



ASX ANNOUNCEMENT

25 JANUARY 2018

CATALYST MAKES NEW EXPLORATION LICENCE APPLICATION: DRILLING UPDATE ON WHITELAW GOLD BELT

- **New EL application of 730 square kilometres on prospective new fault trend**
- **RC and diamond drilling continues at Tandarra Gold Project with results expected in March 2018**
- **Gravity data interpretation provides regional targets at Tandarra Gold Project**
- **Air core drilling in progress at Macorna Bore (Catalyst 100%)**

Catalyst Metals Limited (**Catalyst** or the **Company**) (ASX: **CYL**) is pleased to advise that following an interpretation of regional geophysical data, it has made an application for an exploration licence over a large area (730 square kilometres) to the west of the Whitelaw Gold Belt. The EL application (EL006670) covers the interpreted position of the Muckleford and two other regional faults that are parallel to and west of the Whitelaw and Sebastian Faults that control gold mineralisation at Bendigo, Tandarra, Sebastian and Four Eagles (Figure 1). The targeted faults are north of the Inglewood gold mine and may also have some relationship to gold mineralisation that occurs further south at Creswick and Ballarat. The Company will use the same exploration methodology that has been successful in exploration along the Whitelaw Gold Corridor.

This new tenement will add to the extensive land holdings of the Company which now manages the entire Whitelaw Gold Belt and has interests in nine Exploration Licences which extend for 75 kilometres along the Whitelaw and Tandarra Faults north of Bendigo in Victoria. The location of exploration projects along the Whitelaw Gold Belt are shown on Figure 1. The Company also holds a large exploration licence application at Drummartin (EL6507) which covers two prospective regional faults to the north of the Fosterville Gold Mine where Kirkland Lake Gold Limited (KLG) made spectacular high-grade gold discoveries in 2017.

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

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

DIAMOND DRILLING: TOMORROW ZONE

Diamond drilling has recently resumed at the Tomorrow Gold prospect after a break over the Christmas period. The objective of the programme is to test for plunge extensions and repetitions of the high-grade gold mineralisation intersected in the top 100 metres. Most of the previous drilling at the Tomorrow Zone has been limited to the top 100 metres and has shown a zone of shallow gold mineralisation which extends over 800 metres. A common feature in the gold deposits in Victoria is the stacking of gold zones associated with west dipping faults and the anticlinal axis.

This has recently been displayed at Fosterville with the discovery of the Swan Zone which now contains **a reserve of 532,000 ounces at a grade of 58.8g/t Au** (refer to TSX announcement by Kirkland Lake Gold on 27 July 2017).

The 2017-18 diamond drilling program at Tandarra commenced in late November 2017, with one drill rig focussed on the Tomorrow mineralised trend. The program is designed to deliver 11 drill holes which provide investigations for deeper repeat mineralisation beneath the known shallow mineralisation.

To date, 619 metres of HQ drill core have been produced from four drill holes. The geology of the Tomorrow mineralised trend is interpreted to consist of a series of west-dipping fault zones that have interacted with the Tomorrow anticline (fold) – producing dilational sites for the emplacement of quartz and gold-bearing reefs. The core sampling and assaying is under way and initial results are expected in March 2018. The core to date shows development of quartz and arsenious sulphides, as well as significant laminated quartz veins – all of which present opportunities for targeting saddle reefs. Of particular interest is the evidence for a deeper array of west dipping faults, which present an opportunity for a repeat of strong mineralisation in the anticline at depths of between 300-400m below surface.

Significant intersections from the Tomorrow Zone in 2017 and earlier holes are shown on Figures 4, 5 and 6 and Figure 7 shows the interpreted position of the next potential deeper zone of mineralisation on the Tomorrow North trend with the approximate pierce points from the diamond drilling. Previous drilling shows an intersection about 800 metres north of the main Tomorrow gold zone and this may represent the up-plunge position of the target zone.

This programme will continue at least until the end of March 2018 but because of the time required for logging and cutting of core, assays are unlikely to be received until March 2018.

INTERPRETATION OF GRAVITY DATA: REGIONAL TARGETS FOR AIR CORE DRILLING

An interpretation of previous gravity geophysical data has been completed at Tandarra and has highlighted eight (8) targets that may represent corridors of gold mineralisation. This is using the same methodology as that used at the Four Eagles Gold Project where the drilling of two gravity targets has intersected new discoveries of gold mineralisation. The interpretation and targets are shown on Figure 8.

These targets will be the focus of a planned air core programme of about 10,000 metres which is expected to commence in February 2018.

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

RECONNAISSANCE AIR CORE DRILLING

Reconnaissance air core drilling has been completed at the Company's 100% owned Sebastian Gold Project (EL5533) and is now in progress at Macorna Bore (EL5521). At the end of December 2017, 33 holes (2,798 metres) had been completed at Sebastian and 18 holes (1,964 metres) at Macorna Bore. The air core programme at Sebastian has defined new corridors with anomalous arsenic geochemistry which will require follow-up drilling although gold grades received to date have been low. Similarly, at Macorna Bore, zones of anomalous arsenic geochemistry are present in the air core drilling with gold assays awaited. The gravity geophysical survey planned for Macorna Bore will commence before the end of January 2018 and will generate targets for further air core drilling.

The approximate location of drill traverses is shown on Figures 2 and 3.

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JORC Reporting of Historic Navarre Exploration Results

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

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

Competent person's statement

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

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

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

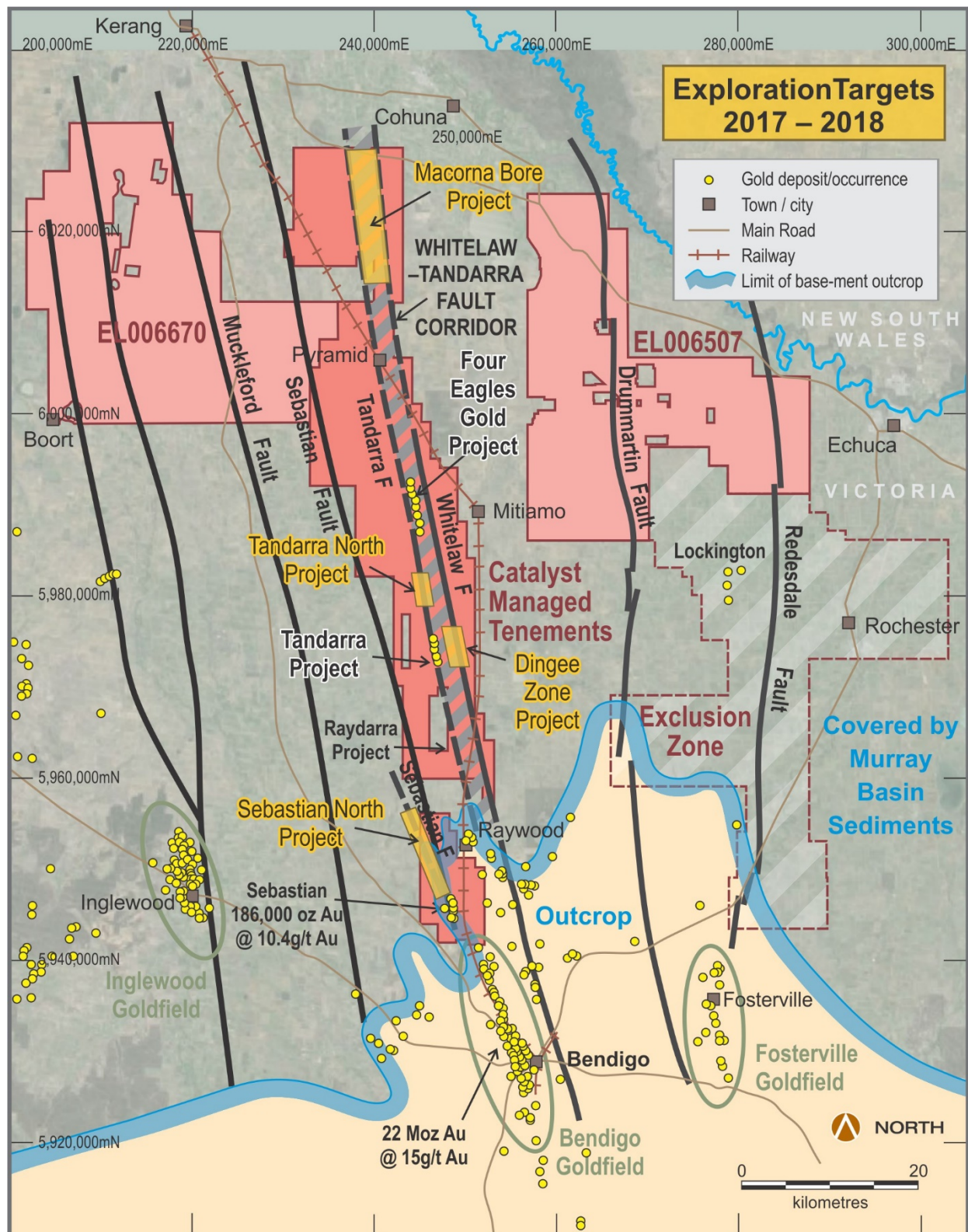


Figure 1: Catalyst-managed tenements in the Whitelaw Gold Belt showing location of the new Exploration Licence (EL006670)

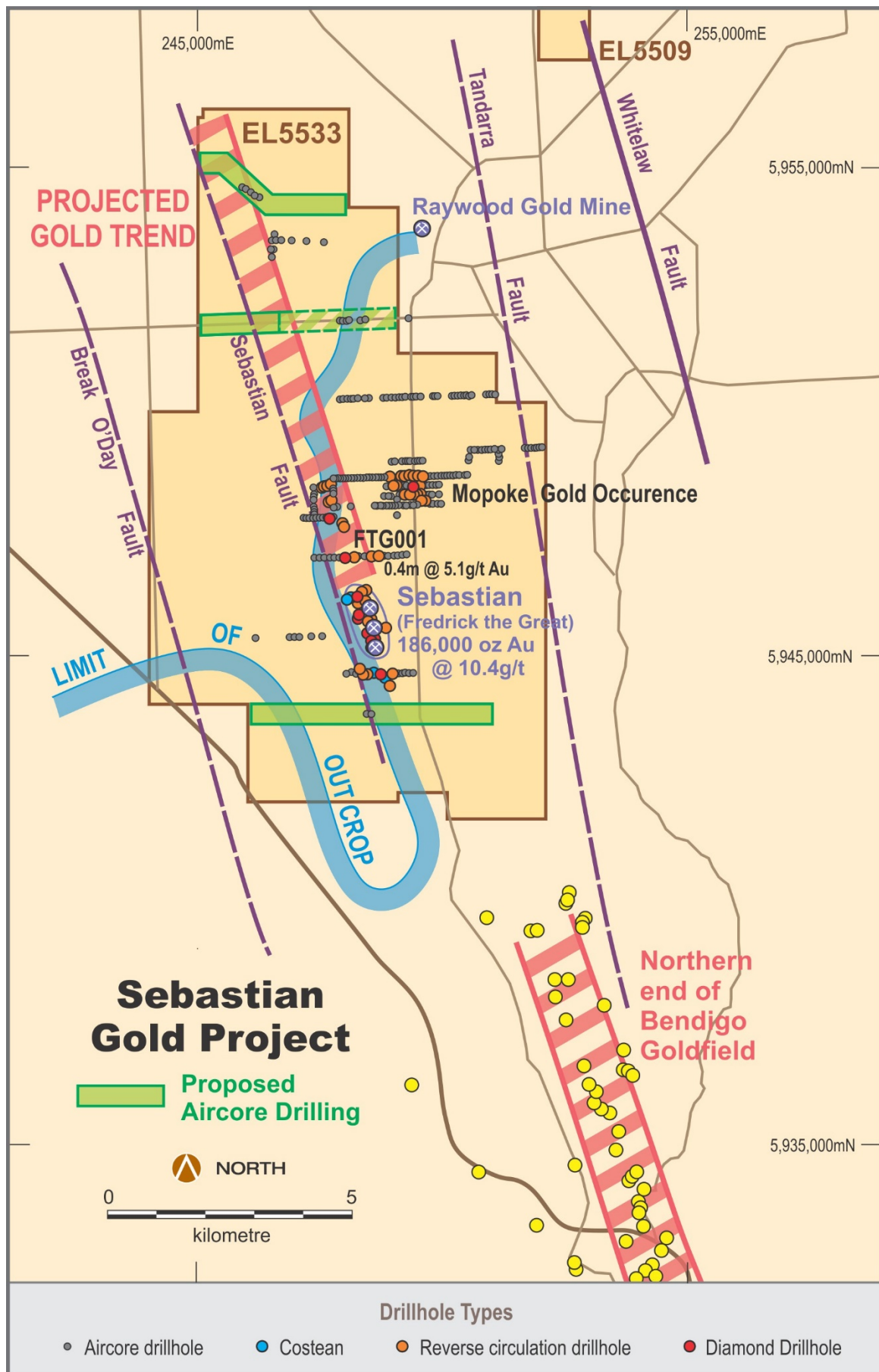


Figure 2: Sebastian Gold Project showing December 2017 air core drilling programme

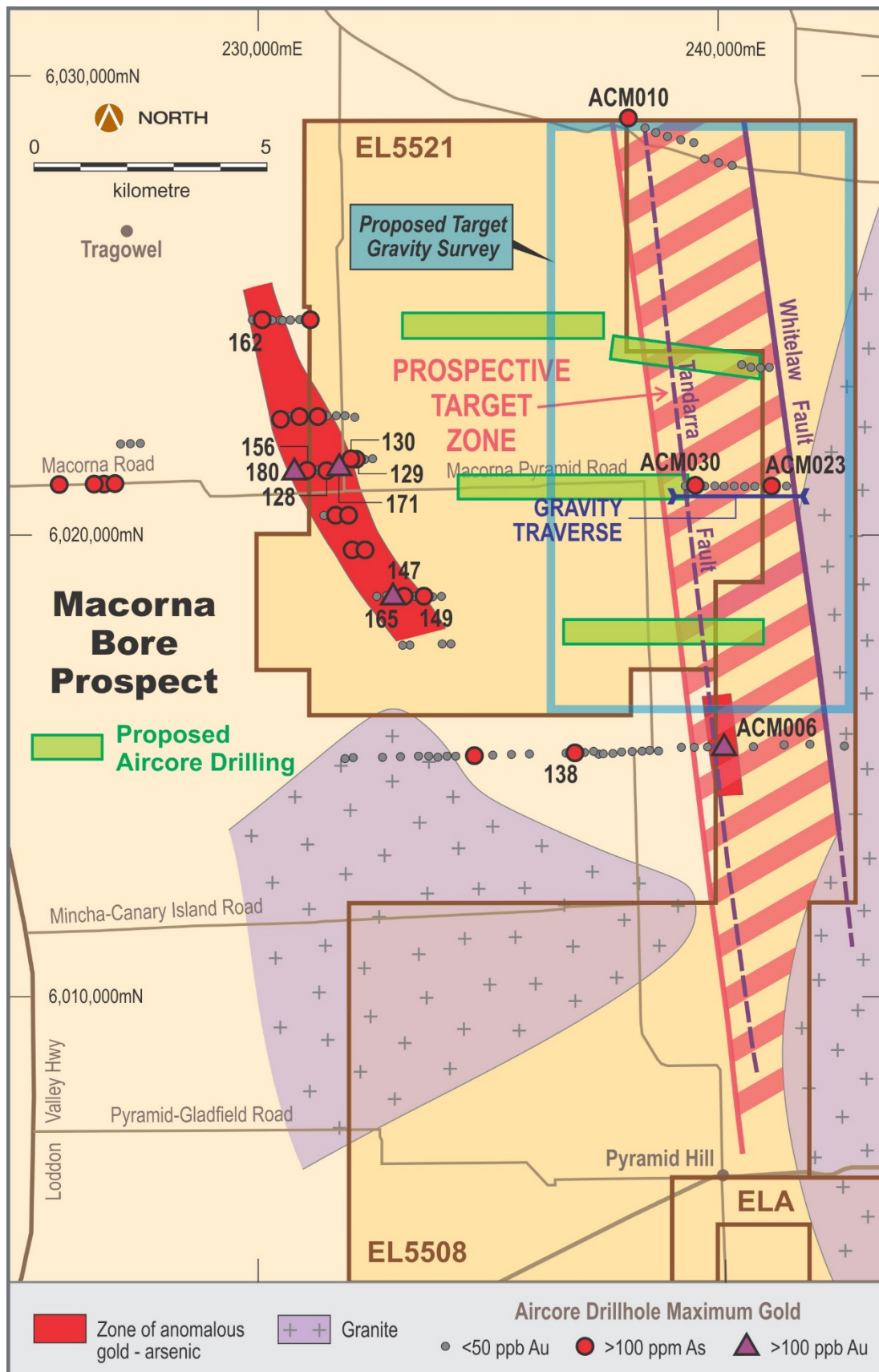


Figure 3: Macorna Bore Project (EL5521) showing planned 2017-18 air core drilling programme and location of proposed gravity geophysical programme.

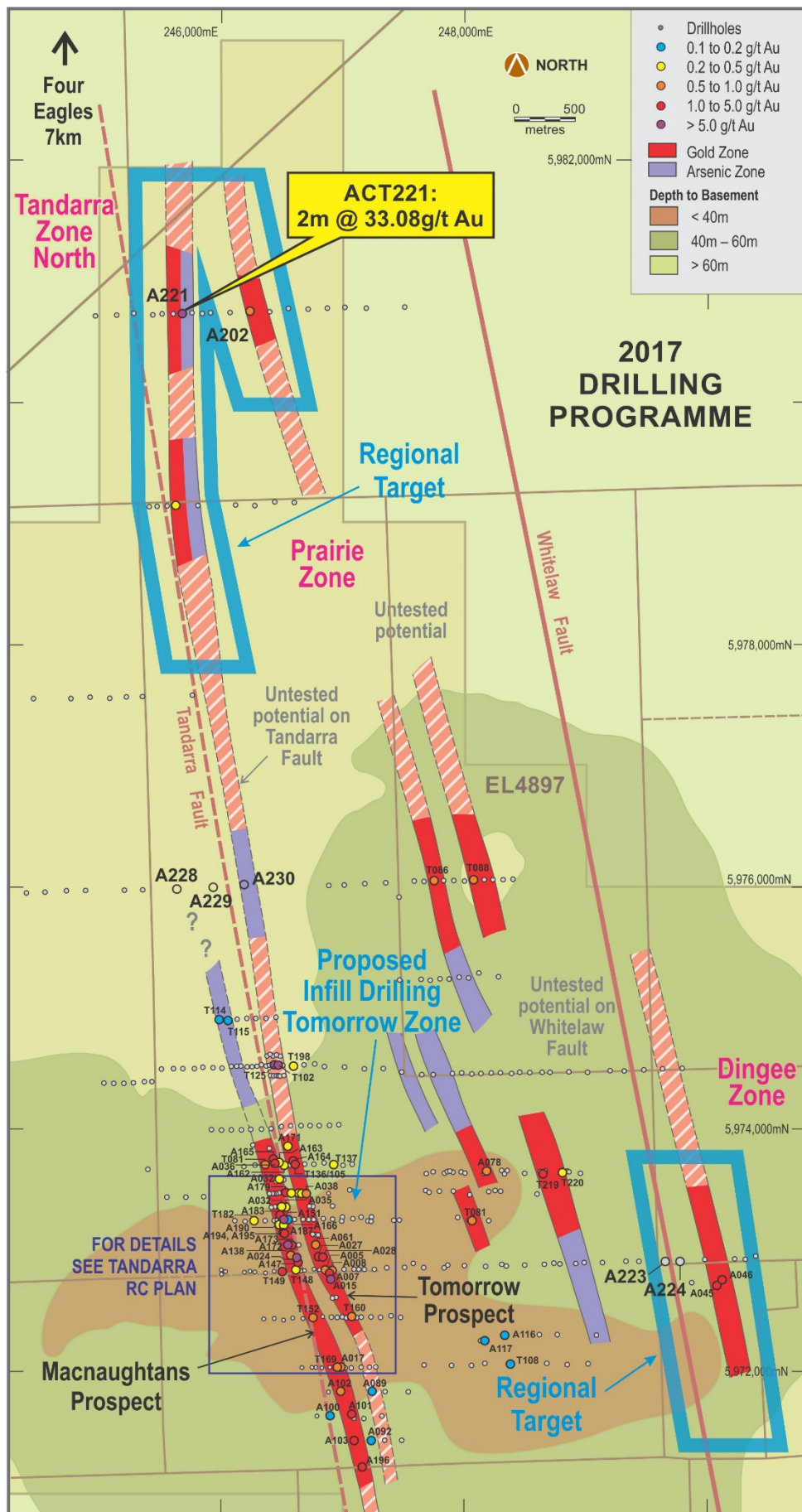


Figure 4: Tandarra Gold Project showing interpreted gold arsenic zones and planned 2017 drilling

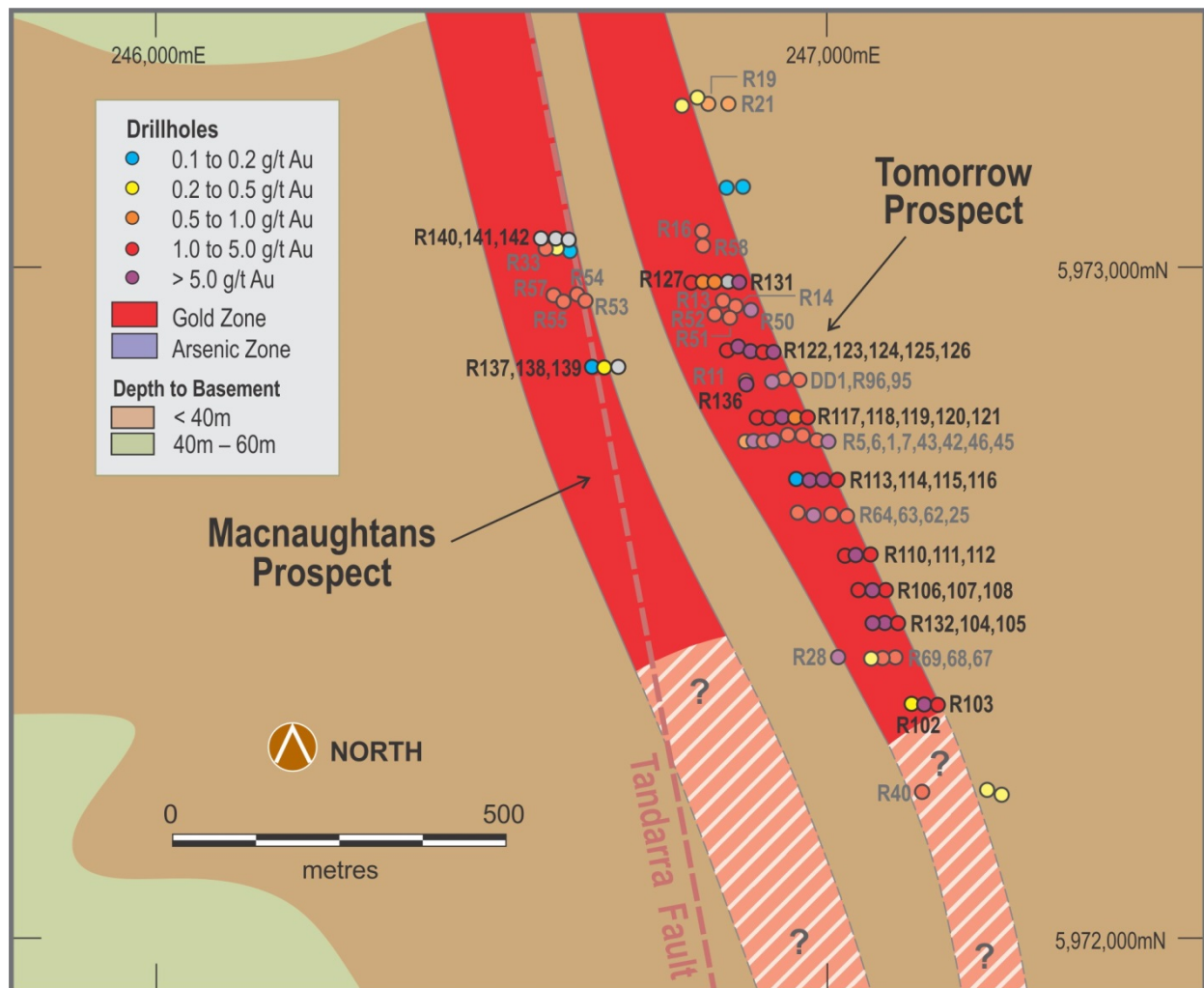


Figure 5a: Tandarra Gold Project Plan View of Tomorrow and Macnaughtans Gold Zones with significant RC drilling intersections

Significant Aircore Intersections

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

Significant RC/DD Intersections

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

Recent Significant RC Intersections

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

Figure 5b: Significant drilling intersections on Figure 5a

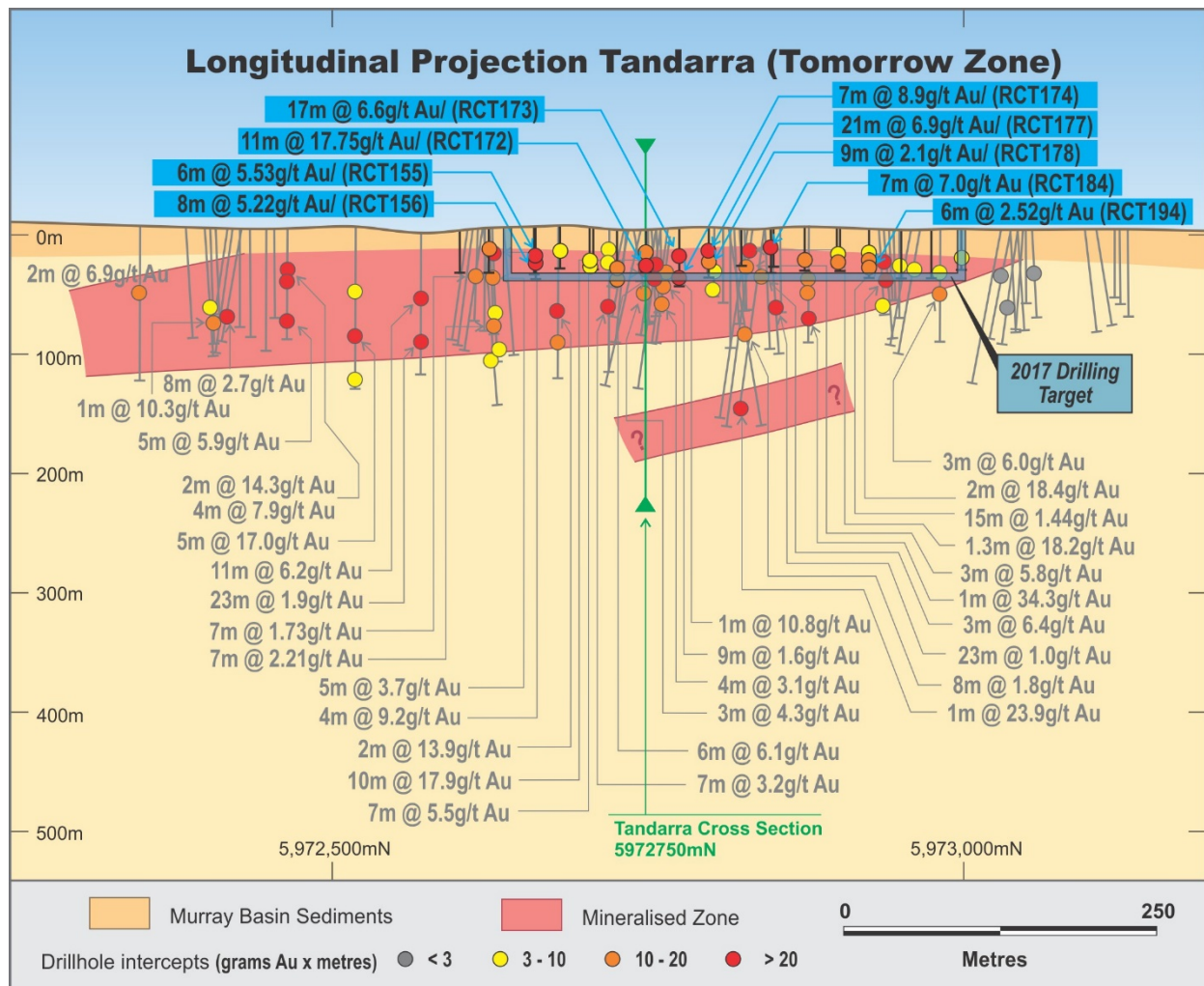


Figure 6: Longitudinal projection of Tomorrow Gold zone showing panel drilled in 2017 and recent intersections (blue highlight)

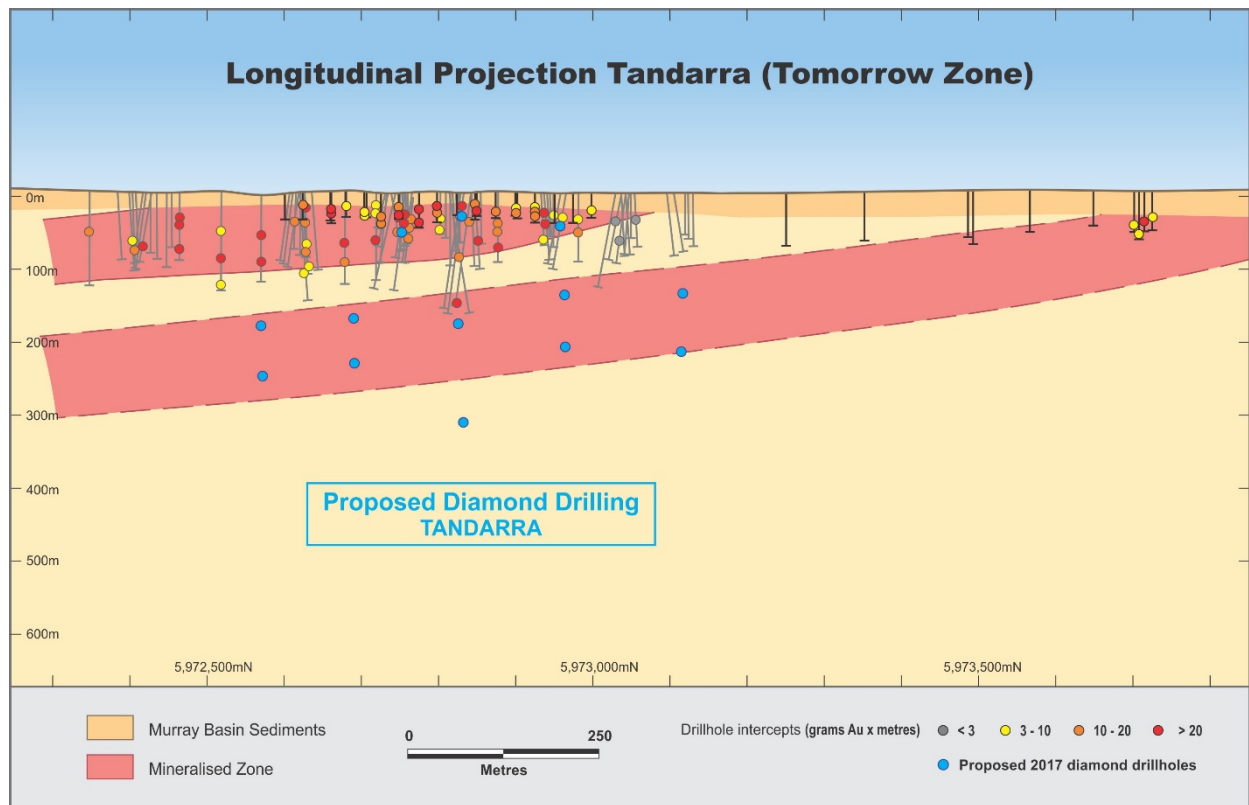


Figure 7: Longitudinal Projection of Tomorrow Gold zone (extended) showing potential deeper gold zone and projected pierce points (in blue) from proposed diamond drilling

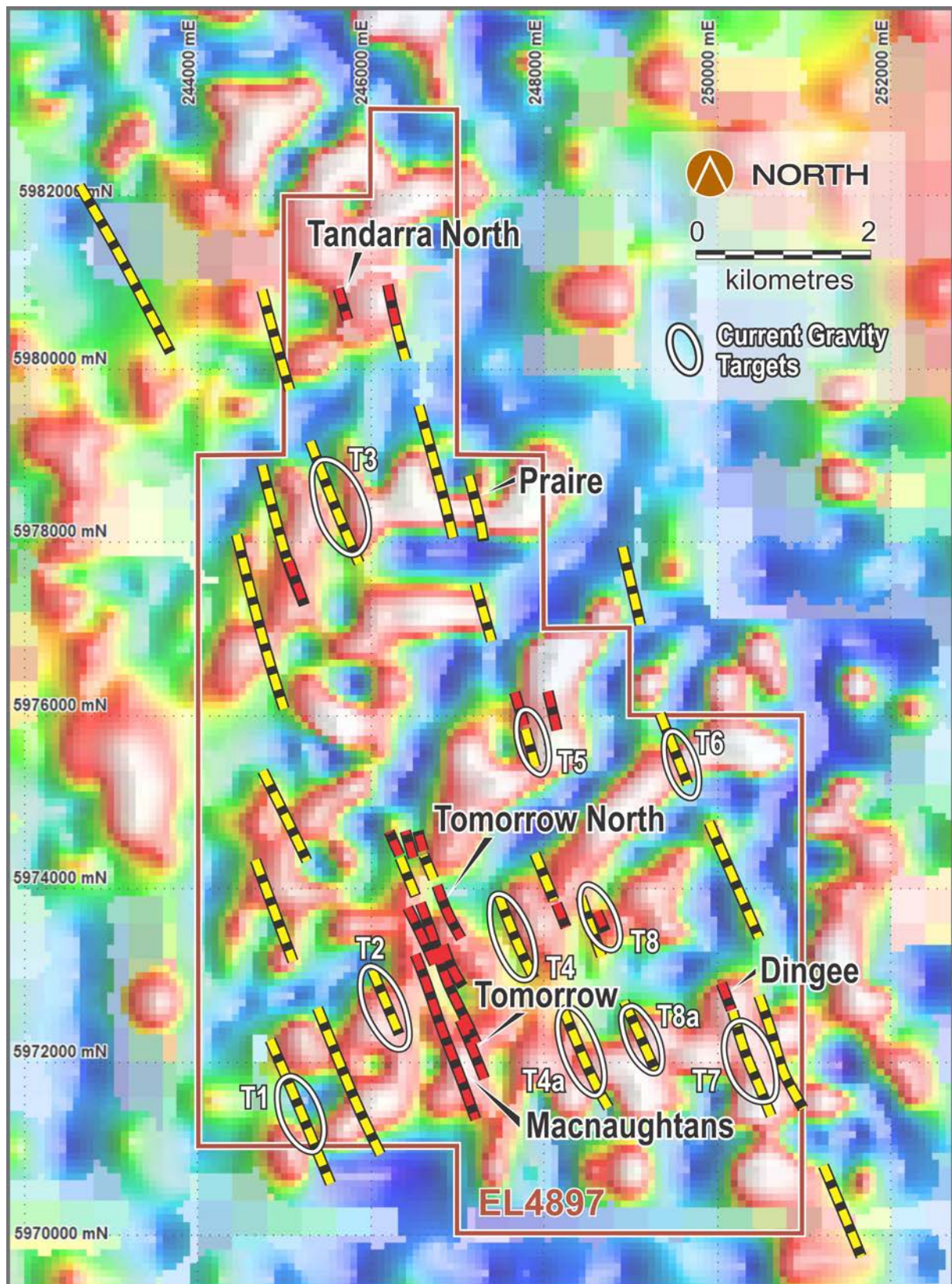


Figure 8: Gravity Geophysical Interpretation of the Tandarra Gold project showing targets for proposed air core drilling