



ASX Announcement

6 October 2011

Drilling of high grade gold zones to recommence

Share Placement completed to fund drilling

- Detailed aircore drilling of high grade gold zones at Four Eagles to recommence before 20 October 2011
- Reconnaissance aircore drilling of 10km northern strike extent of mineralisation
- Share placement raises approximately \$440,000

Catalyst Metals Limited (ASX: CYL) ("Catalyst" or the "Company") is pleased to announce that it has raised \$439,650 to fund the Company's next phase of drilling at the Four Eagles Gold Project in Victoria. The Four Eagles Project is located generally along strike of the Bendigo Goldfield and west of the towns of Mitiamo and Raywood in central Victoria, extending from 20 to 70 kilometres north of Bendigo (Figure 1).

Since January 2011, Catalyst's aircore and diamond drilling has discovered three new zones with high grade gold mineralisation and confirmed the prospectivity of the regional Whitelaw and Tandarra Faults north of Bendigo (Figure 2). A large mineralised footprint with gold and arsenic values has now been delineated over an area 5 kms long by 2 kms wide. The Four Eagles tenements cover about 25kms of this favourable trend and to date, the Company has only partially tested about 5 kilometres of strike length.

Catalyst will commence the next phase of its exploration programme before 20 October, 2011. This will involve 6,000 metres of aircore drilling to test the strike extent of the high grade gold zones discovered this year at Harrier (**3 metres @ 5.5g/t Au and 3 metres @ 15.3g/t Au** in FE471) and Osprey (**3 metres @ 14.7g/t Au** in FE415). The objective of the programme is to delineate continuity of high grade gold mineralisation that could lead to resource drilling. Subject to availability of a suitable reverse circulation drill rig, angled drill testing of the western Goshawk Zone (**6 metres @ 82.7 g/t Au** in FE328) may also be undertaken.

Reconnaissance aircore drilling will also be undertaken on the northern strike extent of the mineralisation on EL 5295, where a prospective strike length of about 15 kms has had virtually no previous drilling.

Under the terms of the Heads of Agreement with Providence Gold & Minerals Pty Ltd, Catalyst can earn an interest in the Four Eagles project by exploration expenditure on the tenements and cash and share payments.

Catalyst has already achieved the Phase 1 expenditure commitment of \$450,000 before 20 January 2012, but this drilling programme will provide further confidence to the Company to proceed to earn a 50% equity interest in the Project by spending a further \$1.65 million in the subsequent 2 years and making payments of \$100,000 and issuing a further 750,000 Catalyst shares.

The Company has completed a share placement of 1,256,143 ordinary fully paid shares at a subscription price of 35 cents per share to raise \$439,650 before costs. The placement amount was the balance remaining under Catalyst's 15% placement capacity and has been made by way of an excluded offer of ordinary shares under section 708 of the Corporations Act 2001.

An Appendix 3B in relation to the share placement is enclosed.

– ENDS –

For further information, please contact:

Mr Stephen Boston
Chairman
Ph: +61 8 9383 2825

Notice given under Section 708A(5) of the Corporations Act 2001

The shares are part of a class of securities quoted on the Australian Securities Exchange.

The shares were issued without disclosure to the investors under Part 6D.2, in reliance on Section 708A(5) of the Corporations Act 2001.

The Company, as at the date of this notice, has complied with:

- (a) the provisions of the Chapter 2M of the Corporations Act 2001; and
- (b) Section 674 of the Corporations Act 2001.

There is no excluded information as at the date of this notice, for the purposes of Sections 708A(7) and (8) of the Corporations Act 2001.

Competent persons 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.

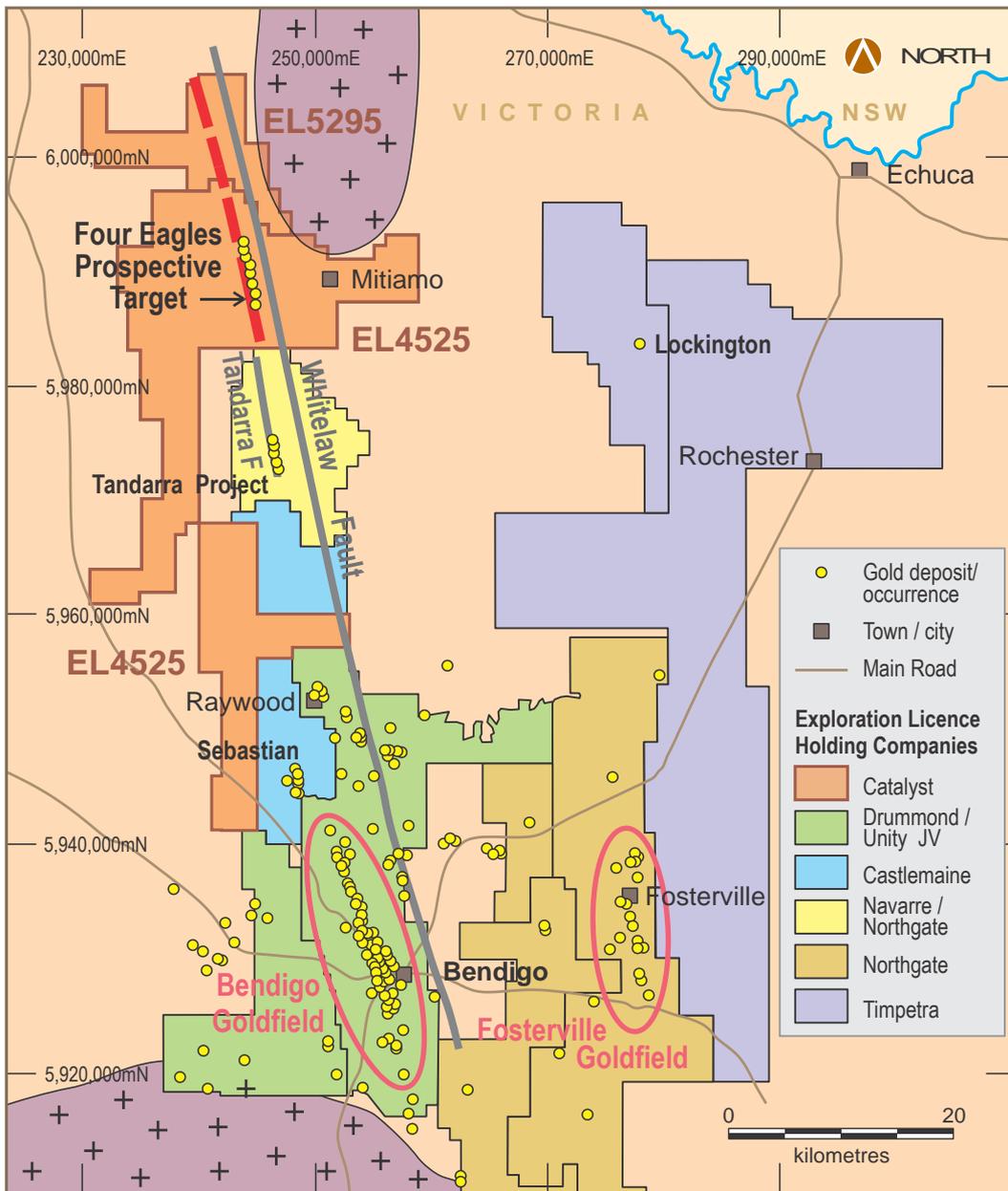


Figure 1 – Four Eagles Gold Project Location and tenements of other North Bendigo Explorers

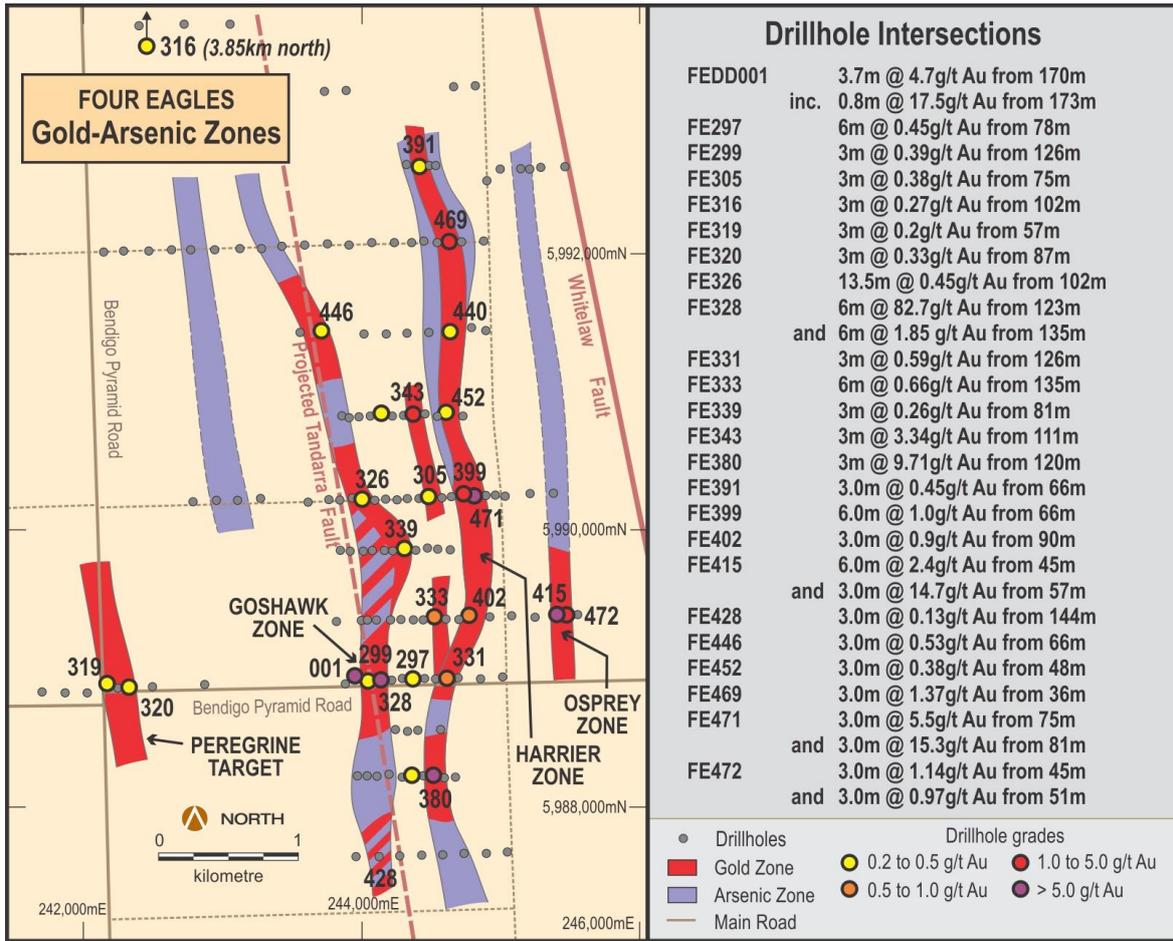


Figure 2 – Gold Zones at Four Eagles Gold Project