



ASX: CYL

Quarterly Activities Report

Quarter ended 30 June 2013

SUMMARY

- Exploration focused on northern extension of high grade Hayanmi prospect of Eagle 2, Eagle 3 and Eagle 4 for shallow open pit potential
- Aircore drilling intersects 1.5 metres @ 12.9g/t Au north of Hayanmi Prospect
- Hayanmi Prospect confirmed over 2.5 kilometres from widely spaced drilling
- Catalyst earns 50% equity in Four Eagles Gold Project

Four Eagles Gold Project (Victoria)

During the June 2013 quarter an aircore drilling programme at Catalyst Metals Limited's (**Catalyst** or the **Company**) (ASX:CYL) Four Eagles Gold Project, located 60 kilometres north of Bendigo in Victoria (Figure 1 and Figure 2), intersected high grade gold mineralisation 600 metres north of the Hayanmi Prospect.

Angled aircore hole FE626 intersected **1.5 metres @ 12.9 g/t Au from 52.5 metres** in an area where basement depth is about 43 metres. The same hole also contained low grade gold mineralisation in the 0.5 to 0.7 g/t Au range. This traverse is 600 metres north of the previous drilling on the Hayanmi Prospect where high grade gold mineralisation had been discovered in shallow drilling during 2012, including:

- **3.0m @ 14.7g/t Au (FE591)**
- **3.0m @ 5.96g/t Au (FE471)**
- **9.0m @ 7.9g/t Au including 3.0m @ 20.5g/t Au (FE592)**
- **3.0m @ 9.1g/t Au (FE608)**

Another traverse drilled 1.2 kilometres north of the Hayanmi Prospect also returned low grade gold mineralisation with two intervals in FE648 (**1.5 metres @ 0.8g/tAu from 64.5 metres and 1.5 metres @ 1.0g/t Au from 82.5 metres**) and FE649 (**1.5 metres @ 1.21g/t Au from 97.5 metres and 1.5 metres @ 1.59 g/t Au from 100.5 metres**). These are angled holes drilled at 60° towards the west where the basement depth is about 50 metres.

These intervals are significant in this style of drilling and confirm the extension of the Hayanmi Prospect to the north along the Eagle 3 Structure. As shown on Figure 3, Hayanmi is now confirmed to be 2.5 kilometres long but has only received detailed drilling over a 600 metre section. This total strike length will require infill angled drilling similar to the drill programmes that were undertaken at Hayanmi and Boyds Dam which resulted in much higher gold grades (> 20 g/t Au) being intersected.

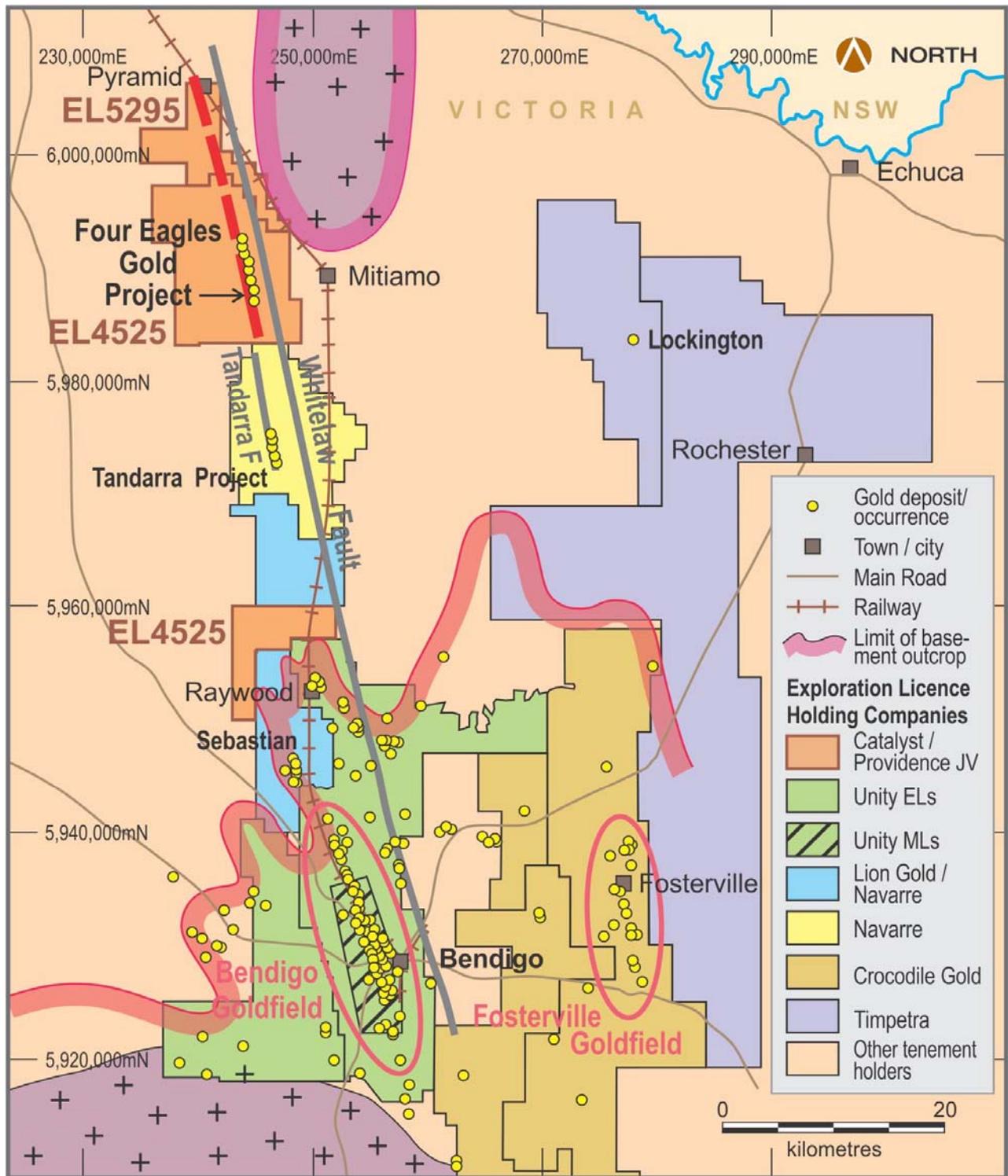


Figure 1: Four Eagles Gold Project Location

For the first time at the Four Eagles Gold Project, angled aircore drilling was successfully used and all holes were able to penetrate both the Murray Basin cover sequence and the oxidised basement rocks. The location of the recent drillholes is shown on Figure 3 which covers a 2.5 kilometre zone north of the Hayanmi Prospect. Some areas were inaccessible due to irrigation flooding.

Samples were taken every 1.5 metres downhole in basement and were sent to ALS for assay. Initial assays were obtained from a 30gm portion of the bulk sample by Aqua Regia digest and AAS analysis. If a sample recorded an anomalous gold value, the total bulk sampled was digested with cyanide (Leachwell Assay) to provide a more accurate analysis. As before, the correlation between these assays has been very good with a slight increase in the assay obtained.

The drilling confirmed a large area where basement depths are less than 30 metres. 28 holes were drilled for a total metreage of 2046.8 metres and basement depths range from 18 to 58 metres. This campaign represents the first stage of a large drilling programme that will be required to test shallow areas north of Eagle1, Eagle 2 and Eagle 3 (Figure 4). The timing of these programmes is uncertain and depends on status of the grain crop, weather conditions and Company priorities.

The Four Eagles Gold Project is located approximately 60 kilometres north along strike of the Bendigo Goldfield in a similar structural position west of the regional Whitelaw Fault (Figure 1).

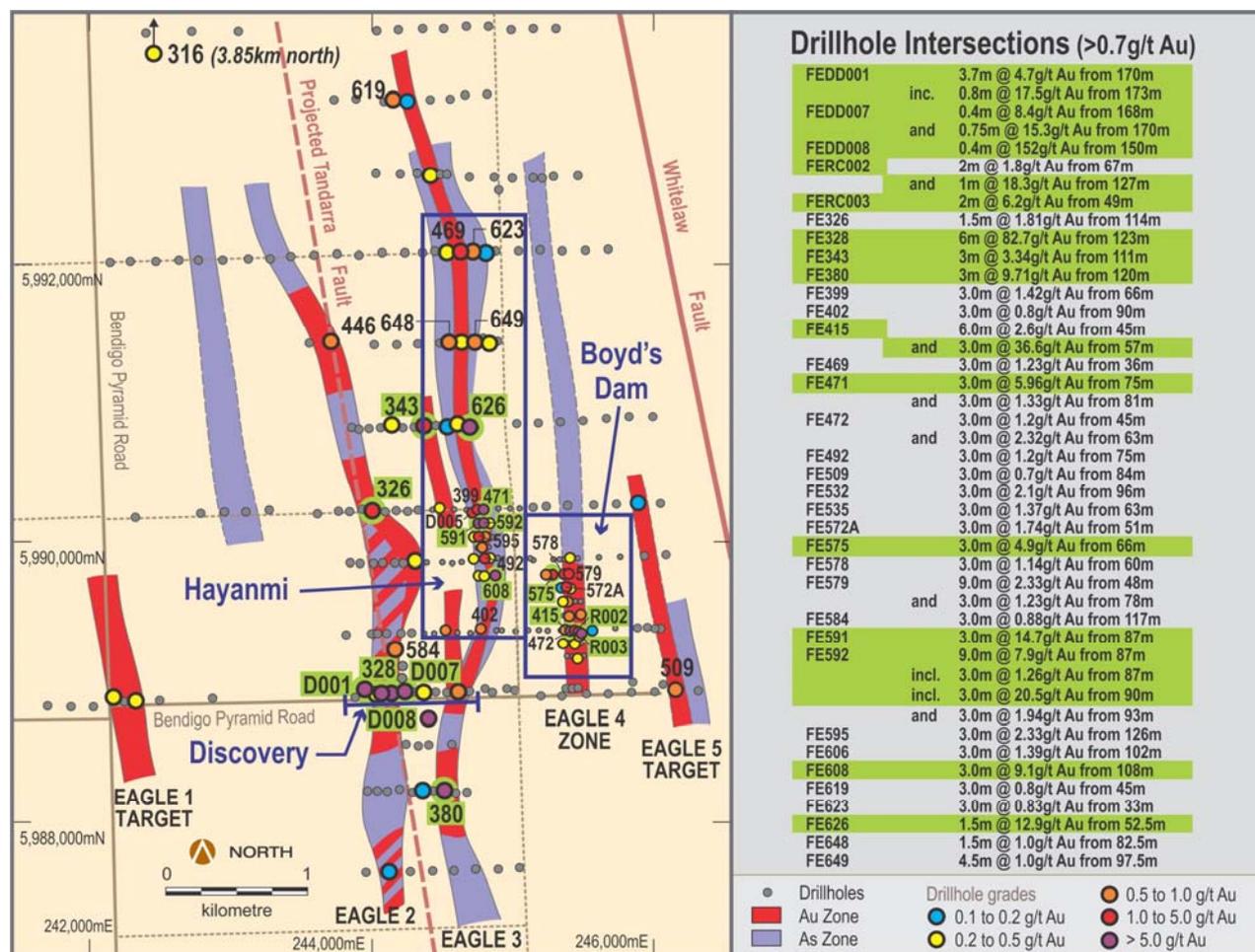


Figure 2: Four Eagles Gold Project Drilling Locations and Results

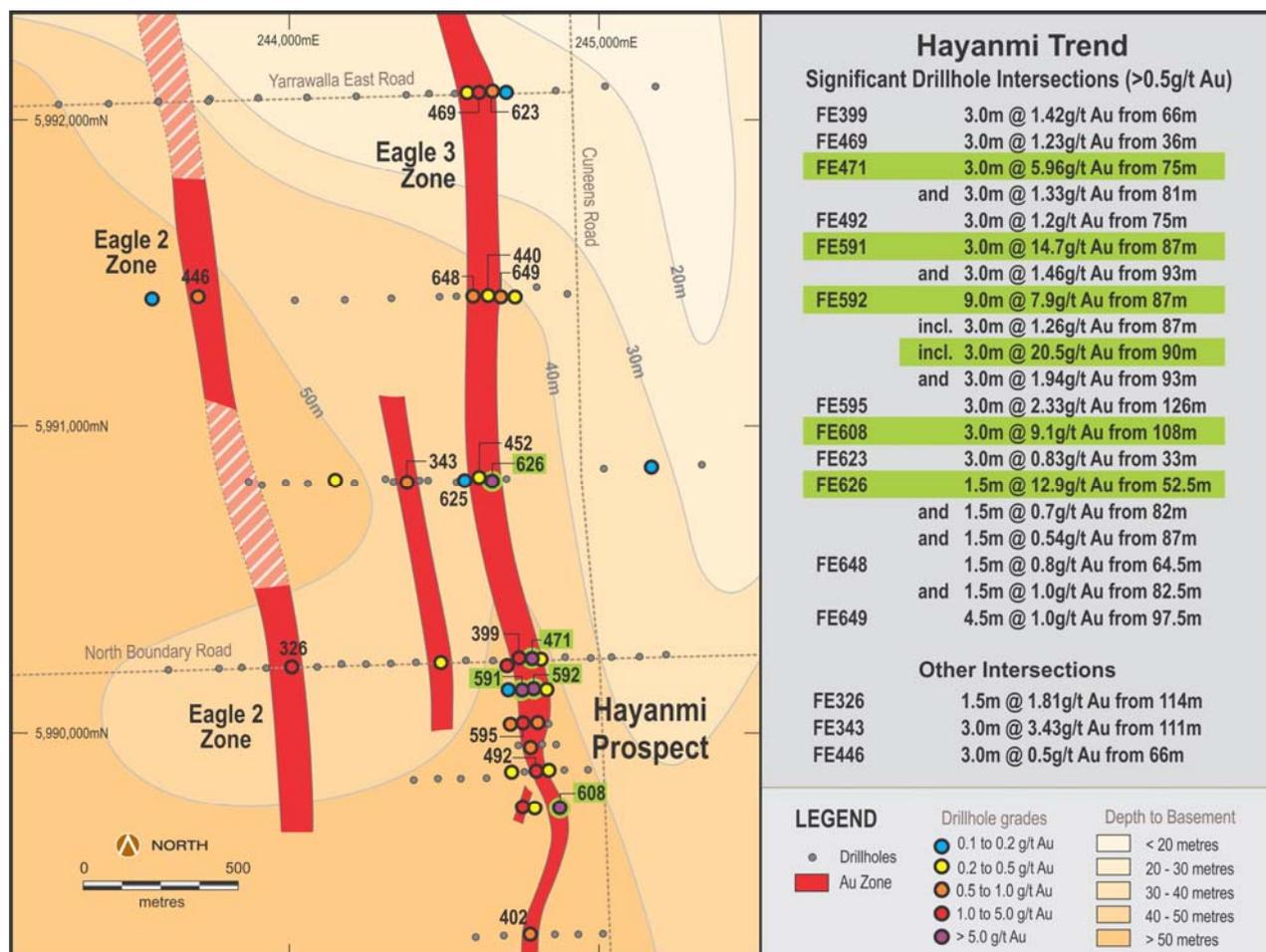


Figure 3: Hayanmi Prospect Extended showing recent drilling results

Four Eagles Heads of Agreement

After several months of discussion, an Amendment and Restatement Deed of the Heads of Agreement with Providence Gold & Minerals Pty Ltd (“Providence”) was signed by the parties on 10 April 2013 and also included some modifications to other clauses in the Heads of Agreement.

Previously, Catalyst was required to issue 2,500,000 ordinary fully paid shares to Providence prior to earning additional equity above 50%, but this has now been changed to a series of cash and share payments (total 2,300,000 shares and \$230,000 cash), conditional on equity levels of 50%, 60%, 70% and 75% being achieved. The first of the payments to Providence will be due within 60 days of achieving the 50% equity level, and will require a cash payment of \$30,000 and the issue of 250,000 ordinary fully paid shares in Catalyst. A further cash payment of \$50,000 will be made to Providence on the completion of a positive feasibility study on the first project.

Catalyst has spent in excess of \$2.2 million on the Four Eagles Joint Venture and has therefore become entitled to a 50% equity interest.

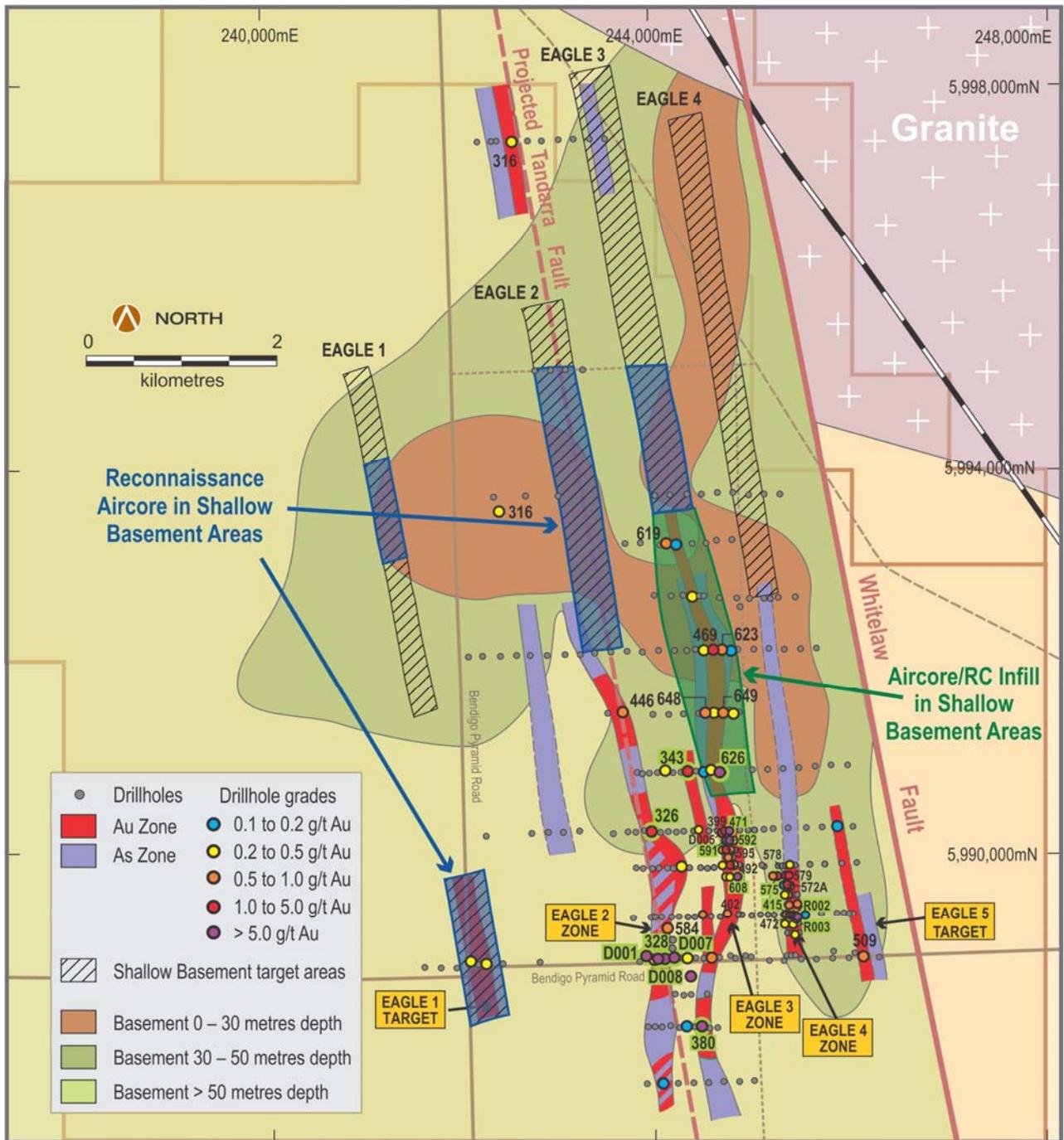


Figure 4: Depth to Basement plan showing Targets and Proposed Drilling at Four Eagles Gold Project

Everton Project (Victoria)

Following the visit to the project area in late March 2013, discussions have continued with the landowner concerning access for a sampling and drilling programme. There are still some issues to be resolved and the Company considers that the priority of the Everton molybdenum project is much lower than the gold areas in the current market.

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 (Figure 5). During the March 2013 quarter, the Company surrendered tenements E09/1303 and E09/1776.

No field activity was undertaken in the June 2013 quarter and activity was limited to completion of the Annual report for E09/1174 and relinquishment reports for E09/1303 and E09/1776.

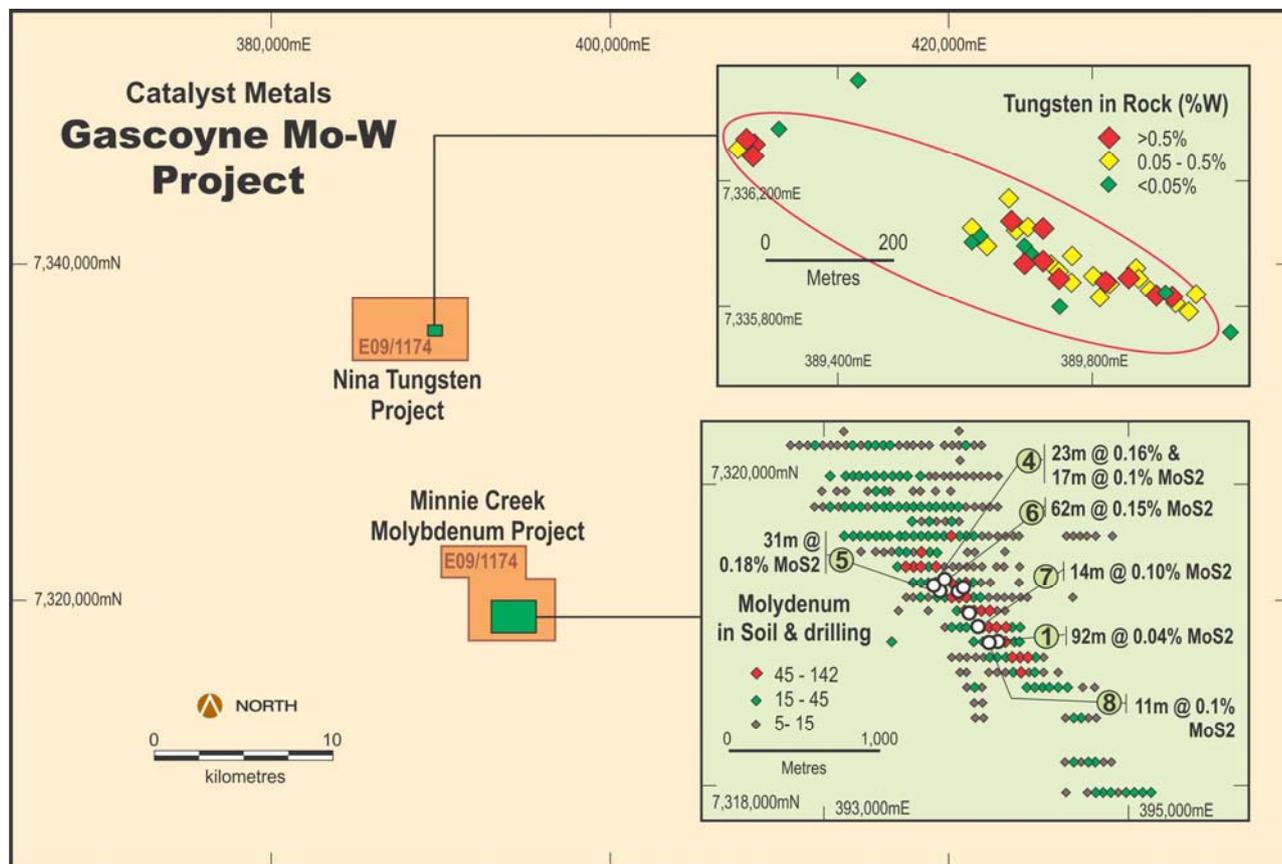


Figure 5: Minnie Creek Project Tenement

CORPORATE

As a result of the current difficult financial markets and to assist the Company's efforts to maximise the use of its cash resources, the directors continued to defer receipt of their directors' fees (which also includes the September 2012, December 2012, March 2013 and June 2013 quarters directors' fees). The only exception was Mr Gary Schwab who was paid his September 2012 fees during the June 2013 quarter in recognition of him being an independent director.

During the September 2013 quarter the Company will continue to focus its resources on the Four Eagles Gold Project whilst controlling costs. Cash on hand at the end of the June 2013 quarter was \$1.1 million.

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Corporate summary

ASX trading code	CYL
Quoted shares:	47,053,033
Unlisted options:	1,750,000
Unlisted performance rights:	350,000
Cash balance at end of quarter:	\$1.1 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

Competent person's statement

The information in this report that relates to exploration results is based on and accurately reflects, information compiled by Mr Bruce Kay, who is a Fellow of the Australasian Institute of Mining and Metallurgy. Mr Kay is a non-executive director the Company and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity to which he is undertaking to qualify as a Competent Person as defined in the 2004 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.

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")

30 June 2013

Consolidated statement of cash flows

	Current quarter \$A'000	Year to date (12 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	(175)	(547)
(b) development	-	-
(c) production	-	-
(d) administration	(103)	(334)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	12	56
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other: option fee - Unity Mining Limited	-	(100)
Net operating cash flows	(266)	(925)
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)	(266)	(925)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(266)	(925)
Cash flows related to financing activities			
1.14	Proceeds from issues of shares, options, etc. – exercise of options	-	266
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other (provide details if material)	-	-
	Net financing cash flows	-	266
Net increase (decrease) in cash held			
		(266)	(659)
1.20	Cash at beginning of quarter/year to date	1,381	1,774
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	1,115	1,115

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	34
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 and technical services to the economic entity were deferred for the June 2013 quarter, except for \$21,600 paid to Mr Bruce Kay for technical services provided directly to the Company's exploration projects and \$11,990 paid to Mr Gary Schwab for directors' fees for the September 2012 quarter.

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	7	286
5.2 Deposits at call	1,108	1,095
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	1,115	1,381

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 Partly paid +securities				
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 +Ordinary securities	47,053,033	47,053,033		Fully Paid
7.4 Changes during quarter (a) Increases through issues – vesting of performance rights (b) Decreases through returns of capital, buy-backs	350,000	350,000		Fully Paid
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	350,000 350,000 	- - 	<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.

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: 25 July 2013

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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