



CATALYST METALS LIMITED AND ITS CONTROLLED ENTITIES

ABN 54 118 912 495

INTERIM REPORT

FOR THE HALF-YEAR ENDED 31 DECEMBER 2012

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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 2012.

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)

Catalyst Metals Limited (**Catalyst**) has now undertaken exploration at the Four Eagles Gold Project for two years and has almost earned a 50% equity in the joint venture with a private company, Providence Gold and Minerals Pty Ltd (**Providence Gold**). The Four Eagles Gold Project comprises two Exploration Licences (EL4525 and EL5295) and is located generally along strike of the Bendigo Goldfield and west of the towns of Mitiamo and Raywood in central Victoria, extending from 20 to 70 kilometres north of Bendigo.

Because of grain crops, there was little field activity during the six month period ending 31 December 2012 and Catalyst was focussed on data review and planning for the 2013 drill programme. Exploration by Catalyst during the last two years has now confirmed a virgin gold discovery beneath younger Murray Basin sediments at the Four Eagles Gold Project. High grade gold intersections up to 150g/t Au have been obtained in three structures up to 6 kms long.

The 2013 aircore drilling programme will be focussed on areas where basement depths are likely to be less than 50 metres and will test the northern extensions of the Eagle 1, Eagle 2 and Eagle 3 Structures. The large size of the gold footprint at the Four Eagles Gold Project and the frequency of high grade gold intersections provide confidence that a shallow gold deposit with similar endowment to Bendigo can be discovered in this largely untested area.

The first phase of the drilling programme is likely to commence in March 2013.

In October 2012, Catalyst terminated the Option Agreement with Unity Mining Limited to acquire its Kangaroo Flat gold processing plant, associated infrastructure and mining tenements located near Bendigo in Victoria. Catalyst was granted a right of first refusal until 30 June 2013 to purchase any unrequired plant components from the gold processing plant and associated infrastructure. This decision was based on a review of alternative processing options in the Bendigo region which have the potential to provide better economic returns and may be more appropriate for the type of mineralisation present at the Four Eagles Gold Project.

Minnie Creek Project (Western Australia)

The Minnie Creek Project area is located within the Gascoyne Mineral Field of Western Australia and lies approximately 240 km northeast of Carnarvon.

No field activity was undertaken in the six months to 31 December 2012 but planning was undertaken for a field programme and reverse circulation (RC) drill programme in March or April 2013. A voluntary relinquishment of lower priority areas of E09/1776 was completed.

Drilling is recommended on the Nina tungsten prospect where surface samples of > 0.5%W indicate a zone about 700 metres long.

DIRECTORS' REPORT

REVIEW OF OPERATIONS (Continued)

Everton Project (Victoria)

There was no field activity at Everton during the period other than attempts to discuss the proposed exploration programme with the relevant landowner.

Corporate

On the 12 December 2012, Mr Bruce Kay exercised 250,000 unlisted options at 30 cents each to realise \$75,000 for the Company.

RESULTS OF OPERATIONS

The operating loss after income tax of the Company for the half-year ended 31 December 2012 was \$540,430 (2011: \$561,603).

The Company's basic loss per share for the period was 1.17 cents (2011: loss of 1.42 cents per share).

No dividend has been paid during or is recommended for the financial period ended 31 December 2012.

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 2013

RSM Bird Cameron Partners
8 St Georges Terrace Perth WA 6000
GPO Box R1253 Perth WA 6844
T +61 8 9261 9100 F +61 8 9261 9101
www.rsmi.com.au

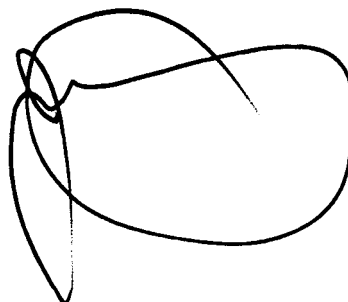
AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the financial report of Catalyst Metals Limited for the half-year ended 31 December 2012, 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



JAMES KOMNINOS
Partner

Perth, WA
Dated: 14 March 2013

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 31 December 2012

	Note	31 December 2012 \$	30 June 2012 \$
Current Assets			
Cash and cash equivalents		1,261,207	1,774,000
Trade and other receivables		21,896	104,395
Total Current Assets		<u>1,283,103</u>	<u>1,878,395</u>
Non-Current Assets			
Property, plant and equipment		1,876	3,952
Exploration and evaluation expenditure		-	-
Total Non-Current Assets		<u>1,876</u>	<u>3,952</u>
TOTAL ASSETS		<u>1,284,979</u>	<u>1,882,347</u>
Current Liabilities			
Trade and other payables		<u>173,693</u>	<u>348,611</u>
TOTAL LIABILITIES		<u>173,693</u>	<u>348,611</u>
NET ASSETS		<u>1,111,286</u>	<u>1,533,736</u>
Equity			
Contributed equity	5	8,291,958	8,216,958
Share based payments reserves		228,125	185,145
Accumulated losses		<u>(7,408,797)</u>	<u>(6,868,367)</u>
TOTAL EQUITY		<u>1,111,286</u>	<u>1,533,736</u>

The accompanying notes form part of this financial report

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the Half-Year Ended 31 December 2012

	31 December	31 December
	2012	2011
	\$	\$
Revenue	30,087	56,637
Expenses		
Occupancy costs	-	(600)
Professional fees	(92,458)	(69,910)
Administration costs	(39,895)	(50,399)
Personnel	(98,100)	(65,435)
Corporate costs	(73,958)	(74,990)
Share based payment	(42,980)	(66,371)
Exploration and evaluation expenditure written off	(223,126)	(290,535)
Loss before income tax expense	(540,430)	(561,603)
Income tax expense	-	-
Loss for the half year	(540,430)	(561,603)
Other comprehensive income	-	-
Total comprehensive loss for the half year	(540,430)	(561,603)
Total comprehensive income attributable to members of the company	(540,430)	(561,603)
Basic loss per share (cents per share)	1.17	1.42
Diluted loss per share (cents per share)	1.17	1.42

The accompanying notes form part of this financial report.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the Half-Year Ended 31 December 2012

	Contributed Equity \$	Accumulated Losses \$	Reserves \$	Total \$
Balance at 1 July 2011	5,407,344	(3,361,315)	121,609	2,167,638
Total comprehensive loss for the period	-	(561,603)	-	(561,603)
Transactions with owners in their capacity as owners:				
Issue of shares	439,650	-	-	439,650
Transaction costs	(7,700)	-	-	(7,700)
Share based payments	-	-	66,371	66,371
Balance at 31 December 2011	5,839,294	(3,922,918)	187,980	2,104,356
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
Transaction costs	-	-	-	-
Share based payments	-	-	42,980	42,980
Balance at 31 December 2012	8,291,958	(7,408,797)	228,125	1,111,286

The accompanying notes form part of this financial report

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
For the Half-Year Ended 31 December 2012

	31 December 2012	31 December 2011
	\$	\$
Cash Flows from Operating Activities		
Payments to suppliers, contractors and employees	(201,715)	(232,797)
Interest received	30,944	55,649
Payments for option over Unity Mining gold plant	(100,000)	-
Payments for exploration and evaluation	(317,022)	(324,716)
	<hr/>	<hr/>
Net cash flows used in operating activities	(587,793)	(501,863)
	<hr/>	<hr/>
Cash Flows from Investing Activities		
Proceeds from sale of property, plant and equipment	-	(510)
Payments for exploration property capitalised	-	(4,710)
	<hr/>	<hr/>
Net cash flows used in investing activities	-	(5,220)
	<hr/>	<hr/>
Cash Flows from Financing Activities		
Proceeds from issue of shares	75,000	439,650
Share issue expenses	-	(7,700)
	<hr/>	<hr/>
Net cash flows from financing activities	75,000	431,950
	<hr/>	<hr/>
Net increase in cash and cash equivalents	(512,793)	(75,133)
Cash and cash equivalents at the beginning of the half-year	1,774,000	1,918,840
	<hr/>	<hr/>
Cash and cash equivalents at the end of the half-year	1,261,207	1,843,707
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The accompanying notes form part of this financial report.

NOTES TO THE FINANCIAL STATEMENTS

For The Half-Year Ended 31 December 2012

1. BASIS OF PREPARATION

This general purpose financial report for the half-year reporting period ended 31 December 2012 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 2012 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

In January 2013, 381,735 listed options were exercised by option holders realising \$190,868 for the Company. The remaining 5,377,253 listed options expired on 15 January 2013.

4. CONTINGENCIES

The Company does not have any contingent assets or contingent liabilities as at 31 December 2012.

NOTES TO THE FINANCIAL STATEMENTS
For The Half-Year Ended 31 December 2012

	31 December 2012		30 June 2012	
	Number	\$	Number	\$
5. CONTRIBUTED EQUITY				
(a) Share capital				
Ordinary shares				
Fully paid	(c) 46,321,298	8,291,958	46,071,298	8,216,958
(b) Other equity securities				
Options – Listed	(d) 5,758,988	-	5,758,988	-
Options – Unlisted	(e) 1,750,000	-	2,000,000	-
Performance Rights - Unlisted	(f) 700,000	-	700,000	-
Total contributed equity		<u>8,291,958</u>		<u>8,216,958</u>

(c) Movements in Ordinary Shares

Details	Number of Shares	Issue Price	\$
Balance at 30 June 2012	46,071,298		8,216,958
Issue of shares – exercise of options	<u>250,000</u>	\$0.30	<u>75,000</u>
Balance at 31 December 2012	<u>46,321,298</u>		<u>8,291,958</u>

(d) Movements in Listed Options

Details	Number of Options	Issue price	\$
Balance at 30 June 2012	<u>5,758,988</u>		-
Balance at 31 December 2012	<u>5,758,988</u>		-

The listed options have an exercise price of \$0.50 per option expiring on 15 January 2013.

(e) Movements in Unlisted Options

Details	Number of Options	Issue price	\$
Balance at 30 June 2012	2,000,000		-
Exercised options	<u>(250,000)</u>		<u>-</u>
Balance at 31 December 2012	<u>1,750,000</u>		<u>-</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 2012	<u>700,000</u>		-
Balance at 31 December 2012	<u>700,000</u>		-

The performance rights vest on the date that Catalyst becomes entitled to the transfer of a 50% interest in each of exploration licences EL4525 and EL5295 under the Four Eagles Heads of Agreement.

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 2012 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 2013

**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 2012, and the statement of 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 internal 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 2012 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.

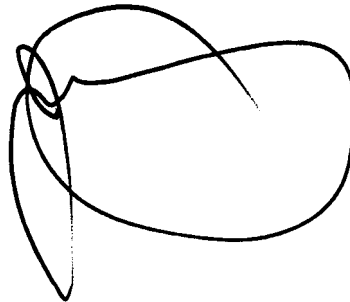
Conclusion

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 2012 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



JAMES KOMNINOS
Partner

Perth, WA
Dated: 14 March 2013