

Very high grade gold intersected at Four Eagles Gold Project

- **Diamond drillhole FEDD008 intersects 0.2 m @ 152 g/t Au**
- **Diamond drillhole FEDD007 intersects 0.4 m @ 16.2 g/t Au and 0.75m @ 15.3 g/t Au in a 3.5 metre interval**
- **Discovery Prospect becomes third high grade focus for major drilling**

Catalyst Metals Limited (ASX: CYL) (“Catalyst” or the “Company”) is pleased to announce that it has recorded its highest gold assay to date in diamond drillhole FEDD008 at the newly named “**Discovery Prospect**” at the Four Eagles Gold Project in Victoria, Australia with a narrow zone of quartz which contained **0.2 metres @ 152 g/t Au from 150 metres** (Figure 1).

Additional quartz with gold mineralisation may be present as the intersection lies close to the contact with the overlying Murray Basin sediments and is incomplete because the upper part of the zone was within the rotary mud section of the pre-collar and was not sampled

High grade intervals were also present in a second diamond drillhole FEDD007 which contained two narrow high grade intervals. The best intersections from the diamond drilling are summarised below:

FEDD007	0.20 metres @ 1.35 g/t Au from 160.3 metres 0.40 metres @ 16.20 g/t Au from 167.7 metres 0.75 metres @ 15.30 g/t Au from 170.4 metres
FEDD008	0.45 metres @ 1.04 g/t Au from 183.95 metres 0.20 metres @ 152 g/t Au from 150.0 metres

These drillholes confirm the presence of several parallel zones of narrow high grade gold mineralisation on the Eagle 2 Structure, where diamond drillhole FEDD001 contained **0.8 metres @ 17.5 g/t Au from 170 metres** and aircore hole FE328 contained **6 metres @ 82.7 g/t Au from 123 metres** (Figure 2).

Mr Bruce Kay, Catalyst’s Technical Director, stated “These results are extremely significant and confirm the high grades intersected in previous aircore drilling. Gold is related to shear zones with brecciated quartz veins. The gold in FEDD007 appears to be a steep zone present on the eastern limb of an anticlinal structure. The setting of the gold in FEDD008 is probably on a steep westerly limb of the same anticline. The drilling has also confirmed the presence

of a steep fault zone which is probably the regional Tandarra Fault and contains sporadic high grade gold values (as in FEDD001) and anomalous arsenic.”

A limited aircore drilling programme was completed north of this drill section and shows that this zone extends northward. Aircore hole FE584 was drilled 200 metres north of FEDD007 and intersected **3 metres @ 0.88 g/t Au from 117 metres**. Another aircore hole, FE 587, 100 metres north of FEDD007, was unable to drill into a massive quartz vein at 114 metres which is believed to be the lode extension.

In summary, the first half 2012 aircore and diamond drill programme has upgraded three prospects at Four Eagles which lie on three separate trends. The Boyd’s Dam Prospect on Eagle 4 trend, the Hayanmi Prospect on Eagle 3 trend and the Discovery Prospect on Eagle 2 trend (where this diamond drilling was undertaken) will all require further angled diamond or RC drilling as well as additional vertical infill aircore drilling. As can be seen from Figure 1, these prospects represent only a small part of the total area of the gold footprint at Four Eagles.

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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 consultant to 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.

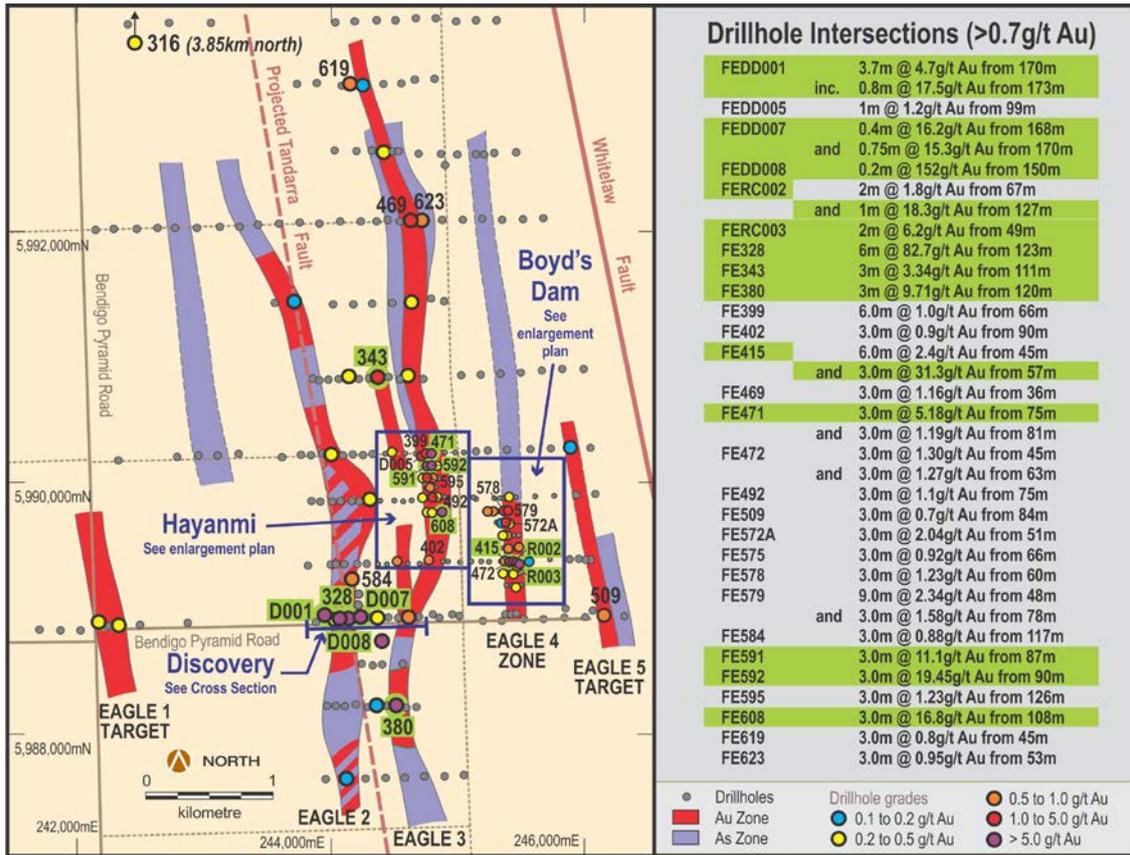


Figure 1: Four Eagles Gold Project Drilling Locations and Results

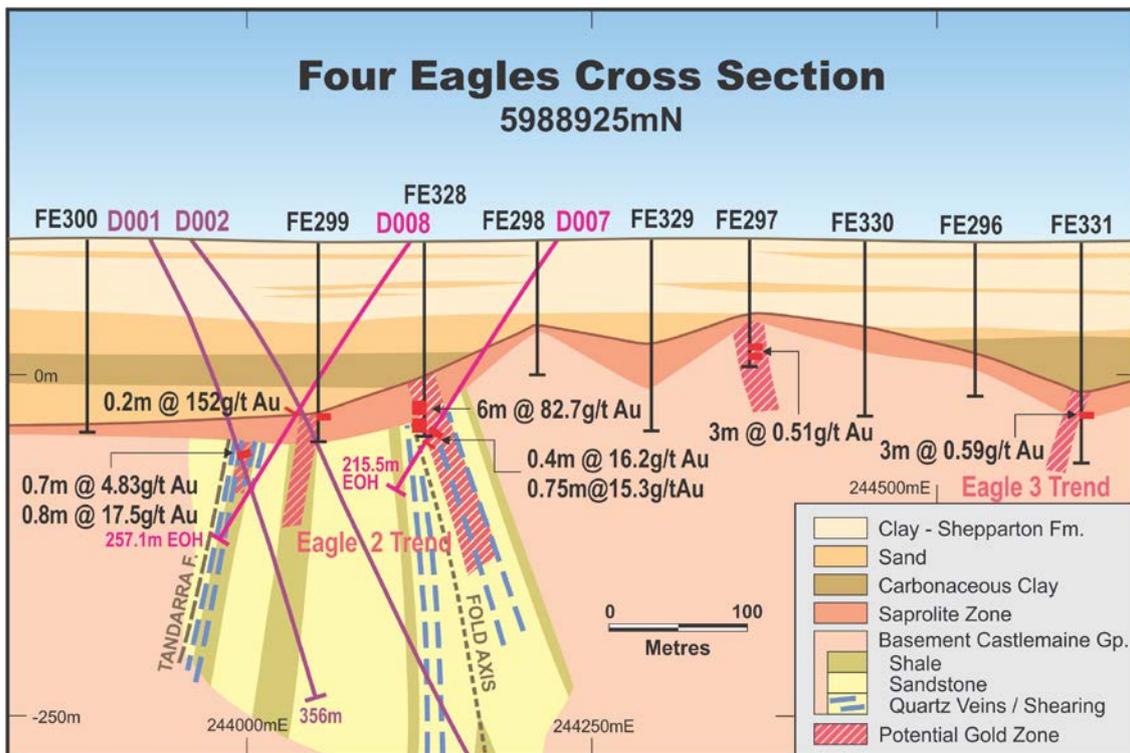


Figure 2: Four Eagles Gold Project Diamond Drilling Cross Section

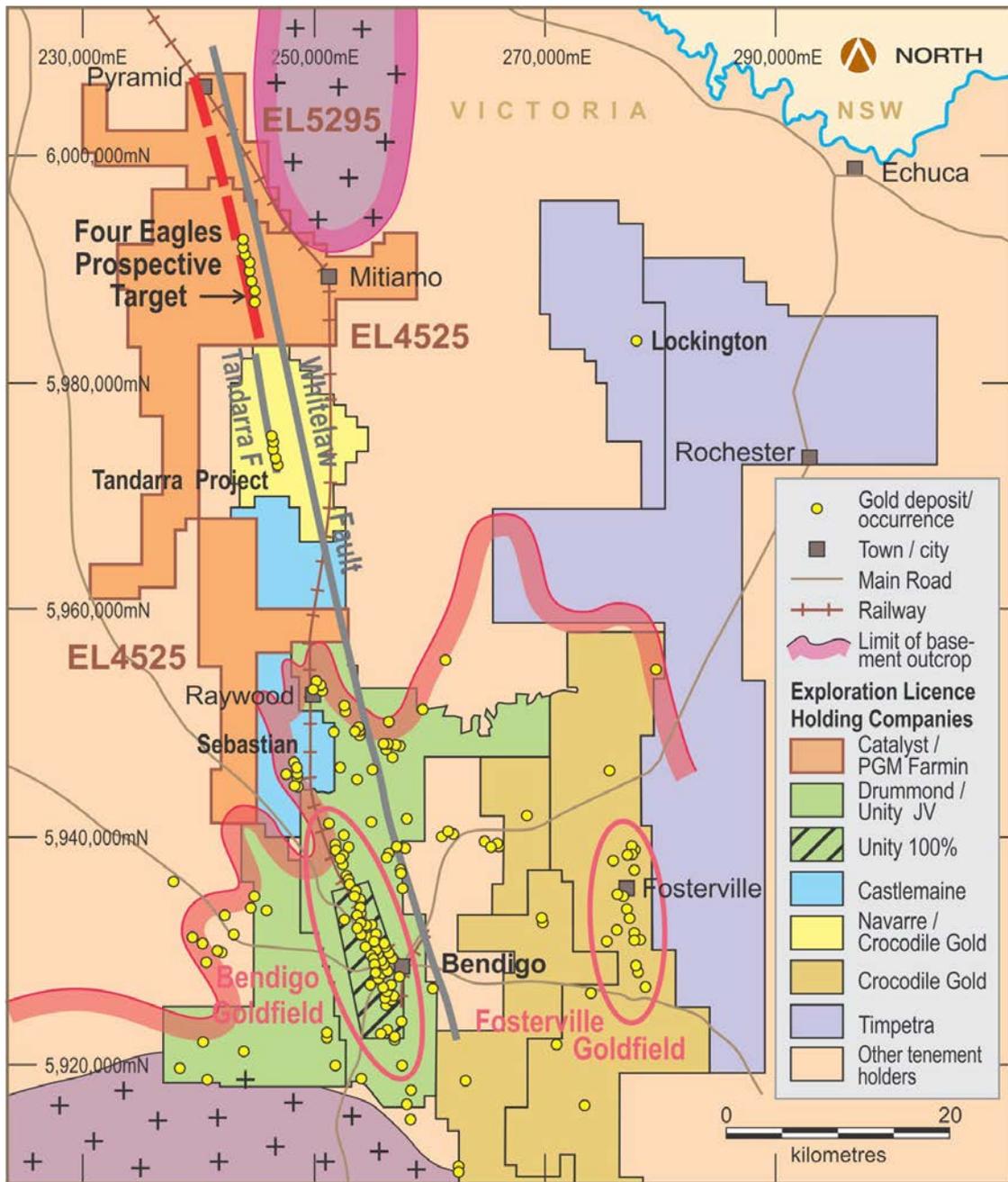


Figure 3: Four Eagles Gold Project Location