



ASX: CYL

Quarterly Activities Report

Quarter ended 31 December 2019

SUMMARY

- **Four Eagles Gold Project**
Diamond and reverse circulation drilling testing at depth below and adjacent to Boyd's Dam–Boyd North gold mineralised zone is in progress at quarter end
- **Tandarra Gold Project**
Reverse circulation and diamond drilling completed earlier in 2019 intersected a 300 metre long parallel lode zone beneath the main Tomorrow Zone gold mineralised lode

Highlighted intersections included:
 - 7.0m @ 1.6g/t Au in DDT020
 - 3.0m @ 8.6g/t Au in DDT023
A deeper intersection in DDT020 may indicate a second parallel zone:
 - 0.4m @ 238g/t Au
Air core drilling extending testing of the Tomorrow–Macnaughtan gold mineralised zones beyond the southerly limits of previous drilling has commenced
- **Macorna Bore EL's 5521 and 006894 and Boort EL006670**
Catalyst forms Joint Venture with Gold Exploration Victoria Pty Ltd
- **Drummartin EL006507**
Catalyst forms Joint Venture with St Barbara Limited
- **Corporate**
Gold Exploration Victoria Pty Ltd invests \$7.875 million in Catalyst share placement to increase holding to 14.8%

INTRODUCTION AND OVERVIEW

Catalyst Metals Limited (**Catalyst** or **the Company**) (**ASX: CYL**) has significant interests in two retention licences (RL's) and twelve exploration licences (EL's) over the Whitelaw Gold Belt - an area approximately 75 kilometres long, and 5-10 kilometres wide commencing immediately north of the outcropping Bendigo Goldfield, and positions around similar deep-crustal structures to the east and west (Figure 1). These licences total some 2,100 square kilometres in area (Figure 1).

The Whitelaw Belt is the structural zone thought to control the emplacement of the Bendigo gold deposits, and to extend in generally northerly direction in favourable Ordovician rocks beneath the covering veneer of younger Murray Basin sediments.

In particular, the Four Eagles and Tandarra gold projects (respectively about 55 kilometres and 40 kilometres north-northwest of Bendigo) contain gold discoveries similar in style to the historic Bendigo gold deposits (Figure 1). In addition to these gold discoveries, this belt and adjacent similar structures remain largely untested and highly prospective for the discovery of new gold deposits of Bendigo or Fosterville styles.

RESUMPTION OF DRILLING

The 2019/20 drilling programs on major projects commenced late in the December 2019 quarter, following completion of the annual grain harvest across the region. Sample processing had commenced by the end of the quarter.

FOUR EAGLES JOINT VENTURE (RL006422, EL5508, EL5295, EL006859) (CATALYST 50%)

Catalyst holds a 50% interest in the Four Eagles Gold Project with the other 50% held by Gold Exploration Victoria Pty Ltd (**GEV**) (a wholly-owned subsidiary of Hancock Prospecting Pty Ltd). Exploration is jointly funded by Catalyst and GEV and is managed by Catalyst.

Retention Licence (RL) 006422 flanked by the remaining EL's comprises the Four Eagles Gold Project and covers an envelope of gold mineralisation approximately 6 kilometres long and 2.5 kilometres wide. Three prospects have produced high grade gold mineralisation (Hayami, Boyd's Dam-Boyd North and Pickles) while another to the southwest (Cunneens) has recently revealed significant gold grades distributed along a 3 kilometre strike length (Figures 1 and 2).

Boyd's Dam Prospect

An initial 3-hole diamond drilling program (1,500m) was designed to investigate geological structure and stratigraphy below and adjacent to the Boyd's Dam-Boyd North gold-mineralised zone. Initial reverse circulation drilling (219 metres) assessed the practicability of testing deeper targets using the technique. Evaluation was continuing at quarter end.

Conceptual studies continued of various characteristics of the gold mineralisation and enclosing rocks.

TANDARRA JOINT VENTURE (RL006660 CATALYST 51%)

Catalyst (through its 100%-owned subsidiary Kite Operations Pty Ltd (**Kite**)) holds a 51% interest in the Tandarra Gold Project whilst Navarre Minerals Limited retains a 49% interest. Catalyst manages the joint venture with expenditures jointly funded by Catalyst and Navarre in their respective proportions.

Tomorrow Zone 2019 Diamond drilling

The results reported in October 2019 of six diamond drill holes totalling 3,615 metres taken in conjunction with previously reported intersections in reverse circulation drilling completed earlier in 2019 confirmed the existence of a parallel gold zone 30 to 50 metres beneath the Tomorrow Zone gold mineralisation (Figure 3). Gold mineralisation of variable grade occurs in quartz veins and masses within and around the margins of a fault-block of a sandstone unit dissected by reverse faulting, as shown in the cross section (Figure 4).

Best intersections returned from the diamond drilling program of the target zone were (based on confirmatory BLEG¹ assays):

- **7.0m @ 1.6g/t Au from 110m in DDT020,**
- **3.0m @ 8.6g/t Au from 118m in DDT023**

About 100 metres below the above mineralised zone, a deeper segment of the target sandstone (Figure 3), returned a narrow high grade intercept of **0.4m @ 238g/t Au from 180m in DDT020** potentially indicating an additional parallel mineralised zone.

More closely spaced RC and diamond drilling has been designed for 2019/20 to define the extent and continuity of mineralisation within this approximately 300-metre long zone of highly prospective, gold-mineralised geology in the depth interval 100-200 metres below surface, which remains open to both north and south.

¹ BLEG = Bulk Leach Extractible Gold – a more reliable assay technique based on analysis of a 1-2 kilogram sample for each assay interval

Tomorrow and Macnaughtan Gold-mineralised Zone: 2019/20 Air Core drilling

Air core drilling totalling 27 holes (3,235 metres) was completed providing an initial test of the southerly strike extension of the structural complex hosting Tomorrow-Macnaughtan gold-mineralised zones. Geological logging of drill samples reported significant zones of quartz veining and pyritic alteration in several holes.

GOLDEN CAMEL PROJECT (EL5449 AND EL5490 CATALYST EARNING 50.1% INTEREST)

Catalyst is funding exploration to earn a 50.1% interest in the Golden Camel tenements, located in the extreme south-east of the Company's project area (Figure 1). The project location south of the limit of Murray Basin sedimentary cover enables exploration to be continued through the winter season.

A program of reverse circulation drilling (20 holes, 1,770 metres) to follow up mineralisation identified in 2018, and to provide an initial test in vicinity of previously mined locations (Golden Camel, Toolleen) was completed during the quarter. Results were pending as at the end of the December 2019 Quarter

MACORNA BORE (EL5521 AND EL006894) AND BOORT (EL006670) PROJECTS (CATALYST 100% COMMENCING JOINT VENTURE)

Catalyst has agreed terms for joint venture arrangements to share expenditure on the above projects (Figure 1), with GEV. Catalyst will continue to manage exploration on the exploration licences.

The joint venture arrangement further strengthens relationships with GEV and its parent Hancock Prospecting Pty Ltd within the "designated area" agreed as an area of cooperation in the March 2015 Farm-In Agreement.

DRUMMARTIN (EL006507 CATALYST 100% COMMENCING JOINT VENTURE)

Catalyst has entered into an earn-in and joint venture agreement (EIJVA) over the Drummartin EL006507 (Figure 1) with ASX-listed gold producer and 13.5% shareholder in Catalyst, St Barbara Limited (St Barbara) (ASX: SBM). Under ASX Listing Rule 10.1 the EIJVA remains subject to shareholder approval at a General Meeting to be held on 21 February 2019.

Under the EIJVA, St Barbara will acquire a 50% participating interest in the Drummartin Project by funding exploration expenditure of \$3.5 million within 4 years of the commencement date. St Barbara will spend a minimum of \$1.0 million before it is entitled to withdraw from the project. St Barbara's contribution of expenditure on the large virtually unexplored area of the Drummartin Project will enable Catalyst to focus resources on its more advanced projects.

While participating interests remain at 50:50 St Barbara will have the right to appoint the manager of project operations. Catalyst will be the operator of field activities.

PROGRAM FOR MARCH 2020 QUARTER

Drilling will continue throughout the period at high intensity, involving air core, reverse circulation and diamond drilling programs mainly concentrated on Four Eagles and Tandarra projects. A seismic survey is planned to be undertaken at Four Eagles and a gravity survey at the Boort Project.

CORPORATE

In November 2019, Catalyst issued 3,500,000 fully paid ordinary shares to GEV for a total consideration of \$7,875,000. This increased GEV's holding in Catalyst to 14.8%.

The annual general meeting of the Company was held on 13 November 2019 with all resolutions being passed by shareholders.

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Corporate summary (at 31 December 2019)	
ASX trading code	CYL
Quoted shares	82,392,444
Quoted options	7,889,250
Unquoted options	1,000,000
Cash balance at end of quarter	\$21.7 million
Postal address	PO Box 778 Claremont, Western Australia 6910
Telephone	(+61 8) 6263 4423
Facsimile	(+61 8) 9284 5426
E-mail	admin@catalystmetals.com.au
Web-site	www.catalystmetals.com.au

Tenement directory

Project	Tenement number	Beneficial interest
Victoria		
Four Eagles	RL006422	50%
	EL5295	50%
	EL5508	50%
	EL006859	50%
Macorna Bore	EL5521	100% (farm-out of 50% to GEV)
	EL006894	100% (farm-out of 50% to GEV)
Boort	EL006670	100% (farm-out of 50% to GEV)
Tandarra	RL006660	51%
Raydarra East	EL5509	100%
Sebastian	EL5533	100%
Raydarra	EL5266	51% (earning in via farm-in agreement)
Drummartin	EL006507	100% (farm-out of 50% to St Barbara) ¹
Golden Camel	EL5490	50.1% (earning in via farm-in agreement)
	EL5449	50.1% (earning in via farm-in agreement)
¹ Subject to shareholder approval.		
No interests in mining tenements or farm-in or farm-out agreements were acquired or disposed of during the quarter.		

JORC Reporting of Historic Navarre Exploration Results

Although Catalyst was not involved in previous exploration at the Tandarra Gold Project, it has elected to update the information to comply with the JORC 2012 Code. The results had been publicly reported by Leviathan Resources Pty Ltd (ASX code LVR) (December 2004 to January 2007), Perseverance Corporation Limited (ASX code PSV) (January 2008 to March 2011) and Navarre Minerals Limited (ASX code NML) (March 2011 to September 2015) in numerous announcements during the stated periods under the JORC 2004 Code. Catalyst has limited knowledge on how the data was collected but has had to make assumptions based on the available historic data generated by these companies.

Full location data on the Tandarra drill holes and a Summary of Sampling Techniques and Reporting of Exploration Results according to the JORC Code 2012 Edition were included in the Company's ASX announcement dated 1 September 2014.

Competent person's statement

The information in this report that relates to exploration results is based on information compiled by Mr Bruce Kay, a Competent Person, who is a Fellow of the Australasian Institute of Mining and Metallurgy. Mr Kay is a non-executive director of the Company and has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the JORC Code). Mr Kay consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Much of the historical information relating to the Four Eagles project was prepared and first disclosed under the JORC Code 2004. This information has not been updated since to comply with the JORC Code 2012 on the basis that the information has not materially changed since it was reported.

Information relating to the Tandarra project was first disclosed by previous tenement holders under the JORC Code 2004. This information has been subsequently reported by the Company in accordance with the JORC Code 2012, refer to announcement dated 1 September 2014 and the quarterly activities report dated 31 July 2014.

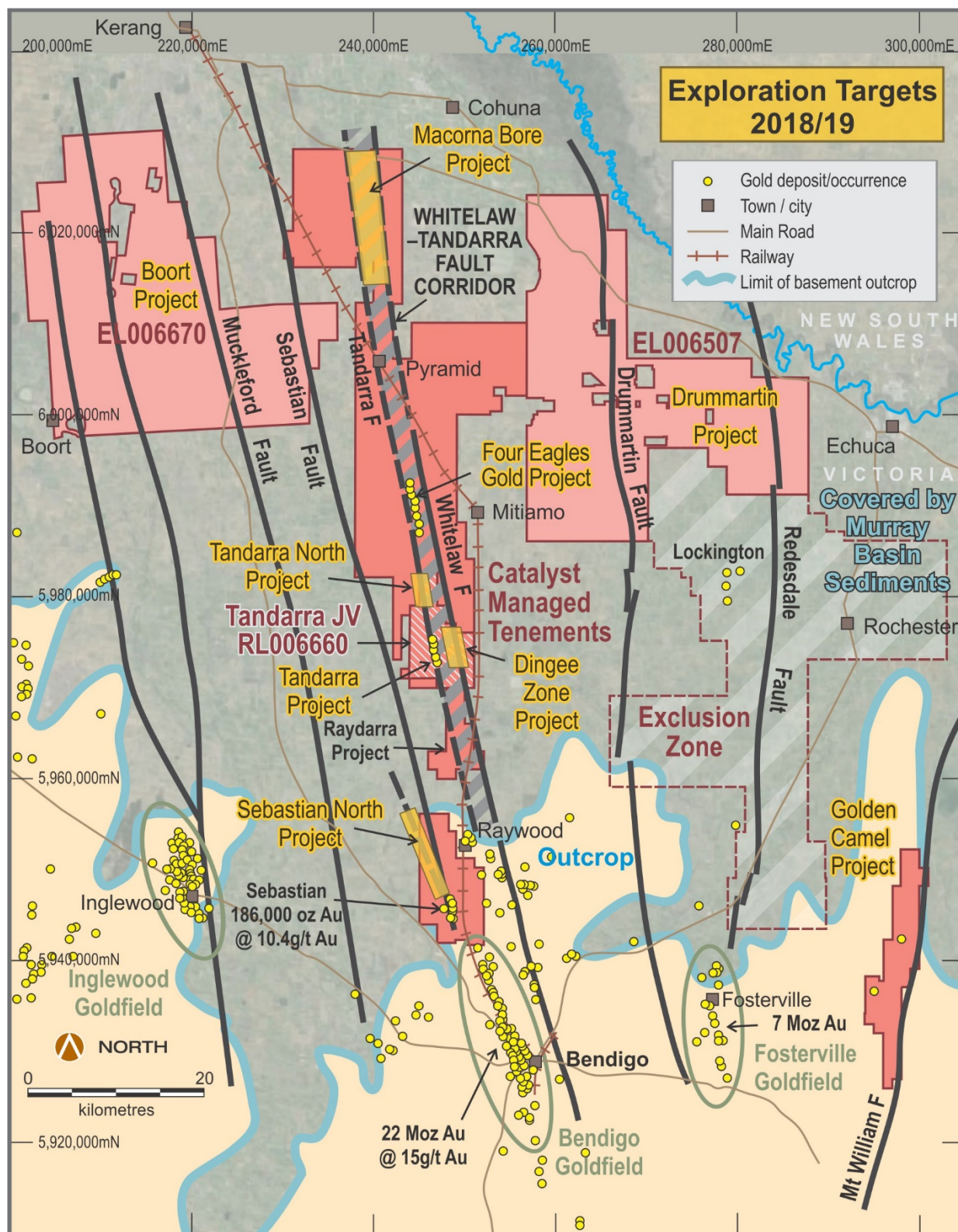


Figure 1: Whitelaw Gold Belt Tenement Holdings showing major Catalyst managed projects

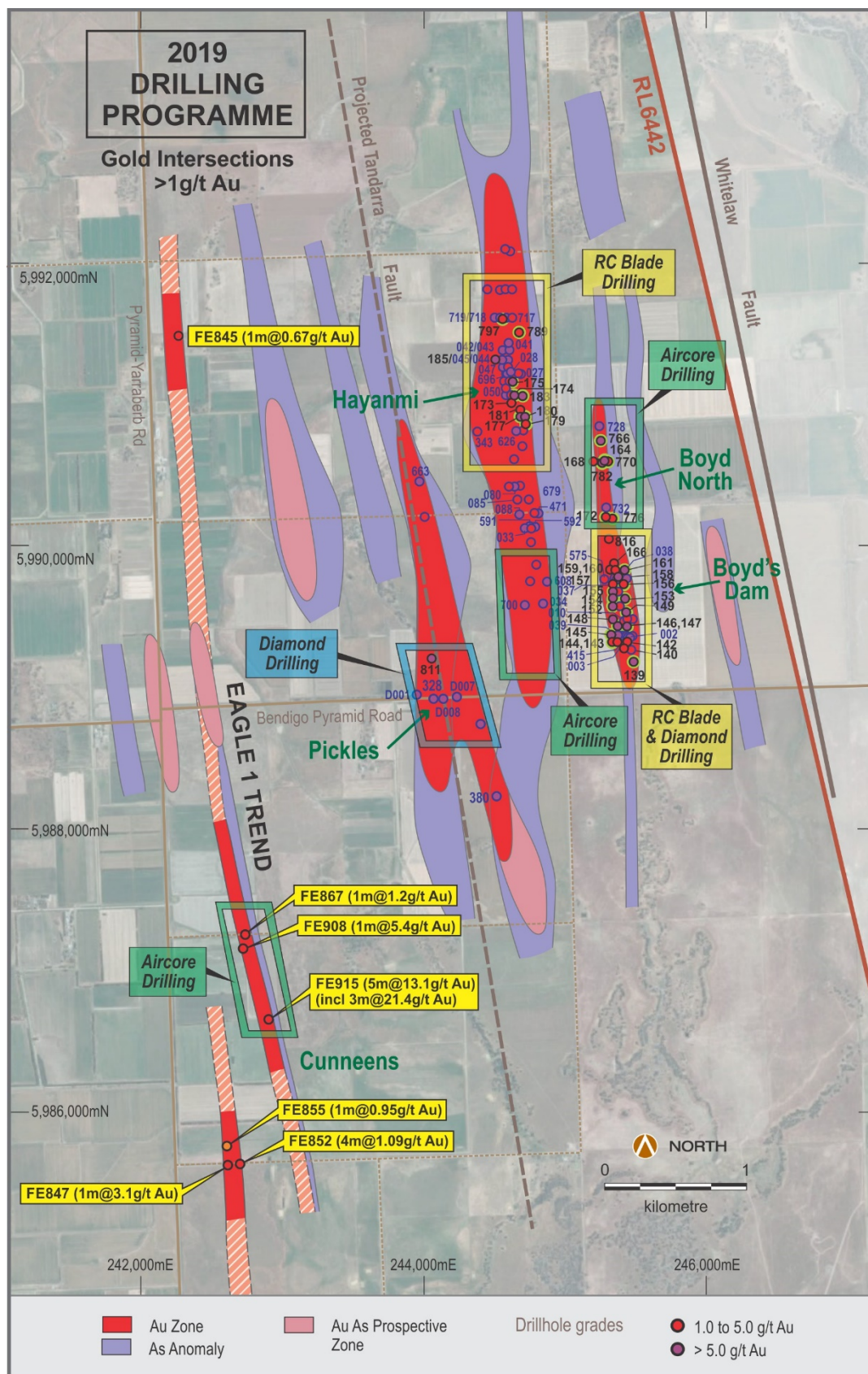


Figure 2: Four Eagles Gold Project showing location of gold trends and prospects.

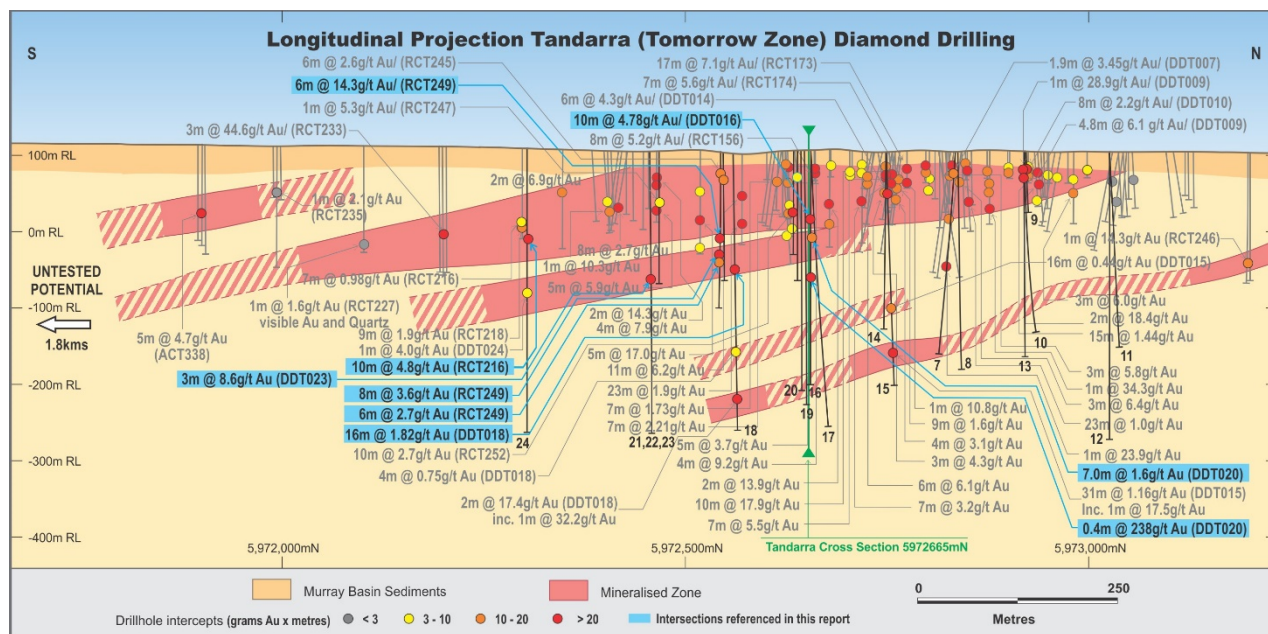


Figure 3: Longitudinal Projection Tomorrow Zone gold mineralisation showing recent diamond drill holes and intersections in parallel zone (highlighted in blue)

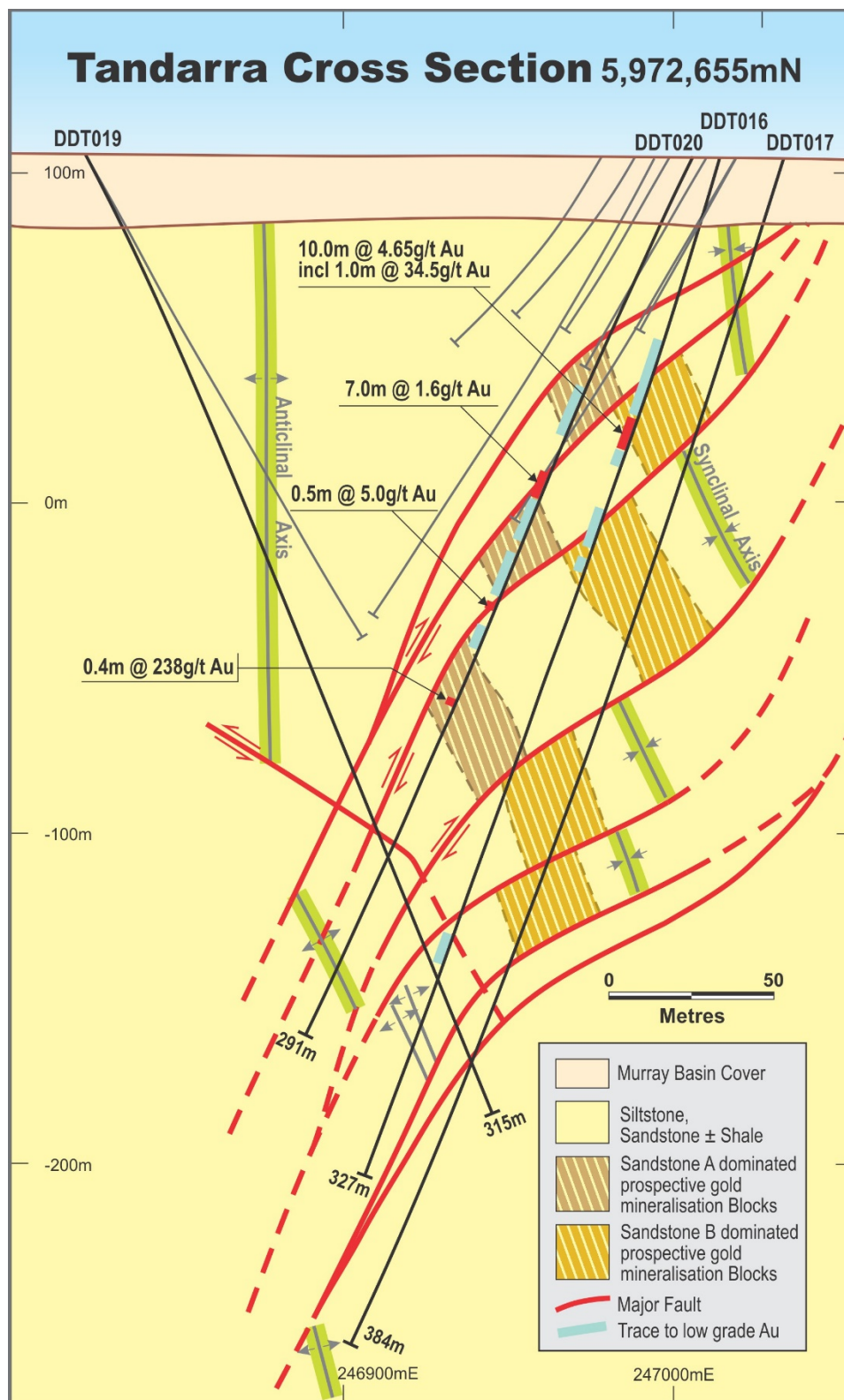


Figure 4: Schematic cross-section through the Tomorrow prospect showing potential “stacking” of gold mineralisation