



CATALYST METALS LIMITED AND ITS CONTROLLED ENTITIES

ABN 54 118 912 495

INTERIM REPORT

FOR THE HALF-YEAR ENDED 31 DECEMBER 2013

CONTENTS	PAGE
CORPORATE DIRECTORY	3
DIRECTORS' REPORT	4
AUDITOR'S INDEPENDENCE DECLARATION	6
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION	7
CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND COMPREHENSIVE INCOME	8
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY	9
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS	10
NOTES TO THE FINANCIAL STATEMENTS	11
DIRECTORS' DECLARATION	13
INDEPENDENT AUDITOR'S REVIEW REPORT	14

CORPORATE DIRECTORY

DIRECTORS

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

COMPANY SECRETARY

Frank Campagna

REGISTERED OFFICE & PRINCIPAL PLACE OF BUSINESS

Level 3, 50 Colin Street
West Perth, Western Australia 6005

Telephone: +618 9383 2825
Facsimile: +618 9284 5426
Email: admin@catalystmetals.com.au
Website: www.catalystmetals.com.au

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
Email: registrar@securitytransfer.com.au
Website: www.securitytransfer.com.au

STOCK EXCHANGE LISTING

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

DIRECTORS' REPORT

The Directors present their report on Catalyst Metals Limited and its subsidiaries for the half-year ended 31 December 2013.

BOARD OF DIRECTORS

DIRECTORS

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

Stephen Boston
Bruce Kay
Robin Scrimgeour
Gary Schwab

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

REVIEW OF OPERATIONS

Four Eagles Gold Project (Victoria)

No drilling was undertaken during the half year at the Four Eagles Gold Project, located 60 kilometres north of Bendigo in Victoria. This is the annual period of seasonal inactivity for field work because of grain crops.

Further data review was undertaken in preparation for a 2014 drill programme that will likely focus on the confirmed shallow targets beneath the Hayanmi and Boyd's Dam Prospects. The objective is to define high grade continuous gold shoots that may lie within the mineralised corridors that have been delineated at Hayanmi (2.6 kilometres long) and Boyd's Dam (700 metres long). The configuration of mineralised corridors at Four Eagles has a similar distribution to those at the historic Bendigo goldfield to the south.

Although the nature of the mineralisation at Four Eagles seems to be much more finely disseminated than the extremely nuggety Bendigo gold, the mineralised corridors show a broadly similar distribution to the "Lines of Lode" at Bendigo. The structural setting of Four Eagles just to the west of the regional Whitelaw Fault also resembles that of the Bendigo Goldfield.

The Hayanmi and Boyd's Dam mineralised structures indicate that the configuration and continuity of the gold mineralisation within these mineralised corridors is unknown and angled aircore, diamond and/or reverse circulation drilling will be required to penetrate the full 50 metre wide zone.

The Discovery Prospect on the Eagle 2 Structure is also a high priority target although the basement is deeper and would represent an underground target. Additional aircore drilling would be necessary to define the strike extensions to the high grade gold mineralisation prior to further angled diamond drilling.

The Company is hopeful that the next phase of drilling will commence in the March 2014 Quarter and has been actively investigating various funding alternatives including seeking a cornerstone investor or other means of funding.

Four Eagles Heads of Agreement

In accordance with the terms of the modified Amendment and Restatement Deed for the Heads of Agreement with Providence Gold and Minerals Pty Ltd ("Providence"), Catalyst issued 250,000 ordinary fully paid shares in Catalyst to Providence and made a cash payment of \$30,000 in August 2013.

Since the farm-in agreement was signed with Providence in January 2011, Catalyst has spent over \$2.2 million on the Four Eagles Gold Project. The initial earn-in expenditure of \$2.1 million was reached in June 2013, 6 months before the required date specified in the Joint Venture. Over 50% of this expenditure was attributable to direct costs of drilling and assays. More importantly, the exploration programme has markedly extended the size of the gold footprint to a zone about 6 kilometres long by 2.5 kilometres wide. The objective in the next two years is to delineate areas of economic gold mineralisation within this large zone.

DIRECTORS' REPORT

REVIEW OF OPERATIONS (CONTINUED)

Minnie Creek Project (Western Australia)

The Minnie Creek Project area is located within the Gascoyne Mineral Field of Western Australia and lies approximately 240 kilometres north-east of Carnarvon in Western Australia. No field activity was undertaken during the half year.

Everton Project (Victoria)

No field activity was undertaken on the Everton Project during the half year.

Corporate

In November 2013 the Company conducted its Annual General Meeting, where all resolutions were carried unanimously by a show of hands. At the Annual General Meeting, shareholders approved the issue of 332,000 ordinary fully paid shares to directors of the Company in lieu of accrued directors fees for the 2012/13 financial year, as the directors had elected to forego payment of cash to assist the Company in maximising the use of its cash resources.

RESULTS OF OPERATIONS

The operating loss after income tax of the Company for the half-year ended 31 December 2013 was \$307,404 (2012: \$540,430).

The Company's basic loss per share for the period was 0.65 cents (2012: loss of 1.17 cents per share).

No dividend has been paid during or is recommended for the financial period ended 31 December 2013.

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.



Stephen Boston
Chairman

Dated: 14 March 2014

RSM Bird Cameron Partners
8 St George's Terrace Perth WA 6000
GPO Box R1253 Perth WA 6844
T +61 8 9261 9100 F +61 8 9261 9101
www.rsmi.com.au

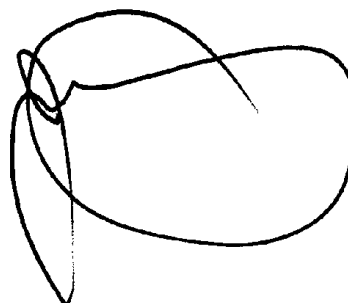
AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the financial report of Catalyst Metals Limited for the half-year ended 31 December 2013, 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



Perth, WA
Dated: 14 March 2014

JAMES KOMNINOS
Partner

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 31 December 2013

	31 December 2013	30 June 2013
Note	\$	\$
Current Assets		
Cash and cash equivalents	821,440	1,114,656
Trade and other receivables	12,755	33,488
Total Current Assets	<u>834,195</u>	<u>1,148,144</u>
Non-Current Assets		
Property, plant and equipment	303	714
Exploration and evaluation expenditure	158,682	-
Total Non-Current Assets	<u>158,985</u>	<u>714</u>
TOTAL ASSETS	<u>993,180</u>	<u>1,148,858</u>
Current Liabilities		
Trade and other payables	<u>190,132</u>	<u>271,376</u>
TOTAL LIABILITIES	<u>190,132</u>	<u>271,376</u>
NET ASSETS	<u>803,048</u>	<u>877,482</u>
Equity		
Contributed equity	5 8,779,215	8,589,225
Share based payments reserves	206,985	164,005
Accumulated losses	<u>(8,183,152)</u>	<u>(7,875,748)</u>
TOTAL EQUITY	<u>803,048</u>	<u>877,482</u>

The accompanying notes form part of this financial report

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND
COMPREHENSIVE INCOME**
For the Half-Year Ended 31 December 2013

	31 December 2013 \$	31 December 2012 \$
Revenue	17,070	30,087
Expenses		
Professional fees	(85,200)	(92,458)
Administration costs	(37,342)	(39,895)
Personnel	(88,365)	(98,100)
Corporate costs	(64,000)	(73,958)
Share based payment	(42,980)	(42,980)
Exploration and evaluation expenditure written off	(6,587)	(223,126)
Loss before income tax expense	(307,404)	(540,430)
Income tax expense	-	-
Loss for the half year	(307,404)	(540,430)
Other comprehensive income	-	-
Total comprehensive loss for the half year	(307,404)	(540,430)
Total comprehensive income attributable to members of the company	(307,404)	(540,430)
Basic loss per share (cents per share)	0.65	1.17
Diluted loss per share (cents per share)	0.65	1.17

The accompanying notes form part of this financial report.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the Half-Year Ended 31 December 2013

	Contributed Equity \$	Accumulated Losses \$	Reserves \$	Total \$
Balance at 1 July 2012	8,216,958	(6,868,367)	185,145	1,533,736
Total comprehensive loss for the period	-	(540,430)	-	(540,430)
Transactions with owners in their capacity as owners:				
Issue of shares	75,000	-	-	75,000
Share based payments	-	-	42,980	42,980
Balance at 31 December 2012	8,291,958	(7,408,797)	228,125	1,111,286
Balance at 1 July 2013	8,589,225	(7,875,748)	164,005	877,482
Total comprehensive loss for the period	-	(307,404)	-	(307,404)
Transactions with owners in their capacity as owners:				
Issue of shares	189,990	-	-	189,990
Share based payments	-	-	42,980	42,980
Balance at 31 December 2013	8,779,215	(8,183,152)	206,985	803,048

The accompanying notes form part of this financial report

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
For the Half-Year Ended 31 December 2013

	31 December 2013 \$	31 December 2012 \$
Cash Flows from Operating Activities		
Payments to suppliers, contractors and employees	(231,362)	(201,715)
Interest received	19,958	30,944
Payments for option over Unity Mining gold plant	-	(100,000)
Payments for exploration and evaluation	(6,880)	(317,022)
Net cash flows used in operating activities	(218,284)	(587,793)
Cash Flows from Investing Activities		
Payments for exploration property capitalised	(74,932)	-
Net cash flows used in investing activities	(74,932)	-
Cash Flows from Financing Activities		
Proceeds from issue of shares	-	75,000
Net cash flows from financing activities	-	75,000
Net decrease in cash and cash equivalents	(293,216)	(512,793)
Cash and cash equivalents at the beginning of the half-year	1,114,656	1,774,000
Cash and cash equivalents at the end of the half-year	821,440	1,261,207

The accompanying notes form part of this financial report.

NOTES TO THE FINANCIAL STATEMENTS

For The Half-Year Ended 31 December 2013

1. BASIS OF PREPARATION

This general purpose financial report for the half-year reporting period ended 31 December 2013 has been prepared in accordance with Australian Accounting Standard AASB 134: Interim Financial Reporting and the Corporations Act 2001. Compliance with AASB 134 ensures the financial report compliance with International Financial Reporting Standard IAS 34: Interim Financial Reporting.

The half-year report does not include full disclosures of the type normally included in an annual financial report. It is recommended that this financial report be read in conjunction with the annual financial report for the year ended 30 June 2013 and any public announcements made by Catalyst Metals Limited and its controlled entities during the half-year in accordance with continuous disclosure requirements arising under the Corporations Act 2001.

The same accounting policies and methods of computation have been followed in this interim financial report as were applied in the most recent annual financial statements.

Reporting Basis and Conventions

The half-year report has been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected non-current assets, financial assets and financial liabilities for which the fair value basis of accounting has been applied.

New and Revised Accounting Standards

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 its operations and effective for the current reporting period. The adoption of these new and revised Standards and Interpretations has not resulted in a significant or material change to the entity's accounting policies.

2. SEGMENT INFORMATION

The Company operates in one business and geographical segment being mineral exploration in Australia.

3. EVENTS AFTER THE STATEMENT OF FINANCIAL POSITION DATE

Since the balance date there are no items, transactions or events of a material and unusual nature likely, in the opinion of the Directors, to affect significantly, the results of those operations, or the state of affairs of the consolidated entity in future financial years.

4. CONTINGENCIES

The Company does not have any contingent assets or contingent liabilities as at 31 December 2013.

NOTES TO THE FINANCIAL STATEMENTS
For The Half-Year Ended 31 December 2013

	31 December 2013		30 June 2013	
	Number	\$	Number	\$
5. CONTRIBUTED EQUITY				
<i>(a) Share capital</i>				
<i>Ordinary shares</i>				
Fully paid	(c) 47,635,033	8,779,215	47,053,033	8,589,225
<i>(b) Other equity securities</i>				
Options – Unlisted	(d) 1,750,000	-	1,750,000	-
Performance Rights - Unlisted	(e) 350,000	-	350,000	-
Total contributed equity		<u>8,779,215</u>		<u>8,589,225</u>

(c) Movements in Ordinary Shares

Details	Number of Shares	Issue Price	\$
Balance at 30 June 2013	47,053,033		8,589,225
Issue of shares – Providence Gold	250,000	\$0.34	83,750
Issue of shares – exercise of options	<u>332,000</u>	<u>\$0.32</u>	<u>106,240</u>
Balance at 31 December 2012	<u>47,635,033</u>		<u>8,779,215</u>

(d) Movements in Unlisted Options

Details	Number of Options	Issue price	\$
Balance at 30 June 2013	<u>1,750,000</u>		-
Balance at 31 December 2013	<u>1,750,000</u>		-

The unlisted options have the following terms:

- (i) 1,000,000 options with an exercise price of \$0.20 per option expiring on 30 June 2014; and
- (ii) 750,000 options with an exercise price of \$0.30 per option expiring on 30 June 2015.

(f) Movement in Unlisted Performance Rights

Details	Number of Rights	Issue price	\$
Balance at 30 June 2013	<u>350,000</u>		-
Balance at 31 December 2013	<u>350,000</u>		-

The performance rights will vest on the date that the Company, through Kite Gold Pty Ltd, has earned a 60% interest in the Four Eagles Gold Project.

DIRECTORS' DECLARATION

The directors of the company declare that:

1. The financial statements and notes:
 - a. comply with Accounting Standard AASB 134: Interim Financial Reporting and the Corporations Act 2001; and
 - b. give a true and fair view of the consolidated entity's financial position as at 31 December 2013 and of its performance for the half-year ended on that date.
2. 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.

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



Stephen Boston
Chairman

Dated: 14 March 2014

**INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF
CATALYST METALS LIMITED**

We have reviewed the accompanying half-year financial report of Catalyst Metals Limited which comprises the statement of financial position as at 31 December 2013, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

Directors' Responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

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 a 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 half-year 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 2013 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.

Independence

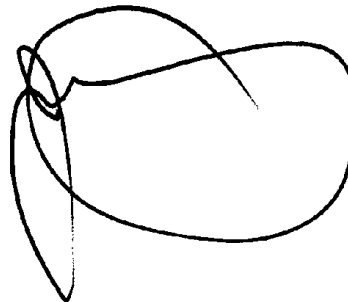
In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Catalyst Metals Limited, would be in the same terms if given to the directors as at the time of this auditor's review report.

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 2013 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

RSM Bird Cameron Partners
RSM BIRD CAMERON PARTNERS



Perth, WA
Dated: 14 March 2014

JAMES KOMNINOS
Partner