he was entitled to an annual performance incentive equal to a percentage of his base salary. In 2010, Mr. Brodie's annual salary is 366,000 Swiss francs and he is entitled to a performance incentive equal to a percentage of his base salary. Pursuant to the terms of his new employment agreement, Mr. Brodie may resign by providing not less than six months' written notice to the Company. In the event that Mr. Brodie's employment is terminated for cause (as defined in his new employment agreement), he is not entitled to compensation by way of anticipated earnings or damages. If Mr. Brodie's employment is terminated by the Company without cause, he is entitled to notice from the notification of termination date up to and including December 31, 2012 or payment in lieu of notice in an amount equal to such notice. On a "change of control", Mr. Brodie was entitled to a payment in accordance with his change of control agreement dated May 1, 2007 entered into with the Company; however, in his new employment agreement Mr. Brodie renounced this change of control entitlement. See "Change of Control Agreements" below.

Bernie Cyr

Mr. Cyr is employed as Chief Engineer, based at the mine site in Kolwezi, DRC. His employment agreement was entered into on September 1, 2006 on an ongoing permanent basis. Mr. Cyr's annual salary is US\$392,822. Under the terms of his employment agreement, he is entitled to an annual performance related incentive equal to a percentage of his annual base salary. In addition, Mr. Cyr receives an annual travel allowance to facilitate trips to his home. Mr. Cyr may resign from his position by providing not less than eight weeks written notice to the Company. If Mr. Cyr's employment is terminated for cause (as defined in his employment agreement), his right to notice or payment in lieu of notice will be forfeited. If his employment is terminated without cause, Mr. Cyr is entitled to eight weeks

notice or payment in lieu of notice at the Company's discretion. See "Summary Compensation Table" above.

Richard Newton

Mr. Newton is employed as General Manager, Finance and Accounting, based at the mine site in Kolwezi, DRC. His employment agreement was entered into on January 7, 2008. Mr. Newton's annual salary is US\$417,469. Under the terms of his employment agreement, he is entitled to an annual performance related incentive equal to a percentage of his annual base salary. In addition, Mr. Newton receives an annual travel allowance to facilitate trips to his home. Mr. Newton may resign from his position by providing not less than eight weeks written notice to the Company. If Mr. Newton's employment is terminated for cause (as defined in his employment agreement), his right to notice or payment in lieu of notice will be forfeited. If his employment is terminated without cause, Mr. Newton is entitled to eight weeks notice or payment in lieu of notice at the Company's discretion. Effective from March 1, 2010 Mr. Newton was transferred from Finance and Accounting to perform the role as General Manager, Supply Chain, Procurement and Logistics.

Change of Control Agreements

During the year ended December 31, 2009, the Named Executive Officers of the Company (except for Mr. Brodie who was subject to a separate change of control agreement) were not parties to change of control agreements.

Mr. Brodie entered into a change of control agreement with Katanga on May 11, 2007; however, under his new employment agreement with Katanga, dated December 23, 2009, Mr. Brodie agreed to renounce his entitlements under his change of control agreement.

DIRECTOR COMPENSATION

During the financial year ended December 31, 2009 the directors of the Company were eligible to receive up to US\$93,900 per year for acting as directors and performing various services in such capacity, including but not limited to attending Board meetings. The non-executive Chairman was eligible to receive up to US\$156,500 per year for his services.

Each member of the Audit Committee, the Corporate Governance & Nomination Committee, the Compensation Committee, the Health, Safety, Social & Environment Committee (the "**HSS&E Committee**") and the Technical Oversight Committee were eligible to receive up to US\$9,930 per year for serving as a member of each of the foregoing Committees of the Board.

In addition, Mr. Robinson received \$11,738 for additional duties performed in regard to the KOL Special Committee.

Director Compensation Table

The following table provides information regarding compensation provided to the Company's directors during the financial year ended December 31, 2009.

Name	Fees earned⁽¹⁾ (US\$)	Share awards (US\$)	Option awards (US\$)	Non-equity incentive plan compensation (US\$)	All other compensation (US\$)	Total (US\$)
Hugh Stoyell	170,080	Nil	Nil	Nil	Nil	170,080
George Forrest ⁽²⁾	41,707	Nil	Nil	Nil	Nil	41,707

Name	Fees earned ⁽¹⁾ (US\$)	Share awards (US\$)	Option awards (US\$)	Non-equity incentive plan compensation (US\$)	All other compensation (US\$)	Total (US\$)
Malta D. Forrest ⁽²⁾	54,219	Nil	Nil	Nil	Nil	54,219
Robert Wardell	122,070	Nil	Nil	Nil	Nil	122,070
Terry Robinson	133,808	Nil	Nil	Nil	Nil	133,808
Rafael Berber	107,480	Nil	Nil	Nil	Nil	107,480
Stephen Oke ⁽²⁾	62,561	Nil	Nil	Nil	Nil	62,561
Aristotelis Mistakidis	116,870 ⁽³⁾	Nil	Nil	Nil	Nil	116,870
Cornelius Erasmus	14,800 ⁽³⁾	Nil	Nil	Nil	Nil	14,800
TOTALS	823,594	---	---	---	---	823,594

Notes:

(1) Using an average exchange rate for the year of £1.00 = US\$1.565.

(2) George Forrest, Malta D. Forrest and Stephen Oke resigned as directors effective June 10, 2009.

(3) Since Mr. Mistakidis and Mr. Erasmus are Glencore International AG nominee directors, their directors compensation (cash and securities) are paid to Glencore International AG.

Incentive Plan Awards

The following table provides information regarding the incentive plan awards for each director outstanding as of December 31, 2009.

Outstanding Share Awards and Options Awards

Name	Option-based Awards				Share-based Awards	
	Number of Securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options (US\$)	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested ⁽¹⁾ (US\$)
Hugh Stoyell	Nil	Nil	Nil	Nil	5,773	3,851
George Forrest ⁽²⁾	Nil	Nil	Nil	Nil	Nil	Nil
Malta D. Forrest ⁽²⁾	Nil	Nil	Nil	Nil	Nil	Nil
Robert Wardell	100,000	6.15	July 6, 2011	Nil	Nil	Nil
Terry Robinson	Nil	Nil	Nil	Nil	5,773	3,851
Rafael Berber	Nil	Nil	Nil	Nil	5,773	3,851
Stephen Oke ⁽³⁾	Nil	Nil	Nil	Nil	5,773	3,851
Aristotelis Mistakidis ⁽⁴⁾	Nil	Nil	Nil	Nil	5,773	3,851

Notes:

(1) Based on an underlying share value of \$0.70 as at December 31, 2009. The US\$ figures are presented based on the exchange rate as at December 31, 2009 of \$1.00 = US\$0.953.

(2) George Forrest and Malta D. Forrest resigned as directors effective June 10, 2009. Their Options lapsed effective September 8, 2009.

(3) Stephen Oke resigned as a director effective June 10, 2009.

(4) Held for the benefit of Glencore.

The following table provides information regarding the value vested or earned on incentive plan awards for each director during the financial year ended December 31, 2009.

Incentive Plan Awards - Value Vested or Earned During the Year

Name	Option awards – Value vested during the year⁽¹⁾ (US\$)	Share awards – Value vested during the year (US\$)	Non-equity incentive plan compensation – Value earned during the year (US\$)
Hugh Stoyell	Nil	915	Nil
George Forrest ⁽²⁾	Nil	Nil	Nil
Malta D. Forrest ⁽²⁾	Nil	Nil	Nil
Robert Wardell	Nil	Nil	Nil
Terry Robinson	Nil	915	Nil
Rafael Berber	Nil	915	Nil
Stephen Oke ⁽²⁾	Nil	915	Nil
Aristotelis Mistakidis ⁽³⁾	Nil	915	Nil

Notes:

- (1) Aggregate dollar value that would have been realized if the Options had been exercised on the vesting date (computed based on the difference between the market price of shares at exercise and the exercise price of Option on the vesting date). Note that all the Options outstanding were out-of-the-money as at December 31, 2009.
- (2) George Forrest, Malta D. Forrest and Stephen Oke resigned as directors effective June 10, 2009.
- (3) Held for the benefit of Glencore.

Liability Insurance

The Company provides insurance for the benefit of the directors and officers of the Company against liability incurred by them in such capacities. The current annual policy limit is \$70,000,000 and contains a deductible of \$25,000 for claims brought and maintained entirely outside the United States and \$75,000 for claims brought or maintained in whole or in part in the United States. For the policy year of September 22, 2008 to September 21, 2009, the Company paid an annual premium of \$236,600 for this insurance.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

No informed person of the Company, any proposed director, or any associate or affiliate of such persons had any material interest, direct or indirect, in any transaction since the commencement of the Company's most recently completed financial year or in any proposed transaction which has materially affected or will materially affect the Company, other than the following and otherwise as disclosed herein:

- (a) Gécamines, a state owned and operated mining enterprise of the DRC, has a 25% minority interest in DCP and KCC. Both DCP and KCC are required to make royalty payments to Gécamines. In addition, DCP purchases goods and services from Gécamines in the normal course of business.
- (b) Glencore is the majority shareholder and is represented on the Board of Directors of the Company. Glencore entered into a 100% off-take agreement for concentrate sales with the Company and commencing January 1, 2009, pursuant to additional off-take agreements all copper and cobalt metal produced are sold to Glencore on market terms. In 2009, Glencore also provided funding to the Company in the form of convertible debt and a non-convertible bridge loan facility.
- (c) Xstrata Queensland Ltd ("**Xstrata**") is identified as a related party on the basis Glencore holds a significant interest in Xstrata. At December 31, 2009, this interest represented 34.38% of Xstrata's issued share capital. During 2008 and 2009, Xstrata has provided mining equipment and services to the Company.

- (d) Mopani Copper Mine Plc ("**Mopani**") is a copper and cobalt producer located in Zambia. Mopani is a 73% owned subsidiary of Glencore. During 2008 and 2009, Mopani supplied sulphuric acid and other consumables to the Company.
- (e) Mutanda ya Mukonkota Mining SPRL ("**Mutanda**") is a copper and cobalt producer located in the DRC. Mutanda is a 40% owned investment of Glencore. During the year ended December 31, 2009, Mutanda supplied cranes to the Company and the Company supplied vehicles and furniture to Mutanda.
- (f) KOL was appointed to act as the operator of the Kamoto project pursuant to the Kamoto Joint Venture Agreement and an operating agreement ("**Operating Agreement**") between KOL and the Company's subsidiary, KCC, executed on November 2, 2005. KOL was acquired by the Company on September 23, 2009, and the Operating Agreement terminated on September 30, 2009. Current shareholders and former directors of the Company were the owners of KOL. The Operating Agreement established the terms and conditions pursuant to which KOL as operator provided services to KCC in the planning and conduct of exploration, development, mining, processing and related operations with respect to the Kamoto Joint Venture Assets, including a management fee provided to KOL. Fees to the end of May, 2008 were capitalized to mineral interests. From the commencement of commercial production on June 1, 2008 to the date of termination of the Operating Agreement (September 30, 2009), fees were expensed in the consolidated statement of operations and comprehensive loss.
- (g) Enterprise Generale Malta D. Forrest SPRL ("**EGMF**"), a company owned by George Forrest and which has Malta D. Forrest as a Director, both of whom had a beneficial interest in the Company, was involved in contracts for the sourcing and provision of goods and services (including construction and other resources), mining of one of the open pit ore bodies, civil work and the construction of a tailings dam. EGMF ceased being a related party on June 10, 2009. These contracts were entered into while EGMF was a related party.
- (h) Malta D. Forrest, who was a Director and had a beneficial interest in the Company, provided consultation on corporate affairs in the DRC. Malta D. Forrest ceased being a related party on June 10, 2009.
- (i) Bateman Engineering N.V ("**Bateman**"), a company in the BSG Resources group who through Oakey Investment Holdings, was a related party as a result of owning a beneficial interest in the Company, and was engaged in the engineering and procurement contracts for KOV and the Kamoto Project. These contracts were entered into while Bateman was a related party. Bateman ceased being a related party on June 2, 2009.

PARTICULARS OF MATTERS TO BE ACTED UPON AT THE MEETING

Appointment of Auditor

The persons named in the accompanying form of proxy intend to vote for the appointment of Deloitte & Touche LLP as auditor of the Company to hold office until the next annual meeting of shareholders and to authorize the directors to fix the auditor's remuneration, unless the shareholder directs therein that his, her or its shares be withheld from voting for the appointment of the auditor.

On March 17, 2010, the Board resolved to propose the appointment of Deloitte & Touche LLP as auditor of the Company, replacing PricewaterhouseCoopers LLP. PricewaterhouseCoopers LLP was appointed as auditor of the Company on August 24, 2006 following the resignation of Smith Nixon LLP as auditor of the Company effective August 17, 2006. Provided shareholder approval is obtained, Deloitte & Touche LLP has accepted its appointment as the Company's auditor.

There are no reportable events (as defined in National Instrument 51-102 – *Continuous Disclosure Obligations* of the Canadian Securities Administrators) between the Company and

PricewaterhouseCoopers LLP, and the reports of PricewaterhouseCoopers LLP for the previous two financial years did not contain any adverse opinion or disclaimer of opinion and were not qualified or modified as to uncertainty, audit scope or accounting principles.

As required by applicable securities laws, attached to this Circular as "Appendix C" is the Company's reporting package with respect to the change of auditor.

Election of Directors

In accordance with the bye-laws of the Company, the Board may consist of a minimum of three and a maximum of ten directors and the members of the Board are elected for one year terms. At the Meeting, the eight persons named hereunder will be proposed for election as directors of the Company. Unless authority to do so is withheld, the persons named in the accompanying proxy intend to vote for the election of the nominees whose names are set forth below. Management does not contemplate that any of the nominees will be unable to serve as a director, but if that should occur for any reason prior to the Meeting, it is intended that discretionary authority shall be exercised by the persons named in the accompanying proxy to vote the proxy for the election of any other person or persons in place of any nominee or nominees unable to serve. Each director elected will hold office until the close of the next annual meeting of shareholders of the Company, unless their office is earlier vacated in accordance with the Company's bye-laws.

The following table sets forth the names and jurisdictions of residence of the nominees for election as directors of the Company, the offices in the Company, if any, held by them, their principal occupations (for the past five years) and the number of Common Shares beneficially owned, or controlled or directed, directly or indirectly by them. If any such individual should be unable or unwilling to serve as a director, an event not presently anticipated, the persons named in the proxy will have the right to vote, at their discretion, for another nominee, unless a proxy withholds authority to vote for the election of directors.

Name, Province or State & Country of Residence and position with Katanga	Present principal occupation if different from office held and principal occupation for the past five years	Month and Year became Director/Officer	No. of Common Shares beneficially owned, controlled or directed
Hugh Stoyell ^{(2)(3) (4)(5)} Johannesburg, Republic of South Africa Director (Chairman)	Non-executive Director of Sentula Mining Limited from September 2005 to present. Retired from Duiker Mining Limited in February 2003 after serving as Managing Director from April 1992, as Managing Director and Chairman from June 2000 and as Non-Executive Chairman from May 2002 to February 2003.	January 2008	39,236
Rafael Berber ⁽²⁾ London, United Kingdom Director	Managing partner, RP Capital Group from April 2004 to present and Director of various RP Group entities. Various roles with Merrill Lynch to April 2004.	January 2008	2,887 ⁽⁷⁾ 64,749,361 ⁽⁶⁾
Cornelius Erasmus ⁽¹⁾⁽⁵⁾ Zug, Switzerland Director	Various positions with Glencore International AG since July 1997, including directorships of Mopani Copper Mines PLC and Philippine Associated Smelting and Refining Corporation.	November 2009	Nil
Steven Isaacs ⁽³⁾⁽⁴⁾ Zug, Switzerland Director	Interim Chief Executive Officer of the Company from October 2008 to December 2009. Director of Glencore Finance AG from September 2003 to June 2009. Director of Mopani Copper Mines Plc from 2003 to October 2008. Alternate Director of Minara Limited from 2003 to December 2008	October 2008	Nil

Name, Province or State & Country of Residence and position with Katanga	Present principal occupation if different from office held and principal occupation for the past five years	Month and Year became Director/Officer	No. of Common Shares beneficially owned, controlled or directed
Aristotelis Mistakidis ⁽⁴⁾⁽⁵⁾ Walchwil, Switzerland Director	Various positions with Glencore International AG since July 1993, including directorships of Glencore International AG, Glencore AG, Mopani Copper Mines PLC, Recyclex SA and Portovesme S.R.L.	January 2008	Nil
Terry Robinson ⁽¹⁾⁽²⁾⁽³⁾ Bucks, United Kingdom Director (Deputy Chairman)	Non-executive director of Evraz Group SA since April 2005; Non-executive directors, Highland Gold PLC since July 2008; Non-executive director of Nikanor from July 2006 to January 2008; managing director of Interactive Records Management Ltd. from September 2004 – January 2007.	January 2008	4,638
Robert Wardell ⁽¹⁾⁽³⁾ Toronto, Ontario Director	Director of the Company and of Allied Nevada Gold Corp., Phoenix Coal Inc. Nuinsco Resources Limited, and Centric Health Corporation. Vice-President, Finance and Chief Financial Officer of Victory Nickel Inc. from February 1, 2007 to December 2008. Consultant from June, 2006 to February 2007 and Senior Partner from 1986 to May, 2006, Deloitte & Touche LLP.	July 2006	Nil
John Ross Kolwezi, Democratic Republic of Congo, Chief Executive Officer	Chief Executive Officer of the Company since January 2010. Chief Operating Officer of the Company from April 2009 to December 2009. Metallurgical Manager for Glencore International AG from February 2002 until October 2007.	May 2008	1,667

Notes:

- (1) Member of the Audit Committee. Mr. Wardell is the Chairman of the Audit Committee.
- (2) Member of the Compensation Committee. Mr. Berber is the Chairman of the Compensation Committee.
- (3) Member of the Corporate Governance Committee. Mr. Robinson is the Chairman of the Corporate Governance Committee.
- (4) Member of the Health, Safety, Social & Environmental Committee. Mr. Mistakidis is the Chairman of the HSS&E Committee.
- (5) Member of the Technical Oversight Committee. Mr. Mistakidis is the Chairman of the Technical Oversight Committee.
- (6) Held by entities in respect of which Mr. Berber serves as a director.
- (7) Held by Mr. Berber personally (RSU).

As a group, the proposed directors beneficially own, control or direct, directly or indirectly, 64,797,789 Common Shares representing approximately 3.4% of the issued and outstanding Common Shares as of the date hereof.

Cease Trade Orders, Bankruptcies, Penalties or Sanctions

Other than as described below, no proposed director:

- (a) is, as at the date of this Circular, or has been, within 10 years before the date of this Circular, a director, chief executive officer or chief financial officer of any company (including the Company) that, while that person was acting in that capacity,
 - (i) was the subject of a cease trade order or similar order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days; or
 - (ii) was subject to a cease trade order or similar order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that

occurred while the proposed director was acting in the capacity as a director, chief executive officer or chief financial officer;

- (b) is as at the date of this Circular or has been within the 10 years before the date of this Circular, a director or executive officer of any company (including the Company) that while that person was acting in that capacity or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets;
- (c) has, within the 10 years before the date of this Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director.

On December 16, 2004, the Court of Appeals of Douai issued a cease trade and liquidation order against, amongst others, Metaleurop SA of which Mr. Mistakidis was a director. On November 24, 2005, the Commercial Court of Paris adopted the continuation plan presented by Metaleurop SA and the court-ordered reorganization ended and trading resumed on February 3, 2006. Metaleurop SA now operates under the name Recyclex SA.

Mr. Robinson is a chartered accountant, and has been involved in corporate restructuring of companies since January 1992. As part of this work, from time to time he was appointed director of a number of companies which were then liquidated by courts, creditors or otherwise. Mr. Robinson was a director of Union International Plc and a subsidiary, W.D.L. (UK) Limited. Union International Plc was compulsorily liquidated on January 31, 1996 and W.D.L. (UK) Limited entered into a creditors' voluntary liquidation on July 6, 2002. Mr. Robinson was a director of Albert Fisher Group Plc and a number of its subsidiaries until his resignation on April 23, 2002. On June 18, 2002, AFG (WW) Ltd. and Hunter Saphir Ltd. were ordered into receivership. Fisher Foods Limited entered into a creditors' voluntary liquidation on August 14, 2002. SPI Plc and Albert Fisher Group Plc itself entered into administrative receivership on August 22, 2002.

Other than as described below, no proposed director of the Company has:

- (a) been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or
- (b) been subject to any other penalties or sanctions imposed by a court or regulatory body, that would likely be considered important to a reasonable securityholder in deciding whether to vote for a proposed director.

Mr. Stoyell is currently a member of the board of directors of Sentula Mining Ltd. (formerly Scharring Mining Ltd.) ("**Sentula**"). Shortly after Mr. Stoyell joined the Sentula board, the South African Financial Services Board ("**FSB**") and the Johannesburg Stock Exchange ("**JSE**") began investigating allegations of insider trading by some of the former directors of Sentula. The FSB fined Sentula for events of insider trading that had taken place prior to Mr. Stoyell joining the board.

On September 11, 2008, the board of directors of Sentula requested that the JSE suspend the trading of its shares following the detection of material financial irregularities, alleged to have occurred while the former chief executive officer and the former chief financial officer were executive officers of the company for the financial year ended March 31, 2008. The suspension was requested as Sentula could not release its audited annual financial statements within the requisite period allowed by the JSE until the

financial irregularities had been fully investigated and accounted for. The suspension was lifted once the audited accounts were published and the irregularities were brought to the attention of the JSE, the FSB and the shareholders. Trading under a cautionary announcement recommenced on December 17, 2008 and was subsequently lifted on March 5, 2009.

Approval of Equity Incentive Plans

On March 17, 2010, the Board adopted, a new stock option plan (the "**New Stock Option Plan**") and a performance share unit plan (the "**PSU Plan**" and, together with the New Stock Option Plan, the "**New Plans**"), subject to shareholder and regulatory approval, to reward and incentivize directors, officers and consultants of the Company.

The New Stock Option Plan will replace the Existing Stock Option Plan. No additional Options will be granted under the Existing Stock Option Plan. Options granted under the Existing Stock Option Plan prior to the adoption of the New Stock Option Plan will survive until exercise, lapse or termination in accordance with the provisions of the Existing Stock Option Plan. For a brief description of the Existing Stock Option Plan, see "Securities Authorized for Issuance Under Equity Compensation Plans – Existing Stock Option Plan".

The Compensation Committee will be responsible for: (a) determining the persons (from among the eligible participants) to whom Options under the New Stock Option Plan and performance share units ("**PSUs**") under the PSU Plan should be granted; and (b) determining the terms and conditions of each award. All grants are subject to Board approval.

Plan Descriptions

The material terms of the New Plans are described below. The TSX has reviewed and approved such disclosure. The full text of the New Stock Option Plan and the PSU Plan are attached hereto as Appendix A and Appendix B, respectively.

Eligible Participants

Directors, employees and consultants (as such term is defined in National Instrument 45-106 – *Prospectus and Registration Exemptions* ("NI 45-106")) of the Company or any of its subsidiaries are eligible to be granted Options under the New Stock Option Plan. Employees and consultants of the Company or any of its subsidiaries are eligible to be granted PSUs under the PSU Plan.

Plan Limit

The total number of Common Shares reserved for issuance under the New Plans, together with all other security based compensation arrangements (as such term is defined in the TSX Company Manual) established or maintained by the Company, may not exceed 10% of the issued and outstanding Common Shares from time to time. Any share that is subject to an option that expires, or is forfeited, cancelled or terminated, will once again become available for grant under the Plan. As of the date of this Circular, no Options have been granted under the New Stock Option Plan and no PSUs have been granted under the PSU Plan. The total number of Common Shares reserved for issuance under Options warrants and rights previously granted by the Company under other security based compensation arrangements is 4,450,686, or 0.2333% of the Common Shares currently outstanding. See "Securities Authorized for Issuance Under Equity Compensation Plans".

Insider Limit

No award may be granted under either of the New Plans if such grant could result, at any time, in:

- (a) the aggregate number of Common Shares issued to insiders (as such term is defined in the TSX Company Manual) within any one-year period, under the New Plans and any other security based compensation arrangements established or maintained by the Company, exceeding 10% of the issued and outstanding Common Shares;
- (b) the aggregate number of Common Shares issuable to insiders at any time, under the New Plans and any other security based compensation arrangements established or maintained by the Company, exceeding 10% of the issued and outstanding Common Shares; or
- (c) the aggregate number of Common Shares issuable to any one insider at any time, under the New Plans and any other security based compensation arrangements established or maintained by the Company, exceeding 5% of the issued and outstanding Shares.

Non-Executive Director Limit

No award may be granted under either of the New Stock Option Plan if such grant could result, at any time, in the aggregate number of Common Shares issuable to non-executive Directors at any time, under the New Stock Option Plan and any other security based compensation arrangements established or maintained by the Company, exceeding 1% of the issued and outstanding Common Shares. Non-executive directors are not eligible to participate in the PSU Plan.

Determination of Exercise Price

The exercise price of a Common Share underlying an Option granted under the New Stock Option Plan will be determined by the Compensation Committee on the date of such grant (the "**Date of Grant**"); provided that the exercise price may not be less than the closing price of a Common Share on the TSX on the trading day immediately prior to the Date of Grant.

Vesting and Term of Options

The Compensation Committee is responsible for setting the date, and any other terms or conditions, of the vesting of Option granted under the New Stock Option Plan. The Compensation Committee is also responsible for setting the term of each Option, which term may not exceed ten years from the Date of Grant; provided that, if the term of an Option expires during a Blackout Period (as defined in the New Stock Option Plan), the term of such Option is automatically extended for ten business days following the end of the Blackout Period.

Change of Control

Upon the public announcement of a proposed Change of Control (as defined in the New Plans), all outstanding Options (whether or not vested) granted under the New Stock Option Plan become immediately exercisable until the expiry of a notice period specified by the Company. The exercise of any Option during the notice period is effective as of the later to occur of the delivery of an exercise notice and the time that is immediately prior to the effective time of the Change of Control. Conditional on the completion of the Change of Control, all unexercised Options expire as of the later to occur of the expiry of the notice period and the effective time of the Change of Control.

Upon the occurrence of a Change of Control, all outstanding PSUs vest on a pro-rated basis from the first day of the applicable performance period until the effective time of the Change of Control. The PSUs

will be redeemed by the Company at the time that is immediately prior to the effective time of the Change of Control and the Company's payment obligation in respect of the PSUs will be satisfied in cash.

Cessation of Entitlement

The effect of a participant ceasing to be employed, hold office or provide consulting services to the Company or its subsidiaries on the Options granted to such participant under the New Stock Option Plan is at the discretion of the Compensation Committee. Generally, unless the Compensation Committee determines otherwise, all Options will immediately expire and be cancelled upon termination of the participant for cause. Where a participant voluntarily resigns, retires, dies, suffers a long-term disability, or is terminated without cause, such participant (or his or her estate, if applicable) may exercise Options that have vested for the following periods following such termination: (a) thirty days if the participant is alive and the employment did not cease due to disability, (b) one year if the participant's employment ceased due to his or her death, or (c) at any time before expiration of the Options if the participant ceases employment due to disability. However, unless otherwise determined by the Compensation Committee, any unvested Options at the date of termination will immediately expire and be cancelled.

Under the PSU plan, officers, employees and consultants terminated for cause or who voluntarily resign lose all entitlement to their unvested PSUs. Any PSU that has vested prior to the date of termination will be paid out in accordance with the PSU plan. Upon termination of service due to death, long-term disability or retirement (in accordance with any employment agreement or registered pension plan), the participant's PSUs will continue to vest, but the performance conditions and payout will be prorated to reflect the proportion of the relevant performance period that the participant provided services to the Company or its subsidiaries. In any other case of termination without cause, the Compensation Committee has the discretion to determine whether the unvested PSUs of the terminated participant will be cancelled (as though the participant was terminated for cause) or prorated (as though the participant ceased to perform services due to death, long-term disability or retirement).

Assignability

Options granted under the New Stock Option Plan and PSUs granted under the PSU Plan may not be assigned to any person, except in accordance with the laws of testate succession, will or the laws of descent and distribution; provided that, with the consent of the Compensation Committee, the holder of an Option may assign such Option to a permitted assign (as such term is defined in NI 45-106) or other person, subject to any terms and conditions set by the Compensation Committee in respect of such assignment.

Amendments

The Compensation Committee is permitted to make amendments to the New Stock Option Plan that in its sole judgment are required, without obtaining the approval of shareholders, except for the following amendments, which require shareholder approval: (a) increasing the maximum number of Common Shares issuable in total or to non-executive directors under the plan; (b) reducing the exercise price of Options (including canceling and re-issuing an Option with a lower exercise price); (c) extending the terms of outstanding Options or permitting the granting of Options with a term longer than the maximum permitted by the plan; (d) changing the provisions of the transferability of Options, except if the transfer is for normal estate settlement purposes; and (e) amending the amendment provision of the plan.

The Compensation Committee is permitted to make amendments to the PSU Plan that in its sole judgment are required, without obtaining the approval of shareholders, except for the following amendments, which require shareholder approval: (a) increasing the maximum number of Common Shares issuable under the plan; (b) cancelling and re-issuing an PSUs with lower performance conditions; (c) changing the provisions of the transferability of PSUs, except if the transfer is for normal estate settlement purposes;

(d) permitting the participation of non-executive directors; and (e) amending the amendment provision of the plan.

The Compensation Committee may make amendments to the New Stock Option Plan and the PSU Plan that it deems necessary, without having to obtain Shareholder approval in certain circumstances, including: (a) minor changes of a "house-keeping nature", (b) changing the class of participants eligible to participate under the Plans, and (c) changing the terms and conditions of any financial assistance which may be provided by the Company to participants to facilitate purchases under the Plans.

Shareholder Approval

The rules of the TSX require that the New Plans be approved by an ordinary resolution passed by a majority of the votes cast by holders of Common Shares present or represented by proxy at the Meeting. The text of the resolution approving the New Plans is as follows:

"BE IT RESOLVED THAT:

1. The New Stock Option Plan, as set forth in Appendix A to the Circular, be and is hereby approved.
2. The PSU Plan, as set forth in Appendix B to the Circular, be and is hereby approved.
3. Any officer or director of the Company be and is hereby authorized for and on behalf of the Company to execute, whether under the corporate seal of the Company or otherwise, and deliver all such documents and instruments, and to do all such acts or things, as may be necessary or desirable to give effect to the foregoing."

The Board has determined that the New Plans are in the best interests of the Company and its shareholders and therefore recommends that shareholders of the Company vote for the resolution approving the New Plans. **Common Shares represented by proxies in favour of management will be voted in favour of the New Plans, unless a shareholder has specified in his or her proxy that his or her shares are to be voted against the approval of the New Plans.**

Approval of Bye-law Amendments

On March 17, 2010, the Board adopted, subject to shareholder approval, certain amendments to the Company's Bye-laws. The Company's Bye-laws are attached as Appendix "D". The proposed amendments to the Company's Bye-laws are described below.

Proposed Amendments

If approved by the shareholders, the proposed amendments will remove the description of the Company's authorized capital at the date of the adoption of the Bye-laws and the list of the Company's Board members from the Bye-laws. Under the Laws of Bermuda, the Company is not required to include this information in its Bye-laws. Since the Company's authorized stated capital and the members of its Board are constantly evolving, including this information in the Bye-laws is impractical. For instance, amending the Bye-laws to reflect each change that may occur in the Company's authorized share capital or to the composition of the Board can be a costly and time-consuming process.

Shareholder Approval

The Laws of Bermuda permit the Board to adopt amendments to the Bye-laws of the Company at anytime; however, amendments to the Bye-laws of the Company will only become operative once they are approved by an ordinary resolution passed by a majority of the votes cast by holders of Common

Shares present or represented by proxy at the Meeting. The text of the resolution approving the amendments to the Company's Bye-Laws is as follows:

"BE IT RESOLVED THAT:

1. Each of Sections 3.1 and 23.1 of the Company's Bye-laws be deleted in its entirety.
2. Any officer or director of the Company be and is hereby authorized for and on behalf of the Company to execute, whether under the corporate seal of the Company or otherwise, and deliver all such documents and instruments, and to do all such acts or things, as may be necessary or desirable to give effect to the foregoing."

The Board has determined that the amendments to the Company's Bye-laws are in the best interests of the Company and its shareholders and therefore recommends that shareholders of the Company vote for the resolution approving the amendments to the Bye-laws. **Common Shares represented by proxies in favour of management will be voted in favour the amendments of the Bye-laws, unless a shareholder has specified in his or her proxy that his or her shares are to be voted against the approval of the amendments to the Bye-laws.**

STATEMENT OF CORPORATE GOVERNANCE PRACTICES

In June 2005, National Policy 58-201 – *Corporate Governance Guidelines* (the "**Guidelines**") and National Instrument 58-101 – *Disclosure of Corporate Governance Practices* (the "**Disclosure Rule**") were adopted by the securities regulatory authorities in Canada. The Guidelines deal with matters such as the constitution and independence of corporate boards, their functions, the effectiveness and education of board members and other items dealing with sound corporate governance practices. The Board believes that the Company has in place corporate governance practices that are both effective and appropriate for the Company's size and its level of activity. The following is a description of the Company's corporate governance practices.

Composition of the Board

The Board has reviewed the status of each of the members of the Board to determine whether such persons are "independent" as defined in the Disclosure Rule.

The Board is currently comprised of eight directors: Messrs. Hugh Stoyell (non-executive Chairman), Rafael Berber, Cornelius Erasmus, Steven Isaacs, Aristotelis Mistakidis, Terry Robinson, Robert Wardell and John Ross, three of whom are independent. Messrs. Stoyell, Mr. Wardell and Mr. Robinson are independent. Messrs. Berber, Erasmus, Isaacs, Robinson and Mistakidis are not independent as a result of their relationship with the Company or one of its Major Shareholders.

When necessary or desirable, the Board has and will establish committees consisting of members who are considered to be independent with respect to the issues to be determined. Currently, members of the Board possess sufficient public company and industry experience such that the Board, in its totality is able to operate effectively. The Board encourages an atmosphere of candour and constructive dissent. Further, the directors of the Company are aware of the laws requiring disclosure of conflicts of interest and the fact that the Company will rely on such laws in respect of any conflict of interest, including the obligation of a director to abstain from voting in respect of any matter involving a conflict of interest.

While the Board has not adopted a written board mandate, the Board of the Company is ultimately responsible for supervising the management of the business and affairs of the Company and, in doing so, is required to act in the best interests of the Company. The Board meets regularly to review the business and financial condition of the Company. See "Meetings of the Board" and "Meetings of the Independent Directors" below.

Position Descriptions

Written position descriptions have not been developed by the Board for the Chairman of the Board, the Chairman of the Audit Committee, the Chairman of the Corporate Governance & Nominations Committee, the Chairman of the Compensation Committee or the Chief Executive Officer of the Company. Historically, the role and responsibility of the Chairman of the Audit Committee, the Chairman of the Corporate Governance & Nominations Committee and the Chairman of the Compensation Committee has been (and will continue to be) to lead candid discussion among the respective committee members, to assign tasks to the respective members as required and to report to the Board on behalf of the respective committee as necessary with respect to items within the purview of such committee. The roles and responsibilities of the Named Executive Officers are set out in their respective employment agreements. The Chief Executive Officer's employment agreement is reviewed and approved by the Board with the assistance of the Compensation Committee. See "Statement of Executive Compensation – Employment Agreements".

Meetings of the Board

During the year ended December 31, 2009, the Board held a total of 28 meetings as follows: January 8, January 11, January 29, February 13, February 27, March 4, March 11, March 18, March 26, March 27, April 2, April 9, April 15, April 24, April 30, May 6, May 14, May 20, May 22, June 10, July 2, July 21, July 31, August 19, August 27, November 4, November 12, December 21. The following table sets forth the members of the Board during the year ended December 31, 2009 and their attendance at such Board meetings.

Board of Directors	
Name of Director	Meeting Attendance
Hugh Stoyell	28/28
George Forrest ⁽¹⁾	4/20 (Absent: Jan. 8, Jan. 11, Jan. 29, Feb. 27, March 4, March 11, March 26, March 27, April 2, April 9, April 15, April 24, May 6, May 14, May 22, June 18)
Malta D. Forrest ⁽²⁾	9/20 (Absent: Jan. 8, Jan. 29, Feb. 27, March 4, March 11, March 26, April 2, April 15, May 6, May 14, May 27)
Stephen Oke ⁽³⁾	20/20
Robert Wardell	27/28 (Absent: Nov. 12)
Terry Robinson	27/28 (Absent: Nov. 12)
Rafael Berber	25/28 (Absent: March 27, April 9, April 15)
Cornelius Erasmus ⁽⁴⁾	2/2
Aristotelis Mistakidis	21/28 (Absent: Jan. 9, March 26, March 27, April 2, April 9, April 15, April 30)
Steven Isaacs ⁽⁵⁾	8/8

Notes:

- (1) George Forrest resigned as a director effective June 10, 2009.
- (2) Malta D. Forrest resigned as a director effective June 10, 2009.
- (3) Malta D. Forrest resigned as a director effective June 10, 2009.
- (4) Cornelius Erasmus appointed as a director effective November 4, 2009.
- (5) Steven Isaacs appointed as a director effective June 10, 2009.

Other Public Company Directorships

The following table provides details regarding directorships held by the members of the Board in other public companies. No member of the Board serves on the board of any other public company with any other member

Director	Current Directorships Held	Stock Exchange (Symbol)
Aristotelis Mistakidis	Recyclex SA	Euronext Paris (RX)
Terry Robinson	Evraz Group SA Highland Gold Mining Limited	LSE (EVR) AIM (HGM)
Hugh Stoyell	Sentula Mining Ltd.	JSE (SNU)
Robert Wardell	Allied Nevada Gold Corp. Phoenix Coal Inc. Nuinsco Resources Limited Centric Health Corporation	TSX (ANV) TSX (PHC) TSX (NWI) TSX (CHH)

Meetings of Independent Directors

The independent directors are entitled to hold meetings at which management and non-independent directors are not present, as and when deemed necessary, in order to facilitate candid discussion among the independent directors. In December 2006, the independent directors began holding regular meetings after meetings of the full Board. During the year ended 2009, the independent directors of the Board held a total of 6 meetings. The independent directors are encouraged to ask questions and to review related matters. In addition, any item which could involve a potential conflict of interest among one or more directors is voted on by those directors that are not related to the conflict in question. See "Interests of Informed Persons in Material Transactions".

Orientation and Continuing Education

New directors of the Company are provided with comprehensive information about the Company. They also have the opportunity to meet with management of the Company and to obtain insight into the Company's business. All of the members of the Board are familiar with the Company's business and many have experience acting as board members of other mining exploration and development companies. As required, individual members of the Board will be provided with continuing education opportunities to ensure that each member maintains the skill and knowledge necessary to meet their obligations as directors of the Company.

Ethical Business Conduct

The Company has adopted a code of ethics that applies to all directors, officers and employees. The purpose of the code is to:

- promote honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
- promote avoidance of conflicts of interest, including disclosure to an appropriate person of any material transaction or relationship that reasonably could be expected to give rise to such a conflict;
- promote full, fair, accurate, timely and understandable disclosure in reports and documents that the Company files with, or submits to, the securities regulators and in other public communications made by the Company;
- promote compliance with applicable governmental laws, rules and regulations;
- promote the prompt internal reporting to an appropriate person of violations of the code of ethics;
- promote accountability for adherence to the code of ethics;

- provide guidance to employees, officers and directors of the Company to help them recognize and deal with ethical issues;
- provide mechanisms to report unethical conduct; and
- help foster a culture of honesty and accountability for the Company.

The Audit Committee is responsible for compliance issues relating to the code of ethics. Any violations of the code of ethics by any employee, officer or director are grounds for disciplinary action including termination of employment, office and directorship.

A copy of the code of ethics of the Company is available on SEDAR at www.sedar.com. Upon request from any shareholder of the Company, the Company will provide a copy of its code of ethics free of charge.

Nomination of Directors

The Board, with the assistance of the Corporate Governance & Nominations Committee, is responsible for identifying and recruiting new candidates for nomination to the Board. The process by which the Board identifies new candidates is through recommendations of the Corporate Governance & Nominations Committee taking into account the following considerations: (a) the competencies and skills the Board, as a whole, should possess; (b) the competencies and skills that each existing director possesses; (c) the competencies and skills each new nominee will bring to the Board; and (d) whether or not each new nominee can devote sufficient time and resources to his or her duties as a Board member.

Compensation and the Compensation Committee

The Board, with the assistance of the Compensation Committee, determines appropriate compensation for the directors. The process by which appropriate compensation is determined is through periodic and annual reports from the Compensation Committee on the Company's overall compensation and benefits philosophies with such compensation realistically reflecting the responsibilities and risks of such positions.

The responsibilities of the Compensation Committee include the following:

- Reviewing, approving and then recommending to the Board salary, bonus, and other benefits, direct or indirect, and any change of control packages of the President and Chief Executive Officer and other members of the senior management team;
- Reviewing compensation of the Board on at least an annual basis;
- Recommending salary guidelines to the Board;
- Administering the Company's compensation plans, including stock option plans, outside directors compensation plans, and such other compensation plans or structures as are adopted by the Company from time to time;
- Research and identification of trends in employment benefits; and
- Establishing and periodic review of the Company's policies in the area of management benefits and perquisites.

The Compensation Committee meetings were held on the following dates: January 28, February 3, February 4, February 24, March 17, April 16, May 6, August 18, November 4, December 11, December 18. The members of the Compensation Committee and their attendance are set forth below:

Compensation Committee		
Name of Member	Independent⁽¹⁾	Meeting Attendance
Robert Wardell	Yes	9/11 Absent: Feb. 3, Feb. 4
Terry Robinson	Yes	All
Rafael Berber ⁽²⁾	No	All
Stephen Oke ⁽³⁾	No	5/7 Absent: Feb. 3, Feb. 4

Notes:

- (1) To be considered independent, a member of the Committee must not have any direct or indirect "material relationship" with the Company. A material relationship is a relationship which could, in the view of the Board of the Company, be reasonably expected to interfere with the exercise of a member's independent judgment.
- (2) Chairman of the Compensation Committee.
- (3) Stephen Oke resigned as a director effective June 10, 2009.

Kepler Associates were employed by the Company as a consultant during 2009. The mandate of Kepler Associates was to provide a review of the remuneration of the Chief Financial Officer.

Audit Committee

The Audit Committee's charter has been approved by the Board. The Audit Committee meetings were held on the following dates: March 17, March 25, May 5, May 13, July 27, July 30, August 18, September 15, November 3, November 6, December 21. The members of the Audit Committee and their attendance are set forth below:

Audit Committee		
Name of Member	Independent/Financially Literate⁽¹⁾⁽²⁾	Meeting Attendance
Robert Wardell ⁽³⁾	Yes/Yes	All
Terry Robinson	Yes/Yes	10/11 Absent: Nov. 6
Stephen Oke	No ⁽⁴⁾ /Yes	4/4
Rafael Berber ⁽⁵⁾	No/Yes	5/7 Absent: July 27, Dec. 21

Notes:

- (1) To be considered independent, a member of the Committee must not have any direct or indirect "material relationship" with the Company. A material relationship is a relationship which could, in the view of the Board of the Company, be reasonably expected to interfere with the exercise of a member's independent judgment.
- (2) To be considered financially literate, a member of the Committee must have the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company's financial statements.
- (3) Chairman of the Audit Committee.
- (4) Stephen Oke resigned as a director effective June 10, 2009.
- (5) Rafael Berber was a member of the Audit Committee from July 21, 2009 until he resigned on December 18, 2009 effective January 1, 2010.

Additional information regarding the Audit Committee is contained in the AIF under the heading "Audit Committee and Related Disclosure" and a copy of the Audit Committee charter is attached to the AIF as Schedule "A". The AIF is available on SEDAR at www.sedar.com. Upon a request from a shareholder of the Company, the Company will provide a copy of the AIF free of charge.

Corporate Governance & Nominations Committee

The responsibilities of the Corporate Governance & Nominations Committee include reviewing the corporate governance practices of the Company and assessing the functioning and effectiveness of the Board, its committees and its individual members. The Corporate Governance & Nominations

Committee meetings were held on the following dates: February 27, March 10, March 17, March 26, April 14, May 5, June 8, June 10, July 30, August 18, November 3, December 11, December 18. The members of the Corporate Governance & Nominations Committee and their attendance are set forth below:

Corporate Governance & Nominations Committee		
Name of Member	Independent ⁽¹⁾	Meeting Attendance
Terry Robinson ⁽²⁾	Yes	All
Robert Wardell	Yes	All
Aristotelis Mistakidis	No	10/13 Absent: Feb. 27, March 10, May 5
Stephen Oke ⁽³⁾	No	8/8
Malta D. Forrest ⁽⁴⁾	No	3/8 Absent Feb. 27, March 10, March 26, April 14, May 5

Notes:

- (1) To be considered independent, a member of the Committee must not have any direct or indirect "material relationship" with the Company. A material relationship is a relationship which could, in the view of the Board of the Company, be reasonably expected to interfere with the exercise of a member's independent judgment.
- (2) Chairman of the Corporate Governance & Nominations Committee.
- (4) Stephen Oke resigned as a director effective June 10, 2009.
- (5) Malta D. Forrest resigned as a director effective June 10, 2009.

Health, Safety, Social & Environment Committee

The HSS&E Committee was constituted in August, 2008. The responsibilities of the HSS&E Committee include evaluating the effectiveness of the Company's policies and systems for identifying and managing health, safety, social and environmental risks. The HSS&E Committee's objectives are to ensure compliance with health, safety, social and environmental regulatory requirements and to make recommendations to the Board in light of experience and developments in regulation and best practices. The HSS&E Committee meetings were held on the following dates: January 28, March 17, May 5, August 18, November 3. The members of the HSS&E Committee and their attendance are set forth below:

Health, Safety, Social & Environment Committee		
Name of Member	Independent ⁽¹⁾	Meeting Attendance
Hugh Stoyell	Yes	5/5
Aristotelis Mistakidis ⁽²⁾⁽³⁾	No	2/2
Malta D. Forrest ⁽⁴⁾	No	1/3 Absent: Jan 28, May 5
Stephen Oke ⁽⁵⁾	No	3/3
Steven Isaacs	No	5/5

Notes:

- (1) To be considered independent, a member of the Committee must not have any direct or indirect "material relationship" with the Company. A material relationship is a relationship which could, in the view of the Board of the Company, be reasonably expected to interfere with the exercise of a member's independent judgment.
- (2) Aristotelis Mistakidis appointed as a member of the Committee effective July 21, 2009.
- (3) Chairman of the HSS&E Committee.
- (4) Malta D. Forrest resigned as a director effective June 10, 2009.
- (5) Stephen Oke resigned as a director effective June 10, 2009.

Technical Oversight Committee

The Technical Oversight Committee was constituted in August, 2008. The role of the Technical Oversight Committee is to keep the Board informed of the developments, progress and challenges facing the Company's operations and to provide guidance and support to management to ensure that the Company

remains operationally sustainable and successful. The Technical Oversight Committee meetings were held on the following dates: January 29, February 13, November 3. The members of the Technical Oversight Committee and their attendance are set forth below:

Technical Oversight Committee		
Name of Member	Independent⁽¹⁾	Meeting Attendance
Aristotelis Mistakidis ⁽²⁾	No	All
Hugh Stoyell ⁽³⁾	Yes	1/1
Steven Isaacs	No	All
Stephen Oke ⁽⁴⁾	No	2/2
Malta D. Forrest	No	1 / 2 Absent Jan. 29

Notes:

- (1) To be considered independent, a member of the Committee must not have any direct or indirect "material relationship" with the Company. A material relationship is a relationship which could, in the view of the Board of the Company, be reasonably expected to interfere with the exercise of a member's independent judgment.
- (2) Chairman of the Technical Oversight Committee.
- (3) Hugh Stoyell appointed as a director effective July 21, 2009.
- (4) Stephen Oke resigned as a director effective June 10, 2009.
- (5) Malta D. Forrest resigned as a director effective June 10, 2009.

Board Assessments

A formal assessment of the individual members of the Board and the Board as a whole was undertaken under the auspices of the Corporate Governance & Nominating Committee. The results of the assessment were presented to the Board on November 4, 2009. Prior to this date, the process of evaluating individual members of the Board and the Board as a whole had been informal.

OTHER MATTERS

As at the date hereof, the Company does not know of any other matters to come before the Meeting other than those referred to in the Notice of Annual and Special Meeting of Shareholders. Should any other matters properly come before the Meeting, the shares represented by the proxies solicited hereby will be voted on such matters in accordance with the best judgment of the persons voting the proxies.

ADDITIONAL INFORMATION

Additional information relating to the Company is available on SEDAR at www.sedar.com. Shareholders may contact the Company at Oberdorfstrasse 11, CH 6341 Baar, Switzerland by mail, telecopier (+41 (0)41 766 7118), telephone (+41 (0)41 766 7110) or e-mail ir@katangamining.com) to request copies of the Company's financial statements and MD&A.

Financial information is included in the Company's comparative financial statements and MD&A for its most recently completed final year, which is filed and available on SEDAR.

DIRECTORS' APPROVAL

The contents of this Circular and the sending thereof to the shareholders of the Company have been approved by the Board.

BY ORDER OF THE BOARD,

(Signed) "*Hugh Stoyell*"
Non-Executive Chairman

March 31, 2010

KATANGA MINING LIMITED

STOCK OPTION PLAN

Effective ■, 2010

ARTICLE 1
PURPOSE

1.1 **Purpose**

The purpose of this stock option plan (the "**Plan**") is to provide an incentive, in the form of a proprietary interest in Katanga Mining Limited (the "**Company**"), to Eligible Persons (as such term is defined below) who are in a position to contribute materially to the successful operation of the business of the Company and its subsidiaries, to increase their interest in the Company's welfare and to provide a means through which the Company can attract, retain and motivate key personnel.

ARTICLE 2
INTERPRETATION

2.1 **Definitions**

For the purposes of this Plan, the following terms shall have the following meanings:

"**Blackout Period**" means a period when the Optionee is prohibited from trading in the Company's securities pursuant to securities regulatory requirements or the Company's written policies then applicable;

"**Board**" means the board of directors of the Company;

"**Business Day**" means any day, other than a Saturday, Sunday or statutory or civic holiday in Toronto, Ontario or Baar, Switzerland;

"**Change of Control**" means the occurrence of any of the following:

- (a) the acquisition by any person or persons acting jointly or in concert (within the meaning of Section 91 of the *Securities Act* (Ontario)), directly or indirectly, of shares in the capital of the Company, which, when added to all other shares at the time held by such person or persons, results in such person or persons, directly or indirectly, owning shares that would, notwithstanding any agreement to the contrary, entitle the holders thereof for the first time to cast more than 50% of the votes attaching to all shares in the capital of the Company that may be cast in all circumstances, including for the election of directors;

- (b) the sale, lease, exchange or other disposition of all or substantially all of the assets of the Company and its subsidiaries on a consolidated basis; or
- (c) an amalgamation, merger, arrangement or other business combination involving the Company that results in the security holders of the parties to such amalgamation, merger, arrangement or other business combination other than the Company owning, directly or indirectly, shares of the continuing entity that entitle the holders thereof to cast more than 50% of the votes attaching to all shares in the capital of the continuing entity that may be cast in all circumstances, including for the election of directors;

"Change of Control Time" means the effective time of the consummation of a Change of Control;

"Committee" has the meaning set out in Section 3.1;

"Company" means Katanga Mining Limited and includes any successor corporation thereto;

"Consultant" means a consultant (as defined in NI 45-106) of the Company or any of its subsidiaries;

"Date of Grant" means, for any Option, the date on which the Option was granted, or such later date specified by the Committee at the time the Option is granted;

"Director" means a director of the Company or of any of its subsidiaries;

"Disability" means

- (a) with respect to an Employee Optionee, the physical or mental illness of the Optionee resulting in the Optionee's absence from his or her full-time duties with the Company or any of its subsidiaries, in respect of which the Participant commences receiving, or is eligible to receive, long-term disability benefits under the Company's or the relevant subsidiary's long-term disability plan;
- (b) with respect to a Director Optionee, the physical or mental illness of the Optionee resulting in the Optionee's inability, as determined by the Committee, to perform his or her duties as a Director; and
- (c) with respect to a Consultant Optionee, the physical or mental illness of the Optionee resulting in the Optionee's inability, as determined by the Committee, to perform his or her services for the Company or any of its subsidiaries as specified in the consulting agreement or arrangement between the Optionee and the Company or the relevant subsidiary;

"Eligible Person" means any Employee, Director or Consultant;

"**Employee**" means an employee of the Company or of any of its subsidiaries and includes officers of the Company or of any of its subsidiaries;

"**Exercise Notice**" has the meaning set out in Section 8.1;

"**Exercise Period**" means the period of time during which an Option granted under this Plan may be exercised (provided, however, that, subject to Section 5.3(b), the Exercise Period may not exceed 10 years from the relevant Date of Grant);

"**Holder**" means the holder of an Option, whether the original Optionee or a Permitted Assign of that Optionee;

"**Insider**" has the meaning set out in the TSX Company Manual;

"**Market Price**" means, in respect of a Share at any date, the closing price of a Share on the Principal Exchange on the trading day immediately preceding such date. In the event that the Shares did not trade on such trading day, the Market Price shall be the average of the bid and ask prices in respect of the Shares at the close of trading on such trading day. In the event that the Shares are not listed and posted for trading on any stock exchange, the Market Price shall be the fair market value of a Share as determined by the Board in its sole discretion. The Market Price of a Share shall be rounded up to the nearest whole cent;

"**NI 45-106**" means National Instrument 45-106 – *Prospectus and Registration Exemptions* of the Canadian Securities Administrators, as amended from time to time, or such other successor and/or additional regulatory rules, instruments or policies from time to time of Canadian provincial securities regulatory authorities which may govern the trades of securities pursuant to this Plan;

"**Notice Period**" has the meaning set out in Section 9.1(a);

"**Option**" means an option to purchase Shares granted under this Plan;

"**Option Document**" means an agreement, certificate or other type of form of document or documentation approved by the Board which sets forth the terms and conditions of an Option; such document or documentation may be in written, electronic or other media, may be limited to a notation on the books and records of the Company and, unless the Board requires otherwise, need not be signed by a representative of the Company or the Optionee;

"**Option Price**" means, in respect of an Option, the price per share at which Shares may be purchased under such Option, as the same may be adjusted from time to time in accordance with Article 10;

"**Optionee**" means, in respect of an Option, the Eligible Person to whom such Option has been granted;

"**Permitted Assign**" has the meaning set out in NI 45-106;

"Plan Limit" has the meaning set out in Section 4.1;

"Principal Exchange" means the TSX or, if the Board in its discretion so determines, another stock exchange on which the Shares are, at the relevant time, listed or quoted for trading;

"security based compensation arrangements" has the meaning set out in the TSX Company Manual;

"Shares" means the common shares of the Company or, in the event of an adjustment contemplated by Section 10.1, such other shares, securities or property to which an Optionee may be entitled upon the exercise of an Option as a result of such adjustment;

"subsidiary" has the meaning set out in NI 45-106;

"Termination Date" means:

- (a) in the case of any Employee Optionee whose employment with the Company or any of its subsidiaries terminates in the circumstances set out in Section 7.1 or 7.2, the date on which the Optionee actually ceases to perform services for the Company or the relevant subsidiary, as the case may be, without regard to (i) whether such Optionee continues thereafter to receive any payment from the Company or such subsidiary, as the case may be, in respect of the termination of such Optionee's employment, including without limitation any continuation of salary or other compensation in lieu of notice of such termination, or (ii) whether such Optionee is entitled or claims to be entitled at law to greater notice of such termination or greater compensation in lieu thereof than has been received by such Optionee;
- (b) in the case of a Director Optionee whose term of office with the Company or any of its subsidiaries terminates in the circumstances set out in Section 7.1, the date that is designated by the Company or the relevant subsidiary, as the case may be, as the last day of the Optionee's term of office with the Company or such subsidiary, as the case may be; and
- (c) in the case of a Consultant Optionee whose consulting agreement or arrangement with the Company or any of its subsidiaries terminates in the circumstances set out in Section 7.3 or 7.4, the date that is designated by the Company or the relevant subsidiary, as the case may be, as the date on which the Optionee's consulting agreement or arrangement is terminated, or, if no date is so designated, the date on which the Consultant Optionee actually ceases to perform consulting services for the Company or such subsidiary, as the case may be; provided that "Termination Date" specifically does not mean the date of expiry of any period of notice of termination that the Company or such subsidiary, as the case may be, may be required to provide to the Optionee under the terms of the consulting agreement or at law, or for which the Company or such subsidiary, as the case may be, has elected to provide compensation in lieu of such notice;

"TSX" means The Toronto Stock Exchange; and

"TSX Company Manual" means the Company Manual of the TSX, as amended from time to time, including such Staff Notices of the TSX from time to time which may supplement the same.

2.2 Construction

In this Plan, unless otherwise expressly stated or the context otherwise requires:

- (a) the division of this Plan into Articles and Sections and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Plan;
- (b) the terms, "this Plan", "herein", "hereby", "hereof" and "hereunder" and similar expressions refer to this Plan and not to any particular article, section or other portion hereof;
- (c) references to Articles and Sections are to the specified articles and sections of this Plan;
- (d) words importing the singular include the plural and *vice versa* and words importing any gender shall include the masculine, feminine and neutral genders;
- (e) the words "includes" and "including", when following any general term or statement, are not to be construed as limiting the general term or statement to the specific items or matters set forth or to similar items or matters, but rather as referring to all other items or matters that could reasonably fall within the broadest possible scope of the general term or statement;
- (f) whenever the Board or the Committee is to exercise discretion in the administration of the terms and conditions of this Plan, the term "discretion" means the sole and absolute discretion of the Board, the Committee or any other person to whom the Board has delegated the relevant authority, as the case may be; and
- (g) unless otherwise specified, all references to money amounts are to Canadian currency.

ARTICLE 3 **ADMINISTRATION**

3.1 Administration

The Plan shall be administered by the compensation committee (the "Committee") appointed by the Board and consisting of not less than three members of the Board. The delegation to the Committee of the administration of this Plan may be rescinded by

the Board at any time, in which case references herein to the Committee shall be read as though they referred to the Board.

3.2 Powers of the Committee

The Committee has sole and complete authority, in its discretion:

- (a) to determine the individuals (from among the Eligible Persons) to whom Options may be granted;
- (b) subject to Section 5.1, to grant Options in such amounts and, subject to the provisions of this Plan, on such terms and conditions as it determines including:
 - (i) the time or times at which Options may be granted;
 - (ii) the Option Price;
 - (iii) the time or times when each Option becomes exercisable and, subject to Section 5.3, the duration of the Exercise Period;
 - (iv) any additional performance-related or other requirements for the exercise of Options;
 - (v) whether restrictions or limitations are to be imposed on the Shares and the nature of such restrictions or limitations, if any; and
 - (vi) any acceleration of the date any Option becomes exercisable, or any waiver of termination regarding any Option, based on such factors as the Committee may determine;
- (c) to determine the nature and extent of any adjustment(s) to be made to Options pursuant to Article 10;
- (d) to interpret this Plan and adopt, amend and rescind administrative guidelines and other rules and regulations relating to this Plan; and
- (e) to make all other determinations and take all other actions necessary or advisable for the implementation and administration of this Plan.

The Committee's determinations and actions within its authority under this Plan are conclusive and binding on the Company and all other persons. The day-to-day administration of this Plan may be delegated to such officers and employees of the Company or its subsidiaries as the Committee determines. The Committee may also appoint or engage a trustee, custodian or administrator to administer or implement this Plan.

3.3 Cost of Administration

The Company will be responsible for all costs relating to the administration of the Plan.

ARTICLE 4
SHARES SUBJECT TO PLAN

4.1 **Limitation**

Options may be granted in respect of authorized but unissued Shares, provided that the aggregate number of Shares reserved for issuance under this Plan, together with all other security based compensation arrangements established or maintained by the Company, shall not exceed 10% of the issued and outstanding Shares from time to time (the "**Plan Limit**"). The Plan Limit shall be subject to adjustment or increase pursuant to the provisions of Article 10 or as may otherwise be permitted by applicable law and the applicable rules of each stock exchange on which the Shares are then listed or quoted for trading. For greater certainty, any Shares that are subject to an Option that expires, is forfeited, is cancelled or is terminated, and any Shares representing the difference between the number of Shares in respect of which any Option is exercised in accordance with Section 8.2 and the number of Shares required to be issued upon such exercise under that Section, will again become available for grant under this Plan. No fractional Shares may be purchased or issued under this Plan.

ARTICLE 5
ELIGIBILITY, GRANT AND TERMS OF OPTIONS

5.1 **Eligibility**

The Committee may, from time to time, in its discretion, subject to the provisions of this Plan and the prior approval of the Board, grant Options to Eligible Persons; provided that the Committee may not grant any option during a Blackout Period.

5.2 **General**

Subject to the other provisions of this Article 5, the Committee shall determine the number of Shares subject to each Option, the Option Price, the expiration date of each Option, the extent to which each Option is exercisable from time to time during the term of the Option and other terms and conditions relating to each such Option.

5.3 **Term**

(a) Unless the Committee otherwise determines in its discretion and subject to any accelerated termination in accordance with the terms of this Plan, each Option shall expire on the 10th anniversary of the Date of Grant.

(b) If the term of an Option held by an Optionee expires during a Blackout Period, then the term of such option or unexercised portion thereof shall be automatically extended and expire 10 Business Days after the end of the Blackout Period.

5.4 Option Price

The Option Price for the Shares which are the subject of any Option shall be determined on the Date of Grant and shall not in any circumstances be lower than the Market Price of the Shares at the Date of the Grant of the Option.

5.5 Exercise Period

Options will vest and be exercisable in the manner determined by the Committee and specified in the applicable Option Document. Once an Option becomes exercisable, it remains exercisable until expiration or termination of the Option, unless otherwise specified by the Committee in connection with the grant of such Option. Each Option or instalment may be exercised at any time or from time to time, in whole or in part, for up to the total number of Shares with respect to which it is then exercisable; provided no Options may be exercised during a Blackout Period. The Committee has the right, in its discretion, to accelerate the date upon which any Option or any instalment of any Option becomes exercisable.

5.6 Additional Limits

Notwithstanding any other provision of this Plan or any agreement relating to Options, no Options shall be granted under this Plan if such grant of Options could result, at any time, in:

- (a) the aggregate number of Shares issued to Insiders within any one-year period, under this Plan and any other security based compensation arrangements established or maintained by the Company, exceeding 10% of the issued and outstanding Shares;
- (b) the aggregate number of Shares issuable to Insiders at any time, under this Plan and any other security based compensation arrangements established or maintained by the Company, exceeding 10% of the issued and outstanding Shares;
- (c) the aggregate number of Shares issuable to any one Insider at any time, under this Plan and any other security based compensation arrangements established or maintained by the Company, exceeding 5% of the issued and outstanding Shares; or
- (d) the aggregate number of Shares issuable to non-executive Directors at any time, under this Plan and any other security based compensation arrangements established or maintained by the Company, exceeding 1% of the issued and outstanding Shares.

5.7 Option Documents

All grants of Options will be evidenced by Option Documents. Such Option Documents will be subject to the applicable provisions of this Plan and will contain such provisions as are required by this Plan and any other provisions that the Committee may direct.

ARTICLE 6
TRANSFERABILITY

6.1 **Transferability**

An Option is personal to the Optionee and is non-assignable and non-transferable. No Option granted hereunder shall be pledged, hypothecated, charged, transferred, assigned or otherwise encumbered or disposed of by the Optionee, whether voluntarily or by operation of law, otherwise than by testate succession, will or the laws of descent and distribution, and any attempt to do so will cause such Option to terminate and be null and void. During the lifetime of the Optionee, an Option shall be exercisable only by the Optionee. Upon the death of an Optionee, the person to whom the Optionee's rights shall have passed by testate succession or by the laws of descent and distribution may exercise any Option in accordance with the provisions of Section 7.1(b) or 7.3(b), as applicable. Notwithstanding the foregoing, if expressly approved by the Committee, an Option may be transferred (a) by an Optionee to a Permitted Assign of such Optionee, (b) among Permitted Assigns of an Optionee, and (c) by an Optionee to such other person that the Committee may approve; provided that the Committee may attach such terms and conditions to such transfers as the Committee may consider necessary or advisable, including with respect to the termination of the Eligible Person.

ARTICLE 7
TERMINATION OF EMPLOYMENT OR SERVICES; DEATH AND DISABILITY

7.1 **Termination of Employment or Term of Office**

If, before the expiry of an Option in accordance with its terms, the employment of an Employee Optionee by, or the term of office of a Director Optionee with, the Company or a subsidiary, as the case may be, terminates for any reason whatsoever other than the termination of the employment of an Employee Optionee for cause (for this purpose, as determined by the Committee in its discretion), but including (i) termination of the employment of an Employee Optionee without cause, (ii) removal of a Director Optionee from office by shareholder resolution, (iii) voluntary resignation by the Optionee, or (iv) termination of employment or term of office by reason of the death or Disability of the Optionee, the Options held by the former Employee or Director that are exercisable at the Termination Date continue to be exercisable by the Optionee as follows (in each case, unless otherwise determined by the Committee in its discretion):

- (a) if the Optionee is alive and his or her employment or term of office, as the case may be, did not cease by reason of Disability, by the Optionee at any time during the 30-day period immediately following the Termination Date, but in no event beyond the expiration date of such Options and only to the extent that such Options were vested and exercisable as of the Termination Date;
- (b) if the Optionee is deceased, by the legal representative(s) of the estate of the Optionee at any time during the one-year period immediately following the date of death, but in no event beyond the expiration date of such Option and only to

the extent that such Options were vested and exercisable as of the date of death;
or

- (c) if the Optionee's employment or term of office ceases as a result of the Disability of such Optionee, by the Optionee or his or her legal representative(s) at any time prior to the expiration date of such Options but only to the extent that such Options were vested and exercisable:
 - (i) in the case of an Employee Optionee, as of the date the Optionee is eligible to receive long-term disability benefits under the Company's or the relevant subsidiary's long-term disability plan; or
 - (ii) in the case of a Director Employee, as of the date of determination of the Optionee's Disability by the Committee.

Unless otherwise determined by the Committee in its discretion, any Options held by the Optionee that are not vested and exercisable at the Termination Date, date of death or date of Disability or determination of Disability, as the case may be, immediately expire and are cancelled on such date.

7.2 Termination of Employment for Cause

Where, in the case of an Employee Optionee, the Optionee's employment is terminated by the Company or any of its subsidiaries for cause (for this purpose, as determined by the Committee in its discretion), then any Options held by the Optionee, whether or not vested and exercisable at the Termination Date, immediately expire and are cancelled on such Termination Date, unless otherwise determined by the Committee in its discretion.

7.3 Termination of Consulting Services

If, before the expiry of any Option in accordance with the terms hereof, a Consultant Optionee's agreement or arrangement terminates by reason of (i) termination by the Company or any of its subsidiaries for any reason whatsoever other than for breach or default of the consulting agreement or arrangement (whether or not such termination is effected in compliance with any termination provisions contained in the Consultant Optionee's consulting agreement or arrangement), (ii) voluntary termination by the Consultant Optionee, or (iii) the death or Disability of the Consultant Optionee, the Options held by the Consultant Optionee that are exercisable at the Termination Date continue to be exercisable by the Consultant Optionee as follows (in each case, unless otherwise determined by the Committee in its discretion):

- (a) if the Consultant Optionee is alive and his or her consulting agreement or arrangement did not cease by reason of Disability, by the Consultant Optionee at any time prior to the expiration date of such Option but only to the extent such Options were vested and exercisable as of the Termination Date;
- (b) if the Consultant Optionee is deceased, by the legal representative(s) of the estate of the Consultant Optionee at any time during the one-year period immediately following the date of death, but in no event beyond the expiration date of such

Option and only to the extent that such Options were vested and exercisable as of the date of death; or

- (c) if the Consultant Optionee's agreement terminates or arrangement ceases as a result of the Disability of such Consultant Optionee, by the Consultant Optionee or his or her legal representative(s) at any time prior to the expiration date of such Options but only to the extent that such Options were vested and exercisable as of the date of determination of the Consultant Optionee's Disability by the Committee.

Unless otherwise determined by the Committee in its discretion, any Options held by the Consultant Optionee that are not exercisable at the Termination Date, date of death or date of determination of Disability, as the case may be, immediately expire and are cancelled on such date.

7.4 Termination of Consulting Services for Cause

Where, in the case of a Consultant Optionee, the Optionee's consulting agreement or arrangement is terminated by the Company or any of its subsidiaries for breach of the consulting agreement or arrangement (whether or not such termination is effected in compliance with any termination provisions contained in the Consultant Optionee's consulting agreement or arrangement and as determined by the Committee in its discretion), then any Options held by the Consultant Optionee, whether or not exercisable at the Termination Date, immediately expire and are cancelled on such Termination Date at a time determined by the Committee in its discretion.

7.5 Change of Employment or Services

Options shall not be affected by any change of employment or consulting arrangement within or among the Company or any one or more of its subsidiaries, or by an Optionee ceasing to be a Director, for so long as the Optionee continues to be an Eligible Person.

ARTICLE 8 EXERCISE OF OPTIONS

8.1 Exercise and Payment

(a) Subject to the provisions of this Plan and the provisions of the applicable Option, an Option that has vested and become exercisable in accordance with its terms may be exercised from time to time by delivery to the corporate secretary of the Company at Oberdorfstrasse 11, P.O. Box 2459, CH-6341 Baar, Switzerland, of a written notice of exercise (an "**Exercise Notice**") addressed to the corporate secretary specifying the number of Shares with respect to which the Option is being exercised and accompanied by payment in full of the aggregate Option Price of the Shares to be purchased. Payment shall be made by certified cheque or by such other means as is acceptable to the Company. Upon actual receipt by the Company of such notice and a certified cheque for, or other acceptable payment of, the aggregate Option Price, the number of Shares in respect of which the Option is exercised will within a reasonable period of time be duly

transferred or issued as fully paid and non-assessable and the Holder exercising the Option, or such nominee as the Holder shall direct, shall be registered on the books of the Company as the holder of the number of Shares so issued.

(b) Subject to applicable law, the Company will, unless the Board otherwise determines at the recommendation of the Committee, acquire, through an agent or other person, issued and outstanding Shares in the market, in lieu of issuing Shares, for the purposes of providing Shares to Optionees on exercise of Options. For greater certainty, the Shares acquired for this purpose shall not be included for the purposes of determining the Plan Limit.

8.2 Cashless Exercise

(c) In lieu of exercising a vested and exercisable Option to purchase Shares as set forth in Section 8.1, the Optionee may elect in its Exercise Notice to surrender the applicable portion of the then vested and exercisable Option to the Company at the address set out in Section 8.1 in consideration for a number of Shares determined in accordance with the following formula:

$$A = B \times (C - D) / C,$$

where:

A is the number of Shares to be issued to the Optionee in consideration for the surrender of the Option or portion of the Option pursuant to this Section 8.2;

B is the number of Shares otherwise issuable upon the exercise of the Option or portion of the Option being surrendered;

C is the Market Price of one Share determined as of the date of delivery of the written notice referred to in Section 8.1; and

D is the Option Price.

(d) Upon the surrender of an Option in accordance with paragraph (c) above, such Option shall be cancelled.

8.3 Unvested Options

Except as expressly provided herein, no unvested Options may be exercised.

8.4 Additional Terms and Conditions

Notwithstanding any of the provisions contained in this Plan or in any Option Document, the Company's obligation to issue Shares to a Holder upon the exercise of an Option shall be subject to the following:

- (a) completion of such registration or other qualification of such Shares and the receipt of any approvals of governmental authority or stock exchange as the

Company shall determine to be necessary or advisable in connection with the authorization, issuance or sale thereof;

- (b) the admission of such Shares to listing on any stock exchange(s) on which the Shares may then be listed; and
- (c) the receipt from the Holder of such representations, agreements and undertakings, including as to future dealings in such Shares, as the Company or its counsel determines to be necessary or advisable in order to safeguard against the violation of the securities laws of any jurisdiction.

In connection with the foregoing, the Company shall, to the extent necessary, take all steps determined by the Committee, in its discretion, to be reasonable to obtain such approvals, registrations and qualifications as may be necessary for the issuance of such Shares in compliance with applicable securities laws and for the listing of such Shares on any stock exchange(s) on which the Shares are then listed.

8.5 Taxes

Upon the exercise of an Option, the Holder shall make arrangements satisfactory to the Company regarding payment of any federal, state, provincial, local or other taxes of any kind required by law to be paid in connection with the exercise of such Option. In addition, if the Company or any of its subsidiaries shall be required to withhold any amounts by reason of any federal, provincial, state, local or other rules or regulations concerning taxes or social security contributions in respect of the issuance or delivery of Shares to the Optionee, the Company or the subsidiary shall deduct and withhold such amount or amounts from any payment made by the Company or the subsidiary to such Optionee, whether or not such payment is made pursuant to this Plan. The Company shall also have the right to satisfy any such withholding tax liability or liability for social security contributions by retaining, disposing of or acquiring any Shares that otherwise would have been issued or delivered to such Optionee hereunder.

ARTICLE 9 CHANGE OF CONTROL

9.1 Change of Control

(a) Notwithstanding anything else contained in this Plan, if a proposed Change of Control is publicly announced, the Company shall give written notice thereof to each Optionee and permit each Optionee to exercise his or her Options regardless of whether all or any portion of such Options have vested in accordance with the terms of this Plan, within the period specified in such notice (the "**Notice Period**"). An Optionee wishing to exercise his or her Options pursuant to the notice contemplated in this Section 9.1(a) shall deliver an Exercise Notice in accordance with Section 8.1 prior to the expiry of the Notice Period.

(b) In lieu of exercising an Option as set forth in Section 9.1(a), an Optionee may, prior to the expiry of the Notice Period, elect in its Exercise Notice to surrender the applicable portion of the Option to the Company at the address set out in Section 8.1 in consideration for a

number of Shares determined in accordance with the formula set out in Section 8.2(c), except that for the purposes of such formula the Market Price of a Share shall be determined as of the Change of Control Time.

(c) The exercise or surrender of any Option in accordance with this Article 9 shall be effective as of the later to occur of delivery of the notice of exercise and the time that is immediately prior to the Change of Control Time, and shall be conditional upon the completion of the Change of Control.

(d) All rights of an Optionee to exercise or surrender any outstanding Options, whether vested or unvested, in connection with the relevant Change of Control shall terminate upon the expiry of the Notice Period.

(e) Upon the later to occur of the expiry of the Notice Period and the Change of Control Time, and conditional upon the completion of the Change of Control, all outstanding unexercised Options, whether vested or unvested, shall immediately expire and cease to have any further force or effect.

ARTICLE 10 **ADJUSTMENTS**

10.1 **Adjustments**

Appropriate adjustments in the number of Shares subject to this Plan, the number of Shares underlying any Option and the Option Price of any Option, shall be made by the Committee, in its discretion, to give effect to adjustments in the number of Shares resulting from any subdivision, consolidation or reclassification of the Shares, the payment of any stock dividend by the Company (other than dividends in the ordinary course) or other relevant changes in the capital stock of the Company. The Committee's determination of such adjustments shall be final, binding and conclusive for all purposes.

ARTICLE 11 **AMENDMENT OR DISCONTINUANCE**

11.1 **Amendment**

Provided that no amendment may have the effect of materially adversely affecting the existing rights of an Optionee under the Plan (the presence or absence of such a material adverse effect to be determined by the Committee in its discretion) without his or her consent in writing, and provided further that the Committee is acting in accordance with the rules and policies of the Principal Exchange, the Committee may amend the Plan or any Option outstanding at any time in its discretion without the approval of the shareholders of the Company, other than with respect to the following specific matters, which amendments shall only be made on approval by the shareholders by ordinary resolution unless such amendments result from the application of Article 10:

- (a) reducing the Option Price of an outstanding Option (including a cancellation and re-grant of an Option, constituting a reduction of the Option Price of an Option);
- (b) increasing the Plan Limit;
- (c) extending the expiry date of an outstanding Option or amending the Plan to permit the grant of an Option with an expiry date beyond the maximum term allowed under the Plan;
- (d) increasing the limit on the aggregate number of Shares issuable to non-executive Directors set out in Section 5.6(d);
- (e) changing the provisions relating to the transferability of Options except if the transfer is for normal estate settlement purposes;
- (f) permitting non-employee directors of the Company to be eligible to receive Options pursuant to the Plan;
- (g) amending the limits on Insiders set out in Sections 5.6(a) and 5.6(b) of the Plan;
- (h) amendments required to be approved by shareholders under applicable law (including, without limitation, the rules, regulations and policies of the TSX); and
- (i) amending or altering Section 11.1 of the Plan.

11.2 Discontinuance

The Board may discontinue this Plan at any time.

ARTICLE 12 MISCELLANEOUS

12.1 No Rights of Shareholders

The Holder of an Option shall not have any of the rights and privileges of a shareholder in respect of any of the Shares issuable upon the exercise of any Option unless and until such Option has been exercised in accordance with the terms of this Plan (including tendering payment in full of the aggregate Option Price for the Shares in respect of which the Option is being exercised) and the Company has issued such Shares to the Holder.

12.2 No Additional Rights Offered

(a) Participation in this Plan is entirely voluntary and not obligatory and neither this Plan nor any Option Document shall be interpreted as conferring upon any Employee any right to continue in the employ of the Company or any of its subsidiaries or affect in any way the right of the Company or any such subsidiary to terminate his or her employment at any time.

(b) Nothing in this Plan or any Option Document shall confer on any Consultant any right to continue to provide services to the Company or any of its subsidiaries or affect in any way the right of the Company or any of its subsidiaries to terminate at any time any agreement or contract with such Consultant; nor shall anything in this Plan or any Option be deemed to be or construed as an agreement, or an expression of intent, on the part of the Company or the subsidiary to extend the time for the provision of services beyond the time specified in the contract with the Company or such subsidiary.

12.3 Delivery of Market Shares

Subject to applicable law, the Company may, but is not obligated to, acquire, through an agent or other person, issued and outstanding Shares in the market, in lieu of issuing Shares, for the purposes of providing Shares to Optionees on exercise of Options. For greater certainty, the Shares acquired for this purpose shall not be included for the purposes of determining the Plan Limit.

12.4 Governing Law

This Plan and all Option Documents entered into pursuant to this Plan shall be governed by the laws of the Province of Ontario and the federal laws of Canada applicable in that province.

12.5 Effective Date

The effective date of this Plan is ■, 2010.

KATANGA MINING LIMITED

PERFORMANCE SHARE UNIT PLAN

Effective ■, 2010

ARTICLE 1
PURPOSE

1.1 **Purpose**

The purpose of this performance share unit plan (the "**Plan**") is to encourage and reward outstanding performance by Eligible Persons (as such term is defined below) who are in a position to contribute materially to the successful operation of the business of Katanga Mining Limited (the "**Company**") and its subsidiaries, to increase their interest in the Company's welfare and to provide a means through which the Company can attract, retain and motivate key personnel.

ARTICLE 2
INTERPRETATION

2.1 **Definitions**

For the purposes of this Plan, the following terms shall have the following meanings:

"**Blackout Period**" means a period when the Participant is prohibited from trading in the Company's securities pursuant to securities regulatory requirements or the Company's written policies then applicable;

"**Board**" means the board of directors of the Company;

"**Business Day**" means any day, other than a Saturday, Sunday or statutory or civic holiday in Toronto, Ontario or Baar, Switzerland;

"**Change of Control**" means the occurrence of any of the following:

- (a) the acquisition by any person or persons acting jointly or in concert (within the meaning of Section 91 of the *Securities Act* (Ontario)), directly or indirectly, of shares in the capital of the Company, which, when added to all other shares at the time held by such person or persons, results in such person or persons, directly or indirectly, owning shares that would, notwithstanding any agreement to the contrary, entitle the holders thereof for the first time to cast more than 50% of the votes attaching to all shares in the capital of the Company that may be cast in all circumstances, including for the election of directors;

- (b) the sale, lease, exchange or other disposition of all or substantially all of the assets of the Company and its subsidiaries on a consolidated basis; or
- (c) an amalgamation, merger, arrangement or other business combination involving the Company that results in the security holders of the parties to such amalgamation, merger, arrangement or other business combination other than the Company owning, directly or indirectly, shares of the continuing entity that entitle the holders thereof to cast more than 50% of the votes attaching to all shares in the capital of the continuing entity that may be cast in all circumstances, including for the election of directors;

"Change of Control Time" means the effective time of the consummation of a Change of Control;

"Committee" has the meaning set out in Section 3.1;

"Company" means Katanga Mining Limited and includes any successor corporation thereto;

"Consultant" means a consultant (as defined in NI 45-106) of the Company or any of its subsidiaries;

"Dividend Equivalent" means, in respect of a Participant on the date a cash dividend is paid on the Shares, an amount equal to a fraction where the numerator is the product of (i) the number of Performance Share Units in such Participant's Performance Share Unit Account on the date that dividends are paid multiplied by (ii) the dividend paid per Share, and the denominator of which is the closing price on the Principal Exchange of one Share calculated on the date that dividends are paid;

"Disability" means:

- (a) with respect to an Employee Participant, the physical or mental illness of the Participant resulting in the Participant's absence from his or her full-time duties with the Company or any of its subsidiaries, in respect of which the Participant commences receiving, or is eligible to receive, long-term disability benefits under the Company's or the relevant subsidiary's long-term disability plan; **and**
- (b) with respect to a Consultant Participant, the physical or mental illness of the Participant resulting in the Participant's inability, as determined by the Committee, to perform his or her services for the Company or any of its subsidiaries as specified in the consulting agreement or arrangement between the Participant and the Company or the relevant subsidiary;

"Eligible Person" means any Employee or Consultant;

"Employee" means an employee of the Company or of any of its subsidiaries and includes officers of the Company or of any of its subsidiaries;

"Employment Agreement" means, with respect to an Eligible Person, any written employment agreement entered into between the Eligible Person and the Company or any of its subsidiaries;

"Grant Agreement" means an agreement between the Company and a Participant evidencing the grant of Performance Share Units to a Participant;

"Insider" has the meaning set out in the TSX Company Manual;

"Market Price" means, in respect of a Share at any date, the closing price of a Share on the Principal Exchange on the trading day immediately preceding such date. In the event that the Shares did not trade on such trading day, the Market Price shall be the average of the bid and ask prices in respect of the Shares at the close of trading on such trading day. In the event that the Shares are not listed and posted for trading on any stock exchange, the Market Price shall be the fair market value of a Share as determined by the Committee in its sole discretion. The Market Price of a Share shall be rounded up to the nearest whole cent;

"NI 45-106" means National Instrument 45-106 – *Prospectus and Registration Exemptions* of the Canadian Securities Administrators, as amended from time to time, or such other successor and/or additional regulatory rules, instruments or policies from time to time of Canadian provincial securities regulatory authorities which may govern the trades of securities pursuant to this Plan;

"Participant" means, in respect of a Performance Share Unit, the Eligible Person to whom such Performance Share has been granted;

"Payout Amount" has the meaning set out in Section 5.4(b);

"Performance Condition" means such measure of the Company's business or financial performance, the Participant's personal performance or the return on an investment in Shares as may be determined by the Committee pursuant to Section 5.2(d)(i) with respect to a grant of Performance Share Units;

"Performance Period" means, with respect to a grant of Performance Share Units, unless otherwise determined by the Committee, the period commencing on first day of the fiscal year of the Company in which such grant is made and ending on the last day of the third fiscal year of the Company to end after such grant is made;

"Performance Share Unit" means a notional unit in an amount equal to the Market Price of a Share evidenced by an entry on the books of the Company, which represents the right of a Participant, subject to the provisions herein, to receive with respect to a Performance Share Unit which becomes a Vested Unit pursuant to the provisions of the Plan, an amount equal to the Payout Amount.

"Performance Share Unit Account" means the account maintained for a Participant on the books of the Company into which Performance Share Units will be credited and debited in accordance with the terms and conditions of the Plan;

"Plan Limit" has the meaning set out in Section 4.1;

"Principal Exchange" means the TSX or, if the Board in its discretion so determines, another stock exchange on which the Shares are, at the relevant time, listed or quoted for trading;

"Retirement" means the retirement of an Employee Participant from employment with the Company or any of its subsidiaries in accordance with an Employment Agreement or the Company's or the relevant subsidiary's registered pension plan;

"security based compensation arrangements" has the meaning set out in the TSX Company Manual;

"Shares" means the common shares of the Company or, in the event of an adjustment contemplated by Section 5.10, such other shares, securities or property to which a Participant may be entitled as a result of such adjustment;

"subsidiary" has the meaning set out in NI 45-106;

"Termination Date" means:

- (a) in the case of any Employee Participant whose employment with the Company or any of its subsidiaries terminates in the circumstances set out in Section 7.1 or 7.2, the date on which the Participant actually ceases to perform services for the Company or the relevant subsidiary, as the case may be, without regard to (i) whether such Participant continues thereafter to receive any payment from the Company or such subsidiary, as the case may be, in respect of the termination of such Participant's employment, including without limitation any continuation of salary or other compensation in lieu of notice of such termination, or (ii) whether such Participant is entitled or claims to be entitled at law to greater notice of such termination or greater compensation in lieu thereof than has been received by such Participant; and
- (b) in the case of a Consultant Participant whose consulting agreement or arrangement with the Company or any of its subsidiaries, as the case may be, terminates in the circumstances set out in Section 7.1 or 7.2, the date that is designated by the Company or the relevant subsidiary, as the case may be, as the date on which the Participant's consulting agreement or arrangement is terminated, or, if no date is so designated, the date on which the Consultant Participant actually ceases to perform consulting services for the Company or such subsidiary, as the case may be; provided that "Termination Date" specifically does not mean the date of expiry of any period of notice of termination that the Company or such subsidiary, as the case may be, may be required to provide to the Participant under the terms of the consulting agreement or at law, or for which the Company or such subsidiary, as the case may be, has elected to provide compensation in lieu of such notice;

"Total Shareholder Return" means the annualized total return of \$100 invested in Shares, including (a) any change in the Market Price of the Shares during the Performance Period plus (b) the aggregate value of dividends paid on Shares during the Performance Period, assuming these dividends are reinvested in additional Shares on the day on which any such dividend is paid at the closing price for a Share on the Principal Exchange on the immediately preceding trading day;

"TSX" means The Toronto Stock Exchange;

"TSX Company Manual" means the Company Manual of the TSX, as amended from time to time, including such Staff Notices of the TSX from time to time which may supplement the same;

"Vested Unit" means a Performance Share Unit which has vested in accordance with the terms and conditions of the Plan; and

"Vesting Date" means the last day of the applicable Performance Period, as determined by the Committee.

2.2 Construction

In this Plan, unless otherwise expressly stated or the context otherwise requires:

- (a) the division of this Plan into Articles and Sections and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Plan;
- (b) the terms, "this Plan", "herein", "hereby", "hereof" and "hereunder" and similar expressions refer to this Plan and not to any particular article, section or other portion hereof;
- (c) references to Articles and Sections are to the specified articles and sections of this Plan;
- (d) words importing the singular include the plural and *vice versa* and words importing any gender shall include the masculine, feminine and neutral genders;
- (e) the words "includes" and "including", when following any general term or statement, are not to be construed as limiting the general term or statement to the specific items or matters set forth or to similar items or matters, but rather as referring to all other items or matters that could reasonably fall within the broadest possible scope of the general term or statement;
- (f) whenever the Board or the Committee is to exercise discretion in the administration of the terms and conditions of this Plan, the term "discretion" means the sole and absolute discretion of the Board, the Committee or any other person to whom the Board has delegated the relevant authority, as the case may be; and

- (g) unless otherwise specified, all references to money amounts are to Canadian currency.

ARTICLE 3 **ADMINISTRATION**

3.1 Administration

The Plan shall be administered by the compensation committee (the "**Committee**") appointed by the Board and consisting of not less than three members of the Board. The delegation to the Committee of the administration of this Plan may be rescinded by the Board at any time, in which case references herein to the Committee shall be read as though they referred to the Board.

3.2 Powers of the Committee

The Committee has sole and complete authority, in its discretion:

- (a) to determine the individuals (from among the Eligible Persons) to whom Performance Share Units may be granted;
- (b) subject to Section 5.1, to grant Performance Share Units in such amounts and, subject to the provisions of this Plan, on such terms and conditions as it determines;
- (c) to determine the nature and extent of any adjustment(s) to be made to Performance Share Units pursuant to Section 5.10;
- (d) to interpret this Plan and adopt, amend and rescind administrative guidelines and other rules and regulations relating to this Plan; and
- (e) to make all other determinations and take all other actions necessary or advisable for the implementation and administration of this Plan.

The Committee's determinations and actions within its authority under this Plan are conclusive and binding on the Company and all other persons. The day-to-day administration of this Plan may be delegated to such officers and employees of the Company or its subsidiaries as the Committee determines. The Committee may also appoint or engage a trustee, custodian or administrator to administer or implement this Plan.

3.3 Cost of Administration

The Company will be responsible for all costs relating to the administration of the Plan.

ARTICLE 4
SHARES SUBJECT TO PLAN

4.1 **Limitation**

Performance Share Units may be granted in respect of authorized but unissued Shares, provided that the aggregate number of Shares reserved for issuance under this Plan, together with all other security based compensation arrangements established or maintained by the Company, shall not exceed 10% of the issued and outstanding Shares from time to time (the "**Plan Limit**"). The Plan Limit shall be subject to adjustment or increase pursuant to the provisions of Section 5.10 or as may otherwise be permitted by applicable law and the applicable rules of each stock exchange on which the Shares are then listed or quoted for trading. For greater certainty, any Shares underlying a Performance Share Unit in respect of which the Participant receives cash or Shares acquired in the market, or underlying a Performance Share Unit that does not become a Vested Unit, is forfeited, is cancelled or is terminated, will again become available for grant under this Plan. No fractional Shares may be issued under this Plan.

ARTICLE 5
ELIGIBILITY, GRANT AND TERMS OF PERFORMANCE SHARE UNITS

5.1 **Eligibility**

The Committee may, from time to time, in its discretion, subject to the provisions of this Plan and the prior approval of the Board, grant Performance Share Units to Eligible Persons; provided that no Performance Share Units may be granted during a Blackout Period.

5.2 **General**

(a) Each Performance Share Unit shall give the Participant the right to receive one Share upon such Performance Share Unit becoming a Vested Unit pursuant to the provisions of the Plan.

(b) Each grant of Performance Share Units to a Participant shall be evidenced by a written Grant Agreement between the Company and the Participant, substantially in the form of Schedule A attached hereto, as such schedule may be amended, supplemented or replaced from time to time.

(c) On granting Performance Share Units to a Participant under the Plan, the Committee shall designate the number of Performance Share Units granted to the Participant, the Performance Period and the Vesting Date of such Performance Share Units.

(d) Subject to the terms of the Plan, the Committee may designate any other terms or conditions of any Performance Share Units, including:

- (i) any additional conditions on the grant of Performance Share Units under the Plan, including conditions as to the ownership of Shares by a Participant;

- (ii) the Performance Conditions to be applied to determine the extent to which Performance Share Units vest, including conditions in respect of:
 - (A) personal performance objectives set in respect of the Participant;
 - (B) business objectives of the Company or any of its subsidiaries;
 - (C) Total Shareholder Return, on either an absolute basis or a relative basis in comparison to the group of peer companies listed on Schedule B hereto, which schedule shall be reviewed and amended by the Committee from time to time, in its discretion; and
 - (D) such other terms or conditions as the Committee may in its discretion determine; and
- (iii) the weighting of each Performance Condition where more than one Performance Condition is established;

provided, however, that the Performance Conditions and the weighting thereof established in connection with a grant of Performance Share Units shall be set out in the Grant Agreement relating to such Performance Share Units.

(e) Subject to the terms and conditions of the Plan, the Committee may, subsequent to the granting of a Performance Share Unit, make any Performance Condition applicable to such Performance Share Units or determine that a Performance Condition has been satisfied.

5.3 Performance Share Unit Accounts

No certificates shall be issued with respect to Performance Share Units. The Company shall maintain a Performance Share Unit Account for each Participant. Each Performance Share Unit granted to a Participant shall be credited to the Participant's Performance Share Unit Account. Each Performance Share Unit in respect of which the Participant receives a cash or Share payout, or which does not become a Vested Unit, is forfeited, is cancelled or is terminated, shall be debited from the Participant's Performance Share Unit Account.

5.4 Vesting and Payment

(a) Subject to Article 7 and the terms of the applicable Grant Agreement, within two months following the Vesting Date of each Performance Share Unit, the Committee shall determine the extent to which the applicable Performance Conditions have been met in respect of such Performance Share Unit. For each grant of Performance Share Units, the proportion of the applicable Performance Share Units that become Vested Units will be determined in accordance with the applicable Grant Agreement based on the extent to which the Performance Conditions set out in such Grant Agreement were met for the Performance Period specified in such Grant Agreement.

(b) Subject to Article 7 and the terms of the applicable Grant Agreement, as soon as practicable following the date on which the determination is made in accordance with Section 5.4(a) that a Performance Share Unit has become a Vested Unit, and in any event no later than 10 Business Days following such date of determination, the Company shall transfer or issue one Share from treasury to the Participant holding such Vested Unit. Any Shares issued by the Company from treasury under the Plan shall be considered fully paid in consideration of past service that is not less in value than the fair equivalent of the money the Company would have received if the Shares had been issued for money.

5.5 Delivery of Market Shares

Subject to applicable law, the Company will, unless the Board determines otherwise at the recommendation of the Committee, acquire, through an agent or other person, issued and outstanding Shares in the market, in lieu of issuing Shares, for the purposes of providing Shares to Participants in accordance with Section 5.4(b). For greater certainty, Shares acquired for this purpose shall not be included for the purposes of determining the Plan Limit.

5.6 No Payment During Blackout Period

(a) Notwithstanding Sections 5.4 and 5.5, the Company shall not issue Shares, acquire Shares in the market or deliver Shares so acquired, or make a cash payment in lieu of issuing Shares, to a Participant in respect of Vested Units during a Blackout Period.

(b) If a determination made in accordance with Section 5.4(a) that a Performance Share Unit has become a Vested Unit occurs during a Blackout Period:

- (i) the time for satisfaction of the Company's obligation to issue a Share in respect of such Vested Unit shall be extended to the 10th Business Day following the end of the Blackout Period; and
- (ii) if the Committee determines that the Company shall satisfy its obligation by paying cash, the amount of such payment shall be equal to the Market Price of a Share on the date following the last day of the Blackout Period.

5.7 Taxes

If the Company or any of its subsidiaries shall be required to withhold any amounts by reason of any federal, provincial, state, local or other rules or regulations concerning taxes or social security contributions in respect of the issuance or delivery of Shares to the Participant (or any cash payment in lieu thereof), the Company or the subsidiary shall deduct and withhold such amount or amounts from any payment made by the Company or the subsidiary to such Participant, whether or not such payment is made pursuant to this Plan. The Company shall also have the right to satisfy any such withholding tax liability or liability for social security contributions by retaining, disposing of or acquiring any Shares that otherwise would have been issued or delivered to such Participant hereunder.

5.8 Additional Limits

Notwithstanding any other provision of this Plan or any Grant Agreement, no Performance Share Units shall be granted under this Plan if such grant of Performance Share Units could result, at any time, in:

- (a) the aggregate number of Shares issued to Insiders within any one-year period, under this Plan and any other security based compensation arrangements established or maintained by the Company, exceeding 10% of the issued and outstanding Shares;
- (b) the aggregate number of Shares issuable to Insiders at any time, under this Plan and any other security based compensation arrangements established or maintained by the Company, exceeding 10% of the issued and outstanding Shares; or
- (c) the aggregate number of Shares issuable to any one Insider at any time, under this Plan and any other security based compensation arrangements established or maintained by the Company, exceeding 5% of the issued and outstanding Shares.

5.9 Additional Terms and Conditions

Notwithstanding any of the provisions contained in this Plan or in any Grant Agreement, the Company's obligation to issue Shares to a Participant in respect of Vested Units shall be subject to the following:

- (a) completion of such registration or other qualification of such Shares and the receipt of any approvals of governmental authority or stock exchange as the Company shall determine to be necessary or advisable in connection with the authorization, issuance or sale thereof;
- (b) the admission of such Shares to listing on any stock exchange(s) on which the Shares may then be listed; and
- (c) the receipt from the Participant of such representations, agreements and undertakings, including as to future dealings in such Shares, as the Company or its counsel determines to be necessary or advisable in order to safeguard against the violation of the securities laws of any jurisdiction.

In connection with the foregoing, the Company shall, to the extent necessary, take all steps determined by the Committee, in its discretion, to be reasonable to obtain such approvals, registrations and qualifications as may be necessary for the issuance of such Shares in compliance with applicable securities laws and for the listing of such Shares on any stock exchange(s) on which the Shares are then listed.

5.10 Adjustments and Reorganizations

(a) In the event of any stock dividend, stock split, combination or exchange of shares, merger, consolidation, spin-off or other distribution (other than normal cash dividends) of the Company's assets to the shareholders, or any other change affecting the Shares, such proportionate adjustments, if any, as either the Committee or the Board in its discretion may deem appropriate to reflect shall be made with respect to the number of Performance Share Units outstanding under the Plan. Subject to Section 7.4, if applicable, in the event the Company is not the surviving entity in a merger, consolidation or amalgamation with another entity or in the event of a liquidation, reorganization and in the absence of any surviving entity's assumption of outstanding awards made under the Plan, the Board may provide for appropriate settlements of Performance Share Units.

(b) Each Participant's Performance Share Unit Account shall be credited with additional Performance Share Units equal to the Dividend Equivalent when any cash dividend is paid on Shares. Any additional Performance Share Units so credited to a Participant's Performance Share Unit Account as a Dividend Equivalent shall have a Performance Period and Vesting Date, and shall be subject to Performance Conditions, which are the same as the Performance Period, Vesting Date and Performance Conditions for the Performance Share Units in respect of which such additional Performance Share Units are credited.

ARTICLE 6
ASSIGNMENT

6.1 No Assignment

A Performance Share Unit is personal to the Participant and is non-assignable. No Performance Share Unit granted hereunder shall be pledged, hypothecated, charged, transferred, assigned or otherwise encumbered or disposed of by the Participant, whether voluntarily or by operation of law, otherwise than by testate succession, will or the laws of descent and distribution, and any attempt to do so will cause such Performance Share Unit to be null and void. During the lifetime of the Participant, a Performance Share Unit shall be redeemable only by the Participant. Upon the death of a Participant, the person to whom the Participant's rights shall have passed by testate succession or by the laws of descent and distribution may redeem any Performance Share Units in accordance with the terms hereof and the Grant Agreement.

ARTICLE 7
TERMINATION OF EMPLOYMENT OR SERVICES; DEATH AND DISABILITY

7.1 Termination of Employment for Cause or by Voluntary Resignation

Notwithstanding anything else contained herein, where a Participant ceases to be an Eligible Person by virtue of being terminated for cause or voluntary resignation:

- (a) the number of unvested Performance Share Units in such Participant's Performance Share Unit Account shall be terminated, cancelled and deemed to have zero value as of and from the Termination Date; and
- (b) as of and from the Termination Date, the Participant shall have no rights to further benefits under the Plan, save and except for payments to be made in the event that Performance Share Units became Vested Units prior to the Termination Date.

7.2 Death, Disability or Retirement of a Participant

If a Participant ceases to be an Eligible Person as a result of death, Disability or Retirement:

- (a) all of the Performance Share Units of such Participant will continue to vest in accordance with Section 5.4(a), except that the Committee shall, in its discretion, revise the Performance Conditions to reflect the proportion of the relevant Performance Period during which the Participant was an Eligible Person;
- (b) the number of Shares deliverable in respect of any such Performance Share Units that become Vested Units will be prorated to reflect the proportion of the relevant Performance Period during which the Participant was an Eligible Person and will be paid in accordance with Section 5.4(b) or Section 5.5 ; and
- (c) in the case of the death of a Participant, the Participant's designated beneficiary or estate will be entitled to receive Shares delivered (or cash paid in lieu thereof) in respect of all Vested Units of the Participant, prorated in accordance with paragraph (b) above.

7.3 Involuntary Termination

If a Participant ceases to be an Eligible Person as a result of involuntary termination other than (i) death, Disability or Retirement, or (ii) as a result of termination for cause or voluntary resignation, the Committee shall, in its discretion, determine whether:

- (a) the unvested Performance Share Units of such Participant shall be terminated, cancelled and deemed to have zero value as of and from the Termination Date, in which case, as of and from the date of such determination, the Participant shall have no rights to further benefits under the Plan, save and except for payments to be made in the event that Performance Share Units became Vested Units prior to the Termination Date; or
- (b) the Performance Share Units of such Participant will continue to vest in accordance with Section 5.4(a), in which case:
 - (i) the Committee shall, in its discretion, revise the Performance Conditions to reflect the proportion of the relevant Performance Period during which the Participant was an Eligible Person;

- (ii) the number of Shares deliverable in respect of any such Performance Share Units that become Vested Units will be prorated to reflect the proportion of the relevant Performance Period during which the Participant was an Eligible Person and will be paid in accordance with Section 5.4(b) or Section 5.5.

7.4 Change of Control

Upon the occurrence of a Change of Control:

- (a) all outstanding Performance Share Units shall become Vested Units on a prorated basis from the first day of the Performance Period to the Change of Control Time and shall be redeemed immediately prior to the Change of Control Time; and
- (b) the obligation of the Company to deliver a Share in respect of each such Vested Units shall be satisfied by the payment immediately prior to the Change of Control Time of an amount equal to the Market Price of a Share as of that time.

7.5 Change of Employment or Services

Performance Share Units shall not be affected by any change of employment or consulting arrangement within or among the Company or any one or more of its subsidiaries for so long as the Participant continues to be an Eligible Person.

ARTICLE 8 AMENDMENT OR DISCONTINUANCE

8.1 Amendment

Provided that no amendment may have the effect of materially adversely affecting the existing rights of a Participant under the Plan (the presence or absence of such a material adverse effect to be determined by the Committee in its discretion) without his or her consent in writing, and provided further that the Committee is acting in accordance with the rules and policies of the Principal Exchange, the Committee may amend the Plan or the terms of any Performance Share Unit outstanding at any time in its discretion without the approval of the shareholders of the Company, except that amendments with respect to the following specific matters shall only be made on approval by the shareholders by ordinary resolution unless such amendments result from the application of Section 5.10:

- (a) increasing the Plan Limit;
- (b) changing the provisions relating to the assignment of Performance Share Units except if the assignment is for normal estate settlement purposes;
- (c) permitting non-employee directors of the Company to participate in this Plan;
- (d) permitted non-executive directors of the Company to participate in this Plan;

- (e) cancelling and reissuing Performance Share Units with different Performance Conditions;
- (f) amending the limits on Insiders set out in Sections 5.9(a) and 5.9(b) of the Plan;
- (g) amending or altering Section 8.1 of this Plan.

8.2 Discontinuance

The Board may discontinue or terminate this Plan at any time.

ARTICLE 9 MISCELLANEOUS

9.1 No Rights of Shareholders

A Performance Share Unit is not a Share and the holder of a Performance Share Unit shall not have any of the rights and privileges of a shareholder in respect of such Performance Share Unit, including voting rights, dividend entitlement or rights on any liquidation, dissolution or winding-up of the Company.

9.2 No Additional Rights Offered

(a) Participation in this Plan is entirely voluntary and not obligatory and neither this Plan nor any Grant Agreement shall be interpreted as conferring upon any Employee any right to continue in the employ of the Company or any of its subsidiaries or affect in any way the right of the Company or any such subsidiary to terminate his or her employment at any time; nor shall anything in this Plan or any Grant Agreement be deemed or construed to constitute an agreement, or an expression of intent, on the part of the Company or any of its subsidiaries to extend the employment of any Employee beyond any time established for the Employee's Retirement.

(b) Nothing in this Plan or any Grant Agreement shall confer on any Consultant any right to continue to provide services to the Company or any of its subsidiaries or affect in any way the right of the Company or any of its subsidiaries to terminate at any time any agreement or contract with such Consultant; nor shall anything in this Plan or any Grant Agreement be deemed to be or construed as an agreement, or an expression of intent, on the part of the Company or the subsidiary to extend the time for the provision of services beyond the time specified in the contract with the Company or such subsidiary.

9.3 Unfunded Obligation

Unless otherwise determined by the Board, the Plan will be an unfunded obligation of the Company and the Company's obligations hereunder shall constitute general, unsecured obligations, payable solely out of its general assets, and no Participant or other person shall have any right to any specific assets of the Company. The Company shall not segregate any assets for the purpose of funding its obligations with respect to the Performance Share Units granted hereunder and shall not be deemed to be a trustee of any amounts to be distributed or

paid pursuant to the Plan. No liability or obligation of the Company shall be deemed to be secured by any pledge of, or encumbrance on, any property or assets of the Company. To the extent any individual holds rights under the Plan, such rights (unless otherwise determined by the Board) shall be no greater than the rights of an unsecured general creditor of the Company.

9.4 **Governing Law**

This Plan and all Grant Agreements entered into pursuant to this Plan shall be governed by the laws of the Province of Ontario and the federal laws of Canada applicable in that province.

9.5 **Effective Date**

The effective date of this Plan is ■, 2010.

SCHEDULE A

[Intentionally Excluded]

SCHEDULE B

Peer Companies for Total Shareholder Return Analysis

- African Copper
- Antofagasta
- Anvil Mining
- Equinox Minerals
- First Quantum Minerals
- Freeport McMoran
- Inmet Mining
- Kazakhmys
- Metorex
- Palabora Mining
- Quadra Mining

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APPENDIX C



March 17, 2010

Ontario Securities Commission, as Principal Regulator
British Columbia Securities Commission
Alberta Securities Commission
Saskatchewan Financial Services Commission – Securities Division
The Manitoba Securities Commission
Autorité des Marchés Financiers
Nova Scotia Securities Commission
Prince Edward Island, Office of the Attorney General Securities Division
New Brunswick, Securities Administration Branch
Securities Commission of Newfoundland and Labrador
Yukon, Registrar of Securities
Northwest Territories, Registrar of Securities
Nunavut, Registrar of Securities
PricewaterhouseCoopers LLP
Deloitte & Touche LLP

Dear Sirs/ Mesdames:

Re: Katanga Mining Limited – Notice of Change of Auditor

In compliance with National Instrument 51-102 – *Continuous Disclosure Obligations* ("NI 51-102"), please be advised as follows:

- 1) On March 17, 2009, each of Katanga Mining Limited's (the "**Corporation**") Board of Directors and the Corporation's Audit Committee considered and determined that the Corporation's auditor, PricewaterhouseCoopers LLP (the "**Former Auditor**"), would not be proposed for reappointment at the Corporation's annual and special meeting of shareholders to be held on May 5, 2010.
- 2) On March 17, 2009, each of the Corporation's Board of Directors and the Corporation's Audit Committee considered and determined that Deloitte & Touche LLP would be proposed as the auditor of the Corporation at the Corporation's annual and special meeting of shareholders to be held on May 5, 2010.
- 3) The reports of the Former Auditor on any of the financial statements of the Corporation, during the two most recently completed financial years, did not contain any reservations.
- 4) During the two most recently completed financial years, there were no "Reportable Events" (as defined by NI 51-102).

DATED this 17th day of March, 2010.

ON BEHALF OF THE BOARD OF DIRECTORS

(signed) "James Morris"
James Morris
Company Secretary

Ontario Securities Commission, as a Principal Regulator
British Columbia Securities Commission
Alberta Securities Commission
Saskatchewan Financial Services Commission - Securities Division
The Manitoba Securities Commission
Autorité des Marchés Financiers
Nova Scotia Securities Commission
Prince Edward Island, Office of the Attorney General Securities Division
New Brunswick, Securities Administration Branch
Securities Commission of Newfoundland and Labrador
Yukon, Registrar of Securities
Northwest Territories, Registrar of Securities
Nunavut, Registrar of Securities

Re: Katanga Mining Limited - Notice of Change of Auditors

We have read the statements made by Katanga Mining Limited in the attached copy of Change of Auditor Notice dated March 17, 2010, which we understand will be filed pursuant to Section 4.11 of the National Instrument 51-102.

We agree with the statement in the Change of Auditor Notice that our auditors' reports on the consolidated financial statements of the Company for the two most recently completed financial years did not contain any reservations. We have no basis to agree or disagree with the remaining statements.

Yours very truly,

PricewaterhouseCoopers LLP

Chartered Accountants

Toronto, Canada
March 18, 2010



Deloitte & Touche LLP
181 Bay Street,
Bay Wellington Tower -
Brookfield Place,
Suite 1400
Toronto, ON M5J 2V1
Canada

Tel: (416) 601-6150
Fax: (416) 601-6151
www.deloitte.ca

March 18, 2010

Ontario Securities Commission, as Principal Regulator
British Columbia Securities Commission
Alberta Securities Commission
Saskatchewan Financial Services Commission – Securities Division
Autorité des Marchés Financiers
Nova Scotia Securities Commission
Prince Edward Island, Office of the Attorney General Securities Division
New Brunswick, Securities Administration Branch
Securities Commission of Newfoundland and Labrador
Yukon, Registrar of Securities
Northwest Territories, Registrar of Securities
Nunavut, Registrar of Securities
PricewaterhouseCoopers LLP

Dear Sirs/ Mesdames:

Katanga Mining Limited – Response to Notice of Change of Auditors

We have been asked to respond to the four points in the letter on the Notice of Change of Auditors dated March 17, 2010 (the “Notice”) that have been listed below stating for each statement in the Notice, whether Deloitte & Touche LLP either: (i) agrees, (ii) disagrees, and reasons why, or (iii) has no basis to agree or disagree.

1. On March 17, 2010, each of Katanga Mining Limited’s (the “Corporation”) Board of Directors and the Corporation’s Audit Committee considered and determined that the Corporation’s Auditors, PricewaterhouseCoopers LLP (the “Former Auditors”), would not be proposed for reappointment at the Corporation’s annual and special meeting of shareholders to be held on May 5, 2010.

Deloitte Response: (iii) has no basis to agree or disagree

2. On March 17, 2010, each of the Corporation’s Board of Directors and the Corporation’s Audit Committee considered and determined that Deloitte & Touche LLP would be proposed as the Auditors of the Corporation at the Corporation’s annual and special meeting of the shareholders to be held on May 5, 2010.

Deloitte Response: (i) agrees

Ontario Securities Commission, as Principal Regulator et al
March 18, 2010
Page 2

3. The reports of the Former Auditors on any of the financial statements of the Corporation, during the two most recently completed financial years did not contain any reservations.

Deloitte Response: (i) agrees

4. During the two most recently completed financial years, there were no "Reportable Events" (as defined by NI 51-102).

Deloitte Response: (iii) has no basis to agree or disagree

Yours truly,

Deloitte + Touche LLP

Chartered Accountants
Licensed Public Accountants

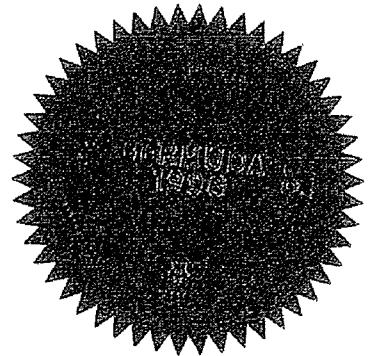
APPENDIX D

BYE - LAWS
of
Katanga Mining Limited

I HEREBY CERTIFY that the within written Bye-Laws are a true copy of the Bye-Laws of **Katanga Mining Limited** as approved at the Special General meeting of the above company on 11th January 2008.



For and on behalf of
Appleby Services (Bermuda) Ltd
Assistant Secretary



APPLEBY

BYE-LAWS

Of

KATANGA MINING LIMITED

INTERPRETATION

1. Interpretation

1.1 In these Bye-Laws, unless the context otherwise requires:

"**Bermuda**" means the Islands of Bermuda;

"**Board**" means the Board of Directors of the Company or the Directors present at a meeting of Directors at which there is a quorum;

"**clear days**" means, in relation to the period of a notice, that period excluding the day on which the notice is given or served, or deemed to be given or served, and the day for which it is given or on which it is to take effect;

"**the Companies Acts**" means every Bermuda statute from time to time in force concerning companies insofar as the same applies to the Company;

"**Company**" means the company incorporated in Bermuda under the name of New Inca Gold Ltd. on October 7, 1996;

"**Director**" means such person or persons as shall be appointed to the Board from time to time pursuant to these Bye-Laws;

"**Indemnified Person**" means any Director, Officer, Resident Representative, member of a committee duly constituted under these Bye-Laws and any liquidator, manager or trustee for the time being acting in relation to the affairs of the Company, and his heirs, executors and administrators;

"**Officer**" means a person appointed by the Board pursuant to these Bye-Laws and shall not include an auditor of the Company;

"**paid up**" means paid up or credited as paid up;

"**Register**" means the Register of Shareholders of the Company and, except in Bye-Law 10, includes any branch register;

"**Registered Office**" means the registered office for the time being of the Company;

"**Resident Representative**" means (if any) the individual (or, if permitted in accordance with the Companies Acts, the company) appointed to perform the duties of resident representative set out in the Companies Acts and includes any assistant or deputy

Resident Representative appointed by the Board to perform any of the duties of the Resident Representative;

"Resolution" means a resolution of the Shareholders or, where required, of a separate class or separate classes of Shareholders adopted either in general meeting or by written resolution in accordance with the provisions of these Bye-Laws;

"Seal" means the common seal of the Company and includes any authorised duplicate thereof; **"Secretary"** includes a joint, temporary, assistant or deputy Secretary and any person appointed by the Board to perform any of the duties of the Secretary;

"share" means share in the capital of the Company and includes a fraction of a share;

"Shareholder" means a shareholder or member of the Company, provided that for the purposes of Bye-Laws 45 it shall also include any holder of notes, debentures or bonds issued by the Company;

"Specified Place" means the place, if any, specified in the notice of any meeting of the shareholders, or adjourned meeting of the shareholders, at which the chairman of the meeting shall preside;

"Subsidiary" and **"Holding Company"** have the same meanings as in section 86 of the Companies Act 1981, except that references in that section to a company shall include any body corporate or other legal entity, whether incorporated or established in Bermuda or elsewhere;

"these Bye-Laws" means these Bye-Laws in their present form or as from time to time amended;

1.2 For the purposes of these Bye-Laws, a corporation shall be deemed to be present in person if its representative duly authorised pursuant to the Companies Acts is present.

1.3 Words importing only the singular number include the plural number and vice versa.

1.4 Words importing only the masculine gender include the feminine and neuter genders respectively.

1.5 Words importing persons include companies or associations or bodies of persons, whether corporate or un-incorporate.

1.6 A reference to writing shall include typewriting, printing, lithography, photography and other modes of representing or reproducing words in a legible and non-transitory form.

1.7 Any words or expressions defined in the Companies Acts in force at the date when these Bye-Laws or any part thereof are adopted shall bear the same meaning in these Bye-Laws or such part (as the case may be).

1.8 A reference to anything being done by electronic means includes its being done by means of any electronic or other communications equipment or facilities and reference to any communication being delivered or received, or being delivered or received at a particular place, includes the transmission of an electronic or similar communication, and to a recipient identified in such manner or by such means as the Board may from time to time approve or prescribe, either generally or for a particular purpose.

1.9 A reference to a signature or to anything being signed or executed include such forms of electronic signature or other means of verifying the authenticity of an electronic or similar communication as the Board may from time to time approve or prescribe, either generally or for a particular purpose.

1.10 A reference to any statute or statutory provision (whether in Bermuda or elsewhere) includes a reference to any modification or re-enactment of it for the time being in force and to every rule, regulation or order made under it (or under any such modification or re-enactment) and for the time being in force and any reference to any rule, regulation or order made under any such statute or statutory provision includes a reference to any modification or replacement of such rule, regulation or order for the time being in force.

1.11 In these Bye-Laws:

1.11.1 powers of delegation shall not be restrictively construed but the widest interpretation shall be given thereto;

1.11.2 the word "Board" in the context of the exercise of any power contained in these Bye-Laws includes any committee consisting of one or more Directors, any Director holding executive office and any local or divisional Board, manager or agent of the Company to which or, as the case may be, to whom the power in question has been delegated;

1.11.3 no power of delegation shall be limited by the existence or, except where expressly provided by the terms of delegation, the exercise of any other power of delegation; and

1.11.4 except where expressly provided by the terms of delegation, the delegation of a power shall not exclude the concurrent exercise of that power by any other body or person who is for the time being authorised to exercise it under these Bye-Laws or under another delegation of the powers.

REGISTERED OFFICE

2. Registered Office

The Registered Office shall be at such place in Bermuda as the Board shall from time to time appoint. SHARES AND SHARE RIGHTS

3. Share Capital

3.1 The authorised share capital of the Company at the date of adoption of these Bye-Laws is \$10,012,000 divided into 10,000 Common Shares of par value \$12.00 each and 100,000,000 Common Shares of par value \$0.10 each and no Undesignated Shares.

3.2 Common Shares

The Common Shares shall, subject to the other provisions of these Bye-Laws, entitle the holders thereof to the following rights:

3.2.1 as regards dividend:

after making all necessary provisions, where relevant, for payment of any preferred dividend in respect of any preference shares in the Company then outstanding, the Company shall apply any profits or reserves which the Board resolves to distribute in paying such profits or reserves to the holder of the Common Shares in respect of their holding of such shares pari passu and pro rata to the number of Common Shares held by each of them;

3.2.2 as regards capital:

on a return of assets on liquidation, reduction of capital or otherwise, the holders of the Common Shares shall be entitled to be paid the surplus assets of the Company remaining after payment of its liabilities (subject to the rights of holders of any preferred shares in the Company then in issue having preferred rights on the return of capital) in respect of their holdings of Common Shares pari passu and pro rata to the number of Common Shares held by each of them;

3.2.3 as regards voting in general meetings:

the holders of the Common Shares shall be entitled to receive notice of, and to attend and vote at, general meetings of the Company; every holder of Common Shares present in person or by proxy shall on a poll have one vote for each Common Share held by him.

3.3 Undesignated Shares

The rights attaching to the Undesignated Shares, subject to these Bye-Laws generally and to Bye-Law 3.4 in particular, shall be as follows:

3.3.1 each Undesignated Share shall have attached to it such preferred, qualified or other special rights, privileges and conditions and be subject to such restrictions, whether in regard to dividend, return of capital, redemption, conversion into Common Shares or voting or otherwise, as the Board may determine on or before its allotment;

3.3.2 the Board may allot the Undesignated Shares in more than one series and, if it does so, may name and designate each series in such manner as it deems appropriate to reflect the particular rights and restrictions attached to that series, which may differ in all or any respects from any other series of Undesignated Shares;

3.3.3 the particular rights and restrictions attached to any Undesignated Shares shall be recorded in a resolution of the Board. The Board may at any time before the allotment of any Undesignated Share by further resolution in any way amend such rights and restrictions or vary or revoke its designation. A copy of any such resolution or amending resolution for the time being in force shall be annexed as an appendix to (but shall not form part of) these Bye-Laws; and

3.3.4 the Board shall not attach to any Undesignated Share any rights or restrictions which would alter or abrogate any of the special rights attached to any other class of series of shares for the time being in issue without such sanction as is required for any alteration or abrogation of such rights, unless expressly authorised to do so by the rights attaching to or by the terms of issue of such shares.

3.4 Without limiting the foregoing and subject to the Companies Acts, the Company may issue preference shares (including any preference shares created pursuant to Bye-Law 3.3) which:

3.4.1 are liable to be redeemed on the happening of a specified event or events or on a given date or dates and/or;

3.4.2 are liable to be redeemed at the option of the Company and/or, if authorised by the Memorandum of Association of the Company, at the option of the holder.

3.5 The terms and manner of the redemption of any redeemable shares created pursuant to Bye-Law 3.3 shall be as the Board may by resolution determine before the allotment of such shares and the terms and manner of redemption of any other redeemable preference shares shall be either:

3.5.1 as the Shareholders may by Resolution determine; or

3.5.2 insofar as the Shareholders do not by any Resolution determine, as the Board may by resolution determine, in either case, before the allotment of such shares. A copy of any such Resolution or resolution of the Board for the time being in force shall be attached as an appendix to (but shall not form part of) these Bye-Laws.

3.6 The terms of any redeemable preference shares (including any redeemable preference shares created pursuant to Bye-Law 3.3) may provide for the whole or any

part of the amount due on redemption to be paid or satisfied otherwise than in cash, to the extent permitted by the Companies Acts.

3.7 Subject to the foregoing and to any special rights conferred on the holders of any share or class of shares, any share in the Company may be issued with or have attached thereto such preferred, deferred, qualified or other special rights or such restrictions, whether in regard to dividend, voting, return of capital or otherwise, as the Company may by Resolution determine or, if there has not been any such determination or so far as the same shall not make specific provision, as the Board may determine.

3.8 The Board may, at its discretion and without the sanction of a Resolution, authorise the purchase by the Company of its own shares, of any class, at any price (whether at par or above or below par), and any shares to be so purchased may be selected in any manner whatsoever, upon such terms as the Board may in its discretion determine, provided always that such purchase is effected in accordance with the provisions of the Companies Acts. The whole or any part of the amount payable on any such purchase may be paid or satisfied otherwise than in cash, to the extent permitted by the Companies Acts.

4. Modification Of Rights

4.1 Subject to the Companies Acts, all or any of the special rights for the time being attached to any class of shares for the time being issued may from time to time (whether or not the Company is being wound up) be altered or abrogated with the consent in writing of the holders of not less than seventy five percent (75%) of the issued shares of that class or with the sanction of a Resolution passed at a separate general meeting of the holders of such shares voting in person or by proxy. To any such separate general meeting, all the provisions of these Bye-Laws as to general meetings of the Company shall mutatis mutandis apply, but so that the necessary quorum shall be two (2) or more persons holding or representing by proxy the majority of the shares of the relevant class, that every holder of shares of the relevant class shall be entitled on a poll to one vote for every such share held by him and that any holder of shares of the relevant class present in person or by proxy may demand a poll; provided, however, that if the Company or a class of Shareholders shall have only one Shareholder, one Shareholder present in person or by proxy shall constitute the necessary quorum.

4.2 For the purposes of this Bye-Law, unless otherwise expressly provided by the rights attached to any shares or class of shares, those rights attaching to any class of shares for the time being shall not be deemed to be altered by:

4.2.1 the creation or issue of further shares ranking pari passu with them;

4.2.2 the creation or issue for full value (as determined by the Board) of further shares ranking as regards participation in the profits or assets of the Company or otherwise in priority to them; or

4.2.3 the purchase or redemption by the Company of any of its own shares.

5. Shares

5.1 Subject to the provisions of these Bye-Laws, the unissued shares of the Company (whether forming part of the original capital or any increased capital) shall be at the disposal of the Board, which may offer, allot, grant options over or otherwise dispose of them to such persons, at such times and for such consideration and upon such terms and conditions as the Board may determine.

5.2 The Board may in connection with the issue of any shares exercise all powers of paying commission and brokerage conferred or permitted by law. Subject to the provisions of the Companies Acts, any such commission or brokerage may be satisfied by the payment of cash or by the allotment of fully or partly paid shares or partly in one way and partly in the other.

5.3 Shares may be issued in fractional denominations and in such event the Company shall deal with such fractions to the same extent as its whole shares, so that a share in a fractional denomination shall have, in proportion to the fraction of a whole share that it represents, all the rights of a whole share, including (but without limiting the generality of the foregoing) the right to vote, to receive dividends and distributions and to participate in a winding-up.

5.4 Except as ordered by a court of competent jurisdiction or as required by law, no person shall be recognised by the Company as holding any share upon trust and the Company shall not be bound by or required in any way to recognise (even when having notice thereof) any equitable, contingent, future or partial interest in any share or in any fractional part of a share or (except only as otherwise provided in these Bye-Laws or by law) any other right in respect of any share except an absolute right to the entirety thereof in the registered holder.

6. Certificates

6.1 Share certificates shall be issued by the Company to holders of all classes of shares. In the case of a share held jointly by several persons, delivery of a certificate to one of several joint holders shall be sufficient delivery to all.

6.2 If a share certificate is defaced, lost or destroyed, it may be replaced without fee but on such terms (if any) as to evidence and indemnity and to payment of the costs and out of pocket expenses of the Company in investigating such evidence and preparing such indemnity as the Board may think fit and, in case of defacement, on delivery of the old certificate to the Company.

6.3 All certificates for share or loan capital or other securities of the Company (other than letters of allotment, scrip certificates and other like documents) shall, except to the extent that the terms and conditions for the time being relating thereto otherwise provide, be in such form as the Board may determine, issued under the Seal. The Board may by resolution determine, either generally or in any particular case, that any signatures on any such certificates need not be autographic but may be affixed to such certificates by some mechanical means or may be printed thereon or that such

certificates need not be signed by any persons, or may determine that a representation of the Seal may be printed on any such certificates. If any person holding an office in the Company who has signed, or whose facsimile signature has been used on, any certificate ceases for any reason to hold his office, such certificate may nevertheless be issued as though that person had not ceased to hold such office.

6.4 Nothing in these Bye-Laws shall prevent title to any securities of the Company from being evidenced and/or transferred without a written instrument in accordance with regulations made from time to time in this regard under the Companies Acts, and the Board shall have power to implement any arrangements which it may think fit for such evidencing and/or transfer which accord with those regulations.

7. Lien

7.1 The Company shall have a first and paramount lien on every share (not being a fully paid share) for all monies, whether presently payable or not, called or payable, at a date fixed by or in accordance with the terms of issue of such share in respect of such share, and the Company shall also have a first and paramount lien on every share (other than a fully paid share) standing registered in the name of a Shareholder, whether singly or jointly with any other person, for all the debts and liabilities of such Shareholder or his estate to the Company, whether the same shall have been incurred before or after notice to the Company of any interest of any person other than such Shareholder, and whether the time for the payment or discharge of the same shall have actually arrived or not, and notwithstanding that the same are joint debts or liabilities of such Shareholder or his estate and any other person, whether a Shareholder or not. The Company's lien on a share shall extend to all dividends payable thereon. The Board may at any time, either generally or in any particular case, waive any lien that has arisen or declare any share to be wholly or in part exempt from the provisions of this Bye-Law.

7.2 The Company may sell, in such manner as the Board may think fit, any share on which the Company has a lien but no sale shall be made unless some sum in respect of which the lien exists is presently payable nor until the expiration of fourteen (14) days after a notice in writing, stating and demanding payment of the sum presently payable and giving notice of the intention to sell in default of such payment, has been served on the holder for the time being of the share.

7.3 The net proceeds of sale by the Company of any shares on which it has a lien shall be applied in or towards payment or discharge of the debt or liability in respect of which the lien exists so far as the same is presently payable, and any residue shall (subject to a like lien for debts or liabilities not presently payable as existed upon the share prior to the sale) be paid to the person who was the holder of the share immediately before such sale. For giving effect to any such sale, the Board may authorise some person to transfer the share sold to the purchaser thereof. The purchaser shall be registered as the holder of the share and he shall not be bound to see to the application of the purchase money, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings relating to the sale.

7.4

7.4.1 Whenever any law for the time being of any country, state or place imposes or purports to impose any immediate or future or possible liability upon the Company to make any payment or empowers any government or taxing authority or government official to require the Company to make any payment in respect of any shares registered in any of the Company's registers as held either jointly or solely by any Shareholder or in respect of any dividends, bonuses or other monies due or payable or accruing due or which may become due or payable to such Shareholder by the Company on or in respect of any shares registered as aforesaid or for or on account or in respect of any Shareholder and whether in consequence of:

7.4.1.1 the death of such Shareholder;

7.4.1.2 the non-payment of any income tax or other tax by such Shareholder;

7.4.1.3 the non-payment of any estate, probate, succession, death, stamp, or other duty by the executor or administrator of such Shareholder or by or out of his estate; or

7.4.1.4 any other act or thing;

7.4.2 in every such case (except to the extent that the rights conferred upon holders of any class of shares render the Company liable to make additional payments in respect of sums withheld on account of the foregoing):

7.4.2.1 the Company shall be fully indemnified by such Shareholder or his executor or administrator from all liability;

7.4.2.2 the Company shall have a lien upon all dividends and other monies payable in respect of the shares registered in any of the Company's registers as held either jointly or solely by such Shareholder for all monies paid or payable by the Company in respect of such shares or in respect of any dividends or other monies as aforesaid thereon or for or on account or in respect of such Shareholder under or in consequence of any such law together with interest at the rate of fifteen percent (15%) per annum thereon from the date of payment to date of repayment and may deduct or set off against such dividends or other monies payable as aforesaid any monies paid or payable by the Company as aforesaid together with interest as aforesaid;

7.4.2.3 the Company may recover as a debt due from such Shareholder or his executor or administrator wherever constituted any monies paid by the Company under or in consequence of any such law and interest thereon at the rate and for the period aforesaid in excess of any dividends or other monies as aforesaid then due or payable by the Company;

7.4.2.4 the Company may, if any such money is paid or payable by it under any such law as aforesaid, refuse to register a transfer of any shares by any such Shareholder or his executor or administrator until such money and interest as aforesaid is set off or deducted as aforesaid, or in case the same exceeds the amount of any such dividends

or other monies as aforesaid then due or payable by the Company, until such excess is paid to the Company.

7.5 Subject to the rights conferred upon the holders of any class of shares, nothing herein contained shall prejudice or affect any right or remedy which any law may confer or purport to confer on the Company and as between the Company and every such Shareholder as aforesaid, his estate representative, executor, administrator and estate wheresoever constituted or situate, any right or remedy which such law shall confer or purport to confer on the Company shall be enforceable by the Company.

8. Calls On Shares

8.1 The Board may from time to time make calls upon the Shareholders in respect of any monies unpaid on their shares (whether on account of the par value of the shares or by way of premium) and not by the terms of issue thereof made payable at a date fixed by or in accordance with such terms of issue, and each Shareholder shall (subject to the Company serving upon him at least fourteen (14) days notice specifying the time or times and place of payment) pay to the Company at the time or times and place so specified the amount called on his shares. A call may be revoked or postponed as the Board may determine.

8.2 A call may be made payable by instalments and shall be deemed to have been made at the time when the resolution of the Board authorising the call was passed.

8.3 The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.

8.4 If a sum called in respect of the share shall not be paid before or on the day appointed for payment thereof the person from whom the sum is due shall pay interest on the sum from the day appointed for the payment thereof to the time of actual payment at such rate as the Board may determine, but the Board shall be at liberty to waive payment of such interest wholly or in part.

8.5 Any sum which, by the terms of issue of a share, becomes payable on allotment or at any date fixed by or in accordance with such terms of issue, whether on account of the nominal amount of the share or by way of premium, shall for all the purposes of these Bye-Laws be deemed to be a call duly made, notified and payable on the date on which, by the terms of issue, the same becomes payable and, in case of non-payment, all the relevant provisions of these Bye-Laws as to payment of interest, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.

8.6 The Board may on the issue of shares differentiate between the allottees or holders as to the amount of calls to be paid and the times of payment.

9. Forfeiture Of Shares

9.1 If a Shareholder fails to pay any call or instalment of a call on the day appointed for payment thereof, the Board may at any time thereafter during such time as any part of such call or instalment remains unpaid serve a notice on him requiring payment of so much of the call or instalment as is unpaid, together with any interest which may have accrued.

9.2 The notice shall name a further day (not being less than fourteen (14) days from the date of the notice) on or before which, and the place where, the payment required by the notice is to be made and shall state that, in the event of non-payment on or before the day and at the place appointed, the shares in respect of which such call is made or instalment is payable will be liable to be forfeited. The Board may accept the surrender of any share liable to be forfeited hereunder and, in such case, references in these Bye-Laws to forfeiture shall include surrender.

9.3 If the requirements of any such notice as aforesaid are not complied with, any share in respect of which such notice has been given may at any time thereafter, before payment of all calls or instalments and interest due in respect thereof has been made, be forfeited by a resolution of the Board to that effect. Such forfeiture shall include all dividends declared in respect of the forfeited shares and not actually paid before the forfeiture.

9.4 When any share has been forfeited, notice of the forfeiture shall be served upon the person who was before forfeiture the holder of the share but no forfeiture shall be in any manner invalidated by any omission or neglect to give such notice as aforesaid.

9.5 A forfeited share shall be deemed to be the property of the Company and may be sold, re-offered or otherwise disposed of either to the person who was, before forfeiture, the holder thereof or entitled thereto or to any other person upon such terms and in such manner as the Board shall think fit, and at any time before a sale, re-allotment or disposition the forfeiture may be cancelled on such terms as the Board may think fit.

9.6 A person whose shares have been forfeited shall thereupon cease to be a Shareholder in respect of the forfeited shares but shall, notwithstanding the forfeiture, remain liable to pay to the Company all monies which at the date of forfeiture were presently payable by him to the Company in respect of the shares with interest thereon at such rate as the Board may determine from the date of forfeiture until payment, and the Company may enforce payment without being under any obligation to make any allowance for the value of the shares forfeited.

9.7 An affidavit in writing that the deponent is a Director of the Company or the Secretary and that a share has been duly forfeited on the date stated in the affidavit shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share. The Company may receive the consideration (if any) given

for the share on the sale, re-allotment or disposition thereof and the Board may authorise some person to transfer the share to the person to whom the same is sold, re-allotted or disposed of, and he shall thereupon be registered as the holder of the share and shall not be bound to see to the application of the purchase money (if any) nor shall his title to the share be affected by any irregularity or invalidity in the proceedings relating to the forfeiture, sale, re-allotment or disposal of the share.

REGISTER OF SHAREHOLDERS

10. Register Of Shareholders

10.1 The Register shall be kept at the Registered Office or at such other place in Bermuda as the Board may from time to time direct, in the manner prescribed by the Companies Acts. Subject to the provisions of the Companies Acts, the Company may keep one or more overseas or branch registers in any place, and the Board may make, amend and revoke any such regulations as it may think fit respecting the keeping of such registers. The Board may authorise any share on the Register to be included in a branch register or any share registered on a branch register to be registered on another branch register, provided that at all times the Register is maintained in accordance with the Companies Acts.

10.2 The Register or any branch register may be closed at such times and for such period as the Board may from time to time decide, subject to the Companies Acts. Except during such time as it is closed, the Register and each branch register shall be open to inspection in the manner prescribed by the Companies Acts between 10:00 a.m. and 12:00 noon (or between such other times as the Board from time to time determines) on every working day. Unless the Board so determines, no Shareholder or intending Shareholder shall be entitled to have entered in the Register or any branch register any indication of any trust or any equitable, contingent, future or partial interest in any share or any fractional part of a share and if any such entry exists or is permitted by the Board it shall not be deemed to abrogate any of the provisions of Bye-Law 5.4.

REGISTER OF DIRECTORS AND OFFICERS

11. Register Of Directors And Officers

The Secretary shall establish and maintain a register of the Directors and Officers of the Company as required by the Companies Acts. The register of Directors and Officers shall be open to inspection in the manner prescribed by the Companies Acts between 9:00 a.m. and 5:00 p.m. in Bermuda on every working day.

TRANSFER OF SHARES

12. Transfer Of Shares

12.1 Subject to the Companies Acts and to such of the restrictions contained in these Bye-Laws as may be applicable, any Shareholder may transfer all or any of his

shares by an instrument of transfer in the usual common form or in any other form which the Board may approve.

12.2 The instrument of transfer of a share shall be signed by or on behalf of the transferor and where any share is not fully-paid, the transferee. The transferor shall be deemed to remain the holder of the share until the name of the transferee is entered in the Register in respect thereof. All instruments of transfer when registered may be retained by the Company. The Board may, in its absolute discretion and without assigning any reason therefor, decline to register any transfer of any share which is not a fully-paid share. The Board may also decline to register any transfer unless:

12.2.1 the instrument of transfer is duly stamped (if required by law) and lodged with the Company, at such place as the Board shall appoint for the purpose, accompanied by the certificate for the shares (if any has been issued) to which it relates, and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer,

12.2.2 the instrument of transfer is in respect of only one class of share,

12.2.3 the instrument of transfer is in favour of less than five (5) persons jointly; and

12.2.4 it is satisfied that all applicable consents, authorisations, permissions or approvals of any governmental body or agency in Bermuda or any other applicable jurisdiction required to be obtained under relevant law prior to such transfer have been obtained.

12.3 Subject to any directions of the Board from time to time in force, the Secretary may exercise the powers and discretions of the Board under this Bye-Law.

12.4 If the Board declines to register a transfer it shall, within three (3) months after the date on which the instrument of transfer was lodged, send to the transferee notice of such refusal.

12.5 A fee to be determined by the Board shall be charged by the Company for registering any transfer, probate, letters of administration, certificate of death or marriage, power of attorney, order of court or other instrument relating to or affecting the title to any share, or otherwise making an entry in the Register relating to any share, (except that the Company may require payment of a sum sufficient to cover any tax or other governmental charge that may be imposed on it in connection with such transfer or entry).

TRANSMISSION OF SHARES

13. Transmission Of Shares

13.1 In the case of the death of a Shareholder, the survivor or survivors, where the deceased was a joint holder, and the estate representative, where he was sole holder, shall be the only person recognised by the Company as having any title to his shares;

but nothing herein contained shall release the estate of a deceased holder (whether the sole or joint) from any liability in respect of any share held by him solely or jointly with other persons. For the purpose of this Bye-Law, estate representative means the person to whom probate or letters of administration has or have been granted in Bermuda or, failing any such person, such other person as the Board may in its absolute discretion determine to be the person recognised by the Company for the purpose of this Bye-Law.

13.2 Any person becoming entitled to a share in consequence of the death of a Shareholder or otherwise by operation of applicable law may, subject as hereafter provided and upon such evidence being produced as may from time to time be required by the Board as to his entitlement, either be registered himself as the holder of the share or elect to have some person nominated by him registered as the transferee thereof. If the person so becoming entitled elects to be registered himself, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects. If he shall elect to have his nominee registered, he shall signify his election by signing an instrument of transfer of such share in favour of his nominee. All the limitations, restrictions and provisions of these Bye-Laws relating to the right to transfer and the registration of transfer of shares shall be applicable to any such notice or instrument of transfer as aforesaid as if the death of the Shareholder or other event giving rise to the transmission had not occurred and the notice or instrument of transfer was an instrument of transfer signed by such Shareholder.

13.3 A person becoming entitled to a share in consequence of the death of a Shareholder or otherwise by operation of applicable law shall (upon such evidence being produced as may from time to time be required by the Board as to his entitlement) be entitled to receive and may give a discharge for any dividends or other monies payable in respect of the share, but he shall not be entitled in respect of the share to receive notices of or to attend or vote at general meetings of the Company or, save as aforesaid, to exercise in respect of the share any of the rights or privileges of a Shareholder until he shall have become registered as the holder thereof. The Board may at any time give notice requiring such person to elect either to be registered himself or to transfer the share and, if the notice is not complied with within sixty (60) days, the Board may thereafter withhold payment of all dividends and other monies payable in respect of the shares until the requirements of the notice have been complied with.

13.4 Subject to any directions of the Board from time to time in force, the Secretary may exercise the powers and discretions of the Board under this Bye-Law.

SHARE CAPITAL

14. Increase Of Capital

14.1 The Company may from time to time increase its capital by such sum to be divided into shares of such par value as the Company by Resolution shall prescribe.

14.2 The Company may, by the Resolution increasing the capital, direct that the new shares or any of them shall be offered in the first instance either at par or at a premium or (subject to the provisions of the Companies Acts) at a discount to all the holders for the time being of shares of any class or classes in proportion to the number of such shares held by them respectively or make any other provision as to the issue of the new shares.

14.3 The new shares shall be subject to all the provisions of these Bye-Laws with reference to lien, the payment of calls, forfeiture, transfer, transmission and otherwise.

15. Alteration Of Capital

15.1 The Company may from time to time by Resolution:

15.1.1 divide its shares into several classes and attach thereto respectively any preferential, deferred, qualified or special rights, privileges or conditions;

15.1.2 consolidate and divide all or any of its share capital into shares of larger par value than its existing shares;

15.1.3 sub-divide its shares or any of them into shares of smaller par value than is fixed by its memorandum, so, however, that in the sub-division the proportion between the amount paid and the amount, if any, unpaid on each reduced share shall be the same as it was in the case of the share from which the reduced share is derived;

15.1.4 make provision for the issue and allotment of shares which do not carry any voting rights;

15.1.5 cancel shares which, at the date of the passing of the Resolution in that behalf, have not been taken or agreed to be taken by any person, and diminish the amount of its share capital by the amount of the shares so cancelled; and

15.1.6 change the currency denomination of its share capital.

15.2 Where any difficulty arises in regard to any division, consolidation, or sub-division under this Bye-Law, the Board may settle the same as it thinks expedient and, in particular, may arrange for the sale of the shares representing fractions and the distribution of the net proceeds of sale in due proportion amongst the Shareholders who would have been entitled to the fractions, and for this purpose the Board may authorise some person to transfer the shares representing fractions to the purchaser thereof, who shall not be bound to see to the application of the purchase money nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings relating to the sale.

15.3 Subject to the Companies Acts and to any confirmation or consent required by law or these Bye-Laws, the Company may by Resolution from time to time convert any preference shares into redeemable preference shares.

16. Reduction Of Capital

16.1 Subject to the Companies Acts, its memorandum and any confirmation or consent required by law or these Bye-Laws, the Company may from time to time by Resolution authorise the reduction of its issued share capital or any share premium account in any manner.

16.2 In relation to any such reduction, the Company may by Resolution determine the terms upon which such reduction is to be effected including, in the case of a reduction of part only of a class of shares, those shares to be affected.

GENERAL MEETINGS AND WRITTEN RESOLUTIONS

17. General Meetings And Written Resolutions

17.1 The Board shall convene and the Company shall hold general meetings as Annual General Meetings in accordance with the requirements of the Companies Acts at such times and places as the Board shall appoint. The Board may, whenever it thinks fit, and shall, when requisitioned by shareholders pursuant to the provisions of the Companies Acts, convene general meetings other than Annual General Meetings, which shall be called Special General Meetings, at such time and place as the Board may appoint.

17.2 Except in the case of the removal of auditors and Directors, anything which may be done by Resolution in general meeting may, without a meeting and without any previous notice being required, be done by Resolution in writing, signed by all of the Shareholders or their proxies, or in the case of a Shareholder that is a corporation (whether or not a company within the meaning of the Companies Acts) by its representative on behalf of such Shareholder, being all of the Shareholders of the Company who at the date of the Resolution in writing would be entitled to attend a meeting and vote on the Resolution. Such Resolution in writing may be signed in as many counterparts as may be necessary.

17.3 For the purposes of this Bye-Law, the date of the Resolution in writing is the date when the Resolution is signed by, or on behalf of, the last Shareholder to sign and any reference in any enactment to the date of passing of a Resolution is, in relation to a Resolution in writing made in accordance with this Bye-Law, a reference to such date.

17.4 A Resolution in writing made in accordance with this Bye-Law is as valid as if it had been passed by the Company in general meeting or, if applicable, by a meeting of the relevant class of Shareholders of the Company, as the case may be. A Resolution in writing made in accordance with this Bye-Law shall constitute minutes for the purposes of the Companies Acts and these Bye-Laws.

18. Notice Of General Meetings

18.1 An Annual General Meeting shall be called by not less than 21 clear days notice in writing and a Special General Meeting shall be called by not less than 21 clear

days notice in writing. The notice shall specify the place, day and time of the meeting, (including any satellite meeting place arranged for the purposes of Bye-Law 19) and, the nature of the business to be considered. Notice of every general meeting shall be given in any manner permitted by these Bye-Laws to all Shareholders other than such as, under the provisions of these Bye-Laws or the terms of issue of the shares they hold, are not entitled to receive such notice from the Company and to each Director, and to any Resident Representative who or which has delivered a written notice upon the Registered Office requiring that such notice be sent to him or it.

18.2 The accidental omission to give notice of a meeting or (in cases where instruments of proxy are sent out with the notice) the accidental omission to send such instrument of proxy to, or the non-receipt of notice of a meeting or such instrument of proxy by, any person entitled to receive such notice shall not invalidate the proceedings at that meeting.

18.3 A Shareholder present, either in person or by proxy, at any meeting of the Company or of the holders of any class of shares in the Company shall be deemed to have received notice of the meeting and, where requisite, of the purposes for which it was called.

18.4 The Board may cancel or postpone a meeting of the Shareholders after it has been convened and notice of such cancellation or postponement shall be served in accordance with these Bye-Laws upon all Shareholders entitled to notice of the meeting so cancelled or postponed setting out, where the meeting is postponed to a specific date, notice of the new meeting in accordance with this Bye-Law.

19. General Meetings At More Than One Place

19.1 The provisions of this Bye-Law shall apply if any general meeting is convened at or adjourned to more than one place.

19.2 The notice of any meeting or adjourned meeting may specify the Specified Place and the Board shall make arrangements for simultaneous attendance and participation in a satellite meeting at other places (whether adjoining the Specified Place or in a different and separate place or places altogether or otherwise) by Shareholders. The Shareholders present at any such satellite meeting place in person or by proxy and entitled to vote shall be counted in the quorum for, and shall be entitled to vote at, the general meeting in question if the chairman of the general meeting is satisfied that adequate facilities are available throughout the general meeting to ensure that Shareholders attending at all the meeting places are able to:

19.2.1 communicate simultaneously and instantaneously with the persons present at the other meeting place or places, whether by use of microphones, loud-speakers, audio-visual or other communications equipment or facilities; and

19.2.2 have access to all documents which are required by the Companies Acts and these Bye-Laws to be made available at the meeting.

19.3 The chairman of the general meeting shall be present at, and the meeting shall be deemed to take place at, the Specified Place. If it appears to the chairman of the general meeting that the facilities at the Specified Place or any satellite meeting place are or become inadequate for the purposes referred to above, then the chairman may, without the consent of the meeting, interrupt or adjourn the general meeting. All business conducted at that general meeting up to the time of such adjournment shall be valid.

19.4 The Board may from time to time make such arrangements for the purpose of controlling the level of attendance at any such satellite meeting (whether involving the issue of tickets or the imposition of some means of selection or otherwise) as they shall in their absolute discretion consider appropriate, and may from time to time vary any such arrangements or make new arrangements in place of them, provided that a Shareholder who is not entitled to attend, in person or by proxy, at any particular place shall be entitled so to attend at one of the other places and the entitlement of any Shareholder so to attend the meeting or adjourned meeting at such place shall be subject to any such arrangements as may be for the time being in force and by the notice of meeting or adjourned meeting stated to apply to the meeting.

19.5 If a meeting is adjourned to more than one place, notice of the adjourned meeting shall be given in the manner required by Bye-Law 18.

20. Proceedings At General Meetings

20.1 In accordance with the Companies Acts, a general meeting may be held with only one individual present provided that the requirement for a quorum is satisfied. No business shall be transacted at any general meeting unless a quorum is present when the meeting proceeds to business, but the absence of a quorum shall not preclude the appointment, choice or election of a chairman, which shall not be treated as part of the business of the meeting. Save as otherwise provided by these Bye-Laws, at least two (2) Shareholders present in person or by proxy and entitled to vote representing the holders of more than ten percent (10%) of the issued shares entitled to vote at such meeting shall be a quorum for all purposes; provided, however, that if the Company or a class of Shareholders shall have only one Shareholder, one Shareholder present in person or by proxy shall constitute the necessary quorum.

20.2 If within five (5) minutes (or such longer time as the chairman of the meeting may determine to wait) after the time appointed for the meeting, a quorum is not present, the meeting, if convened on the requisition of Shareholders, shall be dissolved. In any other case, it shall stand adjourned to such other day and such other time and place as the chairman of the meeting may determine and at such adjourned meeting two (2) Shareholders present in person or by proxy and entitled to vote and representing the holders of more than ten percent (10%) of the issued shares entitled to vote at such meeting shall be a quorum, provided that if the Company or a class of Shareholders shall have only one Shareholder, one Shareholder present in person or by proxy shall constitute the necessary quorum. The Company shall give not less than 21 clear days notice of any meeting adjourned through want of a quorum and such notice

shall state that the sole Shareholder or, if more than one, two (2) Shareholders present in person or by proxy and entitled to vote and representing the holders of more than ten percent (10%) of the issued shares entitled to vote at such meeting shall be a quorum. If at the adjourned meeting a quorum is not present within fifteen (15) minutes after the time appointed for holding the meeting, the meeting shall be dissolved.

20.3 A meeting of the Shareholders or any class thereof may be held by means of such telephone, electronic or other communication facilities (including, without limiting the generality of the foregoing, by telephone, or by video conferencing) as permit all persons participating in the meeting to communicate with each other simultaneously and instantaneously, and participation in such a meeting shall constitute presence in person at such meeting. If it appears to the chairman of a general meeting that the Specified Place is inadequate to accommodate all persons entitled and wishing to attend, the meeting is duly constituted and its proceedings are valid if the chairman is satisfied that adequate facilities are available, whether at the Specified Place or elsewhere, to ensure that each such person who is unable to be accommodated at the Specified Place is able to communicate simultaneously and instantaneously with the persons present at the Specified Place, whether by the use of microphones, loud-speakers, audio-visual or other communications equipment or facilities.

20.4 Subject to the Companies Acts, a Resolution may only be put to a vote at a general meeting of the Company or of any class of Shareholders if:

20.4.1 it is proposed by or at the direction of the Board; or

20.4.2 it is proposed at the direction of the Court; or

20.4.3 it is proposed on the requisition in writing of such number of Shareholders as is prescribed by, and is made in accordance with, the relevant provisions of the Companies Acts; or

20.4.4 the chairman of the meeting in his absolute discretion decides that the Resolution may properly be regarded as within the scope of the meeting.

20.5 No amendment may be made to a Resolution, at or before the time when it is put to a vote, unless the chairman of the meeting in his absolute discretion decides that the amendment or the amended Resolution may properly be put to a vote at that meeting.

20.6 If the chairman of the meeting rules a Resolution or an amendment to a Resolution admissible or out of order (as the case may be), the proceedings of the meeting or on the Resolution in question shall not be invalidated by any error in his ruling. Any ruling by the chairman of the meeting in relation to a Resolution or an amendment to a Resolution shall be final and conclusive.

20.7 The Resident Representative, if any, upon giving the notice referred to in Bye-Law 18.1 above, shall be entitled to attend any general meeting of the Company and

each Director shall be entitled to attend and speak at any general meeting of the Company.

20.8 The Chairman (or President) or, in his absence, the Deputy Chairman (or Vice-President), shall preside as chairman at every general meeting. If there is no such Chairman or Deputy Chairman (or President or Vice-President), or if at any meeting the Chairman or Deputy Chairman (or the President or Vice-President) is not present within five (5) minutes after the time appointed for holding the meeting, or is not willing to act as chairman, the Directors present shall choose one of their number to act or if only one Director is present he shall preside as chairman if willing to act. If no Director is present, or if each of the Directors present declines to take the chair, the persons present and entitled to vote on a poll shall elect one of their number to be chairman.

20.9 The chairman of the meeting may, with the consent by Resolution of any meeting at which a quorum is present (and shall if so directed by the meeting), adjourn the meeting from time to time (or sine die) and from place to place but no business shall be transacted at any adjourned meeting except business which might lawfully have been transacted at the meeting from which the adjournment took place. In addition to any other power of adjournment conferred by law, the chairman of the meeting may at any time without consent of the meeting adjourn the meeting (whether or not it has commenced or a quorum is present) to another time and/or place (or sine die) if, in his opinion, it would facilitate the conduct of the business of the meeting to do so or if he is so directed (prior to or at the meeting) by the Board. When a meeting is adjourned sine die, the time and place for the adjourned meeting shall be fixed by the Board. When a meeting is adjourned for three (3) months or more or for an indefinite period, at least 21 clear days' notice shall be given of the adjourned meeting. Save as expressly provided by these Bye-Laws, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

21. Voting

21.1 Save where a greater majority is required by the Companies Acts or these Bye-Laws, any question proposed for consideration at any general meeting shall be decided on by a simple majority of votes cast.

21.2 Subject to Bye-Law 38.2 and to any rights or restrictions attached to any class of shares, at any meeting of the Company, each Shareholder present in person shall be entitled to vote on any question to be decided on a show of hands and each Shareholder present in person or by proxy shall be entitled on a poll to vote for each share held by him.

21.3 At any general meeting, a Resolution put to the vote of the meeting shall be decided on a show of hands unless (before or on the declaration of the result of the show of hands or on the withdrawal of any other demand for a poll) a poll is demanded by:

21.3.1 the chairman of the meeting; or

21.3.2 at least three (3) Shareholders present in person or represented by proxy; or

21.3.3 any Shareholder or Shareholders present in person or represented by proxy and holding between them not less than one tenth (1/10) of the total voting rights of all the Shareholders having the right to vote at such meeting; or

21.3.4 a Shareholder or Shareholders present in person or represented by proxy holding shares conferring the right to vote at such meeting, being shares on which an aggregate sum has been paid up equal to not less than one tenth (1/10) of the total sum paid up on all such shares conferring such right. The demand for a poll may, before the poll is taken, be withdrawn but only with the consent of the chairman and a demand so withdrawn shall not be taken to have invalidated the result of a show of hands declared before the demand was made. If the demand for a poll is withdrawn, the chairman or any other Shareholder entitled may demand a poll.

21.4 Unless a poll is so demanded and the demand is not withdrawn, a declaration by the chairman that a Resolution has, on a show of hands, been carried or carried unanimously or by a particular majority or not carried by a particular majority or lost shall be final and conclusive, and an entry to that effect in the minute book of the Company shall be conclusive evidence of the fact without proof of the number or proportion of votes recorded for or against such Resolution.

21.5 If a poll is duly demanded, the result of the poll shall be deemed to be the Resolution of the meeting at which the poll is demanded.

21.6 A poll demanded on the election of a chairman, or on a question of adjournment, shall be taken forthwith. A poll demanded on any other question shall be taken in such manner and either forthwith or at such time (being not later than three (3) months after the date of the demand) and place as the chairman shall direct and he may appoint scrutineers (who need not be Shareholders) and fix a time and place for declaring the result of the poll. It shall not be necessary (unless the chairman otherwise directs) for notice to be given of a poll.

21.7 The demand for a poll shall not prevent the continuance of a meeting for the transaction of any business other than the question on which the poll has been demanded and it may be withdrawn at any time before the close of the meeting or the taking of the poll, whichever is the earlier.

21.8 On a poll, votes may be cast either personally or by proxy.

21.9 A person entitled to more than one vote on a poll need not use all his votes or cast all the votes he uses in the same way.

21.10 In the case of an equality of votes at a general meeting, whether on a show of hands or on a poll, the chairman of such meeting shall not be entitled to a second or casting vote and the Resolution shall fail.

21.11 In the case of joint holders of a share, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders, and for this purpose seniority shall be determined by the order in which the names stand in the Register in respect of the joint holding.

21.12 A Shareholder who is a patient for any purpose of any statute or applicable law relating to mental health or in respect of whom an order has been made by any Court having jurisdiction for the protection or management of the affairs of persons incapable of managing their own affairs may vote, whether a show of hands or on a poll, by his receiver, committee, curator bonis or other person in the nature of a receiver, committee or curator bonis appointed by such Court and such receiver, committee, curator bonis or other person may vote on a poll by proxy, and may otherwise act and be treated as such Shareholder for the purpose of general meetings.

21.13 No Shareholder shall, unless the Board otherwise determines, be entitled to vote at any general meeting unless all calls or other sums presently payable by him in respect of shares in the Company have been paid.

21.14 If:

21.14.1 any objection shall be raised to the qualification of any voter; or,

21.14.2 any votes have been counted which ought not to have been counted or which might have been rejected; or,

21.14.3 any votes are not counted which ought to have been counted, the objection or error shall not vitiate the decision of the meeting or adjourned meeting on any Resolution unless the same is raised or pointed out at the meeting or, as the case may be, the adjourned meeting at which the vote objected to is given or tendered or at which the error occurs. Any objection or error shall be referred to the chairman of the meeting and shall only vitiate the decision of the meeting on any Resolution if the chairman decides that the same may have affected the decision of the meeting. The decision of the chairman on such matters shall be final and conclusive.

22. Proxies And Corporate Representatives

22.1 A Shareholder may appoint one or more persons as his proxy, with or without the power of substitution, to represent him and vote on his behalf in respect of all or some only of his shares at any general meeting (including an adjourned meeting). A proxy need not be a Shareholder. The instrument appointing a proxy shall be in writing executed by the appointor or his attorney authorised by him in writing or, if the appointor is a corporation, either under its seal or executed by an officer, attorney or other person authorised to sign the same.

22.2 A Shareholder which is a corporation may, by written authorisation, appoint any person (or two (2) or more persons in the alternative) as its representative to represent it and vote on its behalf at any general meeting (including an adjourned meeting) and such a corporate representative may exercise the same powers on behalf

of the corporation which he represents as that corporation could exercise if it were an individual Shareholder and the Shareholder shall for the purposes of these Bye-Laws be deemed to be present in person at any such meeting if a person so authorised is present at it.

22.3 Any Shareholder may appoint a proxy or (if a corporation) representative for a specific general meeting, and adjournments thereof, or may appoint a standing proxy or (if a corporation) representative, by serving on the Company at the Registered Office, or at such place or places as the Board may otherwise specify for the purpose, a proxy or (if a corporation) an authorisation. Any standing proxy or authorisation shall be valid for all general meetings and adjournments thereof or Resolutions in writing, as the case may be, until notice of revocation is received at the Registered Office or at such place or places as the Board may otherwise specify for the purpose. Where a standing proxy or authorisation exists, its operation shall be deemed to have been suspended at any general meeting or adjournment thereof at which the Shareholder is present or in respect to which the Shareholder has specially appointed a proxy or representative. The Board may from time to time require such evidence as it shall deem necessary as to the due execution and continuing validity of any standing proxy or authorisation and the operation of any such standing proxy or authorisation shall be deemed to be suspended until such time as the Board determines that it has received the requested evidence or other evidence satisfactory to it.

22.4 Subject to Bye-Law 22.3, the instrument appointing a proxy or corporate representative together with such other evidence as to its due execution as the Board may from time to time require, shall be delivered at the Registered Office (or at such place or places as may be specified in the notice convening the meeting or in any notice of any adjournment or, in either case or the case of a written Resolution, in any document sent therewith) not less than 48 hours or such other period as the Board may determine, prior to the holding of the relevant meeting or adjourned meeting at which the person named in the instrument proposes to vote or, in the case of a poll taken subsequently to the date of a meeting or adjourned meeting, before the time appointed for the taking of the poll, or, in the case of a written Resolution, prior to the effective date of the written Resolution and in default the instrument of proxy or authorisation shall not be treated as valid.

22.5 Instruments of proxy or authorisation shall be in any common form or in such other form as the Board may approve and the Board may, if it thinks fit, send out with the notice of any meeting or any written Resolution forms of instruments of proxy or authorisation for use at that meeting or in connection with that written Resolution. The instrument of proxy shall be deemed to confer authority to demand or join in demanding a poll, to speak at the meeting and to vote on any amendment of a written Resolution or amendment of a Resolution put to the meeting for which it is given as the proxy thinks fit. The instrument of proxy or authorisation shall, unless the contrary is stated therein, be valid as well for any adjournment of the meeting as for the meeting to which it relates. If the terms of the appointment of a proxy include a power of substitution, any proxy appointed by substitution under such power shall be deemed to be the proxy of the Shareholder who conferred such power. All the provisions of these Bye-Laws

relating to the execution and delivery of an instrument or other form of communication appointing or evidencing the appointment of a proxy shall apply, mutates mutandis, to the instrument or other form of communication effecting or evidencing such an appointment by substitution.

22.6 A vote given in accordance with the terms of an instrument of proxy or authorisation shall be valid notwithstanding the previous death or unsoundness of mind of the principal, or revocation of the instrument of proxy or of the corporate authority, provided that no intimation in writing of such death, unsoundness of mind or revocation shall have been received by the Company at the Registered Office (or such other place as may be specified for the delivery of instruments of proxy or authorisation in the notice convening the meeting or other documents sent therewith) at least one hour before the commencement of the meeting or adjourned meeting, or the taking of the poll, or the day before the effective date of any written Resolution at which the instrument of proxy or authorisation is used.

22.7 Subject to the Companies Acts, the Board may at its discretion waive any of the provisions of these Bye-Laws related to proxies or authorisations and, in particular, may accept such verbal or other assurances as it thinks fit as to the right of any person to attend, speak and vote on behalf of any Shareholder at general meetings or to sign written Resolutions.

BOARD OF DIRECTORS

23. Appointment And Removal Of Directors

23.1 Conditional on the Offer (as defined in the management information circular of the Company dated as of November 28, 2007) being declared unconditional in all respects, the Board shall consist of the following persons:

Hugh Stoyell (Chairman)
Arthur Ditto
Terry Robinson
Robert Wardell
Jean-Claude Masangu Mulongo
George Forrest
Malta Forrest
Raphael Berber
Stephen Oke
Aristotelis Mistakidis

23.2 All Directors, upon election or appointment, except upon re-election or re-appointment at an Annual General Meeting, must provide written acceptance of their appointment, in such form as the Board may think fit, by notice in writing to the Registered Office within thirty (30) days of their appointment.

23.3 The number of Directors shall be not less than three (3) and not more than 10 or such number in excess thereof as the Board by Resolution may from time to time determine. Any one or more vacancies in the Board not filled at any general meeting shall be deemed casual vacancies for the purposes of these Bye-Laws. Without prejudice to the power of the Company by Resolution in pursuance of any of the provisions of these Bye-Laws to appoint or remove any person to be a Director, the Board, so long as a quorum of Directors remains in office, shall have power at any time and from time to time, to appoint any individual to be a Director so as to fill a casual vacancy. A Director so appointed shall hold office only until the next following Annual General Meeting. If not reappointed at such Annual General Meeting, he shall vacate office at the conclusion thereof.

23.4 In addition to any power of removal conferred by the Companies Acts, the Company may by Resolution remove any Director before the expiration of his period of office, but without prejudice to any claim for damages which he may have for breach of any contract of service between him and the Company, and may (subject to these Bye-Laws) by Resolution appoint another person who is willing to act to be a Director in his place. Any person so appointed shall be treated, for the purposes of determining the time at which he or any other Director is to retire, as if he had become a Director on the day on which the person in whose place he is appointed was last appointed or reappointed a Director.

23.5 The Board shall be entitled to enter into agreements with shareholders of the Company relating to the appointment of Directors and to give effect to those agreements, provided that this does not prejudice the power of the Company by Resolution in pursuance of any of the provisions of these Bye-Laws to appoint or remove any person as a Director.

24. Resignation And Disqualification Of Directors

24.1 The office of a Director shall be vacated upon the happening of any of the following events:

24.1.1 if he resigns his office by notice in writing delivered to the Registered Office or tendered at a meeting of the Board;

24.1.2 if he becomes of unsound mind or a patient for any purpose of any statute or applicable law relating to mental health and the Board resolves that his office is vacated;

24.1.3 if he becomes bankrupt under the laws of any country or compounds with his creditors;

24.1.4 if he is prohibited by law from being a Director;

24.1.5 if he ceases to be a Director by virtue of the Companies Acts or these Bye-Laws or is removed from office pursuant to these Bye-Laws;

24.1.6 if he shall for more than six (6) consecutive months have been absent without permission of the Board from meetings of the Board held during that period and the Board resolves that his office be vacated;

24.1.7 if he is requested to resign in writing by not less than three quarters of the other Directors.

25. Deleted effective January 11, 2008 by resolution of the shareholders of the Company.

26. Directors' Interests

26.1 A Director may hold any other office or place of profit with the Company (except that of auditor) in conjunction with his office of Director for such period and upon such terms as the Board may determine, and may be paid such extra remuneration therefor (whether by way of salary, commission, participation in profits or otherwise) as the Board may determine, and such extra remuneration shall be in addition to any remuneration provided for by or pursuant to any other Bye-Law.

26.2 A Director may act by himself or his firm in a professional capacity for the Company (otherwise than as auditor) and he or his firm shall be entitled to remuneration for professional services as if he were not a Director.

26.3 Subject to the provisions of the Companies Acts, a Director may notwithstanding his office be a party to, or otherwise interested in, any transaction or arrangement with the Company or in which the Company is otherwise interested; and be a director or other officer of, or employed by, or a party to any transaction or arrangement with, or otherwise interested in, any body corporate promoted by the Company or in which the Company is interested. The Board may also cause the voting power conferred by the shares in any other company held or owned by the Company to be exercised in such manner in all respects as it thinks fit, including the exercise thereof in favour of any resolution appointing the Directors or any of them to be directors or officers of such other company, or voting or providing for the payment of remuneration to the directors or officers of such other company.

26.4 So long as, where it is necessary, he declares the nature of his interest at the first opportunity at a meeting of the Board or by writing to the Directors as required by the Companies Acts, a Director shall not by reason of his office be accountable to the Company for any benefit which he derives from any office or employment to which these Bye-Laws allow him to be appointed or from any transaction or arrangement in which these Bye-Laws allow him to be interested, and no such transaction or arrangement shall be liable to be avoided on the ground of any interest or benefit.

26.5 A Director who has disclosed his interest in a transaction or arrangement with the Company, or in which the Company is otherwise interested, may be counted in the quorum and vote at any meeting at which such transaction or arrangement is considered by the Board.

26.6 Subject to the Companies Acts and any further disclosure required thereby, a general notice to the Directors by a Director or Officer declaring that he is a director or officer or has an interest in a person and is to be regarded as interested in any transaction or arrangement made with that person, shall be a sufficient declaration of interest in relation to any transaction or arrangement so made.

26.7 For the purposes of these Bye-Laws, without limiting the generality of the foregoing, a Director is deemed to have an interest in a transaction or arrangement with the Company if he is the holder of or beneficially interested in ten percent (10%) or more of any class of the equity share capital of any body corporate (or any other body corporate through which his interest is derived) or of the voting rights available to members of the relevant body corporate with which the Company is proposing to enter into a transaction or arrangement, provided that there shall be disregarded any shares held by such Director as bare or custodian trustee and in which he has no beneficial interest, any shares comprised in a trust in which the Director's interest is in reversion or remainder if and so long as some other person is entitled to receive the income thereof, and any shares comprised in an authorised unit trust in which the Director is only interested as a unit holder. For the purposes of this Bye-Law, an interest of a person who is connected with a Director shall be treated as an interest of the Director.

27. Powers And Duties Of The Board

27.1 Subject to the provisions of the Companies Acts, these Bye-Laws and to any directions given by the Company by Resolution, the Board shall manage the business of the Company and may pay all expenses incurred in promoting and incorporating the Company and may exercise all the powers of the Company. No alteration of these Bye-Laws and no such direction shall invalidate any prior act of the Board which would have been valid if that alteration had not been made or that direction had not been given. The powers given by this Bye-Law shall not be limited by any special power given to the Board by these Bye-Laws and a meeting of the Board at which a quorum is present shall be competent to exercise all the powers, authorities and discretions for the time being vested in or exercisable by the Board.

27.2 The Board may exercise all the powers of the Company to borrow money and to mortgage or charge all or any part of the undertaking, property and assets (present and future) and uncalled capital of the Company and to issue debentures and other securities, whether outright or as collateral security for any debt, liability or obligation of the Company or of any other persons.

27.2 All cheques, promissory notes, drafts, bills of exchange and other instruments, whether negotiable or transferable or not, and all receipts for money paid to the Company shall be signed, drawn, accepted, endorsed or otherwise executed, as the case may be, in such manner as the Board shall from time to time by resolution determine.

28. Fees, Gratuities And Pensions

28.1 The ordinary remuneration of the Directors office for their services (excluding amounts payable under any other provision of these Bye-Laws) shall be determined by Board and each such Director shall be paid a fee (which shall be deemed to accrue from day to day) at such rate as may from time to time be determined by the Board. Each Director may be paid his reasonable travel, hotel and incidental expenses in attending and returning from meetings of the Board or committees constituted pursuant to these Bye-Laws or general meetings and shall be paid all expenses properly and reasonably incurred by him in the conduct of the Company's business or in the discharge of his duties as a Director. Any Director who, by request, goes or resides abroad for any purposes of the Company or who performs services which in the opinion of the Board go beyond the ordinary duties of a Director may be paid such extra remuneration (whether by way of salary, commission, participation in profits or otherwise) as the Board may determine, and such extra remuneration shall be in addition to any remuneration provided for by or pursuant to any other Bye-Law.

28.2 In addition to its powers under Bye-Law 28.1 the Board may (by establishment of or maintenance of schemes or otherwise) provide additional benefits, whether by the payment of gratuities or pensions or by insurance or otherwise, for any past or present Director or employee of the Company or any of its subsidiaries or any body corporate associated with, or any business acquired by, any of them, and for any member of his family (including a spouse and a former spouse) or any person who is or was dependent on him, and may (as well before as after he ceases to hold such office or employment) contribute to any fund and pay premiums for the purchase or provision of any such benefit.

28.3 No Director or former Director shall be accountable to the Company or the Shareholders for any benefit provided pursuant to this Bye-Law and the receipt of any such benefit shall not disqualify any person from being or becoming a Director of the Company.

29. Delegation Of The Board's Powers

29.1 The Board may by power of attorney appoint any company, firm or person or any fluctuating body of persons, whether nominated directly or indirectly by the Board, to be the attorney or attorneys of the Company for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Board under these Bye-Laws) and for such period and subject to such conditions as it may think fit, and any such power of attorney may contain such provisions for the protection and convenience of persons dealing with any such attorney and of such attorney as the Board may think fit, and may also authorise any such attorney to sub-delegate all or any of the powers, authorities and discretions vested in him. Such attorney may, if so authorised under the Seal, execute any deed or instrument under the personal seal of such attorney, with the same effect as the affixation of the Seal.

29.2 The Board may entrust to and confer upon any Director, Officer or, without prejudice to the provisions of Bye-Law 29.3, other person any of the powers, authorities and discretions exercisable by it upon such terms and conditions with such restrictions as it thinks fit, and either collaterally with, or to the exclusion of, its own powers, authorities and discretions, and may from time to time revoke or vary all or any of such powers, authorities and discretions but no person dealing in good faith and without notice of such revocation or variation shall be affected thereby.

29.3 When required under the requirements from time to time of any stock exchange on which the shares of the Company are listed, the Board shall appoint an Audit Committee and a Compensation Committee in accordance with the requirements of such stock exchange. The Board also may delegate any of its powers, authorities and discretions to any other committees, consisting of such person or persons (whether a member or members of its body or not) as it thinks fit. Any committee so formed shall, in the exercise of the powers, authorities and discretions so delegated, and in conducting its proceedings conform to any regulations which may be imposed upon it by the Board. If no regulations are imposed by the Board the proceedings of a committee with two (2) or more members shall be, as far as is practicable, governed by the Bye-Laws regulating the proceedings of the Board.

30. Proceedings of The Board

30.1 The Board may meet for the despatch of business, adjourn and otherwise regulate its meetings as it thinks fit. Questions arising at any meeting shall be determined by a majority of votes. In the case of an equality of votes, the motion shall be deemed to have been lost. A Director may, and the Secretary on the requisition of a Director shall, at any time summon a meeting of the Board.

30.2 Notice of a meeting of the Board may be given to a Director by word of mouth or in any manner permitted by these Bye-Laws. A Director may retrospectively waive the requirement for notice of any meeting by consenting in writing to the business conducted at the meeting.

30.3 The quorum necessary for the transaction of the business of the Board may be fixed by the Board and, unless so fixed at any other number, shall be a majority of the number of directors then in office. Any Director who ceases to be a Director at a meeting of the Board may continue to be present and to act as a Director and, subject to Bye-Law 30.12, be counted in the quorum until the termination of the meeting if no other Director objects and if otherwise a quorum of Directors would not be present.

30.4 The Resident Representative shall, upon delivering written notice of an address for the purposes of receipt of notice to the Registered Office, be entitled to receive notice of, attend and be heard at and to receive minutes of all meetings of the Board.

30.5 So long as a quorum of Directors remains in office, the continuing Directors may act notwithstanding any vacancy in the Board but, if no such quorum remains, the

continuing Directors or a sole continuing Director may act only for the purpose of calling a general meeting.

30.6 The Chairman (or President) or, in his absence, the Deputy Chairman (or Vice-President), shall preside as chairman at every meeting of the Board. If at any meeting the Chairman or Deputy Chairman (or the President or Vice-President) is not present within five (5) minutes after the time appointed for holding the meeting, or is not willing to act as chairman, the Directors present may choose one of their number to be chairman of the meeting.

30.7 The meetings and proceedings of any committee consisting of two (2) or more members shall be governed by the provisions contained in these Bye-Laws for regulating the meetings and proceedings of the Board so far as the same are applicable and are not superseded by any regulations imposed by the Board.

30.8 A resolution in writing signed by all the Directors for the time being entitled to receive notice of a meeting of the Board or by all the members of a committee for the time being shall be as valid and effectual as a resolution passed at a meeting of the Board or, as the case may be, of such committee duly called and constituted. Such resolution may be contained in one document or in several documents in the like form each signed by one or more of the Directors or members of the committee concerned.

30.9 A meeting of the Board or a committee appointed by the Board may be held by means of such telephone, electronic or other communication facilities (including, without limiting the generality of the foregoing, by telephone or by video conferencing) as permit all persons participating in the meeting to communicate with each other simultaneously and instantaneously and participation in such a meeting shall constitute presence in person at such meeting. Such a meeting shall be deemed to take place where the largest group of those Directors participating in the meeting is physically assembled, or, if there is no such group, where the chairman of the meeting then is.

30.10 All acts done by the Board or by any committee or by any person acting as a Director or member of a committee or any person duly authorised by the Board or any committee shall, notwithstanding that it is afterwards discovered that there was some defect in the appointment of any member of the Board or such committee or person acting as aforesaid or that they or any of them were disqualified or had vacated their office, be as valid as if every such person had been duly appointed and was qualified and had continued to be a Director, member of such committee or person so authorised.

30.11 The Company may by resolution suspend or relax to any extent, either generally or in respect of any particular matter, any provision of these Bye-Laws prohibiting a Director from voting at a meeting of the Board or of a committee of the Board, or ratify any transaction not duly authorised by reason of a contravention of any such provisions.

30.12 Where proposals are under consideration concerning the appointment (including fixing or varying the terms of appointment) of two (2) or more Directors to offices or employments with the Company or any body corporate in which the Company is interested, the proposals may be divided and considered in relation to each Director separately and in such cases each of the Directors concerned (if not debarred from voting under the provisions of Bye-Law 26.5) shall be entitled to vote and be counted in the quorum in respect of each resolution except that concerning his own appointment.

30.13 If a question arises at a meeting of the Board or a committee of the Board as to the entitlement of a Director to vote or be counted in a quorum, the question may, before the conclusion of the meeting, be referred to the chairman of the meeting and his ruling in relation to any Director other than himself shall be final and conclusive except in a case where the nature or extent of the interests of the Director concerned have not been fairly disclosed. If any such question arises in respect of the chairman of the meeting, it shall be decided by resolution of the Board (on which the chairman shall not vote) and such resolution will be final and conclusive except in a case where the interests of the chairman have not been fairly disclosed.

OFFICERS

31. Officers

31.1 The Officers of the Company must include either a President and a Vice-President or a Chairman and a Deputy Chairman, as the Board may determine, who must be Directors and shall be elected by the Board, subject to Bye-Law 30.12, as soon as possible after the statutory meeting and shall serve for such term as the Board may determine, or in the absence of such determination, until the termination of the next Annual General Meeting following their appointment. In addition, the Board may appoint any person whether or not he is a Director to hold such office as the Board may from time to time determine. Any person elected or appointed pursuant to this Bye-Law shall hold office for such period and upon such terms as the Board may determine and the Board may revoke or terminate any such election or appointment. Any such revocation or termination shall be without prejudice to any claim for damages that such Officer may have against the Company or the Company may have against such Officer for any breach of any contract of service between him and the Company which may be involved in such revocation or termination. Save as provided in the Companies Acts or these Bye-Laws, the powers and duties of the Officers of the Company shall be such (if any) as are determined from time to time by the Board.

31.2 Any appointment of a Director to an executive office shall terminate if he ceases to be a Director but without prejudice to any rights or claims which he may have against the Company by reason of such cesser. A Director appointed to an executive office shall not ipso facto cease to be a Director if his appointment to such executive office terminates.

31.3 The emoluments of any Director holding executive office for his services as such shall be determined by the Board, and may be of any description, and (without

limiting the generality of the foregoing) may include admission to or continuance of membership of any scheme (including any share acquisition scheme) or fund instituted or established or financed or contributed to by the Company for the provision of pensions, life assurance or other benefits for employees or their dependants, or the payment of a pension or other benefits to him or his dependants on or after retirement or death, apart from membership or any such scheme or fund.

31.4 Save as otherwise provided, the provisions of these Bye-Laws as to resignation and disqualification of Directors shall mutatis mutandis apply to the resignation and disqualification of Officers.

MINUTES

32. Minutes

32.1 The Board shall cause minutes to be made and books kept for the purpose of recording:

32.1.1 all appointments of Officers made by the Board;

32.1.2 the names of the Directors and other persons (if any) present at each meeting of the Board and of any committee; and

32.1.3 all proceedings at meetings of the Company, of the holders of any class of shares in the Company, of the Board and of committees appointed by the Board or the Shareholders.

32.2 Shareholders shall only be entitled to see the Register of Directors and Officers, the Register, the financial information provided for in Bye-Law 39.3 and the minutes of meetings of the Shareholders of the Company.

SECRETARY AND RESIDENT REPRESENTATIVE

33. Secretary And Resident Representative

33.1 The Secretary (including one or more deputy or assistant secretaries) and, if required, the Resident Representative, shall be appointed by the Board at such remuneration (if any) and upon such terms as it may think fit and any Secretary and Resident Representative so appointed may be removed by the Board. The duties of the Secretary and the duties of the Resident Representative shall be those prescribed by the Companies Acts together with such other duties as shall from time to time be prescribed by the Board.

33.2 A provision of the Companies Acts or these Bye-Laws requiring or authorising a thing to be done by or to a Director and the Secretary shall not be satisfied by its being done by or to the same person acting both as Director and as, or in the place of, the Secretary.

THE SEAL

34. The Seal

34.1 The Seal shall consist of a circular device with the name of the Company around the outer margin thereof and the country and year of registration in Bermuda across the centre thereof. Should the Seal not have been received at the Registered Office in such form at the date of adoption of this Bye-Law then, pending such receipt, any document requiring to be sealed with the Seal shall be sealed by affixing a red wafer seal to the document with the name of the Company, and the country and year of registration in Bermuda type written across the centre thereof.

34.2 The Board may authorise the production of one or more duplicate seals.

34.3 The Board shall provide for the custody of every Seal. A Seal shall only be used by authority of the Board or of a committee constituted by the Board. Subject to these Bye-Laws, any instrument to which a Seal is affixed shall be attested by the signature of:

34.3.1 two (2) Directors; or

34.3.2 the Secretary and one Director; or

34.3.3 any one person authorised by the Board for that purpose;

provided that the Secretary or a Director may affix a Seal over his signature alone to authenticate copies of these Bye-Laws, the minutes of any meeting or any other documents requiring authentication.

DIVIDENDS AND OTHER PAYMENTS

35. Dividends And Other Payments

35.1 The Board may from time to time declare dividends or distributions out of contributed surplus to be paid to the Shareholders according to their rights and interests, including such interim dividends as appear to the Board to be justified by the position of the Company. The Board, in its discretion, may determine that any dividend shall be paid in cash or shall be satisfied, subject to Bye-Law 37, in paying up in full shares in the Company to be issued to the Shareholders credited as fully paid or partly paid or partly in one way and partly the other. The Board may also pay any fixed cash dividend which is payable on any shares of the Company half yearly or on such other dates, whenever the position of the Company, in the opinion of the Board, justifies such payment.

35.2 Except insofar as the rights attaching to, or the terms of issue of, any share otherwise provide:

35.2.1 all dividends or distributions out of contributed surplus may be declared and paid according to the amounts paid up on the shares in respect of which the dividend or distribution is paid, and an amount paid up on a share in advance of calls may be treated for the purpose of this Bye-Law as paid-up on the share;

35.2.2 dividends or distributions out of contributed surplus may be apportioned and paid pro rata according to the amounts paid-up on the shares during any portion or portions of the period in respect of which the dividend or distribution is paid.

35.3 The Board may deduct from any dividend, distribution or other monies payable to a Shareholder by the Company on or in respect of any shares all sums of money (if any) presently payable by him to the Company on account of calls or otherwise in respect of shares of the Company.

35.4 No dividend, distribution or other monies payable by the Company on or in respect of any share shall bear interest against the Company.

35.5 Any dividend, distribution or interest, or part thereof payable in cash, or any other sum payable in cash to the holder of shares may be paid by cheque or warrant sent through the post or by courier addressed to the holder at his address in the Register or, in the case of joint holders, addressed to the holder whose name stands first in the Register in respect of the shares at his registered address as appearing in the Register or addressed to such person at such address as the holder or joint holders may in writing direct. Every such cheque or warrant shall, unless the holder or joint holders otherwise direct, be made payable to the order of the holder or, in the case of joint holders, to the order of the holder whose name stands first in the Register in respect of such shares, and shall be sent at his or their risk and payment of the cheque or warrant by the bank on which it is drawn shall constitute a good discharge to the Company. Any one of two (2) or more joint holders may give effectual receipts for any dividends, distributions or other monies payable or property distributable in respect of the shares held by such joint holders.

35.6 Any dividend or distribution out of contributed surplus unclaimed for a period of six (6) years from the date of declaration of such dividend or distribution shall be forfeited and shall revert to the Company and the payment by the Board of any unclaimed dividend, distribution, interest or other sum payable on or in respect of the share into a separate account shall not constitute the Company a trustee in respect thereof.

35.7 The Board may also, in addition to its other powers, direct payment or satisfaction of any dividend or distribution out of contributed surplus wholly or in part by the distribution of specific assets, and in particular of paid-up shares or debentures of any other company, and where any difficulty arises in regard to such distribution or dividend, the Board may settle it as it thinks expedient, and in particular, may authorise any person to sell and transfer any fractions or may ignore fractions altogether, and may fix the value for distribution or dividend purposes of any such specific assets and may determine that cash payments shall be made to any Shareholders upon the footing of

the values so fixed in order to secure equality of distribution and may vest any such specific assets in trustees as may seem expedient to the Board, provided that such dividend or distribution may not be satisfied by the distribution of any partly paid shares or debentures of any company without the sanction of a Resolution.

36. Reserves

The Board may, before declaring any dividend or distribution out of contributed surplus, set aside such sums as it thinks proper as reserves which shall, at the discretion of the Board, be applicable for any purpose of the Company and pending such application may, also at such discretion, either be employed in the business of the Company or be invested in such investments as the Board may from time to time think fit. The Board may also without placing the same to reserve carry forward any sums which it may think it prudent not to distribute.

CAPITALISATION OF PROFITS

37. Capitalisation Of Profits

37.1 The Board may from time to time resolve to capitalise all or any part of any amount for the time being standing to the credit of any reserve or fund which is available for distribution or to the credit of any share premium account and accordingly that such amount be set free for distribution amongst the Shareholders or any class of Shareholders who would be entitled thereto if distributed by way of dividend and in the same proportions, on the footing that the same be not paid in cash but be applied either in or towards paying up amounts for the time being unpaid on any shares in the Company held by such Shareholders respectively or in payment up in full of unissued shares, debentures or other obligations of the Company, to be allotted and distributed credited as fully paid amongst such Shareholders, or partly in one way and partly in the other, provided that for the purpose of this Bye-Law, a share premium account may be applied only in paying up of unissued shares to be issued to such Shareholders credited as fully paid and provided further that any sum standing to the credit of a share premium account may only be applied in crediting as fully paid shares of the same class as that from which the relevant share premium was derived.

37.2 Where any difficulty arises in regard to any distribution under this Bye-Law, the Board may settle the same as it thinks expedient and, in particular, may authorise any person to sell and transfer any fractions or may resolve that the distribution should be as nearly as may be practicable in the correct proportion but not exactly so or may ignore fractions altogether, and may determine that cash payments should be made to any Shareholders in order to adjust the rights of all parties, as may seem expedient to the Board. The Board may appoint any person to sign on behalf of the persons entitled to participate in the distribution any contract necessary or desirable for giving effect thereto and such appointment shall be effective and binding upon the Shareholders.

RECORD DATES

38. Record Dates

38.1 Notwithstanding any other provisions of these Bye-Laws, the Company may fix by Resolution, or the Board may fix, any date as the record date for any dividend, distribution, allotment or issue and for the purpose of identifying the persons entitled to receive notices of any general meeting. Any such record date may be on or at any time not more than 30 days before any date on which such dividend, distribution, allotment or issue is declared, paid or made or not more than 90 days nor less than 21 days before the date of any such meetings.

38.2 In relation to any general meeting of the Company or of any class of Shareholder or to any adjourned meeting or any poll taken at a meeting or adjourned meeting of which notice is given, the Board may specify in the notice of meeting or adjourned meeting or in any document sent to Shareholders by or on behalf of the Board in relation to the meeting, a time and date (a "record date") which is not more than 21 days before the date fixed for the meeting (the "meeting date") and, notwithstanding any provision in these Bye-Laws to the contrary, in such case:

38.2.1 each person entered in the Register at the record date as a Shareholder, or a Shareholder of the relevant class, (a "record date holder") shall be entitled to attend and to vote at the relevant meeting and to exercise all of the rights or privileges of a Shareholder, or a Shareholder of the relevant class, in relation to that meeting in respect of the shares, or the shares of the relevant class, registered in his name at the record date;

38.2.2 as regards any shares, or shares of the relevant class, which are registered in the name of a record date holder at the record date but are not so registered at the meeting date ("relevant shares"), each holder of any relevant shares at the meeting date shall be deemed to have irrevocably appointed that record date holder as his proxy for the purpose of attending and voting in respect of those relevant shares at the relevant meeting (with power to appoint, or to authorise the appointment of, some other person as proxy), in such manner as the record date holder in his absolute discretion may determine; and

38.2.3 accordingly, except through his proxy pursuant to Bye-Law 38.2.2 above, a holder of relevant shares at the meeting date shall not be entitled to attend or to vote at the relevant meeting, or to exercise any of the rights or privileges of a Shareholder, or a Shareholder of the relevant class, in respect of the relevant shares at that meeting.

38.3 The entry of the name of a person in the Register as a record date holder shall be sufficient evidence of his appointment as proxy in respect of any relevant shares for the purposes of this paragraph, but all the provisions of these Bye-Laws relating to the execution and deposit of an instrument appointing a proxy or any ancillary matter (including the Board's powers and discretions relevant to such matter) shall apply

to any instrument appointing any person other than the record date holder as proxy in respect of any relevant shares.

ACCOUNTING RECORDS

39. Accounting Records

39.1 The Board shall cause to be kept accounting records sufficient to give a true and fair view of the state of the Company's affairs and to show and explain its transactions, in accordance with the Companies Acts.

39.2 The records of account shall be kept at the Registered Office or at such other place or places as the Board thinks fit, and shall at all times be open to inspection by the Directors, PROVIDED that if the records of account are kept at some place outside Bermuda, there shall be kept at an office of the Company in Bermuda such records as will enable the Directors to ascertain with reasonable accuracy the financial position of the Company at the end of each three (3) month period. No Shareholder (other than an Officer of the Company) shall have any right to inspect any accounting record or book or document of the Company except as conferred by law or authorised by the Board or by Resolution.

39.3 A copy of every balance sheet and statement of income and expenditure, including every document required by law to be annexed thereto, which is to be laid before the Company in general meeting, together with a copy of the auditors' report, shall be sent to each person entitled thereto in accordance with the requirements of the Companies Acts.

AUDIT

40. Audit

Save and to the extent that an audit is waived in the manner permitted by the Companies Acts, auditors shall be appointed and their duties regulated in accordance with the Companies Acts, any other applicable law and such requirements not inconsistent with the Companies Acts as the Board may from time to time determine.

SERVICE OF NOTICES AND OTHER DOCUMENTS

41. Service Of Notices And Other Documents

41.1 Any notice or other document (including a share certificate and any notice of a general meeting of the Company) may be served on or delivered to any Shareholder by the Company either personally or by sending it through the post (by airmail where applicable) in a pre-paid letter addressed to such Shareholder at his address as appearing in the Register or by sending it by courier to or leaving it at such registered address, or, where applicable, by sending it by email or facsimile or other mode of representing or reproducing words in a legible and non-transitory form to an address supplied by such Shareholder for the purpose of the receipt of notices or documents. In

the case of joint holders of a share, service or delivery of any notice or other document on or to one of the joint holders shall for all purposes be deemed as sufficient service on or delivery to all the joint holders. Any notice or other document, if sent by personal delivery, shall be deemed to have been served or delivered at the time of delivery, or if sent by post, shall be deemed to have been served or delivered forty-eight (48) hours after it was put in the post, or if sent by courier or facsimile, twenty-four (24) hours after sending, or if sent by email, twelve (12) hours after sending and in proving such service or delivery, it shall be sufficient to prove that the notice or document was properly addressed and stamped and put in the post, sent by courier, facsimile or email, as the case may be.

41.2 Any notice or other document delivered, sent or given to a Shareholder in any manner permitted by these Bye-Laws shall, notwithstanding that such Shareholder is then dead or bankrupt or that any other event has occurred, and whether or not the Company has notice of the death or bankruptcy or other event, be deemed to have been duly served or delivered in respect of any share registered in the name of such Shareholder as sole or joint holder unless his name shall, at the time of the service or delivery of the notice or document, have been removed from the Register as the holder of the share, and such service or delivery shall for all purposes be deemed as sufficient service or delivery of such notice or document on all persons interested (whether jointly with or as claiming through or under him) in the share.

41.3 If any time, by reason of the suspension or curtailment of postal services within Bermuda or any other territory, the Company is unable effectively to convene a general meeting by notices sent through the post, a general meeting may be convened by a notice advertised in at least one national newspaper published in the territory concerned and such notice shall be deemed to have been duly served on each person entitled to receive it in that territory on the day, or on the first day, on which the advertisement appears. In any such case the Company shall send confirmatory copies of the notice by post if at least five (5) clear days before the meeting the posting of notices to addresses throughout that territory again becomes practicable.

41.4 Save as otherwise provided, the provisions of these Bye-Laws as to service of notices and other documents on Shareholders shall mutatis mutandis apply to service or delivery of notices and other documents to the Company or any Director or Resident Representative pursuant to these Bye-Laws.

DESTRUCTION OF DOCUMENTS

42. Destruction Of Documents

The Company shall be entitled to destroy all instruments of transfer of shares which have been registered and all other documents on the basis of which any entry is made in the register at any time after the expiration of six (6) years from the date of registration thereof and all dividends mandates or variations or cancellations thereof and notifications of change of address at any time after the expiration of two (2) years from the date of recording thereof and all share certificates which have been cancelled

at any time after the expiration of one (1) year from the date of cancellation thereof and all paid dividend warrants and cheques at any time after the expiration of one (1) year from the date of actual payment thereof and all instruments of proxy which have been used for the purpose of a poll at any time after the expiration of one (1) year from the date of such use and all instruments of proxy which have not been used for the purpose of a poll at any time after one (1) month from the end of the meeting to which the instrument of proxy relates and at which no poll was demanded. It shall conclusively be presumed in favour of the Company that every entry in the register purporting to have been made on the basis of an instrument of transfer or other document so destroyed was duly and properly made, that every instrument of transfer so destroyed was a valid and effective instrument duly and properly registered, that every share certificate so destroyed was a valid and effective certificate duly and properly cancelled and that every other document hereinbefore mentioned so destroyed was a valid and effective document in accordance with the recorded particulars thereof in the books or records of the Company, provided always that:

42.1 the provisions aforesaid shall apply only to the destruction of a document in good faith and without notice of any claim (regardless of the parties thereto) to which the document might be relevant;

42.2 nothing herein contained shall be construed as imposing upon the Company any liability in respect of the destruction of any such document earlier than as aforesaid or in any other circumstances which would not attach to the Company in the absence of this Bye-Law; and

42.3 references herein to the destruction of any document include references to the disposal thereof in any manner.

UNTRACED SHAREHOLDERS

43. Untraced Shareholders

43.1 The Company shall be entitled to sell, at the best price reasonably obtainable, the shares of a Shareholder or the shares to which a person is entitled by virtue of transmission on death, bankruptcy, or otherwise by operation of law if and provided that:

43.1.1 during a period often (10) years, no dividend in respect of those shares has been claimed and at least five (5) cash dividends have become payable on the share in question;

43.1.2 on or after expiry of that period often (10) years, the Company has inserted an advertisement in a newspaper circulating in the area of the last registered address at which service of notices upon the Shareholder or person entitled by transmission may be effected in accordance with these Bye-Laws and in a national newspaper published in the relevant country, giving notice of its intention to sell such shares:

43.1.3 during that period often (10) years and the period of twelve (12) months following the publication of such advertisement, the Company has not received any communication from such Shareholder or person entitled by transmission; and

43.1.4 if so required by the rules of any securities exchange upon which the shares in question are listed for the time being, notice has been given to that exchange of the Company's intention to make such sale.

43.2 If during any ten (10) year period referred to in paragraph 43.1 above, further shares have been issued in right of those held at the beginning of such period or of any previously issued during such period and all the other requirements of this Bye-Law (other than the requirement that they be in issue for ten (10) years) have been satisfied in regard to the further shares, the Company may also sell the further shares.

43.3 To give effect to any such sale, the Board may authorise some person to execute an instrument of transfer of the shares sold to, or in accordance with the directions of, the purchaser and an instrument of transfer executed by that person shall be as effective as if it had been executed by the holder of, or person entitled by transmission to, the shares. The transferee shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity in, or invalidity of, the proceedings in reference to the sale.

43.4 The net proceeds of sale shall belong to the Company which shall be obliged to account to the former Shareholder or other person previously entitled as aforesaid for an amount equal to such proceeds and shall enter the name of such former Shareholder or other person in the books of the Company as a creditor for such amount. No trust shall be created in respect of the debt, no interest shall be payable in respect of the same and the Company shall not be required to account for any money earned on the net proceeds, which may be employed in the business of the Company or invested in such investments as the Board from time to time thinks fit.

WINDING UP

44. Winding Up

If the Company shall be wound up, the liquidator may, with the sanction of a Resolution of the Company and any other sanction required by the Companies Acts, divide amongst the Shareholders in specie or kind the whole or any part of the assets of the Company (whether they shall consist of property of the same kind or not) and may for such purposes set such values as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the Shareholders or different classes of Shareholders. The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trust for the benefit of the contributories as the liquidator, with the like sanction, shall think fit, but so that no Shareholder shall be compelled to accept any shares or other assets upon which there is any liability.

INDEMNITY AND INSURANCE

45. Indemnity And Insurance

45.1 Subject to the proviso below, every Indemnified Person shall be indemnified and held harmless out of the assets of the Company against all liabilities, loss, damage or expense (including but not limited to liabilities under contract, tort and statute or any applicable foreign law or regulation and all reasonable legal and other costs and expenses properly payable) incurred or suffered by him by or by reason of any act done, conceived in or omitted in the conduct of the Company's business or in the discharge of his duties and the indemnity contained in this Bye-Law shall extend to any Indemnified Person acting in any office or trust in the reasonable belief that he has been appointed or elected to such office or trust notwithstanding any defect in such appointment or election PROVIDED ALWAYS that the indemnity contained in this Bye-Law shall not extend to any matter which would render it void pursuant to the Companies Acts.

45.2 No Indemnified Person shall be liable to the Company for the acts, defaults or omissions of any other Indemnified Person.

45.3 Every Indemnified Person shall be indemnified out of the assets of the Company against all liabilities incurred by him by or by reason of any act done, conceived in or omitted in the conduct of the Company's business or in the discharge of his duties, in defending any proceedings, whether civil or criminal, in which judgement is given in his favour, or in which he is acquitted, or in connection with any application under the Companies Acts in which relief from liability is granted to him by the court.

45.4 To the extent that any Indemnified Person is entitled to claim an indemnity pursuant to these Bye-Laws in respect of amounts paid or discharged by him, the relevant indemnity shall take effect as an obligation of the Company to reimburse the person making such payment or effecting such discharge.

45.5 Each Shareholder and the Company agree to waive any claim or right of action he or it may at any time have, whether individually or by or in the right of the Company, against any Indemnified Person on account of any action taken by such Indemnified Person or the failure of such Indemnified Person to take any action in the performance of his duties with or for the Company PROVIDED HOWEVER that such waiver shall not apply to any claims or rights of action arising out of the fraud of such Indemnified Person or to recover any gain, personal profit or advantage to which such Indemnified Person is not legally entitled.

45.6 Subject to the Companies Acts, expenses incurred in defending any civil or criminal action or proceeding for which indemnification is required pursuant to these Bye-Laws shall be paid by the Company in advance of the final disposition of such action or proceeding upon receipt of an undertaking by or on behalf of the Indemnified Person to repay such amount if it shall ultimately be determined that the Indemnified Person is not entitled to be indemnified pursuant to these Bye-Laws PROVIDED THAT

no monies shall be paid hereunder unless payment of the same shall be authorised in the specific case upon a determination that indemnification of the Director or Officer would be proper in the circumstances because he has met the standard of conduct which would entitle him to the indemnification thereby provided and such determination shall be made:

45.6.1 by the Board, by a majority vote at a meeting duly constituted by a quorum of Directors not party to the proceedings or matter with regard to which the indemnification is, or would be, claimed; or

45.6.2 in the case such a meeting cannot be constituted by lack of a disinterested quorum, by independent legal counsel in a written opinion; or 45.6.3 by a majority vote of the Shareholders.

45.7 Each Shareholder of the Company, by virtue of its acquisition and continued holding of a share, shall be deemed to have acknowledged and agreed that the advances of funds may be made by the Company as aforesaid, and when made by the Company under this Bye-Law are made to meet expenditures incurred for the purpose of enabling such Indemnified Person to properly perform his or her duties to the Company.

45.8 Without prejudice to the provisions of this Bye-Law, the Board shall have the power to purchase and maintain insurance for or for the benefit of any Indemnified Person or any persons who are or were at any time Directors, Officers, or employees of the Company, or of any other company which is its holding company or in which the Company or such holding company has any interest whether direct or indirect or which is in any way allied to or associated with the Company, or of any subsidiary undertaking of the Company or any such other company, or who are or were at any time trustees of any pension fund in which employees of the Company or any such other company or subsidiary undertaking are interested, including (without prejudice to the generality of the foregoing) insurance against any liability incurred by such persons in respect of any act or omission in the actual or purported execution or discharge of their duties or in the exercise or purported exercise of their powers or otherwise in relation to their duties, powers or offices in relation to the Company or any such other company, subsidiary undertaking or pension fund.

AMALGAMATION

46. Amalgamation

Any Resolution proposed for consideration at any general meeting to approve the amalgamation of the Company with any other company, wherever incorporated, shall require the approval of:

46.1 the Board, by resolution adopted by a majority of Directors then in office, and

46.2 the Shareholders, by Resolution passed by sixty-six and two thirds percent (66 $\frac{2}{3}$ %) of votes cast at such meeting and the quorum for such meeting shall be that required in Bye-Law 20.1.

CONTINUATION

47. Continuation

Subject to the Companies Acts, the Company may with the approval of:

47.1 the Board, by resolution adopted by a majority of Directors then in office, and

47.2 the Shareholders by Resolution passed by sixty-six and two thirds percent (66 $\frac{2}{3}$ %) of votes cast at the general meeting, approve the discontinuation of the Company in Bermuda and the continuation of the Company in a jurisdiction outside Bermuda.

ALTERATION OF BYE-LAWS

48. Alteration Of Bye-Laws

48.1 These Bye-Laws may be revoked or amended only by the Board, which may from time to time revoke or amend them in any way by a resolution of the Board passed by a majority of the Directors then in office and eligible to vote on that resolution, but no such revocation or amendment shall be operative unless and until it is approved at a subsequent general meeting of the Company by the Shareholders by Resolution passed by a majority of votes cast.