



ASX ANNOUNCEMENT

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## Catalyst Metals signs Heads of Agreement with Navarre Minerals to explore North Bendigo Goldfield

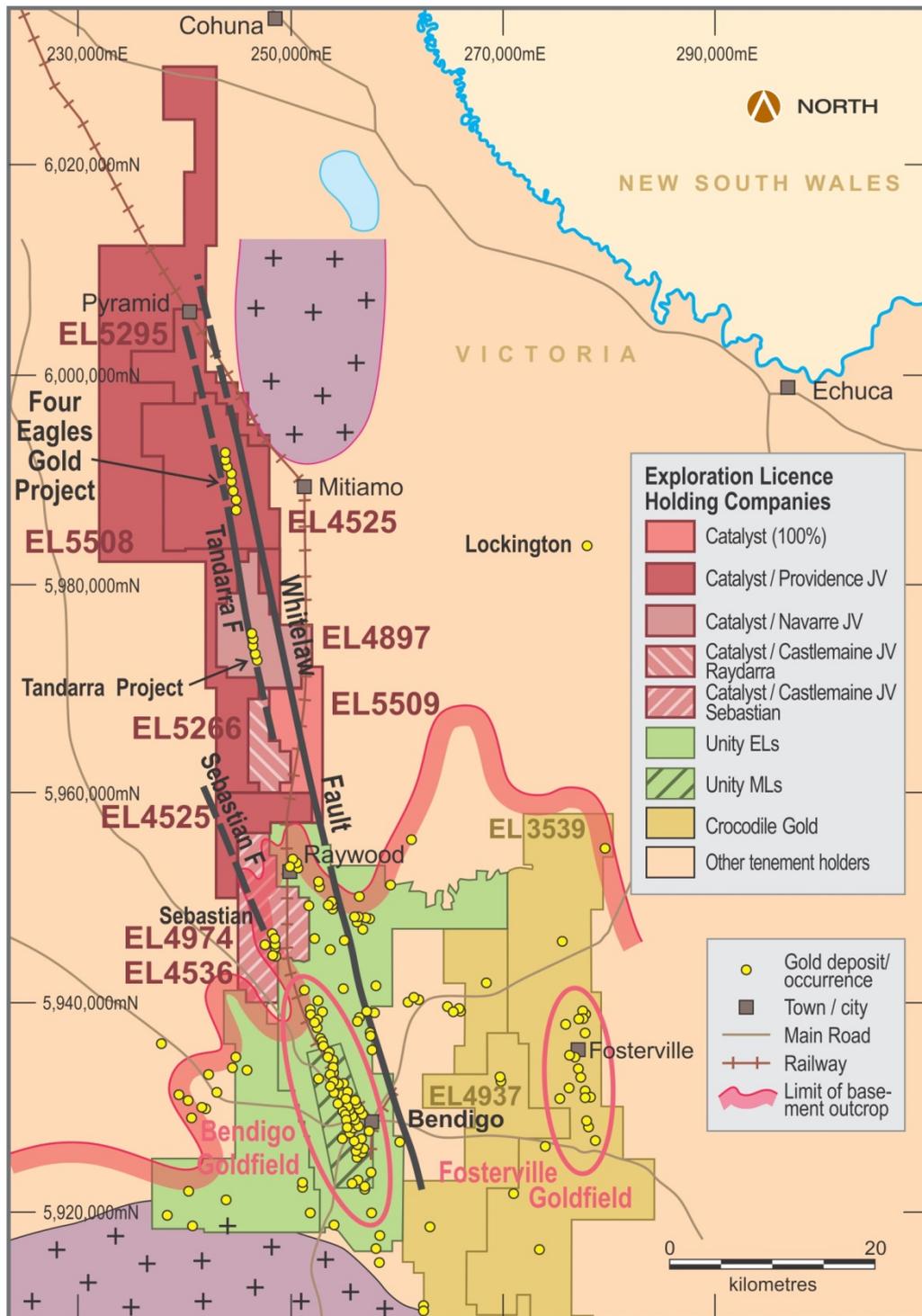
- Heads of Agreement signed between Catalyst Metals and Navarre Minerals on the Tandarra Gold Project north of Bendigo.
- Tandarra Gold Project situated 15 kilometres south and adjoins Catalyst's Four Eagles Gold Project. Both properties contain high grade gold mineralisation at shallow depths.
- Navarre Minerals has also transferred 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 Bendigo Goldfield which historically produced 22 million ounces of gold.
- Catalyst is currently awaiting final assay results from its May 2014 aircore drilling programme at Four Eagles.

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Catalyst Metals Limited (**ASX: CYL**) (**Catalyst**) is pleased to announce that it has signed a binding Heads of Agreement with Navarre Minerals Limited (**ASX: NML**) (**Navarre**) to enable Catalyst to earn a 51% equity interest in the Tandarra Gold 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.

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 receive a 1% net smelter royalty on Catalyst's entitlement to proceeds from future production from the Sebastian and Raydarra Projects.

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 directly benefit from any gold discoveries that are made in this 60 kilometre long corridor".



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

### Agreement terms

In order to earn its 51% equity interest in the Tandarra Gold Project (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, whereby Catalyst will undertake to assume a proportionate share of Navarre’s existing royalty obligations in relation to the Tandarra Gold Project (**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 the Satisfaction Date, \$50,000 and 250,000 fully paid ordinary shares in Catalyst; and
- On the first anniversary of the Satisfaction Date, issue 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. Navarre has 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 has 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.

#### **Drilling Update**

On 27 May 2014, Catalysy announced that it had completed an aircore drilling programme on the Eagle 2 trend north of the Discovery Prospect at Four Eagles. Final assay results from this drilling programme are awaited.

#### **Review of Navarre Data**

Catalyst has already commenced a technical review of the extensive Navarre database dating back to when exploration commenced on EL 4897 in 2005. This review will form the basis of future exploration on the tenements. A similar exercise has also commenced on the Castlemaine joint venture areas of Raydarra and Sebastian. Catalyst expects to release a synopsis of exploration potential and targets in July 2014.

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