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catalyst
METALS LTD

ABN 54 118 912 495

**INTERIM REPORT
FOR THE HALF-YEAR ENDED 31 DECEMBER 2008**

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CORPORATE DIRECTORY

DIRECTORS

Nathan McMahon (Chairman)
Bryan Dixon (Non-Executive Director)
Mark Thompson (Non-Executive Director)

COMPANY SECRETARY

Lisa Wynne

REGISTERED OFFICE & PRINCIPAL PLACE OF BUSINESS

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Website: www.catalystmetals.com

AUDITORS

RSM Bird Cameron Partners
8 St Georges Terrace
Perth WA 6000

SHARE REGISTRY

Security Transfer Registrars
770 Canning Hwy
Applecross WA 6153
Telephone: +618 9315 2333
Facsimile: +618 9315 2233

STOCK EXCHANGE LISTING

The Company is listed on Australian Stock
Exchange Limited
Home Exchange: Perth
ASX Codes: CYL

DIRECTORS' REPORT

The Directors present their report on Catalyst Metals Limited for the half-year ended 31 December 2008.

BOARD OF DIRECTORS

DIRECTORS

The names and details of the Catalyst Metals Ltd ("Company") directors in office during the half-year and until the date of this report are as follows. Directors were in office for this entire period unless otherwise stated.

Nathan McMahon
Mark Thompson
Bryan Dixon

COMPANY SECRETARY

Lisa Wynne

REVIEW OF OPERATIONS

During the six month period ending 31 December 2008 Catalyst undertook an active field season with considerable exploration completed over the Minnie Creek and Everton project areas.

Results from diamond drilling the Minnie Springs molybdenum prospect were received and these proved encouraging, with a central high grade core apparent within an overall lower grade envelope. Preliminary metallurgical tests commenced to examine the potential recoveries of molybdenum by standard flotation techniques. A new discovery of tungsten mineralization was examined and found to be encouraging, with high grades of tungsten as scheelite outcropping at the Nina prospect. This site is not far north from the Minnie Springs molybdenum prospect and there are potentially attractive synergies between the sites should these prospects develop into deposits.

At the Everton project in Victoria, geological mapping and geochemical surveys were completed as a prelude to drilling. The results confirmed the high potential of the historic molybdenum mine and quarry to host significant mineralisation, and extended the prospective targets along strike in both directions. Agreements with landowners and quarry owners were developed and work plans submitted to allow a diamond drilling and percussion drilling program in 2009.

During the latter part of the period market conditions and commodity prices declined significantly, and in response Catalyst has enacted a program of cost minimization, decreasing the companies activities to preserve capital. Catalyst already ran a low overhead structure by sharing administration and office facilities, but further savings are being initiated by rationalisation of tenement holdings and ceased or reduced payments to directors and contractors.

RESULTS OF OPERATIONS

The operating loss after income tax of the Company for the half-year ended 31 December 2008 was \$1.38 million.

The Company's basic loss per share for the period was 5.9 cents

No dividend has been paid during or is recommended for the financial period ended 31 December 2008.

FINANCIAL POSITION

The Company's working capital, being current assets less current liabilities was \$1,553,812 at 31 December 2008.

In the Directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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DIRECTORS' REPORT

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.

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



Nathan McMahon
Chairman

Dated at Perth this 11th day of March 2009

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RSM Bird Cameron Partners

Chartered Accountants

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AUDITOR'S INDEPENDENCE DECLARATION TO THE BOARD OF DIRECTORS OF CATALYST METALS LIMITED

As lead auditor for the review of the financial report of Catalyst Metals Limited for the half year ended 31 December 2008, 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:

11 March 2009

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BALANCE SHEET
As at 31 December 2008

	Note	31 December 2008 \$	30 June 2008 \$
Current Assets			
Cash and cash equivalents		1,585,251	2,028,119
Trade and other receivables		21,344	14,179
Other financial assets at fair value through profit or loss		820	3,160
Total Current Assets		1,607,415	2,045,458
Non-Current Assets			
Property, plant and equipment		12,365	15,933
Trade and other receivables		10,000	-
Exploration and evaluation expenditure		136,587	1,086,761
Total Non-Current Assets		158,952	1,102,694
TOTAL ASSETS		1,766,367	3,148,152
Current Liabilities			
Trade and other payables		53,603	55,406
TOTAL LIABILITIES		53,603	55,406
NET ASSETS		1,712,764	3,092,746
Equity			
Contributed equity	6	3,356,710	3,356,710
Reserves		82,609	82,609
Accumulated losses		(1,726,555)	(346,573)
TOTAL EQUITY		1,712,764	3,092,746

The above balance sheet should be read in conjunction with the accompanying notes.

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INCOME STATEMENT
For the Half-Year Ended 31 December 2008

	31 December 2008	31 December 2007
	\$	\$
Revenue	58,221	84,893
Occupancy costs	10,000	15,096
Professional fees	23,880	64,570
Administration costs	36,328	13,971
Personnel	45,000	18,866
Corporate costs	38,798	15,425
Exploration and evaluation expenditure written off	1,284,197	8,439
Loss before income tax expense	1,379,982	51,474
Income tax expense	-	-
Net loss attributable to members of Company	1,379,982	51,474
Basic loss per share (cents per share)	5.9	0.2
Diluted loss per share (cents per share)	5.9	0.2

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

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STATEMENT OF CHANGES IN EQUITY
For the Half-Year Ended 31 December 2008

	Issued Capital \$	Accumulated losses \$	Reserves \$	Total \$
Balance at 1 July 2007	3,262,210	(216,142)	82,609	3,128,677
Loss	-	(51,474)	-	(51,474)
Issue of shares	69,500	-	-	69,500
Balance at 31 December 2007	3,331,710	(267,616)	82,609	3,146,703
Balance at 1 July 2008	3,356,710	(346,573)	82,609	3,092,746
Loss	-	(1,379,982)	-	(1,379,982)
Balance at 31 December 2008	3,356,710	(1,726,555)	82,609	1,712,764

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

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CASH FLOW STATEMENT
For the Half-Year Ended 31 December 2008

	31 December 2008 \$	31 December 2007 \$
Cash Flows from Operating Activities		
Payments to suppliers, contractors and employees	(157,851)	(174,529)
Interest received	58,672	87,576
Payments for exploration and evaluation	(343,364)	(146,037)
Net cash flows used in operating activities	<u>(442,543)</u>	<u>(232,990)</u>
Cash Flows from Investing Activities		
Payment for property, plant and equipment	(325)	(3,917)
Payments for available-for-sale financial assets	-	(2,000)
Net cash used in investing activities	<u>(325)</u>	<u>(5,917)</u>
Cash Flows from Financing Activities		
Proceeds from issue of shares and options	-	69,500
Share issue expenses	-	-
Net cash flows from financing activities	<u>-</u>	<u>69,500</u>
Net increase/(decrease) cash and cash equivalents	(442,868)	(169,407)
Cash and cash equivalents at the beginning of the half-year	<u>2,028,119</u>	<u>2,647,576</u>
Cash and cash equivalents at the end of the half-year	<u><u>1,585,251</u></u>	<u><u>2,478,169</u></u>

The above cash flow statement 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 2008

1. Statement Of Compliance

The half-year financial report is a general purpose financial report which has been prepared in accordance with AASB 134 Interim Financial Reporting and the Corporations Act 2001.

The half-year financial report does not include all 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.

It is recommended that this report be read in conjunction with the annual financial report for the year ended 30 June 2008 and any public announcements made by Catalyst Metals Limited during the half-year in accordance with continuous disclosure requirements arising under the Corporations Act 2001.

This interim financial report was approved by the Board of Directors on 11 March 2009.

2. Significant Accounting Policies

The financial report has been prepared on an accruals basis and is based on historical costs and does not take into account changing money values or, except where stated, current valuations of non-current assets. Cost is based on the fair values of the consideration given in exchange for assets.

A summary of the material accounting policies adopted by the Company in the preparation of the financial report can be found in the annual financial report for the year ended 30 June 2008. The accounting policies have been consistently applied, unless otherwise stated.

3. Segment Information

Catalyst Metals Limited operates on one business segment, being mineral exploration and one geographical segment, being Australia.

4. Events Occurring After the Balance Sheet Date

Since 31 December 2008, 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.

5. Contingencies

The Company does not have any contingent assets or contingent liabilities as at 31 December 2008.

NOTES TO THE FINANCIAL STATEMENTS
For The Half-Year Ended 31 December 2008

	31 December 2008		30 June 2008	
	Number	\$	Number	\$
6. Contributed Equity				
(a) Share capital				
Ordinary shares				
Fully paid	(c) 23,558,140	3,249,407	23,558,140	3,249,407
Incentive shares				
Class A	4,000,000	4,000	4,000,000	4,000
Class B	4,000,000	4,000	4,000,000	4,000
	<u>31,558,140</u>	<u>3,257,407</u>	<u>31,558,140</u>	<u>3,257,407</u>
(b) Other equity securities				
Options – Listed	(d) -	99,303	11,152,500	99,303
Options - Unlisted	1,050,000	-	1,050,000	-
Total contributed equity	<u>32,608,140</u>	<u>3,356,710</u>	<u>43,760,640</u>	<u>3,356,710</u>

(c) Movements in Ordinary Shares

There were no movements in ordinary shares during the half year ended 31 December 2008.

(d) Movements in other equity securities

Details	Number of Shares	Issue price	\$'000
Listed Options			
Balance at beginning of year	11,152,500		99,303
Expiry	<u>(11,152,500)</u>		-
Balance at end of year	<u>-</u>		<u>99,303</u>

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DIRECTORS' DECLARATION

In the directors' opinion::

1. the financial statements and notes set out on pages 7 to 12 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 2008 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.



Nathan McMahon
Chairman

Dated at Perth this 11th day of March 2009

RSM Bird Cameron Partners

Chartered Accountants

8 St Georges Terrace Perth WA 6000
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T +61 8 9261 9100 F +61 8 9261 9111
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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 company") which comprises the balance sheet as at 31 December 2008, and the income statement, statement of changes in equity and cash flow statement for the half-year ended on that date, accompanying notes to the financial statements and the directors' declaration.

Directors' Responsibility for the Half-Year Financial Report

The directors of the company 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 company's financial position as at 31 December 2008 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 company's financial position as at 31 December 2008 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*.

RSM Bird Cameron Partners
RSM BIRD CAMERON PARTNERS
Chartered Accountants

S C Cubitt

S C CUBITT
Partner

Perth, WA
Dated:

11 March 2009

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