



ASX Announcement

17 October 2012

New areas of shallow gold potential outlined for air-core testing

- **2012 data review highlights shallow northern extension of Gold Structures at Four Eagles**
- **Northerly potential on Eagle 2, Eagle 3 and Eagle 4 Structures**
- **Basement depths of 10 to 50 metres present**
- **Aircore drilling in early 2013 after grain crops harvested**

Catalyst Metals Limited (ASX: CYL) (“Catalyst” or the “Company”) is pleased to announce that all data from the extensive drilling programme in 2012 have now been reviewed and show a large target area for gold mineralisation at shallow depth (10 to 50 metres) on the northern extension of the known gold structures. The location of currently defined gold trends is shown on Figure 1 and the potential extensions to these structures into shallow basement areas are shown on Figure 2.

Gold mineralisation on the **Eagle 3 Structure** already extends for six kilometres and may have a further five kilometres of extent. This gold zone has been drilled at closer spacing only over a length of 600 metres at the **Hayami Prospect** where several high grade gold zones have been intersected. **(3 metres @ 14.7 g/t Au from 87 metres in FE591, 9 metres @ 7.9 g/t Au from 87 metres in FE592, 3 metres @ 9.1g/t Au from 108 metres in FE608, 3 metres @ 5.96g/t Au from 75 metres in FE471).** Basement depths on the northern section of this structure are often less than 30 metres which provides excellent open pit potential.

The **Eagle 2 Structure** appears to be controlled on the western side by the Tandarra Fault and has currently been drilled at a line spacing of at least 500 metres. The drilled zone already extends for about five kms but regional data suggests that it may have a northerly extension of a further four kms. Basement depths in the northern extension will probably be in the 20 to 50 metre range which is less than that experienced further south (40 to 120 metres). The Eagle 2 Structure also contains several high grade gold zones as reported previously at the **Discovery Prospect (6 metres @ 82.7g/t Au from 123 metres in FE328, 0.75 metres @ 15.3g/t Au from 170 metres in FEDD007, 0.4 metres @ 152g/t Au from 150 metres in FEDD008, 0.8 metres @ 17.5 g/t Au from 173 metres in FEDD001).**

The **Eagle 4 Structure** is less well defined but does contain high grade gold mineralisation at the **Boyd's Dam Prospect** (3 metres @ 36.6g/t Au from 57 metres in FE415, 3 metres @ 4.9g/t Au from 66 metres in FE575, 1 metre @ 18.3g/t Au from 127 metres in FERC002, 9 metres @ 2.33g/t Au from 48 metres in FE579, 2 metres @ 6.2g/t Au from 49 metres in FERC003). The northern extension is very shallow and is mostly in the 10 to 30 metre range. Arsenic values in widely spaced aircore holes suggest that this structure could extend for another five kms.

There is also interpreted shallow basement (30 – 50 metres depth) on the postulated northern extension of the **Eagle 2 Structure** but this zone requires considerably more drilling.

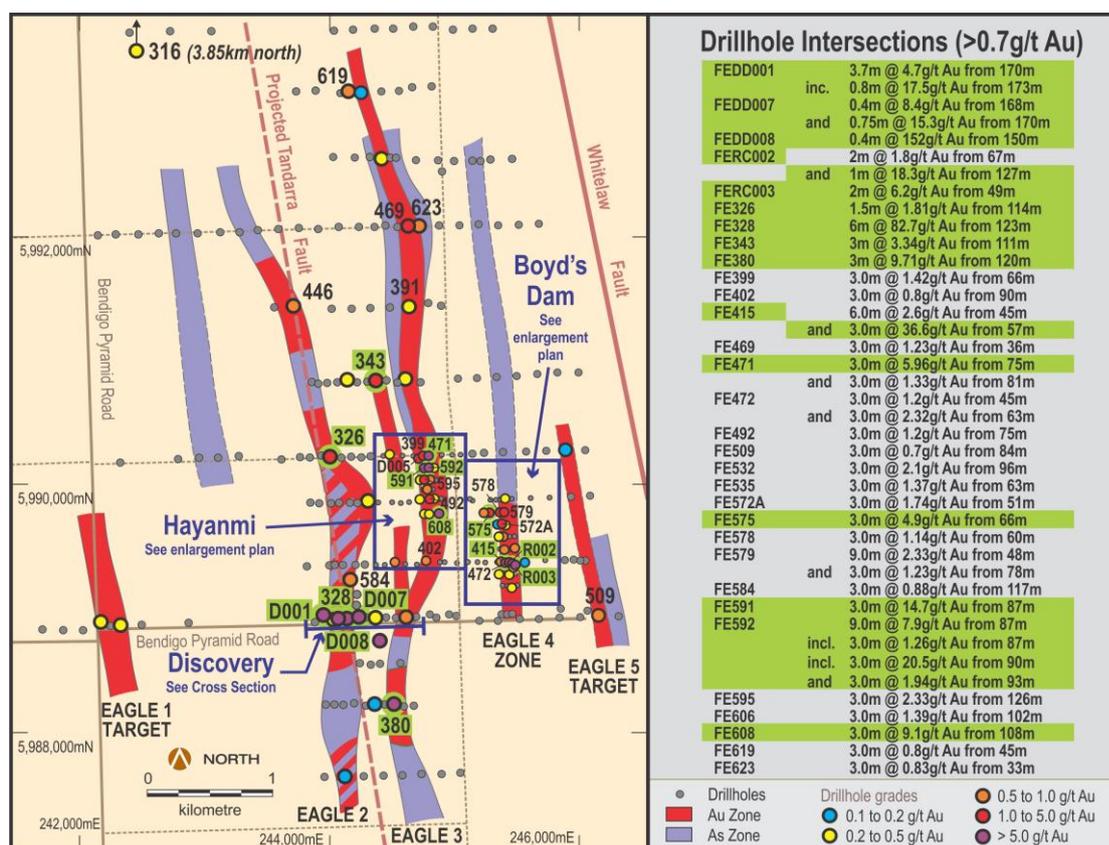


Figure 1: Four Eagles Gold Project drilling locations and results

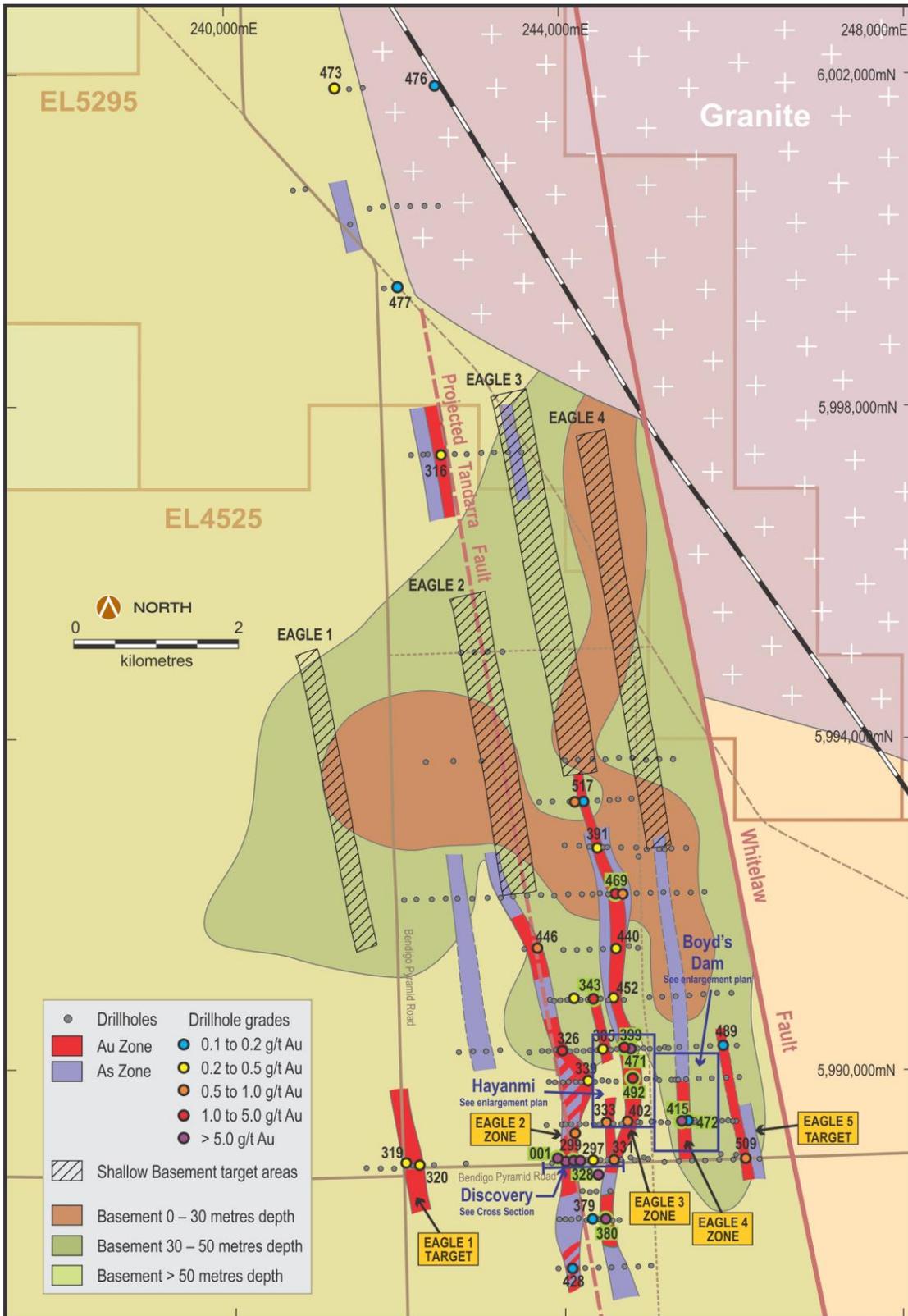


Figure 2 Four Eagles interpreted basement depth and northern extension targets

Mr Bruce Kay, Catalyst’s Technical Director, stated, “Aircore drilling has successfully defined three strong gold bearing structures at Four Eagles and there is good potential that these will extend further northward. More importantly, basement depths in these areas are much less than further south and any gold discovery could be accessible by open pit methods.”

Aircore drilling in early 2013 will further test the known zones where gold has been previously outlined as well as extensive testing of these northern shallow areas. This will not occur until after the grain crops have been harvested in December-January.

– ENDS –

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Competent Person Statement

The information in this report that relates to Exploration Results is based on information compiled by Mr Bruce Kay, who is a Fellow of the Australasian Institute of Mining and Metallurgy and is a non-executive director of Catalyst Metals Limited. Mr Kay has sufficient experience that is relevant to the style of mineralisation, type of deposit under consideration and to the activity that he is undertaking to qualify as a Competent Person as defined in the 2004 edition of the 'Australasian Code for Reporting of Exploration, Results, Mineral Resource and Ore Reserves'. Mr Kay consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

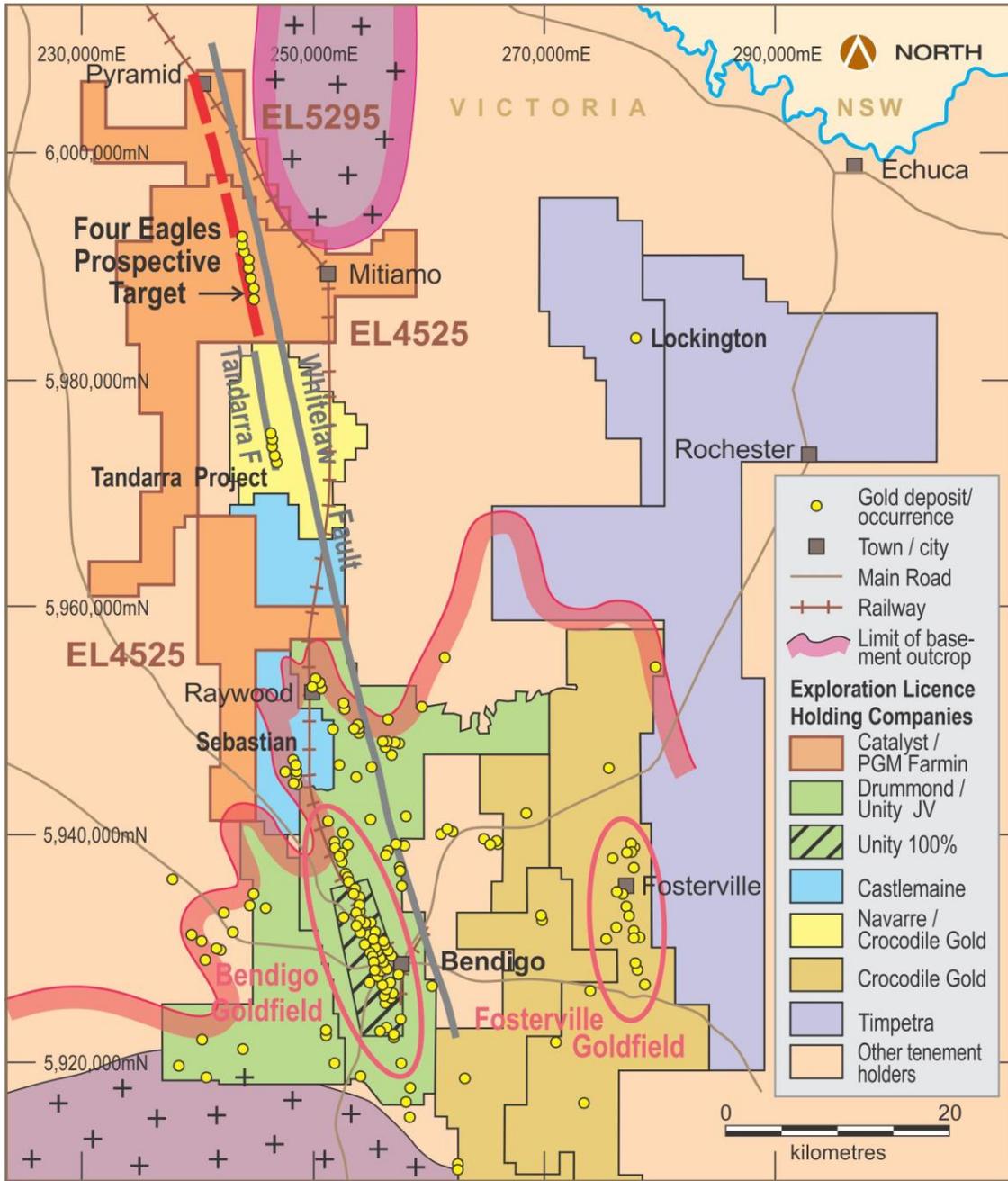


Figure 3: Four Eagles Gold Project Location