

KAT Exploration Inc. Drills Rare Earth Elements [REE's] at Rusty Ridge.

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KAT Exploration Inc. (OTC PINK: KATX) is pleased to inform its shareholders and the investment community that partial analytical results have been received from two diamond drill holes completed at its 100% owned Rusty Ridge property. Drilling tested two separate target areas: a deep coincident gravity and magnetics anomaly in drill hole RR10-01 and Rare Earth Element (REE) plus gold potential within altered peralkaline felsic volcanic rocks in RR10-02.

Hole RR10-02 intersected variably altered and mineralized peralkaline felsic volcanic rocks throughout the upper 245 meters of the 344 meter long hole. Initial ICP analytical results indicated elevated lanthanum and cerium through several sections, these, along with other selected sections of the drill hole were sent for a complete suite of rare earth and associated elements. Results have been received for the upper section of the drill hole from 30 to 40.1m. The analyses indicate a 7.5m interval from 30.0 to 37.5m having elevated rare earth elements and zircon, returning a weighted average of 0.164% TREO (including yttrium) consisting of 0.113% LREO and 0.051% HREO (including yttrium). The results also returned 0.268% zirconium dioxide, 0.039% Nb₂O₅ (niobium oxide) and 0.022% rubidium. A table showing all analyses will be posted to our website in the near future. Additional samples are being analyzed for the rare earth and associated elements from other deeper sections of the hole and will be reported when received.

Hole RR10-01, approximately 500 meters south of RR10-02, was drilled to a depth of 719.3 meters to test a coincident gravity and magnetics anomaly. The hole intersected mafic volcanic rocks, conglomerates and mafic intrusive rocks that contain indications of sub-economic copper mineralization throughout most of the drill hole (including native copper and chalcopyrite). The conglomerate unit is also strongly hematite altered, which could explain the gravity anomaly. The upper part of the magnetics geophysical anomaly is coincident with a thick magnetic mafic dyke.

Ken Stead President/CEO states: "We are very encouraged by the presence of rare earth element rich rocks at Rusty Ridge and are eagerly awaiting the next batch of assays to find out just how consistent REE are at depth and if the grades improve. While there is much work yet to be carried out to determine the significance of this discovery, we feel we are in the very early stages of a most interesting project".

The property will be re-examined in light of potential for additional rare earth element mineralization. Further testing of the main Rusty Ridge zone as well as other targets including strong IP (Induced Polarization) anomalies some of which are coincident with gravity anomalies will be considered.

The property is located near roads, seaports and power infrastructure, improving the economics of any mineral deposits found. Rare earth elements reported were analyzed by Acme Labs in Vancouver using their Group 4B analytical method, which produces accurate analyses of the rare earth and associated elements.

The Company's exploration work on the Rusty Ridge Project is supervised by Barry A. Sparkes, B.Sc. (Hons.), P.Geol. and J. Wayne Pickett, M.Sc. P.Geol., both members in good standing of the Professional Engineers and Geoscientists of Newfoundland and Labrador. Mr. Sparkes and Mr. Pickett have verified that the results presented above have been accurately summarized from the official assay certificates provided to the Company.

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 Inc. to be materially different from the statements made herein.

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