



ASX: CYL

Quarterly Activities Report

Quarter ended 31 March 2014

SUMMARY

- **Term Sheet signed between Catalyst Metals and Navarre Minerals on the Tandarra Gold Project north of Bendigo.**
- **Aircore drilling to commence at Four Eagles in May 2014.**
- **Two new exploration licence applications submitted for additional areas within the North Bendigo goldfield.**
- **Catalyst will now control all exploration tenements along a 70 kilometre section of the Whitelaw Fault north of the historic Bendigo Goldfield which historically produced 22 million ounces of gold.**
- **Catalyst raises \$500,000 through a private share placement.**

Catalyst Metals Limited ("Catalyst") signed a Term Sheet with Navarre Minerals ("Navarre") to enable Catalyst to earn a 51% equity interest in the Tandarra Project (EL 4897) located north of Bendigo in Victoria.

This transaction will result in a regional consolidation of two of the most prospective greenfields gold projects in Victoria and means that the entire 70 kilometre strike length of the Bendigo North Goldfield will be under single management for the first time (Figure 1). The rationalisation will enable synergy benefits and shared technology to be realised in both exploration and development stages.

As part of the same transaction, Navarre will transfer to Catalyst its interests in two gold projects owned by Castlemaine Goldfields Limited (a subsidiary of Singapore based LionGold Corp) ("Castlemaine"), which are subject to farm-in and joint venture arrangements between Navarre and Castlemaine. Navarre has earned a 51% interest in the Sebastian Project (EL 4536 and EL 4974) and is earning a 51% interest in the Raydarra Project (EL 5266).

Navarre will retain a 1% net smelter royalty on Catalyst's entitlement to proceeds from future production from the Sebastian and Raydarra Projects.

A full review of the extensive database for these areas has commenced and will provide the basis of future drilling programmes. High grade gold mineralisation has already been intersected at the Tomorrow Line at Tandarra at depths of less than 20 metres and there are several other regional targets that require testing.

The parties have agreed to finalise and execute a binding Heads of Agreement expeditiously following satisfaction of the conditions precedent.

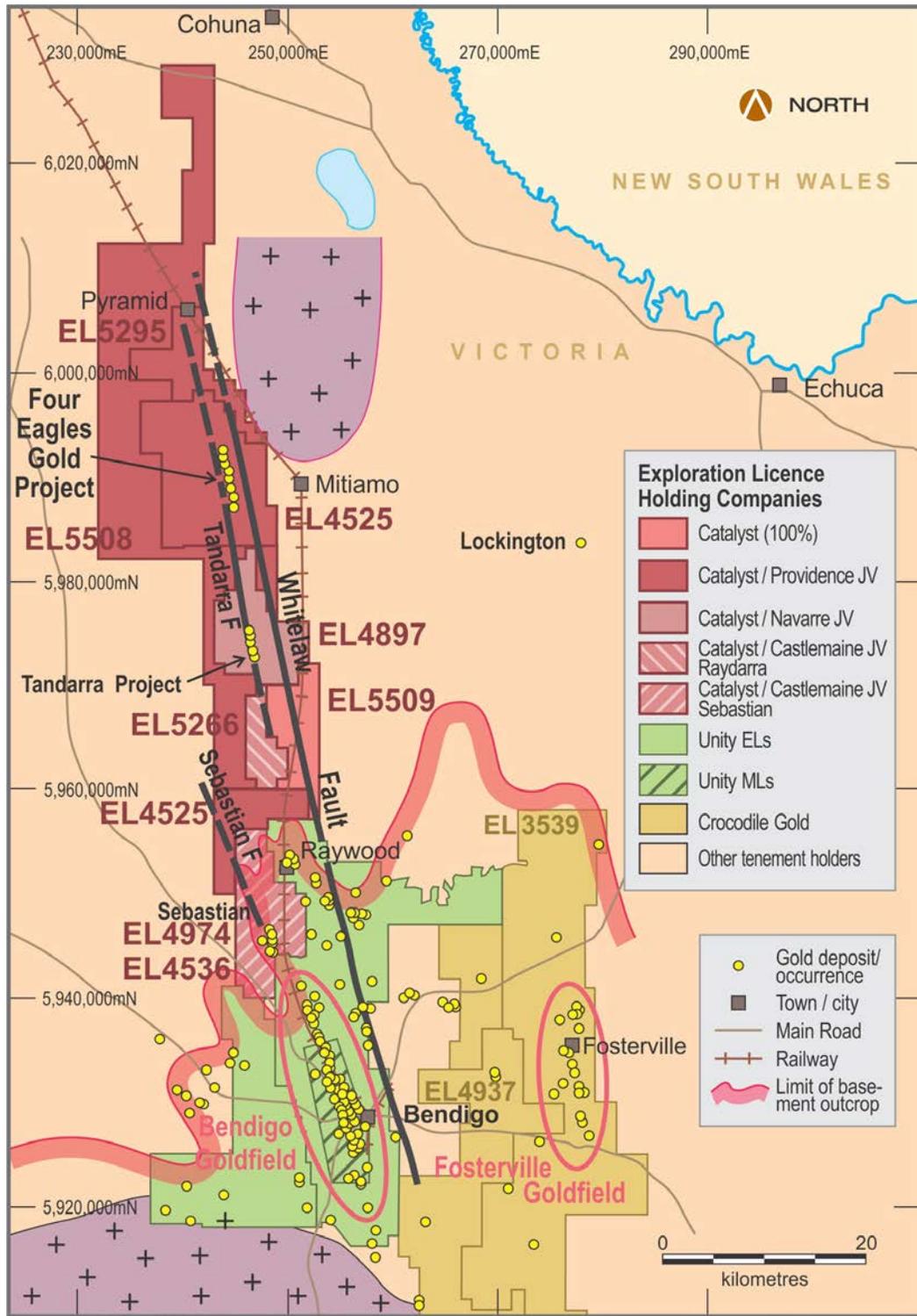


Figure 1: Map showing Catalyst-managed tenements in the North Bendigo Goldfield

Catalyst’s Technical Director Bruce Kay said “The North Bendigo gold province is a recent virgin discovery under soil cover in Victoria with high grade gold mineralisation intersected at both Four Eagles and Tandarra, which are 15 kilometres apart. The agreement with Navarre means that Catalyst shareholders will now have control over any gold discoveries that are made in this 70 kilometre long corridor.”

Agreement terms

In order to earn its 51% equity interest in the Tandarra Joint Venture (EL 4897), Catalyst will be required to spend \$3 million on exploration during a four year period commencing on the date at which the conditions precedent are satisfied ("Satisfaction Date"). The expenditure must be sufficient to maintain the tenement in good standing and be not less than \$200,000 per annum. Within two years of the Satisfaction Date, Catalyst must spend at least \$800,000 on the tenement and also generate a mineralisation report sufficient for the requirements of the Sustainable Development Act 1990 (Vic)(MRA) before 14 November 2015.

Catalyst will also make the following payments to Navarre:

- On signing of the Term Sheet, \$1,000;
- On the Satisfaction Date, \$50,000 and the issue of 250,000 fully paid ordinary shares in Catalyst; and
- On the first anniversary of the Satisfaction Date, the issue of 250,000 fully paid ordinary shares in Catalyst.

Castlemaine has signed a Deed of Assignment and Assumption to enable Navarre to assign all of its rights and obligations relating to the Castlemaine tenements under farm-in and joint venture arrangements to Catalyst. Navarre had already earned 51% equity in the Sebastian Project (EL 4536 and EL 4974) and a joint venture with Castlemaine has been established. Navarre has the right to earn a further 24% in these tenements by the expenditure of \$300,000 before 20 February 2017.

On the Raydarra Project (EL 5266), Navarre had satisfied the minimum expenditure commitment of \$100,000 but is required to spend a further \$200,000 before 20 February 2015 to earn its 51% equity. Navarre also has the right to earn a further 24% by the expenditure of a further \$600,000 before 20 February 2017.

New Exploration Licence Applications - Bendigo North

In April, 2014, Catalyst made application for two new exploration licences to further consolidate the ground holdings north of Bendigo. As shown on Figure 1, ELA 5508 was lodged under the Catalyst-Providence Joint Venture and becomes contiguous with EL's 5295 and 4525. The total area is 311 square kilometres. A second ELA 5509 with an area of 49 square kilometres, is located east of the Raydarra EL5266 on which Catalyst will earn an interest from Castlemaine Goldfields. These licences cover the possible extension of mineralisation located on the Four Eagles and Tandarra prospects.

Four Eagles Gold Project (Victoria)

No drilling was undertaken during the March 2014 quarter at the Four Eagles Gold Project. A drilling contractor has been mobilised for an aircore programme to commence in early May 2014. The programme will test the northern extension of the Eagle 2 trend north of the Discovery Prospect which contained high grade gold mineralisation:

- **6.0m @ 82.7g/t Au (FE328)**
- **0.75m @ 15.3g/t Au and 0.4m @ 8.4g/t Au (FEDD007)**
- **0.8m @ 17.5g/t Au (FEDD001)**
- **0.4m @ 152g/t Au (FEDD008)**

Subject to weather conditions and field access, some reconnaissance drilling may also be undertaken on roadsides to test the Eagle 1 Structure which is virtually untested.

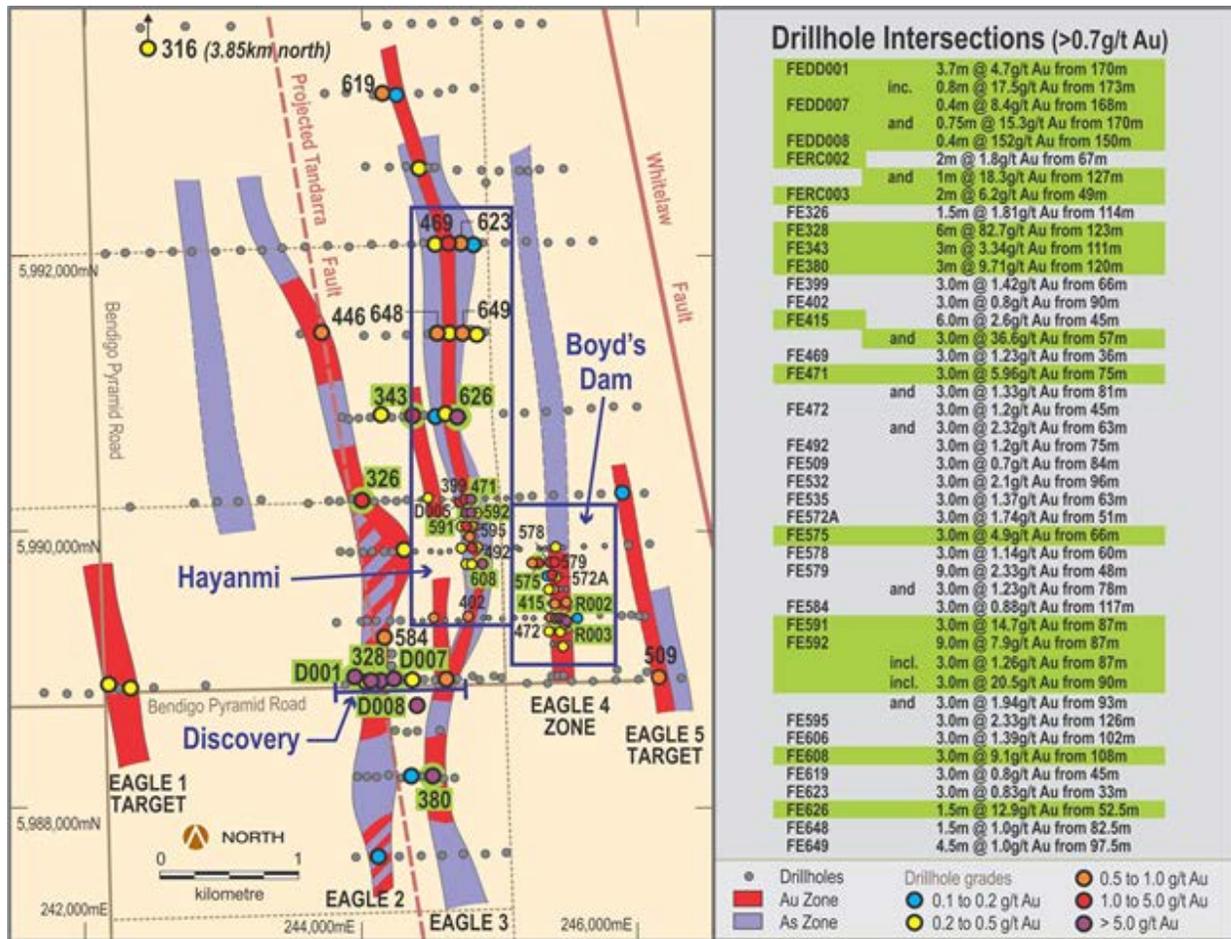


Figure 2: Four Eagles Gold Project showing mineralised corridors and drilling results

Everton Project (Victoria)

No field activity was undertaken on the Everton Project during the March 2014 quarter.

Minnie Creek Project (Western Australia)

As part of the increased focus on the North Bendigo gold belt, Catalyst made the decision to relinquish the Minnie Creek tenements located in the Gascoyne Mineral Field of Western Australia. The lower price and demand for molybdenum was also a factor in this decision.

CORPORATE

At the end of March 2014 the Company had received \$500,000 from a sophisticated and professional investor for a placement of 1,666,667 shares at \$0.30 each which was completed on 2 April 2014. The placement also included 166,667 free attaching unlisted options exercisable at \$0.30 each on or before 30 June 2016.

During the June 2014 quarter the Company will undertake a full review of the acquired tenements at Tandarra, Raydarra and Sebastian and commence a reconnaissance drilling programme at Four Eagles. Cash on hand at the end of the March 2014 quarter was \$1.2 million.

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Corporate summary

ASX trading code:	CYL
Quoted shares at today's date:	49,301,700
Unlisted options at today's date:	1,916,667
Unlisted performance rights:	350,000
Cash balance at end of quarter:	\$1.2 million
Postal address:	PO Box 778 Claremont, Western Australia 6910
Telephone:	(+61 8) 9383 2825
Facsimile:	(+61 8) 9284 5426
E-mail:	admin@catalystmetals.com.au
Web-site:	www.catalystmetals.com.au

Tenement directory

Project	Tenement number	Beneficial interest
Western Australia		
Eudamullah	E09/1174	Nil (surrendered in April 2014)
Victoria		
Everton	EL4866	100%
Four Eagles	EL4525	50% (farm-in agreement)
Four Eagles	EL5295	50% (farm-in agreement)

Subsequent to the end of the quarter, the Eudamullah tenement (E09/1174) (90% interest) was relinquished. In addition two new Exploration Licence applications were made in Victoria (EL 5508, EL 5509). Other tenements in relation to the Navarre and Castlemaine agreements are still subject to finalisation of a Heads of agreement.

Competent person's statement

The information in this report that relates to exploration results is based on information compiled by Mr Bruce Kay, a Competent Person, who is a Fellow of the Australasian Institute of Mining and Metallurgy. Mr Kay is a non-executive director of the Company and has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the JORC Code). Mr Kay consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

The information was prepared and first disclosed under the JORC Code 2004. It has not been updated since to comply with the JORC Code 2012 on the basis that the information has not materially changed since it was last reported.

Appendix 5B

Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/01, 1/6/10, 17/12/10.

Name of entity

CATALYST METALS LIMITED

ABN

54 118 912 495

Quarter ended ("current quarter")

31 March 2014

Consolidated statement of cash flows

	Current quarter \$A'000	Year to date (9 months) \$A'000
Cash flows related to operating activities		
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for (a) exploration and evaluation	(33)	(123)
(b) development	-	-
(c) production	-	-
(d) administration	(81)	(302)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	7	25
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other (provide details if material):	-	-
Net operating cash flows	(107)	(400)
Cash flows related to investing activities		
1.8 Payment for purchases of:		
(a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	-	-
1.9 Proceeds from sale of:		
(a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	-	-
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other (provide details if material)	-	-
Net investing cash flows	-	-
1.13 Total operating and investing cash flows (carried forward)	(107)	(400)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(107)	(400)
Cash flows related to financing activities			
1.14	Proceeds from issues of shares, options, etc. – exercise of options	-	-
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings – advance from shareholders for April 2014 capital raising	500	500
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other (provide details if material)	-	-
	Net financing cash flows	500	500
	Net increase (decrease) in cash held	393	100
1.20	Cash at beginning of quarter/year to date	822	1,115
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	1,215	1,215

Payments to directors of the entity and associates of the directors

Payments to related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	28
1.24	Aggregate amount of loans to the parties included in item 1.10	Nil

1.25 Explanation necessary for an understanding of the transactions

Payments to directors for directors' fees were deferred for the March 2014 quarter, except for \$12,017 paid to Mr Gary Schwab as the Board has determined to pay Mr Schwab his directors' fees as he is an independent director and does not hold any equity in the Company. Mr Bruce Kay received \$15,600 for technical consulting services outside his duties as a director.

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

Not applicable.

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

Not applicable.

+ See chapter 19 for defined terms.

Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	-	-
3.2 Credit standby arrangements	-	-

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	200
4.2 Development	-
4.3 Production	-
4.4 Administration	100
Total	300

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	502	4
5.2 Deposits at call	713	818
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	1,215	822

Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements relinquished, reduced or lapsed			
6.2	Interests in mining tenements acquired or increased			

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security	Amount paid up per security
7.1 Preference +securities				
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 +Ordinary securities	47,635,033	47,635,033		Fully Paid
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs				
7.5 +Convertible debt securities (description)				
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 Options - Unlisted - Unlisted	1,000,000 750,000	- -	<i>Exercise Price</i> \$0.20 \$0.30	<i>Expiry Date</i> 30 June 2014 30 June 2015
7.8 Issued during quarter				
7.9 Exercised during quarter				
7.10 Expired during quarter				
7.11 Performance rights Performance rights Issued during quarter Vested during quarter Expired during quarter	350,000	-	<i>Vest Condition</i> (1)	<i>Expiry Date</i> 3 October 2018
7.12 Unsecured notes (totals only)				

Notes

(1) 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.

+ See chapter 19 for defined terms.

Compliance statement

1. This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 5).
2. This statement does give a true and fair view of the matters disclosed.

Sign here:

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Date: 30 April 2014

Print name: Frank Campagna
Company Secretary

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
2. The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
3. **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
4. The definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report.
5. **Accounting Standards** ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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