



SILKFIELD HOLDINGS PTY LTD
ACN 139 185 443

ABN 54 118 912 495

Work Plan – Exploration Licence Application – Leaghur

The following initial Work Plan is proposed in support of this exploration licence application by Silkfield Holdings Pty Ltd a subsidiary of Catalyst Metals Ltd:

Literature Search

Catalyst has carried out a literature review of previous public information on this area and believes that it has potential for the discovery of gold deposits under the cover of Murray Basin sediments. The basis for this analysis was the interpretation of the regional gravity data generated as part of the Gold under Cover initiative of Geoscience Victoria which shows the position of two major structures, the Muckleford and an Unnamed Fault extending northward from the Inglewood Mine. Previous exploration by other Companies is limited to mineral sands exploration but it is believed that Ordovician rocks are present in the area concealed by Murray Basin sediments. Silkfield will review all available records of the Department of Economic Development, Jobs, Training and Resources (DEDJTR) from previous exploration licence holders that are on open file.

Inspection of Drill samples

There have been very few diamond drillholes completed in the area but the Company will examine any available drill samples. It is unlikely that samples are available from the previous aircore campaigns.

Geophysics

The GeoVic data applicable to this area will be further examined in more detail to utilise the existing magnetic and gravity data sets in understanding the regional surface and in particular the geology applying to the basement rocks. This will be important in delineating the major fault systems and will be used to define initial scout drilling targets.

As the area applied for is basically covered by transported soils, the use of geophysics to generate concealed targets would be examined in this light. In particular, gravity imaging is considered to be useful in assessing areas under cover for structures and for basement topography.

Database compilation

It is proposed to compile all historic data into an orderly database, so as to enable efficient field work to be planned and executed. Some of this data is in paper copy form and would need to be compiled in a digital database.

Soil sampling and geology

The deep Tertiary cover may render the use of soil sampling ineffective. Any previous geochemical sampling work will be reviewed and an assessment of its validity (given the depth of cover involved) will be made. Depending on predicted basement depth from geophysics and drilling, more soil sampling will be considered and may be proposed.

Geological Prospectivity

The area under application is considered to be prospective principally for gold, particularly in association with the regional Muckleford and Inglewood/Tarnagulla Fault Systems which may control gold mineralisation at Ballarat, Creswick, Maldon, Inglewood and Tarnagulla. Basement rocks are considered to be the same age as at Bendigo and Fosterville.

Aircore, Diamond and Reverse Circulation (RC) Drilling

In the first instance, aircore drilling – likely on a scouting basis - would be proposed. This form of drilling – which has depth and hard rock limitations – has nonetheless been shown to be a very effective method of gaining valuable basement data and defining any gold anomalous areas.

Drilling is proposed to test structural trends along strike to the west of the Muckleford Fault, as interpreted from the regional gravity survey. It is possible that gravity interpretation may also delineate other fault structures that may control mineralisation. Following the target generation stage, a further Work Plan would be lodged. This will include more details as to work practices and rehabilitation.

The challenges associated with assessing coarse gold will continue to be examined utilising knowledge previously gained in central Victoria.

Following the initial aircore drilling, further drilling (likely more aircore, and ultimately leading to reverse circulation and diamond drilling) would be planned. This of course would be guided by the results obtained.

Alluvial gold is a less attractive target in these deeper basement areas but would be also tested by drilling for bedrock mineralisation.

It may be expected that any initial drilling program would be conducted along roadside verges, where extensive clearing of native vegetation has already occurred. Liaison with the Councils would occur and Road Operating Permits sought in the usual manner. Should access to private land be sought, agreements with landowners would first be secured.

Rehabilitation

Field activity is considered to be very benign. As the area is flat and access is excellent, no track cutting or road forming is required. Soil surveys or geophysical surveys involve basically no impact.

Drilling has a higher impact, but is short term with a very small footprint. Rehabilitation of drill sites occurs immediately after drilling and is monitored thereafter. Catalyst has drilled many hundreds of drill holes on the Whitelaw Gold Belt to the east (Four Eagles and Tandarra Gold Projects) with minimal impact on grain crop areas. Drilling activity tends to be undertaken in the fallow period between January and May.

Equipment

The equipment used (which is mainly contractors' gear) is engaged for the duration of each portion of the drilling program and is removed at the end of each program.

Expenditure

Year One

- Site (field) examination and survey
- Literature search of geological data.
- Database compilation
- Geophysical interpretation for structural targeting
- Ground gravity survey to estimate depth to basement
- Landowner and Council liaison and engagement as appropriate
- Securing of access for programs
- Scout soil sampling program
- Reporting of results
- Design initial (scout) aircore drilling program
- Potential commencement of scout drilling – depending on timing.

The sum of \$90,000 is budgeted for this work. This is less than the required commitment but reflects the lack of previous information for drill targeting.

Year Two

- Further ground gravity surveying
- Review further geophysical data
- Conduct reconnaissance aircore drilling
- Obtain assay data
- Interpretation and Reporting of results
- Design follow up drill program

The sum of \$100,000 is budgeted for Year Two work reflecting the immature stage of the exploration.

After two years 25% of the ground must be dropped in accordance with the Regulations. Work to date would assist in guiding such relinquishment.

Years Three to Five

- Follow up aircore drilling
- RC drilling and potential diamond drilling, as required
- Assay and reporting
- Assessment of merit for bulk sampling.

The aim is to move towards a mineralisation statement, but the difficulty in exploration beneath Murray Basin sediments and the likely presence of nuggetty gold would make such a task difficult.

In each later year, a sum of about \$100,000 would be budgeted, based on a smaller area after relinquishments. This would be subject to the critical appraisal of the technical merit of the work and results achieved to date.

Occupational Health & Safety

The applicants place a high priority on maintaining a safe and healthy work place. There is a policy and procedures manual in place and an insistence on safe operations at the workplaces, with full involvement of and consideration for all involved.

The applicants' intention is for a safe and healthy workplace, with each participant returning home safely every night.

Environment

The partners apply a minimal impact policy to all work and rehabilitate drill sites back to original contour and condition and in accordance with the Code.

Community Engagement

Community engagement is considered to be a critical part of our activities – to engage local landowners and communities in an open and transparent and positive manner, so as to enrol them into a vision of mutual beneficial outcomes.

This is done by personal (face to face) contact at regular intervals with the landowners. The landowners are farmers with typically broad acre holdings. (The regional experience to date by Catalyst with the district landowners at Mitiamo has been favourable.) Catalyst has developed a Community Engagement protocol which will be used to guide the exploration programme. A copy of this policy is attached.

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