



ASX ANNOUNCEMENT

20 JANUARY 2021

CATALYST FINALISES ACQUISITION OF HENTY GOLD MINE IN TASMANIA

- Henty Gold Mine operations and associated tenements acquired from Diversified Minerals Pty Ltd – debt and hedge free
- Strong focus by Catalyst on Work Health and Safety
- Catalyst's inaugural gold pour to occur a week after Completion
- JORC compliant Indicated and Inferred Resource of 2.4Mt @ 4.3g/t for 334koz gold at Henty
- Well-endowed mineral province with historical gold production of 8Moz, 1.4Moz produced from Henty at a grade of 8.9g/t Au
- Significant exploration upside in both mine corridor and extensions as shown by high grade drill intercepts in upper levels of the mine

Catalyst Metals Limited (**Catalyst** or the **Company**) (ASX: **CYL**) is pleased to announce that it has taken ownership of the Henty Gold Mine (**Henty**) through completion of the acquisition of all the shares in Unity Mining Pty Ltd from Diversified Minerals Pty Ltd (**Diversified**). The first tranche of \$7.2 million ordinary fully paid shares in Catalyst (3,428,572 shares) at the deemed issue price of \$2.10 per share and \$6 million in cash have been paid. The shares will be subject to a minimum three years of escrow from the date of issuance and \$600,000 in cash will be held in escrow to cover any future warranty or indemnity claims.

As part of the acquisition, second and third deferred tranches of \$3 million each will be paid to Diversified within 6 and 12 months from the Completion Date of 20 January 2021, of which \$300,000 will be held from each payment in escrow to also cover any future warranty or indemnity claims. A contingent consideration amount of up to \$5 million may be payable 12 months from the Completion Date, depending upon cash flow outcomes of the project. Refer to Catalyst's ASX release dated 21 December 2020 for details of the acquisition and compliance of JORC related statements.

Catalyst is pleased to welcome Diversified (and related parties) onto its share register as a significant shareholder. PYBAR Mining Services Pty Ltd (**PYBAR**), a related party of Diversified, will continue as a contractor on site for the provision of underground personnel under the terms of a Labour Hire Agreement. Transition services and support will also be provided by PYBAR in the short term whilst Catalyst implements its own systems and services arrangements in an orderly manner.

Catalyst also welcomes other shareholders who have participated in the recent capital raising and looks forward to further building shareholder value in the coming years.

The Board would like to thank Gresham Advisory Partners Limited and Piper Alderman for their advice and assistance provided during the course of the transaction.

This acquisition is consistent with Catalyst's vision to establish underground gold production in eastern Australia in well-endowed high grade gold mineral provinces with substantial exploration upside. The Henty operations will complement the Company's significant exploration success in the Whitelaw Gold Belt in Victoria and provide the expertise and experience for subsequent developments there.

Immediate Focus in Next Six Months

The immediate focus of the Company is to:

- Review and audit Work Health and Safety systems with the aim of making Henty one of the safest operating mines in Australia;
- Gain a thorough understanding of the mine complexities to implement the changes to mine planning and scheduling to optimise gold grades, production and cash flow;
- Update the resource statement as at June 2021 to include recent high-grade intercepts in the upper areas of the mine (refer 21 December 2020 ASX release);
- establish a JORC compliant reserve base for the mine as at June 2021;
- complete the Tailings Storage Facility upstream lift at a cost of approximately \$3 million thereby ensuring tailings storage capacity for the next 3 years of operation prior to additional lift requirements;
- review historical regional exploration data to define target opportunities and priorities.

Longer Term Focus

The longer-term focus will be to target the establishment of a long mine life by detailed mine planning and optimisation of the current resources supplemented by new discoveries from the underground and surface exploration programs at Henty. Previously 1.4Moz of gold have been extracted from Henty at a grade of 8.9g/t Au and recent gold intersections give Catalyst confidence that mine life can continue to be sustained.

Mr Bruce Robertson, Catalyst's Chief Executive Officer stated "We see the acquisition of the Henty Gold Mine as very significant for Catalyst and although the first six months will require additional expenditure for the tailings lift, exploration drilling and some other mine capital, these initiatives are all expected to contribute to the mine's long term profitability."

Additional Information

Additional information pertaining to the acquisition may be sourced from the ASX releases of 21 December 2020 titled:

- Major exploration programs, complementary acquisition and capital raising; and
- Investor and capital raising presentation. The presentation includes key risks and disclaimers with respect to the acquisition of the Henty Gold Mine.

The announcement has been approved for release by the Board of Directors of Catalyst Metals Limited.

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JORC 2012 Mineral Resource

Catalyst confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements and that all material assumptions and technical parameters underpinning the mineral resource estimates in the relevant market announcements continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Persons findings are presented have not been materially modified from the original market announcements.