Catalyst Metals' flagship asset is the 40km long Plutonic Gold Belt in Central Western Australia. This belt hosts the Plutonic Gold Mine which currently produces 85koz pa at an AISC of A$2,192/oz.

Over the next 12 to 18 months, Catalyst plans to bring three new mining areas into production.

These projects have a low capital intensity – A$31m in total. Each will be processed through the existing, currently underutilised and centrally located processing plant.

With Resource infill drilling, Catalyst is targeting a five year mine plan across four mines, feeding a central processing plant.

Catalyst also controls +75km of strike length immediately north of the historic +22Moz Bendigo goldfield. Here, Catalyst has delineated a high-grade, greenfield resource at 26 g/t Au with further discoveries along strike expected.

Capital Structure

Shares o/s: 226m
Options: 3.1m
Rights: 8.1m
Cash & Bullion: A$84m
Debt: nil

Reserve and Resource[1,2]

MRE: 3.4Moz at 2.9g/t Au
ORE: 1.0Moz at 3.0g/t Au

Corporate Details

ASX: CYL
E:investors@catalystmetals.com.au

Catalyst to sell Henty while simultaneously unlocking value in Victoria

Catalyst has retained exposure to Henty's upside while backing a new management team which will have greater focus on operational execution

- **Catalyst has agreed to sell the Henty gold mine in Tasmania to Kaiser Reef**
- **The transaction has various value components that in totality appeal to Catalyst**
- **In exchange for Henty, Catalyst will receive:**
  - **A$15m upfront cash consideration**
  - **A$4m to be reimbursement from environmental bonding payments**
  - **A$14m in deferred gold consideration (3,000oz of future gold production)**
  - **A$14m via an ongoing equity interest (19.99% of the enlarged Kaiser)**
  - **0.5% NSR royalty on gold produced from the Darwin Extension Target Zone**
  - **An option to acquire 50% interest in a Victorian processing plant situated 100km from Catalyst's 26 g/t gold Resource[2] at the Four Eagles gold project**
- **The reasoning behind the transaction for Catalyst is threefold:**
  - **It frees up management's time to focus on Plutonic and Western Australia**
  - **It backs a new management team at Henty who should be better able to dedicate the time required to realise Henty's upside**
  - **Secures a processing solution, and a future, for Catalyst's Four Eagles gold project in Victoria in order to create value for our shareholders in an asset that was not being valued by the broader market**
- **There are a number of challenges to operating in Victoria. By entering into this option agreement, Catalyst has, for no cost, solved one of these key hurdles**

Catalyst Metals Limited (**Catalyst** or the **Company**) (ASX:CYL) is pleased to announce that it has entered into a binding agreement to sell the Henty Gold Mine in Tasmania to ASX listed Kaiser Reef Limited (**Kaiser**) (ASX:KAU).

Catalyst's Managing Director & CEO, James Champion de Crespigny, commented:

"Catalyst believes focus is important. 18-months ago, Catalyst committed itself to Western Australia by consolidating the Plutonic Gold Belt. Henty's operating nature means the time required for it to realise value and upside of Henty was costly. This transaction allows Catalyst to focus on Western Australia while still sharing in the upside that can come from a new, more focused, operating team.

The value proposition for Catalyst is compelling due to a novel transaction structure. Consideration is in two parts – more easily quantifiable cash and trailing payments and the harder to quantify equity in Kaiser and option over a Victorian mill.

The equity interest is attractive in this gold price environment while the option to solve a processing problem in Victoria has, we think, considerable value to our shareholders on an asset that is not being valued by the broader market."

Note 1: MRE includes Indicated Resources of 29Mt at 2.9g/t for 2.7Moz and Inferred Resources of 9Mt at 2.7g/t for 0.8Moz. ORE includes probable Reserves of 10.6Mt at 3.0g/t for 1.0Moz.
Note 2: Refer to ASX announcement 11 October 2024 "Annual Update of Mineral Resource and Ore Reserve Statement"
Note 3: Refer to ASX announcement 11 September 2024 "1Moz Reserve allows Catalyst to double production for A$31m"

Transition of Henty to New Focussed Entity in Which Catalyst Will Retain a Strategic Interest

Henty has played an important role in Catalyst's evolution as an Australian gold producer. In 2021, Catalyst acquired an asset in disrepair and neglect. Under Catalyst's ownership mining rates have lifted, the processing plant is operating at name plate capacity (for the first time since 2008) and mine life has been extended from less than a year to five years[1] – possibly the longest in the mine's history.

This has translated into a 66% increase in production and has created a stable operating platform onto which Kaiser now steps. This places Henty in a good position for the next phase in its life.

Upon completion of the transaction, Catalyst will become a 19.99% shareholder in Kaiser and will be entitled to nominate a director to the Kaiser board. This partnership will allow Kaiser to leverage Catalyst's knowledge of Henty and provide Catalyst with exposure to additional value that a focused Kaiser team can unlock with Henty as its flagship asset.

Option and Joint Venture Over Victorian Process Plant

Catalyst will also be granted a 12-year option to buy a 50% interest in the Maldon Processing Facility, a permitted and fully operational 200,000t pa processing plant 100km South of Catalyst high grade Four Eagles gold project. The reason for such an option structure is that Catalyst does not need to manage nor pay for the costs of running the plant. The processing plant is in a good condition. It is being utilised at 30% of its capacity and as such, the plant can be kept in good working order, without cost to Catalyst, until Catalyst requires it.

Kaiser currently trucks ore 350km across Victoria from its A1 operations to the Maldon processing plant. Similar trucking activities occur throughout Victoria. As such, Catalyst believes its high grade, 26 g/t, gold Resource[2] at Four Eagles will be amenable for processing at Maldon.

The option granted to Catalyst comes with various rights. Catalyst has the right to take control of managing the Maldon plant should it wish. It also has the right to expand it as it sees fit. Should Catalyst expand the processing plant, it will do so at its own cost (by way of loan to the joint venture) but will be entitled to use the majority of the processing plant's capacity until the loans used to expand the plant are repaid. These loans are to be funded via standard industry terms plus a margin.

Catalyst also has various pre-emptive and other such rights typical of a transaction of this kind.

Obviously, there are a number of challenges to operating in Victoria. By entering into this option agreement, Catalyst has, for no cost, solved one of these key hurdles. Catalysts believes this can create significant value in its portfolio that is not currently recognised by the market.

Documentation and Completion of the Transaction

Under the definitive documentation, completion of the Henty sale is subject to the following conditions precedent being satisfied or waived:

- ASX not departing from its in-principle advice that Listing Rule 11.2 (ie. requiring a listed entity to obtain the prior approval of its shareholders if it proposes to make a significant change in the nature or scale of its activities) will not apply to the transaction;
- Kaiser acquiring shareholder approval as required by Listing Rule 7.1 for the issue of the consideration shares to Catalyst and the issue of shares under Kaiser's proposed equity raising, and as required by sections 260A and 260B of the *Corporations Act 2001* (Cth) to give full effect to the grant of security under a general security deed;
- No material adverse change occurring at Henty; and
- Kaiser raising at least A$20 million (before costs).

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[1] Sourced from internal records and ASX announcement 11 October 2024 "Annual Update of Mineral Resource and Ore Reserve Statement"

2 Refer to ASX announcement 11 October 2024 "Annual Update of Mineral Resource and Ore Reserve Statement"

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The definitive documentation contains other terms and conditions typical for an agreement of this nature including standard representations and warranties provided by both Kaiser and Catalyst.

For further detail on the terms of the Henty sale, and Catalyst's option to form a joint venture with Kaiser in the Victorian goldfields (which is subject to the completion of the Henty sale), please refer to both Kaiser's transaction announcement titled "Transformational Acquisition of the Henty Gold Mine" and investor presentation released on the ASX today.

Conclusion

This transaction structure will benefit Catalyst at three levels. First, it immediately realises value through the cash consideration while retaining exposure to Henty's potential via a dedicated team and vehicle. Second, the option over the Maldon processing plant enhances the value of Catalyst's Victorian assets. Finally, it enables Catalyst's management to focus on the Plutonic Gold Belt. In the past twelve months, activity has ramped up significantly. With Plutonic East having achieved first stoping ore, project development activities are shifting to K2 and Trident. Meanwhile. twelve exploration rigs are conducting a 320,000m exploration program across the belt, positioning Catalyst to unlock substantial value.

Taylor Collison is acting as financial advisor and Thomson Geer is acting as legal advisor to Catalyst in relation to the transaction.

The Company refers to the current trading halt on its securities and advises that following the receipt of material assay results from a diamond drilling programme at the Trident project, the Company has requested a voluntary suspension of its securities pending the lodgement of an announcement in relation to the results from the drilling programme.

This announcement has been approved for release by the Board of Directors of Catalyst Metals Limited.

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JORC 2012 Mineral Resources and Reserves

Catalyst confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements and that all material assumptions and technical parameters underpinning the estimates in the relevant market announcements continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Persons findings are presented have not been materially modified from the original market announcement.

Catalyst confirms that all the material assumptions underpinning the production target, or the forecast financial information derived from a production target, in the initial public report continue to apply and have not materially changed.

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