

## CATALYST EARNS INTO SIGNIFICANT MOLYBDENUM PROJECT

- **Right to earn 90% of Everton Molybdenum Project**
- **Historic production of 20,000 tons at 1.4% MoS<sub>2</sub>**
- **Molybdenum field with exploratory workings over 4.5 km strike**
- **127 km<sup>2</sup> of Project area**
- **Limited modern exploration**

**Catalyst Metals Ltd is pleased to announce the acquisition of the Everton Molybdenum Project in Victoria. The project area of 127km<sup>2</sup> includes the Everton Molybdenite Mine, one of the most significant historic producers in Australia.**

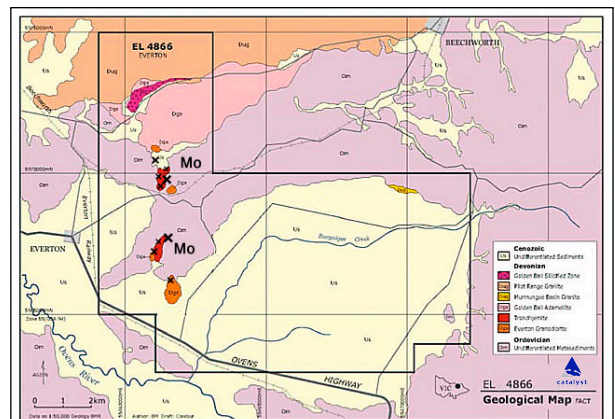
The Everton Molybdenite Mine is located in northeastern Victoria, approximately 25 kilometres east of Wangaratta (Fig.1). The mine worked two close-spaced “pipe-like” bodies to a depth of 45 metres between 1917 and 1944, producing in the order of 300 tons of concentrates containing greater than 85% MoS<sub>2</sub>, and is regarded as one of the largest producers of molybdenum in Australia.

The deposit occurs near the margin of the Devonian age Everton Granodiorite which is probably an apophysis of the nearby Pilot Range Granite. The granites intrude Early Ordovician slates and sandstones (Fig.2). Molybdenite occurs as disseminations throughout the granodiorite, on joint planes, and as high-grade seams in and adjacent to quartz veins (Fig.3). Accessory pyrite, chalcopyrite, pyrrhotite, and arsenopyrite are also present. Very high rhenium concentrations (up to 630 ppm Re) have also been historically reported.

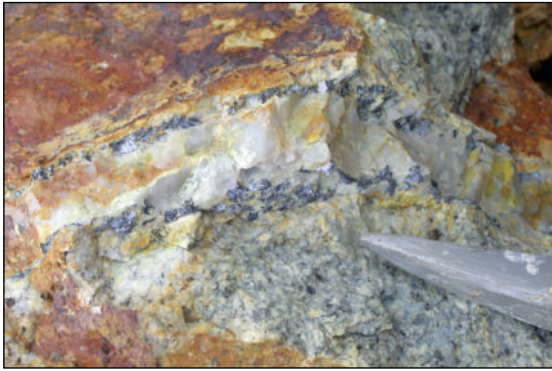
There has been very limited modern exploration in the project area and almost none that has assessed molybdenum potential. A single drill hole in the 1980's is reported in the vicinity of the mine workings with a result of 10m at 0.20% Mo from 23-33m, indicating that high-grade mineralization remains present at shallow depths. In recent times the immediate area around the historical mine has been used as a rock quarry, providing excellent exposure of the central mineralised zone (Fig.4).



**Figure 1.** Location map of Everton Molybdenum Project.



**Figure 2.** Simplified outcrop geology and tenement boundaries of Everton Molybdenum Project.



**Figure 3.** Thick selvages of molybdenite along veins in porphyritic granodiorite, Everton Molybdenum Project.

Initial field inspections by Catalyst has confirmed that abundant molybdenite occurs in veins within altered zones up to several hundred meters in width away from historic mine workings. A grab sample of porphyritic granodiorite with no visible veining assayed 0.18% Mo (1830ppm Mo), suggesting the disseminated style mineralization is a significant target offering considerable size potential.

While also being of high interest to previous explorers as a gold target, aspects of the projects geochemistry suggest larger porphyry-style base metal deposits may be present. Additionally the greater project area contains significant potential to host further molybdenum mineralization.

Mapping and sampling to define drill targets in the historical production centre and the additional 4.5 km strike of historical workings will be undertaken as soon as all statutory requirements are in place. Discussions with drill contractors have commenced for this work.

Catalyst is pleased to have acquired such a quality project at a time of increasing demand for molybdenum and believes that the Everton Project has real potential to host a significant resource during a time of consistently high molybdenum prices.



**Figure 4.** Looking north across the modern rock quarry developed in Everton granodiorite at the Everton Molybdenite Mine. Entrance to some of the historical mine workings can be seen in lower left of picture.

## Terms of the Agreement

Catalyst will pay cash of \$20,000 and \$25,000 worth of shares for the right to farm in to up to 90% of the project. Catalyst can elect to spend \$250,000 on exploration over 2 years, including a minimum of 750m drilling, to acquire a 51% interest in the Project. Catalyst can earn a further 39% of the Project by spending an additional \$500,000 within the following 2 years plus \$40,000 cash and \$40,000 worth of shares to acquire an interest of 90%. The vendors' 10% interest will be free-carried until decision to mine, after which the vendor is required to contribute or be diluted.

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For further information on the company please visit [www.catalystmetals.com](http://www.catalystmetals.com)

### Competent Persons Statement

*The information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Mr. Julian Bartlett B.Sc (Hons) Geol. M.Sc. (Econ. Geol.), RP. Geo, of Arastra Exploration Pty Ltd, who has sufficient experience in mineral resource estimation relevant to the style of mineralisation and type of deposit under consideration and to the activity to which he is undertaking, and consents to the inclusion in the public release of the matters based on their information in the form and context in which it appears.*

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## CORPORATE INFORMATION

ASX Code: **CYL**

### Capital Structure

Ordinary Shares 23,347,500

Incentive Shares 8,000,000

Listed Options 11,152,500  
(20 cent) expiring Dec 2008

Cash Balance Dec 07 \$2,478,000

## CONTACT DETAILS

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