

**June 11, 2010**

## **KAT Exploration Signs Three-Year Option Agreement Contract with Vale**

Kat Exploration Inc. ("KAT") is pleased to announce that it has signed an option agreement with Vale Exploration Canada Inc. ("VEC"), a wholly-owned subsidiary of Vale S.A. (NYSE-VALE) ("VALE"), on its North and South Lucky copper properties on the Bonavista peninsula in eastern Newfoundland. Under the terms of the agreement VEC has committed to an initial C\$20,000 cash payment on signing and may elect to make further cash payments totaling C\$75,000 over the three-year option period, and may elect to incur a minimum of C\$750,000 in exploration expenditures within the option period to earn an 80% interest in the Lucky properties.

Upon VEC's exercise of the option, a joint venture will be formed to further develop the properties, with each party contributing to further approved exploration programs as per their interest. VEC will be the operator of the exploration programs during the option period.

The Lucky properties are in a geological setting with the potential for sediment-hosted stratiform copper (SSC) deposits. The Lucky properties have the potential to produce low-grade, large tonnage copper deposits similar to those of the Zambia copper belt.

Ken Stead, President/CEO of KAT states "The very fact that a company of Vale's caliber has enough interest in the area and sees enough potential in the Lucky properties to warrant an option with KAT, leaves us very excited. We are very pleased to be exploring these copper properties with Vale and look forward to bringing them to their full potential."

The Lucky properties are located on the Bonavista Peninsula in eastern Newfoundland, and are accessible by well-maintained roads, allowing for exploration programs to be carried out fairly quickly and comfortably.

Copper mineralization is quite visible in an old pit near a gravel road with impressive malachite staining along with chalcocite strata bound within the more sandy beds of the sediments with assay results of 2.5% Cu in the more concentrated areas. The most recent discovery was on our North Lucky property where well-disseminated chalcopyrite was found in exposed outcrop approximately 10KMs north of the South Lucky property.

### **About Kat Exploration Inc.**

Kat Exploration's principal objective is to locate, stake, prove up and sell mineral properties to major mining companies. It is the Company's objective to take advantage of increased activity to generate numerous joint venture clients, and sales of our existing and yet to be acquired properties.

## **About VEC**

VEC is a wholly-owned subsidiary of Vale, the world's second largest mining company by market capitalization with its headquarters in Brazil. Vale is committed to the pursuit of sustainable growth by operating with respect for the natural environment and being an ethically and socially responsible company.

Jack Zwicker  
Kat Exploration Inc.  
Investor Relations  
Ph 902-497-3188

[jzwicker@katexploration.com](mailto:jzwicker@katexploration.com)  
<http://www.katexploration.com>