



ASX ANNOUNCEMENT

27 OCTOBER 2016

METALLURGICAL TESTWORK CONFIRMS LOW NUGGET GOLD DISTRIBUTION AT FOUR EAGLES GOLD PROJECT

- Metallurgical testwork on Four Eagles Gold Project shows good recoveries with high proportion of fine grained gold
- Bulk Leach assay data at Four Eagles and Tandarra shows good correlation with 25 gram assays
- Variography on Four Eagles confirms low nugget effect compared to Bendigo style mineralisation
- Reproducible gold values make resource modelling more reliable

Catalyst Metals Limited (**Catalyst** or the **Company**) (**ASX: CYL**) has reviewed metallurgical data received from a sample at the Four Eagles Gold Project in conjunction with the receipt of all bulk leach data from the 2016 drilling programme and is pleased to advise that the data shows that good gold recoveries should be possible by conventional metallurgical processes. It also shows that there is a considerable proportion of finely divided gold at Four Eagles which will make grade estimation more reliable.

Catalyst retains a 50% interest in the Four Eagles Gold Project whilst Gold Exploration Victoria Pty Ltd (GEV) has earned 25% and is earning up to a 50% interest from Providence Gold and Minerals Pty Ltd by spending a further \$2.1 million on exploration. The Four Eagles Gold Project is situated in the Whitelaw Gold Fault Corridor where Catalyst controls tenements over a 75 kilometre strike length north of Bendigo in Victoria (Figure 1).

METALLURGICAL TESTWORK

Australian Minmet Metallurgical Laboratories Pty Ltd ("AMML" of Gosford NSW) was engaged to evaluate a 37kg submission of sample from drill hole FE696 from the Hayanmi Prospect at the Four Eagles Gold Project. The selected interval of the drill hole was composited from 75m to 117m, consisting of all residual drill hole material. AMML stressed that one sample from a percussion hole may not be representative of the total deposit

The testwork indicated the following characteristics of Four Eagles gold mineralisation:

- Size distribution showed that 60% of the gold is finer than 75 microns (one micron equals one-millionth of a metre) which seems to accord with our assay experience between small and large samples. 26% of the gold was coarser than 150 microns.
- Recoveries were difficult to reconcile because of variations in head assays. Depending on the grind size, and method of calculation, they ranged from 73% to 97% with good recoveries achieved at a coarse grind size of 212 microns. Grinding to 75 microns did not significantly enhance recoveries.
- Gravity testwork indicated that 29.5% of the gold was recovered by a Knelson concentrator.

Overall, it seems to show that most of the gold could be leached during a 24 hour period and that a combination of gravity and cyanide leaching would produce good recoveries.

BULK LEACH ASSAYS COMPARED TO 25 GRAM ASSAYS

Four Eagles Gold Project

Approximately 700 samples from the 2016 drilling programme on Hayanmi and Boyd's Dam Prospects (Figure 2a, 2b) have been re-assayed by bulk leaching the total ± 2 kilogram sample. These samples have been chosen because they contained anomalous gold when using a 25 gram sub-sample and an Aqua Regia digest followed by ICP-MS analysis. This provides an excellent check of the variability of gold at the Four Eagles Gold Project **which tends to be fine grained and shows a low "nugget effect"** compared to the Bendigo Goldfield.

Results of the bulk leach samples generally showed a good correlation with the smaller samples as shown on Figure 3. Because of the larger size sample, the bulk leach assays are usually considered to be more reliable.

The following significant gold intersections have been restated and are shown diagrammatically on the plan in Figures 2a and 2b.

- **10.0m @ 3.7g/t Au including 2.0m @ 14.3g/t Au from 61 metres (FERC043)**
- **4.0m @ 4.0g/t Au including 1.0m @ 14.3g/t Au from 65 metres (FERC042)**
- **5.0m @ 3.0g/t Au from 71 metres (FERC058)**
- **4.0m @ 3.8g/t Au including 1.0m @ 12.0g/t Au from 116 metres (FERC041)**
- **1.0m @ 9.4g/t Au from 111 metres and 2.0m @ 3.4g/t Au from 123 metres (FERC055)**
- **5.0m @ 2.6g/t Au from 73 metres including 1.0m @ 8.5g/t Au (FERC061)**
- **1.0m @ 4.4g/t Au from 73 metres (FERC057)**
- **5.0m @ 1.5g/t Au from 130 metres (FERC056)**
- **1.0m @ 4.8g/t Au from 110 metres (FERC064)**
- **6.0m @ 2.8g/t Au from 106 metres including 1.0m @ 9.6g/t Au (FERC059)**
- **3.0 m @ 11.2g/t Au including 1.0 m @ 32.5 g/t Au from 127 metres (FERC034)**
- **4.0m @ 3.3g/t Au including 1.0m @ 10.35 g/t Au from 102 metres (FERC033)**
- **1.0m @ 103.0g/t Au from 149 metres (FERC088)**
- **16.0m @ 1.26 g/t Au from 94 metres including 1.0m @ 9.54 g/t Au from 109 metres (FE085)**
- **4.0m @ 1.75g/t Au including 1 m @ 5.25g/t Au from 123 metres (FERC080)**
- **5.0m @ 2.71 g/t Au from 100 metres (FERC027)**
- **2.0m @ 19.2g/t Au from 93 metres (FERC044)**
- **6.0m @ 2.7g/t Au from 97 metres (FERC050)**
- **9.0m @ 5.7 g/t Au from 108 metres (FE717)**
- **3.0m @ 13.4 g/t Au from 99 metres (FE718)**
- **18.0m @ 1.2 g/t Au from 60 metres and 3.0 m @ 9.2 g/t Au from 147 metres (FE719)**
- **1.0m @ 6.4g/t Au from 85 metres (FE728)**
- **3.0m @ 154.0g/t Au from 96 metres (FE732)**
- **2.0m @ 7.6 g/t Au from 55 metres (FERC039)**
- **8.0m @ 3.7 g/t Au including 1.0 m @ 12.35 g/t Au and 1.0m @ 10.05g/t au from 66 metres (FERC039)**
- **1.0m @ 11.0 g/t Au from 66 metres (FERC037)**
- **16.0m @ 2.0 g/t Au from 80 metres (FERC038)**

Some of the intersections have changed because the bulk sample assay is preferred but generally confirm the previous interpretation.

Tandarra Gold Project

Previously, Tandarra samples have been assayed only by bulk cyanide leaching so there is no data on the reproducibility of assays. In 2016, Catalyst used the same assay methodology as applied at Four Eagles on RC drill samples in order to gain a better understanding of grade variability at the Tandarra Gold Project. As above, RC samples were initially assayed by using a 25 gram sub-sample subjected to an aqua regia leach and ICPMS assay. Any anomalous samples were then subjected to a bulk cyanide leach of the total ± 2 kilogram sample. Approximately 500 samples were re-assayed in this manner and showed good correlation between assays from small and large samples as shown by the scatter plot on Figure 6. Bulk Leach assays were usually slightly higher than the small 25 gram sample and only a few samples from the 510 samples assayed showed a poor comparison. This supports the view that Tandarra gold mineralisation has a lower nugget variability compared to Bendigo.

Assays from the RC drilling on the Tomorrow gold Zone have been re-stated using the more reliable bulk leach data and have changed slightly from previous announcements. The location of holes is shown on Figures 4 and Figure 5 with some of the more significant assays listed below:

Tomorrow Gold Zone

- **5.0m @ 15.6g/t Au from 106 metres including 1.0m @ 69.7g/t Au (RCT107)**
- **10.0m @ 6.1g/t Au from 74 metres and 23m @ 2.3g/t Au from 90 metres (RCT111)**
- **2.0m @ 14.3g/t Au from 54 metres, 3.0m @ 3.8g/t Au from 73 metres and 1.0m @ 7.7g/t Au from 88 metres (RCT132)**
- **4.0m @ 11.3g/t Au from 54 metres (RCT104)**
- **2.0m @ 6.5g/t Au from 61 metres (RCT102)**
- **2.0m @ 14.3g/t Au from 79 metres (RCT115)**
- **7.0m @ 2.8g/t Au from 73metres (RCT119)**
- **14.0m @ 1.5g/t Au from 29 metres and 6.0m @ 5.2g/t Au from 51 metres (RCT136)**
- **1.0m @ 13.0g/t Au from 62 metres (RCT124)**
- **1.0m @ 30.2g/t Au from 82 metres (RCT126)**
- **3.0m @ 5.8g/t Au from 64m (RCT131)**

BULK LEACH DATA VARIOGRAPHY

Following the receipt of all bulk leach data for the 2016 RC drilling programmes at Tandarra and Four Eagles, the Catalyst geologists have undertaken geo-statistical analysis of the data to determine the variography of gold assays. This methodology is used to gain an understanding of the “Nugget Effect” which measures the degree of variability of samples. For example, a gold deposit with no repeatability of assays would have an extreme nugget effect of 100% whereas a finely divided gold deposit with good reproducibility of assays would have very low nugget effect (say close to 0%). It should be emphasised that the analysis is somewhat limited in that it has used only downhole data rather than three dimensional data of a resource block model.

The variography on the Four Eagles Gold Project shows a very low nugget effect of 16% which further supports the metallurgical result and the assay correlation between small and large samples. Analysis for the Tandarra drilling showed a higher nugget effect of 44% which is still acceptable in terms of mineable gold deposits. For context, it can be noted that several geostatistical investigations of the northern section of the New Chum line of reef at Bendigo gold mineralisation showed a much higher nugget effect of in excess of 90%.

Mr Bruce Kay, Catalyst's Technical Director, stated, "It is encouraging that these preliminary studies are showing that the Four Eagles and Tandarra gold mineralisation are showing consistent assay behaviour compared to the highly nuggetty Bendigo goldfield. What will be more important will be the necessity to undertake sufficient drilling to outline the shape and plunge of the gold mineralisation".

Full location data and previous intersections for the RC Blade/hammer and Air Core drill holes at Four Eagles Gold Project and Tandarra Gold Project have been included in previous ASX Announcements on 29 April 2016, 20 July 2016 and 28 July 2016.

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Competent person's statement

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

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

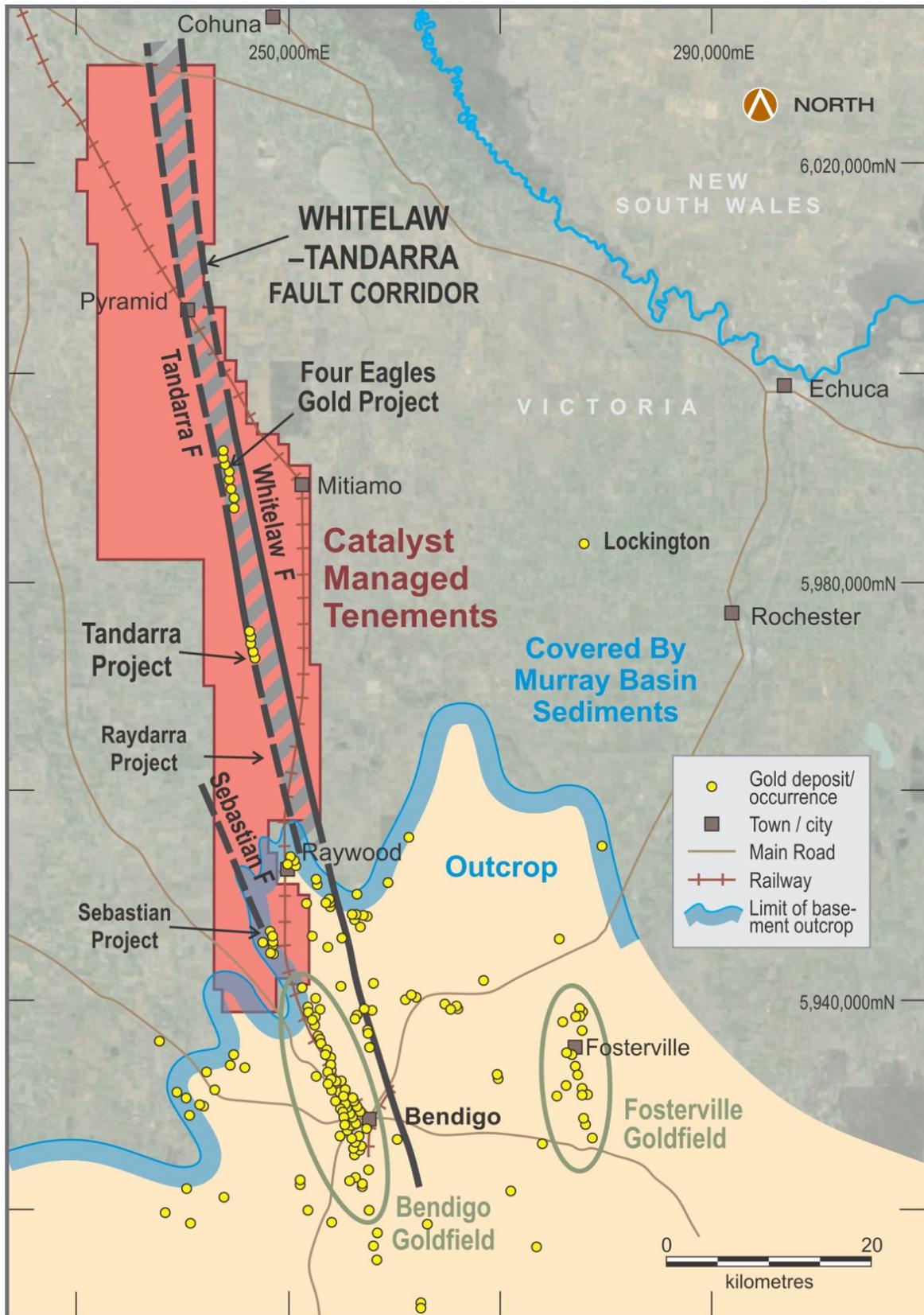


Figure 1: Four Eagles Gold Project Location Map

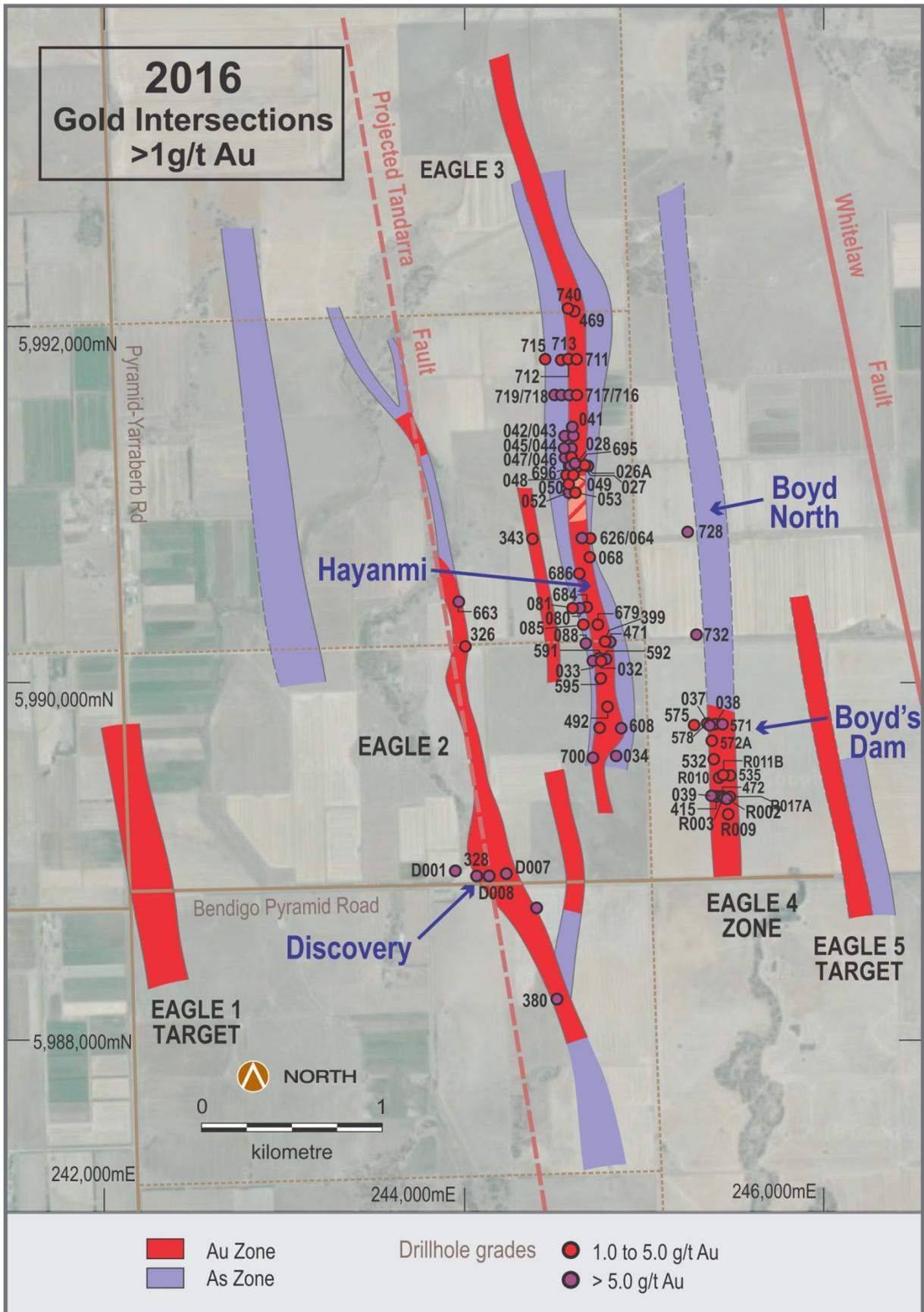


Figure 2a: Four Eagles Gold Project showing gold zones and drill intersections >1.0g/t Au

Drillhole Intersections (>1.0g/t Au)

		2016 Intersections	
FEDD001	3.7m @ 4.7g/t Au from 170m	FE711	1.0m @ 1.23g/t Au from 116m
	incl. 0.8m @ 17.5g/t Au from 173m	FE712	9.0m @ 1.24g/t Au from 72m
FEDD007	0.4m @ 8.4g/t Au from 168m	FE713	8.0m @ 1.23g/t Au from 70m
	and 0.75m @ 15.3g/t Au from 170m	FE715	1.0m @ 2.92g/t Au from 71m
FEDD008	0.4m @ 152g/t Au from 150m	FE716	3.0m @ 1.04g/t Au from 99m
FERC002	2m @ 1.8g/t Au from 67m	FE717	9.0m @ 5.71g/t Au from 108m
	and 1m @ 18.3g/t Au from 127m	FE718	3.0m @ 13.4g/t Au from 99m
FERC003	2m @ 6.2g/t Au from 49m	FE719	18.0m @ 1.16g/t Au from 60m
FERC009	3.0m @ 1.02g/t Au from 87m		and 3.0m @ 9.2g/t Au from 147m
	and 1.0m @ 1.41g/t Au from 92m	FE728	1.0m @ 6.24g/t Au from 85m
	and 1.0m @ 3.56g/t Au from 96m	FE732	3.0m @ 15.4g/t Au from 96m
FERC010	6.0m @ 3.77g/t Au from 44m	FE740	3.0m @ 1.55g/t Au from 54m
	and 6.0m @ 1.11g/t Au from 79m	FERC026A	1.0m @ 4.88g/t Au from 97m
FERC011B	1.0m @ 1.45g/t Au from 66m		and 4.0m @ 2.53g/t Au from 127m
	and 2.0m @ 3.58g/t Au from 87m	FERC027	5.0m @ 2.71g/t Au from 100m
FERC017A	1.0m @ 3.29g/t Au from 79m	FERC028	1.0m @ 5.95g/t Au from 76m
	and 3.0m @ 1.57g/t Au from 106m	FERC032	3.0m @ 2.22g/t Au from 129m
	and 1.0m @ 1.39g/t Au from 113m	FERC033	4.0m @ 3.3g/t Au from 102m
FE326	1.5m @ 1.81g/t Au from 114m	FERC034	3.0m @ 11.2g/t Au from 127m
FE328	6m @ 82.7g/t Au from 123m	FERC037	1.0m @ 11.0g/t Au from 66m
FE343	3m @ 3.34g/t Au from 111m	FERC038	16.0m @ 2.0g/t Au from 80m
FE380	3m @ 9.71g/t Au from 120m	FERC039	2.0m @ 7.6g/t Au from 55m
FE399	3.0m @ 1.42g/t Au from 66m		and 8.0m @ 3.7g/t Au from 66m
FE415	6.0m @ 2.6g/t Au from 45m		inc 1.0m @ 12.35g/t from 66m
	and 3.0m @ 36.6g/t Au from 57m		inc 1.0m @ 10.05g/t Au from 71m
FE469	3.0m @ 1.23g/t Au from 36m	FERC041	4.0m @ 3.8g/t Au from 116m
FE471	3.0m @ 5.96g/t Au from 75m		inc 1.0m @ 12.0g/t Au from 116m
	and 3.0m @ 1.33g/t Au from 81m	FERC042	4.0m @ 4.0g/t Au from 65m
FE472	3.0m @ 1.2g/t Au from 45m		inc 1.0m @ 14.3g/t Au from 67m
	and 3.0m @ 2.32g/t Au from 63m	FERC043	10.0m @ 3.7g/t Au from 61m
FE492	3.0m @ 1.2g/t Au from 75m		inc 2.0m @ 14.3g/t Au from 61m
FE532	3.0m @ 2.1g/t Au from 96m	FERC044	2.0m @ 19.2g/t Au from 93m
FE535	3.0m @ 1.37g/t Au from 63m	FERC045	2.0m @ 10.6g/t Au from 81m
FE572A	3.0m @ 1.74g/t Au from 51m	FERC046	4.0m @ 1.33g/t Au from 70m
FE575	3.0m @ 4.9g/t Au from 66m	FERC047	2.0m @ 7.76g/t Au from 127m
FE578	3.0m @ 1.14g/t Au from 60m	FERC048	1.0m @ 1.1g/t Au from 107m
FE579	9.0m @ 2.33g/t Au from 48m	FERC049	1.0m @ 1.94g/t Au from 122m
FE579	and 3.0m @ 1.23g/t Au from 78m	FERC050	6.0m @ 2.7g/t Au from 97m
FE591	3.0m @ 14.7g/t Au from 87m	FERC052	5.0m @ 1.0g/t Au from 86m
FE592	9.0m @ 7.9g/t Au from 87m	FERC053	2.0m @ 1.42g/t Au from 114m
	incl. 3.0m @ 1.26g/t Au from 87m	FERC054	2.0m @ 2.42g/t Au from 101m
	incl. 3.0m @ 20.5g/t Au from 90m	FERC055	1.0m @ 9.4g/t Au from 111m
	and 3.0m @ 1.94g/t Au from 93m	FERC056	5.0m @ 1.5g/t Au from 130m
FE595	3.0m @ 2.33g/t Au from 126m	FERC057	1.0m @ 4.4g/t Au from 73m
FE606	3.0m @ 1.39g/t Au from 102m	FERC058	5.0m @ 3.0g/t Au from 71m
FE608	3.0m @ 9.1g/t Au from 108m	FERC059	6.0m @ 2.8g/t Au from 106m
FE626	1.5m @ 12.9g/t Au from 52.5m		inc 1.0m @ 9.6g/t Au from 106m
FE648	1.5m @ 1.0g/t Au from 82.5m	FERC060	1.0m @ 4.1g/t Au from 130m
FE649	4.5m @ 1.0g/t Au from 97.5m	FERC061	5.0m @ 2.6g/t Au from 73m
FE663	3.0m @ 59g/t Au from 102m		inc 1.0m @ 8.5g/t Au from 73m
	and 3.0m @ 7.0g/t Au from 102m	FERC062	2.0m @ 2.2g/t Au from 107m
FE679	3.0m @ 2.86g/t Au from 75m	FERC064	1.0m @ 4.79g/t Au from 110m
FE684	3.0m @ 2.57g/t Au from 84m	FERC068	2.0m @ 1.5g/t Au from 101m
FE686	3.0m @ 1.23g/t Au from 120m	FERC080	1.0m @ 7.13g/t Au from 147m
FE695	2.0m @ 1.45g/t Au from 91m	FERC081	1.0m @ 1.22g/t Au from 142m
FE696	41m @ 3.87g/t Au from 76m	FERC085	16.0m @ 1.26g/t Au from 94m
	incl. 6.0m @ 16.3g/t Au from 76m		inc. 1.0m @ 9.54g/t Au from 109m
	and 28m @ 2.03g/t Au from 90m	FERC088	1.0m @ 103.0g/t Au from 149m
FE700	13m @ 2.60g/t Au from 135m		
	incl. 5.0m @ 5.76g/t Au from 135m		

Figure 2b: Four Eagles Gold Project showing intersections for Figure 2a

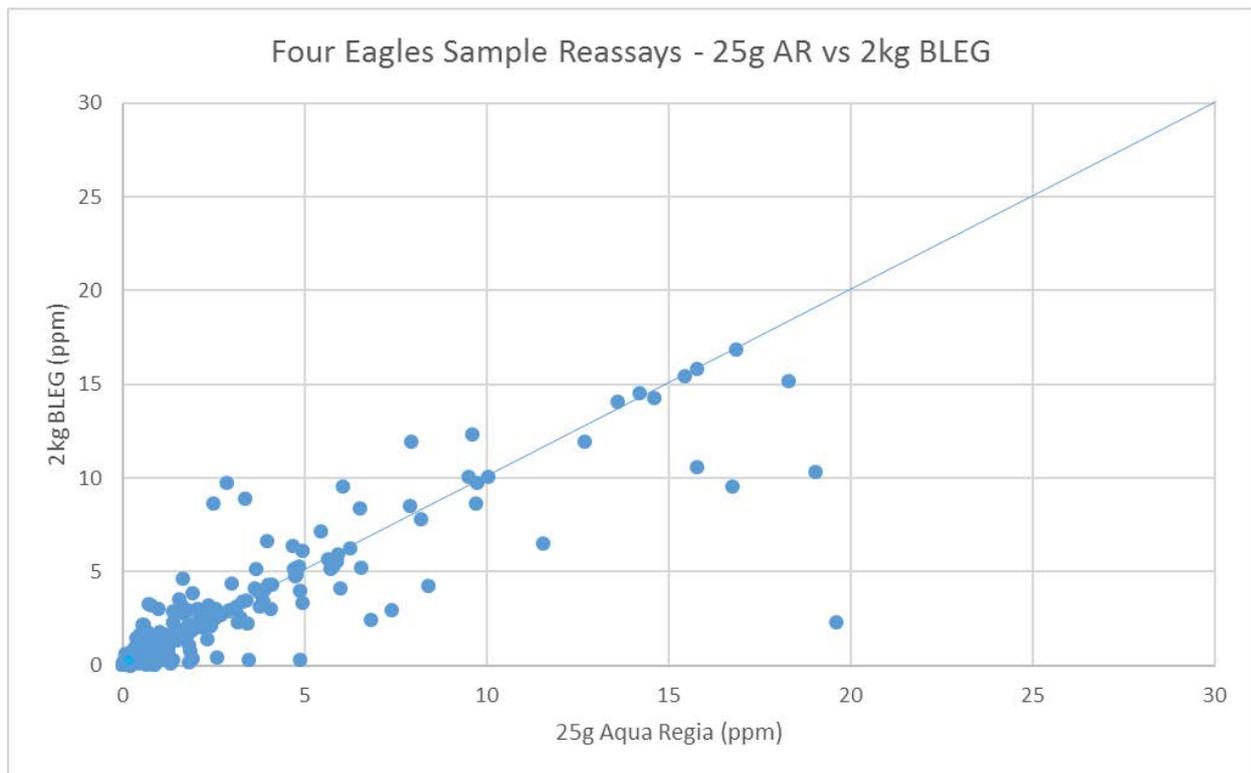


Figure 3: Four Eagles Gold Project showing assay correlation between 25 gram samples and 2 kilogram bulk leach samples. Total 709 samples.

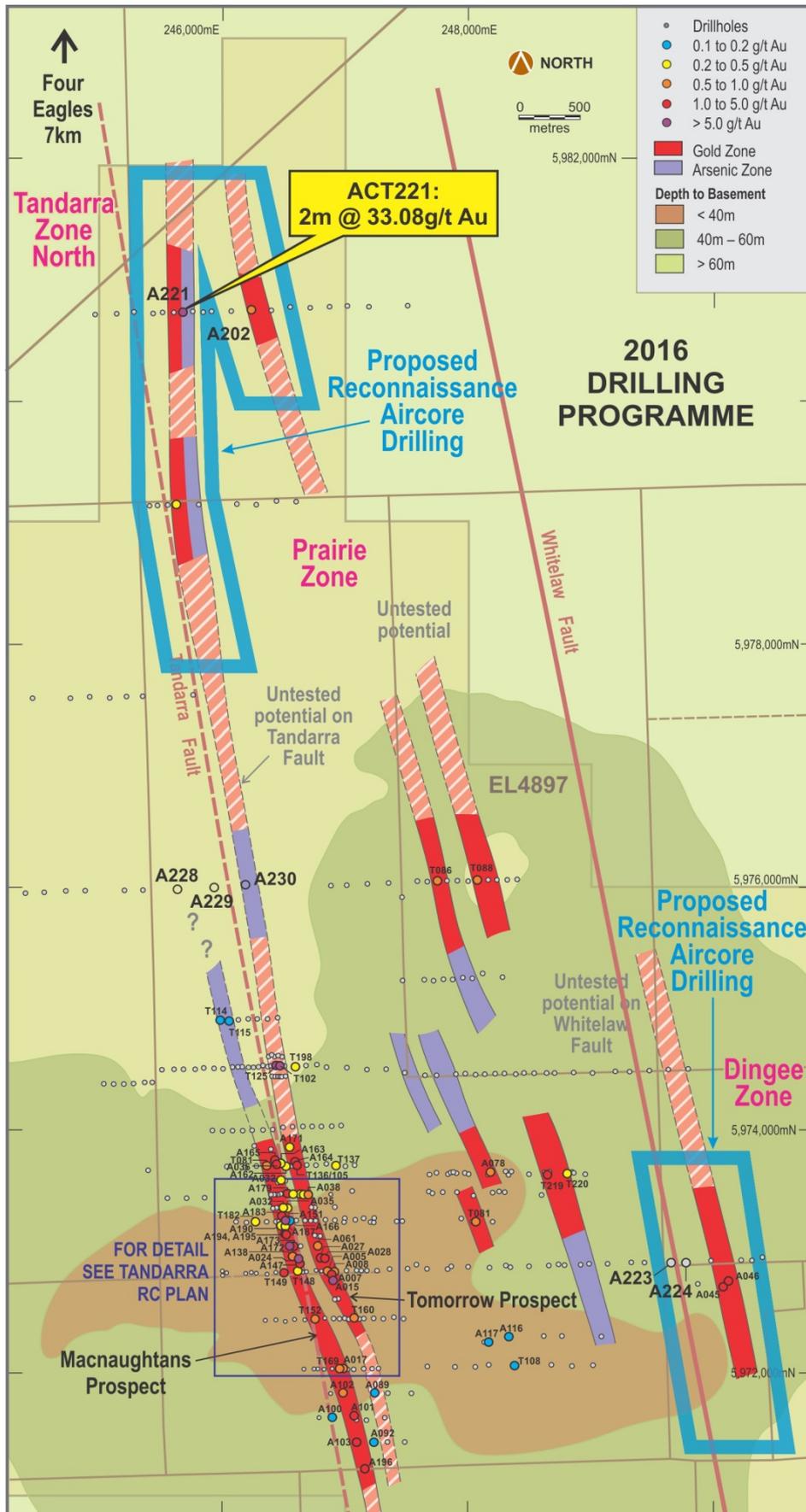


Figure 4: Plan View of Tandra Gold Project showing gold trends and location of Tomorrow Gold Prospect.

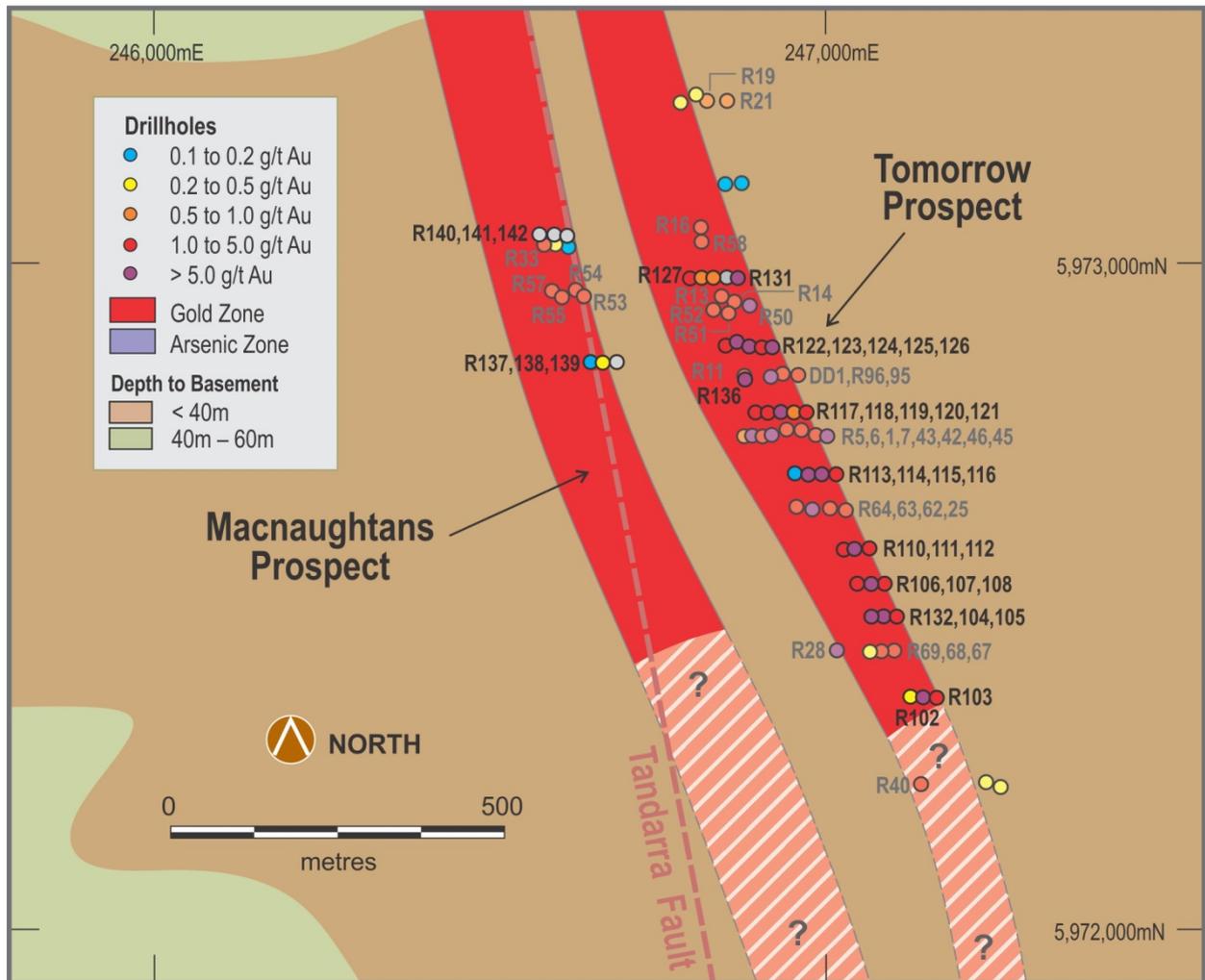


Figure 5a: Plan View of Tomorrow and Macnaughtans Gold Prospects showing 2016 RC drill holes (highlighted in bold). Gold intersections are listed on Table 5b

Significant Aircore Intersections

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

Significant RC/DD Intersections

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

Recent Significant RC Intersections

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

Figure 5b: Tandarra Project Significant Intersections from RC and Air Core Drilling

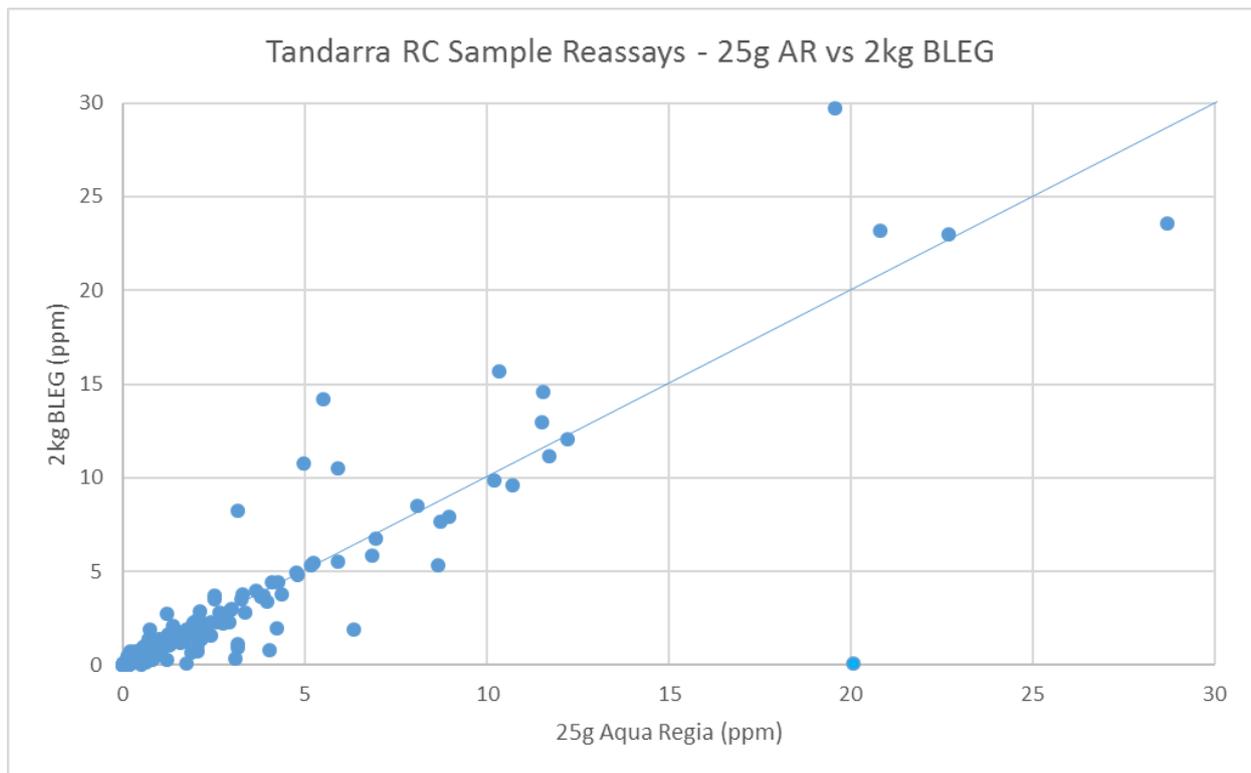


Figure 6: Tandarra Gold Project showing assay correlation between 25 gram samples and 2 kilogram bulk leach samples. Total 510 samples.