ASX ANNOUNCEMENT **29 JULY 2015**

HIGH-GRADE GOLD MINERALISATION INTERSECTED IN RECONNAISSANCE DRILLING AT TANDARRA GOLD PROJECT

- **New zone of high-grade gold mineralisation intersected at Tandarra Gold Project**
- **Reconnaissance air core drilling intersects 2 metres @ 33.1 g/t Au, seven kilometres north of Tomorrow Gold Zone**
- **Elevated arsenic geochemistry near Whitelaw Fault also enhances prospectivity of Dingee Zone**

Catalyst Metals Limited (**Catalyst** or the **Company**) (**ASX: CYL**) has intersected high-grade gold mineralisation in its first reconnaissance air core programme at the northern end of the Tandarra Gold Project on exploration licence EL4897. Drill Hole ACT221 intersected **2 metres @ 33.1 grams per tonne of gold** from 129 metres downhole on Upton's Road where the depth to basement ranges from 56 metres to 123 metres below recent Murray Basin sediments.

Catalyst is earning a 51% interest in the Tandarra Gold Project from Navarre Minerals Limited (Navarre; ASX: NML) by spending $3 million over a four year period. The Tandarra Gold Project is part of the Whitelaw Gold Belt where Catalyst controls tenements over a 75 kilometre strike length north of the historic 22 million ounce Bendigo Goldfield in Victoria (Figure 1).

TANDARRA GOLD PROJECT RECONNAISSANCE AIRCORE DRILLING PROGRAMME

The Company's first reconnaissance air core drilling programme at the Tandarra Gold Project follows a comprehensive review of past exploration activity and was designed to gain initial information on basement depth and geochemistry in areas that had received very little previous exploration. Thirty one (31) holes were completed on three drill traverses along Upton's Road, Kennedy's Road and Settlement Road for a total metreage of 3,853 metres (Figure 2a, Figure 2b).

Two significant zones of mineralisation were recorded on **Upton's Road** around 500 metres apart. The gold zones in these two holes are associated with a quartz-bearing clay-rich zone with elevated iron concentrations, particularly in Hole ACT221:

- **2.0m @ 33.1g/t Au including 1.0 m @ 65.6g/t Au from 129 metres (ACT221)**
- **5.0m @ 0.53g/t Au from 78 metres (ACT202)**

These intersections are situated around seven (7) kilometres north on strike of the main zone of high grade gold mineralisation at the Tomorrow Prospect and seven (7) kilometres south of the Four Eagles Gold Project and are probably related to the Tandarra Fault. This Tandarra Fault Zone is virtually untested over the 14 kilometre zone to the north and south of this intersection and will require considerably more air core drilling.

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Consecutive one metre samples taken from ACT 221 and ACT 202 have been assayed using a total cyanide leach method on a two kilogram sample after encouraging initial assays were received using an aqua regia digest and ICP-MS on small 25-gram samples. Multi-element data has also been obtained for all basement samples with arsenic anomalism (As) being the most useful element to help determine proximity to a gold bearing structure.

This arsenic data was particularly useful for the Settlement Road programme where six air core holes were drilled to test a possible structure close to the interpreted position of the Whitelaw Fault. No significant gold values were obtained but anomalous arsenic values up to 200ppm As in hole ACT 223 and ACT 224 occurring with extensive zones of quartz veining suggests that gold mineralisation could be present somewhere along this structure. Previous air core holes to the south drilled by Navarre contained gold values **(2.0 metres @ 1.83g/t Au from 61 metres in ACT045 and 1.0 metre @ 2.97g/t Au from 32 metres in ACT046).** Basement depth in this area ranged from 40 to 58 metres below recent cover.

Full locational data on the 31 air core holes drilled in the Company's initial programme is shown on Table 1 and a Summary of Sampling Techniques and Reporting of Exploration Results according to the JORC Code 2012 Edition are tabulated in Appendix 1.

Mr Bruce Kay, Catalyst's Technical Director, stated, "The discovery of high-grade gold in a widely spaced scouting programme is always a bonus and in this case shows the prospectivity of the major concealed fault structures located between Tandarra and Four Eagles".

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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.

Figure 2a and Figure 2b contain exploration results acquired from previous tenement holders which had carried out exploration activities on the Tandarra project area. The results were 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 (ASX code NML) (March 2011 to current) in numerous announcements during the stated periods under the JORC 2004 Code. 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. 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.

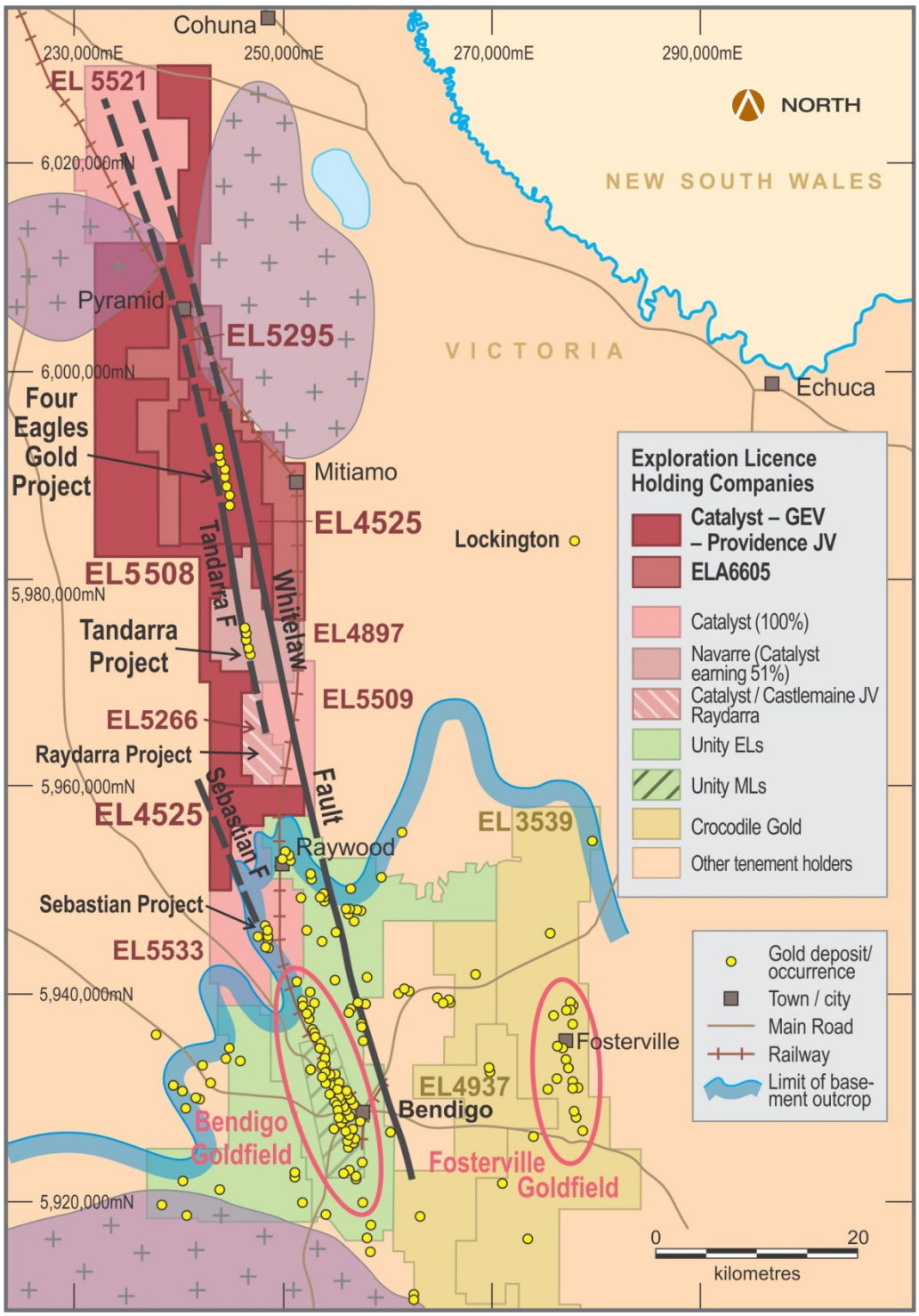

Figure 1: Tandarra Gold Project Location Map

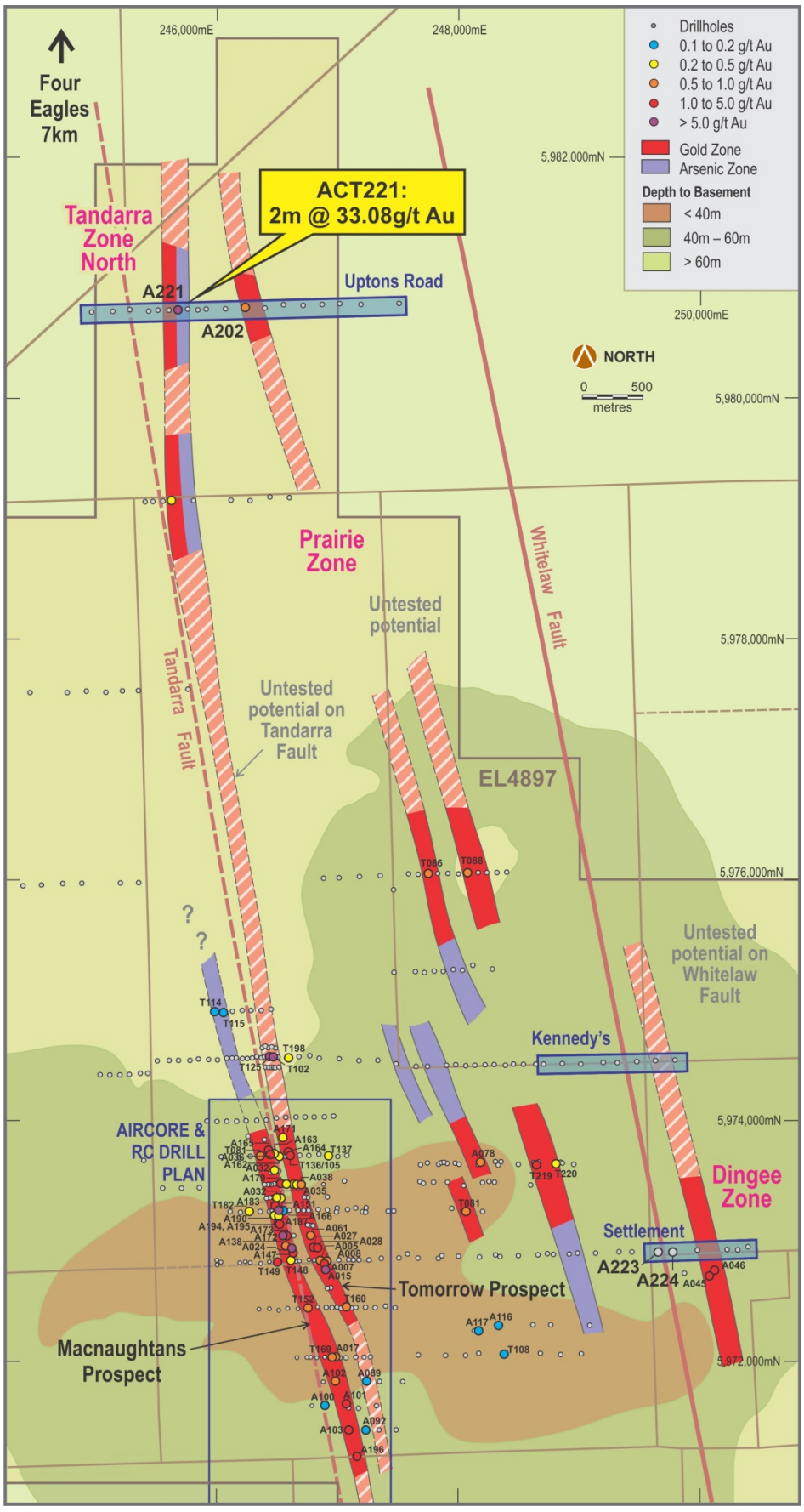

Figure 2a: Tandarra Gold Project showing interpreted gold zones and aircore drilling

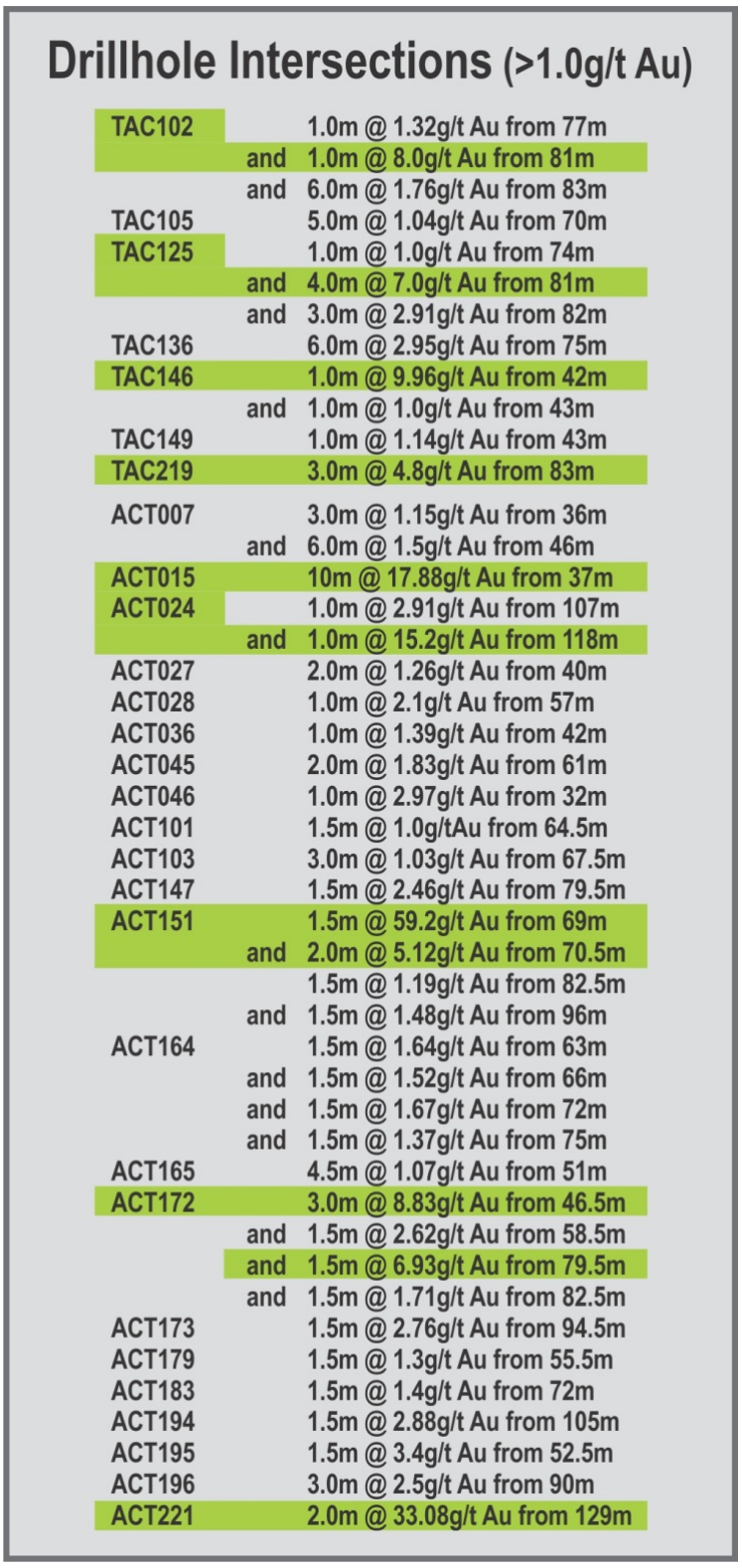

Figure 2b: Tandarra Gold Project showing intersections for Figure 2a

APPENDIX 1

Table 1 Drillhole Collars

Hole	East (MGA)	North (MGA)	RL (AHD)	Depth (m)	Grid Azimuth	Declination
ACT197	245429	5980741	198	129	0	-90
ACT198	245592	5980744	198	149	0	-90
ACT199	245752	5980752	198	157	0	-90
ACT200	245909	5980754	198	150	0	-90
ACT201	246068	5980759	198	141	0	-90
ACT202	246232	5980763	198	139	0	-90
ACT203	246392	5980764	198	126	0	-90
ACT204	246549	5980788	198	141	0	-90
ACT205	246708	5980789	198	120	0	-90
ACT206	246869	5980794	198	130	0	-90
ACT207	247013	5980802	198	51	0	-90
ACT208	247190	5980792	198	123	0	-90
ACT209	247510	5980800	198	99	0	-90
ACT210	245125	5980733	198	135	0	-90
ACT211	244954	5980730	198	138	0	-90
ACT212	245268	5980751	198	135	0	-90
ACT213	249801	5974511	198	141	0	-90
ACT214	249640	5974505	198	139	0	-90
ACT215	249480	5974490	198	138	0	-90
ACT216	249317	5974483	198	133	0	-90
ACT217	249017	5974472.0	198	141	0	-90
ACT218	248710	5974469.0	198	108	0	-90
ACT219	249207	5974482.0	198	93	0	-90
ACT220	245509	5980742.0	198	132	0	-90
ACT221	245669	5980747.0	198	141	0	-90
ACT222	245831	5980751.0	198	126	0	-90
ACT223	249662	5972912.0	198	99	0	-90
ACT224	249786	5972917.0	198	87	0	-90
ACT225	249983	5972923.0	198	123	0	-90
ACT226	250236	5972929.0	198	96	0	-90
ACT227	250320	5972932.0	198	93	0	-90

Samples of approximately 20 kilograms were collected from the rig cyclone at one-metre intervals and logged. Assay samples were composited according to a hand-grab procedure from the bulk bags. All samples were sent to ALS-Minerals Adelaide for sample preparation and pulverisation and then a 25 gram sub-sample analysed by ALS-Minerals Perth by ICP-MS via aqua regia digestion.

Duplicate samples were taken at regular intervals and sent for analysis, as were commercial certified reference materials (CRMs). The duplicate sample pairs demonstrated an observable correlation for gold, providing confidence in the on-site sample collection-compositing method. However it is noted that due to the generally low grades encountered in this program, most of the duplicate data only provides comparison at close-to-detection levels. The laboratory returned gold assays for CRMs slightly above, slightly below, and on-spec. However, most of this data suggests that the laboratory was on-spec or biased low, implying that generally the reported assays have potential to be slightly conservative.

In the cases of ACT202 and ACT221, the prepared sample pulps corresponding with anomalous zones were re-assayed by bulk leach (2kg bottle roll) method to investigate repeatability of a larger aliquot. The anomalous zones repeated as follows:

- ACT202:
  - ICP-MS: 81m – 84m; 3m @ 0.53 g/t Au
  - Bulk Leach: 78m – 83m; 5m @ 0.53 g/t Au

- ACT221:
  - ICP-MS: 129m – 132m; 3m @ 1.61 g/t Au
  - Bulk Leach: 129m – 131m; 2m @ 33.08 g/t Au

Due to the limited depth of investigation and vertical orientation of drillholes, this air core drilling program does not define the dip of the mineralisation in a cross-sectional sense; and thus true thicknesses are not determined; and reporting is limited to downhole (vertical) intersections.

Table 2 Drill Assay Results

Hole ID	From (m)	To (m)	Intersection (m)	Au (ppm)
ACT202	78	83	5	0.53
ACT221	129	131	2	33.08

JORC 2012 Edition, Table 1 Checklist

Sampling Techniques and Data **Criteria**	**Explanation**
Sampling techniques	• Samples collected at cyclone at one-metre intervals. • Cover sequence samples collected in buckets and arranged as piles on the ground; basement material samples collected in individual numbered plastic bags; chip trays collected by hand from piles and bags (uncomposited). • Assay laboratory samples collected by hand from bags (no routine cover sequence sampling) into calico sample bags to a mass of <3kg (composited to three-metre intervals corresponding with drill rods). • Cover sequence is understood to be unmineralised and thus not sampled for assay laboratory submission.
Drilling techniques	• Three-inch diameter air core blade drill bit; three-metre reverse circulation drill rods; truck-mounted drill rig; 350psi 850cfm compressor. • All holes uncased. • Penetration into basement generally to 140m depth, depth of groundwater contamination, or bit refusal against quartz – whichever was the first to occur.
Drill sample recovery	• Where sample volumes at cyclone are unduly affected by groundwater, holes terminated where sample was deemed to be compromised (by inspection). • Sample water content assessed by rig geologist as being dry/wet • Calico bag masses recorded by laboratory contractor. • Geological control maintained at the drill site at all times, to ensure drilling and sampling standards maintained. • Samples in and around mineralisation from ACT202 were dry and generally with good sample recovery – in the order of 3-4kg submitted per three-metre interval originally and in excess of 1.5kg per one-metre interval used for bulk leach analysis. • Samples in and around mineralisation from ACT221 were wet, though generally with good sample recovery – in the order of 2-3kg submitted per three-metre interval and 2.0kg per one-metre interval used for bulk leach analysis.
Logging	• Chip samples geologically logged at three-metre intervals for lithology, alteration, quartz veining and to a standard acceptable for subsequent interpretation for use in estimation. • Logging aspects are qualitative with exception of quartz vein content which is estimated semi-quantitatively. • All logged intervals represent entire three-metre sample segregation intervals.

Sampling Techniques and Data **Criteria**	**Explanation**
Sub-sampling techniques and sample preparation	• Samples selected (composited) by hand-grab at drill site when materials were dry, moist, or wet; duplicate samples taken approximately every 30 samples (one per drillhole). • Samples dispatched to Australian Laboratory Services Pty Ltd (ALS) in Adelaide; samples dried and pulverised in entirety, with 25g aliquot split for analysis (laboratory repeat splits historically demonstrate acceptable reproducibility and hence accuracy for the preparation for this mineralisation). • Analysis of duplicate samples collected at the drill site provided acceptable confidence that sampling was appropriate for the level for the intended (non-resource estimation) use of the assay data.
Quality of assay data and laboratory tests	• Gold assay determined by ICP-MS via aqua regia digestion. Experience has shown this method to be applicable for fine grained gold population of the mineralisation due to the completion of digestion. There is a technical constraint in that coarse-grained gold may not completely enter solution resulting in conservative assay. • The anomalous gold values for ACT202 and ACT221 were obtained from this method, and ~2kg resamples of the original one-metre drilled samples were riffle-split and submitted to ALS for bulk leach analysis (Au-AA15). • Client-supplied certified reference materials (3 x standards plus blanks) generally demonstrate on-par or biased-low assays produced by ICP-MS analysis.
Verification of sampling and assaying	• Data management procedures are under development. Data management has been performed by an experienced individual and not by several individuals. • There has been no verification of significant intersections by independent or alternative company personnel. • There has been no drillhole twinning to verify results. • Drillhole sampling and geological data logged onto paper in preparation for database data entry. • There have been no adjustments to data as provided by the commercial assay laboratory.
Location of data points	• Drillhole collars surveyed by 12-channel GPS to MGA94 and AHD assumed from generalised data in the locality. • Collar locations to within an estimated lateral precision of 5m. • No drillholes were downhole surveyed. Drilling orientation established prior to collaring with clinometer.

Sampling Techniques and Data **Criteria**	**Explanation**
Data spacing and distribution	• Holes drilled as three traverses along roadside easements, providing scouting coverage of 1,500m along the anticipated strike of mineralisation. • Traverses consist of holes spaced at nominal 320m with frequent infill holes at 160m spacing where mineralisation was perceived. • This spacing is not of sufficient density to allow the estimation of a mineral resource. • One-metre samples were composited to three-metre samples for the purpose of initial submission to the laboratory. Where anomalism was encountered, resamples of one-metre residual drill sample were submitted for bulk leach analysis. For the purpose of reporting, assays have been aggregated to reflect continuously sampled zones of significant anomalism for gold.
Orientation of data in relation to geological structure	• Drillhole traverses were aligned normal to the anticipated strike of mineralisation. All holes inclined 90 degrees to provide maximum depth penetration and safety/ease of drilling along roadsides.
Sample security	• All samples were controlled by the responsible geologist, and stored in secured facility prior to despatch to laboratory. • Samples were couriered to ALS Adelaide by Toll Ipec – a reputable transport-logistics specialist with freight security protocols. • Sample number receipt information from laboratory cross-referenced and rationalised against sample number dispatch information.
Audits or reviews	• No processes or data used in developing the release of exploration results have been subject to audit or review by non-company personnel or contractors so as to reduce costs and timelines for reporting. Catalyst Metals Limited currently reserve this process for release of Mineral Resource and Ore Reserve estimates.

Reporting of Exploration Results **Criteria**	**Explanation**
Mineral tenement and land tenure status	• Tandarra Project is within EL4897 in the vicinity of Dingee Victoria, is registered to Navarre Minerals Limited and managed by Catalyst Metals Limited, with activities and expenditures managed within an earn-in agreement. • EL4897 is valid and will require an application for a retention licence in December 2015. • Exploration activities were confined to roadside easements.
Exploration done by other parties	• Nil

Reporting of Exploration Results **Criteria**	**Explanation**
Geology	• Gold-arsenic bearing narrow veins in Ordovician sandstone in the vicinity of a regional-scale anticline(s). • Deposit assessed as being within the northern extension of Bendigo Goldfield, with potential for post-mineralisation influence/redistribution by proximal granitic intrusion. • Potential for some supergene gold enrichment in paleo-weathering profile.
Drill hole Information	• All information material to the understanding of the exploration results of all last-phase drill holes are tabulated: • Appendix 1, Table 1: Collar location coordinates, downhole depths, azimuths, declinations • Appendix 1, Table 2: Downhole intervals of significance, gold grade of intervals
Data aggregation methods	• Data aggregation using downhole length-weighting. • No top-cutting applied to assay data. • Zones of significance identified as those with assays in excess of 0.5g/t. • Reported zones are continuous, with no sample or assay gaps.
Relationship between mineralisation widths and intercept lengths	• The strike of mineralisation is demonstrated to be generally north-south and sub-parallel with grid. • The dip of mineralisation is expected to be steeply-dipping and sub-parallel with bedding as was the case in the Bendigo Goldfield. • Drillholes were vertically to provide for maximum basement penetration and deemed least-risk in the absence of mineralisation dip information – as appropriate in scout drilling. • Due to the shallow depth of investigation, mineralisation dip assumptions have not been proven, and as such true widths of mineralisation have not been resolved. As such, significant mineralised intersections have been reported as downhole intervals.
Diagrams	• Figure 2a shows the plan of recent drillhole collars including previous drillholes.
Balanced reporting	• Figures 2a shows all new drilling inclusive of holes which did not encounter significant mineralisation.
Other substantive exploration data	• No other exploration results that have not previously been reported, are material to this report.
Further work	• Planning for further drilling is in progress, anticipated to start in December quarter subject to grain cropping and post-rain trafficability.