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Work Plan – Exploration Licence Application – Mologa EL006859

The following initial Work Plan is proposed in support of this exploration licence application by Kite Gold Pty Ltd (a subsidiary of Catalyst Metals Ltd) and Gold Exploration Victoria Pty Ltd (a subsidiary of Hancock Prospecting):

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 publication of the regional gravity survey as part of the Gold under Cover initiative of EcoDev which showed the interpreted position of the Whitelaw Fault. Previous exploration by Catalyst and Providence Gold and Minerals indicates that prospective Ordovician rocks are present in the area but are concealed by Murray Basin sediments. Kite Gold will review all available records of the Department of Economic Development, Jobs, Training and Resources (EcoDev) from previous exploration licence holders that are on open file. This would include the relinquished ELs EL1083 (Rio Tinto), EL3989 (Homestake), EL4766 (Wedderburn Mining), and EL5331 (Renaissance Mining).

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 previous air core 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 particularly the geology applying to the basement rocks. This will be important in delineating the major fault systems which 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 will render the use of soil sampling ineffective. Any previous geochemical sampling work will be reviewed and assessed for 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 Whitelaw Fault which is reasoned to control the gold mineralisation at Bendigo about 70

kms to the south. Basement rocks are expected to include Ordovician turbidites (as is found at Bendigo) with possibly benefits as the aureole around a Devonian granite intrusion to the east. The presence of a granite intrusive provides encouragement through comparisons with the Maldon and Castlemaine goldfields. Should exploration under this application area successfully identify elevated mineralisation due to granite-related remobilisation, the concept will find many new areas of application within Victoria. Further, it is anticipated that the paleotopography may form a high in the contact zone and thus a thinner veneer of alluvial cover.

Development Synergies
As owners of the adjacent retention licence RL006422, Catalyst Metals and GEV are prime candidates to discover best realise any mineral value discovered in the sought tenement. Catalyst Metals has successfully identified and developed Bendigo-style mineralisation at Four Eagles with a resource inventory now in hand; and is in the process of scoping the development of a gold operation within the next 10 years. This local expertise will be available to apply to exploration at the sought Mologa tenement; and any resources development in this new tenement will benefit from the infrastructure controlled by Catalyst at Four Eagles. Catalyst Metals are best positioned to realise any mineral endowment at Mologa.

Air Core, Diamond and Reverse Circulation (RC) Drilling
In the first instance, air core 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 east of the Whitelaw Fault as well as the Whitelaw Fault itself, 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 air core drilling, further drilling (likely more air core, and ultimately leading to reverse circulation and possibly diamond drilling) would be planned. This of course would be guided by the results obtained from air core drilling.

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 relevant Councils would occur and Road Opening Permits sought in the usual manner. Should access to private land be sought, agreements with landowners would first be secured.

Rehabilitation
Field activity as recently performed by Catalyst Metals has been demonstrated to be very benign. As the area is flat and access is excellent, with no cutting of tracks nor road forming 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 west (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 upon instances of outcrop/subcrop
- Reporting of results
- Design initial (scout) air core drilling program
- Potential commencement of scout drilling – depending on timing.

The sum of $25,000 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 air core drilling
- Obtain assay data
- Interpretation and Reporting of results
- Design follow up drill program

The sum of $30,000 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 air core 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 $80,000 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.)

Paul Quigley
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