

Fine and Coarse Visible Gold in Processing of Four Eagles Drill Samples

- **Knelson Concentration of Four Eagles drill samples produces both fine and coarse visible gold.**
- **Analysis suggests a background of finely dispersed gold with occasional coarse particles.**
- **Gold grades consistent with good repeatability at variable sample sizes.**

Catalyst Metals Limited (**ASX: CYL**) (**Catalyst** or the **Company**) advises that it has recently processed aircore drill samples from the Four Eagles gold project through a Knelson gravity concentration unit in conjunction with conventional gold panning, which has recovered both fine and coarse grained gold from three different holes at the Discovery (FE328), Hayanmi (FE471) and Boyd's Dam (FE415) Prospects. The location of these prospects and drillholes is shown on Figure 2 and photographs of the Knelson concentrator and samples of gold obtained are shown in Figures 1a, 1b, and 1c below.



Figure 1a: Processing aircore samples with Knelson Concentrator.

Figure 1b: Fine grained gold obtained by conventional gold panning.

Figure 1c: Coarse grained gold from gravity separation in Knelson Concentrator.

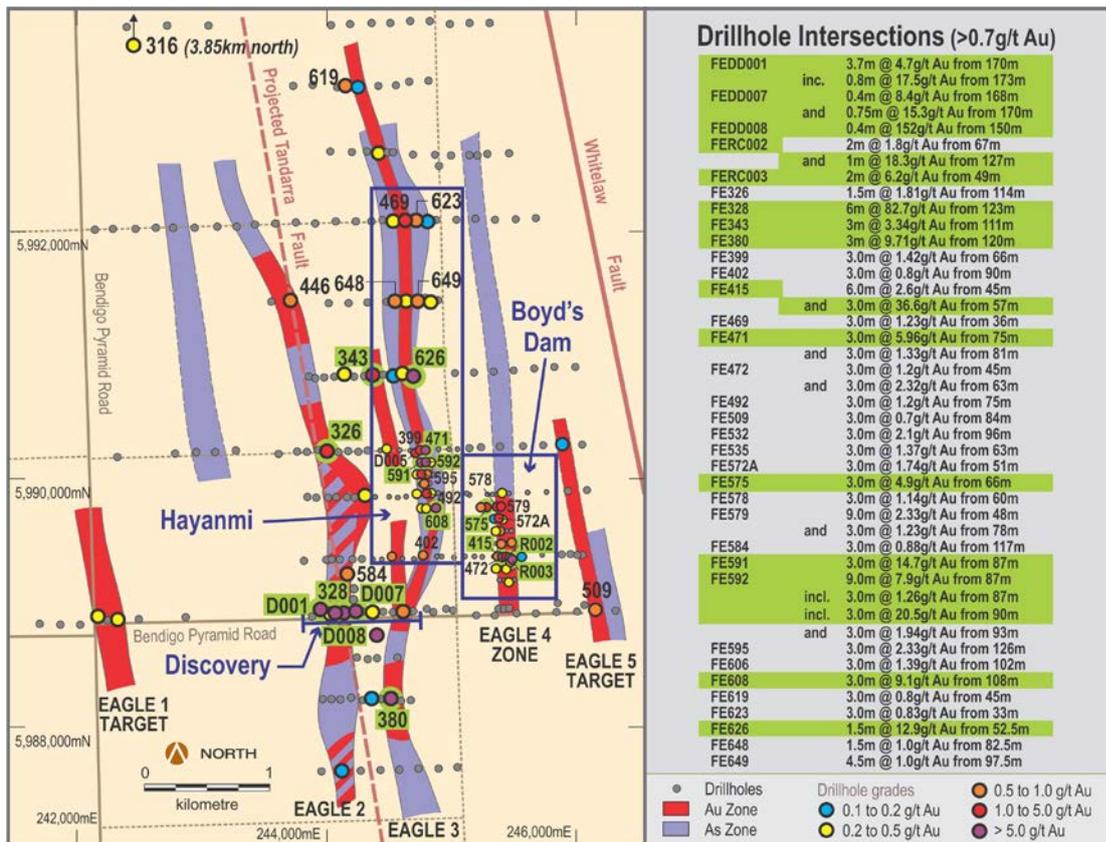


Figure 1: Four Eagles Gold Trends showing Discovery, Hayanmi and Boyd's Dam Prospects

In addition to this work, all bulk Leachwell assay data have now been received for the recent drilling programme and confirm the good correlation between the small 30 gm sample and the bulk cyanide (± 2 kg sample) that was outlined in a previous announcement by Catalyst on 19 October 2012. Even when coarse gold is present, the associated fine gold seems to provide assay consistency. This is very important in the estimation of ore resources as drill assays are repeatable and become a reliable estimator of grade. This is in contrast to the Bendigo Goldfield where gold often shows an erratic distribution because of the extreme nugget effect.

Figure 3 below shows the comparison of assay data from Four Eagles. The current testing protocol is that a large 1kg to 3kg sample is taken from aircore or diamond drilling but only 30 grams is assayed using atomic absorption/mass spectrometry after an aqua regia leach. If an assay of greater than 0.5g/t Au is obtained from the small assay sample, the total bulk sample is then analysed by a total cyanide leach (Leachwell) and AAS finish.

Figure 3 shows that the correlation between these two samples is approximately 80%, indicating that gold particles are small and finely dispersed throughout the sample. The value of the LeachWELL assay sample is usually higher than the small sample.

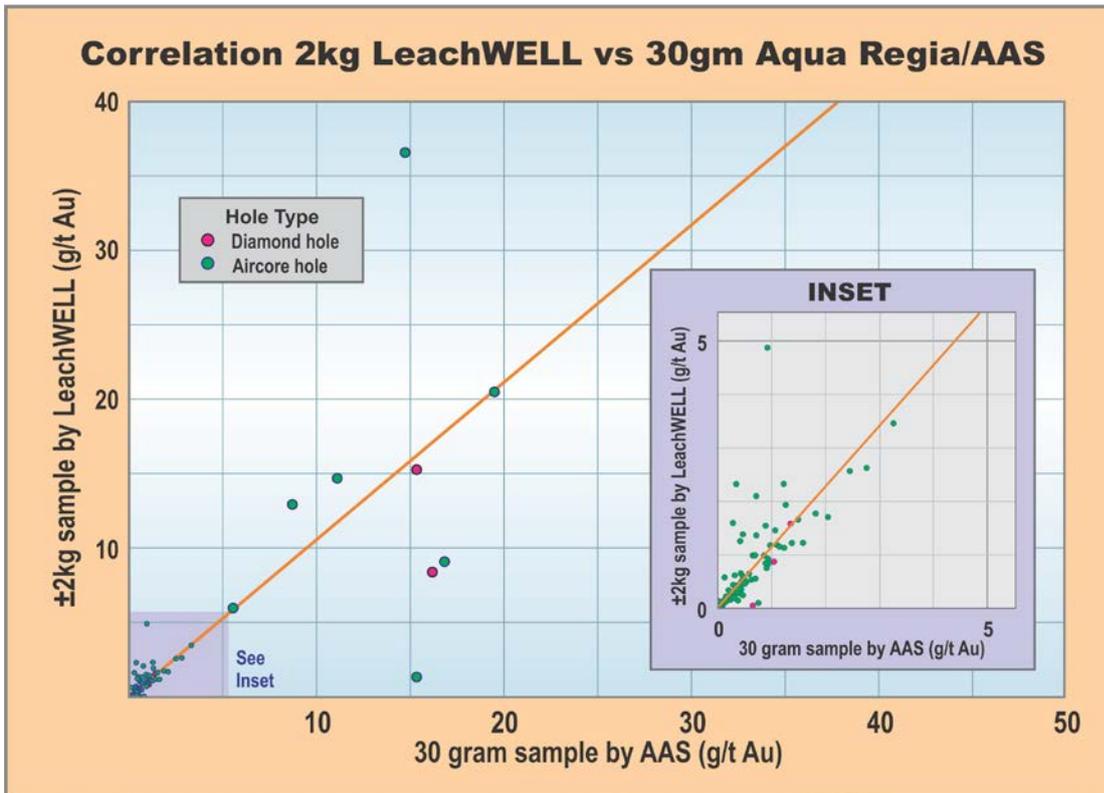


Figure 3: Assay correlation between 30gm AAS and 2 kg bulk assay (Leachwell)

Aircore drilling by Catalyst has identified gold bearing structures up to 6 kilometres long on three broad trends (Eagle 2, Eagle 3 and Eagle 4) as shown on Figure 2. It is anticipated that these will contain continuous zones of shear hosted mineralisation with consistent gold grades that could lead to identification of gold resources.

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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 non-executive 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.