



ASX ANNOUNCEMENT

8 FEBRUARY 2012

## CATALYST ANNOUNCES SHARE PURCHASE PLAN OFFER AND BONUS ISSUE

Following a successful exploration campaign in 2011 and more recently the execution of a 12 month exclusive option to purchase a 600,000 tpa gold plant, associated infrastructure and tenements situated in and around Bendigo, Catalyst Metals Limited (**Catalyst**) is pleased to announce a Share Purchase Plan offer and Bonus Issue to shareholders of Catalyst to accelerate the follow-up drilling of high grade gold mineralisation at the Four Eagles Project. The Share Purchase Plan will provide eligible shareholders on the share register as at 5:00 pm Perth time on Tuesday, 7 February 2012 with the opportunity to subscribe for up to A\$15,000 worth of shares at a subscription price of A\$0.40 per share.

The issue price of the new shares represents a discount of 8.7% to the volume weighted average price of Catalyst shares during the last 5 days on which sales of shares were recorded to, and including, 7 February 2012, being the date immediately preceding this announcement.

The Share Purchase Plan is expected to open on Wednesday, 15 February 2012 and close on Wednesday, 14 March 2012. Full details of the Share Purchase Plan are set out in the attached Offer Memorandum which is expected to be sent to shareholders on 15 February 2012.

In accordance with the ASX Listing Rules, the maximum number of shares which may be issued under the Share Purchase Plan is 12,403,310 shares, being 30% of the current issued share capital of Catalyst.

Shareholder approval will not be sought for the Share Purchase Plan.

### **Proposed Bonus Issue of Options**

Catalyst is also pleased to announce that it intends to undertake a bonus loyalty issue of options to eligible shareholders (**Bonus Issue**) on the basis of one (1) free option for every eight (8) shares held, with each option being exercisable for one fully paid ordinary share at A\$0.50 each and expiring 15 January 2013 (**Bonus Option**).

Catalyst will apply for the Bonus Options to be listed on the ASX. The Bonus Options will only be admitted to 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 be issued but will not be traded on ASX.

Catalyst will release a separate disclosure document for the Bonus Issue containing full details of the Bonus Issue, including full terms and conditions of the Bonus Options. It is anticipated that this will occur within the next 3 months.

All new shares issued under the Share Purchase Plan will be issued and allotted prior to the record date for the Bonus Issue, so shareholders who subscribe for new shares under the Share Purchase Plan will increase their entitlement to the free options issued under the Bonus Issue.

Catalyst will keep shareholders informed as to the Bonus Issue, including the record date for determining entitlements to the Bonus Issue.

### **Purpose of the Fundraising**

The proceeds from the Share Purchase Plan will be applied towards:

- (1) further exploration at the Four Eagles Project, including funding of the 2012 exploration programme that will involve follow-up aircore, diamond and reverse circulation drilling of high grade gold mineralisation discovered at Four Eagles in 2011. The objective of the drilling programmes is to show continuity of the gold zones and outline an ore resource that could be processed at the Kangaroo Flat gold plant;
- (2) payment of the staged option fee to Unity Mining Limited for the option to purchase the Bendigo Assets (see ASX announcement by Catalyst on 1 February 2012 for further details); and
- (3) Catalyst's general working capital requirements.

### **For further information contact:**

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

Telephone: +61 8 9383 2825

Facsimile: +61 8 9284 5426



8 February 2012

Dear Shareholder

### **SHARE PURCHASE PLAN OFFER TO SHAREHOLDERS**

Catalyst Metals Limited (**Catalyst**) is pleased to invite you to participate in a non-renounceable Share Purchase Plan, whereby existing Eligible Shareholders as at 5.00 pm Perth time on Tuesday, 7 February 2012 can subscribe for up to \$15,000 worth of New Shares at a subscription price of 40 cents per Share, in any one of the following parcel options:

- 12,500 Shares for \$5,000
- 25,000 Shares for \$10,000
- 37,500 Shares for \$15,000

The issue price of the New Shares represents a discount of 8.7% to the volume weighted average price of Catalyst's shares during the last 5 days on which Catalyst shares were traded, up to and including 7 February 2012, being the day before the Share Purchase Plan was announced. The offer under the Share Purchase Plan provides you with an opportunity to increase your investment in Catalyst at an attractive price.

Simultaneous with the announcement of the Share Purchase Plan, Catalyst has also announced its intention to undertake a bonus loyalty issue of options to shareholders (**Bonus Issue**) on the basis of one (1) free option for every eight (8) Shares held, with each option being exercisable for one fully paid ordinary share at \$0.50 each and expiring 15 January 2013 (**Bonus Option**). All Shares issued under the Share Purchase Plan will be issued and allotted prior to the record date of the Bonus Issue, so Shareholders who subscribe for Shares under the Share Purchase Plan will increase their entitlement to Bonus Options.

Catalyst will apply for the Bonus Options to be listed on the ASX. The Bonus Options will only be admitted to 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 be issued but will not be traded on ASX.

Catalyst will release a separate disclosure document for the Bonus Issue containing full details of the Bonus Issue, including full terms and conditions of the Bonus Options. It is anticipated that this will occur within the next 3 months. Catalyst will keep Shareholders informed as to the timing of the Bonus Issue.

The offer under the Share Purchase Plan will be conducted without a prospectus in accordance with ASIC Class Order 09/425. In accordance with the ASX Listing Rules, the maximum number of shares which may be issued under the Share Purchase Plan is 12,403,310 New Shares, being 30% of the current issued share capital of Catalyst. If necessary, applications will be scaled back to satisfy this requirement and also to make sure no Shareholder would acquire more shares than they can legally acquire at the time allocations are made.

The offer is non-renounceable. This means that you cannot trade or transfer your right to subscribe for New Shares under the Share Purchase Plan.

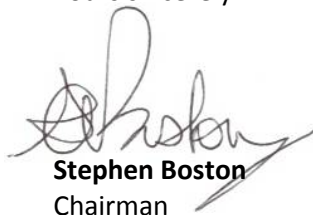
The proceeds from the Share Purchase Plan will be applied towards:

- (a) further exploration at the Four Eagles Project, including funding of the 2012 exploration programme that will involve follow-up aircore, diamond and reverse circulation drilling of high grade gold mineralisation discovered at Four Eagles in 2011. The objective of the drilling programmes is to show continuity of the gold zones and outline an ore resource that could be processed at the Kangaroo Flat gold plant;
- (b) payment of the staged option fee to Unity Mining Limited for the option to purchase the Bendigo Assets (see ASX announcement by Catalyst on 1 February 2012 for further details); and
- (c) Catalyst's general working capital requirements.

Each Director intends to take up the maximum parcel of Shares available to them under the Share Purchase Plan.

You are encouraged to read this Offer Memorandum and the accompanying Application Form fully. If you have any queries in relation to the Share Purchase Plan, you should consult your stockbroker or other professional adviser.

Yours sincerely



**Stephen Boston**  
Chairman

**TERMS AND CONDITIONS OF SHARE PURCHASE PLAN**

<p><b>1 Offer under the Share Purchase Plan</b></p>	<p>Catalyst offers each Eligible Shareholder the opportunity to subscribe for New Shares at 40cents each in the following parcel options:</p> <ul style="list-style-type: none"> <li>• 12,500 Shares for \$5,000</li> <li>• 25,000 Shares for \$10,000</li> <li>• 37,500 Shares for \$15,000</li> </ul> <p>The New Shares will be fully paid and will rank equally in all respects with Catalyst’s existing Shares on issue. Catalyst will apply for quotation of the New Shares on ASX. If an Eligible Shareholder becomes entitled to a fraction of a Share the entitlement will be rounded up to the nearest whole number.</p>
<p><b>2 Issue Price</b></p>	<p>The issue price of the New Shares is 40 cents each which represents a discount of 8.7% to the volume weighted average price of Shares during the 5 trading days on which sales of Shares were recorded to, and including the last trading day before this Share Purchase Plan was announced.</p> <p>Eligible Shareholders should be aware that there is a risk that the market price of the Shares may change between the date of this Offer Memorandum and the date when New Shares are issued under this Share Purchase Plan. This means that the price paid per New Share may be either higher or lower than the market price of Shares on the date the New Shares are issued and allotted under the Share Purchase Plan.</p>
<p><b>3 Participation in the Share Purchase Plan</b></p>	<p>Each Shareholder with a registered address in Australia or New Zealand as at 5.00 pm Perth time on Tuesday, 7 February 2012 is entitled to participate in the Share Purchase Plan. Further, Permitted Foreign Shareholders may participate in the Offer, subject to the terms and conditions set out in Section 2 of the Additional Terms and Conditions.</p>
<p><b>4 How to subscribe for New Shares</b></p>	<p>Participation in the Share Purchase Plan is optional. To subscribe for New Shares under the Share Purchase Plan, please follow the instructions on the enclosed Application Form.</p> <p>Applications must be for one of the parcel options specified in item 1 above. You must make payment for the appropriate Application Money, depending on which parcel option you select, as provided in the Application Form. Applications will not be valid if they are received after 5.00 pm Perth time on Wednesday, 14 March 2012.</p> <p>By making an Application and subscribing for New Shares, you agree to be bound by the Terms and Conditions and the Constitution of Catalyst. You will not be able to withdraw or revoke an Application once you have submitted it.</p> <p>By submitting an Application you accept the risk that the market price of the Shares may fall between the date on which you submit the Application and the date the New Shares are issued and allotted.</p>

<p><b>5 Indicative timetable</b></p>	<table border="0"> <tr> <td><b>Record Date</b></td> <td>Tuesday, 7 February 2012</td> </tr> <tr> <td><b>Offer Opens</b></td> <td>Wednesday, 15 February 2012</td> </tr> <tr> <td><b>Closing Date</b></td> <td>Wednesday, 14 March 2012</td> </tr> <tr> <td><b>Date of Issue of New Shares</b></td> <td>Tuesday, 20 March 2012</td> </tr> <tr> <td><b>Expected commencement of trading of New Shares on ASX</b></td> <td>Wednesday, 21 March 2012</td> </tr> <tr> <td><b>Despatch of holding statements to participants in the Share Purchase Plan</b></td> <td>Friday, 23 March 2012</td> </tr> </table> <p>The Directors reserve the right to vary the dates for the Share Purchase Plan at their discretion. Should this occur then this will have a consequential effect on the anticipated date of issue and normal trading of New Shares. Shareholders should confirm their holding before trading in any New Shares.</p>	<b>Record Date</b>	Tuesday, 7 February 2012	<b>Offer Opens</b>	Wednesday, 15 February 2012	<b>Closing Date</b>	Wednesday, 14 March 2012	<b>Date of Issue of New Shares</b>	Tuesday, 20 March 2012	<b>Expected commencement of trading of New Shares on ASX</b>	Wednesday, 21 March 2012	<b>Despatch of holding statements to participants in the Share Purchase Plan</b>	Friday, 23 March 2012
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<p><b>6 Scaling back</b></p>	<p>The maximum number of New Shares that may be issued under the Share Purchase Plan is 12,403,310. Catalyst reserves the right to scale back Applications on any basis it determines. Any Application Money received in excess of New Shares allocated to a Shareholder will be refunded (without interest). If, as a result of scaling back, a Shareholder becomes entitled to a fraction of a Share, the entitlement will be rounded up to the nearest whole number.</p> <p>Scaling back may also occur in order to ensure that a Shareholder does not breach section 606 of the Corporations Act.</p>												
<p><b>7 Shortfall</b></p>	<p>The offer under the Share Purchase Plan is not underwritten. However, the Directors reserve the right to place any Shortfall Shares in their absolute discretion at a price no less than the price of New Shares offered under the Share Purchase Plan, to the extent that any such placement of Shortfall Shares can be made having regard to Listing Rule 7.1.</p>												
<p><b>8 Non-Renounceability</b></p>	<p>The offer under the Share Purchase Plan is non-renounceable. This means that the right to subscribe for New Shares under the Share Purchase Plan is not transferable.</p>												
<p><b>9 Other information</b></p>	<p>Eligible Shareholders are reminded that a further investment in Catalyst is speculative in nature. In addition Shareholders should be aware that:</p> <ul style="list-style-type: none"> <li>• Catalyst may not earn an interest in the Four Eagles Project, if it does not meet its earn-in obligations by the required date or elects to withdraw from the earn-in; and</li> <li>• Catalyst may determine not to exercise the option to purchase the Bendigo Assets, in which case it will have no interest in the Bendigo Assets.</li> </ul>												

## **ADDITIONAL TERMS AND CONDITIONS OF SHARE PURCHASE PLAN**

### **1 Level of participation**

- 1.1 Eligible Shareholders can choose to subscribe for New Shares in one of the parcel options specified in item 1 of the table above, for a maximum of \$15,000 and a minimum of \$5,000 worth of New Shares.
- 1.2 Joint holders will be treated as a single registered holding for the purposes of the offer under this Share Purchase Plan and the joint holders are entitled to participate in respect of that single holding only. Any Eligible Shareholder (other than a Custodian) that receives more than one offer to participate in the Share Purchase Plan can only subscribe for a maximum of \$15,000 of New Shares in total. Catalyst reserves the right to reject any Application where it believes this has not been complied with.
- 1.3 By making an Application, a Shareholder (other than a Custodian) certifies to Catalyst that at the time of the application, the total of the application price taking into account all of the following, does not exceed \$15,000:
  - 1.3.1 the New Shares the subject of the Application; and
  - 1.3.2 any other Shares issued to the Shareholder under the Share Purchase Plan or any similar arrangement in the 12 months before the Application; and
  - 1.3.3 any other Shares which the Shareholder has instructed a Custodian to acquire on its behalf under the Share Purchase Plan; and
  - 1.3.4 any other Shares issued to a Custodian under an arrangement similar to the Share Purchase Plan in the 12 months before the Application as a result of an instruction given by the Shareholder to the Custodian to apply for Shares and which resulted in the Shareholder holding beneficial interests in the Shares.
- 1.4 Eligible Shareholders that are Custodians may apply for New Shares with a total application price exceeding \$15,000, subject to providing Catalyst with a custodian certificate which complies with the requirements of ASIC Class Order CO 09/425 (**Custodian Certificate**). By providing a Custodian Certificate, an Eligible Shareholder represents and warrants to Catalyst that it is a "custodian" within the definition ascribed to that term in ASIC Class Order CO 09/425. If you require a Custodian Certificate please contact Catalyst's Share Registry, Security Transfer Registrars Pty Ltd on telephone number (08) 9315 2333, facsimile number (08) 9315 2233 or by e-mail at registrar@securitytransfer.com.au.
- 1.5 If you hold Shares as a trustee or nominee for another person, but are not a Custodian, you cannot participate for beneficiaries in the manner described above. In this case, the rules for multiple single holdings in clause 1.1 apply.

### **2 Foreign Holders**

- 2.1 Catalyst has decided that it is unreasonable to make the offer under the Share Purchase Plan to Shareholders who have a registered address in a country other than Australia and New Zealand and the jurisdictions applicable to Permitted Foreign Shareholders, having regard to the number of Shareholders in such places, the number and value of the New Shares they would be able to apply for and the substantial costs of complying with the legal and regulatory requirements in those jurisdictions.
- 2.2 Consequently, no offer is made under the Share Purchase Plan in any jurisdiction outside of Australia or New Zealand unless the offer is to a Permitted Foreign Shareholder and the offer would not result in a breach of the relevant securities laws and regulations in the jurisdiction of

the Permitted Foreign Shareholder. No offer is made under this Share Purchase Plan in any place in which, or to persons to whom, it would not be lawful to make an offer.

- 2.3 By making an Application, a Permitted Foreign Shareholder warrants that the offer under the Share Purchase Plan, the Application by the Permitted Foreign Shareholder and the issue of New Shares to the Permitted Foreign Shareholder under the Offer does not constitute a breach of the relevant securities laws and regulations in the jurisdiction of the Permitted Foreign Shareholder.
- 2.4 Eligible Shareholders holding Shares on behalf of persons who are resident outside of Australia and New Zealand are responsible for ensuring that the subscription for the New Shares under the Share Purchase Plan does not breach regulations in the relevant overseas jurisdiction.
- 2.5 This Offer Memorandum must not be released or distributed in the United States. The New Shares have not been and will not be registered under the United States Securities Act of 1933 or the securities laws of any state or other jurisdiction of the United States. The New Shares may not be subscribed for by a person in the United States or by persons who are acting for the account or benefit of a person in the United States. The New Shares may not be offered, sold or resold in the United States, except in a transaction exempt from, or not subject to, the registration requirements of the United States Securities Act of 1933 and the applicable securities law of any state or other jurisdiction in the United States.

### **3 Costs**

- 3.1 There are no brokerage or transaction costs payable by Eligible Shareholders that participate in the Share Purchase Plan.

### **4 ASX Listing Rules**

- 4.1 The Listing Rules allow the issue of up to \$15,000 worth of New Shares under the Share Purchase Plan to each Eligible Shareholder (including Eligible Shareholders who are related parties of Catalyst) without obtaining Shareholder approval for the purposes of Listing Rules 7.1 or 10.11, provided the following conditions are complied with:
  - 4.1.1 the discount offered under the Share Purchase Plan is no greater than 20% of Catalyst's average Share price over the last 5 days on which sales of Catalyst's Shares were recorded, either before the date on which the Share Purchase Plan was first announced, or before the day on which the issue is made under the Share Purchase Plan; and
  - 4.1.2 the number of Shares to be issued under the Share Purchase Plan is not greater than 30% of the number of Shares already on issue (namely 12,403,310 Shares).

### **5 Catalyst's discretion regarding Applications**

- 5.1 The Board may accept or reject Applications at its discretion, including but not limited to cases where:
  - 5.1.1 an Application Form is incorrectly completed, incomplete or otherwise determined by the Board to be invalid;
  - 5.1.2 an Application is received after the Closing Date;
  - 5.1.3 the correct Application Money is not tendered with the Application;
  - 5.1.4 a cheque is dishonoured or has not been completed correctly or accurately; or
  - 5.1.5 the Board forms the opinion that the subscription of New Shares by the Eligible Shareholder would result in a breach of law or regulation.



- 5.2 If the Board rejects an Application, the Application Money will be refunded (without interest). The Board reserves the right to waive strict compliance with the Terms and Conditions.
- 5.3 Catalyst reserves the right to scale back Applications on any basis it determines. Any Application Money received in excess of New Shares allocated to a Shareholder will be refunded (without interest). If, as a result of scaling back, a Shareholder becomes entitled to a fraction of a Share, the entitlement will be rounded up to the nearest whole number.
- 5.4 The Board may, in its absolute discretion, vary, terminate or waive this Share Purchase Plan or any of the Terms and Conditions at any time, whether because of a change of law, an ASIC requirement or policy or any other circumstances relevant to this Share Purchase Plan or Catalyst. If Catalyst exercises this discretion it will promptly notify the ASX. Failure to notify Shareholders of a change to, waiver of or termination of this Share Purchase Plan or the Terms and Conditions will not invalidate the change, waiver or termination. If Catalyst terminates this Share Purchase Plan all Application Money received will be refunded (without interest).

## **6 Catalyst's discretion regarding Shortfall Shares**

- 6.1 The Directors reserve the right to place any Shortfall Shares in their absolute discretion and at a price no less than the price of New Shares offered under the Share Purchase Plan, to the extent that any such placement of Shortfall Shares can be made having regard to Listing Rule 7.1.

## **7 Dispute policy**

- 7.1 The Board may make determinations in any manner it thinks fit in relation to any difficulties, anomalies or disputes which may arise in connection with or by reason of the operation of this Share Purchase Plan whether generally or in relation to any Shareholder or Application. Any determinations by the Board will be conclusive and binding on all Shareholders and other persons to whom the determination relates.

## **8 Reliance on Offer Memorandum**

- 8.1 This Offer Memorandum has been prepared in accordance with ASIC Class Order 09/425, which relates to share purchase plans that do not require a prospectus or other disclosure document. Accordingly, the level of disclosure in this Offer Memorandum is considerably less than the level of disclosure required in a prospectus or other disclosure document.
- 8.2 Nothing in this Offer Memorandum constitutes financial or investment advice. In deciding whether or not to participate in the Share Purchase Plan, you should rely on your own knowledge of Catalyst, refer to disclosures made by Catalyst to ASX (which are available for inspection on the ASX website at [www.asx.com.au](http://www.asx.com.au) and on Catalyst's website at [www.catalystmetals.com.au](http://www.catalystmetals.com.au)) and seek the advice of your professional adviser.

## **9 Further information**

- 9.1 If you have any questions about your entitlement to New Shares, please contact either:
- 9.1.1 Catalyst's share registry, Security Transfer Registrars Pty Ltd, on telephone number (08) 9315 2333, facsimile number (08) 9315 2233 or by e-mail at [registrar@securitytransfer.com.au](mailto:registrar@securitytransfer.com.au); or
- 9.1.2 your stockbroker or professional adviser.

## GLOSSARY

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

<b>Application</b>	An application for New Shares under the Share Purchase Plan made in accordance with the instructions on the enclosed Application Form.
<b>Application Form</b>	The personalised form accompanying this Offer Memorandum.
<b>Application Money</b>	The application money required for a subscription of New Shares under this Share Purchase Plan, as applicable to the parcel option selected.
<b>ASIC</b>	The Australian Securities and Investments Commission.
<b>ASX</b>	ASX Limited (ACN 008 624 691) or the securities exchange operated by ASX Limited (as the context requires).
<b>Board</b>	The board of Directors.
<b>Bonus Issue</b>	A bonus issue of options to Shareholders on the basis of one (1) free option for every eight (8) Shares held, with each option exercisable for one fully paid ordinary share at \$0.50 and expiring 15 January 2013.
<b>Catalyst</b>	Catalyst Metals Limited (ACN 118 912 495)
<b>Closing Date</b>	The last date for accepting the offer under this Share Purchase Plan, being 5.00 pm Perth time on 14 March 2012, or such other date and/or time determined by the Board.
<b>Corporations Act</b>	<i>Corporations Act 2001</i> (Cth).
<b>Custodian</b>	Has the meaning given in ASIC Class Order 09/425
<b>Directors</b>	The directors of Catalyst.
<b>Eligible Shareholders</b>	Shareholders with a registered address in either Australia or New Zealand, at 5.00 pm Perth time on Tuesday, 7 February 2012 and, subject to Section 2 of the Additional Terms and Conditions, Permitted Foreign Shareholders.
<b>Listing Rules</b>	The official listing rules of ASX.
<b>Marketable Parcel</b>	In relation to the Bonus Options, means a parcel of Bonus Options that, if exercised in full, would result in a parcel of Shares which would be worth at least \$500 based on the closing price of Shares at the time of issue of the Bonus Options.
<b>New Share</b>	A Share to be issued pursuant to this Offer Memorandum.
<b>Offer Memorandum</b>	This memorandum under which the offer in respect of the Share Purchase Plan is being made.
<b>Permitted Foreign Shareholder</b>	A Shareholder with a registered address in either Singapore or Hong Kong at 5.00 pm Perth time on Tuesday, 7 February 2012 who can validly give the warranties required in section 2.3 of the Additional Terms and Conditions of the Share Purchase Plan, set out in this Offer Memorandum.
<b>Record Date</b>	5:00 pm Perth time on Tuesday, 7 February 2012.
<b>Share</b>	A fully paid ordinary share in the capital of Catalyst.
<b>Shareholder</b>	A registered holder of Shares.
<b>Share Purchase Plan</b>	The share purchase plan, the terms and conditions of which are set out in this Offer Memorandum and the Application Form.
<b>Shortfall Shares</b>	Those Shares available for purchase under the Share Purchase Plan not accepted by Shareholders.
<b>Terms and Conditions</b>	The terms and conditions of the Share Purchase Plan as set out in the Offer Memorandum and the Application Form, including the Additional Terms and Conditions.