



ASX ANNOUNCEMENT

7 DECEMBER 2017

## **ST BARBARA LIMITED SUBSCRIBES TO \$5 MILLION PLACEMENT; DRILLING UPDATE ON WHITELAW GOLD BELT**

- **St Barbara Limited subscribes for a \$5 million placement to fund Catalyst exploration in Whitelaw Gold Belt and agrees to underwrite the exercise of Catalyst's listed options which expire on 30 June 2018**
- **RC and diamond drilling in progress at Tandarra Gold Project**
- **Air core drilling in progress at Catalyst 100% projects (Sebastian and Macorna Bore)**
- **Revised Mineralisation Report for Four Eagles lodged with Victorian DEDJTR**
- **Catalyst's technical management further strengthened with the appointment of Trevor Ireland as Consulting Geologist**

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Catalyst Metals Limited (**Catalyst** or the **Company**) (ASX: **CYL**) is pleased to advise that it has reached agreement with St Barbara Limited (**St Barbara**) (ASX: **SBM**) for St Barbara to subscribe for a \$5 million placement of Catalyst shares at a subscription price of 78 cents per share, which represents a 13% discount to the 30-day VWAP of Catalyst shares. The placement comprises the issue of 6,410,256 ordinary fully paid shares in Catalyst at a subscription price of 78 cents per share and is being made pursuant to ASX Listing Rules 7.1 and 7.1A.

St Barbara has also agreed to underwrite the exercise of Catalyst's listed options which have an exercise price of 50 cents and are due to expire on 30 June 2018. Currently, 2,556,777 listed options remain unexercised. No fee is payable to St Barbara for the underwriting of the options.

Proceeds from the share placement will strengthen the Company's cash position and are designated to support a three-year exploration programme planned on the Company's Victorian gold projects. The placement provides a further endorsement of Catalyst's exploration programmes in the Whitelaw Gold Belt where excellent gold results were recorded during the 2017 drilling season. Any funds received from the subsequent exercise of the listed options will be used for ongoing exploration programmes and working capital.

Following the share placement, St Barbara will hold an equity interest of approximately 16% in Catalyst. The placement shares to be issued to St Barbara will be subject to voluntary escrow for a period ending 12 months from the date of issue.

Mr Stephen Boston, Catalyst's Chairman, stated, "The significant further investment by St Barbara provides valuable support for our future activities in the Whitelaw Gold Belt in Victoria."

Catalyst now manages the entire Whitelaw Gold Belt and has interests in nine Exploration Licences which extend for 75 kilometres along the Whitelaw and Tandarra Faults north of Bendigo in Victoria. The location of exploration projects along the Whitelaw Gold Belt are shown on Figure 1.

The Company has also lodged an exploration licence application (Drummartin EL006507) over two potential regional faults to the east of Four Eagles, and north of the Fosterville Gold Mine where TSX and ASX listed Kirkland Lake Gold Limited has reported spectacular high-grade gold discoveries in 2017.

Funds raised from the share placement to St Barbara will enable exploration in the Whitelaw Gold Belt to be accelerated at the Tandarra, Macorna Bore and Sebastian projects as well as Catalyst's share of joint venture expenditure at the Four Eagles Gold Project.

## **MACORNA BORE AND SEBASTIAN PROJECTS: 100% CATALYST (EL5521 AND EL5533)**

### **RECONNAISSANCE AIR CORE DRILLING**

A reconnaissance air core drilling programme commenced at the Company's 100% owned Sebastian Gold Project (EL5533) in November 2017 and is now in progress at Macorna Bore (EL5521). At the end of November 2017, 33 holes (2,798 metres) had been completed at Sebastian and 2 holes (202 metres) at Macorna Bore. The air core programme is very widely spaced and predominantly designed to identify the positions of any potential gold trends by using arsenic geochemistry as well as mapping the basement depth. Final assays will be available at the end of the programme in January 2018.

The approximate location of drill traverses is shown on Figures 2 and 3 but are varied according to access.

## **TANDARRA GOLD PROJECT (EL4897) (CATALYST EARNING 51% FROM NAVARRE MINERALS LIMITED)**

The Tandarra Gold Project is comprised of Exploration Licence 4897, which is owned by Navarre Minerals Limited (Navarre) (ASX: **NML**). Under a farm-in arrangement with Navarre, Catalyst is earning a 51% equity interest in Exploration Licence 4897 by spending \$3 million on exploration over a four-year period.

### **DIAMOND DRILLING: TOMORROW ZONE**

Diamond drilling has recently commenced at the Tomorrow Gold Prospect to test for plunge extensions and repetitions of the high-grade gold mineralisation intersected in the top 100 metres. Most of the previous drilling at the Tomorrow Zone has been limited to the top 100 metres and has shown a zone of shallow gold mineralisation which extends over 800 metres. A common feature in the gold deposits in Victoria is the stacking of gold zones associated with west dipping faults and the anticlinal axis. This has recently been displayed at Fosterville with the discovery of the Swan Zone which now contains **a reserve of 532,000 ounces at a grade of 58.8g/t Au** (refer TSX announcement by Kirkland Lake Gold Ltd on 27 July 2017). It was also a common feature at Bendigo and Ballarat Gold Mines and the recent stacked intersections by Catalyst at the Four Eagles Gold Project in drill hole FERC185 (**20 metres @ 21.4g/t Au and 22 metres @ 36.5g/t Au**) may provide further evidence of the potential of these zones in the Whitelaw fault Corridor.

An RC drill rig has also arrived on site and will undertake the drilling of the pre-collars for diamond drilling as well as drilling further exploration holes along the Tomorrow-Tomorrow North trend.

Significant intersections from the Tomorrow Zone in 2017 and earlier holes are shown below and on Figures 4, 5 and 6:

#### ***Tomorrow Zone 2017 Intersections:***

- **6.0m @ 6.1g/t Au from 34 metres (RCT155)**
- **8.0m @ 5.2g/t Au from 42 metres (RCT156)**
- **3.0m @ 5.6g/t Au from 31 metres (RCT170)**
- **10.0m @ 14.0g/t Au from 47 metres (RCT172)**
- **17.0m @ 7.1g/t Au from 30 metres (RCT173)**
- **7.0m @ 5.6g/t Au from 67 metres (RCT174)**

- 21.0m @ 6.5g/t Au including 3.0m @ 33.3g/t Au from 27 metres (RCT177)
- 9.0m @ 2.2g/t Au from 44 metres (RCT178)
- 4.0m @ 7.0g/t Au from 36 metres (RCT183)
- 7.0m @ 2.8g/t Au from 22 metres (RCT184)
- 6.0m @ 2.6g/t Au from 40 metres (RCT187)
- 6.0m @ 3.0g/t Au from 32 metres (RCT194)
- 2.0m @ 6.6g/t Au from 54 metres (RCT196)
- 2.0m @ 9.4g/t Au from 57 metres (RCT197)
- 13.0m @ 1.3g/t Au from 32 metres (RCT199)
- 8.0m @ 3.1g/t Au from 31 metres (RCT204)

#### ***Tomorrow Zone Previous Intersections***

- 10.0m @ 17.8g/t Au from 37 metres (ACT015)
- 1.3m @ 18.2g/t Au from 20 metres and 1.7m @ 5.7g/t Au from 36 metres (DDT001)
- 3.0m @ 8.8g/t Au from 46 metres (ACT172)
- 7.0m @ 5.5 g/t Au from 50 metres (RCT006)
- 2.0m @ 18.4g/t Au from 44 metres (RCT050)
- 15.0m @ 1.44g/t Au from 22 metres (RCT051)
- 5.0m @ 3.7g/t Au from 41 metres (RCT062)
- 4.0m @ 9.2g/t Au from 18 metres (RCT063)
- 23.0m @ 1.0g/t Au from 58 metres (RCT096)
- 5.0m @ 15.6g/t Au from 106 metres including 1.0m @ 69.7g/t Au (RCT107)
- 10.0m @ 6.1g/t Au from 74 metres and 23m @ 2.3g/t Au from 90 metres (RCT111)
- 2.0m @ 14.3g/t Au from 54 metres (RCT132)
- 4.0m @ 11.3g/t Au from 54 metres (RCT104)
- 2.0m @ 14.3g/t Au from 79 metres (RCT115)
- 7.0m @ 2.8g/t Au from 73metres (RCT119)
- 14.0m @ 1.5g/t Au from 29 metres and 6.0m @ 5.2g/t Au from 51 metres (RCT136)
- 1.0m @ 13.0g/t Au from 62 metres (RCT124)
- 1.0m @ 30.2g/t Au from 82 metres (RCT126)
- 3.0m @ 5.8g/t Au from 64m (RCT131)

Diamond drill holes will be drilled from east to west at an angle of 60 degrees or less and designed to test the anticlinal structure below the known mineralisation. Pre-collars will be drilled with RC to about 150 metres and cased prior to diamond coring. The total diamond coring component will be about 3,000 metres. Figure 7 shows the interpreted position of the next potential deeper zone of mineralisation on the Tomorrow trend with the approximate pierce points from the diamond drilling. Previous drilling shows an intersection about 800 metres north of the main Tomorrow gold zone and this may represent the up-plunge position of the target zone.

#### **RETENTION LICENCE APPLICATION ON FOUR EAGLES GOLD PROJECT**

The Company has lodged an application for conversion of Four Eagles Exploration Licence 4525 into a Retention Licence. Under Victorian government mining regulations, there is a time limit on exploration licences, after which they must be converted into a Retention Licence after mineralisation has been discovered. In order for a Retention Licence to be granted, the Company was required to prepare a Mineralisation Report and a 10-year Programme of Works to confirm that mineralisation has been discovered and that future work will advance the project to feasibility. The Mineralisation Report and Programme of Works were lodged with the Department of Economic Development, Jobs, Transport and Resources (DEDJTR) in December 2016 and the Company was subsequently requested to provide additional information and clarifications on the Mineralisation Report to assist in the DEDJTR regulatory assessment. The Mineralisation Report was updated to incorporate the new drilling data from the 2017 drilling programmes and a high level economic review of the project was prepared by an independent consultant. The updated Mineralisation Report was submitted on 23 November 2017 and the DEDJTR

has undertaken to respond to the Company's application for a Retention Licence as soon as possible. It is anticipated that a response will be received prior to the planned commencement of drilling in February 2018.

## **APPOINTMENT OF CONSULTING GEOLOGIST**

In preparation for expected major exploration activities in the coming year, the Company has been fortunate to engage the services of experienced mining executive, Trevor Ireland, as a Consulting Geologist to assist the Company's Technical Director Bruce Kay. Trevor has extensive experience as an exploration manager and mining company executive and has been involved with successful exploration teams in the Tanami in Australia (Callie, Granites and Groundrush), as well as Ghana, Mauritania and East Africa. Trevor has worked with large companies (WMC, Normandy Mining), successful discovery companies (North Flinders Mines, East Africa Gold Mines), small companies (Australasia Gold, Thor Mining PLC) as well as the South Australia Department of Mines. Trevor will be able provide invaluable technical expertise into the Company's exploration programmes.

### **For further information contact:**

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## **JORC Reporting of Historic Navarre Exploration Results**

*Although Catalyst was not involved in previous exploration at the Tandarra Gold Project, it has elected to update the information to comply with the JORC 2012 Code. The results had been publicly reported by Leviathan Resources Pty Ltd (ASX code LVR) (December 2004 to January 2007), Perseverance Corporation Limited (ASX code PSV) (January 2008 to March 2011) and Navarre Minerals Limited (ASX code NML) (March 2011 to September 2014) in numerous announcements during the stated periods under the JORC 2004 Code. Catalyst has limited knowledge on how the data was collected but has had to make assumptions based on the available historic data generated by these companies.*

*Full location data on the Tandarra drill holes and a Summary of Sampling Techniques and Reporting of Exploration Results according to the JORC Code 2012 Edition were included in the Company's ASX announcements dated 1 September 2014 and 29 July 2015.*

### **Competent person's statement**

*The information in this report that relates to exploration results is based on information compiled by Mr Bruce Kay, a Competent Person, who is a Fellow of the Australasian Institute of Mining and Metallurgy. Mr Kay is a non-executive director of the Company and has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the JORC Code). Mr Kay consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.*

*Much of the historical information relating to the Four Eagles project was prepared and first disclosed under the JORC Code 2004. This information has not been updated since to comply with the JORC Code 2012 on the basis that the information has not materially changed since it was reported.*

*Information relating to the Tandarra project was first disclosed by previous tenement holders under the JORC Code 2004. This information has been subsequently reported by the Company in accordance with the JORC Code 2012, refer to announcements dated 1 September 2014, the quarterly activities report dated 31 July 2014, and for other Tandarra drilling on 29 July 2015.*

*The Company confirms that it is not aware of any new information or data that materiality affects the information previously announced.*

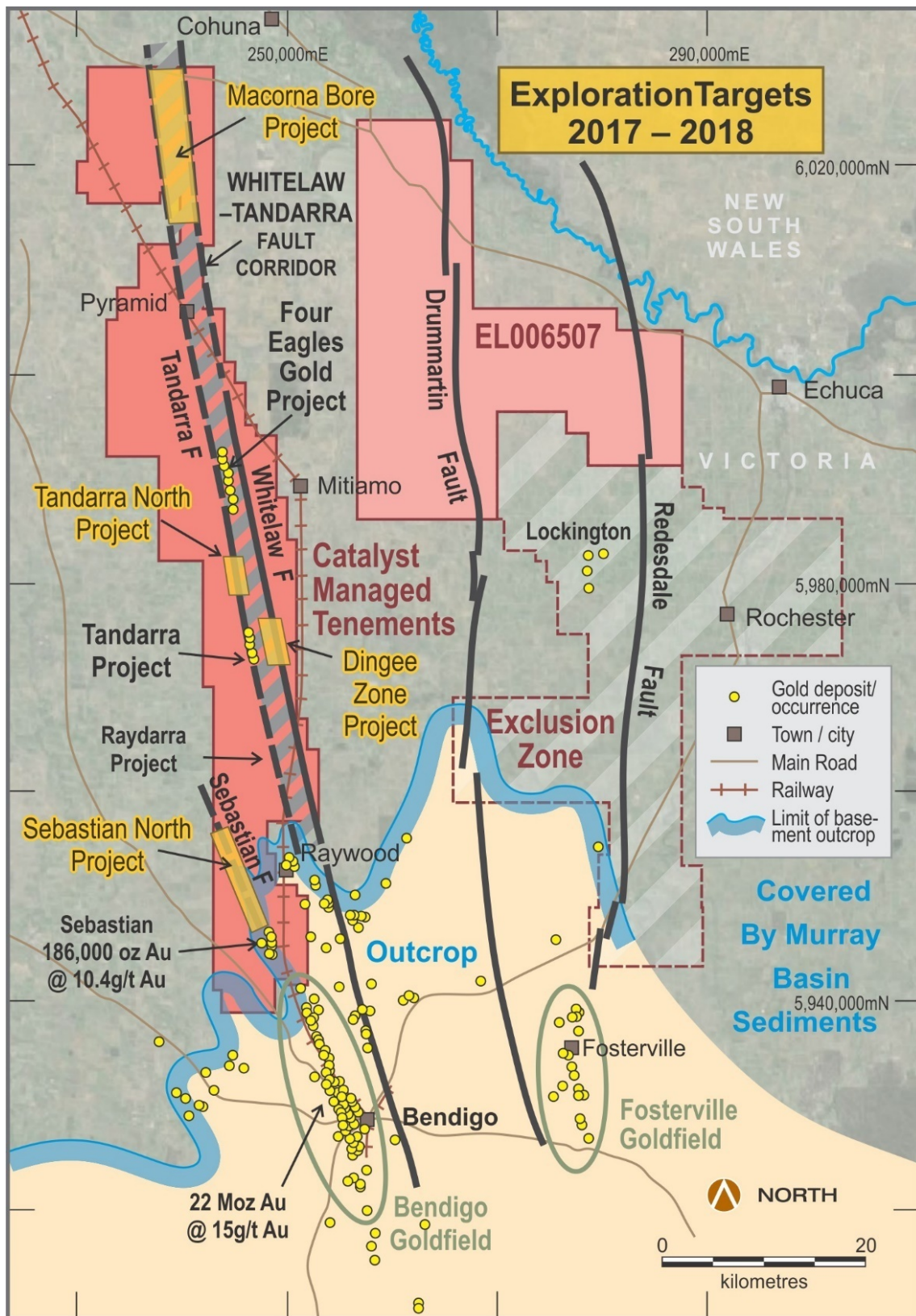
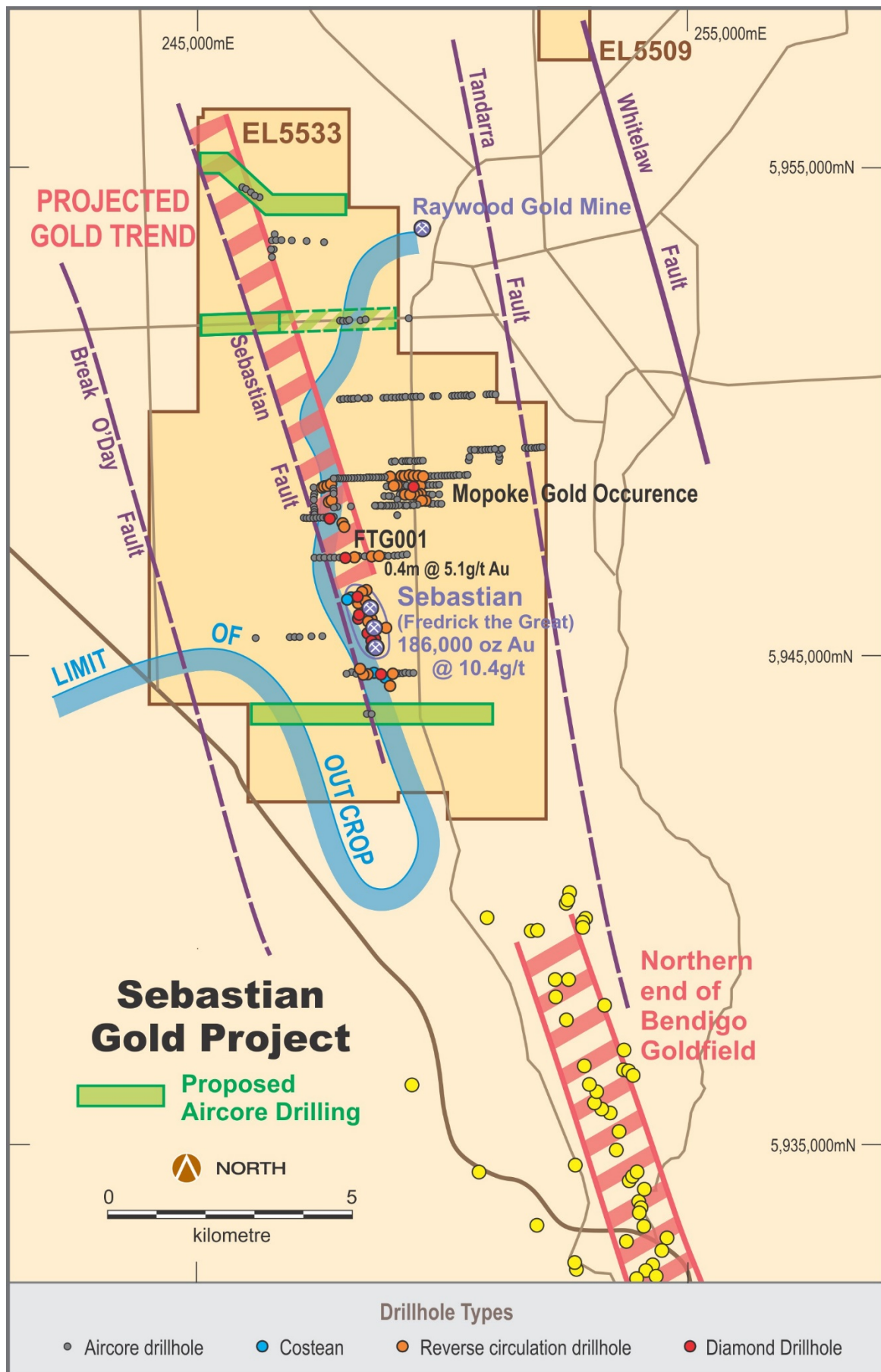
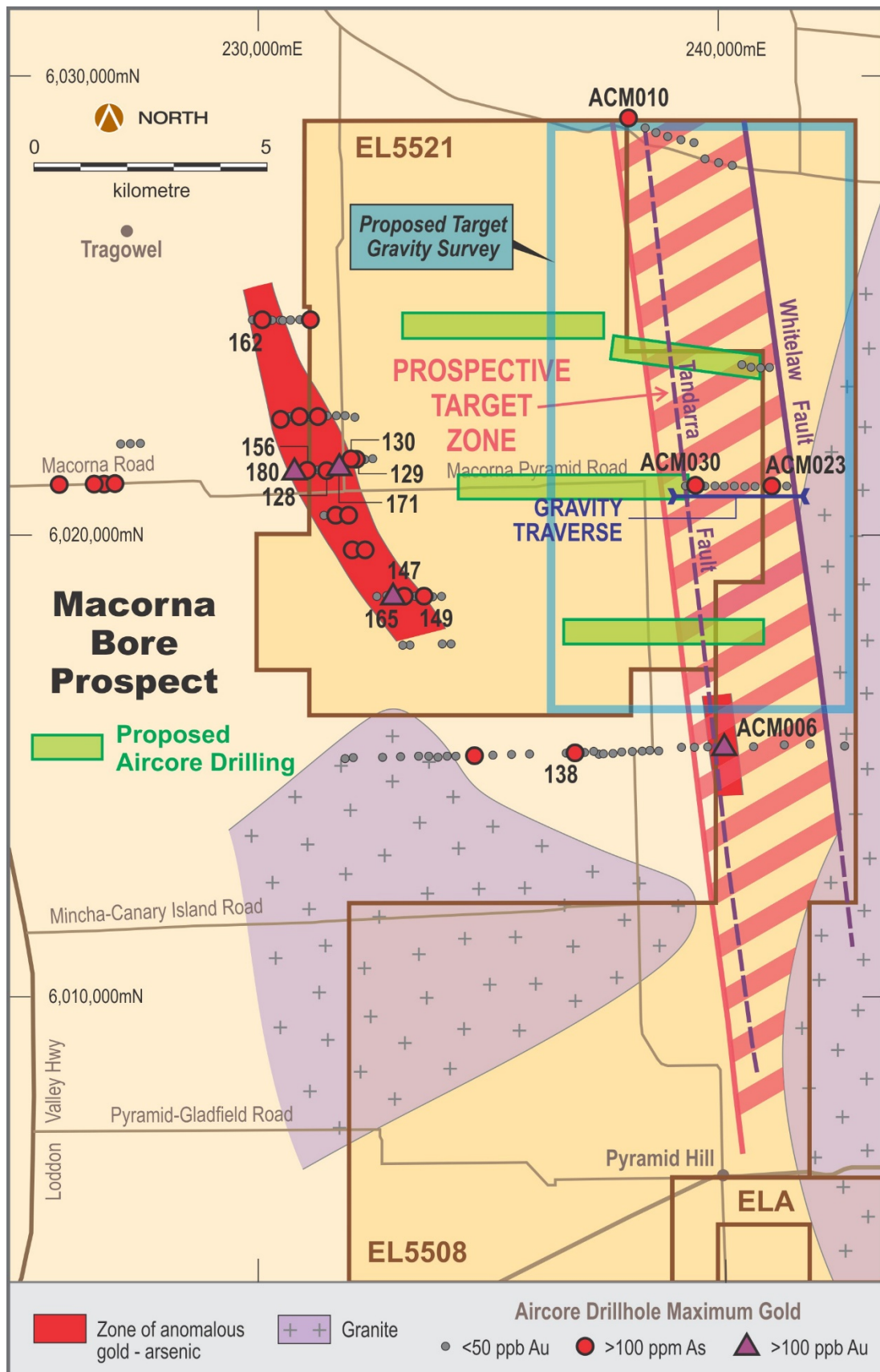


Figure 1: Catalyst-managed tenements in the Whitelaw Gold Belt showing location of the Gold Projects





**Figure 2: Sebastian Gold Project showing planned 2017 air core drilling programme**



**Figure 3: Macorna Bore Project (EL5521) showing planned 2017 air core drilling programme**

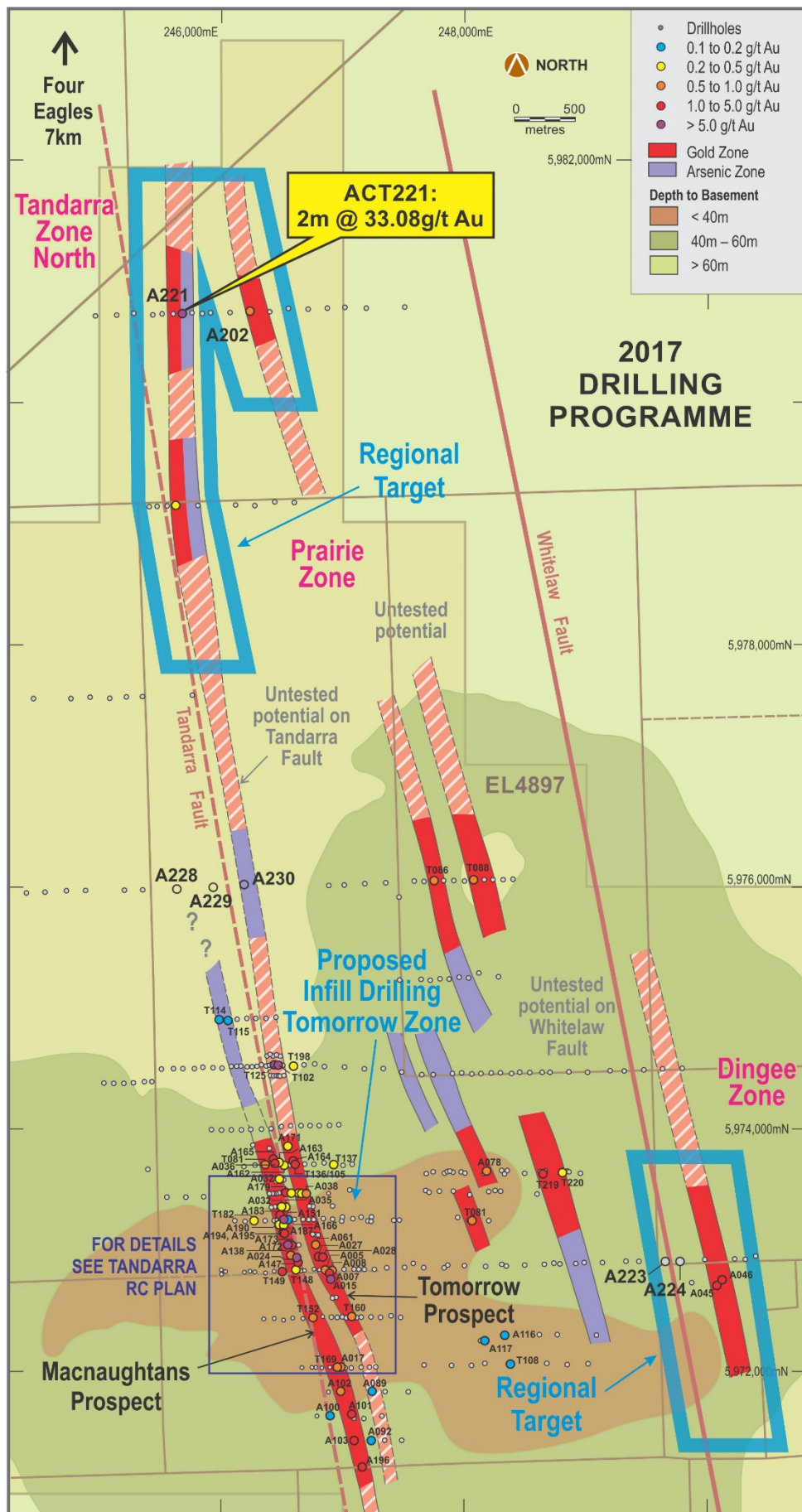


Figure 4: Tandarra Gold Project showing interpreted gold arsenic zones and planned 2017 drilling



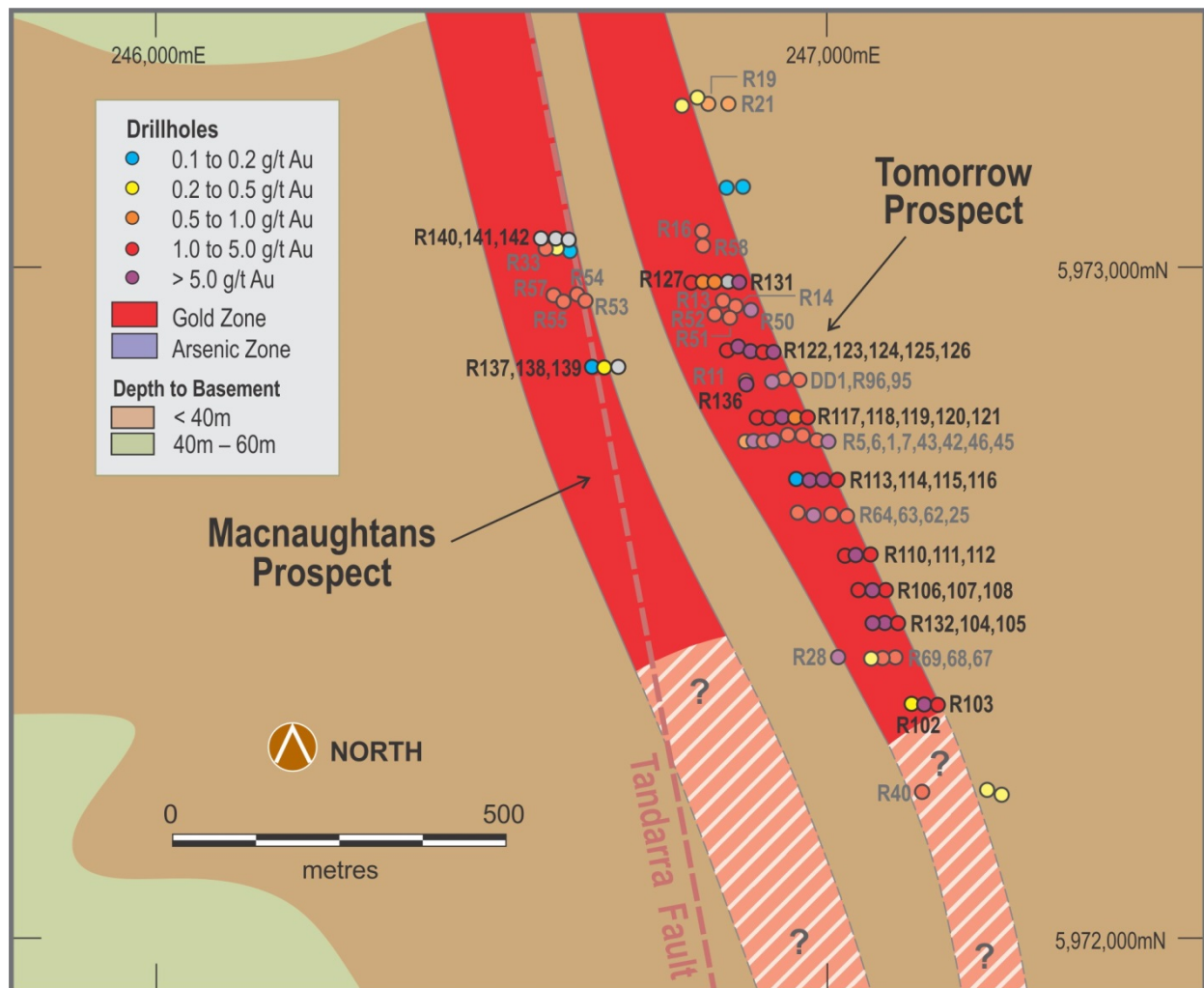


Figure 5a: Tandarra Gold Project Plan View of Tomorrow and Macnaughtans Gold Zones with significant RC drilling intersections

### Significant Aircore Intersections

TAC136	6.0m @ 2.95g/t Au from 75m	ACT151	1.5m @ 59.2g/t Au from 69m
TAC146	1.0m @ 9.96g/t Au from 42m		and 2.0m @ 5.12g/t Au from 70.5m
ACT015	10m @ 17.88g/t Au from 37m	ACT172	3.0m @ 8.83g/t Au from 46.5m
ACT024	1.0m @ 2.91g/t Au from 107m		and 1.5m @ 2.62g/t Au from 58.5m
	and 1.0m @ 15.2g/t Au from 118m		and 1.5m @ 6.93g/t Au from 79.5m

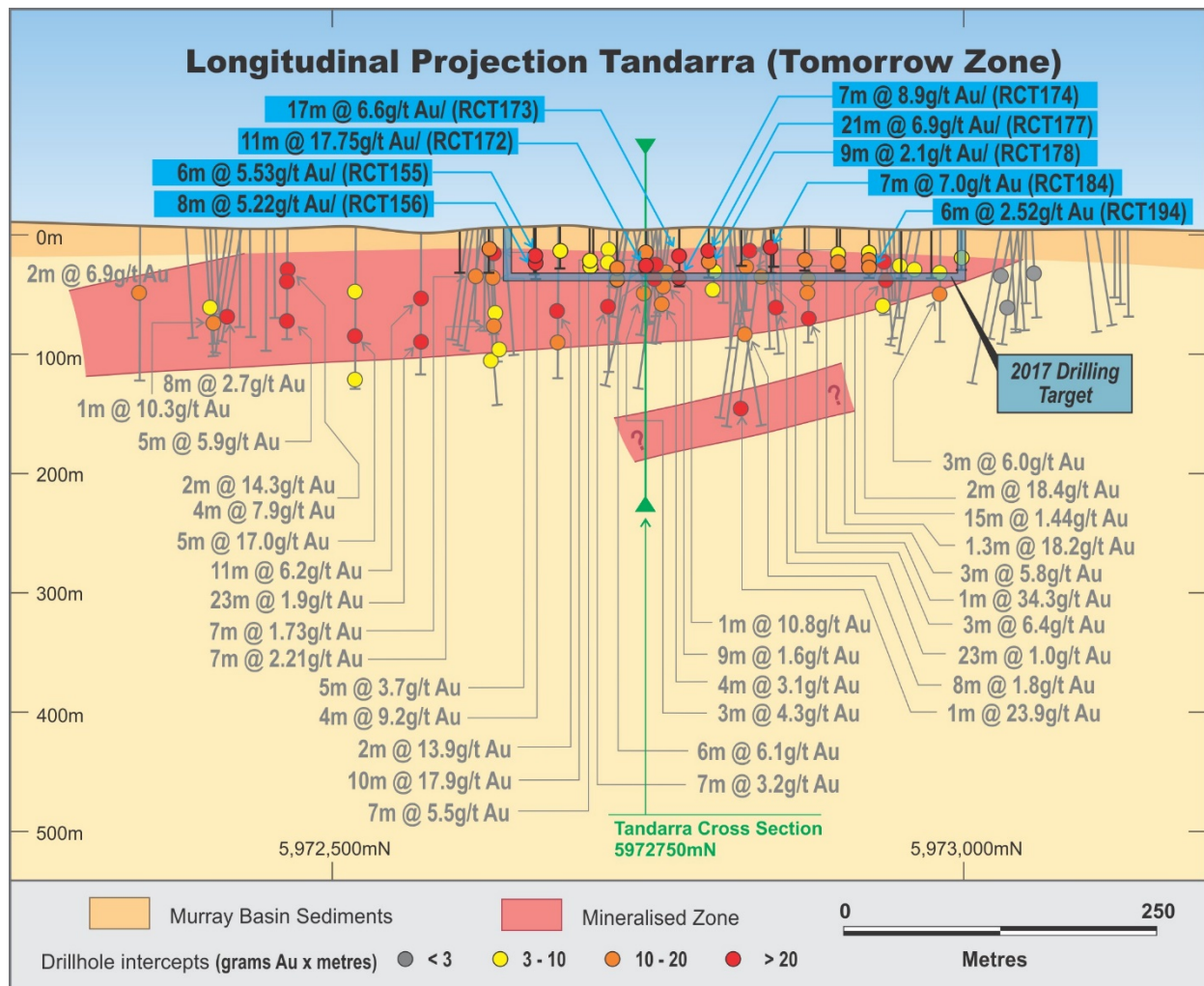
### Significant RC/DD Intersections

DDT001	1.3m @ 18.2g/t Au from 20m	RCT050	2.0m @ 18.4g/t Au from 44m
	and 1.7m @ 5.7g/t Au from 36m	RCT051	15m @ 1.44g/t Au from 22m
	and 1.3m @ 5.9g/t Au from 39.4m	RCT062	5.0m @ 3.7g/t Au from 41m
RCT006	1.0m @ 6.05g/t Au from 45m		and 7.0m @ 2.21g/t Au from 81m
	and 7.0m @ 5.5g/t Au from 50m	RCT063	4.0m @ 9.2g/t Au from 18m
RCT007	1.0m @ 8.6g/t Au from 12m		and 4.0m @ 2.39g/t Au from 103m
RCT028	8.0m @ 2.7g/t Au from 76m	RCT073	1.0m @ 7.29g/t Au from 41m
	inc 2.0m @ 8.9g/t Au from 82m	RCT096	23m @ 1.0g/t Au from 58m
RCT045	1.0m @ 10.8g/t Au from 43m	RCT097	3.0m @ 6.4g/t Au from 54m
	and 4.0m @ 2.67g/t Au from 55m		

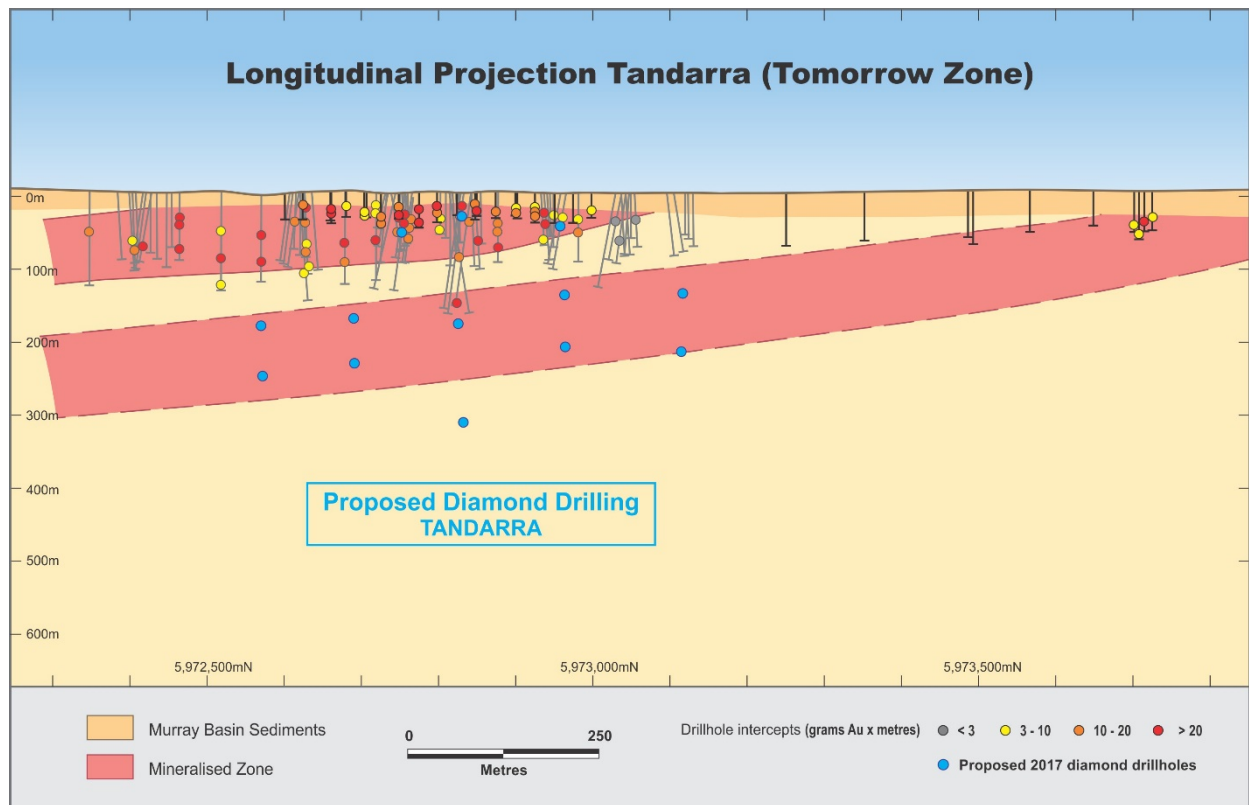
### Recent Significant RC Intersections

RCT102	2.0m @ 6.2g/t Au from 61m	RCT124	1.0m @ 13.0g/t Au from 62m
RCT104	4.0m @ 11.3g/t Au from 54m	RCT126	1.0m @ 30.2g/t Au from 82m
RCT107	5.0m @ 15.6g/t Au from 106m	RCT131	3.0m @ 5.8g/t Au from 64m
RCT111	10m @ 6.1g/t Au from 74m	RCT132	2.0m @ 14.3g/t Au from 54m
	and 23m @ 2.3g/t Au from 90m		and 3.0m @ 3.8g/t Au from 73m
RCT115	2.0m @ 14.3g/t Au from 79m	RCT136	1.0m @ 7.9g/t Au from 29m
RCT119	7.0m @ 2.8g/t Au from 73m		and 6.0m @ 5.2g/t Au from 51m

Figure 5b: Significant drilling intersections on Figure 5a



**Figure 6: Longitudinal projection of Tomorrow Gold zone showing panel drilled in 2017 and recent intersections (blue highlight)**



**Figure 7: Longitudinal Projection of Tomorrow Gold zone (extended) showing potential deeper gold zone and projected pierce points (in blue) from proposed diamond drilling**