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**catalyst**  
METALS LTD

ABN 54 118 912 495

**INTERIM REPORT**

**FOR THE HALF-YEAR ENDED 31 DECEMBER 2009**

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## CORPORATE DIRECTORY

### DIRECTORS

Stephen Boston (Chairman)  
Robin Scrimgeour (Non-Executive Director)  
Gary Schwab (Non-Executive Director)

### COMPANY SECRETARY

Frank Campagna

### REGISTERED OFFICE AND PRINCIPAL PLACE OF BUSINESS

18 Emerald Terrace  
West Perth, Western Australia 6005

Telephone: +618 9383 2825  
Facsimile: +618 9284 5426  
Email: [admin@catalystmetals.com.au](mailto:admin@catalystmetals.com.au)  
Website: [www.catalystmetals.com.au](http://www.catalystmetals.com.au)

### AUDITORS

RSM Bird Cameron Partners  
8 St Georges Terrace  
Perth WA 6000

### SHARE REGISTRY

Security Transfer Registrars Pty Ltd  
770 Canning Hwy  
Applecross WA 6153

Telephone: +618 9315 2333  
Facsimile: +618 9315 2233  
Email: [registrar@securitytransfer.com.au](mailto:registrar@securitytransfer.com.au)  
Website: [www.securitytransfer.com.au](http://www.securitytransfer.com.au)

### STOCK EXCHANGE LISTING

The Company is listed on the Australian Securities Exchange  
Home Exchange: Perth  
ASX code: CYL

## DIRECTORS' REPORT

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The Directors present their report on Catalyst Metals Limited and its subsidiaries for the half-year ended 31 December 2009.

### BOARD OF DIRECTORS

#### DIRECTORS

The names and details of Catalyst Metals Ltd ("Company") directors in office during the half-year and up to the date of this report are as follows:

Stephen Boston (appointed 1 September 2009)  
Robin Scrimgeour (appointed 1 September 2009)  
Gary Schwab (appointed 8 December 2009)  
Nathan McMahon (resigned 1 September 2009)  
Bryan Dixon (resigned 1 September 2009)  
Mark Thompson (resigned 25 September 2009)

Directors were in office for the entire period unless otherwise stated.

#### REVIEW OF OPERATIONS

During the six months ending 31st December 2009 Catalyst continued to advance work on the Minnie Creek and Everton Molybdenum projects plus review new potential commercial opportunities.

At the Minnie Creek project located in Western Australia no field activities were completed with work undertaken focused on statutory reporting, tenement rationalisation and a review of project data and strategies. Results of the data review highlighted multiple targets some of which are located along strike from the Minnie Springs prospect that remain untested and require further work. As part of Catalyst's efforts to promote the Minnie Creek Project, diamond drill core from five drill holes which intersected highly encouraging broad zones of molybdenum mineralisation have been donated to the Geological Survey of Western Australia's core library located in Perth.

At the Everton project located in Victoria work plan approvals have been received from the Victorian Department of Primary Industries for a planned diamond and percussion drilling program designed to test the economic potential of the historic Everton Molybdenum mine. Follow-up site inspections and liaising with drilling contractors have subsequently been undertaken to evaluate current drill access logistics and co-ordinating a suitable drilling program start date. During the period Catalyst entered into an agreement to acquire 100% of the remaining Vendor interest in the exploration licence EL4866 which includes the historic Everton Molybdenum mine and defines the Everton Molybdenum project.

As a consequence of the continued cautious nature of economic markets and associated commodity prices (particularly base-metals) Catalyst continues to implement a program of cost minimization, decreasing the company's activities to preserve capital.

#### RESULTS OF OPERATIONS

The operating loss after income tax of the Company for the half-year ended 31 December 2009 was \$107,560 (2008: \$1,379,982).

The Company's basic loss per share for the period was 0.4 cents (2008: loss of 5.9 cents per share).

No dividend has been paid during or is recommended for the financial period ended 31 December 2009.

#### AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 immediately follows the Directors' Report.

## DIRECTORS' REPORT

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This report has been made in accordance with a resolution of the Board of Directors.



**Stephen Boston**  
Chairman

Dated at Perth this 12th day of March 2010

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# RSM Bird Cameron Partners

Chartered Accountants

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www.rsmi.com.au

## AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the financial report of Catalyst Metals Limited for the half year ended 31 December 2009, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- (ii) any applicable code of professional conduct in relation to the review.

*RSM Bird Cameron Partners*

RSM BIRD CAMERON PARTNERS  
Chartered Accountants

*S C Cubitt*

S C CUBITT  
Partner

Perth, WA  
Dated: 12 March 2010

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**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**As at 31 December 2009**

	31 December 2009	30 June 2009
Note	\$	\$
<b>Current Assets</b>		
Cash and cash equivalents	1,865,995	1,415,701
Trade and other receivables	13,231	48,564
Other financial assets at fair value through profit or loss	2,240	1,368
<b>Total Current Assets</b>	<b>1,881,466</b>	<b>1,465,633</b>
<b>Non-Current Assets</b>		
Property, plant and equipment	2,983	8,516
Trade and other receivables	10,000	10,000
Exploration and evaluation expenditure	260,569	162,294
<b>Total Non-Current Assets</b>	<b>273,552</b>	<b>180,810</b>
<b>TOTAL ASSETS</b>	<b>2,155,018</b>	<b>1,646,443</b>
<b>Current Liabilities</b>		
Trade and other payables	15,713	68,323
<b>TOTAL LIABILITIES</b>	<b>15,713</b>	<b>68,323</b>
<b>NET ASSETS</b>	<b>2,139,305</b>	<b>1,578,120</b>
<b>Equity</b>		
Contributed equity	8 4,025,455	3,356,710
Reserves	82,609	82,609
Accumulated losses	(1,968,759)	(1,861,199)
<b>TOTAL EQUITY</b>	<b>2,139,305</b>	<b>1,578,120</b>

*The above statement of financial position should be read in conjunction with the accompanying notes.*

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
**For the Half-Year Ended 31 December 2009**

	31 December 2009	31 December 2008
	\$	\$
<b>Revenue</b>	28,576	58,221
<b>Expenses</b>		
Occupancy costs	8,505	10,000
Professional fees	17,321	23,880
Administration costs	15,540	36,328
Personnel	26,526	45,000
Corporate costs	41,314	38,798
Exploration and evaluation expenditure written off	26,930	1,284,197
<b>Loss before income tax expense</b>	107,560	1,379,982
Income tax expense	-	-
<b>Loss for the period attributable to members of the Company</b>	107,560	1,379,982
Other comprehensive income	-	-
<b>Net loss attributable to members of Company</b>	107,560	1,379,982
Basic loss per share (cents per share)	0.4	5.9
Diluted loss per share (cents per share)	0.4	5.9

*The above statement of comprehensive income should be read in conjunction with the accompanying notes.*



**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**For the Half-Year Ended 31 December 2009**

	Issued capital	Accumulated losses	Reserves	Total
	\$	\$	\$	\$
<b>Balance at 1 July 2008</b>	<b>3,356,710</b>	<b>(346,573)</b>	<b>82,609</b>	<b>3,092,746</b>
Total comprehensive income for the period	-	(1,379,982)	-	(1,379,982)
<b>Balance at 31 December 2008</b>	<b>3,356,710</b>	<b>(1,726,555)</b>	<b>82,609</b>	<b>1,712,764</b>
<b>Balance at 1 July 2009</b>	<b>3,356,710</b>	<b>(1,861,199)</b>	<b>82,609</b>	<b>1,578,120</b>
Total comprehensive income for the period	-	(107,560)	-	(107,560)
Issue of shares	703,000	-	-	703,000
Share issue expenses	(34,255)	-	-	(34,255)
<b>Balance at 31 December 2009</b>	<b>4,025,455</b>	<b>(1,968,759)</b>	<b>82,609</b>	<b>2,139,305</b>

*The above statement of changes in equity should be read in conjunction with the accompanying notes.*

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**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
**For the Half-Year Ended 31 December 2009**

	31 December 2009 \$	31 December 2008 \$
<b>Cash Flows from Operating Activities</b>		
Payments to suppliers, contractors and employees	(139,984)	(157,851)
Interest received	25,637	58,672
Payments for exploration and evaluation	(40,725)	(343,364)
Proceeds from research and development tax claim	32,885	-
	<hr/>	<hr/>
Net cash flows used in operating activities	(122,187)	(442,543)
<b>Cash Flows from Investing Activities</b>		
Payments for purchase of property, plant and equipment	-	(325)
Proceeds from sale of property, plant and equipment	2,011	-
Payments for acquisition for exploration interest	(48,275)	-
	<hr/>	<hr/>
Net cash used in investing activities	(46,264)	(325)
<b>Cash Flows from Financing Activities</b>		
Proceeds from issue of shares	653,000	-
Share issue expenses	(34,255)	-
	<hr/>	<hr/>
Net cash flows from financing activities	618,745	-
Net increase/(decrease) cash and cash equivalents	450,294	(442,868)
Cash and cash equivalents at the beginning of the half-year	<hr/>	<hr/>
	1,415,701	2,028,119
<b>Cash and cash equivalents at the end of the half-year</b>	<hr/>	<hr/>
	1,865,995	1,585,251

*The above statement of cash flows should be read in conjunction with the accompanying notes.*

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## NOTES TO THE FINANCIAL STATEMENTS

### For The Half-Year Ended 31 December 2009

#### 1. CORPORATE INFORMATION

The financial report of Catalyst Metals Limited for the half-year ended 31 December 2009 was authorised for issue in accordance with a resolution of the directors on 12 March 2010. Catalyst Metals Limited is a company incorporated in Australia and limited by shares which are publicly traded on the Australian Securities Exchange.

The nature of the operations and principal activities of the Company are described in note 4.

#### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The half-year financial report does not include all of the notes of the type normally included within the annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the consolidated entity as the full financial report.

The half-year financial report should be read in conjunction with the annual Financial Report of Catalyst Metals Limited as at 30 June 2009.

It is also recommended that the half-year financial report be considered together with any public announcements made by Catalyst Metals Limited and its controlled entities during the half-year ended 31 December 2009 in accordance with the continuous disclosure obligations arising under the Corporations Act 2001 and the Australian Securities Exchange Listing Rules.

##### (a) Basis of Preparation

The half-year financial report is a general purpose financial report, which has been prepared in accordance with the requirement of the Corporations Act 2001, applicable Accounting Standards, including AASB 134 "Interim Financial Reporting", and other mandatory professional reporting requirements. The half-year financial report has been prepared on a historical cost basis, except where stated.

For the purpose of preparing the half-year financial report, the half-year has been treated as a discrete reporting period.

##### (b) Changes in Accounting Policies and Disclosures

The consolidated entity has adopted all of the new and revised standards and interpretations issued by the Australian Accounting Standards Board that are relevant to their operations and are effective for the current financial reporting period.

Significant new and revised standards and interpretations effective for the current financial reporting period that are relevant to the consolidated entity are:

- AASB 3 Business Combinations
- AASB 8 Operating Segments
- AASB 101 Presentation of Financial Statements
- AASB 127 Consolidated and Separate Financial Statements

The adoption of AASB 3 and AASB 127 will change the accounting policy of the group for future acquisitions and changes in ownership interests. These standards are applied prospectively and had no material impact on prior combinations.

AASB 8 has replaced AASB 114 Segment Reporting upon its effective date. The Group concluded that the operating segments determined in accordance with AASB 8 are the same as the business segments previously identified under AASB 114. The Group does not have more than one segment.

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## NOTES TO THE FINANCIAL STATEMENTS

### For the Half-Year Ended 31 December 2009

#### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

##### (b) Changes in Accounting Policies and Disclosures (continued)

The revised AASB 101 separates owner and non-owner changes in equity. As a consequence the statement of comprehensive income has been presented by the consolidated entity and related disclosures have been made in the half year financial report.

##### (c) Significant accounting policies

The half-year consolidated financial statements have been prepared using the same accounting policies as used in the annual financial statements for the year ended 30 June 2009, except for the adoption of amending standards mandatory for annual periods beginning on or after 1 July 2009, as described in Note 2(b).

##### (d) Basis of consolidation

The half-year consolidated financial statements comprise the financial statements of Catalyst Metals Limited and its controlled subsidiary ('the Group').

##### (e) New Standards and Interpretations Issued but not yet effective.

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet effective have not been adopted by the consolidated entity for the half year ending 31 December 2009. Management are in the process of assessing the impact of the adoption of these standards and interpretations on the consolidated entity.

#### 3. FINANCIAL RISK MANAGEMENT

The Group's financial risk management objectives and policies are consistent with that disclosed in the consolidated financial report as at and for the year ended 30 June 2009.

#### 4. SEGMENT INFORMATION

The directors have considered the requirements of AASB 8-Operating Segments and the internal reports that are reviewed by the chief operating decision maker (the Board) in allocating resources and have concluded that at this time there are no separately identifiable segments.

Following adoption of AASB 8, the identification of the company's reportable segments has not changed. During the half-year, the company considers that it has only operated in one segment, being mineral exploration within Australia.

#### 5. EVENTS AFTER THE STATEMENT OF FINANCIAL POSITION DATE

Since 31 December 2009, no event has arisen that would be likely to materially affect the operations of the Group, or the state of affairs of the Group not otherwise disclosed in the Group's financial report.

#### 6. CONTINGENCIES

The Company does not have any contingent assets or contingent liabilities as at 31 December 2009.

#### 7. CONTROLLED ENTITIES

Silkfield Holdings Pty Ltd was incorporated in Australia on 25 September 2009 with capital of \$100. Silkfield Holdings Pty Ltd is a wholly owned subsidiary of Catalyst Metals Limited.

**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Half-Year Ended 31 December 2009**

		31 December 2009		30 June 2009	
		Number	\$	Number	\$
<b>8.</b>	<b>CONTRIBUTED EQUITY</b>				
<b>(a)</b>	<b>Share capital</b>				
	<b>Ordinary shares</b>				
	Fully paid	(c) 30,588,226	4,025,455	23,558,137	3,348,710
	<b>Incentive shares</b>				
	Class A	(d) -	-	4,000,000	4,000
	Class B	(d) -	-	4,000,000	4,000
			<u>4,025,455</u>		<u>3,356,710</u>
<b>(b)</b>	<b>Other equity securities</b>				
	Options - Unlisted	(e) -	-	1,050,000	-
	<b>Total contributed equity</b>		<u>4,025,455</u>		<u>3,356,710</u>
<b>(c)</b>	<b>Movements in Ordinary Shares</b>				
		<b>Number of</b>	<b>Issue</b>		
	<b>Details</b>	<b>Shares</b>	<b>Price</b>		<b>\$</b>
	Balance at 31 December 2008	23,558,137			3,348,710
	Balance at 30 June 2009	23,558,137			3,348,710
	Issue of shares	6,530,000	\$0.10		653,000
	Issue of shares – Everton acquisition	500,000	\$0.10		50,000
	Issue of shares – Incentive Shares converted	89	-		8,000
	Share issue expenses	-	-		(34,255)
		<u>30,558,226</u>			<u>4,025,455</u>
<b>(d)</b>	<b>Movements in Incentive Shares</b>				
		<b>Number of</b>	<b>Issue</b>		
	<b>Details</b>	<b>Shares</b>	<b>price</b>		<b>\$</b>
	Balance at 31 December 2008	8,000,000			8,000
	Balance at 30 June 2009	8,000,000			8,000
	Conversion to Ordinary Shares	(8,000,000)			(8,000)
	Balance at 31 December 2009	<u>-</u>			<u>-</u>
<b>(e)</b>	<b>Movements in Unlisted Options</b>				
		<b>Number of</b>	<b>Issue</b>		
	<b>Details</b>	<b>Shares</b>	<b>price</b>		<b>\$</b>
	Balance at 31 December 2008	1,050,000			-
	Balance at 30 June 2009	1,050,000			-
	Expiry	(1,050,000)			-
	Balance at 31 December 2009	<u>-</u>			<u>-</u>

## DIRECTORS' DECLARATION

In the directors' opinion:

1. the financial statements and notes set out on pages 7 to 13 are in accordance with the Corporations Act 2001, including:
  - (a) complying with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
  - (b) giving a true and fair view of the consolidated entity's financial position as at 31 December 2009 and of its performance for the half-year ended on that date; and
2. there are reasonable grounds to believe that Catalyst Metals Limited will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.



**Stephen Boston**  
Chairman

Dated at Perth this 12<sup>th</sup> day of March 2010

# RSM Bird Cameron Partners

Chartered Accountants

8 St Georges Terrace Perth WA 6000  
GPO Box R1253 Perth WA 6844  
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## INDEPENDENT AUDITOR'S REVIEW REPORT

TO THE MEMBERS OF

CATALYST METALS LIMITED

### *Report on the Half-Year Financial Report*

We have reviewed the accompanying half-year financial report of Catalyst Metals Limited ("the consolidated entity") which comprises the condensed consolidated statement of financial position as at 31 December 2009, and the condensed consolidated statement of comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the half-year ended on that date, accompanying notes to the financial statements and the directors' declaration. The consolidated entity comprises both Catalyst Metals Limited as the parent entity and the entities it controlled during the half-year.

### *Directors' Responsibility for the Half-Year Financial Report*

The directors of the consolidated entity are responsible for the preparation and fair presentation of the half-year financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the half-year financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

### *Auditor's Responsibility*

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of an Interim Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including:

- giving a true and fair view of the consolidated entity's financial position as at 31 December 2009 and its performance for the half-year ended on that date; and
- complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

As the auditor of Catalyst Metals Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

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*Independence*

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

*Conclusion*

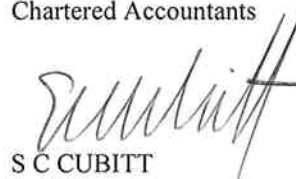
Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Catalyst Metals Limited is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2009 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.

Perth, WA  
Dated: 12 March 2010



RSM BIRD CAMERON PARTNERS  
Chartered Accountants



S C CUBITT  
Partner

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