

CATALYST METALS LIMITED

ABN 54 118 912 495

**NOTICE OF GENERAL MEETING
&
EXPLANATORY MEMORANDUM TO
SHAREHOLDERS**

**For a General Meeting to be held on
27 July 2007 at 4.30 pm (WST) at
The Presidents Room, Celtic Club, 48 Ord Street,
West Perth, Western Australia**

NOTICE OF GENERAL MEETING

CATALYST METALS LIMITED

ABN 54 118 912 495

Notice is hereby given that a General Meeting of Catalyst Metals Limited will be at The Presidents Room, Celtic Club, 48 Ord Street, West Perth, Western Australia on Friday, 27 July 2007 at 4.30 pm (WST).

AGENDA

SPECIAL BUSINESS

Resolution 1 – Appointment of Mr Bryan Garrie Kenneth Dixon

To consider and, if thought fit, pass (with or without amendment) the following resolution as an ordinary resolution:

"That, Mr Bryan Garrie Kenneth Dixon is hereby appointed as a director of Catalyst Metals Limited in accordance with the Company's Constitution."

Resolution 2 –Appointment of Mr Nathan Bruce McMahon

To consider and, if thought fit, pass (with or without amendment) the following resolution as an ordinary resolution:

"That, Mr Nathan Bruce McMahon is hereby appointed as a director of Catalyst Metals Limited in accordance with the Company's Constitution."

Resolution 3 –Removal of Mr Howard Dawson

To consider and, if thought fit, pass (with or without amendment) the following resolution as an ordinary resolution:

"That, Mr Howard Dawson be and is hereby removed as a director of Catalyst Metals Limited."

Resolution 4 –Removal of Mr Jim Malone

To consider and, if thought fit, pass (with or without amendment) the following resolution as an ordinary resolution:

"That, Mr James Malone be and is hereby removed as a director of Catalyst Metals Limited."

EXPLANATORY MEMORANDUM

Shareholders are referred to the Explanatory Memorandum accompanying and forming part of this Notice of General Meeting.

SNAPSHOT DATE

For the purposes of Regulation 7.11.37 of the Corporations Regulations, the Directors have set a snapshot date to determine the identity of those persons eligible to vote at the General Meeting. The snapshot date is 4.30 pm (WST) on 25 July 2007.

PROXIES

In accordance with section 249L of the Corporations Act, Shareholders are advised that:

- (a) each Shareholder has a right to appoint one proxy, and if the Shareholder may cast two or more votes, the Shareholder may appoint two proxies;
- (b) a proxy need not be a Shareholder of the Company; and
- (c) if a Shareholder appoints two proxies, the Shareholder may specify the proportion or number of votes each proxy is appointed to exercise.

In accordance with the Company's Constitution, Shareholders are further advised that:

- (a) if the appointment does not specify the proportion or number of the Shareholder's votes, each proxy may exercise half of the Shareholder's votes; and
- (b) if a Shareholder appoints two proxies, only one may vote on a show of hands.

In accordance with section 250BA of the Corporations Act, the Company specifies the following information for the purposes of receipt of proxy appointments:

Principal Office: Level 1, 89 St George's Terrace
PERTH WA 6000

Facsimile Number: (08) 9481 2200

Postal Address: GPO Box 2508
PERTH, WA 6001

The instrument appointing the proxy must be signed by the Shareholder, or by the Shareholder's attorney who is authorised to sign the instrument under a power of attorney.

If a Shareholder is a company it must sign the instrument in accordance with section 127 of the Corporations Act.

A proxy is not entitled to vote unless the instrument appointing the proxy, and the authority under which the instrument is signed or a certified copy of the authority, is either deposited at the registered office of the Company or sent by facsimile to that office, and in each case to be received not less than 48 hours prior to the time of the General Meeting (being not later than 4.30 pm WST time on 25 July 2007).

By Order of the Board

Michael Higginson
Company Secretary
Perth, Western Australia
Date: 19 June 2007

CATALYST METALS LIMITED
ABN 54 118 912 495

EXPLANATORY MEMORANDUM TO SHAREHOLDERS

This Explanatory Memorandum has been prepared to assist Shareholders in understanding the business to be put to Shareholders for their consideration at the forthcoming General Meeting of the Company.

The Directors recommend that you read this Explanatory Memorandum and attend the General Meeting.

BACKGROUND

On 30 May 2007, the Company received a notice pursuant to section 249D of the Corporations Act (the "Notice") to convene a general meeting for purpose of seeking the approval of members to replace Howard Dawson and Jim Malone as directors of the company with Bryan Garrie Kenneth Dixon and Nathan Bruce McMahon.

The Notice was submitted by Warrior Finance Pty Ltd (sole director Bryan Garrie Kenneth Dixon), Jodie Marwick and Lateral Minerals Pty Ltd (sole director Mark Thompson).

The Notice in its terms is currently defective as it does not disclose whether the resolutions for removal of directors are put pursuant to the Corporations Act or the Company's Constitution. The Company has nevertheless decided to proceed with convening the meeting in accordance with the Notice and to allow Mr Thomson, Ms Marwick and Mr Dixon an opportunity to rectify this deficiency prior to the meeting. This ensures that the period of disruption to the Company by reason of the Notice is minimised, which is in the interests of shareholders as a whole.

STATEMENT BY DIRECTORS OTHER THAN MR THOMPSON

The board is currently comprised of Mr Dawson, Mr Malone, Mr Thompson and Mr Carson.

Mr Dawson, Mr Malone and Mr Carson consider that shareholders should overwhelmingly reject this unwelcome move by Mr Thompson, Ms Marwick and Mr Dixon to seize board control. We consider their actions are an unnecessary and entirely unwarranted distraction which is extremely prejudicial to the interests of your Company. We set out below our primary reasons for this view:

1. The Company listed on the ASX on 26 July 2006 with a board comprising Mr Dawson, Mr Malone and Mr Thompson.
2. Mr Dixon was previously a director of the Company from 21 March 2006 to 22 May 2006. Prior to listing, Mr Dawson and Mr Malone suggested to Mr Dixon that he resign given he did not have sufficient experience to be a director of a listed company. Mr Dixon resigned as a director, but stayed on until 1 February 2007 as company secretary.
3. Mr Thompson previously held the role as Exploration Manager of the Company, until the Company dismissed him from that role on 7 May 2007. Mr Thompson disputes that termination. The Company maintains it has validly removed Mr Thompson as Exploration Manager and he acknowledged that to be the case to both Mr Dawson and Mr Malone. We consider it is important that the board comprise skilled members who are not aligned with Mr Thompson as this ensures shareholders have a balanced and competent representation at board level.

4. The board as currently constituted has sufficient skills and experience to take the Company forward. Mr Dawson, Mr Malone and Mr Carson collectively have professional qualifications in geology and finance and many years of proven experience in the acquisition, exploration, development and mining of mineral assets.
5. Mr Dawson and Mr Malone have been diligent in ensuring that the Company has properly explored the Minnie Creek project area and reported the results of that exploration to the market. We are more than adequately placed to address the viability of the Minnie Creek Project and any additional prospective projects for the Company.
6. We are not aware of any additional skills that either Mr Dixon or Mr McMahon can bring to the board over and above the current skill base. Mr Dixon has not explained why he should go back on the board given he agreed to stand down prior to listing less than 12 months ago.
7. The Company has only been listed for a short period of time and we consider it is fundamental that the existing board has a proper opportunity to use the funds you as shareholders entrusted to the Company to assess and exploit the commercial opportunities disclosed in the Prospectus.
8. Mr Thomson, Mr McMahon, Ms Marwick and Mr Dixon have not identified any tangible benefit to the Company and its shareholders from the proposed board changes. Mr Thompson, Ms Marwick and Mr Dixon have also threatened to seek an injunction effectively restraining the Company from pursuing any new business opportunities prior to the meeting. While we consider this threat is baseless, it has the capacity to greatly prejudice the Company's prospects of taking up possible new opportunities pending the holding of the meeting. In the current exciting economic landscape, we regard this as simply unacceptable and greatly prejudicial to the interests of you as shareholders.
9. We are concerned that the passing of the proposed resolutions will lead to a change in control of the Company without any proper or detailed explanation as to:
 - (a) how Mr Dixon and Mr McMahon as new board members consider they can improve the Company's prospects;
 - (b) what Mr Dixon and Mr McMahon consider is the appropriate use of the cash reserves of approximately \$2.6 million held by the Company.
10. In short, we see absolutely no reason to place control of the Company in the hands of Mr Thompson, Mr Dixon and Mr McMahon.

STATEMENT BY MR THOMPSON

Mr Thompson was invited to provide a statement for inclusion in this Notice of General Meeting, but failed to do so prior to the printing of this document.

ENQUIRIES

Shareholders can contact the Company Secretary on (61 8) 9415 1714 if they have any queries in respect of the matters set out in these documents.

DEFINITIONS

Throughout the Notice of Meeting and Explanatory Memorandum, the following definitions are used:

ASX means Australian Stock Exchange Limited ACN 008 624 691;

Board means the board of directors of the Company;

Company or **Catalyst Metals** means Catalyst Metals Limited ABN 54 118 912 495;

Corporations Act means the Corporations Act 2001 (Cth);

Director means each of the current directors of the Company;

Listing Rules means the official listing rules of ASX;

Meeting or **General Meeting** means the meeting of Shareholders convened by this Notice of General Meeting;

Shareholder means a holder of Shares;

Shares means fully paid ordinary shares in the capital of the Company; and

WST means Western Australian standard time.

The Company Secretary
Catalyst Metals Limited
GPO Box 2508
Perth WA, 6001
Facsimile: 61 8 9481 2200

PROXY FORM
CATALYST METALS LIMITED
ABN 54 118 912 495
GENERAL MEETING

Appointment of Proxy

I/We

Of

being a member of Catalyst Metals Limited entitled to attend and vote at the General Meeting, hereby

Appoint

Name of proxy

or failing the person so named or, if no person is named, the Chairman of the Meeting or the Chairman's nominee, to vote in accordance with the following directions or, if no directions have been given, as the proxy sees fit at the General Meeting to be held at The Presidents Room, Celtic Club, 48 Ord Street, West Perth, Western Australia on Friday, 27 July 2007 at 4.30 pm (WST) and at any adjournment thereof. If no directions are given, the Chairman will vote against each resolution.

Voting on Business of the General Meeting

	FOR	AGAINST	ABSTAIN
Resolution 1 - Appointment of Mr Bryan Garrie Kenneth Dixon	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2 - Appointment of Mr Nathan Bruce McMahon	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3 - Removal of Mr Howard Dawson	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4 - Removal of Mr Jim Malone	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

OR

If you do **not** wish to direct your proxy how to vote, please place a mark in this box

By marking this box, you acknowledge that the Chairman may exercise your proxy even if he has an interest in the outcome of the resolution and votes cast by him other than as proxy holder will be disregarded because of the interest. The Chairman will vote against all of the resolutions if no directions are given.

YOU MUST EITHER MARK THE BOXES DIRECTING YOUR PROXY HOW TO VOTE OR MARK THE BOX INDICATING THAT YOU DO NOT WISH TO DIRECT YOUR PROXY HOW TO VOTE, OTHERWISE THIS APPOINTMENT OF PROXY FORM WILL BE DISREGARDED.

If you mark the abstain box for a particular item, you are directing your proxy not to vote on that item on a show of hands or on a poll and that your Shares are not to be counted in computing the required majority on a poll.

If two proxies are being appointed, the proportion of voting rights this proxy represents is _____%

Signed this day of 2007

By:

Individuals and joint holders

Signature

Signature

Signature

Companies (affix common seal if appropriate)

Director

Director/Company Secretary

Sole Director and Sole Company Secretary

CATALYST METALS LIMITED
ABN 54 118 912 495

Instructions for Completing Proxy Form

1. A member entitled to attend and vote at a Meeting is entitled to appoint not more than two proxies to attend and vote on their behalf. Where more than one proxy is appointed, such proxy must be allocated a proportion of the member's voting rights. If the shareholder appoints two proxies and the appointment does not specify this proportion, each proxy may exercise half the votes.
2. A duly appointed proxy need not be a member of the Company. In the case of joint holders, all must sign.
3. Corporate shareholders should comply with the execution requirements set out on the proxy form or otherwise with the provisions of Section 127 of the Corporations Act. Section 127 of the Corporations Act provides that a company may execute a document without using its common seal if the document is signed by:
 - directors of the company;
 - a director and a company secretary of the company; or
 - for a proprietary company that has a sole director who is also the sole company secretary - that director.

For the Company to rely on the assumptions set out in Section 129(5) and (6) of the Corporations Act, a document must appear to have been executed in accordance with Section 127(1) or (2). This effectively means that the status of the persons signing the document or witnessing the affixing of the seal must be set out and conform to the requirements of Section 127(1) or (2) as applicable. In particular, a person who witnesses the affixing of a common seal and who is the sole director and sole company secretary of the company must state that next to his or her signature.

4. Completion of a proxy form will not prevent individual shareholders from attending the meeting in person if they wish. Where a shareholder completes and lodges a valid proxy form and attends the meeting in person, then the proxy's authority to speak and vote for that shareholder is suspended while the shareholder is present at the meeting
5. Where a proxy form or form of appointment of corporate representative is lodged and is executed under power of attorney, the power of attorney must be lodged in like manner as this proxy.
6. To vote by proxy, please complete, sign and return the proxy form by hand to the Principal Office of the Company or by post to The Company Secretary, Catalyst Metals Limited, GPO Box 2508, Perth, Western Australia, 6001 or by facsimile on facsimile number (61 8) 9481 2200,

A proxy form must be received by the Company by no later than 4.30 pm (WST) on 25 July 2007.

Proxy forms received later than this time will be invalid.