

KAT Exploration Inc. Announces Option Agreement to Purchase 100% of the "Cabot" Copper/Gold Properties.

Mount Pearl, July 19, 2010 KAT Exploration Inc. (OTC-Pink Sheets: KATX)
www.katexploration.com

KAT Exploration Inc, is pleased to announce that it has completed the signing of an option agreement with PNL Ventures Ltd, and Weyburn Investments Limited, for the Cabot properties, consisting of 138 claims in five separate licenses, located on the Baie Verte peninsula, Newfoundland.

KAT has agreed to acquire a 100 percent interest in the Cabot properties over a five-year period in consideration of total cash payments of \$560,000, which includes a payment of \$40,000 on signing and the remaining \$520,000 over the remainder of the agreement. The agreement also includes a stock issuance of 3,000,000 shares, with 150,000 shares to be issued upon signing and the remaining 2,850,000 over the remainder of the agreement.

KAT also agrees to allocate minimum expenditure of \$1.2 million over the five year term of the agreement and complete a National Instrument 43-101 on the Cabot properties.

If upon completion of a feasibility study of the Cabot Properties, KAT will pay a further four million shares, whereby it will then have earned 100% of the five licenses which make up the Cabot properties.

PNL Ventures Ltd, and Weyburn Investments Limited, will also retain a 2.5% NSR in which KAT Exploration has the right to purchase 1.5% of the 2.5% NSR for a total amount of \$3.5 million.

Kat Exploration will be the operator of the project during the option period

The Cabot properties are located on the Baie Verte Peninsula which is one of Newfoundland's most historic and prolific mining districts. Down through the years the Baie Verte peninsula alone has be host to numerous Copper, Gold and Massive Sulfide deposits. The "Tilt Cove" mine, the "Rambler" mine and the "Bretts Cove" mine to name just a few were all massive sulfide deposits. The "Deer Cove" mine, the "Nugget Pond" mine and the still operating "Pine Cove" mine were/are gold deposits.

The "Cabot Property" with its significant new Copper/Cobalt/Gold discoveries, is a prime example that tremendous potential still remains for new discoveries in this prolific mining region.

The Cabot zone consists of a discrete, intensely chloritized and moderately sericitized zone hosting an estimated 10-25% stringer/stockwork sulfides. The zone is interpreted to represent a feeder stockwork pipe commonly associated with volcanogenic massive sulfide deposits. The Cabot Zone had been tested with several past drill holes averaging 0.39% Cu over 21.6 meters with internal intervals grading up to 0.90% Cu over 5.78 meters.

The best grade intersections over an appreciable width encountered 1.90% Copper over 2.78 meters and 1.33% copper over 3.66 meters respectively. One mineralized zone exposed on surface, varies between 25-30 meters wide and a strike length of 700 meters. A rough calculation has indicated 18 to 20 million tons of low grade copper ore, with cobalt as a complementary mineral, together averaging approximately ½%. There are large areas of the properties unexplored with no drill testing that has the potential to increase the volume of ore significantly.

Ken Stead, President/CEO states “We have been in negotiations for the past several months in trying to acquire this property and very excited we’ve closed the deal. However, while we are excited about the Copper/Cobalt content, it’s the Gold potential that is most attractive. One drill hole intersected 40 meters of anomalous gold along with one meter averaging 10 grams per ton. A number of recently discovered quartz veins have produced results of 10 grams of gold per ton with the highest reaching as high as 12 oz/ton. These are the kind of properties KAT Exploration is looking for as it continues to move forward and bring real value to its shareholders. KAT Exploration will continue to have interest in obtaining gold, copper, silver and other minerals that would prove to be substantial assets for the company. Multi-mineral ore deposits are where our focus has always been and will remain”

Over the next day or so, a full write-up and photos of the Cabot properties will be uploaded to the KAT Exploration website for investor viewing.

This press release contains forward-looking information within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934 and is subject to the Safe Harbor created by those sections. This material contains statements about expected future events and/or financial results that are forward-looking in nature and subject to risks and uncertainties. Such forward-looking statements by definition involve risks, uncertainties and other factors, which may cause the actual results, performance or achievements of Kat Exploration to be materially different from the statements made herein.

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