



ASX ANNOUNCEMENT

25 November 2019

## CATALYST FORMS JOINT VENTURE WITH ST BARBARA ON DRUMMARTIN PROJECT IN VICTORIA

- Catalyst Metals Limited and St Barbara Limited to form a joint venture on Drummartin EL006507
- St Barbara to spend \$3.5 million to earn 50% within four years with a minimum \$1 million within first two years
- St Barbara will manage the exploration programmes and Catalyst, through subsidiary, Kite Operations Pty Ltd, will be the operator
- Exploration will benefit from the combined technical strength of Catalyst and St Barbara
- Joint venture is subject to Catalyst shareholder approval

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Catalyst Metals Limited (**Catalyst** or the **Company**) (ASX:CYL) is pleased to announce that it and its wholly owned subsidiary, Kite Operations Pty Ltd (**Kite Operations**), have entered into an earn-in and joint venture agreement (**EIJVA**) with ASX-listed gold producer, St Barbara Limited (**St Barbara**) (ASX:SBM). Under the EIJVA, St Barbara (or its nominee) may acquire a 50% participating interest in EL006507 (the **Drummartin Project**) by funding not less than \$3.5 million of Project Expenditure within 48 months of commencement of the earn-in (**Commencement Date**).

St Barbara may withdraw from the EIJVA if it has funded at least \$1 million of project expenditure within two years of the Commencement Date.

As St Barbara is a substantial shareholder of Catalyst, the EIJVA is conditional on Catalyst obtaining shareholder approval under ASX Listing Rule 10.1 within 90 days of the date of signing.

For so long as St Barbara and Kite Operations each hold a 50% participating interest, St Barbara will have the right to appoint the manager of the Drummartin Project. Kite Operations will be the operator of the project, with primary responsibility for the on ground local operations, but may be replaced in certain circumstances, including an insolvency event, material breach of obligations and a change of control of Kite Operations or Catalyst. The EIJVA requires that operations be primarily managed from Bendigo using local labour where available.

Catalyst and Kite Operations have also granted St Barbara certain exclusivity provisions, including matching rights, pending shareholder approval, should a competing proposal be made in respect of the Drummartin Project, in a form consistent with other transactions of this type.

The **Drummartin Exploration Licence EL006507** is an early stage greenfield exploration area, situated east of the Four Eagles Gold Project and about 60 kilometres north of the Fosterville Gold Mine (Figure 1). It comprises a large area of 648 square kilometres with limited previous exploration, but appears to lie on the interpreted northern extension of the Redesdale, Fosterville and Drummartin Faults, which are considered to be important in the formation of the Fosterville gold mineralisation. Depth of Murray Basin cover is unknown and is predicted to range from 50 metres to 150 metres in depth. Catalyst has carried out limited air core drilling in the western portion of the Licence and has recently completed a large detailed ground gravity survey covering the eastern one-third of the licence.

Gravity targets interpreted from these data will be tested by air core drilling in the coming year. As part of its earn-in, St Barbara will refund \$150,000 of exploration expenditure incurred by Catalyst since 1 January 2019. The licence was granted on 22 December 2017 for a five-year period with annual work commitments ranging from \$144,000 to \$210,000.

Mr Bruce Kay, Catalyst's Technical Director stated "The joint venture with St Barbara is a continuation of the Catalyst strategy over the last six years of sharing exploration risk and providing the best return on shareholder funds. We are pleased to now have St Barbara as both a joint venture partner as well as major shareholder, and believe that they will bring new technical skills to our exploration effort".

Catalyst's directors recommend that shareholders vote in favour of the transaction:

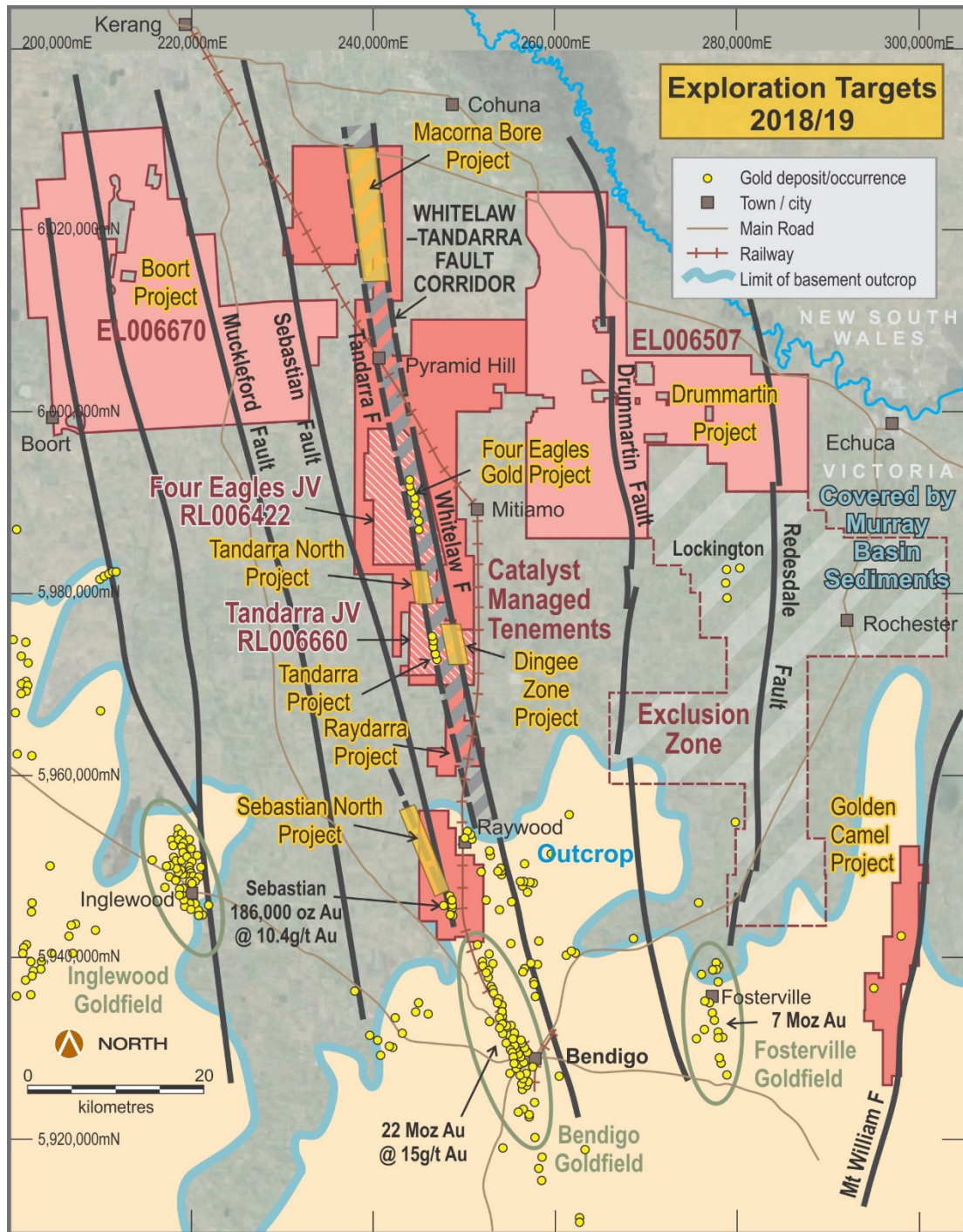
- in the absence of a superior proposal; and
- subject to the independent expert opinion, and continuing to opine, that the transaction is fair and reasonable to holders of Catalyst's shares (other than St Barbara and its associates).

A notice of meeting to consider the EIJVA, together with an independent expert's report, will be prepared and despatched to shareholders shortly.

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**Figure 1: Catalyst-managed tenements in the Whitelaw and adjacent gold belt showing the location of the Drummartin Project (EL006507)**