



ASX Announcement

26 November 2010

## New gold opportunity in Victoria

- **Memorandum of Understanding signed to enter into joint venture agreement over the Four Eagles Gold Project, north of Bendigo in Victoria**
- **Previous widely spaced reconnaissance aircore drilling has intersected 6 metres @ 82g/t Au and 3 metres @ 9.7g/t Au**
- **Gold anomalism has been shown over a strike length of ten kilometres and a width of three kilometres.**

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Catalyst Metals Limited (ASX: CYL) (“Catalyst” or the “Company”) is pleased to announce that it has entered into a memorandum of understanding with a private company, Providence Gold and Minerals Pty Ltd (“Providence Gold”) to form a joint venture to further explore and develop the Four Eagles Gold Project (“Four Eagles”).

The Four Eagles Gold Project (EL4525) 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).

Aircore drilling by Providence Gold has intersected high grade gold mineralisation and defined a prospective structural corridor over 10 kms in length. This trend lies along strike, 15 kms to the north of the Tandarra gold occurrence located by Leviathan Resources.

Best results from the drill program included (refer Table 1):

- **6 metres @ 82g/t Au** from 123 metres in FE 328; and
- **3 metres @ 9.7g/t Au** from 120 metres in FE 380.

Gold is observed in quartz veining within the basement rocks of typical Bendigo style sediments. Drilling has demonstrated anomalous gold over a strike length exceeding ten kilometres and across a width of three kilometres.

Interpretation of the Bendigo-Mitiamo ground gravity data and imagery produced by the Victorian Department of Primary Industries in conjunction with aircore drilling show that the prospective rocks lie beneath 10-120 metres of alluvial cover. This ground remained relatively unexplored until recent times as the alluvial cover precluded the discovery of gold by previous explorers without the use of modern geophysical tools.

Catalyst intends to conduct further drilling and geophysics to better define the high grade results whilst also defining the gold mineralisation within the known ten kilometres of gold anomalism.

The formation of the joint venture will be subject to due diligence being conducted by Catalyst and a binding Heads of Agreement being prepared and signed by Catalyst and Providence Gold. Subject to satisfactorily completing documentation, work may commence early in 2011.

The joint venture will be structured in three phases giving Catalyst the opportunity to earn a 75% equity interest in the project over a 5 year period by expenditure of \$4 million, with an initial \$400,000 expenditure required in Year 1. After the initial 12 month option period, Catalyst may earn an initial 50% interest in the project area with an opportunity to ultimately earn the 75% equity on hard rock deposits. At each phase, Providence Gold will receive payments of cash and shares in Catalyst to reimburse its previous costs. Further details on the terms of the joint venture will be provided upon finalisation of the Heads of Agreement.

Catalyst's Chairman, Stephen Boston, said, "This project has the potential to be a repeat of the historical Bendigo gold field which has Australia's second highest historic gold production after Kalgoorlie and Catalyst is excited to be involved at this early stage of exploration on a recently discovered gold trend".

**– ENDS –**

For further information, please contact:

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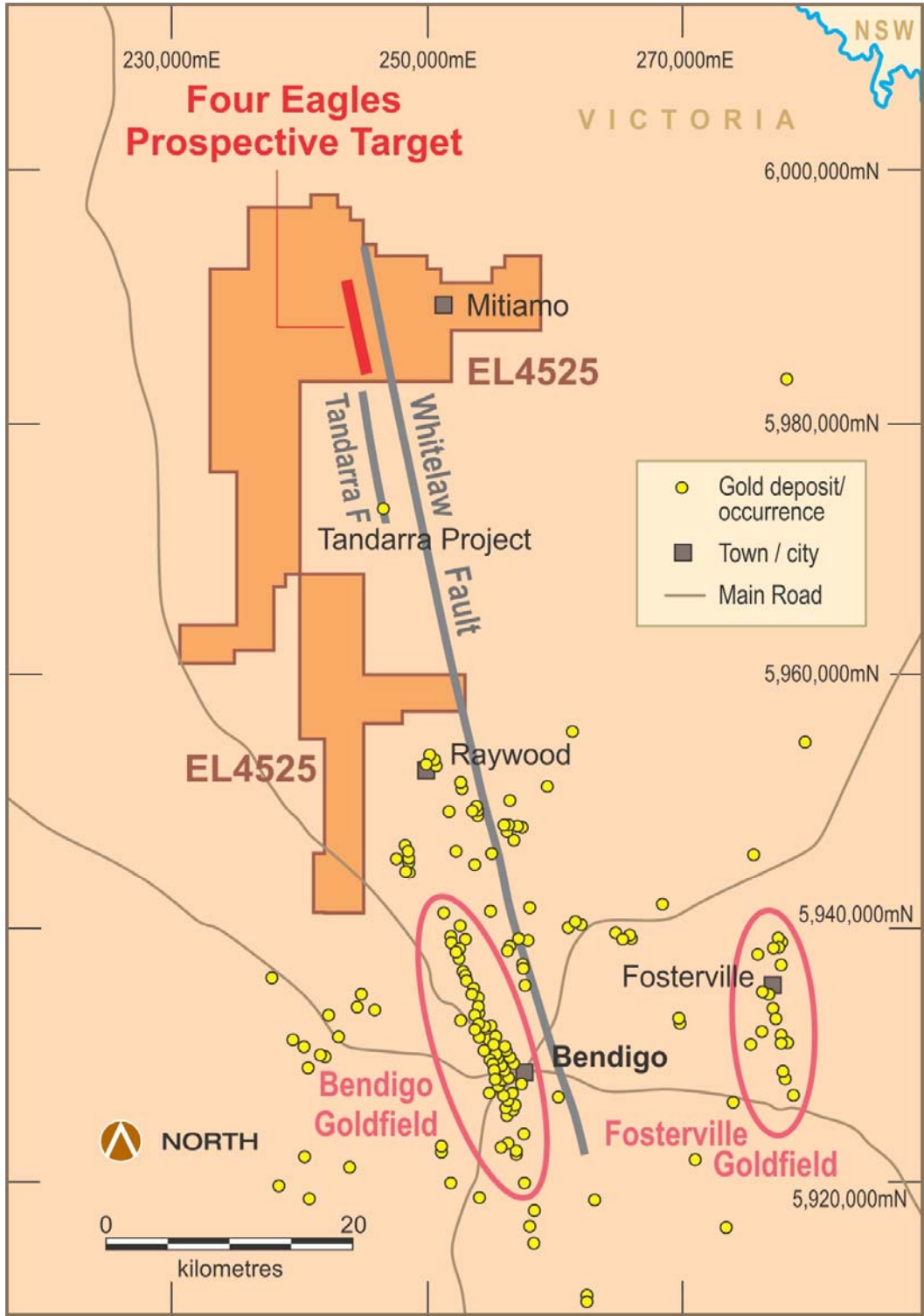


Figure 1 – Four Eagles Gold Project Location

**Table 1. Four Eagles Gold Project – AC drilling results**

Hole ID	Northing (m)	Interval (m)	Au (g/t)	Comment
FE319	5988878	3	0.25	From 57 metres
FE320	5988852	3	0.32	From 87 metres
FE326	5990209	6	0.31	From 105 metres
		1.5	1.81	From 114 metres
FE328	5988914	6	82.70	From 123 metres
		6	1.85	From 135 metres
FE331	5988922	3	0.59	From 126 metres
FE333	5989357	6	0.66	From 135 metres
FE343	5990812	3	3.34	From 111 metres
FE380	5988207	3	9.71	From 120 metres

**Competent Person 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 consultant to Catalyst Resources 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.