



CATALYST METALS LIMITED

ABN 54 118 912 495

NOTICE OF GENERAL MEETING

EXPLANATORY MEMORANDUM

PROXY FORM

Date and time of meeting

21 February 2020 at 10.00 am

BDO Corporate Finance (WA) Pty Ltd has opined that the Transaction the subject of Resolution 1 is fair and reasonable to Non-Associated Shareholders. A copy of the Independent Expert's Report accompanies this Notice of Meeting.

Place of meeting

BDO office
38 Station Street
Subiaco, Western Australia

CATALYST METALS LIMITED
NOTICE OF GENERAL MEETING

Notice is hereby given that a general meeting of shareholders of Catalyst Metals Limited (ABN 54 118 912 495) (**Company**) will be held at the offices of BDO, 38 Station Street, Subiaco, Western Australia on Friday, 21 February 2020 at 10.00 am (WST) (**Meeting**).

The Explanatory Memorandum to this Notice of Meeting provides additional information on the matters to be considered at the Meeting. The Explanatory Memorandum and Proxy Form each form part of this Notice of Meeting.

Shareholders are urged to vote by attending the Meeting in person or by returning a completed Proxy Form.

Proxy Forms must be received by no later than 10.00 am (WST) on 19 February 2020.

Capitalised terms used, but not defined, in this Notice of Meeting and Explanatory Memorandum have the meaning ascribed to them in Schedule 1 of the Explanatory Memorandum.

AGENDA

ORDINARY BUSINESS

RESOLUTION 1 - EARN-IN AND JOINT VENTURE AGREEMENT WITH ST BARBARA LIMITED

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an ordinary resolution:

“That, for the purposes of ASX Listing Rule 10.1 and for all other purposes, the entry into the Earn-in and Joint Venture Agreement (EIJVA) and the disposal by the Company of an interest in the Drummartin Project to St Barbara Limited in accordance with the terms of the EIJVA be approved.”

Voting exclusion statement

The Company will disregard any votes cast in favour of Resolution 1 by or on behalf of St Barbara Limited and any other person who will obtain a material benefit as a result of the passing of the Resolution (except a benefit solely by reason of being a holder of ordinary securities in the Company) or any of their respective Associates.

However, the Company need not disregard a vote cast in favour of Resolution 1 by:

- (a) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney on the Proxy Form to vote on the Resolution in that way; or
- (b) the person chairing the Meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the chair of the Meeting to vote on the Resolution on the Proxy Form to vote on the Resolution as the chair of the Meeting decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (1) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an Associate of a person excluded from voting, on the Resolution; and
 - (2) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

RESOLUTION 2 - RATIFICATION OF SHARE PLACEMENT TO GOLD EXPLORATION VICTORIA PTY LTD

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an ordinary resolution:

“That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, the issue of 3,500,000 Shares to Gold Exploration Victoria Pty Ltd on 28 November 2019, at an issue price of \$2.25 per Share, is ratified.”

Voting exclusion statement

The Company will disregard any votes cast in favour of Resolution 2 by or on behalf of Gold Exploration Victoria Pty Ltd or any of its Associates. However, the Company need not disregard a vote cast in favour of Resolution 2 by:

- (a) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney on the Proxy Form to vote on the Resolution in that way; or
- (b) the person chairing the Meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the chair of the Meeting to vote on the Resolution on the Proxy Form to vote on the Resolution as the chair of the Meeting decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (1) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an Associate of a person excluded from voting, on the Resolution; and
 - (2) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

By order of the Board

Frank Campagna

Company Secretary

Perth, Western Australia

15 January 2019

Proxy appointments

A member of the Company who is entitled to attend and cast a vote at the Meeting may appoint a proxy to attend and vote for the member at the Meeting. A proxy need not be a member of the Company. A Shareholder who is entitled to cast 2 or more votes may appoint 2 proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the Shareholder appoints 2 proxies and the appointment does not specify the proportion or number of the Shareholder's votes each proxy may exercise, then in accordance with Section 249X(3) of the *Corporations Act 2001* (Cth), each proxy may exercise one-half of the votes.

A Proxy Form is enclosed. If required it should be completed, signed and returned to the Company's share registry in accordance with the proxy instructions on that form.

Voting entitlements

In accordance with Regulation 7.11.37 of the *Corporations Regulations 2001* (Cth), the Board has determined that the identity of those entitled to attend and vote at the Meeting is to be taken as those persons who hold Shares in the Company as at 4.00 pm (WST) on 19 February 2020.

CATALYST METALS LIMITED
EXPLANATORY MEMORANDUM

This Explanatory Memorandum has been prepared to assist Shareholders in considering the business to be considered at the Meeting and should be read in conjunction with the accompanying Notice of Meeting.

The Independent Expert's Report attached as **Annexure A**, which includes the Independent Expert's opinion that the Transaction the subject of Resolution 1 is fair and reasonable to Non-Associated Shareholders, forms part of, and should be read together with this Explanatory Memorandum.

RESOLUTION 1 – DRUMMARTIN PROJECT EARN-IN BY ST BARBARA

Background

On 25 November 2019, the Company announced that it and its wholly-owned subsidiary, Kite Operations Pty Ltd (**Kite Operations**), had entered into an earn-in and joint venture agreement (**EIJVA**) with ASX-listed gold producer, St Barbara Limited (ACN 009 165 066) (**St Barbara**), pursuant to which St Barbara has the right to earn-in and, subject to the satisfaction of the earn-in requirements, acquire an interest in EL006507 (the **Drummartin Project**) (the **Transaction**).

The EIJVA provides that St Barbara may acquire an initial 50% joint venture interest in the Drummartin Project by sole funding an aggregate amount of \$3,500,000 of exploration expenditure (**Total Expenditure Commitment**) within a period of four years.

ASX Listing Rule 10.1 provides that a listed entity must not dispose or agree to dispose of a "*substantial asset*" to:

- 10.1.1 a related party;
- 10.1.2 a child entity;
- 10.1.3 a person who is, or was at any time in the 6 months before the transaction, a substantial (10%+) holder in the listed entity;
- 10.1.4 an associate of a person referred to in Listing Rules 10.1.1 to 10.1.3; or
- 10.1.5 a person whose relationship with the listed entity or a person referred to in ASX Listing Rules 10.1.1 to 10.1.4 is such that, in ASX's opinion, the issue or agreement should be approved by shareholders.

An asset is a "*substantial asset*" for the purpose of the ASX Listing Rules if its value, or the consideration to be received, is greater than 5% or more of the listed entity's "*equity interests*" as set out in the listed entity's latest accounts given to ASX.

The Company has for accounting purposes historically "*expensed*" its exploration and evaluation expenditure on its mineral exploration assets (rather than fully capitalising this expenditure) and, as a result, the "*equity interests*" of the Company as provided in the most recent financial statements given to ASX, being the full year accounts for the twelve months end 30 June 2019 was \$16,383,072.

Accordingly, as the proposed consideration for the acquisition of St Barbara's initial 50% joint venture interest, being the \$3,500,000 Total Expenditure Commitment, exceeds 5% of the Company's "*equity interests*", the proposed acquisition by St Barbara constitutes a disposal of a "*substantial asset*" for the purpose of the ASX Listing Rules and, therefore, requires the approval of Shareholders under ASX Listing Rule 10.1.3 as St Barbara had, at the time of entry into the EIJVA, a relevant interest in at least 10% of the Company's Shares. As at the date of this Notice of Meeting, St Barbara held a relevant interest in 13.5% of the Company's Shares.

Resolution 1 seeks the required Shareholder approval of the proposed Transaction under, and for the purpose of, ASX Listing Rule 10.1.

If Resolution 1 is passed, the Company will be able to proceed with the proposed joint venture and St Barbara will be entitled to earn a joint venture interest in the Drummartin Project pursuant to the terms of the EIJVA.

If Resolution 1 is not passed, the EIJVA will automatically terminate and St Barbara will not be permitted to acquire a joint venture interest in the Drummartin Project and the Company will be required to explore alternative means by which to advance the Drummartin Project.

Details of the Drummartin Project

The Drummartin Project is an early stage greenfield exploration project the subject of EL006507 (the **Tenement**), which is situated east of the Four Eagles Gold Project and about 60 kilometres north of the Fosterville Gold Mine in Victoria.

The Tenement comprises a large area of 648 square kilometres with limited previous exploration, but appears to lie on the interpreted northern extension of the Redesdale, Fosterville and Drummartin Faults, which are considered to be important in the formation of the Fosterville gold mineralisation.

Depth of Murray Basin cover is unknown and is predicted to range from 50 metres to 150 metres in depth. The Company has carried out a small air core drilling programme in the western portion of the Tenement and has recently completed a large detailed ground gravity survey covering the eastern one-third of the Tenement.

Independent Expert's Report

In accordance with ASX Listing Rule 10.5.10, the Company commissioned BDO Corporate Finance (WA) Pty Limited (**Independent Expert**) to prepare an independent report as to whether, in the Independent Expert's opinion, the Transaction is fair and reasonable to Non-Associated Shareholders.

The Independent Expert has concluded that the Transaction is fair and reasonable to Non-Associated Shareholders, for the reasons set out in the Independent Expert's Report.

A copy of the Independent Expert's Report accompanies this Explanatory Memorandum and is set out in Appendix A. The Independent Expert's Report is also available for download from the Company's web-site at www.catalystmetals.com.au. Shareholders may also obtain a copy, free of charge, by contacting the Company. Shareholders are urged to read the report in full and seek their own advice if they have any queries.

Material Terms of EIJVA

The material terms of the EIJVA are as follows:

- (a) St Barbara's right to earn-in to the Drummartin Project and, subject to the terms of the EIJVA, acquire an interest in the Drummartin Project, is subject to and conditional on the Company obtaining Shareholder approval of the Transaction pursuant to Resolution 1 on or before 21 February 2020;
- (b) St Barbara (or its nominee) may elect to acquire a 50% joint venture interest in the Drummartin Project by sole funding the Total Expenditure Commitment (being the aggregate amount of \$3,500,000 of exploration expenditure) within 48 months (subject to the occurrence of prescribed force majeure events) of the date the Company obtains Shareholder approval pursuant to Resolution 1 (**Commencement Date**);
- (c) St Barbara must, on the Commencement Date, reimburse Kite Operations \$150,000 for exploration expenditure incurred by Kite Operations since 1 January 2019 and an amount equal to 50% of the cost of commissioning the Independent Expert's Report up to a maximum cap of \$25,000 (each of which amounts will be credited towards the Total Expenditure Commitment);

- (d) the exploration program and budget for each 12 month period (or part thereof) during the earn-in period is to be agreed between St Barbara and Kite and, while the initial program has not yet been confirmed, it is anticipated that the initial exploration program will be focussed on a detailed gravity survey over the western portion of the exploration licence and air core drilling of targets defined in the eastern portion of the licence.

Depending on the results achieved, exploration programs in subsequent years could include further air core, reverse circulation and diamond drilling or other appropriate exploration methodologies suitable to advance the project;

- (e) St Barbara may withdraw from the earn-in, provided it has funded at least \$1,000,000 in exploration expenditure (**Minimum Contribution Amount**) within two years of the Commencement Date (subject to that period being extended to cater for any force majeure events). If St Barbara does not satisfy the Minimum Contribution within this period Kite Operations may elect to, either, terminate the EIJVA or require that St Barbara expend the applicable shortfall within a further specified timeframe;
- (f) St Barbara shall be the manager during the earn-in period;
- (g) on St Barbara earning its 50% joint venture interest, an unincorporated joint venture (**Joint Venture**) will be constituted between Kite Operations and St Barbara (or a nominee) (**Joint Venturers**) with each of them holding an initial 50% interest in the Joint Venture and being obligated to contribute to all project expenditure in proportion to their joint venture interest (then existing, from time to time) in accordance with the Joint Venture program and budget;
- (h) Kite Operations will be the Operator of the exploration programmes from its Bendigo base for the duration of the earn-in period and for the duration of the Joint Venture, subject to the occurrence of certain trigger events entitling St Barbara to remove Kite Operations as Operator, including insolvency and other usual events of default;
- (i) during the Joint Venture period:
- i. the Joint Venturer with the largest joint venture interest shall be entitled to appoint the manager of the Joint Venture, provided that St Barbara (or its nominee) will be the manager of the Joint Venture for so long as each Joint Venturer holds a 50% joint venture interest; and
 - ii. each Joint Venturer may appoint two members to the management committee, with St Barbara being entitled to appoint the Chair for so long as its joint venture interest is equal to 50%, with all decisions requiring approval by at least 51% of the votes cast (with the exception of certain special decisions, which require at least 75% approval), with votes being calculated based on the percentage joint venture interest held by Joint Venturer; and
- (j) if a Joint Venturer's Joint Venture interest reduces to 10% or less, that interest converts into a 1% net smelter return royalty;
- (k) various other provisions that are common for joint venture agreements of this nature.

Further information regarding the EIJVA is contained in the Independent Expert's Report (which accompanies this Explanatory Memorandum).

Directors' Recommendation

Among other reasons, the Board considers the Transaction to be beneficial for the Company as it:

- (a) enables exploration on the Drummartin Project to be advanced, while enabling the Company to preserve the Company's cash for the Company's more advanced Four Eagles and Tandarra Gold Projects and other opportunities; and
- (b) provides the Company with access to St Barbara's significant technical expertise.

The Board recommends that Shareholders vote in favour of Resolution 1:

- (a) in the absence of a Superior Proposal; and
- (b) subject to the Independent Expert not having ceased to be of the opinion that the Transaction is fair and reasonable to Non-Associated Shareholders.

The Chairman intends to vote undirected proxies in favour of Resolution 1.

Timetable

The material terms and obligations of the EIJVA will become effective and commence on the date that Resolution 1 is approved by Shareholders at the Meeting (**Commencement Date**). From that date, St Barbara (or its nominee) may acquire a 50% joint venture interest in the Drummartin Project by sole funding the Total Expenditure Commitment within 48 months of that date (subject to the occurrence of prescribed force majeure events, entitling a corresponding extension to the earn-in deadline).

RESOLUTION 2 – RATIFICATION OF SHARE PLACEMENT TO GOLD EXPLORATION VICTORIA PTY LTD

On 28 November 2019, the Company issued 3,500,000 Shares to Gold Exploration Victoria Pty Ltd (a wholly-owned subsidiary of Hancock Prospecting Pty Ltd), at a subscription price of \$2.25 per Share for gross placement proceeds of \$7,875,000 (**Placement**).

Broadly speaking, and subject to a number of exceptions, ASX Listing Rule 7.1 prohibits a listed entity from issuing, or agreeing to issue, over any 12 month period Equity Securities representing more than 15% of its issued capital at the start of that period without first obtaining shareholder approval.

ASX Listing Rule 7.4 allows the shareholders of a listed entity to ratify an issue of Equity Securities after they have been issued or agreed to be issued. If they do, the issue of shares is taken to have been approved under ASX Listing Rule 7.1 and so does not reduce the listed entity's capacity to issue further Equity Securities without first having to obtain Shareholder approval for such issues under ASX Listing Rule 7.1.

As the Placement did not fall within any of the exceptions to ASX Listing Rule 7.1 and was undertaken within the Company's available 15% capacity pursuant to ASX Listing Rule 7.1, Resolution 2 seeks to ratify the Placement for the purpose of ASX Listing Rule 7.4 so as to allow Catalyst to retain as much flexibility as possible to issue additional Equity Securities in the future without having to obtain shareholder approval for such issues under ASX Listing Rule 7.1.

If Resolution 2 is passed, then the Shares issued pursuant to the Placement will be deemed to have been issued with Shareholder approval and will, therefore, not be deducted when calculating the Company's available 15% placement capacity pursuant to ASX Listing Rule 7.1, effectively increasing the number of Equity Securities Catalyst can issue without Shareholder approval over the 12 month period following the date of issue.

If Resolution 2 is not passed, the Shares will be deducted from the Company's available 15% placement capacity, thus decreasing the number of Equity Securities the Company can issue without first obtaining Shareholder approval, effectively decreasing the number of Equity Securities Catalyst can issue without Shareholder approval over the 12 month period following the date of issue.

For the purposes of ASX Listing Rule 7.5, Shareholders are advised as follows:

- (a) the total number of securities issued was 3,500,000 Shares;
- (b) the issue price of the Shares was \$2.25 per Share;
- (c) the Shares were allotted and credited as fully paid and rank equally with the existing Shares on issue;
- (d) the Shares were allotted and issued to Gold Exploration Victoria Pty Ltd;

- (e) the purpose of the Share issue was to raise additional funds for the Company, which will be used to fund ongoing exploration programmes and as additional working capital for the Company, including to:
 - i. progress ongoing exploration and evaluation of existing mining projects, including but not limited to air-core, reverse circulation and diamond drilling programmes and gravity surveys undertaken on the Four Eagles Gold Project (approximately 40% of funds raised), Tandarra Gold Project (approximately 15% of funds raised) and for general working capital purposes (approximately 15% of funds raised); and
 - ii. continue to pursue aggressive exploration programmes in other projects in the Whitelaw Gold Belt north of Bendigo and adjacent belts north of the Fosterville and Inglewood goldfields, including as part of any tender opportunity on the North Central Victorian Goldfields Ground Release due in the March 2020 quarter and/or other resources opportunities in Australia (approximately 30% of funds raised);

The proposed allocation of the use of funds is approximate only and is a statement of current intentions as at the date of this Notice of Meeting. However, as with any budget, intervening events, including as a result of the outcome of Company's exploration activities, studies undertaken, regulatory developments or additional unforeseen expenses, have the potential to affect the manner in which the funds are ultimately applied, which the Company reserves the right to do.

- (f) the placement agreement provides, among other things, that:
 - i. the Shares will be subject to voluntary escrow for a period ending 12 months from the date of issue; and
 - ii. for so long as Gold Exploration Victoria Pty Ltd holds at least a 15% of the Shares on issue it will have a right to nominate a representative to the Board of Catalyst; and
- (g) the Company will disregard any votes cast on Resolution 2 by Gold Exploration Victoria Pty Ltd and any of its Associates.

Directors' Recommendation

The Board recommends that Shareholders vote in favour of Resolution 2. The Chairman intends to vote undirected proxies in favour of Resolution 2.

GLOSSARY

In this Notice of Meeting and Explanatory Memorandum:

“Associate” has the meaning ascribed to that term in the ASX Listing Rules.

“ASX” means ASX Limited.

“ASX Listing Rules” means the official listing rules of ASX.

“Board” means the board of directors of the Company.

“Company” means Catalyst Metals Limited (ACN 118 912 495) (ASX: CYL).

“Competing Proposal” means a proposal, transaction or arrangement (whether by way of takeover bid, scheme of arrangement, capital reduction, sale of assets, sale or issue of securities, joint venture or otherwise) which, if completed, would mean a person (other than St Barbara or its related bodies corporate) would:

- (a) acquire a direct or an indirect interest in the Tenement (other than by way of an acquisition of Shares); or
- (b) acquire a direct or an indirect interest in any joint venture, partnership or similar transaction or agreement in relation to, the Tenement.

“Drummartin Project” means the area the subject of the Tenement.

“EIJVA” means the earn-in and joint venture agreement between the Company, Kite Operations and St Barbara dated on or about 23 November 2019.

“Equity Securities” includes a Share, a right to a Share or Option, an Option, a convertible security and any security that ASX decides to classify as an equity security.

“Explanatory Memorandum” means the explanatory memorandum accompanying the Notice of Meeting.

“Independent Expert” means BDO Corporate Finance (WA) Pty Limited.

“Independent Expert’s Report” means the report prepared by the Independent Expert as set out in Annexure A.

“Kite Operations” means Kite Operations Pty Ltd (ACN 155 299 451).

“Meeting” means the meeting convened by the Notice of Meeting (as adjourned from time to time).

“Non-Associated Shareholders” means Shareholders other than St Barbara and any other person who will obtain a material benefit as a result of the Transaction (except a benefit solely by reason of being a Shareholder), or their respective Associates.

“Notice of Meeting” means this notice of meeting.

“Option” means an option to subscribe for a Share.

“Proxy Form” means the proxy form accompanying this Notice of Meeting.

“Resolution” means a resolution set out in this Notice of Meeting.

“Share” means a fully paid ordinary share in the capital of the Company.

“Shareholder” means a holder of a Share.

“St Barbara” means St Barbara Limited (ACN 009 165 066).

“Superior Proposal” means a bona fide Competing Proposal which the Board, acting in good faith, and after taking advice from its legal and financial advisers, determines is:

- (a) reasonably capable of being completed taking into account all aspects of the Competing Proposal, including its conditions; and

- (b) more favourable to Shareholders than the EIJVA, taking into account all aspects of the Competing Proposal, including the identity, reputation and financial condition of the person making such proposal, legal, regulatory and financial matters.

“Tenement” means exploration licence EL006507 granted pursuant to the *Mineral Resources (Sustainable Development) Act 1990* (Vic).

“Transaction” means the entry into the EIJVA and the disposal by the Company of an interest in the Drummartin Project to St Barbara Limited in accordance with the terms of the EIJVA, as set out in this Explanatory Memorandum.

“Total Expenditure Commitment” means the aggregate amount of \$3,500,000 of exploration expenditure to be funded by St Barbara pursuant to the EIJVA.

“WST” means Western Standard Time.

**ANNEXURE A
INDEPENDENT EXPERT'S REPORT**

**CATALYST METALS LIMITED
Independent Expert's Report**

OPINION: Fair and Reasonable

15 January 2020





Financial Services Guide

15 January 2020

BDO Corporate Finance (WA) Pty Ltd ABN 27 124 031 045 ('we' or 'us' or 'ours' as appropriate) has been engaged by Catalyst Metals Limited ('Catalyst') to provide an independent expert's report on the proposed earn-in and joint venture agreement between Catalyst and St Barbara Limited ('St Barbara'), whereby St Barbara may acquire a 50% participating interest in the Catalyst-owned Drummartin Project by way of meeting certain project expenditure commitments. You are being provided with a copy of our report because you are a shareholder of Catalyst and this Financial Services Guide ('FSG') is included in the event you are also classified under the Corporations Act 2001 ('the Act') as a retail client.

Our report and this FSG accompanies the Notice of Meeting required to be provided to you by Catalyst to assist you in deciding on whether or not to approve the proposal.

Financial Services Guide

This FSG is designed to help retail clients make a decision as to their use of our general financial product advice and to ensure that we comply with our obligations as a financial services licensee.

This FSG includes information about:

- ◆ Who we are and how we can be contacted;
- ◆ The services we are authorised to provide under our Australian Financial Services Licence No. 316158;
- ◆ Remuneration that we and/or our staff and any associates receive in connection with the general financial product advice;
- ◆ Any relevant associations or relationships we have; and
- ◆ Our internal and external complaints handling procedures and how you may access them.

Information about us

We are a member firm of the BDO network in Australia, a national association of separate entities (each of which has appointed BDO (Australia) Limited ACN 050 110 275 to represent it in BDO International). The financial product advice in our report is provided by BDO Corporate Finance (WA) Pty Ltd and not by BDO or its related entities. BDO and its related entities provide professional services primarily in the areas of audit, tax, consulting, mergers and acquisition, and financial advisory services.

We and BDO (and its related entities) might from time to time provide professional services to financial product issuers in the ordinary course of business and the directors of BDO Corporate Finance (WA) Pty Ltd may receive a share in the profits of related entities that provide these services.

Financial services we are licensed to provide

We hold an Australian Financial Services Licence that authorises us to provide general financial product advice for securities to retail and wholesale clients, and deal in securities for wholesale clients. The authorisation relevant to this report is general financial product advice.

When we provide this financial service we are engaged to provide an expert report in connection with the financial product of another person. Our reports explain who has engaged us and the nature of the report we have been engaged to provide. When we provide the authorised services we are not acting for you.

General Financial Product Advice

We only provide general financial product advice, not personal financial product advice. Our report does not take into account your personal objectives, financial situation or needs. You should consider the appropriateness of this general advice having regard to your own objectives, financial situation and needs before you act on the advice. If you have any questions, or don't fully understand our report you should seek professional financial advice.

Fees, commissions and other benefits that we may receive

We charge fees for providing reports, including this report. These fees are negotiated and agreed with the person who engages us to provide the report. Fees are agreed on an hourly basis or as a fixed amount depending on the terms of the agreement. The fee payable to BDO Corporate Finance (WA) Pty Ltd for this engagement is approximately \$30,000.

Except for the fees referred to above, neither BDO, nor any of its directors, employees or related entities, receive any pecuniary benefit or other benefit, directly or indirectly, for or in connection with the provision of the report and our directors do not hold any shares in Catalyst.

Other Assignments

BDO Corporate Tax (WA) Pty Ltd has provided taxation compliance and consulting services to Catalyst in September 2018 for a total fee of approximately \$5,000. We do not consider that this impacts on our independence in accordance with the requirements of Regulatory Guide 112 'Independence of Experts'. We have completed a conflict search of BDO affiliated organisations within Australia. This conflict search incorporates all Partners, Directors and Managers of BDO affiliated organisations. We are not aware of any circumstances that, in our view, would constitute a conflict of interest or would impair our ability to provide objective assistance in this matter.

Remuneration or other benefits received by our employees

All our employees receive a salary. Our employees are eligible for bonuses based on overall productivity but not directly in connection with any engagement for the provision of a report. We have received a fee from Catalyst for our professional services in providing this report. That fee is not linked in any way with our opinion as expressed in this report.

Referrals

We do not pay commissions or provide any other benefits to any person for referring customers to us in connection with the reports that we are licensed to provide.

Complaints resolution

Internal complaints resolution process

As the holder of an Australian Financial Services Licence, we are required to have a system for handling complaints from persons to whom we provide financial product advice. All complaints must be in writing addressed to The Complaints Officer, BDO Corporate Finance (WA) Pty Ltd, PO Box 700 West Perth WA 6872.

When we receive a written complaint we will record the complaint, acknowledge receipt of the complaint within 15 days and investigate the issues raised. As soon as practical, and not more than **45 days** after receiving the written complaint, we will advise the complainant in writing of our determination.

Referral to External Dispute Resolution Scheme

A complainant not satisfied with the outcome of the above process, or our determination, has the right to refer the matter to the Australian Financial Complaints Authority ('AFCA').

AFCA is an external dispute resolution scheme that deals with complaints from consumers in the financial system. It is a not-for-profit company limited by guarantee and authorised by the responsible federal minister. AFCA was established on 1 November 2018 to allow for the amalgamation of all Financial Ombudsman Service ('FOS') schemes into one. AFCA will deal with complaints from consumers in the financial system by providing free, fair and independent financial services complaint resolution. If an issue has not been resolved to your satisfaction you can lodge a complaint with AFCA at any time.

Our AFCA Membership Number is 12561. Further details about AFCA are available on its website www.afca.org.au or by contacting it directly via the details set out below.

Australian Financial Complaints Authority
GPO Box 3
Melbourne VIC 3001
AFCA Free call: 1800 931 678
Website: www.afca.org.au
Email: info@afca.org.au

You may contact us using the details set out on page 1 of the accompanying report.

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Appendix 1 - Glossary and copyright notice

Appendix 2 - Valuation Methodologies

Appendix 3 - Independent Valuation Report prepared by Geos Mining

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Subiaco, WA 6008
PO Box 700 West Perth WA 6872
Australia

15 January 2020

The Directors
Catalyst Metals Limited
44 Kings Park Road
West Perth, WA, 6005

Dear Directors

INDEPENDENT EXPERT'S REPORT

1. Introduction

On 25 November 2019, Catalyst Metals Limited (**'Catalyst'** or **'the Company'**) announced that the Company and its wholly owned subsidiary, Kite Operations Pty Ltd (**'Kite Operations'**), have entered into an earn-in and joint venture agreement (**'EIJVA'**) with one of the Company's substantial shareholders, St Barbara Limited (**'St Barbara'**) (**'the Proposed Transaction'**). St Barbara is a gold mining company listed on the Australian Securities Exchange (**'ASX'**) that holds a 13.5% equity interest in Catalyst.

Under the EIJVA, St Barbara may acquire an initial 50% participating interest in EL006507 (**'the Drummartin Project'**) by funding not less than \$3.5 million of project expenditure (**'Total Expenditure Commitment'**) within 48 months of commencement of the earn-in. The earn-in will commence from the date on which Catalyst obtains shareholder approval for the EIJVA (**'Commencement Date'**).

St Barbara may withdraw from the EIJVA if it has funded at least \$1.0 million of project expenditure within two years of the Commencement Date. Further details of the Proposed Transaction are outlined in Section 4 of our Report.

As St Barbara is a substantial shareholder of Catalyst, shareholder approval is being sought for the Proposed Transaction under the requirements of ASX Listing Rule 10.1.

All currencies are quoted in Australian dollars (**'AUD'** or **'A\$'**) unless otherwise stated.

2. Summary and Opinion

2.1 Requirement for the report

The directors of Catalyst have requested that BDO Corporate Finance (WA) Pty Ltd (**'BDO'**) prepare an independent expert's report (**'our Report'**) to express an opinion as to whether or not the Proposed Transaction is fair and reasonable to the non-associated shareholders of Catalyst (**'Shareholders'**).

Our Report is prepared pursuant to ASX Listing Rule 10.1 and is to be included in a Notice of Meeting for Catalyst in order to assist the Shareholders in their decision whether or not to approve the Proposed Transaction.

2.2 Approach

Our Report has been prepared having regard to Australian Securities and Investments Commission ('ASIC') Regulatory Guide 111 'Content of Expert's Reports' ('RG 111') and Regulatory Guide 112 'Independence of Experts' ('RG 112').

In arriving at our opinion, we have assessed the terms of the Proposed Transaction as outlined in the body of our Report. We have considered:

- How the value of a 50% interest in the Drummartin Project compares to the value of the consideration to be paid by St Barbara, implied by the Total Expenditure Commitment of \$3.5 million;
- The alternative funding arrangements available to Catalyst for the exploration and development of the Drummartin Project;
- The position of Shareholders should the Proposed Transaction not proceed; and
- Other factors which we consider to be relevant to the Shareholders in their assessment of the Proposed Transaction.

2.3 Opinion

We have considered the terms of the Proposed Transaction outlined in the body of this report and have concluded that, in absence of any other relevant information, the Proposed Transaction is fair and reasonable to Shareholders.

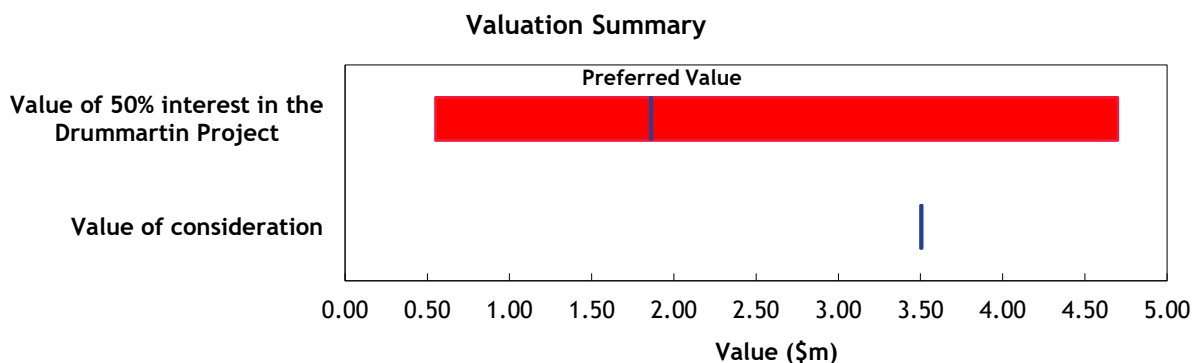
2.4 Fairness

In Section 10 and 11 of our Report, we have determined the value of a 50% interest in the Drummartin Project and the consideration as detailed below:

	Ref	Low \$m	Preferred \$m	High \$m
Value of 50% interest in the Drummartin Project	10	0.55	1.80	4.70
Value of consideration	11	3.50	3.50	3.50

Source: BDO analysis

The above valuation ranges are graphically presented below:



Source: BDO analysis

For the reasons outlined in Section 12 of our Report, we have weighted our fairness assessment towards the preferred valuation of 50% of the Drummartin Project and determined that the Proposed Transaction is fair for Shareholders.

2.5 Reasonableness

We have considered the analysis in Section 13 of this report, in terms of both:

- advantages and disadvantages of the Proposed Transaction; and
- other considerations, including the position of Shareholders if the consequences of not approving the Proposed Transaction.

In our opinion, the position of Shareholders if the Proposed Transaction is approved is more advantageous than the position if the Proposed Transaction is not approved. Accordingly, in the absence of any other relevant information we believe that the Proposed Transaction is reasonable for Shareholders.

The respective advantages and disadvantages considered are summarised below:

ADVANTAGES AND DISADVANTAGES	
Advantages (Section 13.3)	Disadvantages (Section 13.4)
The Proposed Transaction is fair	Reduction of Catalyst’s interest in the Drummartin Project from sole ownership to 50% joint ownership
Allows Catalyst to focus on flagship projects	Potential loss of control of the Drummartin Project through St Barbara fulfilling the role of manager
Potential increase in value of the Drummartin Project	Potential further dilution of Catalyst’s interest in the Drummartin Project once St Barbara has earned a 50% interest and the joint venture is established

Catalyst potentially benefits from \$1.0 million project expenditure even if St Barbara withdraws from the JV

Source: BDO analysis

Other key matters we have considered include:

Section	Description
13.1	Alternative funding of development of Drummartin Project
13.2	Consequences of not approving the Proposed Transaction

Source: BDO analysis

3. Scope of the Report

3.1 Purpose of the Report

ASX Listing Rule 10.1 requires that a listed entity must obtain shareholders' approval before it acquires or disposes of a substantial asset, when the consideration to be paid for the asset or the value of the asset being disposed constitutes more than 5% of the equity interest of that entity as set out in the latest accounts given to the ASX under its Listing Rules.

Based on the audited accounts as at 30 June 2019, the total consideration, implied by the Total Expenditure Commitment of \$3.5 million, for a 50% interest in the Drummartin Project is approximately 21.4% of the equity interest of the Company.

Listing Rule 10.1 applies where the vendor or acquirer of the relevant asset is a related party or person of influence of the listed entity as defined under the ASX Listing Rules. Based on the share registry of the Company at 29 November 2019, St Barbara holds a 13.5% equity interest in Catalyst and is therefore a "substantial holder" in the Company for the purpose of Listing Rule 10.1.3.

Listing Rule 10.5.10 requires the Notice of Meeting for shareholders' approval to be accompanied by a report by an independent expert expressing their opinion as to whether the transaction is fair and reasonable to the shareholders whose votes are not to be disregarded.

Accordingly, an independent experts' report is required for the Proposed Transaction. Under RG 111 the report should provide an opinion by the expert stating whether or not the terms and conditions in relation thereto are fair and reasonable to non-associated shareholders of Catalyst.

The directors of Catalyst have commissioned this Independent Expert's Report to satisfy the above obligations.

3.2 Regulatory guidance

Neither the Listing Rules nor the Corporations Act defines the meaning of 'fair and reasonable'. In determining whether the Proposed Transaction is fair and reasonable, we have had regard to the views expressed by ASIC in RG 111. RG 111 provides guidance as to what matters an independent expert should consider to assist security holders to make informed decisions about transactions.

RG 111 suggests that, where an expert assesses whether a related party transaction is 'fair and reasonable' for the purposes of ASX Listing Rule 10.1, this should not be applied as a composite test—that is, there should be a separate assessment of whether the transaction is 'fair' and 'reasonable', as in a control transaction. An expert should not assess whether the transaction is 'fair and reasonable' based simply on a consideration of the advantages and disadvantages of the proposal.

We do not consider the Proposed Transaction to be a control transaction. As such, we have used RG 111 as a guide for our analysis but have considered the Proposed Transaction as if it were not a control transaction.

3.3 Adopted basis of evaluation

RG 111 states that a transaction is fair if the value of the offer price or consideration is equal to or greater than the value of the assets which are the subject of the offer. In the case of Catalyst, the Drummartin Project is the subject of the Proposed Transaction. This comparison should be made assuming

a knowledgeable and willing, but not anxious, buyer and a knowledgeable and willing, but not anxious, seller acting at arm's length.

RG 111 states that when considering the value of the securities which are the subject of the offer in a control transaction the expert should consider this value inclusive of a control premium. However, as stated in Section 3.2, we do not consider that the Proposed Transaction is a control transaction. As such, we have not included a premium for control when considering the value of the Drummartin Project.

Further to this, RG 111 states that a transaction is reasonable if it is fair. It might also be reasonable if despite being 'not fair' the expert believes that there are sufficient reasons for security holders to accept the offer in the absence of any alternative options.

Having regard to the above, BDO has completed this comparison in two parts:

- A comparison between the value of a 50% interest in the Drummartin Project and the value of the consideration being paid for the interest (fairness - see Section 12 'Is the Proposed Transaction Fair?'); and
- An investigation into other significant factors to which Shareholders might give consideration, prior to approving the resolution, after reference to the value derived above (reasonableness - see Section 13 'Is the Proposed Transaction Reasonable?').

This assignment is a Valuation Engagement as defined by Accounting Professional & Ethical Standards Board professional standard APES 225 'Valuation Services' ('APES 225').

A Valuation Engagement is defined by APES 225 as follows:

'an Engagement or Assignment to perform a Valuation and provide a Valuation Report where the Valuer is free to employ the Valuation Approaches, Valuation Methods, and Valuation Procedures that a reasonable and informed third party would perform taking into consideration all the specific facts and circumstances of the Engagement or Assignment available to the Valuer at that time.'

This Valuation Engagement has been undertaken in accordance with the requirements set out in APES 225.

4. Outline of the Transaction

Overview

On 25 November 2019, Catalyst announced that the Company and its wholly owned subsidiary, Kite Operations, had entered into an EIJVA with one of the Company’s substantial shareholders, St Barbara, which holds a 13.5% equity interest in Catalyst as at 29 November 2019.

Under the EIJVA, St Barbara may acquire an initial 50% participating interest in the Drummartin Project by funding not less than \$3.5 million of project expenditure within 48 months of the Commencement Date (**‘Earn-in Period’**). The Drummartin Project forms part of a package of tenements controlled by Catalyst within northern Victoria.

The substantive rights and obligations of St Barbara and Kite Operations under the EIJVA will commence on the date on which Catalyst obtains shareholder approval for the EIJVA in accordance with ASX Listing Rule 10.1.

Earn-in Period

Upon commencement, St Barbara will be required to reimburse Kite Operations \$150,000, being an agreed amount reflecting the exploration expenditure incurred by Catalyst on the tenement since 1 January 2019. In addition, St Barbara will reimburse Catalyst for 50% of the costs and expenses of commissioning the independent expert’s report up to a maximum cap of \$25,000. These expenses will be credited towards the Total Expenditure Commitment.

The breakdown of the Total Expenditure Commitment within the 48 months is outlined in the EIJVA as follows:

- Within 12 months of Commencement Date: approximately \$300,000;
- Within 24 months of Commencement Date: approximately \$1,000,000 (inclusive of \$300,000 above);
- Within 36 months of Commencement Date: approximately \$2,000,000 (inclusive of \$1,000,000 above); and
- Within 48 months of Commencement Date: approximately \$3,500,000 (inclusive of \$2,000,000 above).

St Barbara may elect to withdraw from the EIJVA once it has met a minimum contribution amount of \$1.0 million within 24 months of the Commencement Date. If St Barbara does not meet the minimum contribution amount within the 24 months, Kite Operations may elect to either terminate the EIJVA or require that St Barbara make up the applicable expenditure shortfall within the specified timeframe.

Conversely, St Barbara may elect to accelerate expenditure and complete the total \$3.5 million spend in less than 48 months to earn its 50% interest in the Drummartin Project.

The key roles and responsibilities of Kite Operations and St Barbara during the Earn-in Period are outlined below:

Period	Kite Operations	St Barbara
Earn-in Period	Role: Operator and Tenement Owner	Role: Manager

Period	Kite Operations	St Barbara
	<p>Key Responsibilities:</p> <ul style="list-style-type: none"> Attend to all statutory reporting requirements; and Provision of personnel, equipment, exploration services, logistical support and day-to-day technical and operational support required by the manager. 	<p>Key Responsibilities:</p> <ul style="list-style-type: none"> Carry out exploration on the Drummartin Project; Be responsible for all costs and expenses of the Drummartin Project including statutory fees; and Prepare and submit the program and budget for the Drummartin Project to the Earn-in Management Committee.

Source: EIJVA between Catalyst and St Barbara.

A management committee will be appointed for the Earn-in Period (**‘Earn-in Management Committee’**) to consider and vote on programs, budgets, operations and other significant matters relating to the Drummartin Project. The Earn-in Management Committee will comprise two members from Kite Operations and two members from St Barbara. St Barbara will be entitled to appoint the Chair of the Earn-in Management Committee. All decisions of the Earn-in Management Committee will be made by simple majority vote.

Joint Venture Period

If St Barbara elects to proceed with the joint venture, upon satisfying the Total Expenditure Commitment, the joint venture period (**‘Joint Venture Period’**) will commence, with St Barbara and Kite Operations each holding a 50% interest in the Drummartin Project. During the Joint Venture Period, both parties will contribute expenditure to the Drummartin Project in accordance with their participating interests.

For so long as each party holds a 50% participating interest, St Barbara will have the right to appoint the manager of the Drummartin Project. The key responsibilities of the manager of the Drummartin Project are to:

- Maintain, operate and protect the property of the joint venture including keeping the tenement in good standing;
- Prepare and lodge all statutory reports relating to the Drummartin Project;
- Maintain accounts and records of the Drummartin Project in accordance with generally accepted accounting standards;
- Provide a quarterly summary of the project’s operations, including technical and financial results and forecasts; and
- Liaise or engage with any stakeholders in relation to the Drummartin Project.

If a partner in the joint venture gains a larger participating interest, the partner will be entitled to appoint the manager of the joint venture. In addition, if a partner's share in the joint venture reduces to 10% or less, that interest converts into a 1% net smelter return royalty.

A management committee will also be appointed for the Joint Venture Period (**'Joint Venture Management Committee'**) to determine the programs, budgets, operations and other significant matters relating to the Drummartin Project. The Joint Venture Management Committee will comprise two members from Kite Operations and two members from St Barbara. For as long as both parties hold a 50% participating interest, St Barbara will be entitled to appoint the Chair of the Joint Venture Management Committee. All decisions (other than certain specified decisions that require 75% approval (**'Special Decisions'**)) of the Joint Venture Management Committee must be approved by vote of at least 51% of the votes cast (which votes are calculated by reference to a party's participating interest). In the event of a deadlock, the Chair of the committee will cast the deciding vote (other than in respect of any Special Decision).

Other Material Terms

The EIJVA also includes certain exclusivity provisions, including matching rights, pending shareholder approval, should a competing proposal be made in respect of the Drummartin Project, in a form consistent with other transactions of this type.

THE EIJVA also includes a mechanism for dilution during the Joint Venture Period. In the event that a joint venture partner is unable to or elects not to fund their participating share of project expenditure, their participating interest may be diluted in respect of the amount of project expenditure that is unfunded. The manager of the joint venture is responsible for determining the required amount of project expenditure.

5. Profile of Catalyst

5.1 History

Catalyst is an ASX-listed mineral exploration company focused on the exploration and development of its gold projects in the Whitelaw Gold Belt in northern Victoria, Australia. The Company was incorporated in 2006 and is based in West Perth, Australia.

The current board of directors and senior management of Catalyst are:

- Mr. Stephen Boston - Non-Executive Chairman;
- Mr. Bruce Kay - Non-Executive Director and Technical Director;
- Mr. Robin Scrimgeour - Non-Executive Director;
- Mr. Gary Schwab - Non-Executive Director; and
- Mr. Frank Campagna - Company Secretary.

5.2 Projects

Prior to 2011, Catalyst was focused on the exploration and development of its diversified metals projects such as the Minnie Creek Project in Western Australia and the Everton Molybdenum Project in Victoria. At the end of 2010, Catalyst entered into an earn-in joint venture agreement with Providence Gold and Minerals Pty Ltd (**'Providence Gold'**) for the exploration of the Four Eagles Gold Project (**'the Four Eagles Project'**) in the Whitelaw Gold Belt.

The Whitelaw Gold Belt and the surrounding tenement areas within northern Victoria are situated north of the Bendigo Goldfield (**'Bendigo'**), which was a significant gold producing region in the late 1800s. The Whitelaw Gold Belt is considered by the Company to be a major geological feature which is important in the genesis of gold mineralisation in adjacent areas north of Bendigo. Furthermore, the Fosterville Gold Mine, an operating gold mine owned by Kirkland Lake Gold Limited, is situated east of Bendigo, supporting the overall gold prospectivity of the region. As such, the Company's focus since 2011 has been the establishment of a strategic position in the Whitelaw Gold Belt and its surrounding areas by acquiring interests in exploration projects within the region.

Drummartin Project (100% interest)

The Drummartin Project (exploration license EL006507) is an early stage exploration area with limited previous exploration work conducted. It comprises a total area of approximately 648 square kilometres and is situated east of the Four Eagles Project and 70 kilometres northeast of Bendigo. It is also situated 60 kilometres north of the Fosterville Gold Mine which produced 356,230 oz of gold in 2018.

The exploration license EL006507 was granted to Kite Operations on 22 December 2017 for a five-year period with annual work commitments ranging from \$144,000 to \$210,000.

On 25 July 2018, Catalyst announced a reconnaissance air core (**'AC'**) drilling programme at the western portion of the Drummartin Project based on an interpretation of available gravity data. Under the programme, the Company analysed a total of 27 AC holes at a depth of around 150 metres each with the initial results supporting general prospectivity of the area.

Subsequently in the June 2019 quarter, the Company completed a large detailed ground gravity survey covering the eastern one third of the Drummartin Project area, which identified new targets for reconnaissance drilling expected to commence in 2020.

Four Eagles Gold Project (50% interest)

The Four Eagles Project is currently the Company's primary exploration asset situated along the Whitelaw Gold Belt.

In March 2015, Catalyst and Providence Gold reached an agreement with Gold Exploration Victoria Pty Ltd ('GEV'), a wholly owned subsidiary of Hancock Prospecting Pty Ltd, for GEV to sole fund up to \$4.20 million on exploration at the Four Eagles Project and earn up to 50% of the project ('GEV JV'). As a result of the GEV JV, Catalyst owns 50% of the project, with the other 50% held by GEV after spending in excess of \$4.20 million on project exploration by March 2018. Providence Gold no longer owns an interest in the Four Eagles Project but is entitled to 2.5% net smelter return royalty payments as part of the terms of the GEV JV.

In recent years, reverse circulation ('RC') and diamond core drilling programmes at the Four Eagles Project have identified high-grade gold mineralisation in the Hayanmi, Boyd's Dam and Pickles prospects. The Boyd's Dam gold prospect in particular has recorded the best intersection results, and the Company has commenced geotechnical, hydrogeological and environmental studies to investigate engineering practicalities of an open pit mine and underground development at Boyd's Dam.

Tandarra Gold Project (51% interest)

The Tandarra Gold Project ('the Tandarra Project') is located south of the Four Eagles Project, along the Whitelaw Gold Belt, and 40 kilometres north of Bendigo. Gold mineralisation at the Tandarra Project was discovered in 2006 by Leviathan Resources Pty Ltd before it was acquired by Navarre Minerals Limited ('Navarre') in 2011.

In September 2014, Catalyst and Navarre entered into a Heads of Agreement (through Kite Operations) for Catalyst to earn a 51% interest in the project by spending \$3.00 million on exploration over a period of 48 months. Catalyst completed the expenditure commitments in June 2018.

In November 2018, a retention license for the tenement area was granted in place of the former exploration license, granting Catalyst and Navarre security of tenure over the Tandarra Project area for ten years. Following the grant of the retention license, a 51% equity interest in the Tandarra Project was formally transferred to Catalyst, with the Company being the manager of the joint venture.

The Tomorrow gold prospect is the main prospect in the Tandarra Project, with RC and diamond core drilling programmes conducted in the area in 2019. Drilling has confirmed the existence of an interpreted parallel mineralised zone beneath the Tomorrow gold prospect.

Other Exploration Projects

Catalyst holds other exploration tenements within the region where limited exploration activity has been conducted, these are:

- Pyramid (100% interest);
- Raydarra East (100% interest);
- Sebastian (100% interest);

- Raydarra (51% interest - earning in via farm-in agreement);
- Macorna Bore (100% interest);
- Boort (100% interest); and
- Golden Camel (50.1% interest - earning in via farm-in agreement).

5.3 Recent Corporate Actions

St Barbara first became a substantial shareholder of Catalyst in March 2017, when St Barbara agreed to a \$1.50 million placement, through its subscription for 3.0 million shares in Catalyst at \$0.50 per share. This resulted in St Barbara earning an approximate 5% equity interest in the Company.

In December 2017, St Barbara agreed to a \$5.00 million placement, through its subscription for 6.4 million shares in Catalyst at \$0.78 per share (**‘St Barbara Placement’**). This resulted in St Barbara holding an approximate 16.0% equity interest in the Company. St Barbara also agreed to underwrite the exercise of Catalyst’s 2.6 million listed options which had an exercise price of \$0.50 and were due to expire on 30 June 2018.

In July 2018, the Company announced the signing of an earn-in agreement with Golden Camel Mining Pty Ltd (**‘Golden Camel’**) to earn a 50.1% interest in the Golden Camel exploration licenses (EL5449 and EL5490) by spending a total of \$0.65 million on exploration in five years. In addition, Catalyst will have the option to purchase a 50.1% interest in the mining leases held within the Golden Camel tenement package for \$1.00 million after expenditure of \$0.35 million and the completion of 1,200 metres of diamond/RC drilling at the Golden Camel mine sites.

In March 2019, the Company announced that it had secured a \$13.02 million placement with GEV, a wholly owned subsidiary of Hancock Prospecting Pty Ltd and joint venture partner on the Four Eagles Project. GEV agreed to subscribe for 8.7 million shares in Catalyst at \$1.50 per share, which resulted in GEV holding an equity interest of approximately 11% of Catalyst (**‘GEV Placement 1’**).

In October 2019, Catalyst announced the entry into a joint venture with GEV for the exploration of the Boort exploration license (EL006670) and the Macorna Bore exploration licenses (EL5521 and EL006894), located north of the Four Eagles Project. Under the terms of the joint venture, GEV will refund 50% of the expenditure incurred by Catalyst to date on the Boort exploration license and complete expenditure commitments of up to \$0.50 million over a two-year period to earn 50% of the Macorna Bore exploration licenses. The Macorna Bore joint venture is subject to a condition precedent that EL5521 is renewed for a further five year term.

In November 2019, Catalyst announced that it had secured a \$7.88 million placement with GEV, whereby GEV agreed to subscribe for 3.5 million shares in Catalyst at \$2.25 per share (**‘GEV Placement 2’**). This resulted in GEV surpassing St Barbara as Catalyst’s largest shareholder, holding an equity interest of 14.8% in the Company.

5.4 Historical Statements of Financial Position

Statement of Financial Position	Audited as at 30-Jun-19 \$	Audited as at 30-Jun-18 \$	Audited as at 30-Jun-17 \$
CURRENT ASSETS			
Cash and cash equivalents	15,897,453	4,954,122	2,529,414
Trade and other receivables	132,672	590,251	68,581
TOTAL CURRENT ASSETS	16,030,125	5,544,373	2,597,995
NON-CURRENT ASSETS			
Property, plant and equipment	7,942	10,202	-
Exploration and evaluation expenditure	1,956,481	-	-
TOTAL NON-CURRENT ASSETS	1,964,423	10,202	-
TOTAL ASSETS	17,994,548	5,554,575	2,597,995
CURRENT LIABILITIES			
Trade and other payables	1,414,495	735,951	261,427
Other - advances	196,981	-	188,259
TOTAL CURRENT LIABILITIES	1,611,476	735,951	449,686
TOTAL LIABILITIES	1,611,476	735,951	449,686
NET ASSETS	16,383,072	4,818,624	2,148,309
EQUITY			
Contributed equity	33,301,230	20,050,765	13,138,803
Share-based payments reserve	372,972	372,972	372,972
Accumulated losses	(17,291,130)	(15,605,113)	(11,363,466)
TOTAL EQUITY	16,383,072	4,818,624	2,148,309

Source: Catalyst's audited financial statements for the years ended 30 June 2019, 30 June 2018 and 30 June 2017.

Commentary on Historical Statements of Financial Position

- Cash and cash equivalents increased by \$2.42 million from \$2.53 million at 30 June 2017 to \$4.95 million at 30 June 2018 primarily from the issue of shares and other equity securities of \$6.98 million during the period, \$5.00 million of which relates to the St Barbara Placement. This was partially offset by exploration and evaluation expenditure of \$3.57 million and payments to suppliers, contractors and employees of \$0.93 million.
- Cash and cash equivalents increased by \$10.94 million from \$4.95 million at 30 June 2018 to \$15.90 million at 30 June 2019 primarily from the issue of shares and other equity securities of \$13.28 million during the period, \$13.02 million of which relates to GEV Placement 1. This was partially offset by exploration and evaluation expenditure totalling \$2.49 million.
- Cash and cash equivalents of \$15.90 million at 30 June 2019 are inclusive of \$1.68 million held in trust by Catalyst's subsidiaries, relating to advancements from GEV and Navarre for the exploration of the Four Eagles project and Tandarra Project respectively.
- Trade and other receivables of \$0.13 million at 30 June 2019 relate to GST receivable only, while trade and other receivables of \$0.59 million at 30 June 2018 include a \$0.17 million receivable

from GEV for the exploration expenditure commitment under the GEV JV, in addition to \$0.42 million of GST receivable.

- Exploration and evaluation expenditure of \$1.96 million at 30 June 2019 relates to the net direct exploration costs and related overhead expenditure that have been capitalised on the basis that such costs are expected to be recouped through successful development of the Company's projects. The capitalised expenditure primarily relates to the successful work achieved on the Four Eagles Project and Tandarra Project.
- Trade and other payables of \$1.41 million at 30 June 2019 comprises of \$1.00 million payables to trade creditors and \$0.41 million of accruals. The balance is also inclusive of \$0.43 million payable to GEV and Navarre in relation to exploration expenditure for the Four Eagles Project and Tandarra Project respectively.
- Advances of \$0.20 million relates to monies advanced to Catalyst from GEV and Navarre for their contribution to exploration expenditure on the Four Eagles Project and Tandarra Project respectively.
- As at 30 June 2019 Catalyst has no contingent assets or liabilities.

5.5 Historical Statements of Profit or Loss and Other Comprehensive Income

Statement of Profit or Loss and Other Comprehensive Income	Audited for year ended 30-Jun-19	Audited for year ended 30-Jun-18	Audited for year ended 30-Jun-17
	\$	\$	\$
Revenue			
Other income	368,398	191,224	119,405
Expenses			
Professional fees	(323,201)	(194,623)	(160,452)
Administration, occupancy and travel costs	(166,559)	(206,132)	(106,301)
Personnel	(390,610)	(362,717)	(465,299)
Corporate	(256,279)	(169,127)	(139,567)
Exploration and evaluation expenditure	(917,766)	(3,500,272)	(372,695)
Loss from continuing operations before income tax	(1,686,017)	(4,241,647)	(1,124,909)
Income tax expense	-	-	-
Loss from continuing operations after income tax	(1,686,017)	(4,241,647)	(1,124,909)
Other comprehensive income	-	-	-
Total comprehensive loss for the year	(1,686,017)	(4,241,647)	(1,124,909)

Source: Catalyst's audited financial statements for the years ended 30 June 2019, 30 June 2018 and 30 June 2017.

Commentary on Historical Statements of Comprehensive Income

- Other income of \$0.37 million for the year ended 30 June 2019 comprised grant funding of \$0.19 million, administration recovery fees of \$0.12 million and interest income of \$0.07 million. Grant funding relates to the funding received by the Victorian government to cover the drilling expenses

of certain tenements and administration recovery fees relate to the charges Catalyst recovers from its joint venture partners for administering the joint ventures.

- For the years ended 30 June 2018 and 30 June 2017, other income comprised primarily of research and development tax offset recoveries of \$0.14 million and \$0.11 million respectively, with the remaining income coming from interest received in the period.
- Professional fees of \$0.32 million for the year ended 30 June 2019 relates to consulting fees paid to the Catalyst's Company Secretary, Chief Financial Officer and other consultants used by the Company.
- Exploration and evaluation expenditure decreased by \$2.58 million from the year ended 30 June 2018 to the year ended 30 June 2019 due to the Company changing its accounting policy to carry forward exploration expenditure relating to the Four Eagles Project and Tandarra Project.

5.6 Capital Structure

The share structure of Catalyst as at 29 November 2019 is outlined below:

	Number
Total ordinary shares on issue	82,392,444
Top 20 shareholders	65,401,811
Top 20 shareholders - % of shares on issue	79.38%

Source: Management, Share registry

The range of shares held in Catalyst as at 29 November 2019 is as follows:

Range of Shares Held	Number of Ordinary Shareholders	Number of Ordinary Shares	Percentage of Issued Shares (%)
1 - 1,000	249	114,307	0.14%
1,001 - 5,000	280	760,932	0.92%
5,001 - 10,000	102	847,654	1.03%
10,001 - 100,000	192	5,973,142	7.25%
100,001 - and over	62	74,696,409	90.66%
TOTAL	885	82,392,444	100.00%

Source: Management, Share registry

The ordinary shares held by the most significant shareholders as at 29 November 2019 are detailed below:

Name	Number of Ordinary Shares Held	Percentage of Issued Shares (%)
Gold Exploration Victoria Pty Ltd	12,180,000	14.78%
St Barbara Ltd	11,149,617	13.53%
HSBC Custody Nominees Australia Ltd	8,636,185	10.48%
Drill Investments Pty Ltd	6,175,000	7.49%
Citicorp Nominees Pty Ltd	6,065,752	7.36%
Subtotal	44,206,554	53.65%

Name	Number of Ordinary Shares Held	Percentage of Issued Shares (%)
Others	38,185,890	46.35%
Total ordinary shares on Issue	82,392,444	100.00%

Source: Management, Share registry

The number of options held by the most significant option holders as at 29 November 2019 are detailed below:

Name	Number of Options Held	Percentage of Issued Options (%)
St Barbara Ltd	1,114,962	14.13%
Gold Exploration Victoria Pty Ltd	868,000	11.00%
HSBC Custody Nominees Australia Ltd	728,264	9.23%
Drill Investments Pty Ltd	667,500	8.46%
Citicorp Nominees Pty Ltd	586,290	7.43%
Subtotal	3,965,016	50.26%
Others	3,924,234	49.74%
Total options on Issue	7,889,250	100.00%

Source: Management, Share registry

6. Profile of St Barbara

6.1 Overview

St Barbara is an ASX-listed gold mining company in the ASX 200 engaged in the exploration, development, mining and sale of gold. Its primary operations include the Gwalia underground mine located in Leonora, Western Australia and the Simberi gold mine located in New Ireland province, Papua New Guinea. St Barbara was incorporated in 1969 and is based in Melbourne, Australia.

The current board of directors of St Barbara are outlined below:

- Mr Tim Netscher - Non-Executive Chairman;
- Mr Bob Vassie - Managing Director and Chief Executive Officer;
- Mr Steven Dean - Non-Executive Director;
- Ms Kerry Gleeson - Non-Executive Director;
- Ms Stef Loader - Non-Executive Director; and
- Mr David Moroney - Non-Executive Director.

The Gwalia underground mine first commenced operations in 2008 and has a mine plan through to at least 2031. It produced 220 koz of gold in the 2019 financial year and has a reported ore reserve of 2.1 Moz of gold. The Simberi mine is an open pit mine that commenced mining operations in 2007 with a mine plan to 2021. The Simberi mine produced 142 koz of gold in the 2019 financial year.

In addition, St Barbara acquired 100% of the equity interest in Atlantic Gold Corporation ('Atlantic Gold') in July 2019. The Atlantic Gold operation involves an open pit mine in Nova Scotia, Canada, which produced 93 koz of gold in the 2019 financial year.

St Barbara has continued its exploration activities in the Leonora and Simberi regions as well as the Tabar and Tatau Islands located south of Simberi. In addition, St Barbara holds a substantial interest in several ASX-listed exploration companies operating in Australia, including Peel Mining Limited (ASX:PEX) and Duketon Mining Limited (ASX:DKM), as well as Catalyst.

7. Economic analysis - Australia

In the following section, we set out an analysis of the current economic context and outlook in Australia and consider the implications for Catalyst and the mining industry.

Domestic growth

The Reserve Bank of Australia ('RBA') is expecting Gross Domestic Product ('GDP') growth of around 2.75% over 2020 and around 3.0% by the end of 2021. Growth is anticipated to be supported by increased investment in infrastructure and a pick-up in activity in the resources sector, as mining firms invest to sustain production levels and expand productive capacity.

According to the Australian Bureau of Statistics ('ABS'), mining investment rose 2.4% in the June 2019 quarter (the first increase since June 2018) primarily driven by investment in mining-related machinery and equipment. The Office of the Chief Economist expects capital expenditure in the mining sector to increase by 14% in 2019-20 drawn by the recent rebound in bulk commodity prices and new prospects for lithium and other critical minerals. Data on exploration spending further supports the data that a recovery in mining capital expenditure is under way.

However, there remains some uncertainty around the outlook for household consumption, with only modest increases in household disposable income continuing to weigh on consumer spending. In response, the RBA lowered interest rates in June 2019 for the first time since 2012 to 1.25%, before cutting rates further with the cash rate at a historic low of 0.75% in October 2019. The easing of monetary policy aims to support employment growth and increase inflation to be closer to the medium-term target of 2.0%. As a result of lower cash rates, mining companies like Catalyst may be able to access financing at a lower cost of debt, which in time may boost credit demand by companies.

Inflation

Domestic inflation remains low and suggests subdued inflationary pressures across the economy. Inflation in both headline and underlying terms was 1.7% over the year to the September 2019 quarter. Inflation forecasts have been revised, with the RBA expecting underlying inflation to be close to 2.0% over 2020 and 2021 and to increase further thereafter.

Employment

Strong employment growth has persisted despite a dampening in expectations for GDP growth, with labour force participation at a record level. The unemployment rate has been steady at approximately 5.25% over recent months and is anticipated to remain around this level for several months before declining to slightly below 5.0% in 2021. Overall wage growth remains low, influenced by labour supply meeting the demand for labour, and caps on wages growth affecting public-sector pay outcomes. The RBA noted a further lift in wage growth would be required to sustainably lift inflation to within its medium target range of 2.0% to 3.0%.

Currency movements

The Australian dollar is currently at the low end of the narrow range that it has been trading recently. Movements in the Australian dollar tend to be related to developments in commodity prices and interest rate differentials. Since the start of the year, these two forces have been working in offsetting directions, with commodity prices including gold increasing significantly in June to August 2019 and Australian bond yields declining relative to those in other major markets.

Source: Australian Bureau of Statistics, Office of the Chief Economist, *Resources and Energy Quarterly September 2019*, www.rba.gov.au *Statement by Philip Lowe, Governor: Monetary Policy Decision 3 December 2019, and Statement on Monetary Policy November 2019.*

8. Industry analysis

Catalyst and St Barbara operate within the gold ore mining industry (the 'Industry'). Therefore, we have set out an analysis of and commentary on the key trends for the Industry in the following paragraphs.

8.1 Gold

Gold is a soft malleable metal which is highly desirable due to its rarity, permanence, and unique mineral properties. Gold has been used in jewellery and as a form of currency for thousands of years, however in more recent history there has been increasing demand for its use in the manufacture of electronics, dentistry, medicine and aerospace technology.

In addition to its practical applications, gold also serves as an international store of monetary value. Gold is widely regarded as a monetary asset as it is considered less volatile than world currencies and therefore provides a safe haven investment during periods of economic uncertainty.

Once mined, gold continues to exist indefinitely and is often melted down and recycled to produce alternative or replacement products. Consequently, demand for gold is supported by both gold ore mining and gold recycling. A summary of the recent historical supply of gold is provided in the table below:

Gold supply (tonnes)	2012	2013	2014	2015	2016	2017	2018	2019*
Mine production	2,930	3,112	3,204	3,291	3,399	3,447	3,501	2,583
Net producer hedging	(45)	(28)	105	13	38	(26)	(12)	38
Recycled gold	1,671	1,248	1,188	1,121	1,282	1,156	1,177	963
Total supply	4,556	4,332	4,497	4,425	4,719	4,577	4,666	3,584

*2019 statistics are for the calendar year to end September 2019

Source: World Gold Council Quarter 3 2019 Statistics, 5 November 2019.

The gold ore mining industry has performed steadily in recent years, with growth driven by price increases and slow economic growth. The outlook for gold production appears to be optimistic as global mine production hit a new record high of 3,501 tonnes in 2018.

Key external drivers

Global gold prices have a significant impact on the revenue generated by Industry operators. When gold prices are low, gold miners are less likely to commit to projects with lower gold grades and higher production costs. Ultimately, a decline in gold prices reduces the viability of new and existing projects, which hinders Industry growth.

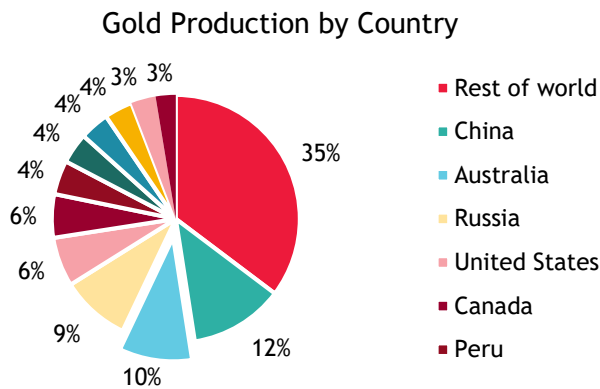
The global gold price is denominated in US dollars and therefore, the exchange rate directly affects the returns received by local Industry operators. A weaker Australian Dollar benefits the domestic industry by reducing prices in export markets and pushing up domestic prices, likely resulting in higher volumes.

Global demand for gold is also inversely related to global economic performance. As gold is regarded as a store of value and is particularly sought after during periods of economic uncertainty, demand follows a counter cyclical pattern. Strong global GDP growth can therefore have a negative impact on gold demand and the Industry. The recent rally in gold prices, which saw it reach a six-year high in US dollar terms during September 2019, is partly a reflection of ongoing easing of global monetary policies but also of continued geopolitical uncertainty, particularly around the US-China trade negotiations.

Gold ore mining trends

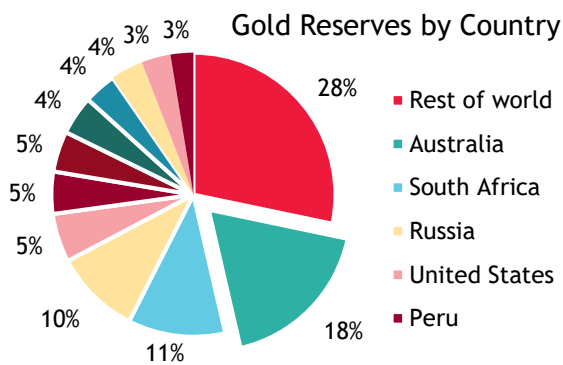
Gold ore mining is a capital intensive and high cost process, which is becoming increasingly difficult and more expensive as the quality of ore reserves diminishes. The Industry also incurs many indirect costs related to exploration, royalties, overheads, marketing and native title law. Typically, many of these costs are fixed in the short term as a result of Industry operators' inability to significantly alter cost structures once a mine commences production.

Until the late 1980s, South Africa produced approximately half of the total gold ore mined globally. More recently however, the Industry has diversified geographically and China and Australia now dominate global gold production. According to the United States Geological Survey, total estimated global gold ore mined for 2018 was approximately 3,260 metric tonnes. The chart below illustrates the estimated global gold production by country for 2018.



Source: 2019 United States Geological Survey and BDO analysis.

Despite China leading global gold production in 2018, Australia, South Africa and Russia hold the largest known gold reserves globally. As depicted below, the United States Geological Survey estimates that collectively these three countries account for approximately 39% of global gold reserves.



Source: United States Geological Survey and BDO analysis.

According to the 2019 United States Geological Survey, Australia's gold reserves amount to 9,800 tonnes, representing 18% of global reserves and the largest percentage held by any one country. IBIS World estimates domestic Industry revenue to grow by an annualised 0.8% over the five year period through to 2022-23, reaching approximately \$18.8 billion. However, rising production costs due to lower ore quality and higher transportation costs are anticipated to reduce industry profitability over the period.

Gold prices

The price of gold peaked at US\$1,900 on 5 September 2011, due largely to the debt market crisis in Europe and the Standard and Poor’s downgrade of the US credit rating. Global stock markets subsequently went into turmoil, which saw investors opt for the stability offered by gold.

The price of gold fluctuated around US\$1,700 during 2012 before entering a steep decline in 2013. The downturn represented the beginning of a correction in the price of gold, which had almost tripled in the two-year period prior to the European crisis in 2011. Improved market sentiment and increased risk appetite from investors saw gold prices continue to decline throughout 2014 and 2015 to US\$1,051 in December 2015.

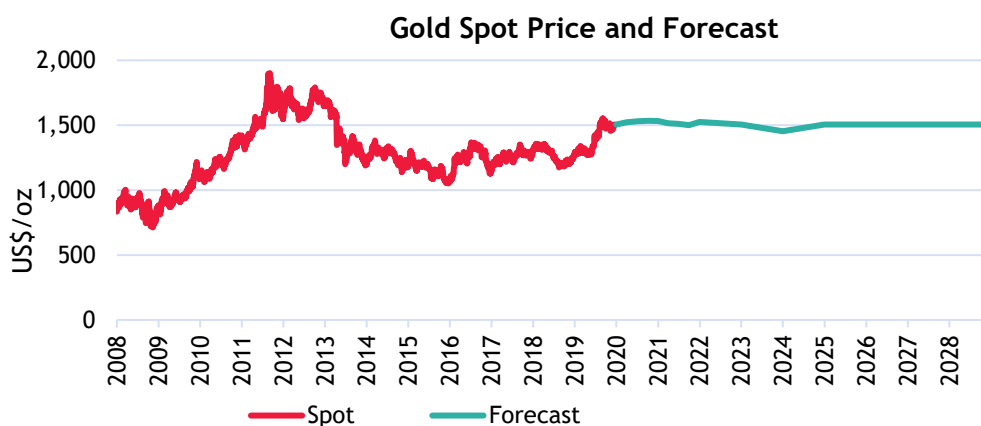
During 2016, gold prices strengthened, likely as a result of heightened uncertainty surrounding the US Presidential election and the United Kingdom’s exit from the European Union. The price of gold reached US\$1,363 in late 2016 before stabilising around US\$1,200 to US\$1,300 throughout 2017.

The gold price fluctuated throughout 2018. In January 2018, the gold price strengthened, rising to approximately US\$1,360, spurred on by a weak US dollar. From April 2018 through to August 2018, the price of gold trended downwards. Prices remained flat through August and September of 2018, before increasing in October and November of 2018.

The price of gold reached US\$1,341 in February 2019, before declining to US\$1,270 in May 2019. On 25 June 2019, the US dollar gold price reached a 17-month high of US\$1,423. The rise in the US dollar gold price, coupled with a weak Australia dollar, saw the Australian dollar spot price of gold reach an all-time high of \$2,046 per oz. In August 2019, the gold price rallied past US\$1,500 reaching six year highs. Demand for gold was primarily driven by investors looking to avoid US-China trade war uncertainties, while civil unrest in Hong Kong further spurred investors to abandon riskier asset classes for safe haven assets. The gold price continued to remain around US\$1,500 throughout October 2019, although it dipped slightly to US\$1,465 in mid-November 2019.

Global investors are expected to continue to favour gold as a safe haven asset throughout the remainder of 2019, as higher levels of global risk and uncertainty persist, with political instability in various regions, and the potential for higher inflation levels.

The gold spot price since 2008 and forecast prices through to 2028 are depicted in the graph below.



Source: Bloomberg, Consensus Economics and BDO Analysis.

9. Valuation approach adopted

There are a number of methodologies which can be used to value a business or the shares in a company. The principal methodologies which can be used are as follows:

- Capitalisation of future maintainable earnings ('FME')
- Discounted cash flow ('DCF')
- Quoted market price basis ('QMP')
- Net asset value ('NAV')
- Market based assessment

A summary of each of these methodologies is outlined in Appendix 2.

In our assessment of whether the Proposed Transaction is fair, we have considered how the value of a 50% interest in the Drummartin Project compares to the consideration to be paid by St Barbara, implied by the \$3.5 million Total Expenditure Commitment.

Our approach involves a valuation of the Drummartin Project as an independent asset from the value of the Company as a whole. Given the specialised nature of the Drummartin Project as a mineral asset, we have commissioned GM Minerals Consultants Pty Ltd trading as Geos Mining ('Geos Mining') as a specialist to provide an independent market valuation of the Drummartin Project.

Geos Mining has assessed the valuation of the Drummartin Project in accordance with the Australasian Code for Public Reporting of Technical Assessments and Valuations of Mineral Assets 2015 (the 'Valmin Code') and the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves 2012 (the 'JORC Code'). The independent valuation report by Geos Mining is attached in Appendix 3 of our Report.

For the value of the consideration we have adopted the Total Expenditure Commitment without any present value discount since although the expenditure is to be completed over a four year period, there is no restriction on St Barbara accelerating the expenditure.

10. Valuation of the Drummartin Project

In valuing the Drummartin Project, Geos Mining has adopted the Comparable Transactions method and the Modified Replacement Value method. Further information on these methodologies is outlined in the independent valuation report in Appendix 3. We consider these methods to be appropriate for valuing the Drummartin Project.

Geos Mining considers that the Comparable Transactions method is the most applicable valuation methodology as it reflects current market conditions whereas the Modified Replacement Value method should be assigned a lower weighting. As a result, Geos Mining has elected to weight the two methods using a 60% weighting to the value they assess under the Comparable Transactions method and a 40% weighting to the value they assess under the Modified Replacement Value method.

The range of values of the Drummartin Project as assessed by Geos Mining is set out below:

	Low	Preferred	High
	\$m	\$m	\$m
Value under Comparable Transactions method	1.00	5.10	14.70
Value under Modified Replacement Value method	1.20	1.30	1.40
Weighted Value of the Drummartin Project	1.10	3.60	9.40

Source: Geos Mining Independent Valuation Report.

We have determined the value of a 50% interest in the Drummartin Project by applying a 50% proportion to the value of the Drummartin Project assessed by Geos Mining. We have not considered a premium for control in our valuation on the basis that St Barbara and Catalyst will each own an equal participating interest and therefore have an equal controlling interest in the Drummartin Project. However, we have considered the potential loss of control in our assessment of reasonableness (see Section 13.4).

The range of values of the 50% interest in the Drummartin Project is set out below:

	Low	Preferred	High
	\$m	\$m	\$m
Weighted Value of the Drummartin Project	1.10	3.60	9.40
Value of 50% interest in the Drummartin Project	0.55	1.80	4.70

Source: BDO analysis.

Based on our assessment, the value of a 50% interest in the Drummartin Project ranges from a low of \$0.55 million to a high of \$4.70 million with a preferred value of \$1.80 million.

11. Valuation of consideration

Under the Proposed Transaction, St Barbara may acquire a 50% participating interest in the Drummartin Project by funding not less than \$3.5 million of project expenditure within 48 months of the EIJVA Commencement Date. Therefore, we have considered the total minimum spend of \$3.5 million to be the implied valuation of the consideration to be paid for 50% of the Drummartin Project.

Although the EIJVA outlines a 48-month schedule for which the project expenditure may be paid (see Section 4 for breakdown of Total Expenditure Commitment), we note that St Barbara may elect to accelerate expenditure and complete the total \$3.5 million spend in less than 48 months to earn its 50% interest in the Drummartin Project. On this basis, we have not considered the timing of the expenditure in our assessment and have not conducted a present value analysis on the project expenditure.

Based on the above, the valuation of consideration for a 50% interest in the Drummartin Project is assessed at \$3.50 million.

12. Is the Proposed Transaction fair?

The value of a 50% interest in the Drummartin Project and the consideration is compared below:

	Ref	Low \$m	Preferred \$m	High \$m
Value of 50% interest in the Drummartin Project	10	0.55	1.80	4.70
Value of consideration	11	3.50	3.50	3.50

Source: BDO analysis

We note from the table above that the value of the consideration exceeds the value of a 50% interest in the Drummartin Project in the low and preferred cases, but not in the high case. We note that this is due to the large valuation range for the Drummartin Project assessed by Geos Mining, which is primarily driven by the large range of values from comparable transactions.

Therefore, we have weighted our fairness assessment towards the preferred valuation of 50% of the Drummartin Project as assessed by Geos Mining and determine that the Proposed Transaction is fair.

13. Is the Proposed Transaction reasonable?

13.1 Alternative funding of development of Drummartin Project

We note that Catalyst has previously entered into agreements similar to the EIJVA with other third parties such as GEV, Navarre and Golden Camel for other tenements within the region. We are unaware of any alternative funding arrangements that might enable Catalyst to pursue development of the Drummartin Project while retaining a 100% participating interest.

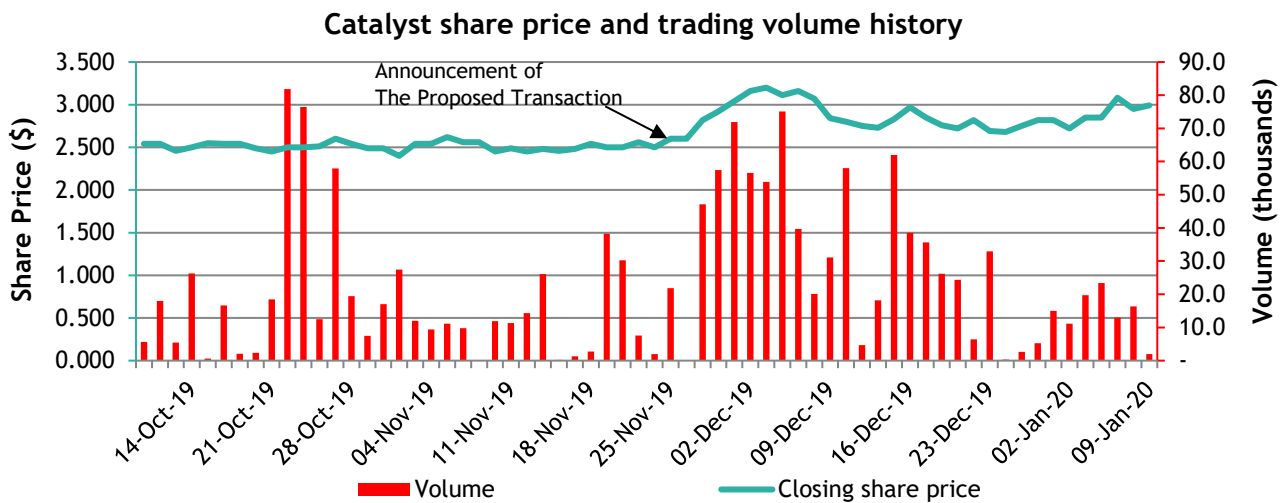
In Section 13.4 we have addressed the possibility for Catalyst to sole fund the development of the Drummartin Project, although we note that the funds currently held by Catalyst are intended for the advancement of its primary mineral assets.

Furthermore, as outlined in Section 4, we note that the EIJVA includes certain exclusivity provisions that disallow Catalyst from entering negotiations or discussions in respect to alternative offers.

13.2 Consequences of not approving the Proposed Transaction

Potential decline in share price

We have analysed movements in Catalyst's share price since the Proposed Transaction was announced on 25 November 2019. A graph of Catalyst's share price since the announcement is set out below.



Source: Bloomberg and BDO analysis

The closing price of a Catalyst share from 9 October 2019 to 9 January 2020 has ranged from a low of \$2.40 on 31 October 2019, to a high of \$3.20 on 3 December 2019. The Proposed Transaction was announced on 25 November 2019. On this day, the share price closed at \$2.60 with 21,871 shares being traded representing approximately 0.03% of the Company's current issued capital. On 26 November 2019 (the next trading day following the announcement of the Proposed Transaction), the share price closed at \$2.60 with no shares being traded on the day.

Subsequently on 27 November 2019, the Company announced the GEV Placement 2 whereby GEV subscribed for 3.5 million shares in Catalyst at \$2.25 per share. Over the period following 27 November 2019, the share price increased to a high of \$3.20 on 3 December 2019.

Given the above analysis, it is possible that the recent increase in the share price of Catalyst from \$2.50 on 22 November 2019 (trading day before the announcement Proposed Transaction) to \$3.20 on 3 December 2019 could be attributed to the announcement of the Proposed Transaction and GEV Placement 2. Therefore, it is possible that if the Proposed Transaction is not approved then Catalyst’s share price may decline to pre-announcement levels.

13.3 Advantages of approving the Proposed Transaction

We have considered the following advantages when assessing whether the Proposed Transaction is reasonable.

Advantage	Description
The Proposed Transaction is fair	As set out in Section 12, the Proposed Transaction is fair. RG 111 states that an offer is reasonable if it is fair.
Allows Catalyst to focus on flagship projects	<p>As outlined in Section 5.2, Catalyst’s current focus is on the exploration and development of the Four Eagles Project and the Tandarra Project. We note that the Company is currently in the midst of investigating the feasibility of an open pit mine at the Four Eagles Project.</p> <p>The EIJVA and the appointment of St Barbara as manager of the Drummartin Project during the Earn-in Period will allow Catalyst to focus on the development of these other projects in the short term, whilst retaining some ownership of the tenement.</p>
Potential increase in value of the Drummartin Project	The \$3.5 million project expenditure under the EIJVA will increase the level of mining information, hence is likely to increase the value of the Drummartin Project. This may result in an increase in the overall value for Shareholders despite the decrease in the ownership interest.
Catalyst potentially benefits from \$1.0 million project expenditure even if St Barbara withdraws from the JV	Even if St Barbara elects to withdraw from the EIJVA upon completion of the \$1.0 million minimum expenditure commitment, Catalyst will benefit from \$1.0 million of project expenditure while maintaining its 100% interest in the Drummartin Project.

Source: BDO analysis

13.4 Disadvantages of approving the Proposed Transaction

If the Proposed Transaction is approved, in our opinion, the potential disadvantages to Shareholders include those listed in the table below:

Disadvantage	Description
<p>Reduction of Catalyst’s interest in the Drummartin Project from sole ownership to 50% joint ownership</p>	<p>By entering into the EIJVA and St Barbara successfully completing its earn in commitments, Catalyst’s interest in the Drummartin Project will be reduced to 50% joint ownership.</p> <p>As set out in Section 5.3, Catalyst has displayed the ability to raise capital primarily through large share placements to existing substantial shareholders. Furthermore, as at 30 June 2019, Catalyst had a cash balance of \$15.9 million. So it is possible that Catalyst would be able to sole fund \$3.5 million of project expenditure and retain sole ownership of the Drummartin Project.</p>
<p>Potential loss of control of the Drummartin Project through St Barbara fulfilling the role of manager</p>	<p>As outlined in Section 4, the terms of the EIJVA grant St Barbara the role of manager for the Drummartin Project during the Earn-in Period and at the commencement of the Joint Venture Period.</p> <p>Furthermore, St Barbara has the authority to appoint the Chair of the Earn-in and Joint Venture Management Committees, which may cast the deciding vote in the event of a deadlock in decision-making.</p> <p>As the majority of responsibilities are granted to the manager of the Drummartin Project during the Earn-in Period and at the commencement of the Joint Venture Period, Catalyst’s level of control of the Drummartin Project may be reduced.</p>
<p>Potential further dilution of Catalyst’s interest in the Drummartin Project once St Barbara has earned a 50% interest and the joint venture established</p>	<p>As outlined in Section 4, the terms of the EIJVA allow for the participating interest of a joint venture partner to be diluted if that party is unable to, or elects not to, fund their continuing participating share of project expenditure.</p> <p>Therefore, Catalyst’s interest in the Drummartin Project may be diluted if it does not meet the project expenditure requirements following the establishment of the joint venture on St Barbara meeting its earn in obligations.</p>

Source: BDO analysis

14. Conclusion

We have considered the terms of the Proposed Transaction as outlined in the body of this report and have concluded that the Proposed Transaction is fair and reasonable to the non-associated Shareholders of Catalyst.

15. Sources of information

This report has been based on the following information:

- Draft Notice of General Meeting and Explanatory Statement on or about the date of this report;
- Earn-in Joint Venture Agreement between St Barbara and Catalyst;
- Audited financial statements of Catalyst for the years ended 30 June 2019, 30 June 2018 and 30 June 2017;
- Independent Valuation Report of the Drummartin Project dated 15 January 2020 performed by Geos Mining;
- Share registry information as at 29 November 2019;
- Information in the public domain; and
- Discussions with Directors and Management of Catalyst.

16. Independence

BDO Corporate Finance (WA) Pty Ltd is entitled to receive a fee of \$30,000 (excluding GST and reimbursement of out of pocket expenses). The fee is not contingent on the conclusion, content or future use of this Report. Except for this fee, BDO Corporate Finance (WA) Pty Ltd has not received and will not receive any pecuniary or other benefit whether direct or indirect in connection with the preparation of this report.

BDO Corporate Finance (WA) Pty Ltd has been indemnified by Catalyst in respect of any claim arising from BDO Corporate Finance (WA) Pty Ltd's reliance on information provided by the Catalyst, including the non-provision of material information, in relation to the preparation of this report.

Prior to accepting this engagement BDO Corporate Finance (WA) Pty Ltd has considered its independence with respect to Catalyst and St Barbara and any of their respective associates with reference to ASIC Regulatory Guide 112 'Independence of Experts'. In BDO Corporate Finance (WA) Pty Ltd's opinion it is independent of Catalyst and St Barbara and their respective associates.

Neither the two signatories to this report nor BDO Corporate Finance (WA) Pty Ltd, have had within the past two years any professional relationship with Catalyst, or their associates, other than in connection with the preparation of this report.

A draft of this report was provided to Catalyst and its advisors for confirmation of the factual accuracy of its contents. No significant changes were made to this report as a result of this review.

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17. Qualifications

BDO Corporate Finance (WA) Pty Ltd has extensive experience in the provision of corporate finance advice, particularly in respect of takeovers, mergers and acquisitions.

BDO Corporate Finance (WA) Pty Ltd holds an Australian Financial Services Licence issued by the Australian Securities and Investment Commission for giving expert reports pursuant to the Listing rules of the ASX and the Corporations Act.

The persons specifically involved in preparing and reviewing this report were Sherif Andrawes and Adam Myers of BDO Corporate Finance (WA) Pty Ltd. They have significant experience in the preparation of independent expert reports, valuations and mergers and acquisitions advice across a wide range of industries in Australia and were supported by other BDO staff.

Adam Myers is a member of the Australian Institute of Chartered Accountants. Adam's career spans 20 years in the Audit and Assurance and Corporate Finance areas. Adam is a CA BV Specialist and has considerable experience in the preparation of independent expert reports and valuations in general for companies in a wide number of industry sectors.

Sherif Andrawes is a Fellow of the Institute of Chartered Accountants in England & Wales and a Fellow of Chartered Accountants Australia & New Zealand. He has over 30 years' experience working in the audit and corporate finance fields with BDO and its predecessor firms in London and Perth. He has been responsible for over 300 public company independent expert's reports under the Corporations Act or ASX Listing Rules and is a CA BV Specialist. These experts' reports cover a wide range of industries in Australia with a focus on companies in the natural resources sector. Sherif Andrawes is the Corporate Finance Practice Group Leader of BDO in Western Australia, the Global Natural Resources Leader for BDO and a former Chairman of BDO in Western Australia.

18. Disclaimers and consents

This report has been prepared at the request of Catalyst for inclusion in the Notice of Meeting which will be sent to all Catalyst Shareholders. Catalyst engaged BDO Corporate Finance (WA) Pty Ltd to prepare an independent expert's report to consider the proposed earn-in joint venture agreement between Catalyst and St Barbara.

BDO Corporate Finance (WA) Pty Ltd hereby consents to this report accompanying the above Notice of Meeting. Apart from such use, neither the whole nor any part of this report, nor any reference thereto may be included in or with, or attached to any document, circular resolution, statement or letter without the prior written consent of BDO Corporate Finance (WA) Pty Ltd.

BDO Corporate Finance (WA) Pty Ltd takes no responsibility for the contents of the Notice of Meeting other than this report.

We have no reason to believe that any of the information or explanations supplied to us are false or that material information has been withheld. It is not the role of BDO Corporate Finance (WA) Pty Ltd acting as an independent expert to perform any due diligence procedures on behalf of the Company. The Directors of the Company are responsible for conducting appropriate due diligence in relation to St Barbara. BDO Corporate Finance (WA) Pty Ltd provides no warranty as to the adequacy, effectiveness or completeness of the due diligence process.

The opinion of BDO Corporate Finance (WA) Pty Ltd is based on the market, economic and other conditions prevailing at the date of this report. Such conditions can change significantly over short periods of time.

With respect to taxation implications it is recommended that individual Shareholders obtain their own taxation advice, in respect of the Proposed Transaction, tailored to their own particular circumstances. Furthermore, the advice provided in this report does not constitute legal or taxation advice to the Shareholders of Catalyst, or any other party.

BDO Corporate Finance (WA) Pty Ltd has also considered and relied upon independent valuations for mineral assets held by Catalyst.

The valuer engaged for the mineral asset valuation, Geos Mining, possess the appropriate qualifications and experience in the industry to make such assessments. The approaches adopted and assumptions made in arriving at their valuation is appropriate for this report. We have received consent from the valuer for the use of their valuation report in the preparation of this report and to append a copy of their report to this report.

The statements and opinions included in this report are given in good faith and in the belief that they are not false, misleading or incomplete.

The terms of this engagement are such that BDO Corporate Finance (WA) Pty Ltd is required to provide a supplementary report if we become aware of a significant change affecting the information in this report arising between the date of this report and prior to the date of the meeting or during the offer period.

Yours faithfully

BDO CORPORATE FINANCE (WA) PTY LTD



Adam Myers

Director



Sherif Andrawes

Director

Appendix 1 - Glossary of Terms

Reference	Definition
ABS	Australian Bureau of Statistics
AC	Air core
The Act	The Corporations Act 2001 Cth
APES 225	Accounting Professional & Ethical Standards Board professional standard APES 225 'Valuation Services'
ASIC	Australian Securities and Investments Commission
ASX	Australian Securities Exchange
Atlantic Gold	Atlantic Gold Corporation
AUD or A\$	Australian Dollars
BDO	BDO Corporate Finance (WA) Pty Ltd
Bendigo	Bendigo Goldfield
Catalyst	Catalyst Metals Limited
Commencement Date	Commencement of earn-in upon the earn-in joint venture agreement receiving shareholder approval
The Company	Catalyst Metals Limited
Corporations Act	The Corporations Act 2001 Cth
DCF	Discounted Future Cash Flows
The Drummartin Project	Exploration license EL006507
Earn-in Management Committee	Management committee that is established for the Drummartin Project during the Earn-in Period
Earn-in Period	The period from the commencement of earn-in and continuing until the earlier of 48 months from the Commencement Date and the date on which St Barbara (or its nominated related body corporate) has earned a 50% participating interest.
EBIT	Earnings before interest and tax

Reference	Definition
EBITDA	Earnings before interest, tax, depreciation and amortisation
EIJVA	Earn-in and joint venture agreement between Catalyst Metals Limited and St Barbara Limited
FME	Future Maintainable Earnings
The Four Eagles Project	The Four Eagles Gold Project
GDP	Gross Domestic Product
GEV	Gold Exploration Victoria Pty Ltd
GEV JV	Joint venture agreement between Catalyst Metals Limited and Gold Exploration Victoria Pty Ltd for the Four Eagles Gold Project
GEV Placement 1	\$13.02 million placement to Gold Exploration Victoria Pty Ltd, through the subscription of 8.7 million shares in Catalyst Metals Limited
GEV Placement 2	\$7.88 million placement to Gold Exploration Victoria Pty Ltd, through the subscription of 3.5 million shares in Catalyst Metals Limited
Geos Mining	GM Minerals Consultants Pty Ltd
Golden Camel	Golden Camel Mining Pty Ltd
The Industry	The gold ore mining industry
Joint Venture Management Committee	Management committee that is established for the Drummartin Project during the Joint Venture Period
Joint Venture Period	The period from the completion of the total expenditure commitment of \$3.5 million is met
JORC Code	The Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (2012 Edition)
Kite Operations	Kite Operations Pty Ltd, a wholly owned subsidiary of Catalyst Metals Limited which holds the Drummartin Project exploration license
NAV	Net Asset Value
Navarre	Navarre Minerals Limited

Reference	Definition
The Proposed Transaction	The entry into the earn-in joint venture agreement and the disposal by Catalyst Metals Limited of an interest in the Drummartin Project to St Barbara Limited in accordance with the terms of the agreement
Providence Gold	Providence Gold and Minerals Pty Ltd
QMP	Quoted market price
RBA	Reserve Bank of Australia
RC	Reverse circulation
Our Report	This Independent Expert's Report prepared by BDO
RG 111	Content of expert reports (March 2011)
RG 112	Independence of experts (March 2011)
Shareholders	Shareholders of Catalyst Metals Limited not associated with St Barbara Limited
Special Decisions	Specified decisions for the Earn-in Management Committee and Joint Venture Management Committee which require 75% approval
St Barbara	St Barbara Limited
St Barbara Placement	\$5.0 million placement to St Barbara Limited, through the subscription of 6.4 million shares in Catalyst Metals Limited
The Tandarra Project	The Tandarra Gold Project
Total Expenditure Commitment	Project expenditure commitment of \$3.5 million to earn a 50% participating interest in the Drummartin Project
Valmin Code	Australasian Code for Public Reporting of Technical Assessments and Valuations of Mineral Assets (2015 Edition)
Valuation Engagement	An Engagement or Assignment to perform a Valuation and provide a Valuation Report where the Valuer is free to employ the Valuation Approaches, Valuation Methods, and Valuation Procedures that a reasonable and informed third party would perform taking into consideration all the specific facts and circumstances of the Engagement or Assignment available to the Valuer at that time.

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Appendix 2 - Valuation Methodologies

Methodologies commonly used for valuing assets and businesses are as follows:

1 *Net asset value ('NAV')*

Asset based methods estimate the market value of an entity's securities based on the realisable value of its identifiable net assets. Asset based methods include:

- Orderly realisation of assets method
- Liquidation of assets method
- Net assets on a going concern method

The orderly realisation of assets method estimates fair market value by determining the amount that would be distributed to entity holders, after payment of all liabilities including realisation costs and taxation charges that arise, assuming the entity is wound up in an orderly manner.

The liquidation method is similar to the orderly realisation of assets method except the liquidation method assumes the assets are sold in a shorter time frame. Since wind up or liquidation of the entity may not be contemplated, these methods in their strictest form may not be appropriate. The net assets on a going concern method estimates the market values of the net assets of an entity but does not take into account any realisation costs.

Net assets on a going concern basis are usually appropriate where the majority of assets consist of cash, passive investments or projects with a limited life. All assets and liabilities of the entity are valued at market value under this alternative and this combined market value forms the basis for the entity's valuation.

Often the FME and DCF methodologies are used in valuing assets forming part of the overall Net assets on a going concern basis. This is particularly so for exploration and mining companies where investments are in finite life producing assets or prospective exploration areas.

These asset based methods ignore the possibility that the entity's value could exceed the realisable value of its assets as they do not recognise the value of intangible assets such as management, intellectual property and goodwill. Asset based methods are appropriate when an entity is not making an adequate return on its assets, a significant proportion of the entity's assets are liquid or for asset holding companies.

2 *Quoted Market Price Basis ('QMP')*

A valuation approach that can be used in conjunction with (or as a replacement for) other valuation methods is the quoted market price of listed securities. Where there is a ready market for securities such as the ASX, through which shares are traded, recent prices at which shares are bought and sold can be taken as the market value per share. Such market value includes all factors and influences that impact upon the ASX. The use of ASX pricing is more relevant where a security displays regular high volume trading, creating a liquid and active market in that security.

3 *Capitalisation of future maintainable earnings ('FME')*

This method places a value on the business by estimating the likely FME, capitalised at an appropriate rate which reflects business outlook, business risk, investor expectations, future growth prospects and other entity specific factors. This approach relies on the availability and analysis of comparable market data.

The FME approach is the most commonly applied valuation technique and is particularly applicable to profitable businesses with relatively steady growth histories and forecasts, regular capital expenditure requirements and non-finite lives.

The FME used in the valuation can be based on net profit after tax or alternatives to this such as earnings before interest and tax ('EBIT') or earnings before interest, tax, depreciation and amortisation ('EBITDA'). The capitalisation rate or 'earnings multiple' is adjusted to reflect which base is being used for FME.

4 Discounted future cash flows ('DCF')

The DCF methodology is based on the generally accepted theory that the value of an asset or business depends on its future net cash flows, discounted to their present value at an appropriate discount rate (often called the weighted average cost of capital). This discount rate represents an opportunity cost of capital reflecting the expected rate of return which investors can obtain from investments having equivalent risks.

Considerable judgement is required to estimate the future cash flows which must be able to be reliably estimated for a sufficiently long period to make this valuation methodology appropriate.

A terminal value for the asset or business is calculated at the end of the future cash flow period and this is also discounted to its present value using the appropriate discount rate.

DCF valuations are particularly applicable to businesses with limited lives, experiencing growth, that are in a start-up phase, or experience irregular cash flows.

5 Market Based Assessment

The market based approach seeks to arrive at a value for a business by reference to comparable transactions involving the sale of similar businesses. This is based on the premise that companies with similar characteristics, such as operating in similar industries, command similar values. In performing this analysis it is important to acknowledge the differences between the comparable companies being analysed and the company that is being valued and then to reflect these differences in the valuation.



Appendix 3 - Independent Valuation Report prepared by Geos Mining



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EXPLORATION MANAGEMENT | MINING DATA MANAGEMENT | MINING TENEMENT MANAGEMENT
INDEPENDENT TECHNICAL REPORTS & VALUATIONS | RESOURCES ESTIMATION | DUE DILIGENCE

Independent Geological Report and Valuation

Drummartin Project, Victoria

BDO Corporate Finance (WA) Pty Ltd

Job No. 2825-01

Report Date: 15 January 2020

Prepared for:

Adam Myers

Partner, Corporate Finance

BDO Corporate Finance (WA) Pty Ltd

Prepared by:

Jeff Randell

BSc (Hons), MAIG

Senior Consultant

Reviewed by:

Murray Hutton

BA (Hons), MAIG

Principal Consultant

1. Executive Summary

This valuation has been prepared for the purpose of assisting BDO to form an Independent Expert's Report (IER) on a proposed Joint Venture between Catalyst Metals Limited ("Catalyst") and St Barbara Limited ("SBM") to carry out exploration within Exploration Licence 6507.

The Drummartin Project forms part of a package of tenements controlled by Catalyst exploring for gold in the basement rocks beneath the sediments of the Murray Basin within northern Victoria, approximately 70km north-north east of Bendigo.

The basement geology consists of Ordovician metasediments of the Castlemaine Group that have been intruded by Devonian granites. The metasediments are overlain by Cenozoic sediments of the Murray Basin, which have a total vertical thickness from approximately 40m to over 100m within the project area.

There has been little previous exploration and Catalyst have only completed initial exploration due to the limited time since grant of the tenement. There are no known mineral occurrences within the tenement and no previous recorded mining has been carried out.

Both the Comparable Transactions method and the Modified Replacement Value method have been utilised to arrive at a Technical Value for the Drummartin Project. We have elected to apply a weighting to certain Comparable Transactions in addition to a weighting applied to the two valuation methods. We consider that Modifying Factors are not sufficiently well known to be able to apply either a premium or discount to the Technical Value in order to arrive at a Market Value.

The Drummartin Project has a range of market values of between \$1.1 million and \$9.4 million with a Preferred Market Value of \$3.6 million.



Signature:

Name:	Jeff Randell	Position:	Senior Consultant
Qualifications:	BSc (Hons), MAIG	Date:	15 January 2020

Disclaimer

Geos Mining has undertaken suitable checks, enquiries, analyses and verification procedures, considered as meeting the Reasonable Grounds Requirement for the soundness of the inputs that lead to the conclusions drawn in a Public Report (in accordance with the VALMIN Code 2015), and can accept no liability if, despite our checks, materially inaccurate, incomplete or misleading data has affected the conclusions of this report.

Geos Mining and the authors are independent of BDO Corporate Finance (WA) Pty Ltd and have no financial interests in BDO Corporate Finance (WA) Pty Ltd or any associated companies. Geos Mining is being remunerated for this report on a standard fee for time basis, with no success incentives.

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1. Introduction

1.1 COMMISSIONING ENTITY

This valuation was commissioned by BDO Corporate Finance (WA) Pty Ltd (“BDO”), who have been engaged by Catalyst Metals Limited (“Catalyst”), to prepare an Independent Expert’s Report for inclusion with a Notice of Meeting to assist the shareholders of Catalyst to consider a proposed joint venture with St Barbara Limited (“SBM”).

1.2 INDEMNITIES

In regard to this report, Catalyst signed a written undertaking to:

- provide all material information in its possession to Geos Mining, including any previous project assessment reports and valuations
- ensure that necessary access will be assured for Geos Mining staff to the company’s personnel and records
- inform Geos Mining if any information is to be regarded as confidential and not to be included in the final report
- respect the independence of Geos Mining Staff.

In accordance with Clause 11.4 of the VALMIN Code 2015, Catalyst also undertook to indemnify Geos Mining for any liability:

- resulting from their reliance on information provided by Catalyst that is Materially inaccurate or incomplete; and
- relating to any consequential extension of workload through queries, questions or public hearings arising from the Public Report.

1.3 BACKGROUND

The Drummartin Project forms part of a package of tenements held by Catalyst exploring for gold in the basement rocks beneath the sediments of the Murray Basin. While the tenement is located outside of the Whitelaw Gold Belt, it is expected that gold mineralisation will be associated with similar structural controls seen in the Four Eagles and Tandarra Project areas.

1.4 DATE OF VALUATION

The date of this valuation is 20 December 2019.

1.5 PURPOSE OF VALUATION

This valuation has been prepared for the purpose of assisting BDO to form an Independent Expert's Report (IER) on a proposed Joint Venture between Catalyst and SBM to carry out exploration within Exploration Licence 6507, located 20-30kms west of Echuca in Central Northern Victoria. The IER is required under ASX Listing Rule 10.1 as SBM is a "related party", having a 13.5% shareholding in the capital of Catalyst.

1.6 BASIS OF VALUATION

The valuation was primarily based on a Technical Value method. The Australasian Code for the Public Reporting of the Technical Assessments and Valuations of Mineral Assets 2015 Edition (the "VALMIN Code 2015") defines Technical Value as *"an assessment of a Mineral Asset's future net economic benefit at the Valuation Date under a set of assumptions deemed most appropriate by a Practitioner, excluding any premium or discount to account for market considerations."*

Assessment of Modifying Factors were applied to the Technical Value to arrive at a Market Value, which is defined by the VALMIN Code 2015 as *"the estimated amount of money (or the cash equivalent of some other consideration) for which the Mineral Asset should exchange on the date of Valuation between a willing buyer and a willing seller in an arm's length transaction after appropriate marketing wherein the parties each acted knowledgeably, prudently and without compulsion"*.

The valuation of the Subject relied on Comparable Transactions and Modified Replacement Value, as very little exploration had been completed on the project as at the Valuation Date.

1.7 STANDARDS AND CODES

This valuation has been prepared in accordance with:

- The VALMIN Code 2015, prepared by the VALMIN Committee, a joint committee of The Australasian Institute of Mining and Metallurgy and the Australian Institute of Geoscientists, with the participation of the Minerals Council of Australia and other key stakeholder representatives,
- ASX Listing Rules
- The JORC Code 2012

Currency used in this report is Australian dollars (A\$).

1.8 STATEMENT OF COMPETENCE

This report has been prepared by Geos Mining and has been compiled and edited by Senior Consultant Jeff Randell. Principal Consultant Murray Hutton has reviewed this document.

Jeff Randell has more than 40 years' experience in mineral exploration and mining in Australia and overseas. He has worked on a wide range of commodities and mineralisation styles, including Victorian structurally controlled lode gold and ladder vein styles. Jeff has authored and reviewed several Valuations for clients both within Australia and overseas through Geos Mining over the last 11 years.

1.9 STATEMENT OF INDEPENDENCE

Geos Mining is independent of all parties involved with the project activities described in this report. Geos Mining will receive a professional fee based on standard rates plus reimbursement of out of pocket expenses for the preparation of this report. The payment of these fees is not contingent upon the success or otherwise of any associated fundraising or transactions. There are no pecuniary or other interests that could be reasonably regarded as being capable of affecting the independence of Geos Mining or the authors of this report.

Geos Mining is not aware of any appointments over the past two years by any stakeholders or other relevant parties involved in the Subject project that may be perceived as able to affect the independence of Geos Mining. Geos Mining, the authors and members of the authors' families, have no interest in, or entitlement to, any of the project areas the subject of this report or in the shares of Catalyst.

1.10 RELIANCE ON OTHER SPECIALISTS

Geos Mining has not relied on any other Specialists in compiling this valuation report. Any outside material used in the report has been cited in the text and listed in the Bibliography section.

1.11 REASONABLENESS STATEMENT

In undertaking this valuation, Geos Mining has assessed the Technical and Financial inputs in an impartial, rational, realistic and logical manner. We believe that the overall Technical Assessment, Valuation Approach and Valuation Methods are in line with industry standards and meet the Reasonable Grounds Requirement of the VALMIN Code 2015.

1.12 COST

Geos Mining is to be remunerated on a fixed fee basis for undertaking this valuation, with no bonus payment to be made based on the derived valuation of the Subject or the success of the Transaction.

The fee agreed between Geos Mining and Catalyst is \$10,000 Australian Dollars.

1.13 LIMITATIONS AND CONSENT

With respect to this report and its use by Catalyst and its advisers, where false or inaccurate information has been provided, Catalyst agrees to indemnify and hold harmless Geos Mining, its shareholders, directors, officers and associates against any and all losses, claims, damages, liabilities or actions to which they or any of them may become subject under any securities act, statute or common law, except in respect to fraudulent conduct, negligence or wilful misconduct, and will reimburse them on a current basis for any legal or other expenses incurred by them in connection with investigating any claims or defending any actions, except where they or any of them are found liable for, or guilty of fraudulent conduct, negligence or wilful misconduct.

This report is provided to BDO solely for the purpose of assisting BDO directors and other interested parties in assessing the geological and technical issues associated with the Subject. This report does not constitute a full technical audit, but rather it seeks to provide an independent technical appreciation and market valuation of the Subject for inclusion and publication along with BDO's Independent Expert's Report. This report may be reproduced only in its entirety and then only with Geos Mining's prior written consent.

2. Sources of Information

2.1 DATA PROVIDED BY CLIENT

Catalyst have provided the following data to Geos Mining:

- 2018 and 2019 Annual Technical Reports, including Appendices (Oates & Charlton, 2018) (Oates, et al., 2019)
- Interpretation Report of Historical Gravity Surveys, including data (Hawke, 2018)
- Interpretation Report of the 2019 Drummartin East and Tremino Gravity Survey (Hawke, 2019)
- Drummartin Drilling Database (20 Aircore drill holes)
- Report of Historical Exploration (not published) (Winzar, 2019)
- Various ASX public releases
- Mineral title information in respect of EL 6507

2.2 DATA NOT PROVIDED BY CLIENT

Geos Mining has not been given access to the full joint venture document due to the confidentiality of the terms and conditions contained within the agreement. However, we have been advised by BDO that, in their opinion, there is no information of relevance as to the current market value of the Mineral Asset.

2.3 SITE INSPECTION

A site inspection was not carried out as the tenement is entirely under Murray Basin cover sediments with no surface expression of basement lithologies.

In Geos Mining's opinion, completion of a site visit would not materially alter the Valuation of the Drummartin Project.

3. Project Description

3.1 GEOGRAPHIC LOCATION

The Drummartin Project is located within northern Victoria (lat 36°07'S / long 144°27'E), approximately 70km north to north east of Bendigo and extending north to the hamlets of Leitchville and Gunbower and east to the district of Wharparilla (Figure 1). Access is primarily from Bendigo, along the Bendigo-Pyramid Hill Road, and from Mitiamo along the Echuca-Mitiamo Rd and access to sites is along sealed and unsealed roads.

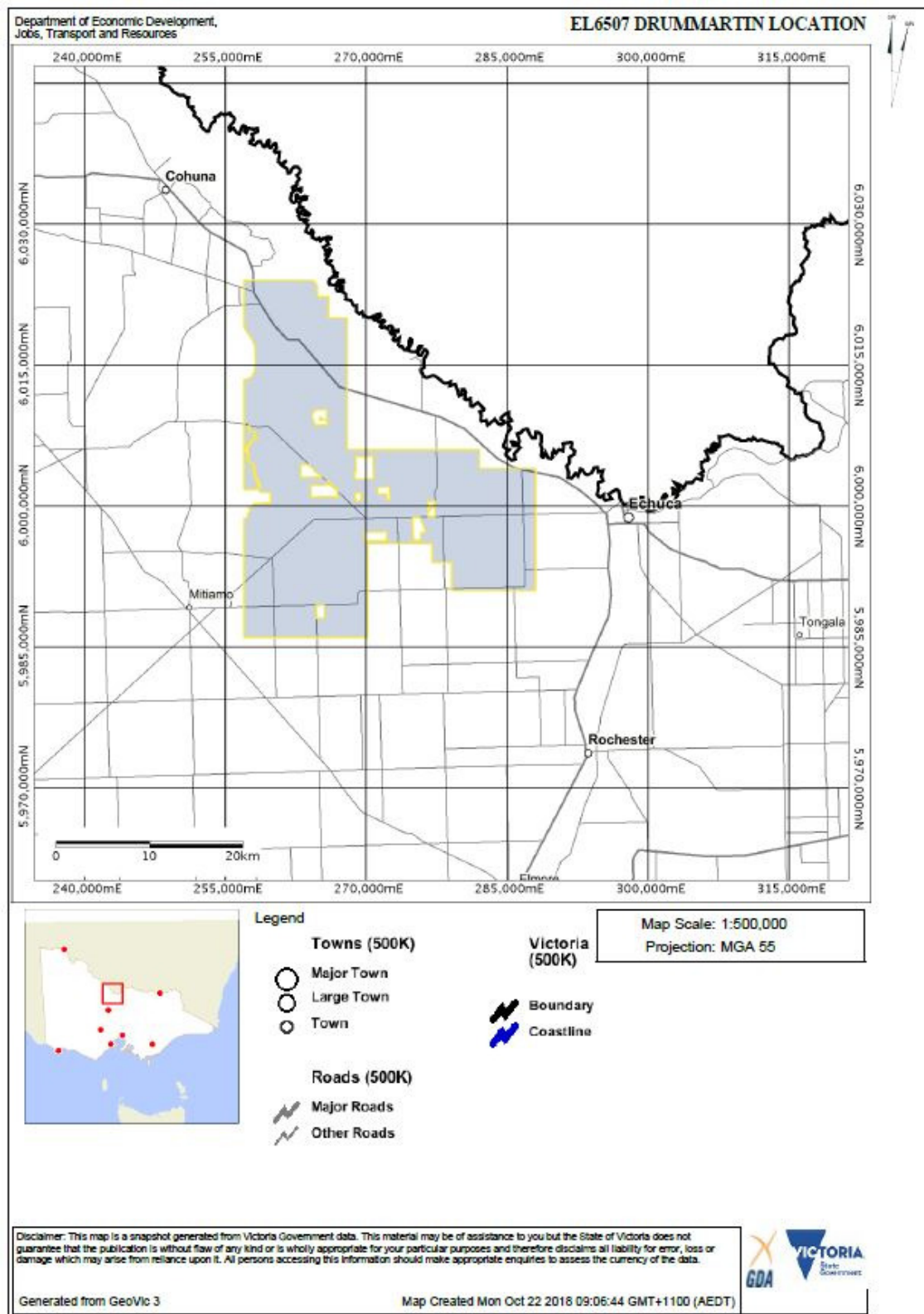


Figure 1: Drummartin Project Location

Source: Victorian Department of Economic Development, Jobs, Transport and Resources

3.2 CLIMATE

The project area climate is warm and temperate. The average annual temperature is 15.4 °C while the rainfall average is 455 mm (Figure 2).

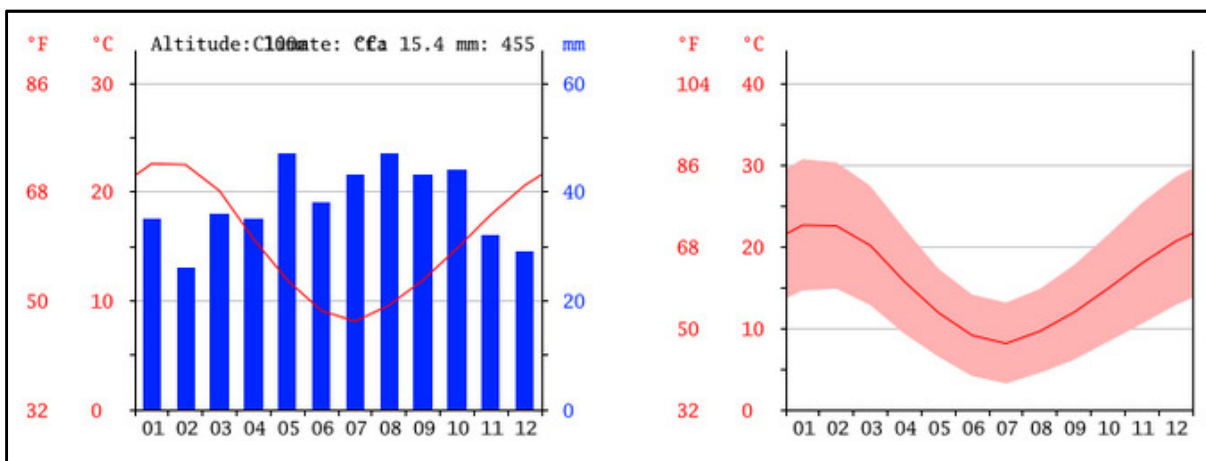


Figure 2: Climate Statistics, Echuca Region

3.3 MINING TENEMENTS

Exploration Licence 6507 was granted to Kite Operations Pty Ltd (a wholly owned subsidiary of Catalyst) on 22 December 2017 for five years over an area of 671 graticules. The licence is currently 648 graticular sections in area (~648 km²) following the relinquishment of 23 graticules as a substitute for a partial relinquishment requirement of a contiguous exploration licence. This licence is being explored in conjunction with adjacent exploration licences managed by Catalyst. Catalyst are currently focusing on exploring for gold under the Murray Basin sediments across several recognised gold belts.

Exploration Licence 6507 excludes a number of small internal areas that are unavailable for exploration (Terrick Terrick National Park) and several small areas of Restricted Crown Land (Figure 3). Expenditure commitments have been recorded in the licence grant document as:

- Year 1 - \$115,650
- Year 2 to Year 4 - \$149,200 per annum
- Year 5 - \$216,300

Partial relinquishment of the licence is required on the second (25%) and fourth (35%) licence anniversary dates, but we note that a waiver for the initial area reduction was granted by the Department of Jobs, Precincts and Regions on 26 November 2019.

A bank guarantee of \$10,000 was lodged with the National Australia Bank on 21 September 2018.

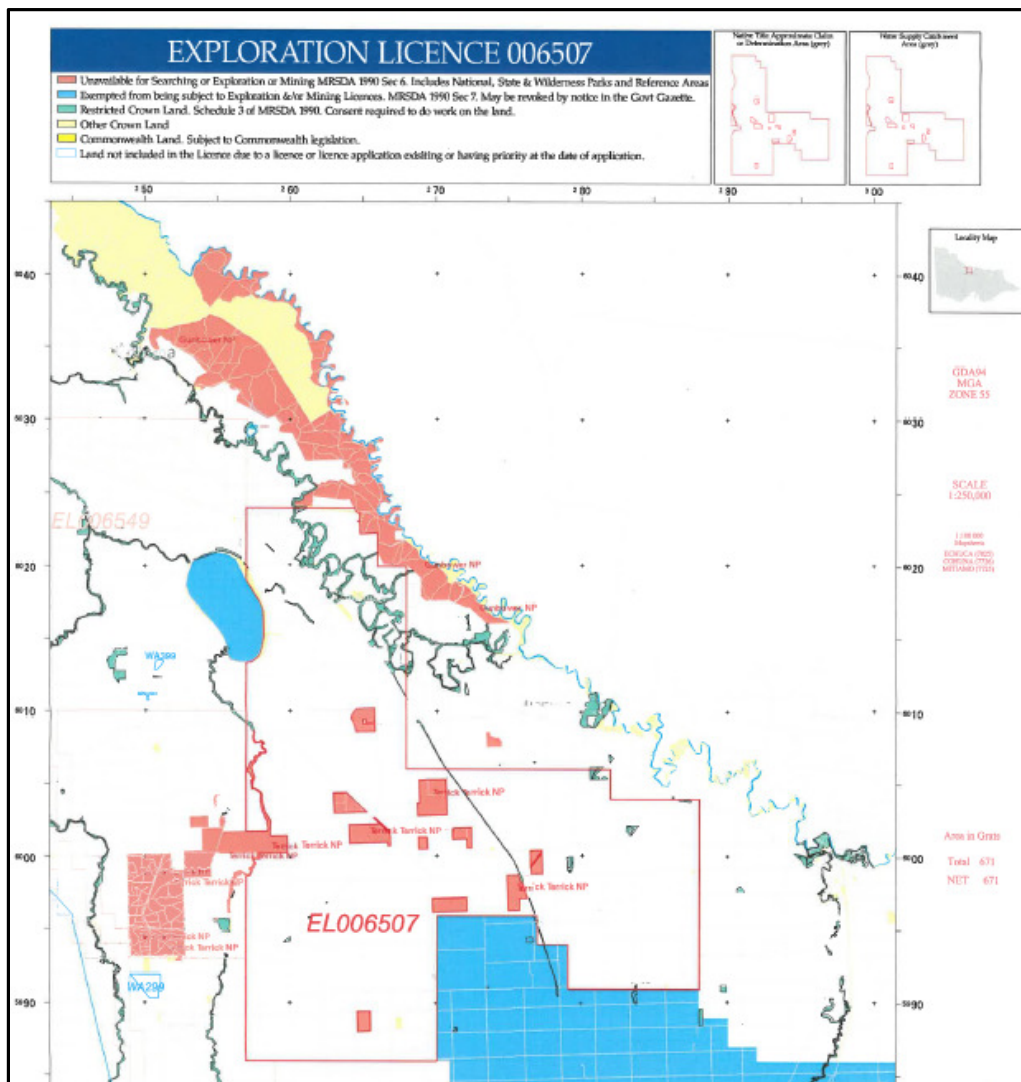


Figure 3: EL 6507 Location Map from the Tenement Grant Document

3.4 GEOLOGY AND MINERALISATION

The basement geology consists of Ordovician metasediments of the Castlemaine Group that have been intruded by Devonian granites. The metasediments are overlain by Cenozoic sediments of the Murray Basin (Figure 4), which have a total vertical thickness from approximately 40m to over 100m in the project area, generally increasing to the north.

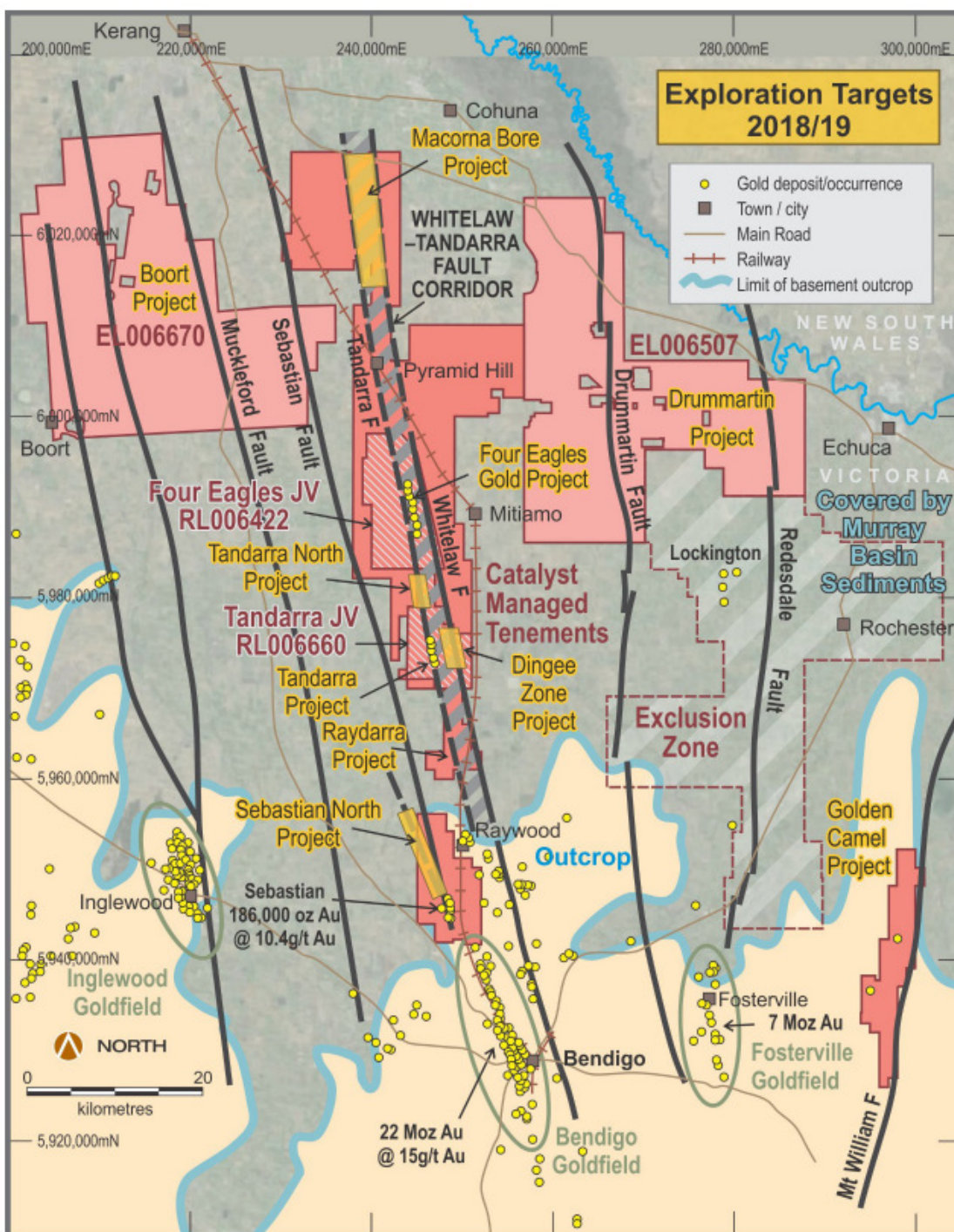


Figure 4: Regional Setting of Drummartin Project

Source: (Catalyst Metals Limited, 2019)

(Oates & Charlton, 2018) reported several interpretative comments that are relevant to the understanding of mineralisation controls:

- The basement geology has shown to be similar to the exposed areas of the Bendigo Zone and this analogy suggests a similar metallogeny, which has justified researchers to use known gold deposits in the Bendigo Zone as analogues for undiscovered deposits undercover.
- The 2006 deep seismic survey has provided insights into the crustal-scale fluid pathways and possible source rocks in within Stawell, Bendigo, and Melbourne zones. The first-order listric faults in the Bendigo Zone are interpreted as the major controls on the location of goldfields. While they are generally un-mineralised at surface, shallow dipping segments of these faults were favourably oriented for reactivation during the 440ma mineralizing event, acting as fluid conduits from the lower crust. Conversely, the upper steeply-dipping segments were not subject to reactivation and are therefore poor fluid conduits. Fluids may move from the shallow- dipping segments of the faults into shallow levels of the crust through vertical networks of bedding-parallel faults and associated low-displacement faults formed during folding and subsequent brittle deformation of the competent units.
- West-dipping faults can originate from bedding parallel veins that have cut the north-south strike of fold limbs to cross up dip into the eastern limb and then become bedded in the subsequent western limb. Major discovered goldfields within the Bendigo Zone are located more than 3.5km to 4km west of the nearest first-order listric faults, with gold production decreasing westwards. The modelling that GeoScience Victoria has undertaken in recent years has indicated that variations in the strike of the intrazone faults has resulted in potential mineralisation within the hanging wall fold of faults.
- This style of mineralisation is associated with arsenic mineralisation and carbonate alteration haloes which can extend some hundreds of metres from the gold quartz deposit - the relationship between arsenic and gold is therefore spatial rather than direct.
- The 2007 Gravity survey regionally revealed buried faults and basement highs which may be associated with silicification and gold mineralisation. The gravity highs may represent ridges of basement induration due to the local silicification and/or carbonate alteration associated with low temperature orogenic gold deposits.

We note also comments by (Hawke, 2018) who stated that “The Project area is intersected by at least two deep basement structures with likely associations with gold mineralisation. The Fosterville and Redesdale Faults are interpreted in the regional Deep Seismic Section of the Victorian Goldfields completed by Geoscience Australia in 2006. The Drummartin Fault (Figure 5) can also be clearly identified from the regional gravity data. Many of the known gold occurrences in the Fosterville mining district form trends that parallel these two structures.”

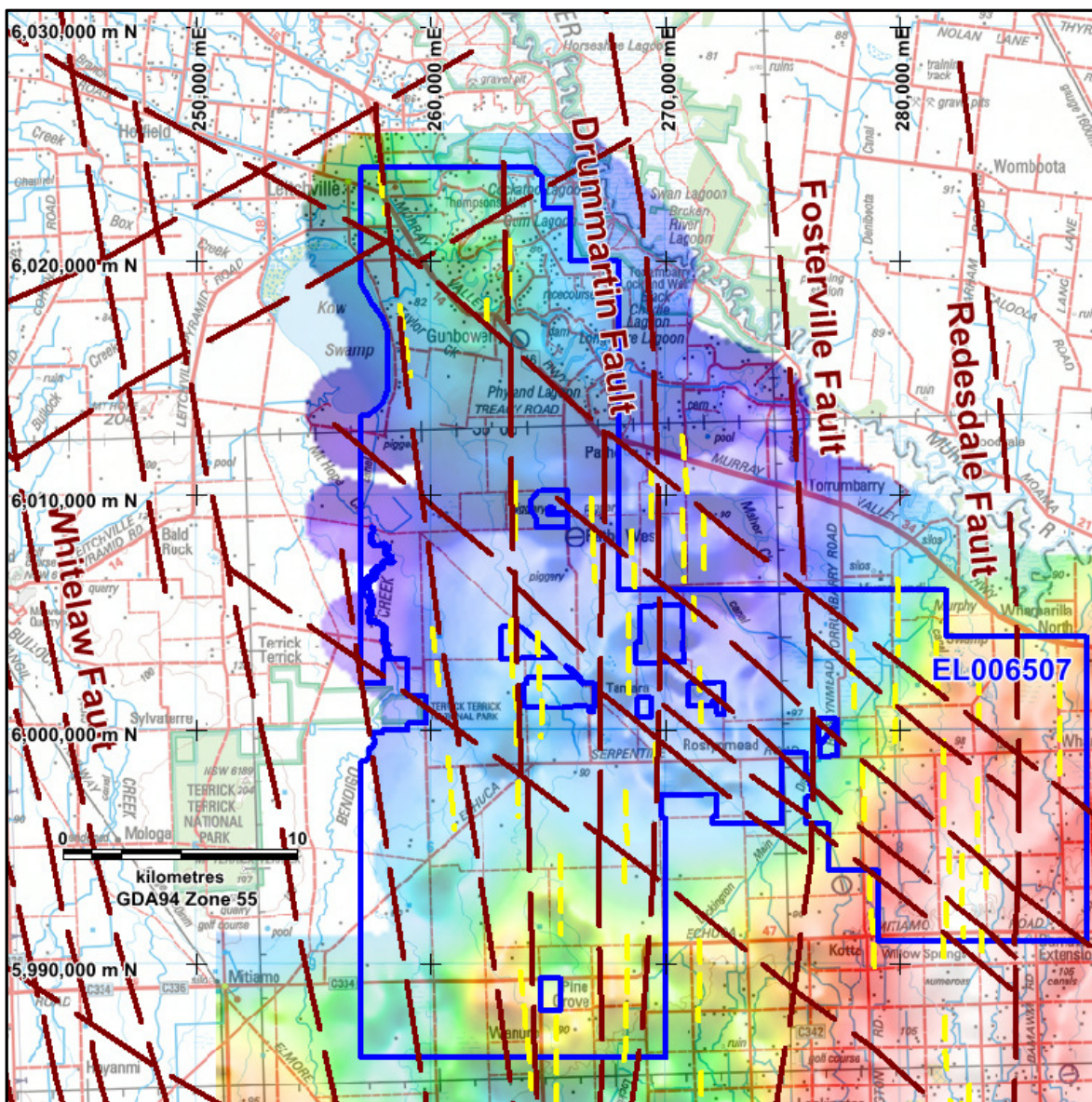


Figure 5: Regional Structures transecting EL 6507 with Gravity Image Underlay

3.5 EXPLORATION HISTORY

Prior to Catalyst, there was limited exploration within the northern undercover area as there is very little outcrop and no historical mining. Tenements that previously have covered the area of EL 6507 are shown in Table 1. The area has been a focus for Geoscience Australia as part of the Gold Undercover initiative, which has included seismic and gravity surveys. The Drummartin Project lies within a historically productive gold corridor and previous exploration and research has been used to develop a geological concept to drive efficient exploration. Table 2 lists significant previous precious/ base metal exploration undertaken by exploration companies near the Drummartin Project (Oates & Charlton, 2018).

Tenement	Owner	Grant Date	Expiry Date	Area Grats
EL807	Rio Tinto Exploration Pty Ltd	19800731	19880730	5
EL808	Wimmera Industrial Minerals Pty Ltd	19800731	19920730	4
EL809	Rio Tinto Exploration Pty Ltd	19800731	19880730	8
EL811	Rio Tinto Exploration Pty Ltd	19800731	19880730	8
EL1083	Rio Tinto Exploration Pty Ltd	19830127	19830426	8
EL3370	North Mining Ltd	19921117	19950317	498
EL3454	North Mining Ltd	19930812	19950320	500
EL3989	Homestake Gold of Australia Ltd (HGAL)	19961129	19991215	420
EL4517	Australian Coalbed Methane Pty Ltd	20001219	20040825	2018
EL4552	Timpetra Resources Ltd	20031016	20131015	493
EL4554	Gold Fields Australasia Pty Ltd	20031016	20081023	500
EL4555	Gold Fields Australasia Pty Ltd	20031016	20081015	483
EL4742	Timpetra Resources Ltd	20031126	20131125	355
EL4766	Wedderburn Mining Pty Ltd	20040114	20051116	310
EL4845	Leviathan Resources Pty Ltd	20041202	20081203	432
EL4846	Leviathan Resources Pty Ltd	20041202	20091201	442
EL5074	BTB Mining Pty Ltd	20090312	20140714	433
EL5203	Oscar Mining Pty Ltd	20090622	20120727	47
EL5201	Cascade Coal Pty Ltd	20091021	20100722	104
EL5271	Gold of Ophir Pty Ltd	20101216	20120907	526

Table 1: Historical Exploration Licences over EL 6507

Year	Tenement	Owner	Operator	Work Undertaken
2004-2007	EL4845, 4846	Leviathan Resources Pty Ltd	Leviathan Resources Pty Ltd	Detailed gravity survey along widely spaced road traverses over much of the western half of EL5407. Gravity highs were tested by AC drilling with several areas of anomalous arsenic/quartz veining identified.
2006	NA	Central Victoria Seismic Survey		ANSIR collected 400-line kilometres of deep crustal seismic reflection data
2007	NA	DPI Gold Undercover Initiative		Bendigo-Mitiamo Gravity survey conducted under DPI's Gold Undercover Initiative.
2007	EL4845, 4846	Leviathan Resources Pty Ltd	Perseverance Corporation Ltd	Office studies and reviews of previous tenement holders proposed further gravity and AC drilling, seismic reflection
2007-2009	EL4845, 4846	Leviathan Resources Pty Ltd	Northgate Minerals Corporation	Office based studies, compilation of historical. Potential geophysical and drilling data reworking.
2009-2011	EL5203	Oscar Mining Pty Ltd	EMS	17 AC drill holes, soil sampling (32 sites), geophysics reprocessing.

Table 2: Summary of Historical Exploration within area covered by EL 6507

3.5.1 EXPLORATION BY CATALYST

EL 6507 has been current for less than two years, but Catalyst have completed the following exploration during that time:

- Review of historic geophysical data
- Compilation of historic drilling data into Access database
- Trace element measurements of drilling samples using a portable XRF analyser
- AC drilling (20 holes for 2,870m) along road reserves
- Ground gravity survey (3875 stations)
- Trial Tromino passive seismic survey

3.5.2 CATALYST EXPLORATION RESULTS

Catalyst identified nine gravity targets that were selected based on targeting criteria developed in previous studies. Depth to basement increases from 50-60m in the north-west to more than 120m in the east of the tenement.

Aircore drilling tested five of the gravity targets to provide an understanding of the depth of cover and bedrock lithologies (Figure 6). Catalyst noted that “The separation of these holes is much wider than the footprints of the mineralisation that have been encountered in the Whitelaw corridor to the west, so it is not expected that this initial density of drilling is sufficient to discount the presence of significant gold mineralisation within these traverses” (Oates & Charlton, 2018). These authors reported abundant vein quartz and pyrite with weakly anomalous arsenic and gold values. We note that aircore sampling has comprised a mixture¹ of 3m composites (282 samples) and 1m samples (229 samples), all collected as grab samples with no splitting applied in the field. We also note that, while samples were analysed for gold by wet chemical methods, other elements were measured using a portable XRF analyser.

Of the 513 samples taken, the 3m composites and 1m samples recorded maximum values of 0.066ppm Au and 0.036ppm Au, respectively. Maximum As values of 39ppm ± 10ppm are also noted. Further statistical treatment and analysis of the data has not been carried out.

¹ Two samples (860434 and 860435) were recorded as 7m and 13m intervals, respectively.

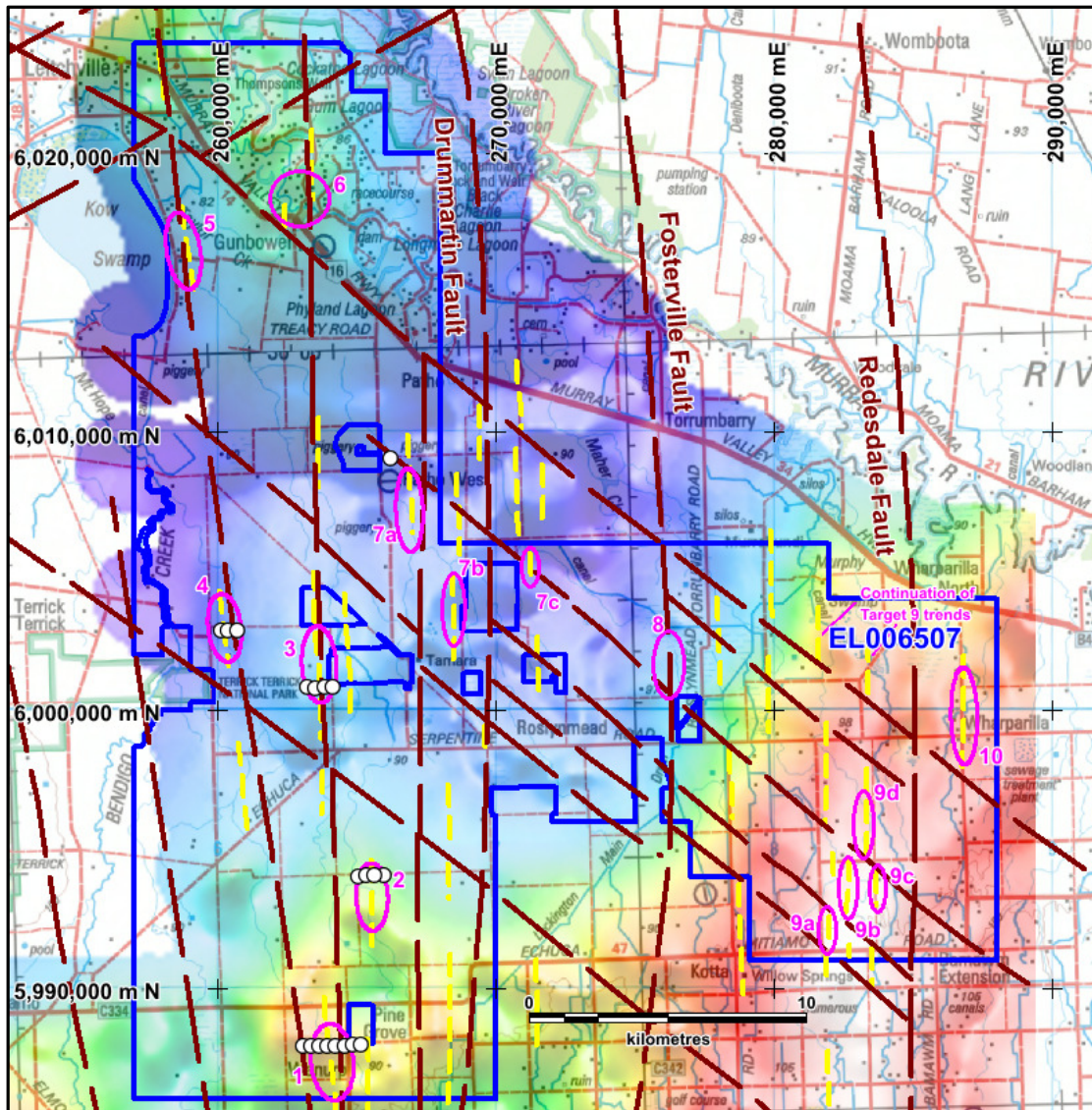


Figure 6: AC Drilling collars (white dots) with Gravity Targets (purple) and Gravity Trends (yellow dashed)

3.6 MINING HISTORY

Within the Drummartin project area, there is no known or recorded gold occurrence, but we note that it is situated between 20km and 30km north of the Milloo gold occurrence (situated along the Milloo Fault) and some 25km north-west of Goldfield’s Lockington gold discovery (situated along the Lockington Fault) (Burrowes & Warren 2010). Both interpreted faults run north-south and pass through the centre of EL 6507. Mineralisation at Lockington is controlled by the north-south striking Lockington Fault and is associated with disseminated arsenopyrite in fractured sandstones.

Additional faults within the tenement have also been highlighted through the geophysical interpretation and include the Milloo East Fault, Drummartin Fault, Fosterville Fault and Redesdale Fault.

3.7 MINERAL RESOURCES / ORE RESERVES

No Mineral Resources or Ore Reserves have been reported within the project area.

3.8 METALLURGICAL TESTWORK AND ORE PROCESSING

No metallurgical testwork has been reported.

3.9 MINING PLAN

No mining plan has been developed as the project is currently a 'grassroots' exploration target.

3.10 NATIVE TITLE AND ENVIRONMENTAL ASPECTS

The tenement excludes several Crown Land parcels within the tenement area, two of which are the subject of a legal claim by the Yorta Yorta Aboriginal Community (Figure 7). Other individual exclusions have not been researched to determine the reasons for their exclusion. One heritage site named 'Former Leuf's Hotel Site' is noted on Mount Terrick Road, Terrick East.

There are no Native Title claims within the tenement area, apart from the two small Crown Land lots mentioned above. These have a Tribunal ID of VCD1998/001 and have been annotated as 'Native title does not exist'. However, their continued inclusion in the Native Title Register (National Native Title Tribunal, 1998) suggests that legal advice should be sought prior to commencing exploration on these land parcels. Geos Mining is not qualified to comment further on the implications of exploration on these two lots.

We note that four Indigenous Land Use Agreements (ILUA's) labelled VI2004/005 and 006, VI2008/006, VI2013/002 are current over the western portion (~15%) of the tenement area. The impact of these agreements upon Catalyst's exploration has not been determined.

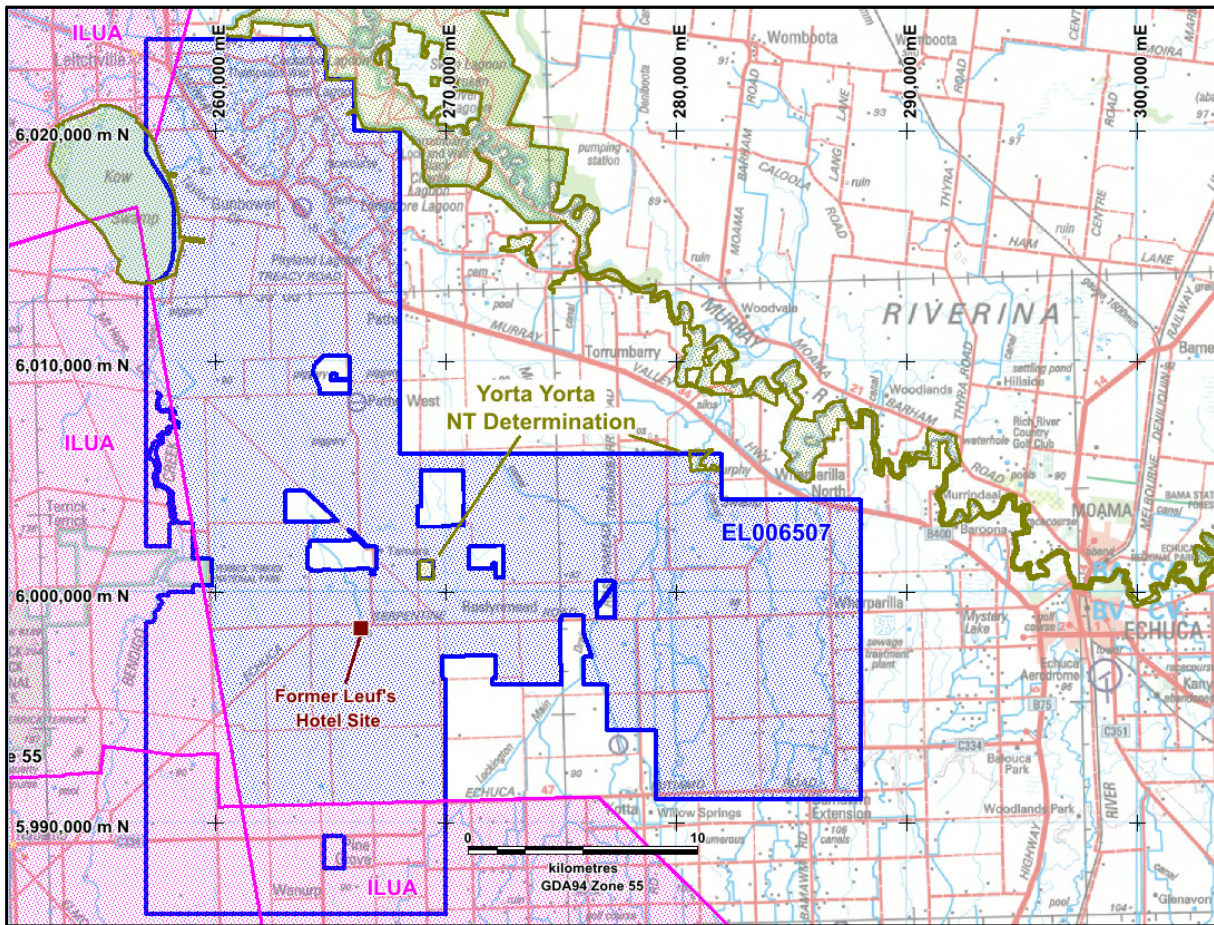


Figure 7: Native Title and Heritage Data, EL 6507

3.11 INFRASTRUCTURE

The tenement is transected by an extensive system of sealed roads, unsealed roads and farm tracks. The Murray Valley Highway cuts the north-eastern portion of the tenement. Land morphology is dominated by alluvial plains with many pastured lots. The Murray River is close to the north-eastern boundary of the tenement and the town of Echuca is situated 10km east of the eastern tenement boundary.

4. Valuation Principles and Methodology

4.1 VALUATION APPROACHES

There is no single method of valuation that is appropriate for all situations. Rather, there are a variety of valuation methods, all of which have some merit and are more or less applicable depending on the circumstances.

- Market Approach
- Income Approach
- Cost Approach

The VALMIN Code 2015 presents a general guide to the applicability of each valuation approach to projects at different stages of development (Table 3).

Valuation Approach	Exploration Projects	Pre-development Projects	Development Projects	Production Projects
Market	Yes	Yes	Yes	Yes
Income	No	In some cases	Yes	Yes
Cost	Yes	In some cases	No	No

Table 3: Applicability of Valuation Approaches to Projects at different stages of development

Each of these approaches has its own strengths and weaknesses and the selection of the most appropriate method depends upon the stage of development of the project and the information available to the Valuer.

4.1.1 MARKET APPROACH

The Market Approach includes the Comparable Transactions method and the Market Capitalisation method.

The Comparable Transactions method utilises information on market transactions between unrelated parties involving projects of similar size, commodity and geopolitical jurisdiction during times of similar market conditions (especially with regards to commodity prices).

The Market Capitalisation method involves comparisons between similar sized companies holding similar sized projects.

4.1.2 INCOME APPROACH

The Income Approach analyses the anticipated benefits of the potential income or cash flow of a Mineral Asset. The Income Capitalisation method, also known as the Discounted Cash Flow (“DCF”) method, is applicable if the project is in operation, under development, or at an advanced feasibility study stage (which includes detailed pre-feasibility studies). If ore reserves, mining and processing recoveries, and

capital and operating costs are well defined, it is generally accepted that the DCF method is generally the most relevant and appropriate valuation method.

If a project is at the scoping study or pre-feasibility study stage, or if ore reserves have yet to be defined, additional weight has to be given to the risks, due to uncertainties in capital and operating costs, operational performance and a lower degree of confidence in the resources / reserves.

4.1.3 COST APPROACH

This approach, also known as the Modified Replacement Value (MRV) method, examines the cost that would be incurred by an explorer in acquiring and exploring a similarly prospective tenement up to the same stage of development as the subject tenement. This method is usually restricted to projects at the early stages of exploration that have not had costs of production identified.

The MRV formula is:

$$MRV = (AC + EE) \times MF \times PF$$

Where:

AC = Acquisition Cost

EE = attributable Exploration Expenditure that has usefully advanced the project

MF = Market Factor, usually between 1 and 2, depending upon the availability of similar ground

PF = Prospect Factor, between 0.5 (where exploration results have been disappointing) and 3. To eliminate some of the subjectivity with respect to this method, Geos Mining commonly utilises the PF ranges as detailed in Table 4, although values outside this range may be justified in particular situations.

Band	PF	Applicability
1	0.5 – 0.9	Previous exploration indicates the area has limited potential and its prospectivity may have been downgraded by the prior exploration.
2	1.0 – 1.4	The existing (historical and/or current) data consists of pre-drilling exploration and the results are sufficiently encouraging to warrant further exploration.
3	1.5 – 1.9	The prospect contains one or more defined significant targets warranting additional exploration.
4	2.0 – 2.4	The prospect has one or more targets with significant drillhole intersections; similar prospective ground is not commonly available for application in this area.
5	2.5 – 2.9	Exploration is well advanced and infill drilling is required to define or up-grade a resource such that a reserve can be estimated.
6	3.0	Resource has been defined but a pre-feasibility study has not been recently completed.

Table 4: Prospect Factor multipliers

4.2 RISKS AND SPECIAL CIRCUMSTANCES

Special circumstances of relevance to mining projects or properties can have a significant impact on value (both positive and negative) and need to be considered to modify valuations that might otherwise apply.

Examples include:

- environmental risks that can result in a project being subject to extensive opposition, delays and possibly refusal of development approvals;
- indigenous peoples / land rights issues - projects in areas subject to claims from indigenous peoples can experience prolonged delays, extended negotiations or veto;
- country issues - the location of a project can significantly impact on the cost of development and operating costs and has a major impact on perceived risk and sovereign risk;
- technical issues peculiar to an area or deposit, such as geotechnical or hydrological conditions, or metallurgical difficulties could affect a project's economics.

4.3 SELECTION OF METHODOLOGY

This Valuation Report has been compiled in compliance with the VALMIN Code 2015. The fundamental objective of the VALMIN Code 2015 is the protection of investors. With this objective in mind we have conducted the valuation in the following way:

- where there has been a choice of a simple and a complex method of estimating a financial factor and there is no material difference between the methods in the resulting accuracy of, or confidence about, the factor amount, the simple method has been used; and
- where there is a material uncertainty regarding the quantum of an amount or parameter, we have been as conservative as possible to be consistent with our intent to provide a reasonable estimate of the value of the Subject.

We have assumed the Subject to have an economic transaction value, for an "arms-length" transaction that is not under duress (i.e. negotiated over a suitable timeframe, not a fire sale requiring rapid closure).

The VALMIN Code 2015 recommends using at least two Valuation Approaches and to present a range of values, and a preferred value, for the Subject. The Subject can be described as an early stage exploration project, for which no mineral resources have been estimated. From Table 3, the most applicable methods for valuing the Subject are the Market and Cost Approach.

5. Assumptions

5.1 TENURE

Kite Operations Pty Ltd is a wholly owned subsidiary of Catalyst (RSM Australia Partners, 2019). Exploration Licence 6507 is held by Kite Operations Pty Ltd with grant date 22/12/2017 and expiry date 21/12/2022 and is licensed to explore for gold, silver, antimony and base metals (Victoria State Government, 2019). The tenement was originally granted over an area of 671 km² but has been subsequently reduced to 648 km² (State Government Victoria, 2019).

Geos Mining has sighted the licence document for EL 6507, together with relinquishment waiver confirmation and evidence of the security bond lodged.

5.2 JOINT VENTURE TERMS

Geos Mining has not sighted the JV Agreement between Catalyst and SBM² and has relied on the public announcement of 25 November 2019. We note that while SBM (or its nominee) may acquire a 50% participating interest in EL 6507 by funding not less than \$3.5 million of Project Expenditure within 48 months of the Commencement Date, SBM may withdraw from the agreement if it has funded at least \$1 million of project expenditure within two years of the Commencement Date.

5.3 MINERAL RESOURCES & ORE RESERVES

This is an early stage project and no Mineral Resources have been defined. However, we note the opinion of Catalyst that “gold mineralisation [within EL 6507] will be associated with similar structural controls seen in the Four Eagles and Tandarra Project areas” (Catalyst Metals Limited, 2019). In Geos Mining’s opinion, this statement is a reasonable expectation of mineralisation style that may form the basis of exploration philosophy at Drummartin.

5.4 MINING AND PROCESSING

We have not made any assumptions in relation to possible mining or processing options due to the early stage exploration status of the Drummartin Project.

² SBM have considered the contents of the agreement to be confidential

5.5 CAPITAL AND OPERATING COSTS

We have not made any assumptions in relation to possible capital or operating cost options due to the early stage exploration status of the Drummartin Project.

5.6 FINANCIAL ASSUMPTIONS

We have not made any assumptions in relation to forecast commodity prices, exchange rates, revenue or possible discount rates in this valuation.

6. Valuation of the Subject

6.1 TECHNICAL VALUE

Clause 8.1 of the VALMIN Code 2015 states: “**Technical Value** is an assessment of a Mineral Asset’s future net economic benefit at the Valuation Date under a set of assumptions deemed most appropriate by a Practitioner, excluding any premium or discount to account for market considerations.”

We have chosen two methods on which to base a Technical Value for the Drummartin Project.

6.1.1 COMPARABLE TRANSACTIONS

We have utilised a modified version of Comparable Transactions, based on identifying projects with a similar mineralisation style in Eastern Australia. Transactions for Western Australian projects have been specifically excluded as the mineralisation style and characteristics are generally quite different to those of eastern Australia.

Data has been obtained by searching the SNL Metals & Mining Database (<https://www.snl.com>), a subscription service that provides financial and industry data, research, news and analytics.

The results of this search are included in Table 5.

A total of nine project transactions have been identified as being possible comparable transactions. We have not used either of the Carawine Resources or Phoenix Bridge Group transactions as, in the case of the former, no transaction value was ascribed and, for the latter, the transaction represents a company takeover bid involving several projects.

Of the remaining seven project transactions:

- Glenloth (T.V.³ \$0.18m) overlies an historic goldfield within the Gawler Craton and is the northern extension of the Tunkillia gold deposit. Reported exploration results over the last 10 years have not been overly encouraging.
- Macorna Bore (T.V. \$1.0m) is the northern extension of the Four Eagles project and is an early stage exploration project with strong similarities to Drummartin. Initial exploration drilling resulted in some anomalous geochemistry. The tenement occupies an area of 60 km² only.
- Lucknow (T.V. \$2.5m) overlies an historic high-grade goldfield and has been extensively explored. The project is dissimilar to Drummartin in that regard although it does not have a reported mineral resource.
- Commonwealth (T.V. \$0.1m) was acquired by Alkane as the southern extension of their Boda Cu-Au Project. It is a single unit acquisition and of interest to Alkane specifically for its location.
- Southern Tanami (T.V. \$14.7m) is an early stage project but is considered to have an analogous structural setting to Callie, located ~15kms to the east. It is a large project area and bears some similarities to Drummartin in terms of its proximity to a major deposit and analogous structural setting.
- Wild Horse Hill (T.V. \$0.08m) is a long-lived project but despite its exploration history is only at target outline stage. It is dissimilar to Drummartin in this regard.
- Morning Star (T.V. \$0.44m) has been mined intermittently over many years and trial mining has again re-commenced.

Of these seven transactions it is our opinion that only the Macorna Bore and Southern Tanami Projects have sufficient characteristics for their transactions to be considered comparable for the purposes of valuing the Drummartin Project. The transaction range is large (\$1.0m to \$14.7m) and we have consequently applied a weighting to the range of market values to reflect a balance between the early stage of exploration of the Drummartin Project and its location/ structural setting in close proximity to the major Bendigo Goldfield and the potential new development at Four Eagles. We have considered applying a weighting based on project area but, in our opinion, this does not reflect mineral prospectivity necessarily. For example, Drummartin is almost ten times larger in area than Macorna Bore, but we have not identified any reason to assume that the market value of the former should be ten times the latter, given the different structural belts covered by each project and the lack of geological data available.

We have elected to apply a weighting of 70% to the lower end of the T.V. range and 30% to the higher end. The weighting is influenced by several factors:

- The similarity between the Macorna Bore and Drummartin projects in terms of exploration stage, structural setting and exploration completed
- The premium that could reasonably be expected to be paid in a region of recent exploration success as is the case for northern central Victoria. In this regard we note the initiative of the Victorian government in offering the North Central Victorian Goldfields Ground release in recognition that

³ T.V. = Transaction Value as presented in Table 5, column 7

“Increased gold exploration activity in recent years, especially within the goldfields region, has shown promising signs of the potential for new gold discoveries.” (Earth Resources Victoria, 2019)

- The influence of well-endowed mineral provinces, such as the Tanami-Granites Region of Northern Territory, upon the availability of ground for acquisition. For example, mineral title coverage of this region is currently ~90% in the main gold prospective areas. We also note that the area of Victoria now covered by Exploration Licences has increased from 50-52,000 km² in 2016-2018 to almost 64,000 km² currently (Earth Resources Regulation, 2018).

6.1.1 MARKET CAPITALISATION

The Drummartin Project is one of eight project areas held by Catalyst but the Four Eagles and Tandarra Projects are the most advanced and the focus of most exploration. In Geos Mining’s opinion, it is unrealistic to assign a market value to the Drummartin Project based on the current market capitalisation of the company (currently ~ \$250 million) due to the large number of projects and differing levels of exploration expenditure and results.

6.1.2 SUMMARY OF MARKET APPROACH

Our assessment of market transactions from nine project areas has suggested that only two are sufficiently similar to be considered as Comparable Transactions. The large range of these transaction values has prompted Geos Mining to assign a weighting based upon our assessment of the projects in relation to the Drummartin Project. We have elected to apply a weighting of 70% to the lower end of the T.V. range (\$1.0m) and 30% to the higher end (\$14.7m) i.e.

$$70\% \times \$1.0\text{m} + 30\% \times \$14.7\text{m}$$

to arrive at a Preferred Value of \$5.1 million. The weighting reflects a balance between the early stage of exploration of the Drummartin Project and its location/ structural setting in close proximity to the major Bendigo Goldfield and the potential new development at Four Eagles.

Deposit	Buyer	Mineral Resources (100% equity, oz Au)	Transaction Date ⁴	Equity Acquired (%)	Transaction Value (A\$m)	Transaction Value (A\$m) on 100% basis	Comments
Drummartin, Vic	St Barbara Limited	NA	25/11/2019	50	3.50	7.00	Valuation Subject
Glenloth, SA	Horseshoe Metals Limited	NA	16/10/2019	100	0.18	0.18	Covers historic goldfield. \$0.15m stock + \$0.03m debt + variable royalty (if resource defined)
Macorna Bore EL5521, Vic	Hancock Prospecting Pty Ltd.	NA	14/10/2019 (da)	50	0.50	1.00	Northern extension of Whitelaw Belt. AC drilling defined some zones of anomalous arsenic and occasional trace gold. \$0.25m cash + \$0.25m expenditure over 2 years
Lucknow, NSW	Talisman Mining Limited	NA	26/08/2019 (da)	70	1.75	2.50	Historic high-grade goldfield extensively explored. \$0.25m cash + \$1.5m expenditure over 4 years
Jamieson EL6622, Vic	Carawine Resources Limited	NA	22/08/2019	100	0.00	0.00	Goldsearch announced 52,000oz gold resource in 2009 for Hill 800. Carawine completed DD drilling in 2018-2019. EL6622 is an adjacent tenement that Carawine acquired for nil consideration.
Commonwealth, NSW (1 unit of EL8505)	Alkane Resources Limited	NA	14/08/2019 (da)	100	0.10	0.10	Southern extension of Alkane's Boda Cu-Au Project. \$101,000 cash.
Southern Tanami, NT	Newmont Goldcorp Corporation	NA	16/05/2019 (da)	51	7.50	14.70	Early stage (6 ELs (~730 km ²), 3 ELAs) but considered to have analogous structural setting to Callie. \$1.5m cash + \$6m expenditure over 4 years
Bielsdown, Blinks, Chillagoe, Cobar Basin, NSW/Qld	Phoenix Bridge Group	NA	8/03/2019	100	1.05	1.05	Takeover offer for Anchor Resources. Projects independently valued at \$12-16.5m. \$1.05m cash + \$17m debt assumed
Wild Horse Hill, NT	Caprice Resources Limited	NA	20/08/2018	100	0.08	0.08	Long lived project but only at target outline stage. \$75,000 in shares/ options

⁴ (da) denotes 'definitive agreement'; deal not completed

Deposit	Buyer	Mineral Resources (100% equity, oz Au)	Transaction Date ⁴	Equity Acquired (%)	Transaction Value (A\$m)	Transaction Value (A\$m) on 100% basis	Comments
Morning Star MIN 5299, Vic	AuStar Gold Limited	NA	13/06/2018	51	0.23	0.44	Trial mining has since commenced, considerable DD drilling being carried out. Acquired remaining 51% for common stock.

Table 5: Table of Mineral Asset Transactions, Eastern Australia

6.2 MODIFIED REPLACEMENT VALUE

6.2.1 ACQUISITION COST

The project tenement EL 6507 was acquired by Catalyst through its subsidiary Kite Operations Pty Ltd as vacant ground available for application. Acquisition costs were therefore limited to Victorian Government fees totalling ~\$19,000.

6.2.2 EXPLORATION EXPENDITURE

Exploration methods utilised by Catalyst included:

- Desktop review and interpretation ~\$33,000
- AirCore drilling ~\$126,500
- Ground gravity surveying ~\$86,500
- Trial seismic surveying ~\$37,000

Project expenditure has totalled ~\$283,000.

6.2.3 ASSESSMENT OF EFFECTIVENESS OF EXPLORATION

EL 6507 has only been in force for two years and Catalyst have used experience gained from adjacent projects to explore this tenement. In our opinion, the combination of sound geological/ geophysical interpretation coupled with aircore drilling and ground geophysics to determine depth to basement has provided an effective first pass exploration initiative.

With reference to Section 4.1.3, we consider that:

- the attributable exploration is 100% of the claimed expenditure
- a Market Factor of 2 is appropriate given the intensity of interest and exploration results being obtained on adjacent Catalyst held ground
- a Prospect Factor range of 2.0 to 2.4 is appropriate. In selecting this range, we note that, while exploration is at an early stage, there are identified structural targets that are of strategic significance in determining areas of focus for exploration of this style of mineralisation. We therefore have elected to apply a higher Prospect Factor than would normally be the case whilst acknowledging that similar prospective ground is not commonly available for application in this area.

6.2.4 SUMMARY OF MODIFIED REPLACEMENT VALUE

Using the formula of Section 4.1.3 (MRV = (AC + EE) x MF x PF), we conclude that the Modified Replacement Value range is \$1.2 million to \$1.5 million with a Preferred Value of \$1.3 million. The Preferred Value represents the mid-way value (rounded down) attributable to the Prospect Factor range.

6.3 RISKS AND OPPORTUNITIES

Geos Mining has limited the scope of this risk assessment to major factors relevant to this valuation. There has been no consideration of political stability, or of the financial risk arising from any lack of liquidity. While we have based our assessment on foreseeable and quantifiable risks, we make no guarantee that all material risks have been included in this assessment.

Risk is based on the product of two factors: probability and consequence. For the purposes of this risk assessment Geos Mining has adopted the matrix below as a measure of project risk (Table 6).

		PROBABILITY					RISK	Probability		Consequence	
		A	B	C	D	E		A	Common	1	Catastrophic loss, over 40% of project value
CONSEQUENCE	1	1	2	4	7	11	HIGH 1-6	B	Has happened	2	Major disruption/impediment, 10% - 40% of project value
	2	3	5	8	12	16	MEDIUM 7-15	C	Could happen	3	Moderate disruption/impediment, over \$5m value
	3	6	9	13	17	20	LOW 16-25	D	Not likely	4	Minor disruption/impediment, less than \$5m
	4	10	14	18	21	23		E	Practically impossible	5	No lasting effect
	5	15	19	22	24	25					

Table 6: Risk rating table

6.3.1 RISKS

- Early stage of development – additional exploration may not define mineral resources or ore reserves. This is a significant risk for all ‘grass roots’ exploration properties and is relevant to the Drummartin Project.

Risk Rating: C1 HIGH

- Country risk – for the Drummartin Project this includes social and environmental factors that cannot be controlled by Catalyst. In Geos Mining’s opinion there are three factors of concern:
 - Agriculture - agriculture and tourism are the largest industry sectors of employment in the Campaspe Shire. The region supplies about 25% of the total value of Victoria’s agricultural production, including tomato production, dairy, wheat, sheep, pig, and cattle farming, as well as the many different orchard varieties (Kagome Australia Pty Ltd, 2019). Exploration for and development of an open pit or underground mine may include a surface footprint subsequently unavailable for agricultural purposes.
 - Water – the Murray River is located less than 10kms from the northern boundary of EL 6507 and is one of the world's longest navigable rivers. It is an integral part of Australian colonial history and a vital resource. Any development close to the river could be expected to include close environmental review.
 - Social licence – while Victoria has an extensive mining history, encroachment into the area of EL 6507 where agriculture and tourism are the dominant industries could be expected to generate intense public scrutiny.

Risk Rating: C2 MODERATE

6.3.2 OPPORTUNITIES

- Lack of previous exploration – we note that previous explorers have not progressed exploration beyond limited reconnaissance drilling and geophysical surveying. The Drummartin Project area is essentially unexplored.

6.3.3 SUMMARY OF RISKS AND OPPORTUNITIES

Whilst acknowledging the risks, Geos Mining considers that the opportunity presented by the lack of previous exploration at Drummartin together with the prospective geological setting, outweighs the risks at this stage of the Drummartin Project’s exploration.

6.4 MARKET VALUE

6.4.1 ASSESSMENT OF MODIFYING FACTORS

Clause 12 of the JORC Code 2012 defines “Modifying Factors” as “considerations used to convert Mineral Resources to Ore Reserves. These include, but are not restricted to, mining, processing, metallurgical, infrastructure, economic, marketing, legal, environmental, social and governmental factors.”

We have elected to apply neither a premium or a discount to the Technical Value due to the uncertainty of the risks and the early stage of exploration.

7. Opinion of Value

In keeping with the requirements of the VALMIN Code 2015, a range of values, and a preferred value, have been estimated for the Drummartin Project.

We have used both the Comparable Transactions (CT) method and Modified Replacement Value (MRV) method in the assessment of the Drummartin Project value but in our opinion, the CT method is the most applicable as it reflects current market conditions whereas the MRV method should be assigned a lower weighting due to its inherent subjectivity. We have elected to weight the two methods by the ratio 60% CT: 40% MRV in recognition of market forces that dictate asset values to a greater degree than exploration expenditure.

The range of values using the CT method is \$1.0 million to \$14.7 million with a Preferred Value of \$5.1 million. The MRV range is \$1.2 million to \$1.5 million with a Preferred Value of \$1.3 million (Table 7).

Valuation Method	Low Value	High Value	Preferred Value	Weighting
CT	1.0	14.7	5.1	60%
MRV	1.2	1.5	1.3	40%
Weighted Summary	1.1	9.4	3.6	

Table 7: Summary of Valuation Ranges

The Drummartin Project has a range of values of between \$1.1 million and \$9.4 million with a Preferred Value of \$3.6 million.

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9. Terms and Definitions

Aeromagnetic Data: Geophysical data indicating the variation in magnetic intensity captured from an aircraft.

Aircore drilling: A combination of reverse circulation and diamond drilling techniques in which a small diameter core is air-lifted up the inside of the drill string. Suited to sticky clays and unconsolidated rock.

Alluvium/ Alluvial: Sediment deposited by a stream or river.

Base Metal: Any metal at the lower end of the electrochemical series that oxidizes readily

Basement: the rocks below a sedimentary platform or cover, or more generally any rock below sedimentary rocks or sedimentary basins that are metamorphic or igneous in origin

Basin: A depressed segment of rock in which sediments accumulate and where hydrocarbons may be located.

Beneficiation: variety of process whereby extracted ore from mining is reduced to particles that can be separated into mineral and waste, the former suitable for further processing or direct use

Bulk Density: A measure of the relative weight of a geological material as it is found in the ground before excavation, expressed in tonnes per cubic metre (t/m³).

Deposit: A mineral occurrence of sufficient size and grade that it might, under favourable circumstances, be considered to have economic potential

Disseminated: Said of a mineral deposit in which the desired minerals occur as scattered particles in the rock.

Epigenetic: formed later than the surrounding or underlying rock formation

Exploration Licence: A granted title over an area of land entitling the holder to explore for one or more mineral commodities for a set period of time

Exploration Target: Information relating to exploration targets must be expressed so that it cannot be misrepresented or misconstrued as an estimate of Mineral Resources or Ore Reserves. The terms Resource(s) or Reserve(s) must not be used in this context. Any statement referring to potential quantity and grade of the target must be expressed as ranges and must include (1) a detailed explanation of the basis for the statement, and (2) a proximate statement that the potential quantity and grade is conceptual in nature, that there has been insufficient exploration to define a Mineral Resource and that it is uncertain if further exploration will result in the determination of a Mineral Resource.

Fault: A geological fracture along which rocks on one side of the fault are dislocated relative to those on the other side.

Feasibility Study: A study of the economic viability of the mining and production of base or precious metals or other minerals

Grade: Average quantity of ore or metal in a specified quantity of rock.

Granite/Granitic: Coarse-grained acid igneous rock containing quartz and feldspar.

Granitoid: A granitic rock.

Gravity Separation: Gravity separation is an industrial method of separating two components from a suspension or any other homogeneous mixture where separating the components with gravity is sufficiently practical

Greisen: A form of alteration restricted to the outer edges of some granite intrusions

Head Grade: the grade of the ore as delivered to the metallurgical plant

In Situ: In its original position, said of rock or soil when it has not moved from whence it was deposited and or lithified.

Indicated 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 Resource: 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.

JORC Code: A code prepared by the Joint Ore Reserves Committee which sets out minimum standards, recommendations and guidelines for public reporting in Australasia of exploration results, mineral resources and ore reserves.

JV: Joint venture

Laterite: Highly weathered material rich in secondary oxides of iron, aluminium or both.

Lode: a deposit of valuable ore occurring within definite boundaries separating it from surrounding rocks

Magnetic Susceptibility: the degree of magnetization of a material in response to an applied magnetic field

Mineralisation: Term describing the hydrothermal deposition of economically important minerals in the formation of ore bodies.

Ordovician: The second earliest period of the Palaeozoic Era between 500 and 440 million years ago.

Palaeochannels: Deposits of unconsolidated or semi-consolidated sediments deposited in ancient, presently inactive river and stream channel systems.

PEM: Prospectivity enhancement multiplier. It commonly ranges from 0.5-3.0 and is applied to the effective expenditure. The selection of the appropriate multiplier is a matter of experience and judgement but is highly subjective.

Polymetallic: refers to a substance composed of a combination of different metals

Porphyry/Porphyrific: An igneous rock in which larger crystals (“phenocrysts”) are scattered through a matrix of smaller crystals (“groundmass”)/descriptive of rocks displaying such textures.

Quartz: second most abundant mineral in the Earth's continental crust, after feldspar. It is made up of a continuous framework of SiO₄ silicon–oxygen tetrahedra, with each oxygen being shared between two tetrahedra, giving an overall formula SiO₂.

Recoverable Resources: Recoverable resource refers to the amount of resource that can be removed.

Reserves: The economically mineable part of a measured or indicated resource at the time of reporting, as defined in the JORC Code.

Resource: The part of a deposit for which there is a reasonable prospect for eventual economic extraction, as defined in the JORC Code. Not all of a resource may be economically minable.

Sediment: Material such as mud and sand that has been moved and deposited by water, ice or wind.

Shear: A deformation resulting from stresses that cause parts of a body to slide relative to each other in a direction parallel to their plane of contact

Smelting: Smelting is a form of extractive metallurgy; its main use is to produce a metal from its ore. This includes iron extraction (for the production of steel) from iron ore

Silicates: A silicate is a compound containing an ion in which one or more central silicon atoms are surrounded by electronegative ligands

Siliceous: Name used to describe silicon dioxide compounds.

Silurian: A period within the Palaeozoic era between 440 and 400 million years ago

Source Rocks: rocks reflecting high productivity; most common source rocks: shales and mudstones; basalts; and quartz sandstones and limestones.

Stockwork Veins: three dimensional network of irregular veinlets

Strata: Layers of sedimentary rock, visually separable from other layers above and below.

Stratigraphy: The science of rock strata, concerned with all characteristics and attributes of rocks as strata, and their interpretation in terms of mode of origin and geologic history.

Surficial: pertaining to or occurring on or near the earth's surface

Tenement: An area granted for exploration or mining purposes.

Tertiary: Thought to have covered the time between 65 and 2 million years ago.

Turbidite: Sediments which are transported and deposited by density flows

Valmin Code: Code for the Assessment and Valuation of Mineral and Petroleum Assets and Securities for Independent Expert Reports. A code prepared to assist those involved in the preparation of public Independent Expert Reports that are required for the assessment and/or valuation of mineral and petroleum assets and securities so that the resulting reports will be reliable, thorough, understandable and include all the material information required by investors and their advisers when making investment decisions.

Variogram: A graph of the function of the spatial dependence of variance

Vein: A fracture in rock which has been filled with mineral, often quartz.

Workings: The entire system of openings in a mine for the purpose of operation

XRF: X-ray fluorescence. X-rays are diffracted when directed at a crystalline material according to its lattice structure. The generation of an x-ray diffraction pattern that is characteristic for the crystalline phases contained within the sample is the result of the data collection process.

Appendix 1 – Valuer’s Biography

Jeff Randell

Senior Consultant: Corporate and Minerals



Key Skills

- VALMIN Code 2015 Specialist
- JORC 2012 Competent Person (gold, bauxite, nickel and base metals)
- Widely experienced professional geologist in exploration, mining and tenement management
- Qualified Senior Site Executive (SSE) for exploration programs within Queensland
- Detailed knowledge of work health and safety legislation and implementation

Qualifications

1970 – 73 Flinders University of South Australia, BSc. (Hons)

Professional Memberships

Member of the Australian Institute of Geoscientists

Summary of Experience

2008 - current **Geos Mining:** Project Manager/ Senior Consultant

- Extensive experience in gold, base metals and bauxite exploration in Australia and overseas
- Management of the tenement and agreement business for a number of clients
- Technical assessments, project management, OHS systems and corporate aspects

1999 - 2008 **Triako/ CBH Resources** Senior Exploration Geologist

- Maintained the company’s mineral tenement and joint venture database
- Established OHS&E documentation and procedures
- Supervised technical and admin staff to ensure statutory and corporate reporting compliance.
- Monitored geological project results and provided technical advice.

Previous **Various**

- Four years as a mine geologist on the Kambalda nickel field
- Seventeen years of base metal and gold exploration with Shell/ Billiton in a broad range of geological environments and commodities throughout Australia
- Four years as assistant to the General Manager of Plutonic Operations advising on various corporate and administrative aspects of the business.

If you are attending the meeting in person, please bring this with you for Securityholder registration.

Holder Number:

Vote by Proxy: CYL

Your proxy voting instruction must be received by **10.00am (WST) on Wednesday, 19 February 2020**, being not later than 48 hours before the commencement of the Meeting. Any Proxy Voting instructions received after that time will not be valid for the scheduled Meeting.

SUBMIT YOUR PROXY VOTE ONLINE

Vote online at <https://investor.automic.com.au/#/loginsah>

Login & Click on 'Meetings'. Use the Holder Number as shown at the top of this Proxy Voting form.

- ✓ **Save Money:** help minimise unnecessary print and mail costs for the Company.
- ✓ **It's Quick and Secure:** provides you with greater privacy, eliminates any postal delays and the risk of potentially getting lost in transit.
- ✓ **Receive Vote Confirmation:** instant confirmation that your vote has been processed. It also allows you to amend your vote if required.



SUBMIT YOUR PROXY VOTE BY PAPER

Complete the form overleaf in accordance with the instructions set out below.

YOUR NAME AND ADDRESS

The name and address shown above is as it appears on the Company's share register. If this information is incorrect, and you have an Issuer Sponsored holding, you can update your address through the investor portal: <https://investor.automic.com.au/#/home> Shareholders sponsored by a broker should advise their broker of any changes.

VOTING UNDER STEP 1 - APPOINTING A PROXY

If you wish to appoint someone other than the Chairman of the Meeting as your proxy, please write the name of that Individual or body corporate. A proxy need not be a Shareholder of the Company. Otherwise if you leave this box blank, the Chairman of the Meeting will be appointed as your proxy by default.

DEFAULT TO THE CHAIRMAN OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chairman of the Meeting, who is required to vote these proxies as directed. Any undirected proxies that default to the Chairman of the Meeting will be voted according to the instructions set out in this Proxy Voting Form, including where the Resolutions are connected directly or indirectly with the remuneration of KMP

VOTES ON ITEMS OF BUSINESS – PROXY APPOINTMENT

You may direct your proxy how to vote by marking one of the boxes opposite each item of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

APPOINTMENT OF SECOND PROXY

You may appoint up to two proxies. If you appoint two proxies, you should complete two separate Proxy Voting Forms and specify the percentage or number each proxy may exercise. If you do not specify a percentage or number, each proxy may exercise half the votes. You must return both Proxy Voting Forms together. If you require an additional Proxy Voting Form, contact Automic Registry Services.

SIGNING INSTRUCTIONS

You must sign this form as follows in the spaces provided

Individual: Where the holding is in one name, the Shareholder must sign.

Joint holding: Where the holding is in more than one name, all of the Shareholders should sign.

Power of attorney: If you have not already lodged the power of attorney with the registry, please attach a certified photocopy of the power of attorney to this Proxy Voting Form when you return it.

Companies: To be signed in accordance with your Constitution. Please sign in the appropriate box which indicates the office held by you.

Email Address: Please provide your email address in the space provided.

By providing your email address, you elect to receive all communications despatched by the Company electronically (where legally permissible) such as a Notice of Meeting, Proxy Voting Form and Annual Report via email.

CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting the appropriate 'Appointment of Corporate Representative' should be produced prior to admission. A form may be obtained from the Company's share registry online at <https://automic.com.au>.

ATTENDING THE MEETING

Completion of a Proxy Voting Form will not prevent individual Shareholders from attending the Meeting in person if they wish. Where a Shareholder completes and lodges a valid Proxy Voting Form and attends the Meeting in person, then the proxy's authority to speak and vote for that Shareholder is suspended while the Shareholder is present at the Meeting.

POWER OF ATTORNEY

If a representative as power of attorney of a Shareholder of the Company is to attend the Meeting, a certified copy of the Power of Attorney, or the original Power of Attorney, must be received by the Company in the same manner, and by the same time as outlined for proxy forms.

