

## Information Sheet No. 7

Dear Shareholder,

This Information Sheet is the seventh in a series designed to keep you up to date with developments in Catalina Resources PLC, appraise you of results achieved and inform you of our plans for future work. It will be added to the Catalina web site [www.catalinaresourcesplc.co.uk](http://www.catalinaresourcesplc.co.uk) in the near future.

### **Joint Venture Agreement with Gold Fields Limited over La Falda**

Information Sheet No 6 brought shareholders up-to-date with the new discoveries at La Falda in Chile's Andean Cordillera where the original target of relatively small tonnage but high-grade gold mineralisation has been superseded by the newly-discovered gold-porphyry target with the potential for a much larger gold resources in a high tonnage-lower grade deposit similar to other producing mines and advanced exploration projects in the Maricunga Belt of the Chilean Andes - see later for examples of such deposits.

This recent discovery, following fieldwork by Catalina in 2007 and 2008, has excited interest from a number of companies and I am pleased to announce that Catalina has now agreed terms of a Joint Venture agreement with Gold Fields Limited in which Gold Fields will invest US\$5 million initially over 4 years to earn a 60% interest in La Falda. During Years 2, 3 and 4 in the initial Earn-In period. Gold Fields is committed to a minimum exploration expenditure of US\$750,000 per year.

It is anticipated that the formal Joint Venture Agreement will be signed within 3 months.

One of the main corporate objectives in Catalina has been to make initial investors' shareholdings liquid by gaining admission to a recognised exchange. Gold Fields has also agreed that during the period of 10 months after signature of the Joint Venture Agreement, Gold Fields will participate in an IPO of Catalina Resources contributing an amount of US\$2 million limited to 9.9% of Catalina's issued share capital.

The Joint Venture agreement with Gold Fields will free Catalina to devote its exploration efforts on the Kahuna and La Perla Projects and to review and acquire new projects of merit. These will require additional funding.

### **Corporate Finance Agreement with Loeb Aron**

Both of the above objectives will be achieved under an agreement which Catalina has reached with Loeb Aron and Company Limited ("Loeb"). The Loeb Agreement is subject to due diligence and implementation of certain of its terms will require shareholder approval. It covers the raising of further equity capital in two tranches. The first consists of an initial tranche of circa £200,000 to meet the company's immediate working capital requirements and a second larger tranche of pre-IPO fundraising to raise circa £1.5m. The second fundraising is intended to pay for further exploration, continuing with the options on some or

all of the three properties (if appropriate) and the listing expenses of an IPO in approximately 12 months time.

A more detailed description of the agreed terms of the Loeb Agreement, which for the avoidance of doubt are standard financing terms, is available on request.

Accompanying this Information Sheet is a Notice of an Extraordinary General Meeting of the Company to be held on short notice to approve a Special Resolution to:

- (A) Increase the authorised share capital of the Company from £1million to £1.5million by the creation of 500,000 new ordinary shares of £1 each.
- (B) Authorise the directors to allot up to £ 1,000,000 nominal value of the Company's capital and that in exercise of that authority they make allotment of shares.
- (C) Adopt New Articles of Association as detailed in the Appendix to this Notice.
- (D) Confirm certain written Resolutions of all the members of the Company.

Approval of the Special Resolution by shareholders is a pre-requisite to allow the Loeb Agreement to be implemented in all its stages and I urge shareholders to return the consent to Short Notice, duly signed, which appears at the end of the Notice, and, to either attend the meeting or complete and return the Proxy Form by both email and post.

#### **Information on Gold Fields Limited**

Gold Fields Limited is one of the world's largest unhedged producers of gold. It has attributable gold production of 4 million ounces per annum, mineral reserves of 94 million ounces and mineral resources of 252 million ounces.

The Group employs some 47,000 permanent employees across its operations and is listed on the JSE Limited South Africa (primary listing), the New York Stock Exchange (NYSE) as well as the Dubai International Financial Exchange (DIFX).

A full description of Gold Fields Limited, its operations, resources and performance can be obtained from its website [www.goldfields.co.za](http://www.goldfields.co.za).

#### **Information on Loeb Aron & Company Limited**

Loeb Aron is a London-based corporate finance company founded in 1996 which specialises in raising funding for and producing detailed research on mining and exploration companies worldwide as well as early-stage and start-up financing of all kinds.

Management is qualified in all aspects of mining, mineral exploration, geophysics and numerical modelling. This provides a sound basis for evaluating natural resource and physical science based companies.

## Gold Porphyry Deposits in the Maricunga Belt of Chile

The La Falda Project lies in the northern part of the Maricunga district, Chile, north of the Refugio, Volcan, Marte, Lobo and La Pepa porphyry gold deposits. La Falda is centred on several porphyry intrusions, distributed over 3 km in a north-south direction. Recent mapping and sampling programmes by Catalina have located banded quartz veining which returned values in the range 0.5 – 0.8 g/t gold

These banded quartz veins at La Falda are very similar to those at nearby mines in the Maricunga Belt and veins of this type are the principal exploration target in these deposits.

In order to give some idea of potential scale of the exploration target at la Falda, Table 1 below lists published combined reserve and resource data from four of the principal deposits.

**Table 1. Data on some Maricunga Gold Deposits with similarities to La Falda**

<b>Deposit/Mine</b>	<b>Status</b>	<b>Tonnes (000's)</b>	<b>Grade (g/t Au)</b>	<b>Ozs Au (000's)</b>	<b>Data Source</b>
Maricunga	Producing Mine	307,600	0.73	7.33	Kinross (2007)
Lobo-Marte	Under Exploration	97,700	1.72	5.90	Teck (2007)
Volcan	Under Exploration	115,100	0.79	2.93	Andina (2008)
C. Casale	Under Exploration	1,416,000	0.61	27.83	Kinross (2006)

As before, this information sheet is a summary. If you want to know more about a particular topic or if you have any questions, please call me or send an email to [psb@catalinaresourcesplc.co.uk](mailto:psb@catalinaresourcesplc.co.uk).

**Peter Bridges**

**Managing Director,**

**Catalina Resources PLC**

3 June 2008