



ASX: CYL

Quarterly Activities Report

Quarter ended 30 June 2011

SUMMARY

- **Diamond (2 holes) and aircore drilling (78 holes) completed at the Four Eagles Gold Project, located north of Bendigo in Victoria.**
- **Aircore drilling intersects two new high grade zones with 3.0 metres @15.3g/t Au from 81 metres (FE471) and 3 metres @ 14.7g/t Au from 57 metres (FE415).**
- **First diamond drillhole intersects narrow high grade gold mineralisation of 0.8 metres @ 17.5g/t Au from 173.2 metres.**
- **Gold and arsenic values and quartz vein intersections broadly delineate three parallel zones of gold mineralisation up to 5 kilometres long (Osprey, Harrier, and Goshawk Zones)**

Four Eagles Gold Project (Victoria)

On 24 December 2010, Catalyst Metals Limited signed a formal heads of agreement to form a joint venture with a private company, Providence Gold & Minerals Pty Ltd, to further explore and develop the Four Eagles Gold Project (EL4525 and EL5295). The Four Eagles Gold Project 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 (Figure 1).

Diamond and aircore drilling commenced on 7 March 2011, within 6 weeks of agreement finalisation, and the aircore drilling programme finished on 6 May 2011 after the completion of 78 holes for a total of 7,913 metres. Two diamond drillholes were completed in early April 2011 for a total of 867 metres.

All assays have been received for the drilling programme, except for approximately 30 samples that were resubmitted for bulk screen fire assay. Analysis of gold and arsenic values in conjunction with quartz vein occurrence has enabled the delineation of at least three parallel zones of gold mineralisation at the Four Eagles project. Gold values occur over a strike length of 3 to 5 kilometres on the Goshawk and Harrier Zones respectively but the eastern Osprey Zone is less well defined (Figure 2).

Best gold intersections announced during the June 2011 quarter were **3 metres @ 14.7g/t Au from 57 metres in FE415 and 3 metres @ 15.3g/t Au from 81 metres and 3 metres @ 5.5g/tAu from 75 metres in FE471**. Each of these intersections represents a new zone that will require further testing.

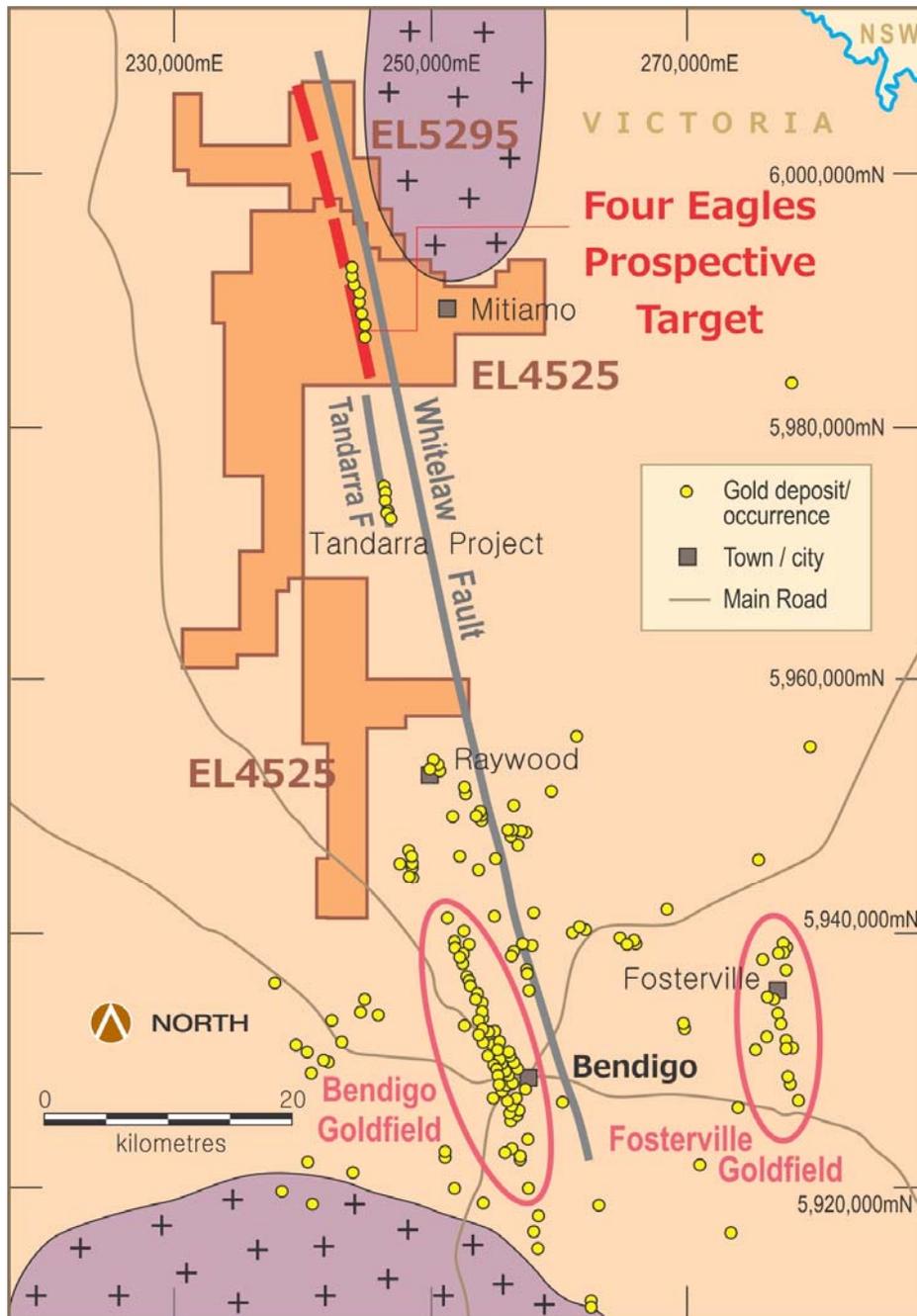


Figure 1 – Four Eagles Gold Project location

Aircore drilling is an excellent first pass drilling technique to establish the presence of gold and gold bearing zones under cover but produces a lower quality sample compared to diamond drilling. For this reason, it is appropriate and economically sensible that drill samples are composited at the drill site into minimum sample intervals of 3 metres. Aircore drilling is unable to provide information on strike or dip of the basement lithologies and intersections are unlikely to be true width. For example, a three metre mineralised zone may include narrower intervals of much higher grade. Best intersections in each of the parallel zones are summarised below and include all previously reported data. :

Goshawk Zone (from south to north)

- **6.0 metres @ 82.70g/t Au from 123 metres (FE328)**
- **6.0 metres @ 1.85g/t Au from 135 metres (FE328)**
- **0.8 metres @ 17.50g/t Au from 173 metres (FEDD001)**
- **3.0 metres @ 0.39g/t Au from 126 metres (FE299)**
- **3.0 metres @ 0.26g/t Au from 81 metres (FE339)**
- **13.5 metres @ 0.45g/t Au from 102 metres (FE326)**
- **3.0 metres @ 0.53g/t Au from 66 metres (FE446)**

Harrier Zone (from south to north)

- **3.0 metres @ 9.71g/t Au from 120 metres (FE380)**
- **3.0 metres @ 5.50g/t Au from 75 metres (FE471)**
- **3.0 metres @ 15.30g/t Au from 81 metres (FE471)**
- **3.0 metres @ 0.59g/t Au from 126 metres (FE331)**
- **3.0 metres @ 0.90g/t Au from 90 metres (FE402)**
- **6.0 metres @ 0.66g/t Au from 135 metres (FE333)**
- **6.0 metres @ 1.00g/t Au from 66 metres (FE399)**
- **3.0 metres @ 0.38g/t Au from 48 metres (FE452)**
- **3.0 metres @ 3.34g/t Au from 111 metres (FE343)**
- **3.0 metres @ 1.37g/t Au from 36 metres (FE469)**
- **3.0 metres @ 0.45g/t Au from 66 metres (FE391)**

Osprey Zone

- **3.0 metres @ 14.7g/t Au from 57 metres (FE415)**
- **6.0 metres @ 2.40g/t Au from 45 metres (FE415)**
- **3.0 metres @ 1.14g/t Au from 45 metres (FE472)**
- **3.0 metres @ 0.97g/t Au from 51 metres (FE472)**

Mr Bruce Kay, Catalyst's Technical Director, commented; "The 2011 aircore drill programme has identified at least three parallel gold trends with high grade gold mineralisation intersected on each zone. Gold is mostly associated with quartz veins and assay variability suggests that it is quite nuggety in character, similar to that encountered in the Bendigo goldfield."

"For this reason, assays above 0.5 g/t Au are considered very significant as our drilling has shown that these values are often in close proximity to high grade gold intersections. All drilling other than two diamond drillholes and two aircore holes has been vertical so it is highly encouraging that we have intersected so many vertical quartz veins with high grade gold values at such a wide drill spacing."

All data from the drilling programme will be compiled and interpreted before the end of July 2011 and the next stage of exploration is likely to involve angled reverse circulation (RC) or diamond drilling to test the extent of high grade gold mineralisation along these trends. The second stage of the aircore programme to test the remaining 20 kilometres of strike length of the gold trend on the Catalyst tenements will also recommence before the end of the December 2011 quarter.

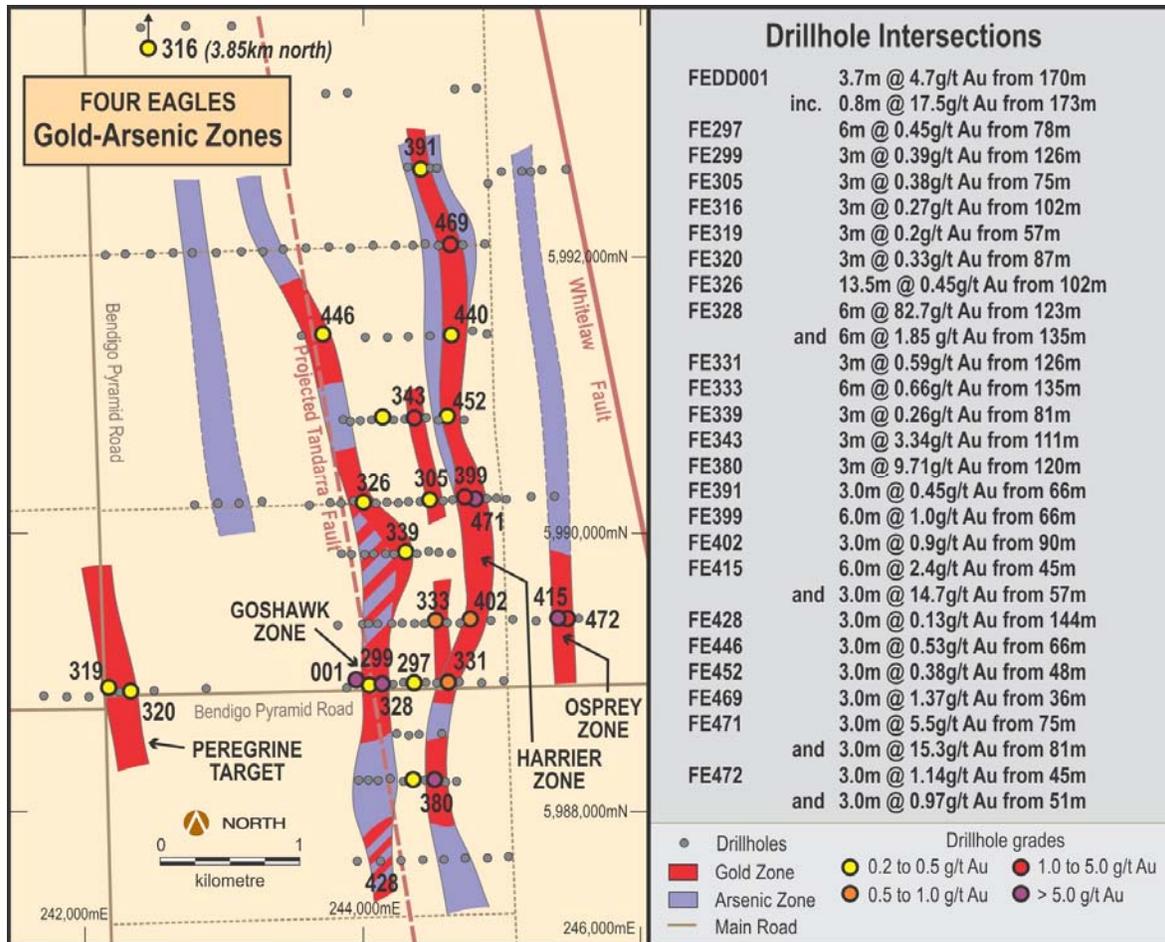


Figure 2 – Gold Zones at Four Eagles Gold Project

Results were received for diamond drillholes completed at the end of the March 2011 quarter. The holes were drilled to help understand the structure and lithology of the basement below the high grade intersection on FE328 (**6 metres @ 82.7g/tAu from 123 metres**). Hole FEDD001 steepened considerably and was stopped at 355 metres and hole FEDD002 was also too deep and only just intersected the fold axis at 490 metres depth. Analysis of the drillcore shows that a shallower test will be required probably along the northern plunge of drillhole FE328. In spite of this setback, drillhole FEDD001 intersected a new zone of high grade gold mineralisation in a fault zone about 120 metres west of the high grade zone in FE328. The fault zone contained the following intersections:

- **0.7 metres @ 4.83g/t Au from 170.3 metres**
- **0.8 metres @ 17.5g/t Au from 173.2 metres**
- **0.4 metres @ 2.08g/t Au from 176.2 metres**

In summarising the progress at Four Eagles since January 2011, Mr Kay said that “Aircore and diamond drilling has discovered three new zones with high grade gold mineralisation and confirmed the prospectivity of the regional Whitelaw and Tandarra Faults north of Bendigo. The Four Eagles tenements cover about 25kms of this favourable trend and to date, the Company has only partially tested about 5 kilometres of strike length.”

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 3).

Previous exploration activity undertaken by Catalyst has resulted in the discovery of the Minnie Springs Molybdenum prospect where drilling included highlights such as: 31 metres at 1090ppm Mo (0.11% Mo) from 74 metres depth and 22 metres at 1030ppm Mo (0.10% Mo) from 46 metres depth.

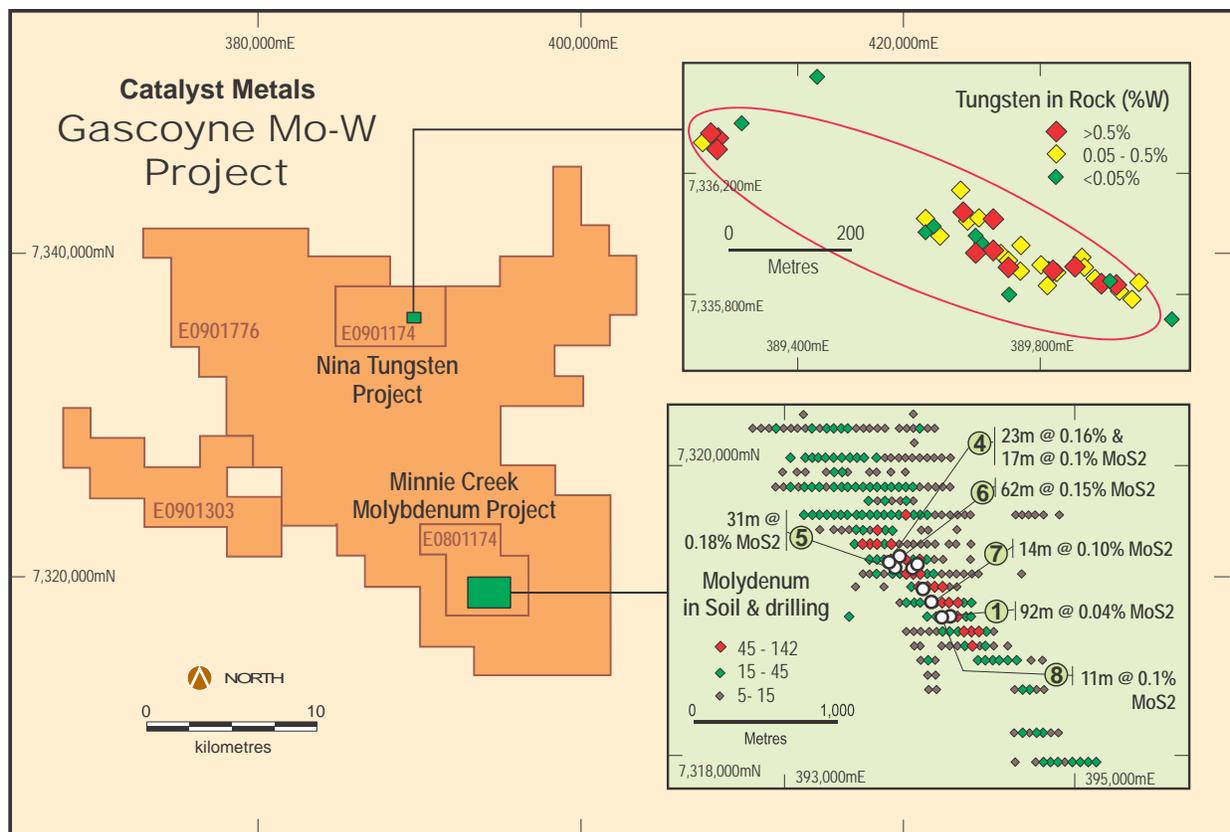


Figure 3 – Minnie Creek Project Tenements

Eudamullah - E09/1174

During the current period rock sampling, mapping and night-time UV lamp prospecting was performed on the tenement. Low level tungsten anomalism was identified associated with pegmatites and quartz veining within pelitic metasedimentary rocks derived from the metamorphism of shales and sandstones. The intrusives are generally biotite-rich granites.

Night-time Ultra-violet (UV) lamp exploration was utilized to assist in the location of the quartz veins or structures carrying scheelite mineralization. Previous mapping was validated and updated as needed.

The intrusives have occasional textural lineations and locally, sometimes have a porphyritic texture. Minor stockworking was observed but with no associated visible mineralization. Tourmaline is present occasionally in the intrusives.

Quartz veins generally follow the regional trend of the metamorphics irrespective of whether they have a metasedimentary host or an intrusive host. The quartz veins carry tourmaline and occasionally scheelite. The quartz veins individually are usually 10cm to 50 cm wide but sometimes form a cluster of veins with a total width of about 10m. The scheelite observed and sampled by previous workers was used as guide to prospect along strike for extensions to this mineralization.

Low-order scheelite mineralization was encountered extending the known tungsten zone at the La Nina Prospect to 4.5 kilometres.

The western part of the newly identified tungsten-anomalous zone has a moderately anomalous Rubidium anomaly between 250ppm and 710ppm. The western-most tungsten-anomalous sample from the latest program and is a 5m chip across interlaminated metasediments. It has an interesting suite of anomalous elements being tungsten, thorium, rubidium, lithium and yttrium.

In the southern section of the Eudamullah tenement, east of the previously drilled area, sampling returned anomalous tungsten values of 13ppm tungsten and 40 ppm tungsten within a quartz veined sheared intrusive. The two anomalous samples are separated by about 130m across strike.

Bluebush Well - E09/I303

Bluebush Well is largely underlain by granite to granodiorite intrusives and subordinate pelitic metasedimentary rocks. The intrusives in general have weakly elevated barium strontium, thorium and yttrium concentrations.

Sampling traverses across this tenement did not return significant results. The intrusives generally show no alteration or mineralisation. Best results in this tenement were 4.2ppm tungsten from a relatively thin skarn zone in an intrusive associated with a quartz vein and a weak uranium assay of 14.9ppm uranium was returned from small exposed area of calcrete.

Everton Project (Victoria)

A field programme at Everton had been planned for the June 2011 quarter, however the importance of the Four Eagles Gold Project required that priority of resources was provided to that project. No field work was completed during the June 2011 quarter at Everton. The Company continues to communicate with the land-owner and the relevant statutory authorities.

CORPORATE

During the June 2011 quarter the Company focused its resources on the Four Eagles Gold Project whilst controlling costs and reviewing additional project opportunities. Cash on hand at the end of June 2011 is \$1.9 million.

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Corporate summary

ASX trading code	CYL
Quoted shares:	39,088,226
Unlisted options:	2,000,000
Cash balance at end of quarter:	\$1.9 million
Postal address:	PO Box 778 Claremont, Western Australia 6910
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Competent persons 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 consultant to 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.