



## ASX Release

24 October 2006

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Company Announcements Office  
Australian Stock Exchange Limited  
4<sup>th</sup> Floor  
20 Bridge Street  
SYDNEY NSW 2000

Dear Sir/Madam

### **QUARTERLY REPORT FOR THE PERIOD ENDED 30 September 2006**

#### **HIGHLIGHTS**

- Catalyst Metals listed on ASX on 26 July 2006 after raising \$3.2 million. This capital raising was significantly oversubscribed.
- Channel sampling at Minnie Springs confirmed wide widths of outcropping molybdenum ("Mo") mineralisation with best results of 20 metres @ 1227 ppm (0.12%) and 5 metres @ 773 ppm (0.07%). Based on current Mo prices of \$US26/lb these sample results are equivalent to gold ("Au") grades of around 3.9 g/t and 2.5 g/t respectively and confirm the bulk tonnage potential (from surface) at Minnie Springs.
- A 20 hole reverse circulation drilling programme to test approximately 500 metres of the Minnie Springs Mo discovery to depths of around 100 metres scheduled to commence 31 October 2006.
- Prospectus lodged for 1 for 2 non-renounceable entitlements issue of options with an issue price of \$0.01 each, an exercise price of \$0.20 and an expiry date of 31 December 2008.

## Overview

Catalyst Metals (ASX Code CYL) is focused on the exploration of the Minnie Creek project area which contains the Minnie Springs Mo discovery, and is located 242 kilometres northeast of Carnarvon in Western Australia.

Since listing on ASX on 26 July 2006 Catalyst has completed a range of field activities at Minnie Creek including:

- Channel sampling over the Minnie Springs Mo discovery (results released to ASX on 19 October 2006)
- General reconnaissance and soil and rock chip sampling within Minnie Creek project area (details released to ASX on 20 September 2006, assay results awaited).
- Rock chip and soil sampling over induced polarisation ("IP") geophysical anomalies within the Minnie Springs discovery trend (results awaited)
- Soil and rock chip grid sampling over targeted areas distal to Minnie Springs but within same structural corridor (results awaited)

A drilling contractor has been engaged and a 20 hole reverse circulation drilling programme is scheduled to commence on 31 October at Minnie Springs.

## Summary of Exploration Activities

### Channel Sampling

A channel sampling programme was completed over a 75 metre section of mineralised outcrop, located approximately 130 metres north-west of the Minnie Springs discovery hole MRC 6.

The channel sampling confirmed the wide widths of Mo mineralisation at Minnie Springs and in particular the potential for higher grades within the broad mineralised envelope.

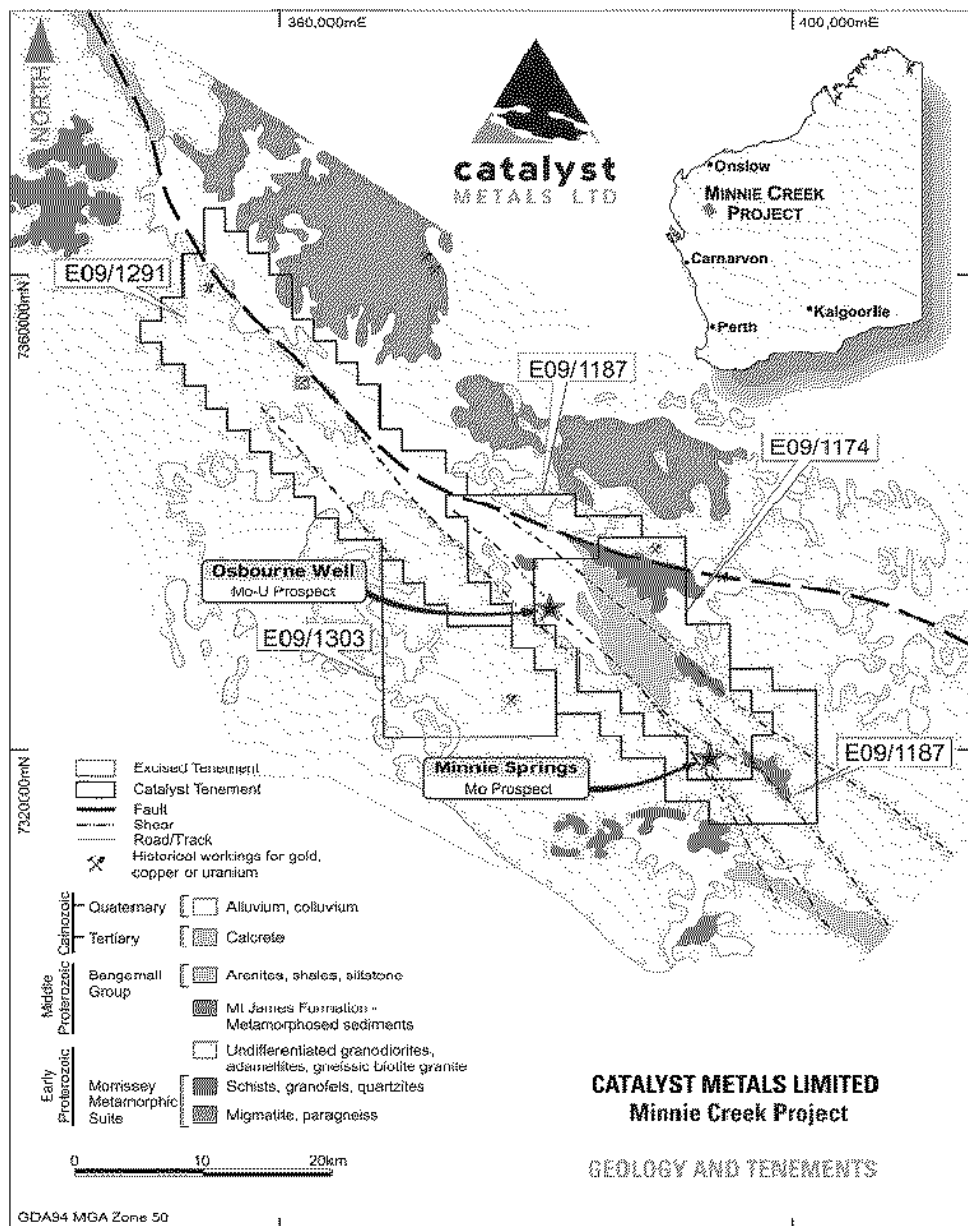
The better results included:

Channel Interval	Surface Width	Mo (XRF)	
		Mo (%)	Mo (ppm)
25 – 30 metres	5 metres	0.08 %	773 ppm
50 – 70 metres	20 metres	0.12 %	1227 ppm

Please Note: 500ppm = 0.05%

Based on current Mo prices of \$US26/lb these sample results are equivalent to gold ("Au") grades of 20 metres @ 5.9 g/t and 5 metres @ 3.8 g/t respectively and confirm the bulk tonnage potential (from surface) at Minnie Springs.

The tenor of these grades are significant as it is expected that, if a deposit of molybdenum is located at Minnie Springs, the economic cut-off is likely to be around 500 ppm (0.05%) or less. Grades of over 0.10% over widths of 20 metres, as identified in the channel sampling, will significantly enhance the economics of any deposit outlined.



Location map showing geology and main areas of activity including the Minnie Springs prospect within a 60 km structural corridor striking through Catalyst's tenements.

## **General Reconnaissance and Soil and Rock Chip Sampling**

This sampling programme tested a number of magnetic anomalies which lie within the main structural corridor at Minnie Creek. Four zones of gossanous outcrop were discovered and results are expected shortly.

The details regarding the areas sampled were contained in our ASX release dated 20 September 2006.

This programme is part of the broad regional exploration of the Minnie Creek project area. At this stage the focus is upon the potential for both additional molybdenite zones as well as potential multi-element (copper, gold, uranium) discoveries which lie within a broad north-west trending structural shear bisecting Minnie Creek.

## **Rock chip and soil sampling over induced polarisation ("IP") geophysical anomalies**

The Minnie Springs discovery trend shows an extensive elongate induced polarisation geophysical anomaly which is strike parallel, and, based in the limited historical drilling, appears to be related to sulphide mineralisation.

A limited programme of rock chip and soil sampling over the zones of highest anomaly has been carried out to test for a suite of mineralisation, including molybdenum, copper and gold. The assay results of these samples are pending.

## **Soil grid sampling over targeted areas distal to Minnie Springs**

To explore for possible mineralisation along strike of the Minnie Springs trend a soil sampling programme has been completed over four separate grids.

A total of 243 samples were collected over 22.3 line kilometres and approximately 9 km of strike were tested.

Assay results are pending also.

## **Drilling Programme**

A reverse circulation drilling programme over the Minnie Springs molybdenum discovery is scheduled to commence on 31 October 2006.

This programme, which will comprise around 20 holes for 2,000 - 2,500 metres has been designed to test the grade, vertical and lateral continuity of the molybdenum mineralisation over a strike length of about 500 metres and a depth of 100 metres.



In addition, a number of holes will be sited over the induced polarisation geophysical anomalies to test the relationship between the anomaly and the amount of molybdenum sulphide, extending over an additional 500m of strike.

The drilling programme is expected to take 2-3 weeks and results should be available in mid December.

### **Corporate**

As at the completion of the September quarter the Company's cash balance was \$2,945,000

### **Howard Dawson Chairman**

For further information on the company visit [www.catalystmetals.com](http://www.catalystmetals.com)

Please direct enquiries to:

**Mark Thompson – Exploration Director**

Phone +61 8 9415 1714

Mob 0424 043 380

*Information in this report has been reviewed by a Competent Person as defined in the JORC Code, being Mr Howard Dawson B.App.Sc SFINSIA AIG, who has sufficient experience in mineral resource estimation relevant to the style of mineralisation and type of deposit under consideration and to the activity to which he is undertaking, and consents to the inclusion in the public release of the matters based on their information in the form and context in which it appears.*

*The quoted Mo price is for Molybdenum Trioxide which is approximately 60% Mo.*

**ENDS**