



ASX ANNOUNCEMENT

18 APRIL 2012

BONUS ENTITLEMENTS ISSUE OF OPTIONS

Catalyst Metals Limited (ASX:CYL) is pleased to confirm that a pro-rata bonus issue of options to eligible shareholders (**Bonus Issue**) will be undertaken on the basis of one (1) free option for every eight (8) shares held.

The Bonus Issue was foreshadowed as part of the successful share purchase plan offer to shareholders which closed on 28 March 2012. The purpose of the Bonus Issue is to reward existing shareholders for their loyalty and support of the Company.

Each Bonus Option will be exercisable for a fully paid ordinary share, at 50 cents each on or before 15 January 2013. Application will be made today for the Bonus Options to be quoted on the Australian Securities Exchange.

The Record Date for determining entitlements to the Bonus Issue is 5.00 p.m. (Perth time) on **Wednesday, 2 May 2012**. The Company's shares will be quoted on ASX on a "cum" entitlement basis up to close of business on **Tuesday, 24 April 2012** and "ex" entitlement from **Thursday, 26 April 2012**.

Eligible shareholders registered on the Company's share register on the Record Date will automatically be issued Bonus Options based on their shareholding as at the Record Date.

As the Bonus Options are being issued for no consideration, no funds will be raised under the Bonus Issue. If all the Bonus Options are exercised, the Company will receive approximately \$2.8 million. It is currently intended that any funds raised by the exercise of the Bonus Options will be used to fund ongoing exploration and evaluation activities on the Company's exploration projects, staged option payments due under the Kangaroo Flat Option Agreement and the Company's general working capital requirements (depending on when the Bonus Options are exercised and the Company's requirements at the relevant time).

The Company has lodged a prospectus for the offer with the Australian Securities and Investments Commission. A copy of the prospectus is attached and sets out full details in relation to the Bonus Issue and the terms and conditions of the Bonus Options. The prospectus will be despatched to each eligible shareholder on or about 9 May 2012, together with confirmation of the number of Bonus Options issued and allotted to the eligible shareholder.

For further information contact:

Steve Boston (Chairman) or
Frank Campagna (Company Secretary)

Telephone: +61 8 9383 2825

Facsimile: +61 8 9284 5426



CATALYST METALS LIMITED

ACN 118 912 495

18 April 2012

PROSPECTUS

For a pro-rata bonus issue of one (1) Bonus Option for every eight (8) Shares held by Eligible Shareholders

The Bonus Options are being issued free to Eligible Shareholders

ELIGIBLE SHAREHOLDERS ARE NOT REQUIRED TO TAKE ANY ACTION IN RELATION TO THE ISSUE OF BONUS OPTIONS PURSUANT TO THIS PROSPECTUS

IMPORTANT NOTICE

This is an important document and should be read in its entirety. If you do not understand it, you should consult your financial or other professional adviser.

CORPORATE DIRECTORY

Directors	Stephen Boston (Chairman) Bruce Kay (Non-Executive Director) Gary Schwab (Non-Executive Director) Robin Scrimgeour (Non-Executive Director)
Company Secretary	Frank Campagna
Registered Office	Level 3, 50 Colin Street West Perth WA 6005 Telephone: +61 8 9383 2825 Facsimile: +61 8 9284 5426
Share Registry	Security Transfer Registrars Pty Ltd 770 Canning Highway Applecross WA 6153 Telephone: +61 8 9315 2333 Facsimile: +61 8 9315 2233 E-mail: registrar@securitytransfer.com.au
Lawyers	Watsons Lawyers Ground Floor 60 Hindmarsh Square Adelaide SA 5000
Web-site	www.catalystmetals.com.au

INDICATIVE TIMETABLE

The indicative timetable for the Bonus Issue is as follows:

EVENT	DATE
Prospectus lodged with ASIC and copy provided to ASX	Wednesday 18 April 2012
Appendix 3B lodged with ASX	Wednesday 18 April 2012
Record Date to identify Eligible Shareholders	Wednesday 2 May 2012
Prospectus and holding statements or allotment advices for Bonus Options despatched to Eligible Shareholders	Wednesday 9 May 2012

Subject to the ASX Listing Rules, the Directors reserve the right to vary the dates for the Bonus Issue at their discretion and any variation will have a consequential effect on the anticipated date of issue.

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IMPORTANT NOTICES

This Prospectus is dated 18 April 2012 and was lodged with ASIC on 18 April 2012. ASIC and ASX take no responsibility for the contents of this Prospectus.

This Prospectus is for an offer of options to acquire continuously quoted securities, issued in accordance with section 713 of the Corporations Act.

No Bonus Options will be granted on the basis of this Prospectus after the expiry date of the Prospectus, which is 13 months after the date of this Prospectus.

In preparing this Prospectus, regard has been given to the fact that ASX maintains a file containing publicly disclosed information about the Company and that the Company is a disclosing entity for the purpose of the Corporations Act, and certain matters may reasonably be expected to be known to professional advisers whom potential investors may consult.

This Prospectus includes forward looking statements that have been based on current expectations about future acts, events and circumstances. These forward looking statements are, however, subject to risks, uncertainties and assumptions that could cause those acts, events and circumstances to differ materially from the expectations described in such forward looking statements. These factors include, among other things, commercial and other risks associated with the meeting of objectives and other investment considerations, as well as other matters not yet known to the Company or not currently considered material by the Company.

This Prospectus does not constitute an offer of securities in any place in which, or to any person to whom, it would not be lawful to make such an offer. Where the Prospectus has been dispatched to persons domiciled in a country other than Australia, New Zealand, Singapore or Hong Kong and where that country's securities code or legislation prohibits or restricts in any way the making of the offer, the Prospectus is provided for information purposes only. Any recipient of this Prospectus domiciled in a country outside of Australia, New Zealand, Singapore or Hong Kong should consult their professional advisers on requisite formalities and restrictions that may apply to them.

No person is authorised to give any information or to make any representation in connection with the offer which is not contained in this Prospectus. Any information or representation not so contained may not be relied on as having been authorised by the Company in connection with the offer.

Expressions used in this Prospectus with an upper case initial letter have defined meanings which are set out at the end of this Prospectus.

Warning statement applicable to New Zealand investors

This offer to New Zealand investors is a regulated offer made under the mutual recognition provisions in Australian and New Zealand law. In Australia, this is Chapter 8 of the Corporations Act 2001 and Regulations. In New Zealand, this is Part 5 of the Securities Act 1978 and the Securities (Mutual Recognition of Securities Offerings—Australia) Regulations 2008.

This offer and the content of this Prospectus are principally governed by Australian rather than New Zealand law. In the main, the Corporations Act 2001 and Regulations (Australia) set out how the offer must be made. There are differences in how securities are regulated under Australian law. For example, the disclosure of fees for collective investment schemes is different under the Australian regime.

The rights, remedies, and compensation arrangements available to New Zealand investors in Australian securities may differ from the rights, remedies, and compensation arrangements for New Zealand securities.

Both the Australian and New Zealand securities regulators have enforcement responsibilities in relation to the offer. If you need to make a complaint about the offer, please contact the Financial Markets Authority, Wellington, New Zealand. The Australian and New Zealand regulators will work together to settle your complaint.

The taxation treatment of Australian securities is not the same as for New Zealand securities.

If you are uncertain about whether this investment is appropriate for you, you should seek the advice of an appropriately qualified financial adviser.

This offer may involve a currency exchange risk. The currency for the securities is not New Zealand dollars. The value of the securities will go up or down according to changes in the exchange rate between that currency and New Zealand dollars. These changes may be significant. If you expect the securities to pay any amounts in a currency that is not New Zealand dollars, you may incur significant fees in having the funds credited to a bank account in New Zealand in New Zealand dollars.

If the securities are able to be traded on a securities market and you wish to trade the securities through that market, you will have to make arrangements for a participant in that market to sell the securities on your behalf. If the securities market does not operate in New Zealand, the way in which the market operates, the regulation of participants in that market, and the information available to you about the securities and trading may differ from securities markets that operate in New Zealand.

CHAIRMAN'S LETTER

Dear Eligible Shareholder

On behalf of the Directors of Catalyst Metals Limited, I am pleased to present this Prospectus for a pro-rata Bonus Issue of Bonus Options to Eligible Shareholders.

The Bonus Issue will be made on the basis of one (1) Bonus Option for every eight (8) Shares held by you (as an Eligible Shareholder) on the Record Date, being 5:00 pm (Perth time) on 2 May 2012. The Bonus Options are being issued to you free of charge. Each Bonus Option will be exercisable for one fully paid ordinary Share at an exercise price of A\$0.50 each on or before 5:00 pm (Perth time) on 15 January 2013.

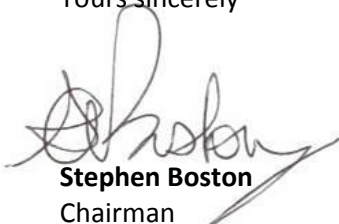
The purpose of the Bonus Issue is to reward you for your loyalty and support of the Company. The Company will seek quotation of the Bonus Options on ASX and, if the Bonus Options are admitted to quotation, you will have the opportunity to trade the Bonus Options on market. Alternatively, you may elect to exercise the Bonus Options for one fully paid ordinary Share at a fixed price, which may be at a discount to the market price of the Shares during the exercise period, depending on the market price of Shares during the exercise period. The exercise price of A\$0.50 is 12.8% higher than the volume weighted average price for the 5 days Shares traded on ASX up to and including 17 April 2012 of A\$0.4432.

As the Bonus Options are being issued for no consideration, no funds will be raised under the Bonus Issue. If all the Bonus Options are exercised the Company will receive approximately A\$2.8 million. It is currently intended that any funds raised by the exercise of the Bonus Options will be used to fund ongoing exploration and evaluation activities, staged option payments due under the Kangaroo Flat Option Agreement and the Company's general working capital requirements (depending on when the Bonus Options are exercised and the Company's requirements at the relevant time). The Directors are also actively progressing additional capital raising initiatives.

You are not required to take any action in respect of the Bonus Issue and will receive a holding statement or allotment advice for the Bonus Options the subject of your entitlement in accordance with the timetable at the start of this Prospectus.

You are encouraged to read this Prospectus fully. If you have any questions about the Bonus Issue, you should consult your stockbroker or other professional adviser.

Yours sincerely


Stephen Boston
Chairman

SUMMARY OF KEY INVESTMENT HIGHLIGHTS AND RISKS

KEY INVESTMENT HIGHLIGHTS

- As an Eligible Shareholder, you are entitled to 1 free Bonus Option for every 8 Shares held as at 5.00 pm (Perth time) on 2 May 2012.
- You may exercise each Bonus Option on or before 5:00 pm (Perth time) on 15 January 2013 for 1 fully paid ordinary share at an exercise price of A\$0.50 each, which is 12.8% higher than the volume weighted average Share price for the 5 trading days up to and including 17 April 2012 of A\$0.4432.
- If the Bonus Options are admitted to quotation on ASX, you will have the opportunity to trade them on market.
- If the Bonus Options are exercised in full, it will raise up to approximately A\$2.8 million for the Company.
- Any funds raised from the exercise of the Bonus Options will be applied towards the Company's future exploration and evaluation activities, staged option payments due under the Kangaroo Flat Option Agreement and the Company's working capital requirements (depending on when the Bonus Options are exercised and the Company's requirements at the time).

KEY INVESTMENT RISKS

- The market price of the Company's Shares may fluctuate and, if the market price of Shares is below A\$0.50, it is unlikely that the Bonus Options will be exercised into new Shares.
- Regardless of how many Bonus Options are exercised, it is likely that the Company will need to raise further capital in the next 12 months.
- If no, or a low proportion of, Bonus Options are exercised, the Company will need to rely more heavily on future capital raisings, which could result in dilution to your Shareholding (depending on the nature of the capital raising).
- There is a risk that the Bonus Options may not meet ASX's quotation conditions, in which case you will not be able to trade them on market.
- If the Bonus Options are admitted to quotation, the price at which you may trade Bonus Options may fall as well as rise.
- If you exercise or sell a Bonus Option, this may have taxation consequences, depending on your particular circumstances.
- If you do not exercise the Bonus Options and other investors do, your Shareholding will be diluted.
- If the Company does not spend the full \$2.1 million required on exploration of the Four Eagles Project by 20 January 2014, or it withdraws from its rights to earn-in to the project, the Company will not have any interest in the Four Eagles Project, which may have an adverse effect on the value of the Company's securities and the prospects of the Company.
- If the Company elects not to exercise the option to acquire the Bendigo Assets under the Kangaroo Flat Option Agreement, it will not have any interest in the Bendigo Assets, which may have an adverse effect on the value of the Company's securities and the prospects of the Company.

These are a summary of the key investment highlights and risks only. You should read this Prospectus in full, including section 1 which contains details of the Bonus Issue, section 3 which contains more detailed disclosure of the risks associated with the Bonus Issue and an investment in the Company and Section 4 which contains the terms and conditions of the Bonus Options and the underlying Shares.

1. DETAILS OF THE BONUS ISSUE

1.1 The Bonus Issue

By this Prospectus, the Company is making a pro rata bonus issue of Bonus Options to Eligible Shareholders on the basis of one (1) Bonus Option for every eight (8) Shares held on the Record Date. The Bonus Options are being issued free of charge. The Bonus Options will be exercisable for one fully paid ordinary Share at A\$0.50 each on or before 5:00 pm (Perth time) on 15 January 2013.

The primary purpose of the Bonus Issue is to reward you for your loyalty and support of the Company. You will have the opportunity to increase the number of Shares you hold, by exercising Bonus Options for one fully paid ordinary Share at a fixed price of A\$0.50 each, which may be at a discount to the market price for Shares, depending on the market price of Shares during the exercise period. Alternatively, if the Bonus Options are admitted to official quotation, you will have the opportunity to trade the Bonus Options on market.

The maximum number of Bonus Options to be granted pursuant to the Bonus Issue is approximately 5,607,110 Bonus Options (subject to rounding). If, prior to the Record Date, some or all of the existing 2,000,000 Options are exercised, or the 700,000 existing Performance Rights vest, this will increase the number of Bonus Options to be granted under the Bonus Issue.

In the calculation of individual Entitlements to Bonus Options, fractions will be rounded up to the nearest whole number.

1.2 Use of Funds

As the Bonus Options are being issued for no consideration, no funds will be raised as a result of the Bonus Issue.

If all the Bonus Options are exercised the Company will receive approximately A\$2.8 million (based on the number of Bonus Options to be issued under the Bonus Issue). There is no guarantee that any Bonus Options will be exercised and the proportion exercised will depend on the Share price relative to the exercise price during the exercise period.

It is currently intended that any funds raised by the exercise of the Bonus Options will be used as follows:

- (a) to fund ongoing exploration activities at the Four Eagles Project and the Company's other exploration projects;
- (b) to satisfy staged option payments due under the Kangaroo Flat Option Agreement, including the remainder of the option fee (being three quarterly payments of \$100,000) or, if the option is exercised and the Company purchases the Bendigo Assets, to satisfy part of the funds required in order to procure the replacement of the performance bonds applicable to the tenements comprised in the Bendigo Assets (currently \$5.8 million); and
- (c) for the Company's general working capital requirements.

The application of funds will depend on when Bonus Options are exercised and the Company's requirements at the relevant time.

The Company is also actively investigating opportunities to raise additional equity funds to provide further working capital for the Company.

1.3 Allotment and Allocation

The Bonus Options will be allotted and granted as soon as practicable after the Record Date and otherwise in accordance with the Listing Rules. Holding statements or allotment advices in relation to the Bonus Options will be despatched to Eligible Shareholders as soon as practicable and in accordance with the indicative timetable at the start of this Prospectus.

It is your responsibility to determine your allocation prior to trading in the Bonus Options (if admitted to quotation). If you sell any Bonus Options before you receive your holding statement or allotment advice, you do so at your own risk.

1.4 ASX Quotation

The Company will apply to ASX within seven days after the date of this Prospectus for the Bonus Options to be listed on the ASX. The Bonus Options will only be admitted to official quotation by ASX if the conditions for quotation of a new class of securities are satisfied (which include, amongst other things, there being a minimum of 100,000 Bonus Options on issue, with at least 50 holders with a Marketable Parcel). If quotation is not granted, the Bonus Options will still be issued but you will not be able to trade them on ASX.

1.5 Eligible Shareholders

Each Shareholder with a registered address in Australia, New Zealand, Singapore or Hong Kong, who is registered as the holder of Shares at 5.00 pm Perth time on 2 May 2012 is entitled to Bonus Options in respect of the number of Shares for which that Shareholder is then registered as the holder.

Existing Option holders may only participate in the Bonus Issue in respect of the Shares to be issued on exercise of the Options held by them if they exercise their Options prior to the Record Date and are registered as the holder of the underlying Shares on the Record Date.

1.6 Bonus Issue not made to Excluded Shareholders

Catalyst Metals will not make the Bonus Issue to any Shareholders who have a registered address in a country other than Australia, New Zealand, Singapore or Hong Kong on the Record Date (as at the date of the Prospectus there are none)..

This Prospectus does not constitute an offer to Excluded Shareholders and the Prospectus will not be sent to Excluded Shareholders (if any).

1.7 Bonus Issue not made where to make the Bonus Issue would be unlawful

This Prospectus does not constitute an offer of securities in any place in which, or to any person to whom, it would not be lawful to make such an offer or to make the Bonus Issue. Where the Prospectus has been despatched to persons domiciled in a country other than Australia, New Zealand, Singapore or Hong Kong and where that country's securities code or legislation prohibits or restricts in any way the making of the Bonus Issue, the Prospectus is provided for information purposes only.

1.8 Taxation

You should seek and rely on your own taxation advice regarding the sale or exercise of Bonus Options as the taxation consequences will depend on your particular circumstances.

1.9 Ranking

The terms and conditions of the Bonus Options are set out in section 4.1 of this Prospectus. Any Shares issued on the exercise of the Bonus Options will rank equally with the existing Shares on issue and the Company will apply for quotation for those Shares on ASX. The rights attaching to Shares are referred to in section 4.2 of this Prospectus.

1.10 Non-Renounceable

Entitlements are non-renounceable. Accordingly, there will be no trading of rights on ASX and you will be unable to transfer your Entitlement to another party.

1.11 Prohibition on exceeding 20% voting power threshold

You must have regard to and comply with the takeovers prohibition in section 606 of the Corporations Act (that is, the 20% voting power threshold), when exercising Bonus Options granted pursuant to this Prospectus.

The Company expressly disclaims any responsibility for ensuring that you do not breach section 606 as a result of the exercise of the Bonus Options.

If you may be at risk of breaching section 606 as a result of the exercise of Bonus Options, you have the following choices available to you:

- (a) sell your Bonus Options, either on market (if the Options are admitted to official quotation) or off market;
- (b) sell some or all of your Shares prior to exercising any Bonus Options held by you; or
- (c) rely on another exemption from the takeovers prohibition in section 611 (such as the 3% creep exemption).

If you may be at risk of exceeding the 20% voting power threshold in section 606 or increasing your voting power from a position above 20% as a result of the acquisition of Shares following exercise of Bonus Options, you should seek professional advice before exercising Bonus Options.

1.12 Directors Discretion

The Directors may at any time decide to withdraw this Prospectus.

The Directors may make determinations in any manner they think fit in relation to any difficulties, anomalies or disputes which may arise in connection with or by reason of the operation of the Bonus Issue whether generally or in relation to any Shareholder. Any determinations by the Board will be conclusive and binding on all Shareholders and other persons to whom the determination relates.

1.13 Enquiries

If you have any questions regarding the Bonus Issue, or anything referred to in this Prospectus, please contact Catalyst's Share Registry, Security Transfer Registrars Pty Ltd on:

Telephone: (08) 9315 2333

Facsimile: (08) 9315 2233

E-mail: registrar@securitytransfer.com.au

2. EFFECT OF THE BONUS ISSUE ON THE COMPANY

2.1 Effect on Financial Position of the Company

No amounts will be raised by the Company by the issue of Bonus Options under this Prospectus. The issue of Bonus Options pursuant to this Prospectus will not have a material impact on the Company's current financial position other than a decrease in cash reserves of approximately \$35,000 being the estimated expenses of the Bonus Issue as set out in section 5.7 of this Prospectus.

The Company will receive \$0.50 for each Bonus Option exercised. If all the Bonus Options issued pursuant to this Prospectus are exercised, the Company will receive approximately A\$2.8 million (based on the number of Bonus Options to be issued). The likelihood of the Company raising additional capital through the exercise of the Bonus Options is dependent on the market price of the Shares from time to time until the Bonus Options expire.

Regardless of how many Bonus Options are exercised, it is likely that the Company will need to raise further capital in the future, particularly if it earns a 50% interest in the Four Eagles Project or it elects to exercise the option to purchase the Bendigo Assets under the Kangaroo Flat Option Agreement.

A pro-forma unaudited Statement of Financial Position as at 31 March 2012 has been prepared and is set out below for illustrative purposes. The pro-forma Statement of Financial Position has been prepared on the same basis and using the same accounting policies as the Company's audited financial statements for the year ended 30 June 2011. The pro-forma Statement of Financial Position has been prepared to take into account both the issue of the Bonus Options and the exercise of all of the Bonus Options, on the basis of the maximum number of Bonus Options to be issued (based on the number of Shares on issue at the date of this Prospectus and without taking into account the impact of rounding or the expenses associated with the exercise of the Bonus Options or listing of the underlying Shares). There have been no material movements in assets and liabilities of the Company between 31 March 2012 and the date of this Prospectus other than:

- (a) expenses of the Bonus Issue of approximately \$35,000; and
- (b) proceeds received from the Share Purchase Plan offer to shareholders undertaken by the Company in March 2012, being \$985,000. Allotment of the shares subscribed under the Share Purchase Plan occurred on 3 April 2012.

PRO FORMA UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	As at 31 March 2012	As at 31 March 2012 (after Bonus Issue but without exercise of any Bonus Options)	As at 31 March 2012 (assuming all Bonus Options are exercised)
	\$	\$	\$
Current Assets			
Cash and cash equivalents	2,068,478	2,033,478	4,837,033
Trade and other receivables	72,074	72,074	72,074
Total Current Assets	2,140,552	2,105,552	4,909,107
Non-Current Assets			
Exploration and evaluation expenditure	288,247	288,247	288,247
Property, plant and equipment	5,008	5,008	5,008
Total Non-Current Assets	293,255	293,255	293,255
Total Assets	2,433,807	2,398,807	5,202,362
Current Liabilities			
Trade and other payables	140,019	140,019	140,019
Share Purchase Plan proceeds	985,000	-	-
Total Current Liabilities	1,125,019	140,019	140,019
Total Liabilities	1,125,019	140,019	140,019
Net Assets	1,308,788	2,258,788	5,062,343
Equity			
Contributed equity	6,794,794	7,744,794	10,548,349
Reserves	163,888	163,888	163,888
Accumulated losses	(5,649,894)	(5,649,894)	(5,649,894)
Total Equity	1,308,788	2,258,788	5,062,343

2.2 Effect of the Bonus Issue on the Capital Structure of the Company

The capital structure of the Company as at the date of this Prospectus is as follows:

	Number	Expiry Date	Exercise Price
Listed securities			
Shares	44,856,869	n/a	n/a
Options	Nil	n/a	n/a
Unlisted securities			
Existing Options	1,000,000	30 June 2014	\$0.20
	1,000,000	30 June 2015	\$0.30
Existing Performance Rights	700,000	n/a	n/a

Assuming that no existing Options are exercised and no Performance Rights vest prior to the Record Date, and without taking into account the impact of rounding, the capital structure following completion of the Bonus Issue will be as above, however:

- (a) the number of listed Options (subject to the quotation requirements in respect of the Bonus Options being met) will increase from nil to 5,607,110; or
- (b) if the quotation requirements are not met in respect of the Bonus Options, the number of unlisted Options will increase from 2,000,000 to 7,607,110.

If all Bonus Options are exercised then, assuming no further Shares and no further Options are issued between the date of this Prospectus and the expiry date of the Bonus Options, the total number of Options on issue will decrease by 5,607,110, and the number of Shares on issue will increase from 44,856,869 to:

- (a) 50,463,979 assuming no existing Options are exercised or Performance Rights convert; and
- (b) 53,163,979, assuming all existing Options are exercised and all existing Performance Rights have converted.

2.3 Potential effect on control

As at the date of the Prospectus, the relevant interests and voting power of the substantial shareholders of the Company (based on the last substantial shareholding notice or change of directors interest notice lodged with the Company) are as follows:

Shareholder	Number of Shares	Voting Power
Trapine Pty Ltd	5,447,947	12.15%
Robin Scrimgeour	4,001,278	8.92%
Gavin Caudle	3,873,625	8.64%
Kenneth Raymond Teagle	3,424,294	7.63%
Toby Mountjoy	2,928,126	6.53%
Drill Investments Pty Ltd	2,250,000	5.02%

Neither the Bonus Issue, nor the exercise of Bonus Options, will have a material effect on the control of the Company, with the maximum dilution experienced by any Shareholder that fails to exercise its Bonus Options being 12.5% of its existing Shareholding.

3. RISK FACTORS

The following is a summary of the more material matters to be considered and should be read in conjunction with specific matters referred to in the Company's announcements and reports. The summary is not exhaustive and you should examine the contents of this Prospectus in its entirety, rely on your own knowledge of Catalyst Metals, and consult your professional advisor before deciding whether to sell or exercise any Bonus Options granted pursuant to this Prospectus. Nothing in this Prospectus constitutes financial or investment advice.

3.1 Key Risks

(1) Exercise price of Bonus Options

No guarantee can be given that the Share price will be greater than the exercise price of the Bonus Options during the period up to expiry of the Bonus Options on 15 January 2013. Accordingly, there is a risk that the Bonus Options will be out of the money during the exercise period, which would affect the value of the Bonus Options.

(2) Quotation conditions

If the Bonus Options do not meet ASX's quotation conditions, they will not be admitted to official quotation on the ASX. If this occurs the Bonus Options will still be issued, but they will be unlisted and will not be able to be traded on the ASX.

(3) Value of Securities and Share market Conditions

The market price of the Company's securities may be subject to varied and unpredictable influences on the market for equities in general and resources stocks in particular. Market conditions may affect the value of the Company's securities regardless of the Company's performance. Lack of liquidity may also affect the value of the Company's securities.

The trading price of both the Bonus Options (if admitted to official quotation on ASX) and the underlying Shares, may fall as well as rise.

(4) Dilution

If you do not exercise the Bonus Options, because either you sell those Bonus Options on market (if admitted to quotation) or you allow those Bonus Options to expire without being exercised, and other investors exercise the Bonus Options, your shareholding will be diluted up to a maximum of 12.5%.

(5) Taxation consequences

The exercise or sale of a Bonus Option may have taxation consequences, depending on your particular circumstances. You should seek your own taxation advice before exercising or selling a Bonus Option.

(6) Requirements for Capital

The Company's capital requirements depend on numerous factors including the success of its planned exploration programs, its ability to generate income from its operations and possible acquisitions or other corporate opportunities.

If the exercise price of the Bonus Options is lower than the market price of Shares, then it is unlikely the Bonus Options will be exercised. This would mean that the Company will not raise any funds from the exercise of the Bonus Options. Regardless of how many Bonus Options are exercised, it is likely that the Company will need to raise further capital in the next 12 months, particularly if it earns a 50% interest in the Four Eagles Project or if the Company elects to exercise the option to purchase the Bendigo Assets under the Kangaroo Flat Option Agreement. If none, or a low proportion of Bonus Options are exercised, the Company will need to rely more heavily on future capital raisings, which could result in dilution to your Shareholding (depending on the nature of the capital raising).

The Company is actively progressing initiatives to raise additional equity funds to provide further working capital for the Company.

(7) Specific risks regarding the Company's Projects or interests

Four Eagles Project

The Company is currently exploring the Four Eagles Project in order to earn a 50% interest in the project, pursuant to its rights under a Heads of Agreement. Whilst the Company has progressed to the second phase of its farm-in commitment under the Heads of Agreement, there is a risk that the Company will not expend the remainder of the \$2.1 million required to be expended on exploration by 20 January 2014 in order to earn the 50% interest. Whilst the drilling results to date have been encouraging, there is also the possibility that further exploration may prove unsuccessful, in which case the Company may elect to withdraw from the farm-in. If either of these circumstances arises, the Company will have no interest in, nor any further rights to earn an interest in, the Four Eagles Project, which may have an adverse effect on the value of the Company's securities and the prospects of the Company.

Kangaroo Flat Option Agreement

The Company has been granted a 12 month option, expiring 31 January 2013, to purchase the Bendigo Assets held by Unity Mining Limited. If, for whatever reason, the Company elects to withdraw from the Kangaroo Flat Option Agreement, or it fails to meet the staged option payments due during the option period or it elects not to exercise the option by 31 January 2013 or fails to obtain the necessary regulatory approvals, the Company will have no interest in, or right to purchase, the Bendigo Assets. This may have an adverse effect on the value of the Company's securities and the prospects of the Company.

Further, if Unity Mining Limited defaults on any of its obligations under the Kangaroo Flat Option Agreement during the option period, including its obligations to maintain the tenements comprised in the Bendigo Assets in good standing and to maintain the plant, equipment, infrastructure, facilities and buildings comprised in the Bendigo Assets in good and safe condition, then this could have a materially adverse impact on the Company's rights and interests under the Kangaroo Flat Option Agreement, which would influence its decision whether or not to exercise the option.

Minnie Creek Project

The Company has applied for renewal of certain Western Australian tenements within the Minnie Creek Project. It has also sought exemptions from the Western Australian Department of Mines and Petroleum in relation to minimum expenditure requirements for these tenements.

3.2 General risks

(1) Key Management

The Directors are primarily responsible for overseeing the operations and the strategic management of the Company. The day-to-day technical operations of the Company are the responsibility of Mr Bruce Kay, the Technical Director. There can be no assurance that there will be no detrimental impact on the Company if one or more of the Directors, particularly the Technical Director, no longer act as Directors of the Company, or if the employment outlook for geologists and other mining industry specialists remains tight or further tightens for any reason.

(2) General Economic Climate

Factors such as inflation, currency fluctuation, interest rates and supply and demand have an impact on operating costs, commodity prices (particularly the gold price) and stock market prices. The Company's future revenues, the economic viability of its projects, the market price for its listed securities, and its ability to raise future capital may be affected by these factors, which are beyond the Company's control.

(3) Operational Risks

The business of mining and mineral exploration, development and production by its nature involves significant risks. The business depends on, amongst other things, successful exploration and identification of mineral reserves, security of tenure, the availability of adequate funding, satisfactory performance of mining operations, weather conditions, availability and cost of consumables and plant and equipment and skilled labour when required, good industrial relations and competent management. Profitability and asset values can be affected by unforeseen changes in operating circumstances, mineral reserves and geotechnical considerations.

Mineral exploration and development are high risk undertakings. There can be no assurance that exploration of the projects the Company currently has an interest in will result in the discovery of an economic mineral deposit. If the Company makes a discovery, there can be no assurance that the technical, financial and regulatory hurdles can be cleared and profitable, commercial production achieved.

There are also risks associated with the financial failure, or default of, or dispute with, any participant in a joint venture or contractual arrangement to which the Company is or may become party to. This is relevant particularly to the Four Eagles Project and the Kangaroo Flat Option Agreement.

(4) Land Access

There is a substantial level of regulation and restriction on the ability of exploration and mining companies to have access to land in Australia. Negotiations with both native title

claimants and land owners/occupiers may be required before the Company can access land for exploration or mining activities. Inability to access, or delays experienced in accessing, the land may impact on the Company's activities.

(5) Environmental Risks

The operations and proposed activities of the Company are subject to both Australian Federal and State laws and regulations concerning the environment. All exploration projects and mining operations have an impact on the environment, particularly advanced exploration and mine development.

The Company endeavours to conduct its activities to the highest standard of environmental obligation, including compliance with all environmental laws. However, as with all exploration and mining activities, the Company's operations are expected to have an impact on the environment. There are also risks inherent in the Company's activities including accidental leakages, spills, or other unforeseen circumstances that could subject the Company to extensive liability.

Further, the Company may require approval from relevant regulatory authorities before undertaking activities that are likely to impact on the environment. If the Company fails to obtain such approvals it will be prevented from undertaking those activities. The Company cannot predict what future legislation and regulations may govern mining, and may impose significant environmental obligations on the Company.

(6) Government Policy

Changes in government, monetary policy, taxation and laws (including those regulating the resources industry) can have a significant influence on the outlook for mineral exploration or development projects, companies and the return to investors. A change to State or Commonwealth government, government policies and legislation could have a material adverse effect on the Company or its projects.

(7) Speculative Nature of Investment

The Bonus Options and any new Shares issued on the exercise of Bonus Options granted pursuant to this Prospectus should be considered speculative because of the nature of the Company's business. There are numerous risk factors involved. Some of these risks can be mitigated by the use of safeguards and appropriate systems and controls, but some are outside the control of the Company and cannot be mitigated. Accordingly, an investment in the Company as a result of exercise of a Bonus Option carries no guarantee with respect to the payment of dividends, return of capital or price at which Shares will trade. Similarly, no guarantee can be given as to the value of the Bonus Options, including if they are admitted to official quotation, the price at which they will trade.

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the Bonus Options granted pursuant to this Prospectus. You should consider that investment in the Company is speculative and should consult your professional adviser before deciding whether to sell or exercise any of the Bonus Options granted to you pursuant to this Prospectus.

4. RIGHTS AND LIABILITIES ATTACHING TO BONUS OPTIONS AND TO UNDERLYING SHARES

4.1 Bonus Options

The Bonus Options will be granted on the following terms and conditions:

- (1) Each Bonus Option entitles the holder to subscribe for one (1) Share in the Company at a subscription price of 50 cents per Share.
- (2) The Bonus Options are exercisable at any time on or before 5.00 pm (Australian Western Standard Time) on 15 January 2013 (**Expiry Date**) by completing an option exercise form and delivering it to the Company's share registry together with payment for the number of Shares in respect of which the Bonus Options are exercised and the holding statement for those Bonus Options.
- (3) The Bonus Options may be exercisable in whole or in part. If the Bonus Options are exercised in part, each notice of exercise must be for not less than 1,000 Shares and thereafter in multiples of 1,000 Shares.
- (4) Bonus Options not exercised by the Expiry Date shall automatically lapse.
- (5) Shares issued upon exercise of the Bonus Options will rank equally in all respects with the Company's then existing Shares. The Company will apply to ASX for the Shares issued upon exercise of the Bonus Options to be admitted to quotation.
- (6) Subject to ASX Listing Rules, the Bonus Options are freely transferable in whole or part at any time prior to the Expiry Date.
- (7) There are no participating rights or entitlements inherent in the Bonus Options to participate in any new issues of securities which may be made or offered by the Company to its Shareholders from time to time prior to the Expiry Date unless and until the Bonus Options are exercised. The Company will ensure that during the exercise period of the Bonus Options the Company will notify holders of the Record Date for the purposes of determining entitlements to any such issue in accordance with the applicable timetable set out in the ASX Listing Rules.
- (8) In the event of a reconstruction (including consolidation, subdivision, reduction or return) of the issued capital of the Company, all rights of the option holder shall be reconstructed in accordance with the ASX Listing Rules.
- (9) There will be no change to the exercise price of a Bonus Option or the number of Shares over which a Bonus Option is exercisable in the event of the Company making a pro-rata issue of Shares or other securities to holders of ordinary shares in the Company (other than a bonus issue). If during the currency of the Bonus Options, there is a bonus issue of Shares to the holders of Shares in the Company, the number of Shares for which a Bonus Option is exercisable will be increased by the number of Shares which the holder would have received if the Option had been exercised before the record date of the bonus issue.

The Company will apply for quotation of the Bonus Options on ASX, but there is no guarantee quotation will be granted, unless the conditions for quotation are satisfied. The conditions for quotation include, amongst other things, there being a minimum of 100,000 Bonus Options on issue, with at least 50 holders with a Marketable Parcel.

If the Bonus Options do not satisfy the quotation conditions, the Bonus Options will be issued and allotted but will be unlisted Options that cannot be traded on ASX.

4.2 Underlying Shares

The Shares issued upon exercise of the Bonus Options will rank equally in all respects with existing Shares.

The rights and liabilities attaching to Shares are set out in the Company's Constitution, a copy of which can be inspected, free of charge, at the registered office of the Company during normal business hours. The Company will supply an Eligible Shareholder with a copy of the Constitution, free of charge, on request, at any time prior to the issue of the Bonus Options.

The following is a broad summary of the rights, privileges and restrictions attaching to all Shares. This summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of holders of Shares.

(1) Voting Rights

Subject to any rights or restrictions for the time being attached to any class or classes of Shares (at present there are none), at meetings of shareholders of Catalyst Metals:

- (a) each shareholder entitled to vote may vote in person or by proxy, attorney or representative;
- (b) on a show of hands, every person present who is a shareholder or a proxy, attorney or representative of a shareholder has one vote; and
- (c) on a poll, every person present who is a shareholder or a proxy, attorney or representative of a shareholder shall, in respect of each fully paid Share held, or in respect of which that person is appointed a proxy, attorney or representative, have one vote, but in respect of partly paid Shares (at present there are none), shall have such number of votes as bears the same proportion which the amount paid, not credited, is of the total amounts paid, and payable, whether or not called (excluding amounts credited) on the partly paid Shares.

(2) Rights on a winding up

Subject to the rights of holders of Shares with special rights in a winding up (if any), if the Company is wound up, members (including holders of ordinary Shares) will be entitled to participate in any surplus assets of the Company in proportion to the Shares held by them respectively irrespective of the amount paid up or credited as paid up on the Shares.

(3) Transfer of Shares

Subject to the Constitution of Catalyst Metals, the Corporations Act, and any other laws and ASTC Settlement Rules and ASX Listing Rules, Shares are freely transferable.

(4) Future increases in capital

The allotment and issue of any Shares is under the control of the Directors. Subject to restrictions on the allotment of Shares in the ASX Listing Rules, the Constitution of the Company and the Corporations Act, the Directors may allot or otherwise dispose of Shares on such terms and conditions as they see fit.

(5) Variation of rights

Under the Corporations Act, the Company may, with the sanction of a special resolution passed at a meeting of shareholders, vary or abrogate the rights attaching to Shares. If at any time the share capital is divided into different classes of shares unless the terms of issue of the Shares of a class state otherwise, the rights attached to any class may be varied or abrogated with the sanction of a special resolution passed at a meeting of shareholders, together with the consent in writing of the holders of three quarters of the issued shares of that class, or a special resolution passed at a separate meeting of the holders of the shares of that class.

(6) Dividend rights

Subject to the rights of holders of Shares issued with special, preferential or qualified rights (at present there are none), the profits of the Company which the Directors determine to distribute by way of dividend are divisible among the holders of Shares in proportion to the number of Shares held by them.

(7) Compliance with ASX Listing Rules

As the Company is listed on ASX, the Company will need to comply with the ASX Listing Rules, notwithstanding anything contained in its Constitution.

5. ADDITIONAL INFORMATION**5.1 Continuous Disclosure and Documents available for inspection**

This is a Prospectus for the offer of options to acquire continuously quoted securities (within the meaning of the Corporations Act) and is issued pursuant to section 713 of the Corporations Act as a transaction specific prospectus. Accordingly, this Prospectus does not contain the same level of disclosure as an initial public offering prospectus.

The Company is a “disclosing entity” for the purposes of the Corporations Act and, as such, is subject to regular reporting and disclosure obligations. As a listed company, the Company is subject to the ASX Listing Rules which require it to immediately notify ASX of any information concerning the Company of which it is or becomes aware and which a reasonable person would expect to have a material effect on the price or value of Shares, subject to certain exceptions.

Copies of documents lodged with ASIC in relation to the Company may be obtained, or inspected at, an office of ASIC.

The Company will provide to any person, on request and free of charge, a copy of each of the following documents:

- (a) the annual financial report of the Company for the financial year ended 30 June 2011, being the annual report of the Company most recently lodged with ASIC before the issue of this Prospectus;
- (b) the half-year financial report of the Company for the half year ended 31 December 2011; and
- (c) any documents used to notify ASX of information relating to the Company in the period from lodgement of the annual financial report referred to above until lodgement of the Prospectus with ASIC, in accordance with the ASX Listing Rules as referred to in section 674(1) of the Corporation Act.

The Company has lodged the following announcements with ASX since the lodgement of the 2011 Annual Report:

DATE	DESCRIPTION OF ANNOUNCEMENT
03/10/2011	Appendix 3B – performance rights
03/10/2011	Change of directors interest notice
06/10/2011	Drilling to recommence and share placement
12/10/2011	Notice of annual general meeting
31/10/2011	Quarterly activities and cash flow report
03/11/2011	Drilling re-commences at Four Eagles Project
07/11/2011	Change in substantial shareholding notice
17/11/2011	AGM presentation
17/11/2011	Results of annual general meeting
22/12/2011	Option Agreement to acquire Unity’s Bendigo Plant and Assets

DATE	DESCRIPTION OF ANNOUNCEMENT
22/12/2011	Catalyst/Unity Option Agreement to acquire Bendigo Assets
11/01/2012	New Gold Zone near Whitelaw Fault at Four Eagles
23/01/2012	Catalyst proceeds to Phase 2 of Four Eagles Project
31/01/2012	Quarterly activities and cash flow report
01/02/2012	Clean copy of Catalyst and Unity Mining Option Agreement
06/02/2012	Further gold mineralisation at Four Eagles
06/02/2012	Appendix 3B – share allotment
08/02/2012	Notice in accordance with ASIC Class Order 09/425
08/02/2012	Catalyst announces Share Purchase Plan offer
09/02/2012	Section 708A(5) notice
13/02/2012	Investor presentation
13/02/2012	Change in substantial shareholding notice
13/02/2012	Change of directors interest notice
15/02/2012	Notice under ASIC class order 09/425
15/02/2012	Despatch of share purchase plan offer memorandum
13/03/2012	Extension of SPP closing date and drilling update
14/03/2012	Half year accounts
16/03/2012	Appendix 3B – Four Eagles project
19/03/2012	Change of directors interest notice
19/03/2012	Appendix 3B – vesting of performance rights
27/03/2012	Drilling update and SPP closing
03/04/2012	Change of directors interest notices
03/04/2012	Results of share purchase plan
04/04/2012	Change in substantial shareholding notice

ASX maintains files containing publicly available information for all listed companies. The Company's file is available for inspection at ASX during normal office hours, or is available on the ASX website at www.asx.com.au, using the Company's code CYL.

5.2 Information excluded from continuous disclosure notices

As at the date of this Prospectus, there is no information that has not been disclosed under the continuous disclosure requirements of the ASX Listing Rules because the ASX Listing Rules expressly or impliedly exclude the information from disclosure, and which, in the Board's opinion, you or your professional advisers would reasonably require in order to assess the Company's assets and liabilities, financial position and prospects and the rights and liabilities attaching to the Bonus Options. The Directors note however that the Company is actively investigating opportunities to raise additional equity funds to provide further working capital for the Company.

5.3 Interests of Directors

Other than as set out below, in this section 5 or elsewhere in this Prospectus, no Director or any entity in which a Director is a partner or director, has or has had in the two years before the date of this Prospectus, any interest in:

- (a) the formation or promotion of the Company;
- (b) property acquired or proposed to be acquired by the Company in connection with its formation or promotion of the Bonus Issue; or
- (c) the Bonus Issue,

and no amounts have been paid or agreed to be paid (in cash or Shares or otherwise) and no other benefit has been given or agreed to be given to any Director or to any entity in which a Director is a partner or a director, either to induce him to become, or qualify as, a Director or otherwise for services rendered by him or by the entity in connection with the formation or promotion of the Company or the Bonus Issue.

Interests in Existing Securities

As at the date of this Prospectus the Directors have a direct or indirect interest in the following securities of the Company:

Director	Existing Shares	Existing Options	Existing Performance Rights
Stephen Boston (Chairman)	5,447,947	Nil	Nil
Robin Scrimgeour (Non-Executive Director)	4,001,278	Nil	Nil
Gary Schwab (Non-Executive Director)	Nil	Nil	Nil
Bruce Kay (Non-Executive Director)	678,808	250,000 unlisted Options (exercisable at \$0.20 expiring 30 June 2014) 250,000 unlisted Options (exercisable at \$0.30 expiring 30 June 2015)	700,000

Remuneration of Directors

Directors are entitled to remuneration out of the funds of the Company but the remuneration of the non-executive Directors may not exceed in any year the amount fixed by the Company in general meeting for that purpose. The aggregate remuneration of the non-executive Directors has been fixed at a maximum of \$200,000 per annum.

The Directors are currently entitled to the following remuneration or directors' fees:

Director	Remuneration
Stephen Boston	Directors' fees of \$60,000 per annum (plus superannuation)
Robin Scrimgeour	Directors' fees of \$43,600 per annum
Gary Schwab	Directors' fees of \$40,000 per annum (plus superannuation)
Bruce Kay	Directors' fees of \$40,000 per annum (plus superannuation)

Bruce Kay is paid consultancy fees at the rate of \$1,200 per day for technical services provided to the Company in addition to and outside the scope of his role as a Non-Executive Director. All Directors are entitled to the reimbursement of expenses incurred in carrying out their duties as Directors.

5.4 Market prices of Shares on ASX

The highest and lowest market price of Shares on the ASX during the 3 months immediately preceding the date of this Prospectus, and the closing market price on the date before the date of this Prospectus are set out below:

3 month high	3 month low	Closing market price on 17 April 2012
\$0.55 on 6 and 7 March 2012	\$0.41 on 13 and 21 February 2012	\$0.46

5.5 Restricted Securities

The only restricted securities on issue are the 1,000,000 Shares issued to Unity Mining Limited as part of the option fee under the Kangaroo Flat Option Agreement. These Shares are subject to a voluntary 6 month escrow period (expiring 6 August 2012), on the terms set out in the Kangaroo Flat Option Agreement. The Bonus Options issued to Unity Mining Limited under the Bonus Issue will not be restricted.

5.6 Broker handling fees

No handling fees are payable in connection with the Bonus Issue.

5.7 Expenses of the Bonus Issue

The estimated expenses of the Bonus Issue, including ASIC lodgement fee, ASX Listing Fees (assuming the Bonus Options are admitted to quotation), legal fees, share registry expenses, printing and postage costs, are \$35,000.

5.8 Watsons Lawyers

Watsons Lawyers will receive a time based fee of approximately \$20,000 (excluding GST and disbursements) in connection with legal advice provided to the Company in respect of the Bonus Issue and the preparation and verification of documentation in connection with the Bonus Issue.

5.9 Consents and disclaimer

Each of the parties referred to in this section 5:

- (a) has not authorized or caused the issue of this Prospectus;
- (b) has not made, or purported to make any statement in this Prospectus, or on which any statement made in this Prospectus is based, other than the statements referred in this section 5.9;
- (c) does not assume responsibility for any part of this Prospectus except for the statements referred to in this section 5.9; and
- (d) to the maximum extent permitted by law, disclaim any responsibility or liability for any part of this Prospectus, other than a reference to it or a statement to be included in this Prospectus with their consent as specified in this section 5.9.

Each of the following has consented in writing to being named in the Prospectus in the capacity noted below and in the form and context in which they have been named, and has not withdrawn such consent prior to the lodgement of this Prospectus with ASIC:

- (a) Watsons Lawyers as legal advisor to the Company; and
- (b) Security Transfer Registrars Pty Ltd as the Company's share registry.

5.10 Litigation

As at the date of this Prospectus, the Company is not involved in any material legal proceedings and the Directors are not aware of any material legal proceedings pending or threatened against the Company.

5.11 Further information

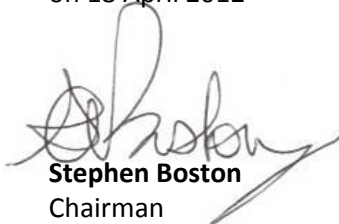
If you have any questions about the Bonus Issue, please contact either:

- (a) Catalyst Metal's share registry, Security Transfer Registrars Pty Ltd, on
Telephone: (08) 9315 2333
Facsimile: (08) 9315 2233
E-mail: registrar@securitytransfer.com.au; or
- (b) your stockbroker or professional adviser.

DIRECTORS STATEMENT

Each Director has consented to the lodgement of this Prospectus with ASIC and has not withdrawn that consent.

Signed for and on behalf of
Catalyst Metals Limited
on 18 April 2012


Stephen Boston
Chairman

6. DEFINED TERMS

In this Prospectus, the following words have the following meanings unless the context requires otherwise:

ASIC	Australian Securities & Investments Commission.
ASX	ASX Limited or the securities exchange operated by ASX Limited (as the context requires).
ASX Listing Rules	the official listing rules of ASX.
Bendigo Assets	the Kangaroo Flat gold processing plant, equipment and facilities and certain mining and exploration tenements, buildings and freehold land in the Bendigo area owned by Unity Mining Limited.
Bonus Issue	the issue of Bonus Options to Eligible Shareholders pursuant to this Prospectus on the basis of one (1) Bonus Option for every eight (8) Shares held on the Record Date.
Bonus Option	an option to subscribe for one fully paid ordinary share, exercisable at 50 cents on or before 5:00 pm (Perth time) on 15 January 2013 and otherwise having the terms set out in section 4.1 of this Prospectus.
Company or Catalyst Metals	Catalyst Metals Limited (ACN 118 912 495)
Corporations Act	Corporations Act 2001 (Cth).
Directors	the directors of Catalyst Metals.
Eligible Shareholder	a registered holder of Shares on the Record Date with a registered address in Australia, New Zealand, Singapore or Hong Kong.
Entitlement	the number of Bonus Options to which an Eligible Shareholder is entitled under the Bonus Issue on the basis of one (1) Bonus Option for every eight (8) Shares held by the Eligible Shareholder at 5.00 pm Perth time on 2 May 2012.
Excluded Shareholder	a registered holder of Shares at 5.00 pm Perth time on 2 May 2012 with a registered address in a country other than Australia, New Zealand, Singapore or Hong Kong.
Four Eagles Project	The project comprising exploration licences EL 4525 and EL 5295, located near Bendigo in Victoria.
Kangaroo Flat Option Agreement	The agreement with Unity Mining Limited whereby the Company, through one of its subsidiaries, has been granted a 12 month option to purchase the Bendigo Assets, details of which were announced to the ASX on 1 February 2012.

Marketable Parcel	a parcel of Bonus Options, that if exercised in full would result in a parcel of Shares which would not be less than AUD\$500 based on the closing price of Shares at the time of grant of the Bonus Options.
Option	an option to subscribe for a Share.
Performance Right	a Performance Right granted to Mr Bruce Kay (Technical Director), with Shareholder approval, each vesting for one Share if the Company becomes entitled to the transfer of a 50% interest in the Four Eagles Project.
Prospectus	this prospectus dated 18 April 2012 under which the Bonus Issue is being made.
Record Date	5.00 pm Perth time on 2 May 2012.
Share	a fully paid ordinary share in the capital of Catalyst Metals.
Shareholder	a registered holder of Shares.