



ASX Announcement

31 March 2014

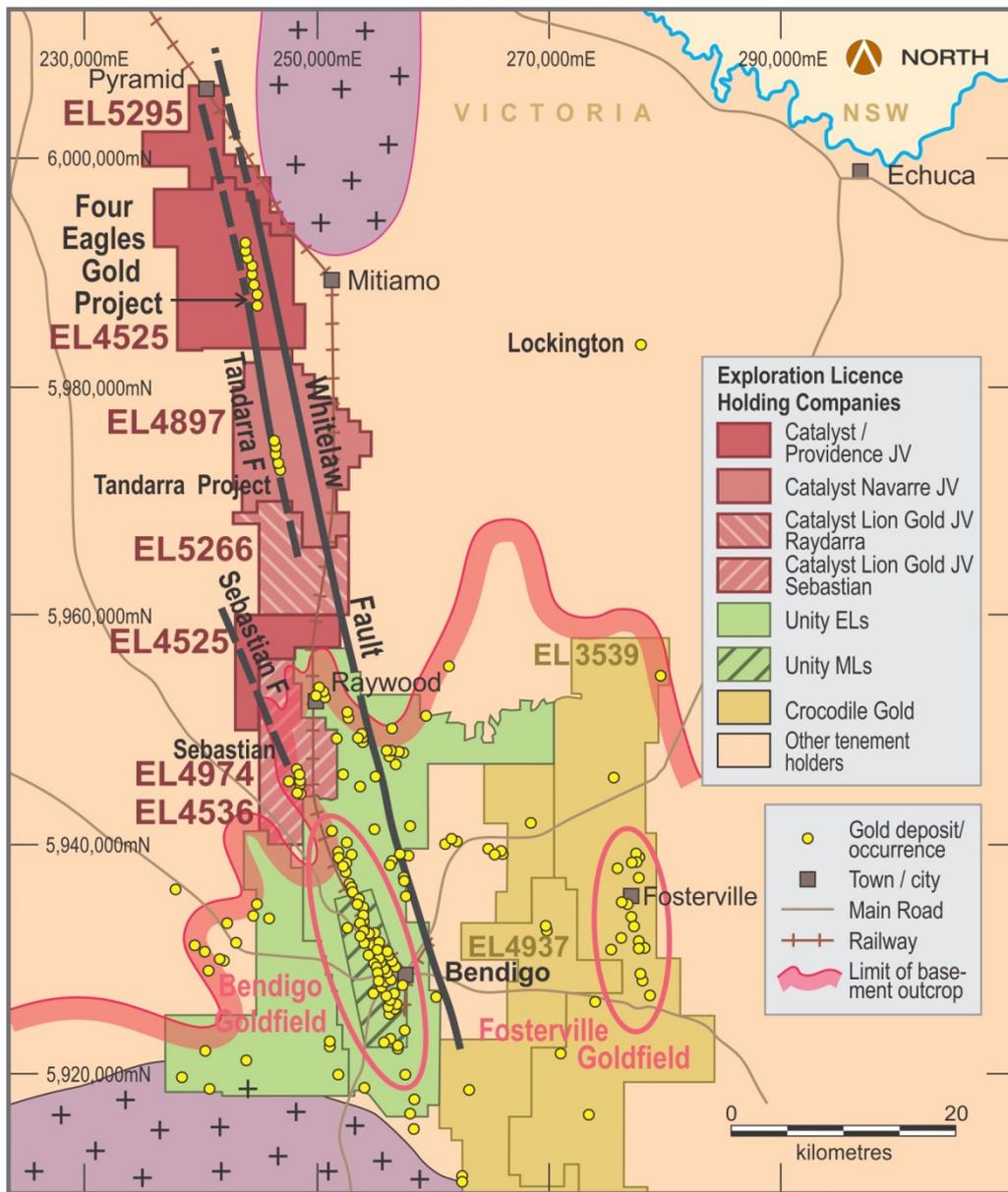
## **Catalyst Metals signs Farm-in Agreement with Navarre Minerals to explore North Bendigo Goldfield**

- **Term Sheet signed between Catalyst Metals and Navarre Minerals on the Tandarra Gold Project north of Bendigo.**
- **Tandarra Gold Project is situated 15 kilometres south and adjoins Catalyst's Four Eagles Gold Project. Both properties contain high grade gold mineralisation at shallow depths.**
- **Navarre Minerals to also transfer to Catalyst its interests in the Raydarra and Sebastian Projects under farm-in and joint venture arrangements with Castlemaine Goldfields.**
- **Catalyst will control all exploration tenements along a 60 kilometre section of the Whitelaw Fault north of the historic Bendigo Goldfield which produced 22 million ounces of gold.**
- **Catalyst raises \$500,000 through a private placement.**

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Catalyst Metals Limited (**ASX: CYL**) (**Catalyst**) is pleased to announce that it has signed a Term Sheet with Navarre Minerals (**ASX: NML**) to enable Catalyst to earn a 51% equity interest in the Tandarra Project (EL 4897) located north of Bendigo in Victoria.

This transaction will result in a regional consolidation of two of the most prospective greenfields gold projects in Victoria and means that the entire 60 kilometre strike length of the Bendigo North Goldfield will be under single management for the first time (Figure 1). The rationalisation will enable synergy benefits and shared technology to be realised in both exploration and development stages.



**Figure 1: Map showing Catalyst-managed tenements in the North Bendigo Goldfield**

As part of the same transaction, Navarre will transfer to Catalyst its interests in two gold projects owned by Castlemaine Goldfields Limited (a subsidiary of LionGold Corp) (Castlemaine), which are subject to farm-in and joint venture arrangements between Navarre and Castlemaine. Navarre has earned a 51% interest in the Sebastian Project (EL 4536 and EL 4974) and is earning a 51% interest in the Raydarra Project (EL 5266).

Navarre will maintain exploration upside by way of a 1% net smelter royalty on Catalyst's entitlement to proceeds from future production from the Sebastian and Raydarra Projects. Navarre shareholders will also have exposure to Catalyst's Four Eagles Gold Project through Catalyst shares.

The parties have agreed to finalise and execute a binding Heads of Agreement expeditiously following satisfaction of conditions precedent.

Catalyst is also pleased to advise that it has received firm commitments to raise \$500,000 in equity capital through a private share placement. The placement comprises the issue of 1,666,667 ordinary fully paid shares at a subscription price of 30 cents per share plus one free attaching unlisted option for every ten shares subscribe for. The options will be exercisable at 30 cents each on or before 30 June 2016. Funds raised from the placement will be applied towards exploration on the farm-in tenements, upon completion of formal documentation, and general working capital. Proposed exploration and drilling programmes on the expanded north Bendigo tenement areas are currently being developed.

#### **Agreement terms**

In order to earn its 51% equity interest in the Tandarra Joint Venture (EL 4897), Catalyst will be required to spend \$3 million on exploration during a four year period commencing on the date at which the conditions precedent are satisfied (Satisfaction Date). The expenditure must be sufficient to maintain the tenement in good standing and be not less than \$200,000 per annum. Within two years of the Satisfaction Date, Catalyst must spend at least \$800,000 on the tenement and also generate a mineralisation report sufficient for the requirements of the Sustainable Development Act 1990 (Vic)(MRA) before 14 November 2015.

Catalyst will also make the following payments to Navarre:

- On signing of the Term Sheet, \$1,000;
- On the Satisfaction Date, \$50,000 and 250,000 fully paid ordinary shares in Catalyst and
- On the first anniversary of the Satisfaction Date, 250,000 fully paid ordinary shares in Catalyst.

Castlemaine has signed a Deed of Assignment and Assumption to enable Navarre to assign all of its rights and obligations relating to the Castlemaine tenements under farm-in and joint venture arrangements to Catalyst. Navarre had already earned 51% equity in the Sebastian Project (EL 4536 and EL 4974) and a joint venture with Castlemaine has been established. Navarre has the right to earn a further 24% in these tenements by the expenditure of \$300,000 before 20 February 2017.

On the Raydarra Project (EL 5266), Navarre had satisfied the minimum expenditure commitment of \$100,000 but is required to spend a further \$200,000 before 20 February 2015 to earn its 51% equity. Navarre also has the right to earn a further 24% by the expenditure of a further \$600,000 before 20 February 2017.

Catalyst's Technical Director Bruce Kay said "The North Bendigo gold province is a recent virgin discovery under soil cover in Victoria with high grade gold mineralisation intersected at Four Eagles and Tandarra, which are 15 kilometres apart. The agreement with Navarre means that Catalyst shareholders will now have control over any gold discoveries that are made in this 60 kilometre long corridor."

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For further information, please contact:

Bruce Kay  
Technical Director  
Telephone: +61 400 613 180

Stephen Boston  
Chairman  
Telephone: +61 409 574 515