



ASX Announcement

11 January 2012

New Gold Zone near Whitelaw Fault at Four Eagles Gold Project

- **Aircore drilling at Four Eagles Gold Project has intersected a new zone of gold mineralisation east of previous drilling near the Whitelaw Fault**
- **Alluvial gold mineralisation with visible gold intersected in northern EL 5295 9 km north of current gold zone**
- **Drillhole FE 492 (3 metres @ 1.1 g/t Au) confirms 1.3 km trend on Eagle 3 Zone**

Catalyst Metals Limited (ASX: CYL) ("Catalyst" or the "Company") is pleased to announce that a recently completed aircore drilling programme has intersected a new zone of gold mineralisation ("**Eagle 5 Target**") east of the known zone at the Four Eagles Gold Project (Figure 1).

Although low grade (**3 metres @ 0.7 g/t Au from 84 metres in FE 509**), it confirms gold mineralisation almost on the projected position of the Whitelaw Fault. This position has not been tested elsewhere on either licence.

An aircore drilling programme was completed in November 2011 with 49 holes drilled for a total of 4,275 metres. The programme was mostly reconnaissance with the objective of gaining initial information from the northern Exploration Licence 5295 ("EL5295") and on other roadways where access could be obtained.

Visible gold was observed in drillhole FE 473 in quartz rich gravels just above the basement contact. This zone assayed **3 metres @ 0.41 g/t Au** from a depth of 93 metres. Other low grade alluvial zones of gold mineralisation in this area (FE476 and FE477) suggest another source of basement gold could exist in EL5295.

Aircore drilling in the Eagle 3 Zone intersected gold mineralisation (**3 metres @ 1.1 g/t Au from 75 metres and 3 metres @ 0.6 g/t Au from 78 metres in FE 492**) which appears to indicate continuous mineralisation over a 1.3 km strike length between **FE471 (3 metres @ 5.18 g/t Au from 75 metres) and FE 402 (3 metres @ 0.9 g/t Au from 90 metres)**.

Reverse circulation (RC) drilling commenced on 12 December 2011 but was terminated on 19 December when the contracted drill rig suffered technical problems and had insufficient air pressure to penetrate hard quartz veins and water inflows. The objective of the drilling was to test the area around aircore hole FE 415 which intersected **3 metres @ 31.3 g/t Au from 57 metres depth and 6 metres @ 2.4 g/t Au from 45 metres depth**.

Mr Bruce Kay, Catalyst's Technical Director, commented; "Although the RC programme was challenging, a higher capacity RC rig has been booked for an early February 2012 drilling campaign, subject to the Company determining to exercise its option with Providence Gold & Minerals. An encouraging feature of the area around FE 415 is the shallow basement and the obvious presence of multiple quartz veins."

"It was also encouraging that the widely spaced reconnaissance aircore programme has discovered gold mineralisation in two new positions and confirmed the continuity of a previous zone. Although the intersections are relatively low grade they are considered to be very significant and may indicate close proximity to high grade gold mineralisation."

– ENDS –

For further information, please contact:

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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 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.

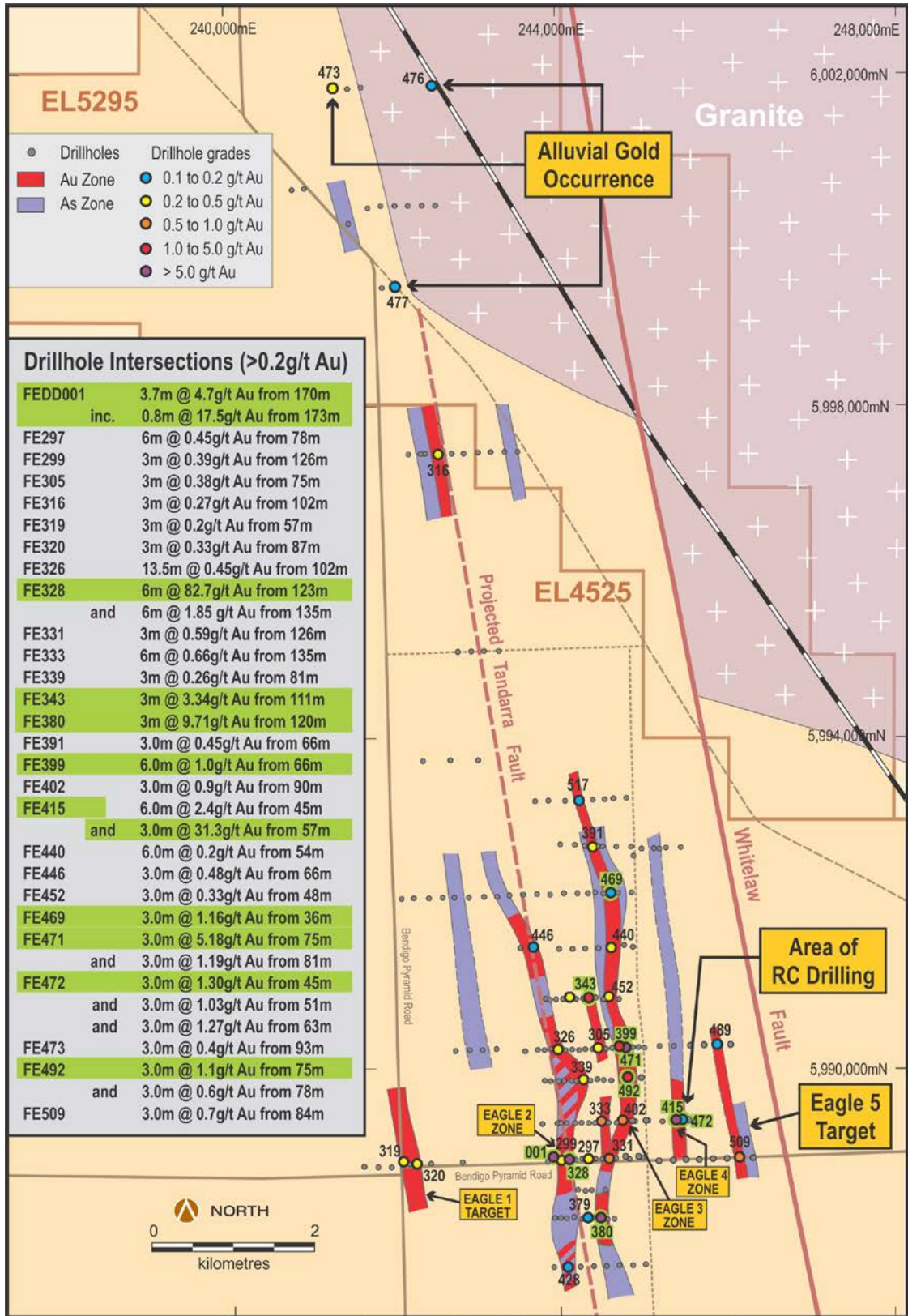


Figure 1: Four Eagles Aircore drilling location and results

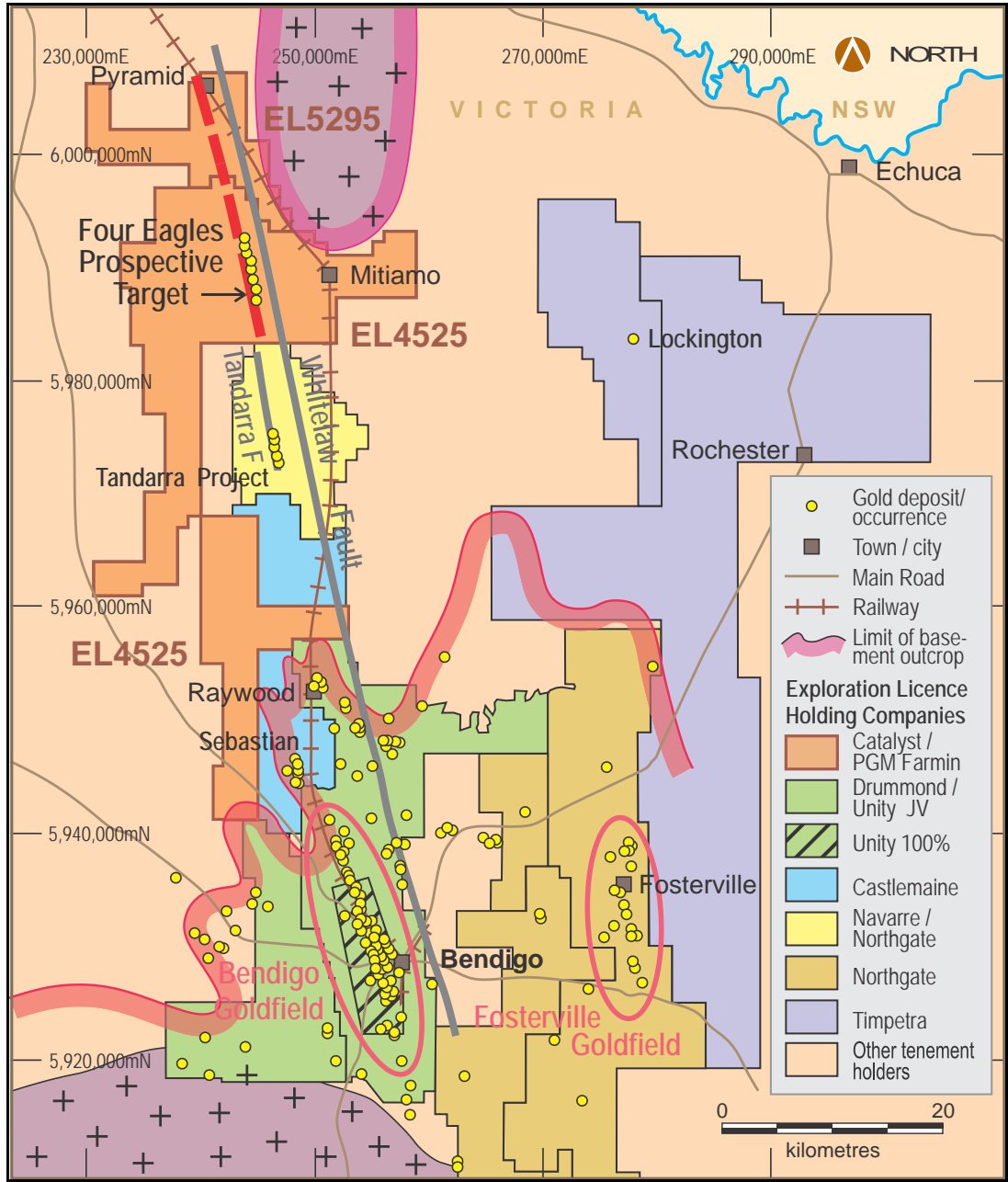


Figure 2: Four Eagles Gold Project Location