ASX Release 20 September 2006

ASX code: CYL



MINNIE CREEK EXPLORATION UPDATE

- New potential mineralised zones found during geochemical programs
- Molybdenum anomalous outcrops now extend over 25Km strike
- 20 hole RC Drill program to start in October at Minnie Springs
- Molybdenum prices remain strong

New Molybdenum Targets

Catalyst Metals is pleased to announce the discovery of four new zones of gossanous outcrop within the Minnie Creek Project. The new zones were discovered during reconnaissance soil and rock geochemical surveys along co-incident geophysical targets and major tectonic structures that strike over 60Km through Catalyst tenements.

Two of the new prospects were discovered along a structural corridor that also hosts mineralisation at the Minnie Springs prospect where previous drilling intersected significant grades and widths of porphyry-style molybdenum mineralisation including **61m at 0.10% Mo**.

Gossans at the new 'Woods' prospect outcrop along the same magnetic lineament that hosts the Osbourne Well prospect some 3.5Km to the southeast, where previous sampling of gossanous outcrops assayed 0.20% Mo, 0.16% W and 0.02% U.

A further 5Km northwest of the Woods prospect a zone of gossanous granite was discovered at the new 'Skewthorpe' prospect. Research of previous exploration in this locality revealed outcrop results of 111ppm Mo indicating that some of the gossans in this zone are anomalous in molybdenum. This extends the known molybdenum mineralised outcrops occurring along the Minnie Springs structural corridor to 25Km of strike.

Additionally, two new zones of sulphides were discovered along a major regional tectonic structure extending west from the Indiana copper prospect where previous outcrop samples returned up to 1% Cu and 1g/t Au. These have been termed the 'River' and 'Radio' prospects. At the Radio prospect sulphides occur within tectonic cherts in granite adjacent to a large radiometric anomaly being surveyed for uranium.

An initial soil and rock geochemistry program over these new prospects has been completed and assay results are awaited. Follow up work to define the extent and significance of the new zones is planned for this quarter.



Drilling to commence at Minnie Springs molybdenum prospect

Approvals and surveys to conduct drilling at the Minnie Springs prospect are complete and site works underway for a 20-hole RC drill program scheduled to commence in mid-October 2006. The target is the central section of a 3250m long zone of molybdenum mineralisation where reconnaissance drilling in 1995 intercepted significant grades of near-surface molybdenum including **61m at 0.10% Mo** from 3m depth that included **24m at 0.14% Mo** and significant widths of mineralisation such as **174m at 0.03% Mo**. See table below for summary of significant intercepts from previous drilling:

Hole ID	From (m)	To (m)	Interval (m)	Grade %Mo
MRC 6	3	64	61	0.10
including	11	35	24	0.14
MSD 1	8	116	108	0.03
including	8	20	12	0.08
MSD 2	24	198	174	0.03
including	134	149	15	0.09

Approximately 130m northwest of MRC6 a creek incising the granite outcrop has exposed a zone of fresh molybdenum sulphides in the potassic and silicified granite host rock, surrounded by an extensive area of oxidised stockwork mineralisation. The centre of this zone has been channel sampled across 75m width in 5m rock chip composites to assist the location of drillholes in the upcoming program. This zone is beyond any previous drilling, is co-incident with significant Induced Polarisation geophysical anomalies and is open to the north. Assay results are pending.

Molybdenum Prices Remain Strong

The price of molybdenum tri-oxide remains near year highs of US \$28/lb and continues to reflect strong underlying demand for steel alloy and transitional metals.

For further information on the company visit <u>www.catalystmetals.com</u> Please direct enquiries to : **Mark Thompson** Executive 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 SFFINSIA 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.

Note: Mo = Molybdenum, W = Tungsten, U = Uranium, Cu = Copper, Au = Gold



Photo 1 Part of the new zone of molybdenum sulphides outcropping 130m north of the nearest historical drilling at 'Minnie Springs' prospect. This new zone is to be drilled October 2006.



Photo 2 Detail of molybdenum sulphides exposed across 75m channel sample at Photo 1 location 'Minnie Springs' prospect. Scale bar = 1cm.



