ASX ANNOUNCEMENT **17 OCTOBER 2017**

DIAMOND AND AIR CORE DRILLING TO COMMENCE ON WHITELAW GOLD BELT

- **Reconnaissance Air Core drilling to commence at Macorna Bore and Sebastian Projects**
- **Diamond drilling planned for Tomorrow Zone at Tandarra Gold Project**
- **Diamond drilling at the Tomorrow Zone will test for repetitions below high-grade gold mineralisation**
- **Planned 3,000 metres of diamond drilling and 8,000 metres of air core drilling in December 2017 Quarter**

Catalyst Metals Limited (**Catalyst** or the **Company**) (**ASX: CYL**) is pleased to advise that drilling will recommence in coming weeks across three project areas in the Whitelaw Gold Belt in Victoria (see Figure 1) and will continue throughout the December 2017 Quarter.

A reconnaissance air core drilling programme will initially commence at the Company's 100% owned Macorna Bore (EL5521) and Sebastian (EL5533) Gold Projects followed by a diamond drilling programme at the Tandarra Gold Project. The Macorna Bore and Sebastian projects are situated at the northern and southern ends respectively of the Catalyst managed tenements in the Whitelaw Gold Belt which extend for 75 kilometres along the highly prospective zone.

The Whitelaw-Tandarra Fault Corridor is considered to be an important zone for deposition of high-grade gold but is still largely untested north of Bendigo because the prospective gold-bearing rocks are hidden beneath barren Murray Basin cover sediments.

Catalyst's objective is to use modern geophysical and drilling techniques to discover high grade gold deposits below the Murray Basin cover that can be mined by open cut or underground methods. The discoveries at both the Four Eagles and Tandarra Gold Projects are testament to the exceptional prospectivity of the Whitelaw Fault Corridor.

The Four Eagles Gold Project and the Tandarra Gold Project are located approximately 60 kilometres northwest from Kirkland Lake Gold Ltd's Fosterville Gold Mine (Figure 1). Both projects are approximately 15 kilometres apart along the Whitelaw Fault Corridor which has experienced limited prior exploration. Catalyst manages the entire Whitelaw Gold Belt and has interests in eight Exploration Licences which extend for 75 kilometres along the Whitelaw and Tandarra Faults north of Bendigo in Victoria (Figure 1).

The Tandarra Gold Project is comprised of Exploration Licence 4897, which is owned by Navarre Minerals Limited (Navarre) (ASX: NML). Under a farm-in arrangement with Navarre, Catalyst is earning a 51% equity interest in Exploration Licence 4897 by spending $3 million on exploration over a four-year period.

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MACORNA BORE PROJECT: 100% CATALYST (EL5521)

The Macorna Bore Project lies approximately 30 kilometres north of the Four Eagles Gold Project and is interpreted to lie along the northern extension of the Whitelaw Tandarra Fault Corridor that appears to control most of the gold deposits north of Bendigo (Figure 1).

Based on regional projections, it is likely that the Whitelaw-Tandarra Fault Corridor runs through this area although the structural geology is complicated by the presence of Devonian granites and the Macquarie Arc Derivatives (Figure 1). With a potential strike length of more than 20 kilometres, only three traverses of air core drilling have been completed across this prospective corridor. In Figure 2, three of these air-core holes contained anomalous arsenic values (up to 300ppm As) and one hole contained anomalous gold (0.122 g/t Au). Previous drilling by Catalyst has confirmed the basement rocks to be within 25m of surface in this prospective area of the corridor.

The air-core drilling programme will comprise approximately 30 holes for a total of 4,000 metres. Basement depths are likely to be highly variable and expected to range from 20 metres to 100 metres. Drill holes will be sited along road verges or in adjacent fields. Anomalous geochemistry (gold and arsenic) in previous drilling is shown on Figure 2.

SEBASTIAN PROJECT: 100% CATALYST (EL5533)

The Sebastian Project covers a 10 kilometre strike length of the Whitelaw Gold Corridor and includes the historical Sebastian Mine (Frederick the Great) which produced approximately 186,000 ounces of gold at a grade of 10.4g/t Au. It also lies 5 kilometres north along the strike trend of the Bendigo Goldfield which produced approximately 22 million ounces of gold at an average grade of approximately 16g/t gold. Despite being located near a multi-million ounce goldfield, previous drilling has been sporadic and mostly to the east of the projected gold trend (Figure 3).

The air core programme is expected to comprise 40 holes in three drill traverses for a total of approximately 4,000m. One of these traverses will cover the trend immediately south of the Sebastian Mine. Basement depth is expected to be highly variable ranging from outcrop (0 metres) up to 100 metres.

TANDARRA GOLD PROJECT (EL4897) (CATALYST EARNING 51% FROM NAVARRE MINERALS LIMITED)

DIAMOND DRILLING: TOMORROW ZONE

Tenders are being evaluated for a 3,000 metre diamond drilling programme at the Tomorrow Gold Prospect which will test for plunge extensions and repetitions of the high-grade gold mineralisation intersected in the top 100 metres. Most of the drilling at the Tomorrow Zone has been limited to the top 100 metres and has shown a zone of shallow gold mineralisation which extends over 800 metres, remaining open to the south.

A common feature of gold deposits in Victoria is the “stacking” of multiple gold zones associated with west dipping faults that breach the anticlinal fold axis. This style of mineralisation has recently been announced at Fosterville with the discovery of the newly named Swan Zone which contributes **a reserve of 532,000 ounces at an average grade of 58.8g/t Au** (refer TSX announcement by Kirkland Lake Gold Ltd on 27 July 2017). It was also a common feature at Bendigo and Ballarat Gold Mines and may also be illustrated by the recent spectacular stacked intersections by Catalyst at the Four Eagles Gold Project in drill hole FERC185 (**20 metres @ 21.4g/t Au and 22 metres @ 36.5g/t Au**).

Significant intersections from the Tomorrow Zone in 2017 and earlier holes are shown below and on Figures 4, 5 and 6:

Tomorrow Zone 2017 Intersections:

- **6.0m @ 6.1g/t Au from 34 metres (RCT155)**
- **8.0m @ 5.2g/t Au from 42 metres (RCT156)**
- **3.0m @ 5.6g/t Au from 31 metres (RCT170)**
- **10.0m @14.0g/t Au from 47 metres (RCT172)**
- **17.0m @ 7.1g/t Au from 30 metres (RCT173)**
- **7.0m @ 5.6g/t Au from 67 metres (RCT174)**
- **21.0m @ 6.5g/t Au including 3.0m @ 33.3g/t Au from 27 metres (RCT177)**
- **9.0m @ 2.2g/t Au from 44 metres (RCT178)**
- **4.0m @ 7.0g/t Au from 36 metres (RCT183)**
- **7.0m @ 2.8g/t Au from 22 metres (RCT184)**
- **6.0m @ 2.6g/t Au from 40 metres (RCT187)**
- **6.0m @ 3.0g/t Au from 32 metres (RCT194)**
- **2.0m @ 6.6g/t Au from 54 metres (RCT196)**
- **2.0m @ 9.4g/t Au from 57 metres (RCT197)**
- **13.0m @1.3g/t Au from 32 metres (RCT199)**
- **8.0m @ 3.1g/t Au from 31 metres (RCT204)**

Tomorrow Zone Previous Intersections

- **10.0m @ 17.8g/t Au from 37 metres (ACT015)**
- **1.3m @ 18.2g/t Au from 20 metres and 1.7m @ 5.7g/t Au from 36 metres (DDT001)**
- **3.0m @ 8.8g/t Au from 46 metres (ACT172)**
- **7.0m @ 5.5 g/t Au from 50 metres (RCT006)**
- **2.0m @ 18.4g/t Au from 44 metres (RCT050)**
- **15.0m @ 1.44g/t Au from 22 metres (RCT051)**
- **5.0m @ 3.7g/t Au from 41 metres (RCT062)**
- **4.0m @ 9.2g/t Au from 18 metres (RCT063)**
- **23.0m @ 1.0g/t Au from 58 metres (RCT096)**
- **5.0m @ 15.6g/t Au from 106 metres including 1.0m @ 69.7g/t Au (RCT107)**
- **10.0m @ 6.1g/t Au from 74 metres and 23m @ 2.3g/t Au from 90 metres (RCT111)**
- **2.0m @ 14.3g/t Au from 54 metres (RCT132)**
- **4.0m @ 11.3g/t Au from 54 metres (RCT104)**
- **2.0m @ 14.3g/t Au from 79 metres (RCT115)**
- **7.0m @ 2.8g/t Au from 73metres (RCT119)**
- **14.0m @ 1.5g/t Au from 29 metres and 6.0m @ 5.2g/t Au from 51 metres (RCT136)**
- **1.0m @ 13.0g/t Au from 62 metres (RCT124)**
- **1.0m @ 30.2g/t Au from 82 metres (RCT126)**
- **3.0m @ 5.8g/t Au from 64m (RCT131)**

Diamond drill holes will be drilled from east to west at an angle of 60 degrees or less and designed to test the anticlinal structure below the known mineralisation. Pre-collars will be drilled with RC to approximately 150 metres and cased prior to diamond coring. The total diamond coring component will be approximately 3,000 metres. Approximate pierce points are shown on Figure 7.

The Tandarra programme is expected to commence in late October 2017 and will continue until January 2018.

Mr Bruce Kay, Catalyst's Technical Director, stated, "This is the first year that Catalyst has mounted a large drilling campaign in the month of October and is a reflection of the excellent gold potential of the Whitelaw Gold Belt and the need to test the many exploration targets that currently exist. Drilling is now likely to continue through until June 2018 with results expected to be released progressively during that time."

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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 2014) 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 announcements dated 1 September 2014 and 29 July 2015.

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 announcements dated 1 September 2014, the quarterly activities report dated 31 July 2014, and for other Tandarra drilling on 29 July 2015.

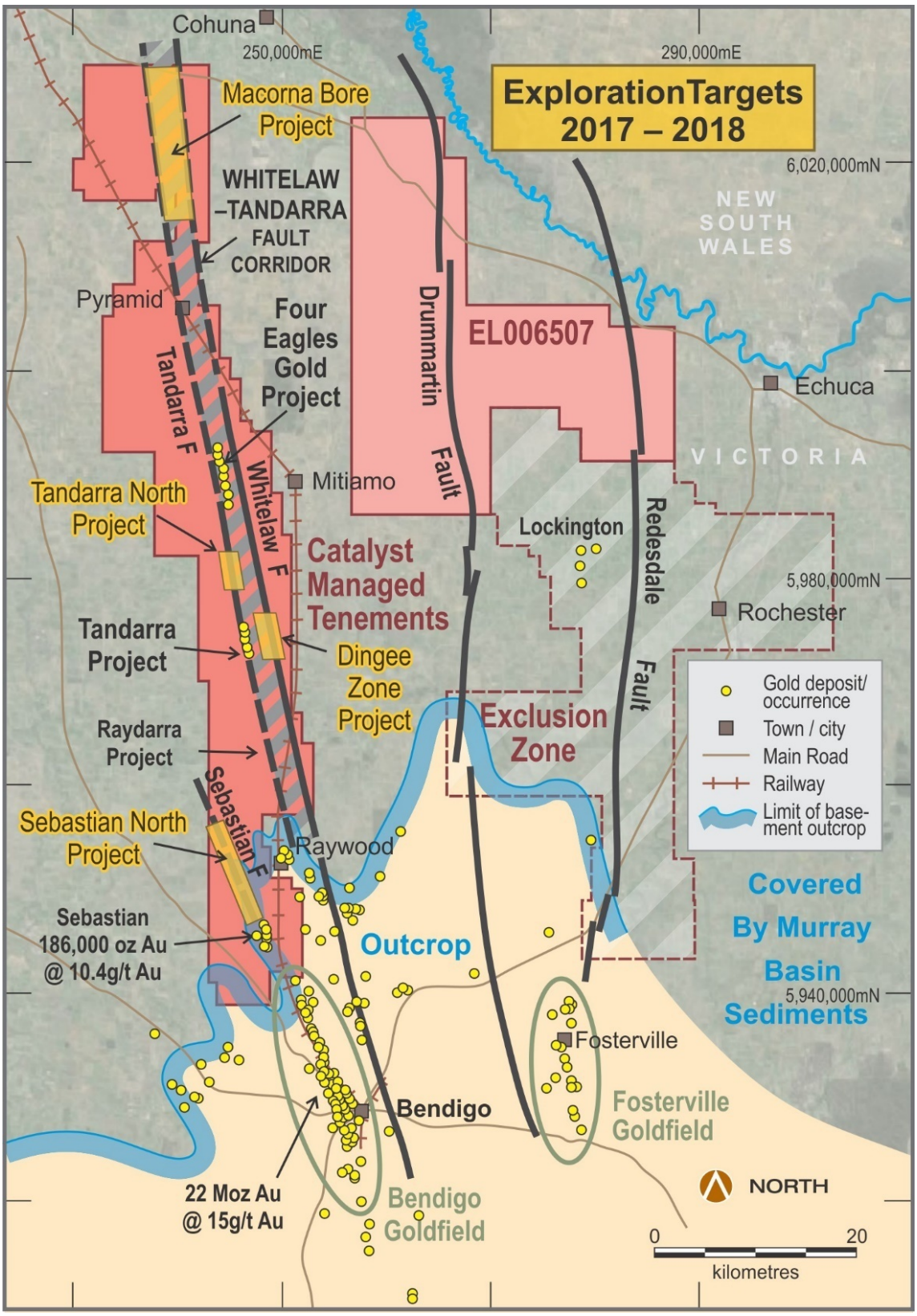

Figure 1: Catalyst-managed tenements in the Whitelaw Gold Belt showing location of the Gold Projects

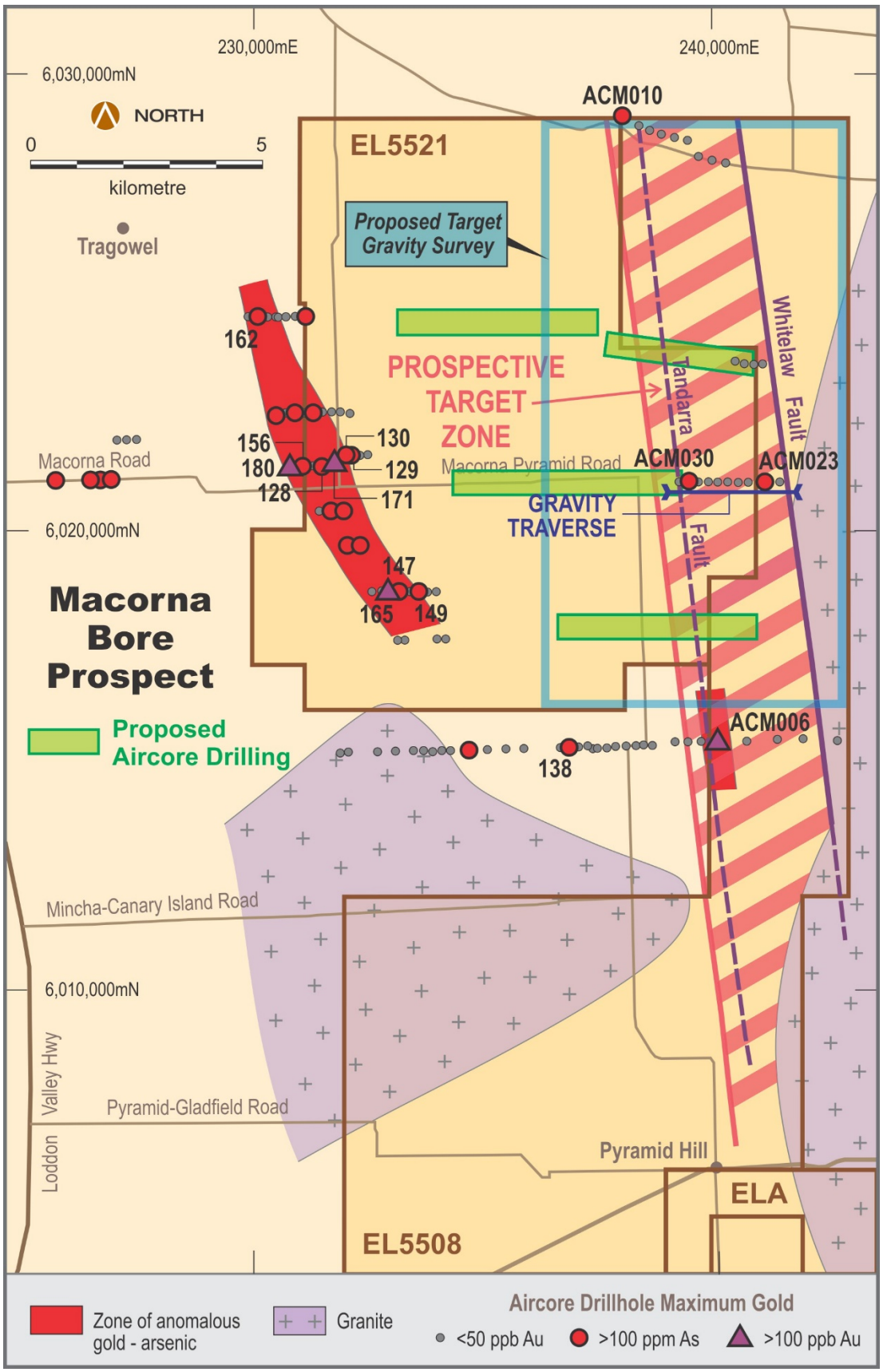

Figure 2: Macorna Bore Project (EL5521) showing planned 2017 air core drilling programme

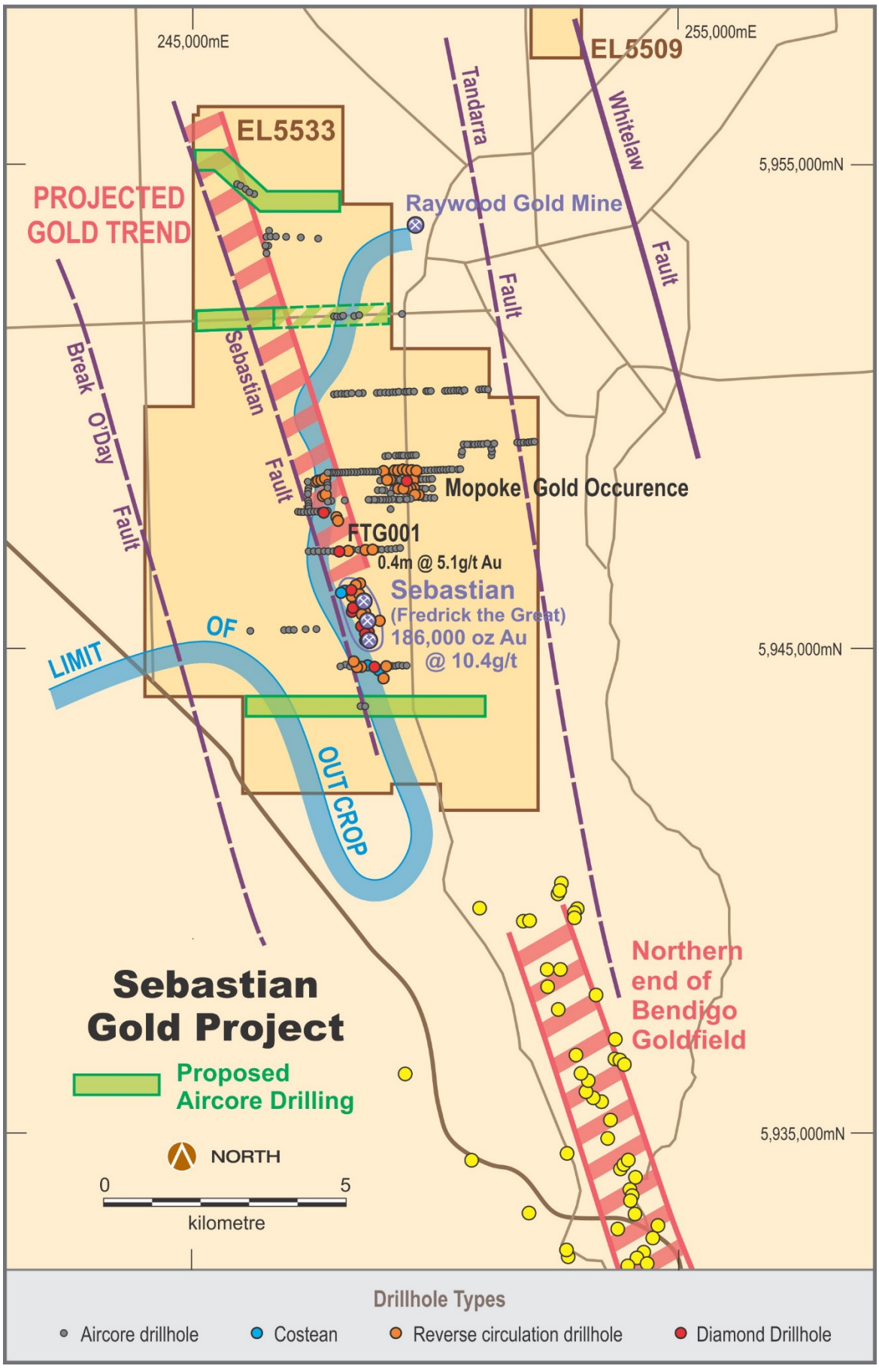

Figure 4: Sebastian Gold Project showing planned 2017 air core drilling programme

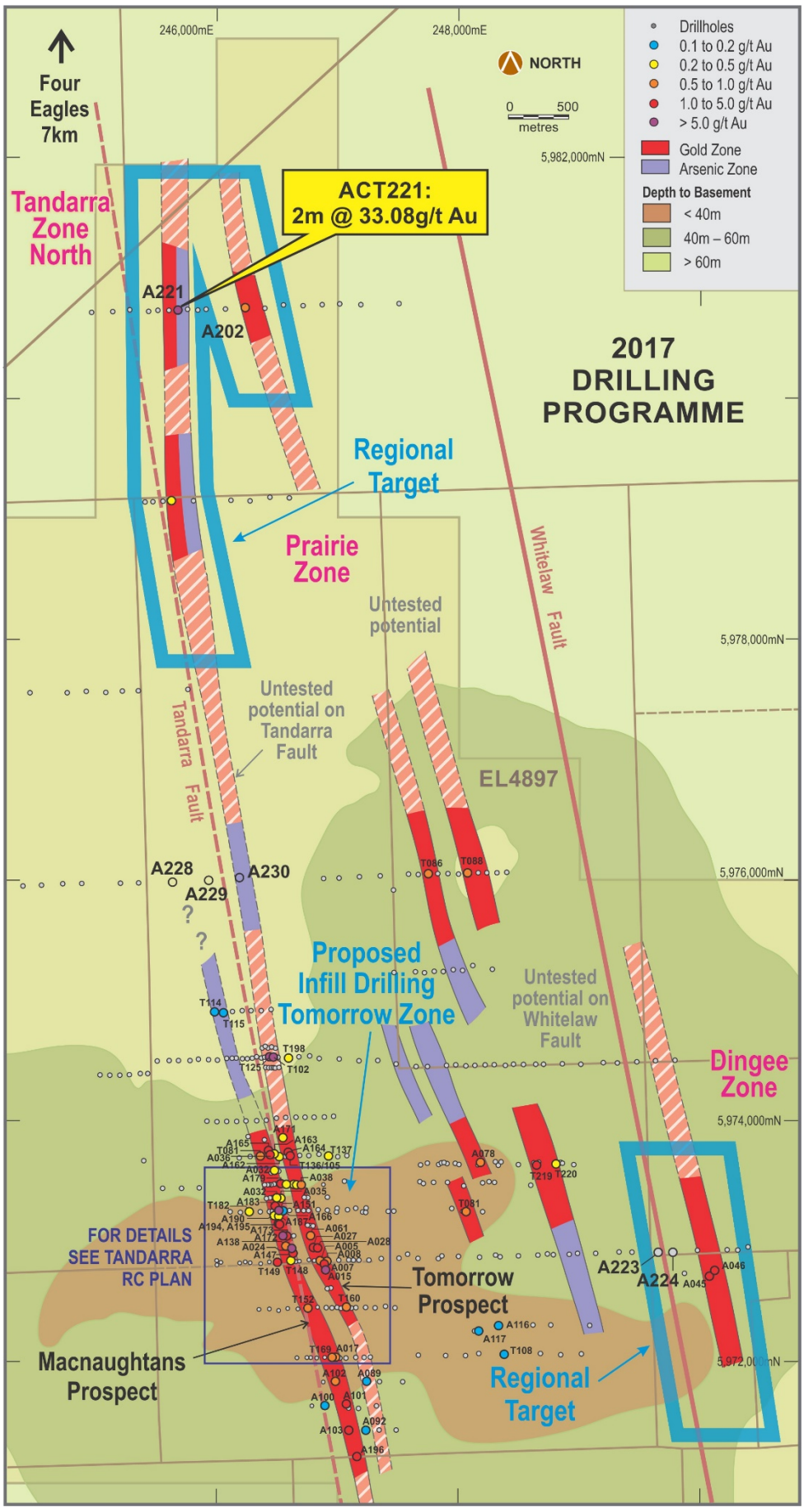

Figure 4: Tandarra Gold Project showing interpreted gold arsenic zones and planned 2017 drilling

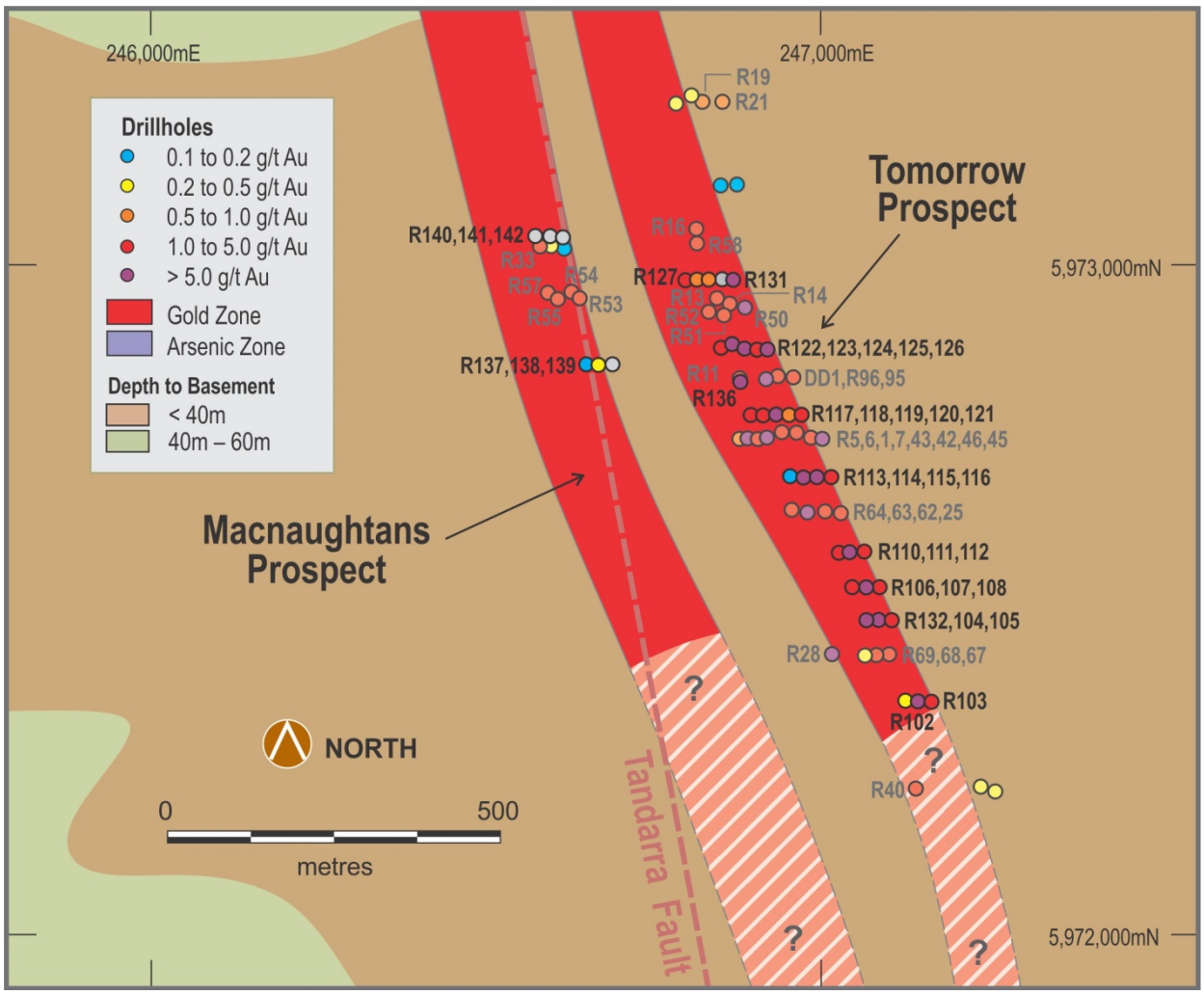

Figure 5a: Tandarra Gold Project Plan View of Tomorrow and Macnaughtans Gold Zones with significant RC drilling intersections

Significant Aircore Intersections

TAC136		6.0m @ 2.95g/t Au from 75m	ACT151		1.5m @ 59.2g/t Au from 69m
TAC146		1.0m @ 9.96g/t Au from 42m		and	2.0m @ 5.12g/t Au from 70.5m
ACT015		10m @ 17.88g/t Au from 37m	ACT172		3.0m @ 8.83g/t Au from 46.5m
ACT024		1.0m @ 2.91g/t Au from 107m		and	1.5m @ 2.62g/t Au from 58.5m
	and	1.0m @ 15.2g/t Au from 118m		and	1.5m @ 6.93g/t Au from 79.5m

Significant RC/DD Intersections

DDT001		1.3m @ 18.2g/t Au from 20m	RCT050		2.0m @ 18.4g/t Au from 44m
	and	1.7m @ 5.7g/t Au from 36m	RCT051		15m @ 1.44g/t Au from 22m
	and	1.3m @ 5.9g/t Au from 39.4m	RCT062		5.0m @ 3.7g/t Au from 41m
RCT006		1.0m @ 6.05g/t Au from 45m		and	7.0m @ 2.21g/t Au from 81m
	and	7.0m @ 5.5g/t Au from 50m	RCT063		4.0m @ 9.2g/t Au from 18m
RCT007		1.0m @ 8.6g/t Au from 12m		and	4.0m @ 2.39g/t Au from 103m
RCT028		8.0m @ 2.7g/t Au from 76m	RCT073		1.0m @ 7.29g/t Au from 41m
	inc	2.0m @ 8.9g/t Au from 82m	RCT096		23m @ 1.0g/t Au from 58m
RCT045		1.0m @ 10.8g/tAu from 43m	RCT097		3.0m @ 6.4g/t Au from 54m
	and	4.0m @ 2.67g/t Au from 55m			

Recent Significant RC Intersections

RCT102		2.0m @ 6.2g/t Au from 61m	RCT124		1.0m @ 13.0g/t Au from 62m
RCT104		4.0m @ 11.3g/t Au from 54m	RCT126		1.0m @ 30.2g/t Au from 82m
RCT107		5.0m @ 15.6g/t Au from 106m	RCT131		3.0m @ 5.8g/t Au from 64m
RCT111		10m @ 6.1g/t Au from 74m	RCT132		2.0m @ 14.3g/t Au from 54m
	and	23m @ 2.3g/t Au from 90m		and	3.0m @ 3.8g/t Au from 73m
RCT115		2.0m @ 14.3g/t Au from 79m	RCT136		1.0m @ 7.9g/t Au from 29m
RCT119		7.0m @ 2.8g/t Au from 73m		and	6.0m @ 5.2g/t Au from 51m

Figure 5b: Significant drilling intersections on Figure 5a

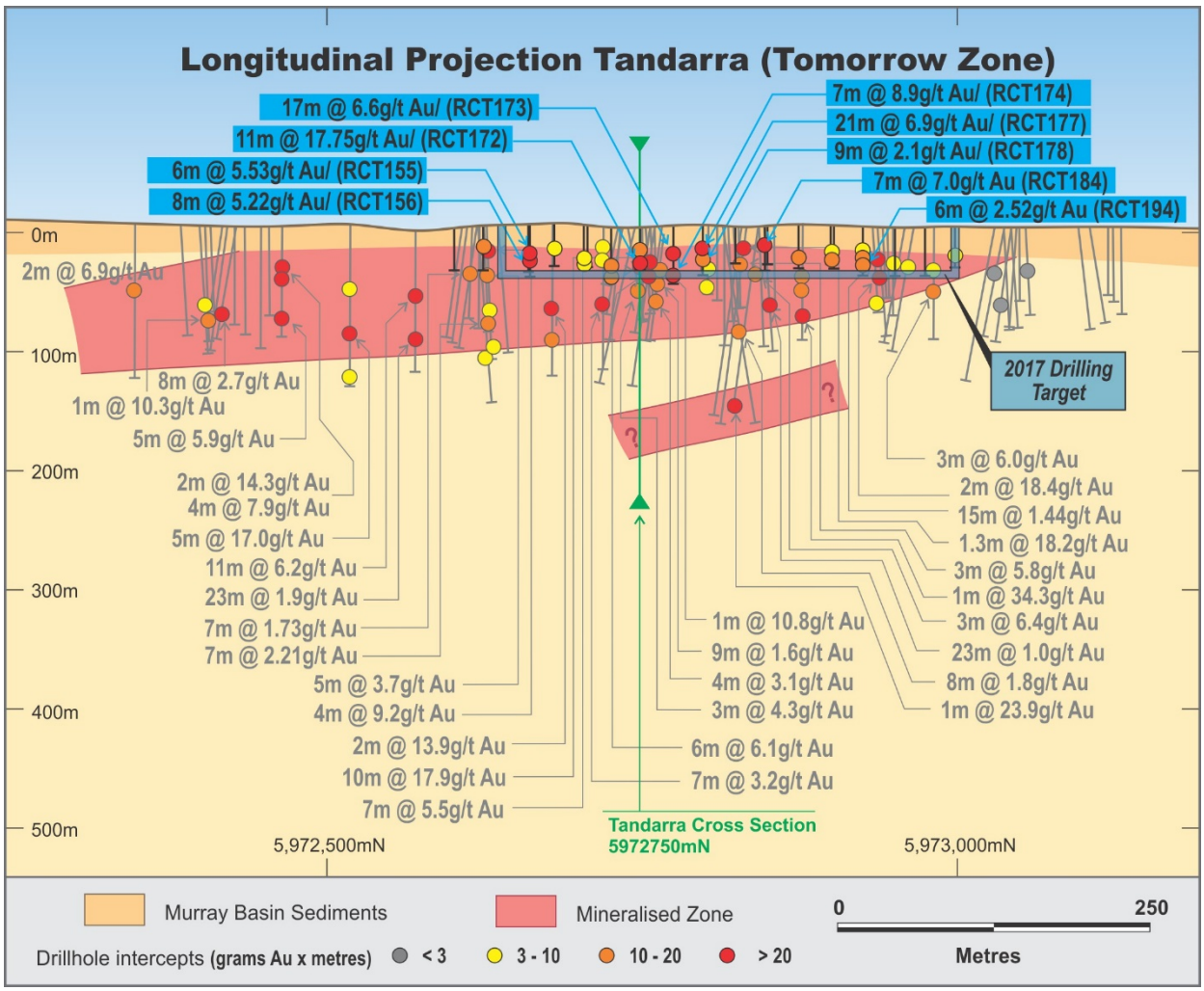

Figure 6: Longitudinal projection of Tomorrow Gold zone showing panel drilled in 2017 and recent intersections (blue highlight)

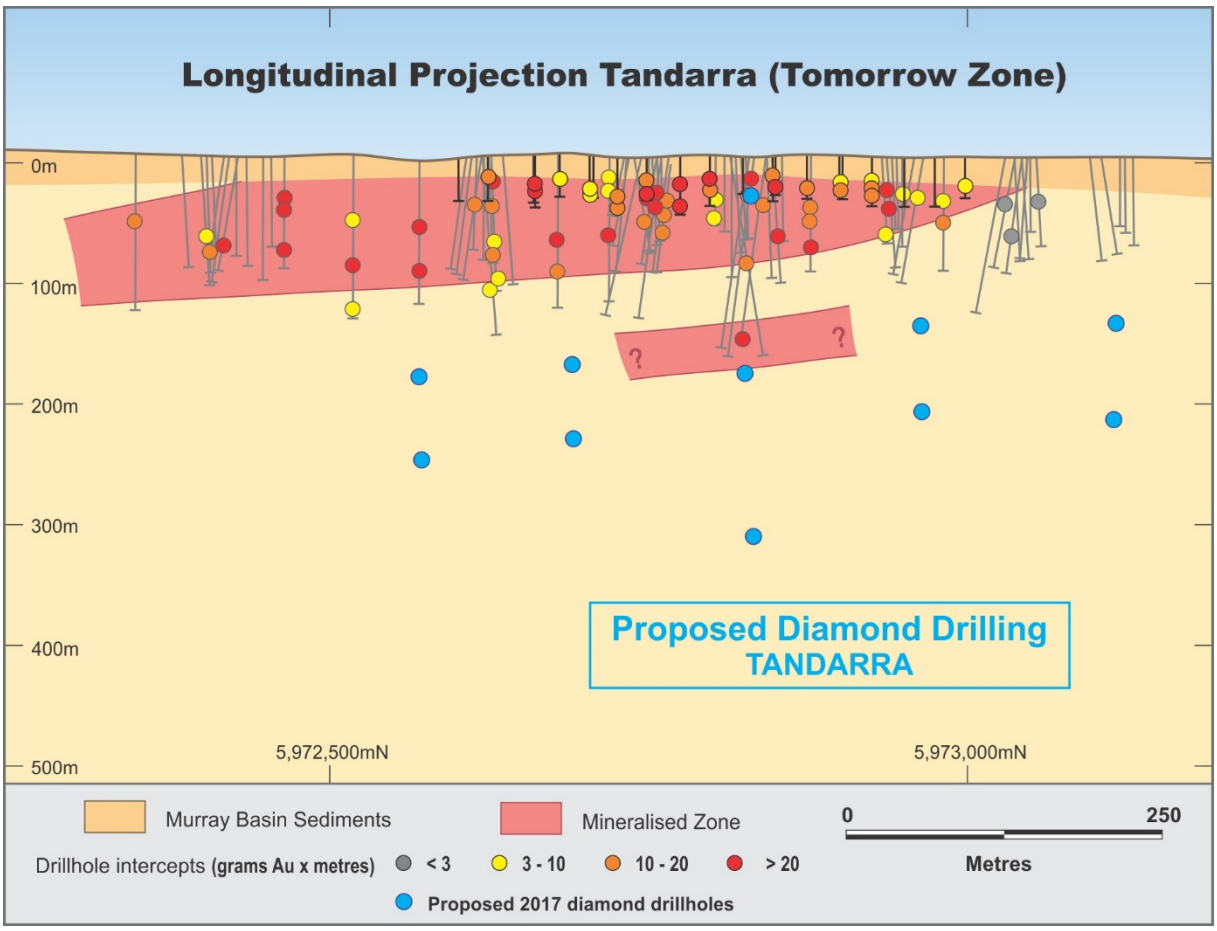

Figure 7: Longitudinal Projection of Tomorrow Gold zone showing projected pierce points from proposed diamond drilling