KATANGA MINING LIMITED
ANNUAL INFORMATION FORM
FOR THE YEAR ENDED
DECEMBER 31, 2016

March 31, 2017

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Reference in this annual information form (the "**AIF**") to the "**Corporation**" or "**Katanga**" refers to Katanga Mining Limited and its subsidiaries, unless otherwise expressly stated or the context otherwise requires. All currency amounts in this AIF are stated in United States dollars unless otherwise indicated. Canadian dollars are denoted as C$. Certain mining terms and metric measurements have been used in the preparation of this AIF. See "Glossary of Terms" on page 36 for a description of terms used in this AIF. See "Glossary of Terms-Geological/Exploration Terms" on page 39 for a description of these terms and measurements.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING INFORMATION

This AIF contains "forward-looking information" within the meaning of Canadian securities legislation concerning the business, operations and financial performance and condition of Katanga. Statements containing forward-looking information may include, but are not limited to, statements with respect to:

- anticipated developments in Katanga's operations in future periods;
- estimated production and synergies;
- the adequacy of Katanga's financial resources and other events or conditions that may occur in the future;
- the ability of Katanga to continue to create value for its shareholders;
- the ability of Katanga to meet expected financing requirements;
- the future price of copper and cobalt;
- the estimation of ore reserves and mineral resources;
- the realization of ore reserve estimates;
- effects of the suspension of ore production on the business of Katanga;
- timeline to completion of the WOL Project and expected benefits thereof;
- planned resumption of production operations following completion of the WOL Project;
- planned exploration activities;
- the timing and amount of estimated future production, costs of production and capital expenditures;
- the timing and effect of the implementation of the Power Project (as defined herein);
- matters relating to the Amended Loan Facilities (as defined herein) and other loan transactions with Glencore or its subsidiaries;
- permitting time lines and mining or processing issues;
- currency exchange rate fluctuations;
- government regulation of mining operations;
- information concerning the interpretation of drill results;
- success of exploration activities;
- environmental risks;
- unanticipated reclamation expenses;
- title disputes or claims; and
- limitations on insurance coverage.

Generally, statements containing forward-looking information can be identified by the use of forward-looking terminology such as "plans", "expects", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates", or "believes", or variations of such words and phrases or statements that certain actions, events or results "may", "could", "would", "might", "will" or "will be taken", "occur" or "be achieved" or the negative connotation of each. Statements containing forward-looking information are based on the opinions and estimates of management as of the date such statements are made, and they are subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of Katanga to be materially different from those expressed or implied by such statements, including but not limited to risks related to:

- future prices of copper and cobalt;
- the timeline to the resumption of production;
- current global financial conditions;
- accidents, labour disputes, the risk of disease among employees and other risks within the mining industry;
- the need for additional financing and its availability on acceptable terms;
- the speculative nature of the mining industry;
- variations in ore grade and tonnes mined;
- political unrest and insurrection;
- adverse effects on share prices from factors beyond the Corporation's control;
- lack of infrastructure and logistical risks;
- social and local relations in the country of operation;
- the ability to acquire and abide by necessary licenses, permits and government regulations;
- unforeseen title matters;
- environmental risks and hazards in the country of operation;
- competition for mineral acquisition and difficulties with joint venture partners;
- the significant influence of the principal shareholder;
- dependence on relations with third parties, key personnel, skilled workers and key business arrangements;
- possible variations in ore reserves, grade or recovery rate;
- influence of currency fluctuations and credit risks;
- various insured and uninsured risks;
- litigation risks and difficulties with jurisdictional requirements of legal actions;
- potential conflicts of interest of various directors; and
- other factors discussed herein or referred to in the current annual management's discussion and analysis of Katanga filed with certain of the securities regulatory authorities in Canada and available at www.sedar.com.

All forward-looking information reflects Katanga's belief and assumptions based on information available at the time the information was provided. Actual results or events may differ materially from those expected in statements containing forward-looking information. All of Katanga's forward-looking information is qualified by the assumptions that are stated or inherent in such forward-looking information, including the assumptions listed below. Although Katanga believes that these assumptions are reasonable, this list is not exhaustive of factors that may affect any of the forward-looking information. Key assumptions that have been made in connection with the forward-looking statements include the following: the current state of suspended production will prevail for the foreseeable future, there being no significant disruptions affecting the remaining operations of Katanga whether due to labour disruptions, supply disruptions, power disruptions, damage to equipment or otherwise; permitting, development, operations, expansion and acquisition for mining and related activities in the DRC being consistent with Katanga's current expectations; continued recognition of Katanga's mining concessions and other assets, rights, titles, and interests in the DRC; political and legal developments in the DRC being consistent with current expectations, the satisfaction of certain conditions precedent to the Amended Loan Facilities, timely completion of the WOL Project and the Power

Project and realization of the expected benefits thereof; the exchange rate between the United States dollar, South African rand, British pound, Canadian dollar, Swiss franc, Congolese franc and Euro being approximately consistent with Katanga's expectations; certain price assumptions for copper and cobalt; prices for diesel, natural gas, fuel, oil, electricity and other key supplies being approximately consistent with Katanga's expectations; the accuracy of the current ore reserve and mineral resource estimates of Katanga (including but not limited to ore tonnage or ore grade estimates); and labour and material costs increasing on a basis consistent with Katanga's current expectations.

Statements containing forward-looking information in this AIF are made as of the date of this AIF and, accordingly, are subject to change after such date. Except as otherwise indicated by Katanga, the forward-looking information does not reflect the potential impact of any non-recurring or special items or any potential dispositions, mergers, acquisitions, other business combinations or other transactions that may be announced or occur after the date of this AIF.

Although management of Katanga has attempted to identify important factors that could cause actual results to differ materially from those expected in statements containing forward-looking information, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking information. Forward-looking information is provided for the purpose of providing information about management's current expectations and plans and allowing investors and others to get a better understanding of the Corporation's operating environment. Katanga does not undertake to update any forward-looking information that is incorporated herein, except in accordance with applicable securities laws.

CORPORATE STRUCTURE OF KATANGA MINING LIMITED

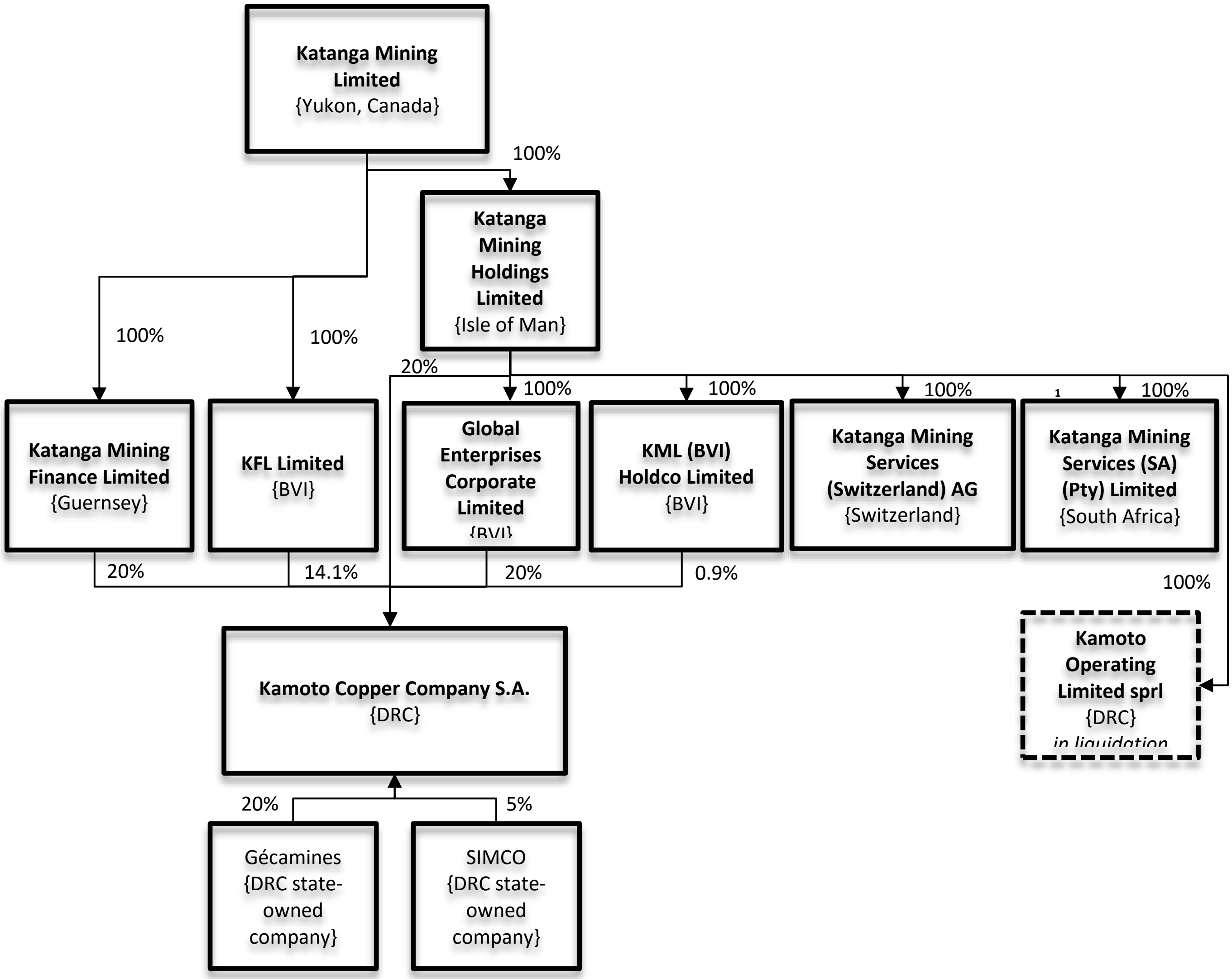
Name, Address and Incorporation

The Corporation was incorporated under the laws of Bermuda on October 7, 1996 as New Inca Gold Ltd. On July 8, 2004, the Corporation consolidated its common shares on a ten-for-one basis and changed its name to Balloch Resources Ltd. On November 30, 2005, the Corporation changed its name to Katanga Mining Limited. On November 2, 2007, the authorized share capital of the Corporation was increased to consist of 1,000 common shares with a par value of $12.00 each and 300,000,000 common shares with a par value of $0.10 each. On January 11, 2008, the by-laws of the Corporation were amended to, among other things, increase the maximum number of directors to ten and to permit the Corporation to enter into agreements with the holders of common shares relating to the appointment of directors, which agreements have since been terminated by mutual agreement. On January 12, 2009, the authorized share capital of the Corporation was further increased to consist of 1,000 common shares with a par value of $12.00 each and 5,000,000,000 common shares with a par value of $0.10 each. On May 5, 2010, the by-laws of the Corporation were amended to remove from the by-laws the description of the Corporation's authorized capital and the list of the Corporation's directors at the date of the adoption of the by-laws. Since the Corporation's stated capital and directors are subject to change, including this information in the by-laws was impractical. On August 31, 2011, the Corporation was continued to Yukon, Canada under the *Business Corporations Act* (Yukon) and adopted by-law No. 1 to replace the by-laws of the Corporation, which remained in force until February 11, 2016, when the Board of Directors adopted a new by-law No. 1, which remains in force as of the date hereof following the ratification thereof by the shareholders of the Corporation on the annual meeting of shareholders held May 12, 2016. Pursuant to the articles of continuance of the Corporation, the Corporation is authorized to issue an unlimited number of common shares (the "**Common Shares**").

Katanga's registered office is located at Suite 300, 204 Black Street, Whitehorse, Yukon Y1A 2M9 and the Corporation's head office is located at Obmoos 4, 6301 Zug, Switzerland.

Inter-corporate Relationships

The following diagram describes the inter-corporate relationships among Katanga and Katanga's subsidiaries (with the jurisdiction of incorporation in parentheses). Subsidiaries are wholly-owned unless otherwise indicated.



Notes:
[1] Currently being voluntarily liquidated by the Corporation.

General Development of the Business of Katanga

2014 Developments

Updated Phase 4 Expansion

In the second quarter of 2014, as the last part of the Updated Phase 4 Expansion, the final train of the SX plant was commissioned. This increased the SX plant's copper production capacity to 300,000 tonnes per annum. The total cost of the project was $768 million. The initial budget was $635 million. The additional costs are comprised primarily of scope changes, additional duties, taxes and other inflationary factors.

Phase 5 Expansion

In the fourth quarter of 2014 the Phase 5 Expansion was completed for a total project cost of $198 million, comparable to the initial budget amount. The construction of CM5 was mechanically completed in October 2014 with ramp up progressing during the fourth quarter. The first section of EW3 was commissioned in the third quarter of 2014 and the remaining section in the fourth quarter of 2014. Upon completion of the WOL Project (as defined below) in 2017, the Phase 5 Expansion is expected to result in total Katanga production capacity of 300,000 tonnes of copper per annum, after the completion of the whole ore leach project (see 2015 Developments).

T17

On May 15, 2014, Katanga announced the decision to develop the T17 Underground Mine. Glencore indicated that it would provide or procure the additional funding required, if any, for the completion of the T17 Underground Mine.

In the third quarter of 2014, the Corporation reduced the rate of the T17 Underground Mine development project in order to focus underground mining efforts on the Kamoto underground mine ("**KTO**") and Kamoto east underground mine (an extension of KTO).

Amended Loan Facilities

On November 26, 2014, the Corporation announced the execution of extended and increased loan facilities with Glencore Finance (Bermuda) Limited, a subsidiary of Glencore. The amended facilities are comprised of $515.5 million senior secured facility provided in 2011 by a Glencore subsidiary (the "**Senior Facility**") and Term Loan, each as amended (the "**Amended Loan Facilities**") as follows:

The Senior Facility was increased to include the existing $515.5 million Senior Facility (plus accrued interest thereon) and $1,815.8 million of uninvoiced customer prepayments provided by Glencore International AG ("**GIAG**") to KCC (plus accumulated interest thereon), which were converted into loans bearing interest at 10% per annum and provided by Glencore Finance (Bermuda) Limited. Included in the total amount of the amended Senior Facility is further funding of $50.0 million intended to be made available according to the cash flow requirements of KCC based on the approved budgets for the Phase 5 Expansion and the Corporation's ongoing project with Société Nationale d'Électricité, the DRC's national electricity company, and Mutanda to refurbish DRC power generating, transmission and distribution systems (the "**Power Project**") that should progressively increase power available to the Corporation's and Mutanda's mine complexes to 450 MW by the end of 2017 (as amended from time to time in agreement with Glencore). The amount of the Term Loan, provided in 2011, which was used for the redemption of then outstanding C$125 million subordinated notes, is to remain unchanged at $120.0 million plus accumulated interest. The maturity of the Senior Facility and the Term Loan will be extended to January 1, 2021. All other material terms of the Senior Facility and the Term Loan will remain the same. The drawdown of the increased Senior Facility remains subject to the satisfaction of certain conditions precedent.

2015 Developments

T17

In the first quarter of 2015, the Corporation stopped the T17 Underground Mine development project in order to focus underground mining efforts on the KTO and Kamoto east underground mine (an extension of KTO).

Whole Ore Leach Project

On May 14, 2015, Katanga announced the approval of capital expenditure of $437 million for the upgrading of the Corporation's production process to enable whole ore leaching. The Corporation expects this new process, which is anticipated to be commissioned in approximately H1 2017, will improve its recoveries of copper oxide and consequently reduce unit costs, as well as increase the life of mine. Due to related reductions in other planned capital expenditures, the net effect on medium term capital expenditures is expected to be $104 million. Glencore has indicated it will provide or procure the additional funding required, if any, for the whole ore leach project (the "**WOL Project**") in addition to any funding necessary for operations and other capital expenditure during the WOL Project build and commissioning phases.

Suspension of Production

On September 6, 2015, the Corporation announced that management had commenced a review of its business, including operations and expenses, in light of the challenging environment for commodities. The review included an analysis of various alternative scenarios including the total suspension of copper and cobalt production until the commissioning of the WOL Project, expected in approximately H1 2017.

On September 11, 2015 the Corporation announced the decision to suspend the processing of copper and cobalt until approximately H1 2017. The Corporation will continue with the planned investment of $880 million into ongoing processing plant upgrades and the waste stripping of the KOV Open Pit and Mashamba East Open Pit. These process upgrades include the commissioning of the new leach plant which will replace the existing oxide concentration process. This is expected to significantly improve both copper recoveries and operating unit costs when processing resumes.

Representatives of the Corporation went to Kinshasa prior to making the determination to suspend production to meet with the relevant DRC government ministers, including the Prime Minister, and presented details on the suspension plan and WOL Project.

The plant was shut down in September and the majority of the planned employee redundancies were finalized during Q4 2015. The Corporation aimed to minimize the impact of the suspension on its employees and achieved its headcount reductions through voluntary redundancy programs. During the suspension, the Corporation will invest in a skills development program which will include work programs at other operations, such as Mutanda. During Q4 2015, the Corporation also finalized the contractor demobilization process.

The Corporation and Mutanda undertook to continue to invest in the Inga power project during the suspension of production, which includes the rehabilitation of the G27 and G28 turbines at Inga, along with increased power transmission capacity from Kinshasa to Katanga.

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

Amended Loan Facilities

Throughout 2015, the drawdown of the increased Senior Facility remained subject to the satisfaction of certain conditions precedent.

2016 Developments

Geotechnical Failure at KOV Open Pit

On March 8, 2016, the Corporation announced that a geotechnical failure was experienced on the north wall of the KOV Open Pit. Seven persons who were believed to have been working in the vicinity of the failure were initially unaccounted for. In addition, the dewatering infrastructure in the pit was damaged.

Following the incident, six bodies were recovered from the pit, five of which were identified as KCC employees and one of which has not been identified. Two persons who were believed to have been working in the vicinity of the failure are still unaccounted for despite all available resources allocated to the search and rescue operations.

The Corporation worked closely with the relevant authorities and has been providing all the necessary support for the families and friends of the affected individuals.

Post North Wall Collapse Work at KOV

A new pumping system and pipeline corridor was built for dewatering. A new access to the pit bottom from the KTE side was completed. Modifications to tanks, pump suctions and pump internals to achieve design capacity were also completed during 2016.

Musonoi River Culverts & GH Pit Spillway

Existing culverts were blocked during an exceptionally heavy rain storm in March 2016. The existing culverts have been unblocked and new culverts were installed during 2016. Additionally, the elevation of the dike between the Musonoi River and T17 pit was raised to improve the drainage and protect the T17 pit from potential flooding in the future.

A spillway was also constructed at the GH-pit to decant water prior to discharging it into the Musonoi River.

KOV Open Pit and Mashamba East Open Pit

Waste stripping continued at KOV Open Pit and Mashamba East Open Pit during 2016, a total of 8.17 Mt of waste was mined. Waste stripping at KOV focused on search and recovery efforts after the collapse of the north wall and included mining of the head scarp above the north wall collapse to stabilize the slope. Ore mined in 2016 was 825 tonnes at KOV and is related to incidental ore mined during waste mining.

In 2016, 1 CAT 6060 shovel, 3 CAT 793 haul trucks, 1 CAT fuel truck and 1 CAT service truck were commissioned for the open pit mine.

In 2016, KCC and Entreprise Générale Malta Forrest ("**EGMF**") mutually agreed on the early termination of the KOV Open Pit Mining contract as a result of which KCC took ownership of the following EGMF mining fleet: two RH340 shovels, seven 793D trucks, one 992G loader, five D10T dozers, one 777F water truck, one 16M grader and other small auxiliary equipment.

KTO Underground Mine

Care and maintenance continued during the year with a focus on rehabilitation of the main haulage ways and future production areas, backfilling of mined-out areas, development of ramp 37 and sump 21. A total of 1.04 Mt of hydraulic back fill and 332 meters of development for Ramp 37 were completed in 2016. Sump 21 was completed during the year, and some progress was made on ramp 38 to utilize expiring inventory stock of explosives. Completion of ramp 37 reduced the haulage distance for zone 3 and 4 as well as provided a secondary escape route. It also improved ventilation in these zones.

Geotechnical and Hydrology Drilling

A total of 7935 meters of oriented core was drilled in KOV during 2016 as part of the ongoing geotechnical and hydrogeological drilling program.

Exploration Drilling

Three diamond drill holes totaling 725.5 m were completed at the KOV Open Pit during the year. These diamond drill holes improved the modeling of the FNSR and Virgule ore body fragments.

Mineral Resource Update

Mineral resources were updated for KOV, KTO and Mashamba East. KOV and KTO mineral resource were updated internally and Mashamba East was updated by Amec Foster Wheeler plc. Details of these estimates are provided in Schedule B.

Mashamba East Pre-Feasibility Study

Following the 2016 Mashamba East mineral resource update, a pre-feasibility study was completed internally by KCC for Mashamba East Open Pit to convert its viable Indicated Mineral Resource to Probable Mineral Reserves. This resulted an increase of 26.3 Mt in Probable Mineral Reserves.

WOL Project

During 2016, work continued on the WOL Project with ongoing engineering design optimization on the Pre-Leach, Leach and Post-Leach circuits. Satisfactory progress was made on the earth works and civil works, as well as construction of the steel structures. Capital expenditures amounted to $81.2 million in 2016, which related to site excavation, civil work and procurement of various long lead time items.

Concurrent to the construction of the WOL Project plant and infrastructure, the current Life of Mine Plan continued to be optimized to ensure that the appropriate blend of ore will be supplied to the WOL process, in order to maximize copper and cobalt recovery and to minimize operating cost per unit.

The Whole Ore Leach Plant is expected to commence commissioning in the second half of 2017.

DESCRIPTION OF THE BUSINESS OF KATANGA

Current Business Initiatives and Principal Products

Katanga is the holding company of a group of companies that produce copper and cobalt metal at its mining assets in the DRC, one of the most mineral rich countries in the world. Through its subsidiaries, Katanga:

(i) operates mining and processing facilities for the production of copper and cobalt;

(ii) conducts exploration and development of properties with the potential to yield copper and cobalt mineral resources; and

(iii) holds a number of other mines that may be operated at a later stage in Katanga's development.

The foregoing business initiatives are partly carried out through Katanga's subsidiary Kamoto Copper Company ("**KCC**") pursuant to a joint venture agreement dated July 25th, 2009 and its amendments (collectively, the "**JV Agreement**") with La Génerale des Carrières et des Mines S.A. ("**Gécamines**"). See "Material Contracts – JV Arrangement".

All of the copper and cobalt produced by Katanga's mines is purchased by GIAG pursuant to the Off-take Agreements (as defined below).

For 2016:

(i) no copper cathodes were produced or sold, but negative revenue resulted from finalization of historical provisional sales invoices for quality claims by customers based on third party assay results of cathodes supplied;

(ii) no cobalt was produced or sold; and

(iii) no copper concentrates were produced or sold.

Competitive Conditions

The exploration and mining of copper and cobalt is a competitive business. Katanga competes with numerous other companies and individuals, not only for the sale of finished products, but also for human resources, supplies of consumable materials, electric power and equipment as well as access to finance. Katanga's profitability depends on its ability to develop and operate its existing and future properties on a competitive, cost effective basis.

Economic Dependence

GIAG Off-take Agreements

Katanga has entered into a series of agreements for the sale of the products of its mining operations. The agreements relating to Katanga's copper production (the "**Copper Off-take Agreement**") and cobalt production (the "**Cobalt Off-take Agreement**") (together the "**Off-take Agreements**"), each dated March 28, 2008, provide for 100% of the produced copper and cobalt materials (the "**Material**") to be sold to GIAG for the life of any mines and plants operated, acquired and/or developed by Katanga in the DRC. See "Interest of Management and Insiders in Material Transactions".

The price to be paid for the London Metal Exchange ("**LME**") Registered Grade 'A' Copper Cathodes ("**LME Grade A**") purchased pursuant to the Copper Off-take Agreement is the official LME Copper Grade 'A' cash settlement quotation as published in the London Metal Bulletin ("**LMB**") but corrected to the official quotation of the LME in case of printing errors, plus the Codelco physical long term contract premium benchmark. For LME unregistered Grade 'A' copper cathodes or copper cathodes inferior in quality to the LME Grade 'A' copper cathodes purchased pursuant to the Copper Off-take Agreement, the price to be paid by GIAG is discounted from the price mentioned above. Such discounts are negotiated annually for the forthcoming calendar year in good faith between the parties on market terms. The price to be paid for any copper bearing material in physical form other than those described above purchased pursuant to the Copper Off-take Agreement is negotiated in good faith between the parties on the basis of prevailing market prices for such copper products.

The price to be paid for cobalt metal suitable for consumption in the cobalt industry purchased pursuant to the Cobalt Off-take Agreement is the Cobalt LMB 99.3% Low Settlement quotation, with applicable market-related premium or discount adjustments based on the quality of the cobalt produced by Katanga. The price to be paid for any cobalt-bearing material in physical form other than that described above purchased pursuant to the Cobalt Off-take Agreement is negotiated annually for the forthcoming calendar year in good faith between the parties on the basis of prevailing market prices for such cobalt products.

In the case of either Off-take Agreement, if the Corporation and GIAG fail to agree on quality discounts for Material produced by Katanga, then GIAG shall act as a "take or pay" distributor for such Material, using all reasonable endeavours to identify end-users for such Material at a reasonable market price, and paying such price to Katanga less a 1.0% marketing fee. Pursuant to the Off-take Agreements, 90% of amounts owing for the sale of such Material shall be paid to Katanga upon loading of the Material onto the carrier at the mine gate, with the balancing payment made upon the carrying vessel's arrival at its discharge port.

The Off-take Agreements provide that the freight costs related to movement of Material, including insurance, are paid by GIAG and subsequently reimbursed by Katanga. The risk related to Material passes to GIAG upon the loading of Material onto a carrier at the mine gate; title to Material passes to GIAG upon the clearing of Material at the DRC border.

The Off-take Agreements are available under the Corporation's profile on SEDAR at www.sedar.com.

During the suspension period, while no product sales are taking place, Glencore has indicated it will provide or procure the additional funding required for the WOL Project and other capital expenditure during the WOL Project building and commissioning phase, in addition to any funding necessary for the care and maintenance related activities during the suspension period.

Employees

As at December 31, 2016, Katanga had 3,926 employees, of which 3,924 were employed in the DRC. Furthermore, 2,254 people were indirectly employed by contractors to the Project and a significant number of additional workers were employed by suppliers.

Foreign Operations

Substantially all of Katanga's operations are in the DRC. See "Risk Factors".

Health, Safety, Social and Environmental Policies and Environmental Protection

Katanga models its health, safety, social and environmental protection practices after the relevant Glencore plc policies.

The Corporation's environmental practices are based on ISO 14001 and continual improvement is a consistent theme of all of its practices.

Health and Safety

The Corporation recognizes the importance of a safe and healthy work environment, created as a result of joint responsibility between the Corporation, its employees and contracting companies involved in work on the operating site. The Corporation is actively developing and implementing procedures, practices, training, and audit protocols across its operations. The Corporation has a well-established emergency response team and a mine rescue team trained to the highest standards. KCC has an on-site hospital providing medical and occupational health services to all of its employees, their dependents and its contractor's employees in emergency cases. KCC's on-site health and safety function includes dedicated health and safety professionals whose role is to provide support and expertise to line management, mentor and develop staff and ensure consistency of approach across the organization.

Katanga recognizes the critical importance of providing employees with a safe and healthy work environment, that takes into account inherent risks and potential hazards, and with the training necessary to operate safely and effectively in the workplace. The prevention of fatalities is of utmost importance to the Corporation. As part of the Glencore "SafeWork" program, the Corporation is continuing risk management enhancements through the use of 'Fatal Hazard Protocols' and 'Life Saving Behaviours' that mandate and implement the processes, conditions and behaviours needed to prevent fatalities. Each individual employee is required to commit to this program with reporting reviewed on a weekly basis by operational and senior management. The Corporation obtained SafeWork commitments from 100% of our employees and contractors in the fourth quarter of 2014. The Corporation also completed its comprehensive baseline health and safety risk assessment for mining and processing areas in the fourth quarter of 2014. No fatalities occurred in the mining operations during 2015. Regrettably, in 2016, as a result of the geotechnical failure at the KOV Open Pit on March 8, 2016, there were 7 fatalities, two of which remain unaccounted for as of the date of this AIF. There were 2 lost time injuries ("**LTI**") recorded during 2016 compared to 5 during 2015. The 2016 LTI frequency rate, based on one million man hours worked, was 0.16 (0.18 during 2015).

In 2016, the most significant hazards in each department and the controls needed to prevent unwanted events were identified. Supervisors were trained to manage these hazards and were required to document their proactive work in preventing incidents. Risk assessments for potentially catastrophic hazards were also completed in 2016 with ownership assigned for each risk and the associated preventive measures. The Corporation has established various fatal hazard protocol programs as well as catastrophic hazard management plans in relation to its business operations as well as Glencore's requirements.

The malaria vector control team has 12 members trained to help prevent malaria infections at the Corporation and in the communities where Katanga has operations. The unit performs periodic spraying sessions throughout Katanga's operations and in the villages in the vicinity of Katanga's operations with products that prevent the proliferation of mosquitoes, in order to protect these communities and Katanga's employees from malaria, especially during the rainy season. The products used are human- and environmentally-friendly and are changed every three years to avoid mosquitoes developing resistance to these products. In 2016, Katanga enlisted the expertise of a public health specialist from Mopani to assist in the malaria vector control program. Three types of spraying sessions are undertaken:

- Indoor (in the neighbouring communities' houses and in the buildings used for Katanga's operations);
- Outdoor (on the village main roads and surrounding vegetation for communities and outside areas, walking paths and drains at Katanga's operations); and
- Larvae control (the same locations as for outdoor spraying).

During this campaign, the Katanga malaria team sprayed 12,000 houses in the communities of Musonoi, Luilu, Kapata, Manika and Joli Site, ensuring protection to more than 80,000 people.

It is the Corporation's policy to provide assistance and support directly to the families affected by accidents and to conduct accident investigations with internal safety personnel and local government officials to determine if additional measures can be taken by the Corporation to prevent any recurrence of these accidents. Compliance monitoring and auditing is performed on a regular basis to evaluate the effectiveness of Katanga's systems and to provide data from which improvement programs will be developed. Health and safety inspections are conducted on a monthly basis and quarterly reports are made by the Chief Executive Officer to the Board to ensure the appropriate level of oversight and governance.

Environmental Protection and Compliance

KCC has commissioned Environmental Impact Studies ("**EIS**") since 2011 as part of various permitting applications, which cover current and future mining operations for the proposed Life of Mine up to 2034. These can be summarized as follows:

(i) Environmental and Social Impact Study with Environmental and Social Management Plans for KCC's, DRC, Exploitation Permits (PE 525, PE 11602, PE 11601, PE 4961, PE 4963, PE 4960) were completed by SRK Consulting, in April, 2014.

(ii) The EIS is a revision of the EIS undertaken by DRC EMEC Green and submitted to the Direction de la Protection de l'Environnement Minier in 2011. An amendment was issued in 2014 and this permit is valid for 5 years until 2019;

The scope of the EIS includes: KTO; Mashamba East Open Pit; T17 Open Pit and the future underground mine; Kananga mine; Extension of the Kananga mine; KOV Open Pit; and Tilwezembe Open Pit contained within Exploitation Permits PE 525, PE 11602, PE 11601, PE 4961, PE 4963 and PE 4960.

The EIS is aligned with the requirements of the DRC Mining Code (2002) and DRC Mining Regulation (2003) and provides, a description of the Project, enviro-legal framework, environmental baseline (physical, biological and socio-economical), assessment of the environmental impacts, the proposed measures for avoidance, minimization, elimination and/or mitigation to reduce negative impacts and enhance positive ones; sustainable development plan and a rehabilitation and closure plan.

In order to update the existing environmental and social impact assessment, KCC is currently conducting a formal update of its permits. In this regard, the permit update will include all permits (PE 525, PE 11602, PE 11601, PE 4961, PE 4963, PE 4960) and activities associated with current and future KCC activities.

The Corporation periodically assesses its decommissioning and environmental obligations. Decommissioning and environmental provisions arise from the acquisition, development, construction and normal operation of mining property, plant and equipment due to government controls and regulations that protect the environment on the closure and reclamation of mining properties. As of December 31, 2016, Katanga's financial statements had decommissioning and environmental provisions of $15.1 million for reclamation and closure costs. The decommissioning and environmental provisions are calculated as the net present value of estimated future cash flows of the reclamation and closure costs which total approximately $102.4 million (undiscounted) and are required to satisfy the obligations until 2034. The closure cost is calculated for the approved mining permits issued to Katanga.

Environmental culture

Katanga aims to develop a culture where all employees are encouraged to feel responsible for sound environmental management. One of the key benefits of the JV Agreement in terms of the environment is the extensive use of existing infrastructure, involving relatively limited additional disturbance of land.

The Corporation has developed targets and objectives based upon the ISO14001 standard that aim to identify environmental aspects with the highest potential environmental risk. Based upon those aspects that have the highest potential risk, environmental controls are developed and implemented to mitigate the overall environmental risk. Key environmental programs that have resulted in the aspects and impacts analysis are the Water Quality Management Program, Air Quality Management Program, as well as the Tailings Pipeline and Tailing Storage Facility Management Program. All actions related to these programmes are captured in the Corporation's environmental management programme. See also "Mineral Projects".

Social Policy

Katanga's operations in the DRC include good citizenship initiatives wherein the Corporation seeks to make a contribution and help develop the economic, social and educational well-being of the communities associated with its operations. The community development program allows Katanga to better understand the dynamics of the communities it operates in. Katanga's goal is to respond proactively to the needs of these communities where appropriate and maintain its social license to operate.

Katanga has created a Community Development department to focus on the needs of the communities where it has operations. This department has 28 staff members which are divided into three units: community liaison and public relations, social and community development projects, and the malaria vector control team. The community liaison and public relations unit carries out the following activities:

- visiting communities where Katanga has operations to improve the Corporation's relations with people living in these areas;
- supporting communities to develop and organize community committees by helping them to define roles, responsibilities and activities to be undertaken by the committee including identifying and resolving community issues;
- implementing grievance mechanisms to ensure that the Corporation remains sensitive to the communities it operates in;
- reporting on the communities' development and arranges for public consultations;
- reporting on media coverage about KCC at local and national levels; and
- taking part in official events and meetings organized by local authorities and manages information disclosure and communication at the local level.

The social and community development projects unit is responsible for supervising and implementing community projects, such as:

- constructing and rehabilitating education facilities;
- increasing community participation in education and health programs;
- supporting the development of small businesses in the community; and
- improving income-generating activities for local and rural cooperatives.

Working with local entrepreneurs and suppliers, the Corporation has completed numerous projects improving the infrastructure of these communities. These projects are further detailed below under "Economic Benefit".

In March 2014 the Corporation adopted Glencore's group policies on Community & Stakeholders Engagement and on Human Rights. Katanga has subsequently focused its social policy efforts in ensuring the alignment of the Corporation's strategy and practices to the principles and standards set by these group policies, with specific focus on community mapping (stakeholders and impacts) and the implementation of the extractive industry's Voluntary Principles on Security and Human Rights ("**Voluntary Principles**"). KCC has implemented several policies and systems to become compliant with the Voluntary Principles requirements, including:

- risk assessments linked to security operations and operational impacts on communities are conducted periodically and action plans communicated to management;
- identification of internal and external stakeholders to understand their needs and expectations and implementation of community programs and projects;
- dedicated meetings with community representatives in order to communicate important security messages and address community concerns on security operations;
- registering and investigating all community complaints and concerns;
- all security contractors are aware of company expectations and requirements on human rights, the use of force and engagement with internal and external stakeholders. Periodic training sessions on human rights and company's policies are held in order to clarify expectations and standards; and
- sensitization sessions for mine police officers are organized on human rights, the use of force and stakeholders' engagement in order to set accountable rules and standards for this collaboration.

The Corporation also endorses the values and principles on sustainable mining (community, health and safety, environment, human resources) set out by the International Council of Mining and Metals (ICMM) and we participate actively in order to improve standards and guidelines for sustainable mining in challenging environments.

Economic Benefit

Despite the suspension of operations and consequential impacts on employment and procurement, Katanga still contributes to the local economy in a number of ways. The Corporation makes monthly salary payments to employees and local contractors pay salaries to their respective employees. Free healthcare and other allowances are still guaranteed to employees. The Corporation pays taxes, royalties and duties to the government of the DRC, buys goods and services from local suppliers and makes payments to Gécamines.

Katanga has undertaken a significant number of social projects in the Kolwezi area, focusing on improvements in health, education, infrastructure and economic development.

In 2016, Katanga assisted the local utilities in the rehabilitation of sections of their distribution systems in order to improve community access to water and energy supply, with specific focus on the community of Luilu and Musonoi. Katanga also partnered with Regideso, national agency for water supply, to support the rehabilitation of the filtering plant systems and energy supply; this project will ensure a more sustainable and reliant water distribution system for the urban and peri-urban areas of Kolwezi.

Further, Katanga has demonstrated a commitment to education. In 2016, Katanga rolled out several programs focusing on the improvement of primary education and on children's rights. Several educational activities and recreational camps were also organized to support children and sensitize parents about the dangers of having minors in artisanal mining sites.

In 2016, Katanga has also organized a series of conferences on safety in local technical institutes.

Katanga has contributed to improving the quality of health services, especially in rural areas, by supporting several training and skills-development initiatives in support of the medical staff at local hospitals and health centers. Katanga is also committed to helping fight malaria and HIV by supporting awareness initiatives, strengthening the collaboration among health zones and helping align national health programs.

In 2016, Katanga has supported local health zones in order to ensure better health services to the local population. This support consisted in:

- Training schemes for medical staff of local health facilities on HIV and maternal health;
- Vaccinations campaigns for polio and measles;
- The donation of basic medicinal drugs; and
- The donation of equipment to Mwangeji hospital, one of the main reference hospitals for the Kolwezi population.

To help fight poverty, Katanga engages with community organizations through its community development program, to provide substantial assistance and training to local cooperatives in support of income-generating activities, such as agriculture, livestock, fish farming and reforestation.

Currently, Katanga supports 69 local cooperatives with a total of 2,900 members. Each member supports on average 10 people.

The majority of members are women and former artisanal miners. Through our program, we also support vulnerable groups (widows, people living with HIV and people living with physical disabilities).

The benefits generated by these activities are generally reinvested in the projects or in household’s needs (school fees, health care and rehabilitation of houses).

See also "Risk Factors – Social and Local Relations".

RISK FACTORS

Katanga's principal business is mineral exploitation and, accordingly, an investment in Katanga involves a high degree of risk.

Shareholders of Katanga should carefully consider all the information in this document, including the following risk factors, as well as the usual risks associated with an investment in a mining business in the operational stage. The risk factors reflected below do not necessarily include all the risks associated with Katanga's business, operations and affairs.

Volatility of Metal Prices and Suspension of Production

The mining industry is competitive and there is no assurance that, even if commercial quantities of a mineral resource are discovered, a profitable market will exist for their sale. The Corporation's production of copper and cobalt is currently suspended in large part due to a prolonged decline in underlying commodity prices, and the long-term development and success of the JV Agreement will be primarily dependent on the future price of those metals. There can be no assurance that metal prices will be such that Katanga's properties can be mined and production can be resumed at a profit. Metal prices are subject to significant fluctuation and are affected by a number of factors beyond Katanga's control. Such factors include, but are not limited to, global and regional supply and demand, interest rates, exchange rates, inflation or deflation, fluctuation in the value of the United States dollar and foreign currencies, international political and economic conditions, speculative activities and increased production due to improved mining and production methods. The price of copper and cobalt and other base metals has fluctuated significantly in recent years and are currently near multi-year lows, which has made the continued processing of copper and cobalt uneconomical in the short term.

Completion of the WOL Project is expected to mitigate low metal prices, and allow production to be resumed more efficiently, however notwithstanding factors within Katanga's control, serious future price declines could cause resumed development of and commercial production from Katanga's properties to be impractical and uneconomic.

Depending on the prices of copper and cobalt and other metals as well as changes in production cost and efficiency due to the WOL Project or otherwise, projected cash flow from resumed and planned future mining operations may not be sufficient and Katanga could be forced to discontinue development. The resumption and thereafter future production from Katanga's properties is dependent on copper and cobalt prices that are adequate to make Katanga's properties economically viable.

Furthermore, reserve calculations and life-of-mine plans using significantly lower copper and cobalt metal prices could result in material write-downs of Katanga's investment in mining properties and increased amortization, reclamation and closure charges.

In addition to adversely affecting Katanga's reserve estimates and its financial condition, declining commodity prices can impact operations by requiring a reassessment of the feasibility of Katanga's assets. Such a reassessment may be the result of a management decision or may be required under financing arrangements related to a particular project. Even if Katanga's projects are ultimately determined to be economically viable, the need to conduct such a reassessment may cause substantial delays or may interrupt operations until the reassessment can be completed.

Operating Risks

Notwithstanding the current suspension of copper and cobalt production, Katanga's operations remain dependent on the efficient performance of KCC's function as operator of Katanga's material properties. If KCC fails to perform efficiently its functions as operator of its properties, Katanga's operations may be adversely affected.

When production resumes following completion of the WOL Project, Katanga will rely on the anticipated operating performance benefits of the whole ore leach process. To the extent that the whole ore leach process does not perform to expectations or lead to Katanga realizing the operational outcomes it expects, Katanga's operations may be adversely affected. However whole ore leaching is a proven process and the WOL Project design is based on the whole ore leaching plant at Mutanda and has been subject to extensive independent test work.

Health and Safety Risks

Accidents, technical failures, occupational injuries, HIV/AIDS, malaria and other diseases represent a serious threat to maintaining a skilled workforce in the mining industry throughout Africa and are a healthcare challenge faced by Katanga's operations in the DRC.

Katanga completed its most recent baseline risk assessments for potential catastrophic hazards in late 2015. These baseline risk assessments identified potentially fatal hazards in each operating department and trained supervisors to manage preventive controls for each of these hazards. Key performance indicators have been developed and are reported to senior leadership weekly for these preventive actions.

The critical controls have been identified for each of the material unwanted events and catastrophic hazard management plans are in development. With respect to infectious disease specifically, KCC has conducted two issue based infectious disease risk assessments with international health consultancies and identified both preventive and mitigating controls based on these risk assessments. The medical department has identified and implemented preventative and mitigating controls in an effort to improve infection control capabilities. These controls are in accordance with World Health Organization guidelines.

Even with the substantial progress made towards managing these risks, there can be no assurance that Katanga will not lose members of its workforce or workforce man-hours or incur increased medical costs as a result of these or other health risks, any of which may have a material adverse effect on Katanga's business, operations and financial position.

Speculative Nature of Mining Operations

Mining operations involve significant risks that even a combination of careful evaluation, experience and knowledge may not eliminate or adequately mitigate. Major expenditures are required to develop metallurgical processes and to construct mining and processing facilities at a particular site. Whether a mineral deposit will be commercially viable depends on a number of factors, some of which are: the particular attributes of the deposit, such as size, grade and proximity to infrastructure; metal prices, which are highly volatile; and governmental regulations, including those relating to prices, taxes, royalties, land tenure, land use, allowable production, importing and exporting of minerals and environmental protection. The precise effect of these factors cannot be accurately predicted, but the combination of these factors may result in Katanga not receiving an adequate return on invested capital. There is no assurance that any particular property will be brought into commercial production or will continue in commercial production. There is no assurance Katanga will return to commercial production within the contemplated timeframe, or at all. Most of the factors described above are beyond Katanga's control.

Mining and Processing

Mining operations involve a high degree of risk. Such operations are subject to all the hazards and risks normally encountered in the development and production of copper, cobalt and other base or precious metals, including but not limited to:

- environmental hazards;
- discharge of pollutants or hazardous chemicals;
- industrial accidents;
- failure of processing and mechanical equipment and other performance problems;
- labour force disruptions;
- unavailability of materials and equipment;
- unavailability of sufficient power supply;
- unanticipated transportation costs;
- changes in the regulatory environment;
- climate change, including changes to weather patterns, increased frequency of extreme weather events, temperatures and water availability;
- unusual and unexpected geologic formations, water conditions, surface or underground conditions and seismic activity;
- HIV, malaria and other diseases perceived as a serious threat to maintaining a skilled workforce;
- unanticipated changes in metallurgical and other processing problems; and
- rock bursts, cave-ins, pit wall failures, flooding and fire.

Any of these can materially and adversely affect, among other things, the development of properties, production quantities and rates, costs, capital expenditures and production commencement dates. Such risks could also result in: damage to, or destruction of, mines and other producing facilities; injury or death to personnel; damage to property; loss of key employees; environmental damage; delays in mining, monetary losses and possible legal liability. Satisfying such liabilities may be costly and could have a material adverse effect on future cash flows, results of operations and financial condition.

When operating, Katanga's processing facilities are dependent on continuous mine feed to remain in operation. Should Katanga's mines not maintain material stockpiles of ore or material in process, any significant disruption in either mine feed or processing throughput, whether due to equipment failures, adverse weather conditions, power supply interruptions, export or import restrictions, labour force disruptions or other causes, may have an immediate adverse effect on the results from the operations of the Corporation. A significant reduction in mine feed or processing throughput at a particular mine could cause the unit cost of production to increase to a point where Katanga may determine that it is no longer economical to exploit some or all of its ore reserves.

The Corporation is presently in the midst of a suspension of production pending the completion of the WOL Project. When processing resumes, the Corporation's ability to maintain or increase its annual production of copper and cobalt will be dependent, in significant part, on its ability to bring new mines into production and to expand existing mines. Although the Corporation utilizes the operating history of its existing mines to derive estimates of future operating costs and capital requirements, such estimates may differ materially from actual operating results at new mines or at expansions of existing mines. The economic feasibility analysis with respect to any individual project is based upon, among other things: the interpretation of geological data obtained from drill holes and other sampling techniques; feasibility studies (which derive estimates of cash operating costs based upon anticipated tonnage and grades of ore to be mined and processed); base metals price assumptions; the configuration of the ore body; expected recovery rates of metals from the ore; comparable facility and equipment costs; anticipated climatic conditions; and estimates of labour, productivity, royalty, tax rates, or other ownership burdens and other factors.

Katanga periodically reviews mining schedules, production levels and asset lives in its life-of-mine planning for all of its operating and development properties. Significant changes in the life-of-mine plans can occur as a result of mining experience, new ore discoveries, changes in mining methods and rates, process changes, investment in new equipment and technology, base metals price assumptions, and other factors. Based on this analysis, Katanga reviews its accounting estimates and, in the event of impairment, may be required to write-down the carrying value of one or more mines. This complex process continues throughout the life of every mine.

As a result of the foregoing risks expenditures on all projects, actual production quantities and rates, and cash costs may be materially and adversely affected and may differ materially from anticipated expenditures, production quantities and rates, and costs. In addition, estimated production dates may be delayed materially, especially to the extent that development projects are involved. Any such events can materially and adversely affect the Corporation's business, financial condition, results of operations and cash flows.

Mineral Resources and Ore Reserves

The mineral resources and ore reserves presented in this AIF are based on information contained in the 2017 Technical Report and in other publicly disclosed information. No assurances can be given that the anticipated tonnages and grades will be achieved or that the indicated levels of copper and cobalt recovery will be realized.

There is a degree of uncertainty to the calculation of ore reserves and mineral resources and corresponding grades being mined or dedicated to future production. Until ore reserves or mineral resources are actually mined and processed, the quantity of mineral resources and ore reserves must be considered as estimates only. In addition, the quantity of ore reserves and mineral resources may vary depending on, among other things, metal prices. Any material change in the quantity of ore reserves, mineral resources, grade or stripping ratio may affect the economic viability of the properties. In addition, there can be no assurance that copper or cobalt recoveries or other metal recoveries in small-scale laboratory tests will be duplicated in larger scale tests under on-site conditions or during production.

Fluctuation in copper, cobalt and other base metals prices, results of drilling, metallurgical testing and production and the evaluation of mine plans subsequent to the date of any estimate may require revision of such estimate. The volume and grade of ore reserves mined and processed and recovery rates may not be the same as currently anticipated. In particular, no assurance can be given that the anticipated tonnages and grades will be achieved or that the indicated levels of copper and cobalt recovery will be realized. Any material reductions in estimates of ore reserves and mineral resources or estimates of Katanga's ability to extract these ore reserves could have a material adverse effect on Katanga's results of operations and financial condition.

Foreign Operations

Substantially all of Katanga's operations are in the DRC and as such, Katanga's operations are exposed to various levels of political, economic and other risks and uncertainties associated with operating in a foreign jurisdiction. These risks and uncertainties include, but are not limited to:

- war and civil unrest;
- military repression;

- hostage-taking;
- expropriation and/or nationalization;
- renegotiation, nullification, termination or rescission of existing concessions, licenses, permits and contracts;
- taxation policies;
- labour unrest;
- repatriation restrictions;
- changing political conditions;
- changing government policies and legislation;
- import and export regulations;
- currency exchange rate fluctuations;
- high rates of inflation;
- restrictions on foreign exchange;
- currency controls;
- environmental legislation;
- infrastructure development policy;
- certain non-governmental organizations that oppose globalization and resource development; and
- governmental regulations that require the awarding of contracts to local contractors or require foreign contractors to employ citizens of, or purchase supplies from, a particular jurisdiction.

Changes, if any, in mining or investment policies or shifts in political attitude in the DRC may adversely affect Katanga's operations or profitability. Operations may be affected in varying degrees by government regulations with respect to, but not limited to, restrictions on production, price controls, export controls, currency remittance, income taxes, foreign investment, maintenance of claims, environmental legislation, land use, land claims by locals, water use, infrastructure and mine safety. Additionally, there may be restrictions that interfere with the ability of Katanga's subsidiaries to make distributions to the Corporation. Failure to comply strictly with applicable laws, regulations and local practices relating to mineral right applications and tenure could result in loss, reduction or expropriation of entitlements. The occurrence of these various factors and uncertainties cannot be accurately predicted and could have an adverse effect on the Corporation's operations and profitability.

There can be no assurance that companies and/or industries which are deemed of national or strategic importance in the DRC, including mineral exploration, production and development, will not be nationalized. There is a risk that further government limitations, restrictions or requirements, not presently foreseen, may be implemented. Changes in policy that alter laws regulating the mining industry could have a material adverse effect on the Corporation. There can be no assurance that Katanga's assets in the DRC will not be subject to nationalization, requisition or confiscation, whether legitimate or not, by an authority or body.

In addition, in the event of a dispute arising from operations in the DRC, Katanga may be subject to the exclusive jurisdiction of foreign courts. Katanga may also be hindered or prevented from enforcing its rights with respect to a governmental instrumentality due to the doctrine of sovereign immunity.

The DRC is in transition from a largely state-controlled economy to one based on free market principles and from a non-democratic political system with a centralized ethnic power base to a political system based on more democratic principles. There can be no assurance that these changes will occur or that the achievement of these objectives will not have material adverse consequences for Katanga and its operations. The DRC continues to experience instability in parts of the country due to certain militia and criminal elements. The effect of unrest and instability on political, social or economic conditions in the DRC could result in the impairment of the development and mining operations of Katanga. Any such changes are beyond Katanga's control and may adversely affect its business.

Current Global Financial Condition

Market events and conditions, including the disruptions in the international credit markets and other financial systems and the deterioration of global economic conditions, have caused significant volatility in commodity prices. These conditions also caused a loss of confidence in the broader US and global credit and financial markets and resulted in the collapse of, and government intervention in, major banks, financial institutions and insurers and created a climate of greater volatility, less liquidity, widening of credit spreads, a lack of price transparency, increased credit losses and tighter credit conditions. Notwithstanding various actions by governments, concerns about the general condition of the capital markets, financial instruments, banks, investment banks, insurers and other financial institutions caused the broader credit markets to further deteriorate and stock markets to decline substantially. More recently, there has been mounting government debt in many western nations, significant volatility in the price of oil and numerous environmental disasters globally. These events are illustrative of the effect that events beyond Katanga's control may have on commodity prices, demand for metals, availability of credit, investor confidence and general financial market liquidity, all of which may affect the Corporation's business. Any or all of these economic factors, as well as other related factors, may cause decreases in asset values that are deemed to be other than temporary, resulting in impairment losses. If such increased levels of volatility and market turmoil continue, Katanga's operations could be adversely impacted and the trading price of the Common Shares may be adversely affected.

Katanga is also exposed to liquidity and various counterparty risks including, but not limited to, through: (i) financial institutions that hold Katanga's cash; (ii) companies that have payables to Katanga; (iii) Katanga's insurance providers; (iv) Katanga's lenders; and (v) companies that have received deposits from Katanga for the future delivery of equipment. Katanga is also exposed to liquidity risks in meeting its capital expenditure requirements in instances where cash positions are unable to be maintained or appropriate financing is unavailable. These factors may impact the ability of Katanga to obtain loans and other credit facilities in the future and, if obtained, on terms favourable to Katanga. See "Risk Factors – Principal Shareholders".

Lack of Infrastructure in the DRC

The DRC is a developing country, facing significant challenges in terms of natural resource governance and physical and institutional infrastructure. The exploration properties of Katanga are located in remote areas of the DRC with limited access to basic infrastructure, including sources of power, water, housing, food and transport. Limited availability of such infrastructure may adversely affect mining feasibility. The remoteness of the properties may delay the operations of Katanga and will, in any event, require Katanga to arrange significant financing, locate adequate supplies and obtain necessary approvals from national, provincial and regional governments, none of which can be assured.

Social and Local Relations

Katanga's social license to operate is a critical element to ensure the future success of its existing operations and the construction and development of its projects. While Katanga's operations contribute to the economic development of the Lualaba Province in the DRC and provide employment in the region while improving infrastructure and social benefits, the operations of Katanga may have a negative impact on the local environment at different levels. In fact, most of the communities to which Katanga makes contribution are located in the proximity of where Katanga has operations and are negatively affected by dust and noise. In order to lessen these negative environmental impacts, Katanga chemically treats the roads and provides communities with plants able to absorb dust and diminish the noise produced by trucks and vehicles near these villages. The use of external and foreign employees may result in social disruption in the local communities, which could have a material adverse effect on Katanga's business, operating results and financial condition. The moderate redundancies in Katanga's workforce precipitated by the suspension of production may engender negative will towards Katanga amongst the local community. However, high consideration is given to the development of a fair and equal work environment in an effort to respect the local culture.

Katanga faces the challenge of illegal intrusions into its concessions by artisanal miners. These may interfere with work on Katanga's properties and present a potential security threat to its employees, contractors and communities. There is a risk that operations of the Corporation may be delayed or interfered with, due to the conditions of political instability, violence and the inhabitation of the properties by artisanal miners. Katanga uses its best efforts to maintain good relations with the local communities and authorities and to invest in alternative models for sustainable livelihoods in order to minimize such risks.

No assurance can be given that Katanga will be able to maintain effective security in connection with its assets or personnel in the DRC where civil war and conflict have disrupted exploration and mining activities in the past and may affect Katanga's operations or plans in the future.

Publicity adverse to the Corporation, Katanga's operations, or extractive industries generally, could have an adverse effect on the Corporation and may impact relationships with the communities in which Katanga operates and other stakeholders.

Licenses, Permits and Governmental Regulations

Katanga's leased properties are subject to various laws governing prospecting, mining, development, production, export, taxes, labour standards and occupational health, mine safety, waste disposal, toxic substances, land use, water use, protection and remediation of the environment, reclamation, land claims of local people and other matters. Although activities on the properties are currently carried out in accordance with all applicable rules and regulations of the DRC, approvals, licenses and permits are, as a practical matter, subject to the discretion of the applicable government agencies and officials. No assurance can be given that new rules and regulations will not be enacted or that existing rules and regulations will not be applied in a manner which could limit or curtail production or development.

Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed. Such orders may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions.

In addition, Katanga may also be subject to certain international bribery, government payment and anti-corruption laws. Several of these statutes have been adopted only within the past decade and their corresponding regulatory and enforcement regimes may continue to evolve and develop on an ongoing basis. These laws include, but are not limited to Canadian statutes such as the *Corruption of Foreign Public Officials Act* and the *Extractive Sector Transparency Measures Act*, as well as other international statutes such as the *Bribery Act* (UK), *Foreign Corrupt Practices Act* (USA) and *Dodd-Frank Wall Street Reform and Consumer Protection Act* (USA). Despite Katanga's efforts to comply with applicable requirements, there can be no assurance that the Corporation has been or will be at all times in complete compliance with such requirements, that compliance will not be challenged nor that the costs of complying with current and future requirements will not materially or adversely affect Katanga's future cash flow, results of operations and financial condition.

Parties engaged in mining operations or the exploration or development of mineral properties may be required to compensate those suffering loss or damage by reason of the mining activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations.

Amendments to current laws and regulations governing operations or more stringent implementation thereof could have a substantial adverse impact on Katanga and cause increases in exploration expenses, capital expenditures or production costs or reduction in levels of production at producing properties or require abandonment or delays in development of new mining properties.

The Corporation expects to generate cash flow and profits at its foreign subsidiaries, and may need to repatriate funds from those subsidiaries to service the Corporation's indebtedness or fulfil its business plans. The Corporation may not be able to repatriate funds, or the Corporation may incur tax payments or other costs when doing so, as a result of a change in applicable law or tax requirements at local subsidiary levels or at the Katanga Mining Limited level, which costs could be material.

Title Matters

There are risks associated with the enforceability of Katanga's mining convention with the DRC and the government of the DRC could choose to review the Corporation's titles at any time. Should the Corporation's rights, its mining convention or its titles not be honoured or become unenforceable for any reason, or if any material term of these agreements is arbitrarily changed by the government of the DRC, the Corporation's business, financial condition and prospects will be materially adversely affected. While Katanga has diligently investigated its title to, rights over and interests in and relating to its mining assets and mineral properties, this should not be construed as a guarantee of Katanga's title to its mining assets and/or the area covered by such mining rights. Katanga entered into the JV Agreement defining the mining rights of KCC as described under the heading "Material Contracts – JV Arrangement". Further details of the title to the mineral properties are set out in "Mineral Projects" below.

Katanga's properties may be subject to prior unregistered agreements or transfers that have not been recorded or detected through title research and title may be affected by undetected defects. There can be no guarantee that title to some of Katanga's properties will not be challenged or impugned. Additionally, the land upon which Katanga holds mineral exploitation rights may not have been surveyed; therefore, the precise area and location of such interests may be subject to challenge.

Environmental Risks and Hazards

Katanga's activities are subject to environmental regulations promulgated by the DRC government and other agencies from time to time. Environmental legislation generally provides for restrictions and prohibitions on spills, releases or emissions of various substances produced in association with certain mining industry operations which would result in environmental pollution. A breach of such legislation may result in the imposition of fines, penalties or other enforcement actions that may have an adverse effect on Katanga's business. Further, environmental legislation is evolving in a manner which will require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors and employees. There can be no assurance that compliance with current or future laws and regulations will not involve significant expenditure by Katanga that may adversely affect the results of its operations or financial condition.

While the holder of a mining title in the DRC is generally liable to the DRC government for any damage to the environment (on a joint and several basis with the transferor of the mining title where it has been transferred), under the terms of the JV Agreement, Gécamines agreed to provide an indemnity against any liability in respect of any damage to the environment at any of Katanga's mines or associated processing installations arising from or caused during the period of Gécamines' ownership but not for subsequently created liabilities. However, there can be no guarantee that Katanga will be able to claim successfully under such indemnity or that, even if such indemnity is successfully enforced, Gécamines will be in a position to reimburse Katanga in respect of any such liabilities. Environmental hazards may exist on Katanga's properties which are unknown to Katanga at present. The JV Agreement provides that after the end of the term of the joint venture, Gécamines will retain responsibility for environmental liabilities resulting from its operation of the facilities but not for subsequently created liabilities. However, there can be no guarantee that Katanga will be able to claim successfully against Gécamines under such retainer of responsibility or that, even if such a claim is successfully enforced, Gécamines will be in a position to reimburse Katanga in respect of any such environmental liabilities resulting from Gécamines' operations.

Logistics Risks

Katanga depends primarily on road and rail links throughout the DRC (particularly through Lualaba and Haut Katanga Provinces) and neighboring countries to transport raw materials, supplies and products over long distances between its facilities and African ports. In some cases these transport services may potentially constitute a logistical constraint to Katanga's planned increased production rates, specifically with regard to the import of bulk consumables or the export of product.

Power Supply

Katanga's operations depend upon the reliable and continuous delivery of sufficient quantities of power to its mines and processing facilities. While Katanga currently has power supply to certain of its existing facilities, the Corporation's long-term operations, when taken together, would, if all fully operational, have a total power requirement in excess of the power currently available in the Lualaba Province for those operations, taking account of existing usage and commitments. Failure to secure sufficient power in the future could have a material adverse effect on Katanga's business, operating results and financial position. In this regard, the Corporation has undertaken a public/private collaboration with the government owned power company, SNEL, to complete a major refurbishment of Inga turbines and the DC link that distributes power from the Inga hydro-electricity facilities to the Lualaba Province (part of the former Katanga Province). Final completion of the second Inga turbine is scheduled for 2018, with the current infrastructure upgrades being completed in Q3 2017. 200MW of available power will be contractually available from Q3 2017 as KCC requires it for the progressive ramp-up to full production. Completion of this refurbishment project in Q2 2019 contractually guarantees 200 MW of power to Katanga, which is more than sufficient to support operational requirements when the operations resume.

In 2013, two large diesel Caterpillar shovels and two 2 MW generators dedicated to electric shovels and pit dewatering activities were commissioned, reducing the dependence on grid power supply for mining activities. In 2014, a 10 MW diesel cogeneration plant was installed, bringing the total local generating capacity to 20 MW. In 2015, a 7 MW diesel cogeneration plant was commissioned at KOV Open Pit, bringing total internal generating and back-up capacity to 27 MW.

Although measures to keep power outages and shortages to a minimum will be implemented, there may nonetheless be power outages or shortages and, if they occur, may have a material adverse effect on Katanga's business, operating results and financial position.

Labour and Employment Matters

Relations with employees could be impacted by changes in the scheme of labour relations that may be introduced by relevant governmental authorities. Adverse changes in such legislation may materially adversely affect Katanga's business, results of operations and financial condition. In addition, labour disruption or work stoppages by Katanga's employees or its contractors could materially adversely affect its business and operations. The moderate redundancies in Katanga's workforce precipitated by the suspension of production may engender negative will towards Katanga amongst remaining employees.

Competition

Significant and increasing competition exists for mineral acquisition opportunities throughout the world. As a result of this competition, Katanga may be unable to acquire rights to exploit additional attractive mining properties on terms it considers acceptable. Accordingly, there can be no assurance that Katanga will acquire any interest in additional operations that would yield ore reserves or result in commercial mining operations.

Increased demand for and cost of services and equipment could cause project costs to increase materially, resulting in delays if services or equipment cannot be obtained in a timely manner due to inadequate availability, and increased potential for scheduling difficulties and cost increases due to the need to coordinate the availability of services or equipment. Any of these outcomes could materially increase project exploration, development or construction costs, result in project delays, or both. In addition, Katanga may also encounter increasing competition from other mining companies in its effort to hire experienced mining professionals.

Difficulty with Joint Venture Partners

Katanga's subsidiaries have partnered with Gécamines to implement the JV Agreement. Katanga is subject to the risks normally associated with the conduct of joint ventures. These risks include disagreement with a joint venture partner on how to develop, operate and finance a project; compliance by the joint venture partners with the operating requirements in the joint venture agreements; and possible litigation between the joint venture partners regarding joint venture matters. These matters may result in material legal liability or may have an adverse effect on Katanga's cash flow, earnings, results of operations and financial condition.

Principal Shareholders

Glencore and its subsidiaries own approximately 86.33% of the issued and outstanding Common Shares of Katanga. In addition, three of Katanga's directors, Messrs. Mistakidis, Henderson and Gallagher, are employed by Glencore. Since Glencore has a controlling interest in Katanga and has a relationship with three of Katanga's directors, Glencore is in a position to exert significant influence on the corporate actions that Katanga takes, particularly when shareholder approval is required. Glencore's controlling interest could have the effect of delaying or preventing a change of control of Katanga or entrenching the Board of Directors or Katanga's management, which could conflict with the interests of the other shareholders and, consequently, could adversely affect the market price of Katanga's securities. See "Interest of Management and Insiders in Material Transactions" and "Description of the Business of Katanga – Economic Dependence".

Katanga relies on Glencore for continued provisioning or procurement of additional funding for the completion of the Power Project and the WOL Project that is not covered by Katanga's cash flows from operations. Should Glencore decide to cease funding these projects, Katanga or its subsidiaries may not be able to complete the Power Project or the WOL Project on time or at all, which could adversely affect Katanga's business operations and profitability. In addition, the Amended Loan Facilities are repayable on January 1, 2021 and additional financing beyond this date may not be available on terms favourable to Katanga, or at all. See "General Development of the Business of Katanga – 2014 Developments – Amended Loan Facilities" and "Risk Factors – Additional Requirements for Capital". If any amount under the Amended Loan Facilities is in default, Katanga has agreed to complete a discounted rights offering, with Glencore or one of its subsidiaries providing a standby commitment, to raise funds to repay the Amended Loan Facilities. If Katanga has to complete a discounted rights offering, the increase in the number of Common Shares issued and outstanding and the possibility of sales of such shares may have a negative effect on the price of Common Shares. See "Risk Factors – Common Share Price and Potential Dilution".

Common Share Price and Potential Dilution

To achieve its goals of mineral exploration, mine development and production, Katanga may require additional future financing to cover necessary capital expenditures and working capital needs. Katanga may undertake additional offerings of Common Shares and of securities convertible into Common Shares in the future. The increase in the number of Common Shares issued and outstanding and the possibility of sales of such shares may have a negative effect on the price of Common Shares. In addition, as a result of such additional Common Shares, the voting power of Katanga's existing shareholders will be diluted. See "Risk Factors – Principal Shareholders".

Dependence on Relations with Third Parties

Katanga is heavily dependent on its ability to secure reliable supplies of raw materials and provision of certain services from third-party suppliers in order to carry out its operations. While Katanga has certain arrangements currently in place for some of these materials and services, there can be no guarantee that these arrangements will be sufficient for Katanga's future needs or that such supplies or provision of services will not be interrupted or cease altogether. Some of the materials or services required for Katanga's operations are currently only available on commercially reasonable terms from one or a limited number of suppliers or providers. These operations may be interrupted or otherwise adversely affected by: (i) lack of or delays in the supply of these materials or services by third-party suppliers; (ii) any change to the terms on which these materials or services are made available by third-party suppliers; and (iii) the failure of third-party suppliers to provide materials or services that meet Katanga's quality requirements. If Katanga is forced to change a supplier of such materials or services, there is no guarantee that this would not result in Katanga experiencing additional costs, interruptions to supply continuity or some other adverse effect on its business. There is also no guarantee that Katanga will be able to find adequate replacement materials or services on a timely basis or at all.

Reliance on Key Personnel and Skilled Workers

Recruiting and retaining qualified personnel is critical to Katanga's success. The number of persons skilled in the acquisition, exploration and development of mining properties is limited and competition for such persons is intense. Although Katanga believes that it will be successful in attracting and retaining qualified personnel, there can be no assurance of such success.

Potential Dependence on Key Contracts and Business Arrangements

All of Katanga's revenue is derived from sales of its finished products pursuant to two key contracts, namely exclusive off-take arrangements with GIAG which are described under "Description of the Business of Katanga – Economic Dependence". Katanga also relies on the contracts negotiated with its suppliers and service providers to facilitate its operations, specifically its power suppliers. Failure or material delay by the counterparties to these contracts or arrangements to perform their obligations thereunder, or breach of these contracts or arrangements by such counterparties, could have a material adverse effect on Katanga's business, operating results and financial position.

Risk of Non-Compliance with Applicable Quality Standards

The marketability of and the price achieved for the copper and cobalt products produced by Katanga are dependent on the quality of these products. In particular, in order to market certain of its copper products as LME Grade A copper, Katanga will require certification from the LME that the relevant copper products are "A" grade products. There can be no assurance that Katanga will obtain such certification. Such failure or delay could result in lower margins for Katanga for its products.

Currency and Monetary Risk

The Corporation's sales are transacted in U.S. dollars and the majority of major purchases are transacted in U.S. dollars and South African rand. The Corporation maintains the majority of its cash and cash equivalents in U.S. dollars but it does hold balances in South African rand, British pounds, Canadian dollars, Swiss franc, Congolese franc and Euros (for future expenditures which will be denominated in these currencies). The Corporation has not entered into any derivative instruments to manage foreign exchange fluctuations. Further, DRC and South Africa have historically experienced relatively high rates of inflation and may experience inflationary monetary policy.

Credit Risk

The Corporation's credit risk is primarily attributable to short-term deposits, trade receivables from copper and cobalt sales and other receivables mainly consisting of value added tax input credits receivable. The Corporation has a concentration of credit risk with all sales to one customer. The one customer is a related party of the Corporation. See "Interest of Management and Insiders In Material Transactions".

Additional Requirements for Capital

Copper and cobalt mining and processing is capital intensive, complex and expensive. Katanga is in the process of improving the commercial exploitation of operations at its existing mines. In addition, while Katanga has provided for contingencies in its budget for the implementation of the JV Agreement, the global mining industry is subject to potential cost escalations as a result of the level of demand for copper, cobalt and other base metals, commodity prices and other factors. There can be no guarantee that industry cost escalations and other factors will not result in additional costs being incurred or that budgeted expenditures will be adequate, and this may increase the amount of additional funding required by Katanga. No assurances can be given that Katanga will be able to raise the additional financing that it may require for its anticipated future operations on terms acceptable to Katanga or at all. If Katanga is unable to obtain such funding, or is unable to obtain such funding on satisfactory terms, Katanga's implementation of future projects may be materially adversely affected. See "Risk Factors – Principal Shareholders".

Reclamation Funds and Mine Closure Costs

As of December 31, 2016, Katanga's financial statements had a provision of $15.1 million for reclamation and closure costs. The provision is calculated at the net present value of estimated future cash flows correlated to the reclamation and closure costs which total approximately $102.4 million (undiscounted), the obligation of which is required to be satisfied until 2034. Katanga will continue to provide for these costs, as required, based on the estimates of the future site reclamation and mine closure costs as detailed in the closure plans. Changes in environmental laws can create uncertainty with regards to future reclamation costs and affect the requirements.

Closing a mine can have a significant impact on local communities and site remediation activities may not be supported by local stakeholders. Katanga reviews and updates closure plans regularly with external stakeholders over the life of the mine and considering where post-mining land use for mining affected areas has potential benefits to the communities.

In addition to the immediate closure activities, including ground stabilization, infrastructure demolition and removal, top soil replacement, re-grading and re-vegetation, closed mining operations require long-term surveillance and monitoring.

Site closure plans have been developed and amounts accrued in Katanga's financial statements to provide for mine closure obligations. Future remediation costs for inactive mines are estimated at the end of each period, including ongoing care, maintenance and monitoring costs. Changes in estimates at inactive mines are reflected in earnings in the period an estimate is revised. Actual costs realized in satisfaction of mine closure obligations may vary materially from management's estimates.

Insurance and Uninsured Risks

Katanga's business is subject to a number of risks and hazards generally, including adverse environmental conditions, industrial accidents, labour disputes, civil unrest and political instability, unusual or unexpected geological conditions, ground or slope failures, cave-ins, changes in the regulatory environment and natural phenomena such as inclement weather conditions, fire, floods and earthquakes. Such occurrences could result in damage to mineral properties or production facilities, personal injury or death, environmental damage to Katanga's properties or the properties of others, delays in development or mining, monetary losses and possible legal liability.

Katanga does not intend to obtain political risk insurance which will guarantee investments and loans by Katanga to companies in the DRC against the risks of transfer restrictions, expropriation, breach of contract, war and civil disturbance. Katanga will maintain insurance to protect against certain other risks in such amounts as it considers reasonable. However, its insurance will not cover all the potential risks associated with its operations. Katanga may also be unable to maintain insurance to cover these risks at economically feasible premiums. Insurance coverage may not continue to be available or may not be adequate to cover any resulting liability. Moreover, insurance against risks such as environmental pollution or other hazards as a result of exploration and production is not generally available to Katanga or to other companies in the mining industry on acceptable terms. Katanga might also become subject to liability for pollution or other hazards which may not be insured against or which Katanga may elect not to insure against because of premium costs or other reasons. Losses from these events may cause Katanga to incur significant costs that could have a material adverse effect upon its financial performance and results of operations.

Holding Company

Katanga is a holding company that conducts substantially all of its operations, and holds all of its operating assets, through subsidiaries. Judgments obtained against one or more of the subsidiaries in Ontario or any other Canadian jurisdiction may need to be enforced outside of such jurisdiction and may be subject to additional defences or lengthy delays in enforcement as a result.

Difficulties for Investors in Foreign Jurisdictions in Bringing Actions and Enforcing Judgments

The majority of Katanga's directors and officers, and all of the experts named in this AIF, reside outside of North America, and all or a substantial portion of their assets, and a substantial portion of Katanga's assets, are located outside of North America. As a result, it may be difficult for investors in Canada to bring an action against directors, officers or experts who are not resident in Canada. It may also be difficult for an investor to enforce a judgment obtained in a Canadian court or a court of another jurisdiction of residence predicated upon the civil liability provisions of provincial securities laws or other laws of Canada or the equivalent laws of other jurisdictions outside Canada against those persons.

Litigation Risks

From time to time Katanga is involved in various claims and litigation arising in the normal course of business. The outcome of these matters is uncertain and there can be no assurance that such matters will be resolved in Katanga's favour. To Katanga's knowledge there are currently no material proceedings or pending legal proceedings to which the Corporation is or is likely to become a party. Due to the inherent uncertainty of the litigation process, there can be no assurance that the resolution of any particular legal matter will not have a material adverse effect on Katanga's future cash flow, results of operations or financial condition.

Common Share Price may be Adversely Affected by Factors Beyond Katanga's Control

There can be no assurance that an active market for the Corporation's securities will be sustained. Securities of small and mid-cap mining companies have experienced substantial volatility in the past, often based on factors unrelated to the financial performance or prospects of the companies involved. These factors include macroeconomic developments in local markets and globally and market perceptions of the attractiveness of particular industries. If there is no active market for the securities of the Corporation, the liquidity of an investor's investment may be limited and the price of the securities of the Corporation may decline. Katanga's share price is also likely to be significantly affected by short-term changes in copper or cobalt prices or in Katanga's financial condition or results of operations as reflected in Katanga's quarterly earnings reports. Other factors unrelated to performance that may have an effect on the price of the Common Shares include: (i) the extent of analytical coverage available to investors concerning Katanga's business may be limited if investment banks with research capabilities discontinue their coverage of Katanga's securities; (ii) a lessening in trading volume or general market interest in Katanga's securities may affect an investor's ability to trade significant numbers of securities of Katanga; and (iii) the size of Katanga's public float may limit the ability of some institutions to invest in Katanga's securities. As a result of any of these factors, the market price of the Common Shares at any given point in time may not accurately reflect Katanga's long-term value. Securities class action litigation often has been brought against companies following periods of volatility in the market price of their securities. Katanga may in the future be the target of similar litigation. Securities litigation could result in substantial costs and damages and divert management's attention and resources.

Conflict of Interest

A number of directors of Katanga also serve as directors and/or officers of other companies involved in the exploration and development of natural resource properties. As a result, conflicts may arise between the obligations of these individuals to Katanga and to such other companies.

Any decision made by any of such directors and officers involving Katanga will be made in accordance with their duties and obligations to act honestly and in good faith with a view to the best interests of Katanga and its shareholders. In addition, each of the directors is required to declare and refrain from voting on any matter in which such directors may have a conflict of interest in accordance with the procedures set forth in the *Business Corporations Act* (Yukon) and other applicable laws.

MINERAL PROJECTS

For a description of the material properties of the Corporation, together with the mineral resource and ore reserve estimates and a description of the mine plan, reference is made to: (i) the technical report entitled "Technical Report on the Material Assets of Katanga Mining Limited, Katanga Province, Democratic Republic of Congo" prepared by Tahir Usmani, Christiano Santos Goncalves of Golder Associates, Nicholas Dempers, Conor O'Brien, and Ahmed M. Ameen, dated March 31, 2017 (the "**2017 Technical Report**") which is available on SEDAR at www.sedar.com and is hereby incorporated by reference in its entirety; (ii) the executive summary contained in the 2017 Technical Report, a copy of which is included in this AIF as Schedule "B".

DIVIDENDS

Katanga has paid no dividends on its Common Shares since incorporation and Katanga does not anticipate paying dividends on its Common Shares in the foreseeable future. Payment of any future dividends will be at the discretion of the Board after taking into account many factors, including Katanga's operating results, financial condition and current and anticipated cash needs.

DESCRIPTION OF CAPITAL STRUCTURE

Common Shares

The authorized share capital of Katanga consists of an unlimited number of Common Shares without par value. As at the date hereof, there are 1,907,380,413 Common Shares issued and outstanding.

Each Common Share carries one vote at all meetings of shareholders of Katanga, participates rateably in any dividend declared by the directors and carries the right to receive a proportionate share of the assets of Katanga available for distribution to holders of Common Shares in the event of a liquidation, dissolution or winding-up of Katanga. The holders of Common Shares have no pre-emptive or conversion rights. The *Business Corporations Act* (Yukon) provides that a corporation may not declare or pay a dividend if there are reasonable grounds for believing that the corporation is, or would be after the payment of the dividend, unable to pay its liabilities as they fall due or the realizable value of its assets would thereby be less than the aggregate of its liabilities and stated capital of all classes of shares of its capital.

MARKET FOR SECURITIES OF KATANGA

The Common Shares are listed and posted for trading on the TSX under the symbol KAT. The following table sets out the historical high and low prices for trades and the monthly volume of trading of the Common Shares as reported by the TSX for the applicable periods indicated. The Common Shares began trading on the TSX on June 28, 2006.

Trading Price and Volume on the TSX

	Month	High (C$)	Low (C$)	Volume
2016	January	0.18	0.125	928,353
	February	0.21	0.15	1,221,902
	March	0.225	0.16	2,016,261
	April	0.16	0.14	2,146,145
	May	0.16	0.14	847,083
	June	0.17	0.14	1,564,122
	July	0.155	0.13	1,517,045
	August	0.155	0.14	413,916
	September	0.165	0.13	2,179,413
	October	0.14	0.125	1,420,151
	November	0.17	0.125	3,570,917
	December	0.14	0.12	4,357,373

DIRECTORS AND OFFICERS

Name, Occupation and Security Holdings

The following table sets forth the directors and senior executive officers of Katanga as of the date hereof, their present principal occupation, the month and year each became a director or senior executive officer or both of Katanga and their beneficial holdings of Common Shares. Each director holds office until the close of the first annual meeting of shareholders of Katanga following each director's election unless their office is earlier vacated in accordance with Katanga's by-laws.

Name, Province or State & Country of Residence and Position with Katanga	Principal Occupation	Director/ Officer Since[7]	No. of Common Shares beneficially owned, controlled or directed, directly or indirectly[7]
Hugh Stoyell[2][3][4] Gauteng, Republic of South Africa Director (Chairman)	Non-executive director of Raspadskaya Coal Company, a coal producer in Russia, since May 2013; Non-executive director of Sentula Mining Limited, a company providing mining related services, from 2005 to September 17, 2012.	January 2008	45,009
Terry Robinson[1][2][3] Buckinghamshire, United Kingdom Director (Deputy Chairman)	Non-executive director of Evraz plc, a metals and mining company (steel, vanadium, coal and iron ore), from April 2005 to May 2015; Senior non-executive director, Highland Gold Mining Ltd., a gold producing company, since July 2008. Non-executive director and chairman of the Board of Directors and member of audit committee of Raspadskaya Coal Company, a coal producer in Russia, since May 2013.	January 2008	10,411
Robert Wardell[1][2][3] Ontario, Canada Director	Director of Allied Nevada Gold Corp. from 2007 to October 22, 2015; Director of Nuinsco Resources Limited since 2009 until April 27, 2016.	July 2006	Nil
Aristotelis Mistakidis[4] Walchwil, Switzerland Director	Various positions with Glencore since July 1993, including directorships of the following mining related entities: Mopani Copper Mines plc[*], Recyclex SA and Portovesme S.R.L.	January 2008	Nil
Liam Gallagher[1] Oberwil (ZG), Switzerland Director	Employed by GIAG since 2007; Director of Mutanda and Mopani Copper Mines plc.[†]	November 2012	Nil
Tim Henderson[2][4] Glencarse, Perth, Scotland Director	Employed by GIAG or affiliated companies since 1998; Director of Mutanda.	February 2015	166,000

[*] See "Interest of Management and Insiders in Material Transactions".
[†] See "Interest of Management and Insiders in Material Transactions".

Johnny Blizzard[4][5] Kolwezi, DRC Chief Executive Officer, Director	Chief Executive Officer of Katanga since February 2015; Chief Operating Officer of Katanga from January 2015 to February 2015; Director of Operations at Kinross Tasiast Gold Mine, Mauritania, from October 2013 to December 2014; Technical Services Manager at Kinross Paracatu Mine, Brazil, from January 2013 to November 2013; Mine Manager at Freeport-McMoRan El Abra Mine, Chile, from November 2010 to August 2012; Technical Services Manager at Kinross Fort Knox Mine, Alaska, from June 2009 to November 2010.	February 2015	Nil
Jacques Lubbe[6] Kolwezi, DRC Chief Financial Officer	Chief Financial Officer of Katanga since October 2016; Asset Manager Copper Division South America of Glencore plc, from January 2015 to October 2016; Chief Financial Officer of Katanga from November 2013 to January 2015. Chief Financial Officer of Mutanda Mining SARL from September 2012 to October 2013; Deputy to Chief Financial Officer of Mutanda Mining SARL from May 2011 to August 2012; Financial Controller of Metorex Ltd from August 2007 to April 2011.	October 2016	Nil

Notes:

(1) Member of the Audit Committee. Mr. Wardell is the Chairman of the Audit Committee.

(2) Member of the Compensation Committee. Mr. Wardell is the Chairman of the Compensation Committee.

(3) Member of the Corporate Governance & Nominations Committee. Mr. Robinson is the Chairman of the Corporate Governance & Nominations Committee.

(4) Member of the Health, Safety, Social & Environment Committee. Mr. Henderson is the Chairman of the Health, Safety, Social & Environmental Committee.

(5) Mr. Blizzard was appointed Chief Executive Officer effective as of February 12, 2015, replacing Mr. Jeffrey Best, who had resigned as of the same date to pursue other interests within the Glencore Group.

(6) Mr. Lubbe was appointed Chief Financial Officer effective as of October 15, 2016, replacing Mr. Matthew Colwill.

(7) The term of office of each director expires at each annual meeting of the shareholders of Katanga. Officers of Katanga are appointed by the Board.

(8) The percentage of the total issued and outstanding Common Shares of the Corporation held by any of the directors or senior executive officers of the Corporation is negligible.

As a group, the directors and senior officers beneficially own, control or direct, directly or indirectly, 221,420 Common Shares representing approximately 0.012% of the issued and outstanding Common Shares as of the date hereof.

Cease Trade Orders, Bankruptcies, Penalties or Sanctions

For the purposes of the following section, "order" means: a cease trade order that was in effect for a period of more than 30 consecutive days; an order similar to a cease trade order that was in effect for a period of more than 30 consecutive days; or an order that denied the relevant company access to any exemption under securities legislation that was in effect for a period of more than 30 consecutive days.

No director or executive officer of Katanga:

(a) is, as at the date of this AIF, or was within ten years before the date of this AIF, a director, chief executive officer or chief financial officer of any company (including the Corporation) that:

(i) was subject to an order that was issued while the director or executive officer was acting in the capacity as director, chief executive officer or chief financial officer; or

(ii) was subject to an order that was issued after the director or executive officer ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer; or

(iii) while that person was acting in such 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; or

(b) has, within the ten years before the date of this AIF, 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 director or officer;

other than as described below:

(i) Mr. Wardell was a director of Allied Nevada Gold Corp until October 22, 2015. On March 10, 2015, Allied Nevada Gold Corp. announced that it has filed voluntary petitions for relief under Chapter 11 of the Bankruptcy Code in the United States Bankruptcy Court for the District of Delaware.

(ii) Jacques Lubbe, Chief Financial Officer of the Corporation, was a director of Mineracao Caraiba S.A. ("**MCSA**") and NX Gold S.A. On February 3, 2016, MCSA and NX Gold S.A. filed a petition for judicial recovery in Brazilian court under Brazilian creditor protection laws. Following the approval of the creditors of MCSA on December 6, 2016, the Brazilian court ratified the request for withdrawal of the petition and proceedings were terminated on December 7, 2016. Jacques Lubbe left office from MCSA and NX Gold S.A. in September and December 2016 respectively.

No shareholder holding a sufficient number of securities of Katanga to affect materially the control of Katanga:

(a) is, as at the date of this AIF, or has been within the ten years before the date of this AIF, a director or executive officer of any company (including the Corporation) that, while that person was acting in such 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 the assets of the shareholder; or

(b) has, within the ten years before the date of this AIF, 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 shareholder.

No director or executive officer of the Corporation, or a shareholder holding a sufficient number of securities of the Corporation to affect materially the control of the Corporation has been subject to:

(a) 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) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision;

other than as described below:

(i) Mr. Stoyell was a member of the board of directors of Sentula Mining Ltd. (formerly Scharring Mining Ltd.) ("**Sentula**") until September 17, 2012. Shortly after Mr. Stoyell joined Sentula's board of directors, in September 2005, the South African Financial Services Board ("**FSB**") and the Johannesburg Stock Exchange ("**JSE**") began investigating allegations of insider trading by some of Sentula's former directors. The FSB fined Sentula for events of insider trading that had taken place prior to Mr. Stoyell joining the board; and

(ii) 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 Sentula 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 Sentula's shareholders. Trading under a cautionary announcement recommenced on December 17, 2008 and was subsequently lifted on March 5, 2009.

Conflicts of Interest

To the best of the Corporation's knowledge, and other than as disclosed herein and below, there are no known existing or potential conflicts of interest between the Corporation and its subsidiaries and any directors or executive officers of the Corporation and its subsidiaries, except that:

(a) certain of the directors and officers serve as directors, officers, promoters and members of management of other public companies and therefore it is possible that a conflict may arise between their duties as a director or officer of the Corporation and their duties as a director, officer, promoter or member of management of such other companies; and

(b) three of the directors of the Corporation, Messrs. Mistakidis, Gallagher and Henderson, are the appointee representatives of Glencore.

The directors and officers of the Corporation are aware of the existence of laws governing accountability of directors and executive officers for corporate opportunity and requiring disclosure by directors of conflicts of interest. The Corporation will rely upon such laws in respect of any directors' and officers' conflicts of interest or in respect of any breaches of duty by any of its directors or officers.

The terms of the agreements with related parties are entered into on the basis of being competitive with those of other third parties. The competitive analysis includes review of the charges and fees, the technical capacity, the financial capacity, and the experience level and timeliness of performance by potential service providers (see "Interest of Management and Insiders in Material Transactions").

LEGAL PROCEEDINGS AND REGULATORY PROCEEDINGS

From time to time, Katanga is involved in various claims and litigation arising in the normal course of business. While the outcome of these matters is uncertain and there can be no assurance that such matters will be resolved in Katanga's favour, to Katanga's knowledge there are currently no material proceedings or pending legal proceedings to which the Corporation is or is likely to become a party.

There have been no penalties or sanctions imposed against the Corporation by a court relating to securities legislation or by a securities regulatory authority during the financial year ended December 31, 2016. No other penalties or sanctions have been imposed by a court or regulatory body against the Corporation that would likely be considered important to a reasonable investor in making an investment decision. The Corporation has not entered into any settlement agreements with a court relating to securities legislation or with a securities regulatory authority.

INTEREST OF MANAGEMENT AND INSIDERS IN MATERIAL TRANSACTIONS

No insider (as such is defined in the *Securities Act* (Ontario)), director, executive officer or any associate or affiliate of such persons had any material interest, direct or indirect, in any transaction since the commencement of the Corporation's third most recently completed financial year or in any proposed transaction which has materially affected or will materially affect the Corporation, other than as disclosed herein, in the Corporation's audited financial statements and related management's discussion & analysis for the year ended December 31, 2016 ("**MD&A**") and in the management information circular for the annual meeting of shareholders of the Corporation scheduled to be held in Toronto on May 10, 2017 (the "**2017 Circular**"). See "Related Party Transactions" in the MD&A, which is incorporated by reference herein and available under the Corporation's profile on SEDAR at www.sedar.com.

See also "Directors and Officers – Conflicts of Interest" and "Additional Information".

REGISTRAR AND TRANSFER AGENT

The registrar and transfer agent of the Common Shares is TSX Trust Company at its head office in Toronto, Ontario.

MATERIAL CONTRACTS

The only material contracts entered into by the Corporation, other than in the ordinary course of business, within the financial year ended December 31, 2016 or before such time that were still in effect during the year ended December 31, 2016, are as follows:

(a) **JV Agreement.** Katanga indirectly owns 75% of KCC. Gécamines, a DRC state owned entity (either directly or through its affiliate company, La Société Immobilière du Congo ("**SIMCO**")), owns the remaining 25% interest in KCC. KCC's objective is to hold, redevelop, rehabilitate and operate certain exploration and mining properties as well as to extract and produce copper, cobalt and associated mineral substances. KCC was created on April 27, 2010 by presidential decree approving the merger of KCC and DCP (another joint venture between Katanga subsidiaries and Gécamines). Pursuant to the JV Agreement, KCC will mine and process the ore reserves on the concession area deposits held by KCC (the "**Concession Area**"). KCC is required to pay a royalty to a third party equivalent to 2.5% of net revenues of the project, for the use of Gécamines' equipment and facilities and the depletion of the deposits. A "*pas de porte*" ("entry premium") equal to an aggregate of $140 million is payable by KFL Limited ("**KFL**") and Global Enterprises Corporate Limited ("**GEC**") (both KFL and GEC are subsidiaries of the Corporation) for the access to the Concession Area payable in installments on an agreed schedule. The final instalment was paid during 2015.

(b) **The Concession Release Agreement.** In February 2008, Katanga announced that KFL, Gécamines and KCC had entered into an agreement (the "**Concession Release Agreement**") which provided that, in exchange for certain compensation, security, and payment, the portion of the concessions held by KCC representing the Mashamba West and Dikulwe deposits would be released to Gécamines. The Concession Release Agreement provides for Gécamines to replace the deposits released by KCC with other deposits having a total tonnage of 3,992,185 tonnes of copper and 205,629 tonnes of cobalt according to international standards by July 1, 2015. KCC is entitled to set-off any shortfall against the 2.5% royalty as financial compensation for any shortfall in such replacement. In 2014, it was agreed by the Corporation and Gécamines to extend this date to July 1, 2017. In 2015 this was further extended to March 1, 2019.

(c) **The Off-take Agreements**. See "Description of the Business of Katanga – Economic Dependence".

(d) **Amended Loan Facilities**. See "General Development of the Business of Katanga – 2014 Developments – Amended Loan Facilities".

INTERESTS OF EXPERTS

Tahir Usmani (P.Eng APEGA #93038), QP and an employee of KCC as Chief Long-term Mine Planning Engineer, prepared or supervised the overall preparation of the 2017 Technical Report as well as the ore reserve estimates contained therein. To the knowledge of Katanga, he does not have any interest in any securities or other property of the Corporation or its associates or affiliates, nor does he expect to receive or acquire any such interests.

Christiano Santos Goncalves (MAusIMM, CP (Geo) #306079) prepared or supervised the preparation of the mineral resource estimates in the 2017 Technical Report and he does not have any interest in any securities or other property of the Corporation or its associates or affiliates, nor does he expect to receive or acquire any such interests.

Nicholas Dempers (Pr.Eng and FSAIMM (ECSA and SAIMM) #20150196) prepared or supervised the preparation of the 2017 Technical Report. To the knowledge of Katanga, he does not have any interest in any securities or other property of the Corporation or its associates or affiliates, nor does he expect to receive or acquire any such interests.

Conor O'Brien (Chartered Accountant (Ireland) #309188) prepared or supervised the preparation of the 2017 Technical Report. To the knowledge of Katanga, he does not have any interest in any securities or other property of the Corporation or its associates or affiliates, nor does he expect to receive or acquire any such interests.

Ahmed M. Ameen (Pr.Sci.Nat (SACNASP) #100206/13) prepared or supervised the preparation of the 2017 Technical Report. To the knowledge of Katanga, he does not have any interest in any securities or other property of the Corporation or its associates or affiliates, nor does he expect to receive or acquire any such interests.

Tim Henderson, Technical Consultant, Director of Katanga and employee of GIAG, has reviewed and approved the content in the 2017 Technical Report and other continuous disclosure documents. Mr. Henderson owns less than 1% of the outstanding Common Shares and does not have any interest in any other securities or property of the Corporation or its associates or affiliates, nor does he expect to receive or acquire any such interests.

Deloitte & Touche, were the auditors of the Corporation for the financial year ended December 31, 2016 and are independent of the Corporation based on the *Rules of Professional Conduct* of The Institute of Chartered Accountants of Ontario.

AUDIT COMMITTEE AND RELATED DISCLOSURE

Overview

The Audit Committee of the Board of Directors is principally responsible for:

- recommending to the Board of Directors the external auditor to be nominated for election by the shareholders of Katanga at each annual meeting and negotiating the compensation of such external auditor;
- overseeing the work of the external auditor;
- reviewing the Corporation's annual and interim financial statements, management's discussion & analysis and press releases regarding earnings before they are reviewed and approved by the Board of Directors and publicly disseminated by the Corporation; and
- reviewing the Corporation's financial reporting procedures to ensure adequate procedures are in place for the Corporation's public disclosure of financial information extracted or derived from its financial statements, other than disclosure described in the previous bullet.

The Audit Committee Charter

The Board of Directors has adopted a charter for the Audit Committee which sets out the Audit Committee's mandate, organization, powers and responsibilities. The complete charter is attached as Schedule "A" to this AIF.

As of the date hereof, Mr. Wardell, Mr. Robinson and Mr. Gallagher serve as the members of the Audit Committee. The following table sets out information concerning the independence and financial literacy of the Audit Committee members.

Name of Member	Independent[1]	Financially Literate[2]
Robert Wardell[3]	Yes	Yes
Terry Robinson	Yes	Yes
Liam Gallagher	No[4]	Yes

Notes:

(1) To be considered to be independent, a member of the Committee must not have any direct or indirect "material relationship" with the Corporation. A material relationship is a relationship which could, in the view of the Board of Directors, reasonably 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 Corporation's financial statements.

(3) Chairman of the Audit Committee.

(4) Mr. Gallagher would be "independent" of the Corporation but for the fact that he is related to the Corporation through the Corporation's parent corporation, Glencore. Mr. Gallagher is exempt from the requirement that he be "independent" for the purposes of his participation on the Audit Committee pursuant to relevant securities rules.

Education and Experience

Robert Wardell is a member of the Institute of Chartered Accountants of Ontario. From 1986 to 2006 he was an audit partner with Deloitte & Touche LLP. He is a former member of the Canadian Institute of Chartered Accountants Emerging Issues Committee. In addition, Mr. Wardell has served as an expert witness on various accounting and financial reporting related matters.

Terry Robinson is a Chartered Accountant and has been involved in corporate restructuring of companies since 1992. He is the chairman of the audit committee Highland Gold Mining Ltd. and the chairman of the audit committee of Raspadskaya Coal Company. Mr Robinson was a director and the chairman of the audit committees of Evraz plc until May 2015. In addition, Mr. Robinson is a Fellow of the Institute of Chartered Accountants of England and Wales.

Liam Gallagher holds a Bachelor of Commerce from Stellenbosch University and a Bachelor of Commerce (Honours) from Rand Afrikaans University, and is a member of the South African Institute of Chartered Accountants. He is currently employed by GIAG, a wholly owned subsidiary of Glencore, which is publicly traded. He also serves as a director of Mutanda.

Pre-Approval Policies and Procedures

The Audit Committee has adopted specific policies and procedures for the engagement of non-audit services as described in Section III.B "Powers and Responsibilities – Performance & Completion by Auditor of its Work" of the Audit Committee Charter, attached hereto as Schedule "A".

External Auditor Service Fees (By Category)

The following table discloses the fees billed to the Corporation by its external auditor during the last two financial years.

Financial Year Ended	Audit Fees[1]	Audit Related Fees[2]	Tax Fees[3]	All Other Fees
December 31, 2015	$477,935	$166,575	$Nil	$23,493
December 31, 2016	$365,000	$148,000	$Nil	$Nil

Notes:

(1) Audit fees consist of fees for the audit and review of the Corporation's annual and quarterly consolidated financial statements, respectively, or services that are normally provided in connection with statutory and regulatory filings or engagements. During 2016 and 2015, the services provided in this category included research of accounting and audit-related issues and assurance audits.

(2) Audit-related fees consist of fees for assurance and related services that are reasonably related to the performance of the audit or review of the Corporation's consolidated financial statements and are not reported as audit fees.

(3) Tax fees consist of fees for assistance and advice in relation to the preparation of corporate income tax returns and expatriate services, other tax compliance and advisory services, and tax planning.

ADDITIONAL INFORMATION

Additional information relating to the Corporation can be found on SEDAR at www.sedar.com. Additional information, including directors' and executive officers' remuneration and indebtedness, principal holders of the Corporation's securities and securities authorized for issuance under equity compensation plans is contained in the management information circular of the Corporation dated April 7, 2016 which is available on SEDAR at www.sedar.com and will be available in the 2017 Circular on SEDAR at www.sedar.com once finalized and mailed to shareholders of the Corporation in April 2017. Additional financial information is provided in the Corporation's audited consolidated financial statements and management's discussion and analysis for the financial year ended December 31, 2016.

GLOSSARY OF TERMS

The following is a glossary of certain terms used in this AIF. Words importing the singular number, where the context requires, include the plural and vice versa and words importing any gender include all genders.

"**2017 Technical Report**" has the meaning given to it in "Mineral Projects". A complete copy of the 2017 Technical Report is available on SEDAR at www.sedar.com;

"**2017 Circular**" has the meaning given to it in "Interest of Management and Insiders in Material Transactions";

"**AIF**" means this annual information form;

"**Amended Loan Facilities**" has the meaning given to it in "General Development of the Business of Katanga – 2014 Developments – Amended Loan Facilities";

"**Board of Directors**" or "**Board**" means the board of directors of Katanga;

"**CM5**" means a semi-autogenous mill;

"**Cobalt Off-take Agreement**" has the meaning given to it in "Description of the Business of Katanga – Economic Dependence";

"**Common Shares**" has the meaning given to it in "Corporate Structure of Katanga Mining Limited – Name, Address and Incorporation";

"**Concession Area**" has the meaning given to it in "Material Contracts";

"**Concession Release Agreement**" has the meaning given to it in "Material Contracts – Concession Release Agreement";

"**Copper Off-take Agreement**" has the meaning given to it in "Description of the Business of Katanga – Economic Dependence";

"**Corporation**" means Katanga Mining Limited, a corporation incorporated pursuant to the laws of Yukon, Canada and its subsidiaries, unless otherwise expressly stated or the context requires otherwise;

"**DCP**" means DRC Copper and Cobalt Project Sarl;

"**DRC**" means the Democratic Republic of Congo;

"**EIS**" has the meaning given to it in "Description of the Business of Katanga – Social and Environmental Policies and Environmental Protection";

"**EW3**" means an electro-winning tank-house unit;

"**FSB**" has the meaning given to it in "Directors and Officers – Cease Trade Orders, Bankruptcies, Penalties or Sanctions;"

"**GEC**" has the meaning given to it in "Material Contracts – JV Arrangement";

"**Gécamines**" has the meaning given to it in "Description of the Business of Katanga – Current Business Initiatives and Principal Products";

"**GIAG**" means Glencore International AG, a subsidiary of Glencore;

"**Glencore**" means Glencore plc;

"**JORC Code**" has the meaning given to it in "Schedule B – 2017 Technical Report Executive Summary";

"**JSE**" has the meaning given to it in "Directors and Officers – Cease Trade Orders, Bankruptcies, Penalties or Sanctions";

"**JV Agreement**" has the meaning given to it in "Description of the Business of Katanga – Current Business Initiatives and Principal Products";

"**Kamoto Concentrator**" is a copper and cobalt processing facility;

"**Katanga**" means Katanga Mining Limited, a corporation incorporated pursuant to the Laws of Yukon, Canada and its subsidiaries, unless otherwise expressly stated or the context requires otherwise;

"**KCC**" has the meaning given to it in "Description of the Business of Katanga – Current Business Initiatives and Principal Products";

"**KFL**" has the meaning given to it in "Material Contracts – JV Arrangement";

"**KTO**" means the Kamoto underground mine situated near Kolwezi in the Lualaba province of DRC;

"**LMB**" has the meaning given to it in "Description of the Business of Katanga – Economic Dependence";

"**LME**" means London Metal Exchange;

"**LME Grade A**" means copper cathode that is certified as "Grade A" by the LME;

"**Luilu Metallurgical Plant**" is a copper and cobalt processing facility, which was upgraded for increased capacity as part of the expansion of Katanga's mining facilities;

"**LTI**" has the meaning given to it in "Description of the Business of Katanga – Social and Environmental Policies and Environmental Protection";

"**Material**" has the meaning given to it in "Description of the Business of Katanga – Economic Dependence";

"**MD&A**" has the meaning given to it in "Interest of Management and Insiders in Material Transactions";

"**Mutanda**" means Mutanda Mining Sarl, a DRC entity that is 100% controlled by Glencore;

"**Off-take Agreements**" has the meaning given to it in "Description of the Business of Katanga – Economic Dependence";

"**Phase 5 Expansion**" means the installation of two electro-winning tank-house units and the installation of a semi-autogenous mill;

"**Power Project**" has the meaning given to it in "General Development of the Business of Katanga – 2014 Developments – Amended Loan Facilities";

"**SEDAR**" means the System for Electronic Document Analysis and Retrieval;

"**Senior Facility** has the meaning given to it in General Development of the Business of Katanga – 2014 Developments –Amended Loan Facilities";

"**Sentula**" has the meaning given to it in "Directors and Officers – Cease Trade Orders, Bankruptcies, Penalties or Sanctions";

"**SIMCO**" has the meaning given to it in "Material Contracts – JV Arrangement";

"**SX**" means solvent extraction;

"**Term Loan**" has the meaning given to it in "General Development of the Business of Katanga – 2014 Developments – Amended Loan Facilities";

"**TSX**" means the Toronto Stock Exchange;

"**Updated Phase 4 Expansion**" means the application of modern technologies and processes to increase the total processing capacity and upgrade the quality of copper produced ";

"**Voluntary Principles**" means the Voluntary Principles on Security and Human Rights.

"WOL" means Whole Ore Leach.

GEOLOGICAL/EXPLORATION TERMS

Terminology

In Canada, the Metric System or SI System is the primary system of measure and length is generally expressed in kilometres, metres or centimetres, volume is expressed as cubic metres, mass is expressed as metric tonnes, and copper and cobalt grades are generally expressed as a percent. Many of the geologic publications and more recent work assessment files now use the SI system but older work assessment files almost exclusively refer to the Imperial System. Metals and minerals acronyms in this report conform to mineral industry accepted usage and the reader is directed to an online source at www.maden.hacettepe.edu.tr/dmmrt/index.html.

"**assay**"	the chemical analysis of mineral samples to determine the metal content
"**basal conglomerate**"	a conglomerate formed at the earliest portion or a stratigraphical unit
"**bornite**"	copper iron sulphide (Cu5FeS4). An important copper ore mineral
"**breccia**"	coarse clastic sedimentary rock, the constituent clasts of which are angular
"**carrolite**"	copper cobalt sulphide (Cu (Co, Ni) 2S4). An important cobalt ore mineral
"**chalcopyrite**"	copper sulphide (Cu Fi S2). A major ore of copper
"**clast**"	article of broken down rock
"**closure**"	this involves the application for a closure certificate and initiation of transfer of ongoing care and maintenance to third parties
"**concentrate**"	a product in which valuable minerals have been enriched (concentrated) through mineral processing
"**contingencies**"	this allows for making reasonable allowance for possible oversights/omissions and possible work not foreseen at the time of compilation of the closure costs. An allowance of between 10 percent and 20 percent would usually be made based on the accuracy of the estimations
"**D Strat**" (Stratified Dolomite or Dolomie Strafite)	this is a well bedded to laminated, argillaceous dolomite, which forms the base of the traditional Lower Ore Zone in Gécamines' nomenclature
"**FNSR**"	is an ore fragment of KOV
"**g/t**"	grams per tonne (1000 kilograms)
"**grade**"	the measure of concentration of copper or cobalt within mineralized rock
"**indicated mineral resource**"	that part of a mineral resource for which tonnage, densities, shape, physical characteristics, grade and mineral content can be estimated with a reasonable level of confidence. It is based on exploration, sampling and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes. The locations are too widely or inappropriately spaced to confirm geological and/or grade continuity but are spaced closely enough for continuity to be assumed

"**inferred mineral resource**"	means that part of a mineral resource for which tonnage, grade and mineral content can be estimated with a low level of confidence. It is inferred from geological evidence and assumed but not verified geological and/or grade continuity. It is based on information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes which may be limited or of uncertain quality and reliability
"**KOV Open Pit**"	means the open pit mine situated near Kolwezi in the Lualaba province of DRC, consisting of the Kamoto East, Oliveira, Virgule and FNSR ore bodies
"**lithology**" or "**lithogical**"	geological description pertaining to different rock types
"**Lower Roan**"	subgroup of the Roan Group consisting of shales with grit; dolomites; Argillaceous dolomites; arenites and argillites; main Cu stratiform mineralization, also referred to as R2
"**Mashamba East Open Pit**"	Mashamba east mine, an open pit mine in development
"**Material Assets**"	means those assets set out in Section 1.5 of the 2017 Technical Report. A summary of the 2017 Technical Report is included in Schedule "B"
"**measured mineral resource**"	means that part of a mineral resource for which tonnage, densities, shape, physical characteristics, grade and mineral content can be estimated with a high level of confidence. It is based on detailed and reliable exploration, sampling and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes. The locations are spaced closely enough to confirm geological and grade continuity.
"**metasedimentary**"	metamorphosed sedimentary rock
"**mineral**"	a naturally occurring inorganic substance typically with a crystalline structure
"**mineral resource**"	a concentration or occurrence of material of economic interest in or on the earth's crust in such form, quality and quantity that there are reasonable and realistic prospects for eventual economic extraction. The location, quantity, grade, geological characteristics and continuity of a mineral resource are known, estimated or interpreted from specific geological evidence and knowledge. Mineral resources are sub-divided in order of increasing geological confidence, into inferred, indicated and measured categories
"**MW**"	means a megawatt
"**Mwashya**" or "**R4**"	altered stratified greyish siliceous dolomitic rock with oolitic horizons and a few bands of light yellow talcose schist
"**ore**"	a mineral or rock that can be worked economically
"**ore reserve**"	the economically mineable part of a measured and/or indicated mineral resource. It includes diluting materials and allowances for losses, which may occur when the material is mined. Appropriate assessments and studies have been carried out, and include consideration of and modification by realistically assumed mining, metallurgical, economic, marketing, legal, environmental, social and governmental factors. These assessments demonstrate at the time of reporting that extraction could reasonably be justified. Ore reserves are sub-divided in order of increasing confidence into probable ore reserves and proved ore reserves

"**orogeny**"	an orogeny is a period of mountain building leading to the intensely deformed belts which constitute mountain ranges
"**outcrop**"	rock unit exposure at surface
"**probable ore reserve**"	means the economically mineable part of an indicated, and in some circumstances, a measured mineral resource. It includes diluting materials and allowances for losses which may occur when the material is mined. Appropriate assessments and studies have been carried out, and include consideration of and modification by realistically assumed mining, metallurgical, economic, marketing, legal, environmental, social and governmental factors. These assessments demonstrate at the time of reporting that extraction could reasonably be justified
"**proterozoic**"	era of geological time between $2.5x10^9$ and $570x10^6$ years ago
"**proved ore reserve**"	means the economically mineable part of a measured mineral resource. It includes diluting materials and allowances for losses which may occur when the material is mined. Appropriate assessments and studies have been carried out, and include consideration of and modification by realistically assumed mining, metallurgical, economic, marketing, legal, environmental, social and governmental factors. These assessments demonstrate at the time of reporting that extraction could reasonably be justified.
"**rehabilitation**"	the return of a disturbed area to its original state, or as close as possible to this state
"**remediation**"	to assist in the rehabilitation process by enhancing the quality of an area through specific actions to improve especially bio-physical site conditions
"**reserve**"	that part of a Resource which can be mined at a profit under reasonably expected economic conditions as defined by the JORC Code
"**resource**"	mineralised body for which there is sufficient sampling information and geological understanding to outline a deposit of potential economic merit
"**sandstone**"	clastic sedimentary rock with more than 25% clasts of sand
"**sedimentary**"	rocks formed by the accumulation of sediments, formed by the erosion of other rocks
"**shale**"	argillaceous rock with closely spaced, well defined laminae
"**sub-outcrop**"	rock unit exposure below the surface
"**sulphide**"	a mineral in which the element sulphur is in combination with one or more metallic elements
"**stratigraphy**"	study of stratified rocks in terms of time and space
"**syn**"	together with
"**T17 Open Pit**"	T17 Musonoi open pit Mine, a closed open pit mine
"**T17 Underground Mine**"	an underground mine in development below T17 Open Pit
"**tailings**"	the waste products resulting from the processing of ore material

"**Tilwezembe Open Pit**"	Tilwezembe, a closed open pit mine
"**volcanics**" or "**volcanoclastics**"	one of three groups into which rocks have been divided. The volcanic assemblage includes all extrusive rocks and associated intrusive ones

Measurement

Conversion of metric units into imperial equivalents is as follows:

Metric Units	Multiply by	Imperial Units
hectares	2.471	= acres
metres	3.281	= feet
kilometres	0.621	= miles (5,280 feet)
grams	0.032	= ounces (troy)
tonnes	1.102	= tons (short) (2,000 lbs)
g/t	0.029	= ounces (troy)/ton

The following table sets out the exchange rates, based on the noon buying rates of foreign currencies as certified by the Bank of Canada, for the conversion of one United States dollars (US$) into Canadian dollars (C$) in effect at the end of the following period and the average exchange rate (based on the average of the exchange rate on the last day of the month in such period) and the range of high and low exchange rates for such period.

US$/C$	Year ended December 31, 2016
End of Period	1.3427
Average for Period	1.3248
High Period	1.4589
Low for Period	1.2544

SCHEDULE "A"

AUDIT COMMITTEE CHARTER

KATANGA
MINING LIMITED

CHARTER OF THE AUDIT COMMITTEE OF THE BOARD OF DIRECTORS

KATANGA MINING LIMITED

Charter of the Audit Committee of the Board of Directors

DEFINITIONS

The words and expressions in this charter shall have the respective meanings assigned to these, except where the context otherwise requires:

- "**Auditor**" means the independent external auditor;
- "**Board**" means the Board of Directors of Katanga Mining Limited;
- "**CEO**" means the Chief Executive Officer of the Company;
- "**CFO**" means the Chief Financial Officer;
- "**Charter**" means the Charter of the Audit Committee of the Board of Directors;
- "**Committee**" means the Audit Committee of the Board of Directors;
- "**Company**" means Katanga Mining Limited, registered in Canada under Company number 34750, Suite 300, 204 Black Street, Whitehorse, Yukon Territory, Canada Y1A 2M9; and
- "**Independent Director**" means that the Director shall have no direct or indirect material relationship with the Company".

COMPOSITION

The Committee shall be comprised of three or more members.

Qualifications

Each member of the Committee must be a member of the Board.

A majority of the members of the Committee must be Independent Directors.

Each member of the Committee must be able to read and understand fundamental financial statements, including the Company's balance sheet, income statement, and cash flow statement.

Appointment and Removal

In accordance with the By-laws of the Company, the members of the Committee shall be appointed by the Board and shall serve until such member's successor is duly elected and qualified or until such member's earlier resignation or removal. Any member of the Committee may be removed, with or without cause, by a majority vote of the Board.

Chair

The Chair of the Committee shall be appointed by the Board, but in the absence of the Chair, the members of the Committee shall elect a member who is an independent director to act as Chairman of that meeting.

The Committee shall have access to such officers and employees of the Company and its subsidiaries and to such information regarding the Company and its subsidiaries as it considers necessary or desirable in order to perform its duties and responsibilities.

Sub-Committees

The Committee may form and delegate authority to subcommittees consisting of one or more members when appropriate, including the authority to grant pre-approvals of audit and permitted non-audit services, provided that a decision of such subcommittee to grant a pre-approval shall be presented to the full Committee at its next scheduled meeting.

MEETINGS

Quorum and voting

At each meeting, a quorum shall consist of a majority of its members.

The quorum necessary for the transaction of business shall be a majority of its members including at least one Independent Director. A duly convened meeting of the Committee at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the Committee.

Subject to the By-Laws of the Company, the Committee shall determine its own procedures.

At all meetings of the Committee, every question shall be decided by a majority of the votes cast. In case of an equality of votes, the matter will be referred to the Board for decision.

Frequency of meetings

The Committee shall meet at least four times in each fiscal year, or more frequently as circumstances require. The Auditor shall be given reasonable notice of, and be entitled to attend and speak at, each meeting of the Committee concerning the Company's annual financial statements and, if the Committee feels it is necessary or appropriate, at every other meeting. On request by the Auditor, the Chair shall call a meeting of the Committee to consider any matter that the Auditor believes should be brought to the attention of the Committee, the Board or the shareholders of the Company.

As part of its goal to foster open communication, the Committee may periodically meet separately with each of management and the Auditor to discuss any matters that the Committee or any of these groups believes would be appropriate to discuss privately. In addition, the Committee should meet with the Auditor and

management annually to review the Company's financial statements in a manner consistent with Section 4 of this Charter.

The Committee may invite to its meetings any director, any manager of the Company, and any other person whom it deems appropriate to consult in order to carry out its responsibilities. The Committee may also exclude from its meetings any person it deems appropriate to exclude in order to carry out its responsibilities.

Minutes shall be kept of all meetings of the Committee.

Corporate Secretary

The Corporate Secretary or his/her nominee shall act as the Secretary of the Committee.

DUTIES AND RESPONSABILITIES

General Duties

The Committee shall assist the Board in fulfilling its financial oversight responsibilities. The Committee's primary duties and responsibilities under this mandate are to serve as an independent and objective party to monitor:

- The quality and integrity of the Company's financial statements and other financial information;
- The compliance of such statements and information with legal and regulatory requirements;
- The qualifications and independence of the Company's Auditor; and
- The performance of the Company's internal accounting procedures and Auditor.

The Committee shall report the results of meetings, reviews undertaken and any associated recommendations to the Board.

The functions shall be the common recurring duties of the Committee in carrying out its purposes outlined in this section of this Charter. These duties should serve as a guide with the understanding that the Committee may fulfill additional duties and adopt additional policies and procedures as may be appropriate in light of changing business, legislative, regulatory or other conditions. The Committee shall also carry out any other responsibilities and duties delegated to it by the Board from time to time related to the purposes of the Committee outlined in this section of this Charter.

The Committee, in discharging its oversight role, is empowered to study or investigate any matter of interest or concern which the Committee in its sole discretion deems appropriate for study or investigation by the Committee.

The Committee shall be given full access to the Company's internal accounting staff, managers, other staff and Auditor as necessary to carry out these duties. While acting within the scope of its stated purpose, the Committee shall have all the authority of, but shall remain subject to, the Board.

Outside Advisors

The Committee shall have the authority, in its sole discretion, to retain and obtain the advice and assistance of outside counsel and such other advisors such as auditors as it deems necessary to fulfill its duties and

responsibilities under this Charter. The Committee shall set the compensation and oversee the work of its outside counsel, auditors and any other advisors.

The Committee shall receive appropriate funding from the Company, as determined by the Committee in its capacity as a committee of the Board, for the payment of compensation to its outside counsel and any other advisors.The Committee shall not be required to implement or act consistently with the advice or recommendations of the outside counsels, auditors or other advisor to the Committee, and the authority granted in this Charter shall not affect the ability or obligation of the Committee to exercise its own judgment in fulfillment of its duties under this Charter.

Powers and Responsibilities

The Committee will have the following responsibilities and, in order to perform and discharge these responsibilities, will be vested with the powers and authorities set forth below.

Independence of Auditor

The Committee shall:

- Review and discuss with the Auditor any disclosed relationships or services that may impact the objectivity and independence of the Auditor and, if necessary, obtain a formal written statement from the Auditor setting forth all relationships between the Auditor and the Company, consistent with Independence Standards Board Standard 1;

- Take, or recommend that the Board take, appropriate action to oversee the independence of the Auditor;

- Require the Auditor to report directly to the Committee; and

- Review and approve the Company's hiring policies regarding partners, employees and former partners and employees of the Auditor and former independent external auditor of the Company.

Performance & Completion by Auditor of its Work

The Committee shall:

- Be directly responsible for the oversight of the work by the Auditor (including resolution of disagreements between management and the Auditor regarding financial reporting) for the purpose of preparing or issuing an audit report or related work;

- Review annually the performance of the Auditor and recommend the appointment by the Board of a new, or re-election by the Company's shareholders of the existing Auditor; and

- Pre-approve all permitted non-audit services, including the fees and terms thereof, to be performed for the Company by the Auditor. Pre-approval of de minimus non-audit services will be satisfied if the non-audit services:

(i) are reasonably expected not to constitute, in the aggregate, more than 5% of the total amount of revenues paid by the Company to the Auditor during the fiscal year in which the non-audit services are provided;

(ii) were not recognized by the Company at the time of the engagement to be non-audit services; and

(iii) are promptly brought to the attention of the Committee and approved prior to the completion of the audit by the Committee or by one or more members of the Committee who are members of the Board to whom authority to grant such approvals has been delegated by the Committee.

Internal Financial Controls & Operations of the Company

The Committee shall establish procedures for:

- the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls, or auditing matters; and
- the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.

Preparation of Financial Statements

The Committee shall:

- Discuss with management and the Auditor significant financial reporting issues and judgments made in connection with the preparation of the Company's financial statements, including any significant changes in the Company's selection or application of accounting principles, any major issues as to the adequacy of the Company's internal controls and any special steps adopted in light of material control deficiencies;
- Discuss with management and the Auditor any correspondence with regulators or governmental agencies and any employee complaints or published reports which raise material issues regarding the Company's financial statements or accounting policies;
- Discuss with management and the Auditor the effect of regulatory and accounting initiatives as well as off-balance sheet structures on the Company's financial statements;
- Discuss with management the Company's major financial risk exposures and the steps management has taken to monitor and control such exposures, including the Company's risk assessment and risk management policies; and
- Discuss with the Auditor the matters required to be discussed relating to the conduct of any audit, in particular:

  (i) The adoption of, or changes to, the Company's significant auditing and accounting principles and practices as suggested by the Auditor, internal auditor or management;

(ii) Any management inquiry letter provided by the Auditor and the Company's response to that letter; and

(iii) Any difficulties encountered in the course of the audit work, including any restrictions on the scope of activities or access to requested information, and any significant disagreements with management.

Risk Management

The Committee shall;

- Make inquiries of management and the Auditor to identify significant business, political, financial and control risks and exposures and assess the steps management has taken to minimize such risk to the Company;

- Ensure that the disclosure of the process followed by the Board and its committees, in the oversight of the Company's management of principal business risks, is complete and fairly presented;

- Review management's program of risk assessment and steps taken to manage these risks and exposures, including insurance coverage; and

- Present and report to the Board on the risk register in order to assist the latter in the review of the Company's risk management.

Public Disclosure by the Company

The Committee shall:

- Review the Company's annual and quarterly financial statements, management discussion and analysis (MD&A) and earnings press releases before the Board approves and the Company publicly discloses this information;

- Review the Company's financial reporting procedures and internal controls to be satisfied that adequate procedures are in place for the review of the Company's public disclosure of financial information extracted or derived from its financial statements, other than disclosure described in the previous paragraph, and periodically assessing the adequacy of those procedures; and

- Review disclosures made to the Committee by the Company's CEO and CFO during their certification process of the Company's financial statements about any significant deficiencies in the design or operation of internal controls or material weaknesses therein and any fraud involving management or other employees who have a significant role in the Company's internal controls.

Manner of Carrying Out its duties

The Committee shall:

- Consult with the Auditor, without the presence of management, about the appropriateness of the Company's accounting principles, internal controls and the completeness and accuracy of the Company's financial statements;

- Request any officer or employee of the Company or the Company's outside counsel or Auditor to attend a meeting of the Committee or to meet with any members of, or consultants to, the Committee;
- Meet with management, any internal auditor and the Auditor in separate executive sessions at least quarterly;
- Have the authority, to the extent it deems necessary or appropriate, to retain special independent legal, accounting or other consultants to advise the Committee advisors;
- Make regular reports to the Board;
- Provide an open avenue of communication among the Auditor, the Company's financial and senior management and the Board; and
- Not delegate these responsibilities other than to one or more independent members of the Committee the authority to pre-approve, which the Committee must ratify at its next meeting, non-audit services to be provided by the Auditor.

Limitation of Audit Committee's Role

While the Committee has the responsibilities and powers set forth in this Charter, it is not the duty of the Committee to plan or conduct audits or to determine that the Company's financial statements and disclosures are complete and accurate and are in accordance with generally accepted accounting principles and applicable rules and regulations. These are the responsibilities of management and the Auditor.

NO RIGHTS CREATED

This Charter is a broad policy statement and is intended to be part of the Board’s flexible governance framework. While this Charter should comply with all Applicable Law(s) and the Company’s constating documents, including articles and by-laws, this Charter does not create any legally binding obligations on the Board, any Committee, any director or the Company.

ANNUAL REVIEW

The Committee shall review and reassess the adequacy of this Charter annually and recommend any proposed changes to the Board for approval.

SCHEDULE "B"

2017 TECHNICAL REPORT EXECUTIVE SUMMARY

1.1 Introduction

Kamoto Copper Company S.A. (KCC) commissioned an internal team of professionals at the request of Katanga Mining Limited (KML) to prepare this Technical Report (TR), which complies with the Canadian Securities Administrators' National Instrument 43-101 – Standards of Disclosure for Mineral Projects (NI 43-101), in respect of the material assets (as defined below) owned and operated by KML. KML and KCC engaged Golder Associates Africa Pty Ltd (Golder) to perform an independent peer review of the TR.

Golder has independently reviewed the TR to consider whether the TR contains all of the items required by NI 43-101, if it has been prepared in a format to conform to the requirements of Form 43-101F1, and if each item includes an answer addressing each question required by NI 43-101 approved by the nominated QP for that particular Item.

This report is effective from December 31, 2016. No material changes have occurred between the effective date and the date of signature of this report.

1.2 Property Description and Location

This TR covers the following operations, projects and infrastructure of KML and its subsidiaries located in the Kolwezi District in the Lualaba Province of the Democratic Republic of Congo (DRC), which are collectively referred to herein as the material assets:

Mining Assets, namely:

- Kamoto underground (UG) Mine (KTO) and Kamoto East UG Mine (KTE);
- T17 open pit (OP) and UG extension (T17 UG Mine) (T17 UG);
- KOV OP and UG extension (KOV UG Mine) (KOV UG);
- Mashamba East OP;
- Tilwezembe OP; and
- Kananga OP Mine and extension.

Processing assets, namely:

- The Kamoto Concentrator (KTC); and
- The Luilu Metallurgical Plant (Luilu).

Infrastructure necessary for the production of saleable metals.

1.3 Ownership

KCC owns the material assets, including the mining and exploitation rights related to the mining assets. KML holds a 75% stake in KCC. La Generale des Carrieres et des Mines (GCM) and La Société Immobilière du Congo (SIMCO), which are state-owned mining companies in the DRC, own the other 25% of KCC.

1.4 Geology and Mineralization

1.4.1 Geology

The mineralized zones are at the western end of the Katangan copper belt.

These deposits are hosted mainly by metasedimentary rocks of the late Proterozoic Katangan system, a 7km thick succession of sediments with minor volcanics, volcaniclastics and intrusive rocks. Geochronological data indicates an age of deposition of the Katangan sediments of about 880 million years and deformation during the Katangan orogeny at less than 650 million years. This deformation resulted in the northwest-southeast trending Lufilian Arc, which extends from Namibia on the west coast of Africa through to Zambia, lying to the south of the DRC. Within the DRC, the zone of deformation extends for more than 300 km from Kolwezi in the north-west to Lubumbashi in the south-east.

1.4.2 Mineralisation

Primary mineralisation, in the form of sulphides, within the Lower Roan is associated with the Dolomies Stratified (DSTRAT) and Roches Siliceuses Feuilletées Foliated (Laminated) and Silicified Rocks (RFS) for the Ore-body Inferior (OBI) and the Schistes De Base or Basal Schists and Shales Dolomitiques Superieurs (SDB) or Upper Dolomitic Shales for the Ore-body Superior (OBS) and is thought to be syn-sedimentary in origin. Typical primary copper sulphide minerals are bornite, chalcopyrite, chalcocite and occasional native copper while cobalt is in the form of carrolite. The mineralization occurs as disseminations or in association with hydrothermal carbonate alteration and silicification.

1.5 Status of KCC Material Assets

Table 1 and Table 2 below provide certain details on the status of the material assets.

Table 1: KCC mining assets

Property	Type	Status	Licence		Comments
			Expiry Date	Area	
KTO Mashamba East	UG OP	Care and maintenance Pre-stripping	April 3, 2024	10.92 km^2	Development expected to commence in Sep 2017 In the process of pre-stripping
T17	OP	Depleted	April 3, 2024	1.680 km^2	Depleted
T17	UG	Care and maintenance	April 3, 2024	1.680 km^2	Development expected to start in Sep 2017
KOV and KTE	OP	Waste stripping	April 3, 2024	8.40 km^2	Waste stripping
KOV	UG	Care and maintenance	April 3, 2024	8.40 km^2	Development expected to start in 2023
KTE	UG	Care and maintenance	April 3, 2024	8.40 km^2	Development expected to start in 2019
Tilwezembe	OP	Dormant	April 3, 2024	7.64 km^2	Operations ceased in November 2008 due to lower copper/cobalt prices
Kananga	OP	Dormant	April 3, 2024	11.61 km^2	Operations ceased due to pending relocation of railway
Kananga extension	OP	Dormant	May 7, 2022	0.84 km^2	Operations ceased due to pending relocation of railway

Table 2: KCC mineral processing assets

Property	Status
KTC	Care and maintenance
Luilu	Care and maintenance and construction of WOL plant

WOL – Whole Ore Leach

On September 11, 2015, KCC suspended operations at KTO, KTE, Etang South, T17, KTC and Luilu pending construction of the Whole Ore Leach Project (WOL Project), which is expected in the second half of 2017.

Mining operations continued during 2016 at KOV OP with a focus on waste mining. Waste stripping commenced at Mashamba East on January 1, 2017.

1.6 Mineral Resources and Mineral Reserves

Mineral Resources for KOV, KTE, KTO and Mashamba East have been reported in accordance with the definitions and classification standards adopted in NI 43-101.

Mineral Reserves for KOV, KTO and Mashamba East have been reported in accordance with the definitions and classification standards adopted in NI 43-101.

The T17 estimates of Mineral Resources and Ore Reserves have prepared under the JORC Code (considered an “acceptable foreign code” under Part 1 – Definitions and Interpretation of NI 43-101) and can be considered as equivalent Mineral Resources and Mineral Reserves.

The Tilwezembe and Kananga estimates of Mineral Resources have prepared under the SAMREC Code (considered an “acceptable foreign code” under Part 1 – Definitions and Interpretation of NI 43-101) and can be considered as equivalent Mineral Resources.

1.6.1 Mineral Resources

The consolidated Mineral Resources of the various mining operations of KCC as at December 31, 2016 are summarized in Table 3.

Table 3: KCC Mineral Resources estimate as at December 31, 2016 [1-15]

Mineral Resource Classification	Project Area	Mt	%TCu	%TCo
Measured Resource	KTO UG	12.2	3.9	0.59
	Mashamba East OP	0	0	0
	Mashamba East UG	0	0	0
	T17 UG	4.2	2.66	0.51
	KOV OP and KTE OP	0	0	0
	Kananga OP	0	0	0
	Tilwezembe OP	0	0	0
	Subtotal	**16.4**	**3.58**	**0.57**
Indicated Resource	KTO UG	65.9	3.92	0.46
	Mashamba East OP	38.1	1.66	0.60
	Mashamba East UG	21.9	1.72	0.67
	T17 UG	9.4	4.44	0.65
	KOV OP and KTE OP	110.5	4.75	0.53

Mineral Resource Classification	Project Area	Mt	%TCu	%TCo
	Kananga OP	4.1	1.61	0.79
	Tilwezembe OP	9.5	1.89	0.6
	Subtotal	**259.4**	**3.66**	**0.54**
Measured and Indicated Resource	KTO UG	78.1	3.92	0.48
	Mashamba East OP	38.1	1.66	0.60
	Mashamba East UG	21.9	1.72	0.67
	T17 UG	13.6	3.89	0.61
	KOV OP and KTE OP	110.5	4.75	0.53
	Kananga OP	4.1	1.61	0.79
	Tilwezembe OP	9.5	1.89	0.6
	Subtotal	**275.8**	**3.66**	**0.55**
Inferred Resource	KTO UG	48.5	3.83	0.38
	Mashamba East OP	10.7	2.83	0.47
	Mashamba East UG	7.6	2.87	0.48
	T17 UG	5.2	4.21	0.98
	KOV OP and KTE OP	78.2	4.39	0.38
	Kananga OP	4	2	0.98
	Tilwezembe OP	13.8	1.75	0.6
	Subtotal	**168**	**3.78**	**0.44**

1) Mineral Resources for KOV OP, KTE OP, KTO UG and Mashamba East OP have been reported in accordance with the definitions and classification standards adopted in NI 43-101;
2) Mineral Resources for T17 UG have been reported in accordance with classification criteria of JORC Code for the Reporting of Mineral Resources and Mineral Reserves. If the definitions and classification standards adopted in NI 43-101 had been used instead of those of the JORC Code, the estimates of Mineral Resources would be substantially similar;
3) Mineral Resources for Tilwezembe OP and Kananga OP have been reported in accordance with SAMREC Code. If the definitions and classification standards adopted in NI 43-101 had been used instead of those of the SAMREC code, the estimates of Mineral Resources would be substantially similar;
4) Mineral Resources for KOV OP and KTE OP are reported using cut-off grades 0.46% TCu or 0.12% TCo;
5) Mineral Resources for KTO UG are reported using cut-off grades 1.00% TCu;
6) OP Mineral Resources for Mashamba East are reported using cut-off grades 0.46% TCu for copper only grade shell and 0.12% TCo for cobalt only grade shell. Mineral Resources within the copper and cobalt grade shells are reported at either cut-off;
7) UG Mineral Resources for Mashamba East are reported using cut-off grades of 1.00% TCu for the copper only grade shell and 0. 52% TCo for the cobalt only grade shell. Mineral Resources within the copper and cobalt grade shells are reported at their respective cut-offs;
8) Mineral Resources for Kananga and Tilwezembe are reported using cut-off grade of 0.5% TCu;
9) Mineral Resources for T17 UG are reported using cut-off grades 0.4% TCu;
10) Grade measurements reported as percent (%), tonnage measurements are in metric units;
11) Tonnages are reported as million tonnes (Mt) rounded to one decimal place; grades are rounded to two decimal place;
12) Mineral Resources are inclusive of Mineral Reserves;
13) Mineral Resources are not Mineral Reserves and do not have demonstrated economic viability;
14) Rounding as required by reporting guidelines may result in apparent summation differences between tonnes (t), grade and contained metal content; and
15) The Mineral Resource estimates are for KCC's entire interest, whereas the KML owns 75% of KCC.

1.6.2 Mineral Reserve Estimate

The consolidated Mineral Reserve estimate at KCC is 124.7 Mt at 3.51% TCu of which 10.4 Mt is from the Proven Mineral Reserve category as shown in Table 4 below. The Mineral Reserve for others areas of KCC except Mashamba East OP are the same as at December 31, 2015.

Table 4: KCC Mineral Reserve estimate as at December 31, 2016 1-9

Mining operation	Proven			Probable			Total		
	Mt	%TCu	%TCo	Mt	%TCu	%TCo	Mt	%TCu	%TCo
KTO	8.2	3.68	0.37	17.2	3.57	0.52	25.5	3.60	0.47
T17 UG	2.2	3.42	0.54	9.1	3.71	0.64	11.3	3.65	0.62
Mashamba East OP	0.0	0.00	0.00	32.1	2.13	0.60	32.1	2.13	0.60
KOV OP	0.0	0.00	0.00	55.9	4.23	0.47	55.9	4.23	0.47
Total	**10.4**	**3.62**	**0.40**	**114.3**	**3.50**	**0.53**	**124.7**	**3.51**	**0.52**

1) The Mineral Reserve estimates have been prepared in accordance with the classification criteria of NI 43-101;
2) The Mineral Reserves for all areas except Mashamba East OP are the same as at December 31, 2015;
3) With the outcome of the pre-feasibility study (PFS) yielding positive returns, the Mashamba East OP Probable Mineral Reserve has increased by 26.3Mt as shown in **Erreur ! Source du renvoi introuvable.** of the 2017 Technical Report;
4) Grade measurements reported as percent (%), tonnage measurements are in metric units;
5) Tonnages are reported as Mt rounded to one decimal place; grades are rounded to two decimal place;
6) Projects included were developed to a minimum PFS level of accuracy;
7) Life of mine (LOM) plans of existing operations were developed to a minimum PFS level of accuracy;
8) Rounding as required by reporting guidelines may result in apparent summation differences between t, grade and contained metal content; and
9) The Mineral Reserve estimates are for KCC's entire interest, whereas the Company owns 75% of KCC.

1.7 Development and Operations

The primary developments within the material assets include the following.

1.7.1 Mining

- Exploration drilling campaign for 2014 and 2015 has been completed for Mashamba East;
- Mineral Resource estimates have been updated for KOV, KTO and Mashamba East;
- Mashamba East PFS was completed in 2016. The study included the exploration, Mineral Resource update, OP optimization, LOM technical design, plan, scheduling study, mining infrastructure requirements and mining operational costs for Mashamba East to estimate its Mineral Reserves.
- Construction and development was commenced at T17 and KTE UG projects in 2013;
- KOV OP has seen a positive increase of 32% in ore production (2012 3.7 Mt – 2014 5.4 Mt) and a positive increase of 31% in waste stripping (2012 21.2 Mt – 2014 31.2 Mt) since 2012. In September 2015 the KOV pit was put into care and maintenance due to the suspension of copper and cobalt production;
- KOV commissioned several items in its primary mobile mining fleet since acquisition of the material assets. Current primary mobile mining fleet includes: 35 Haul Trucks (35 CAT 793); 8 shovels (4 Terex RH-340 + 2 CAT 6060 + 2 CAT 6030); 12 Track Dozers (4 CAT D11 + 5 CAT D10 + 2 D09R + 1 D08R); and 3 Drills (CAT MD6240 + MD5125CL + Atlas Copco PV-271). This includes 1 CAT 6060 shovel and 3 CAT 793 haul trucks commissioned in 2016;
- There have been several improvements which effect the OP operations, including: installation of the new Modular Dispatch system; procurement of Metso mobile crushers to assist with crushed ore feed during unexpected downtime on the primary crushers B3 and IPC; additional faces in the Cut 3 and Cut 4 mining areas; and installation of the 1215 pumping station in 2014/2015;

- KTO UG has seen a positive increase of 5% in ore production since 2012. The primary development saw a positive increase of 10% and the secondary ore development saw an increase of 41%;

- KTO commissioned several items in its primary mobile mining fleet since acquisition of the material assets. Current primary mobile mining fleet includes: 18 Haul Trucks (CAT AD45B + Atlas Copco MT5020); 11 Loaders (CAT R2900 + Atlas Copco 1530); 13 Jumbo Drills (Atlas Copco 282); 5 Long-hole Drills (Simba SD7); and 4 Track Dozers (CAT D6, D7 and Komatsu D85). This includes 2 CAT AD45B trucks commissioned in 2015 and 2016 and 1 CAT R2900 loader commissioned in 2016; and

- There have been several improvements effected in the UG operations, including: installation of GBT 2 (Grizzly); second back fill line installed; developed a new access to Zone 3 and Zone 4, which was lost when the mine collapsed under previous ownership; development and construction of the new sump at 505 level; concreting of Koumal 5 and Acc 20; connected Zone 8 and 9 with Zone 3 and 4 which reduced the hauling distance to the primary crusher from these Zones as well improved ventilation; developed an alternative haulage route for Etang South and Etang North outside of the stressed area; started the T17 development and completed the lower portal; the upper Portal was also started; Shaft 1 and Shaft 2 were rehabilitated and the winders upgraded.

1.7.2 Processing

Current milling capacity at KTC has been increased to 12 million tonnes per annum (Mtpa) from 7.68 Mtpa.

Improvements in the plant and processing infrastructure and circuits as well as the WOL Project have been undertaken to improve throughput and improve production capacity to 300,000 tonnes per annum (tpa) of finished copper by H2 2018.

Table 5 summarizes the capacity associated with Phase 1 to Phase 5 (including WOL Project).

Table 5: Phased production capacity increases

Phase	Finished Copper Capacity (tpa)
1	35,000
2	70,000
3	150,000
4	270,000
5 (including WOL)	300,000

The Phase 4 and 5 improvements to Luilu have included: X4 and Y4 Sulphide Receiving Thickeners (July 2013); 300 thousand tonnes per annum (Ktpa) solvent extraction (SX) Trains (January 2013 – May 2015); 200 Ktpa electrowinning (EW) Tank house (EW2) (January 2013); Sulphide Roaster Number 5 (February – March 2014); 2,700 tonnes per day (tpd) of oxide concentrate Copper Leach Plant (June – December 2014); Lime Plant (July 2014); 60 Ktpa EW Tank house EW3) (October 2014 – January 2015); Z12 Oxide Receiving Thickener (March – April 2015); Cogen EW1 with 10MVA capacity (December 2014); Cogen EW2 & 3 with 10MVA capacity (May – June 2015); and Water Treatment Plant (March – April 2015).

The WOL Project is expected to achieve overall recoveries of +85% and +65% for copper and cobalt, respectively. The WOL upgrade will include the following:

- Using existing KTC infrastructure to mill and Sulphide float;
- Addition of new Pre-Leach Thickeners and Filtration at Luilu;
- Addition of new Leach Tanks at Luilu;

- Addition of new Post-Leach Clarifiers and Counter Current Decantation (CCD) Thickeners;
- Addition of new solution storage ponds;
- Modifications to current SX plant;
- Modification to existing copper and cobalt areas for cobalt production with the addition of new horizontal belt filters, pressure plate and frame filters cobalt driers; and
- Addition of new neutralization and acid utilities.

1.7.3 Safety, Heath, Environmental and Community

The baseline risk assessment for health and safety was completed. All KCC employees and contractors were provided introductory training to the SafeWork program, 12 fatal hazard protocols and associated lifesaving behaviours. All affected employees completed training for the energy isolation, working at heights and confined space fatal hazard protocols. The rolling 12 month LTFIR was reduced to 0.16 in December 2016 from 0.7 in 2012;

The environmental management system was enhanced by the commencement of air quality monitoring for listed substances, the initiation of a government authorized recycling program for scrap metal, the development of a pollution prevention plan. The consolidated Environmental and Social Impact Assessments, covering all 6 Mining Permits held by KCC, was submitted and approved. Government authorization for the development of the new heap leach pad project was also received however this is not operational currently. The construction of the hazardous landfill facility was completed. A plan to manage process water discharges was developed; and

KCC social investments are aligned to the national 5 pillars program and are implemented through participative stakeholders' engagement and open community dialogue. The main domains of intervention and key projects are: infrastructure, health, education and agriculture.

1.8 Economic Analysis

The economic assessment has been excluded as per instruction 1 of item 22.

1.9 Interpretations and Conclusions

Mining in the Kolwezi district has a long history, stretching back to the early 1900's. At its peak, in the late 1980s, the district accounted for roughly 7% of the world's copper production and 62% of the world's cobalt production. In the mid- to late-90s, production declined to a virtual standstill as a result of various political and technical factors. In 2002, a new Mining Code was established and since 2008, after the KCC and DCP merger, significant growth in mining production has occurred. Due to a slump in metal prices in 2015, operations were put on care and maintenance. During this time, construction of the WOL facility was undertaken in order to achieve the planned recoveries and reduce operating costs. Production will re-commence during the second half of 2017.

Since 2008, extensive drilling has been focused on defining KOV open-pit pushbacks, KTO UG developments, and upgrading the Mineral Resource classification. Geological mapping in the pits and UG developments is on-going. Exploration potential exists inside the KCC concession for both the extension of known ore bodies and the discovery of new mineralized zones.

A QA/QC program was initiated on data collected since 2009, and improvements are notable year to year. A twin drilling program was carried out in 2007 to confirm the Gecamines drilling database. The results of these programs are considered acceptable for Mineral Resource estimation purposes.

Geological modelling, exploratory statistics, and geostatistics work conducted are considered acceptable for Mineral Resource estimation purposes. Mineral Resource classification is based on several factors, including: number of samples, number of drill holes, distance to a sample, drill hole spacing, and time period of drilling. The Mineral Resource estimation and classification methods are considered acceptable.

Metallurgical testwork has been conducted on KCC core since 2006, and the WOL Project testwork was initiated in 2015. This work included: comminution, flotation, and hydrometallurgical studies. The results of this testwork confirm the process design parameters

This report has taken into consideration the following:

- Updated Mineral Resources and Mineral Reserves specifically in regarding Mashamba East;
- A PFS for the Mashamba East OP has been completed in 2016 due to an increase of Indicated Mineral Resource as compared to the Dec 31, 2015 Mineral Resource update;
- The Mashamba East OP PFS has resulted in a 26.3 Mt increase in Probable Mineral Reserves overall;
- There is no change in Mineral Reserves for KOV OP, KTO UG and T17 UG;
- KOV OP optimization will be completed in 2017; and
- Process improvements to the plant and processing infrastructure, such as the creation of the WOL Project is intended to improve output from 180,000 tpa to 300,000 tpa of saleable copper.

1.10 Recommendations

The following recommendations are made:

- Upgrading of Inferred Mineral Resource to Indicated Mineral Resource specifically for KOV OP;
- Pit optimization for KOV OP and updating of Mineral Reserves before 2017 year-end;
- Completion of on-going geotechnical and hydrological studies and inclusion of results for 2017 year-end Mineral Resource and Mineral Reserve update; and
- Upgrading of infrastructure to meet 30 ktpa target for saleable cobalt.