

Quarterly Activities Report

Period Ending 31 March 2009

HIGHLIGHTS

Minnie Creek Project (WA)

- **Sighter metallurgical results add to Minnie Springs molybdenum potential**
- **Followup fieldwork to commence at the Nina tungsten discovery**

Minnie Creek Project (WA)

Catalyst has responded to the downturn in commodities markets by slowing activities and reducing costs to conserve funds. During the interim Catalyst has continued to advance its current mineral projects while actively reviewing new potential commercial opportunities. Work completed during the quarter at the Minnie Springs Project included:

- Delivery of final 'sighter' metallurgical results from the Minnie Springs Prospect.
- A new exploration licence application E09/1619 "Wanna" covering the eastern extensions of the Nina structural and surface geochemical trend.
- Acquisition of open file radiometric data, covering the central and southern areas of the Minnie Creek Project area, which both confirmed and outlined new Uranium anomalies within the project tenement package.

Metallurgical 'Sighter' Testwork

Following on from encouraging drilling results at Minnie Springs in 2008, Catalyst engaged Independent Metallurgical Operations Pty Ltd (IMO) to conduct a metallurgical 'sighter' test programme with final results received during the quarter.

The testwork was conducted to establish the amenability of Minnie Springs molybdenum mineralisation to recovery by gravity separation and flotation processes. This was the first time any metallurgical tests had been carried out at the Minnie Springs prospect.

Summary: Minnie Springs sample material used in the testwork showed positive metallurgical results. Molybdenum and rhenium were recovered in industry standard flotation processes at coarse grind sizes, approximately 250 micron, with the rougher stage tests achieving maximum recovery of 96.9% Mo. The bulk sample showed notably advantageous suppression of pyrite and response to the cheaper of flotation reagents. The resultant molybdenite concentrate was very 'clean' with very low levels of bismuth and arsenic that can be penalty-inducing elements for molybdenite concentrate (see table 1).

In addition results of beneficiation analysis showed that gravity methods are effective to recover and concentrate the molybdenum prior to the flotation stage with potential benefits for decreasing the scale of downstream milling processes.

Program: A total of 21 one metre quartered HQ core samples were sourced from the high grade central zones of drillholes MSD4 and MSD5 and composited to form a 46 Kg bulk sample for metallurgical testing. Original assay interesections from these zones returned 22 metres at 0.10% Mo from 46 metres (MSD4) and 31 metres at 0.11% Mo from 74 metres downhole(MSD5). The composite head grade of the bulk sample assayed 0.114% molybdenum (Mo), 0.41ppm rhenium (Re) and 280ppm copper (Cu).

The sighter metallurgical program consisted of testwork for size and metal deportment tests, gravity beneficiation separation and flotation recovery. Gravity beneficiation analysis was undertaken to determine the ability to increase the feed grade to a flotation stage and improve the probability of achieving a commercial molybdenum concentrate.

Results: Size and metal deportment tests showed that molybdenum is evenly distributed from -75 micron to 2mm size, and with gravity beneficiation tests using a coarse 2mm crush size showing excellent beneficiation potential. Heavy liquid separation at a cut off point of 2.85 SG recovered 69.4% of the molybdenum into a 15% concentrate mass fraction and a cumulative concentrate grade of 2.02% Mo, equivalent to a 20-fold increase from the head grade. It was noted that at lower flotation feed grind sizes such as 200-300 micron a recovery in excess of 90% Mo should be easily achieved.

Together it was considered that a single or two stage gravity circuit consisting of spirals could be used to reject silica and pyrite within the milling circuit, effectively concentrating the feed ahead of a flotation stage. Potentially this results in reduction of the size, capital and operating cost of the down stream plant, post milling. Confirmation of this proposed stage will require further work but it was suggested that a 70 - 75% reduction in the size of the downstream plant may be possible compared to whole ore treatment.

Flotation sighter testing was chosen to determine collector type, grind size and concentrate characteristics. Rougher stage flotation testing resulted in a significant metal recovery to concentrate, with maximum recovery achieved at 96.9% Mo into 6.08% of the mass, at a grade of 1.92% Mo(see Fig.1). Optimum conditions were determined as follows:

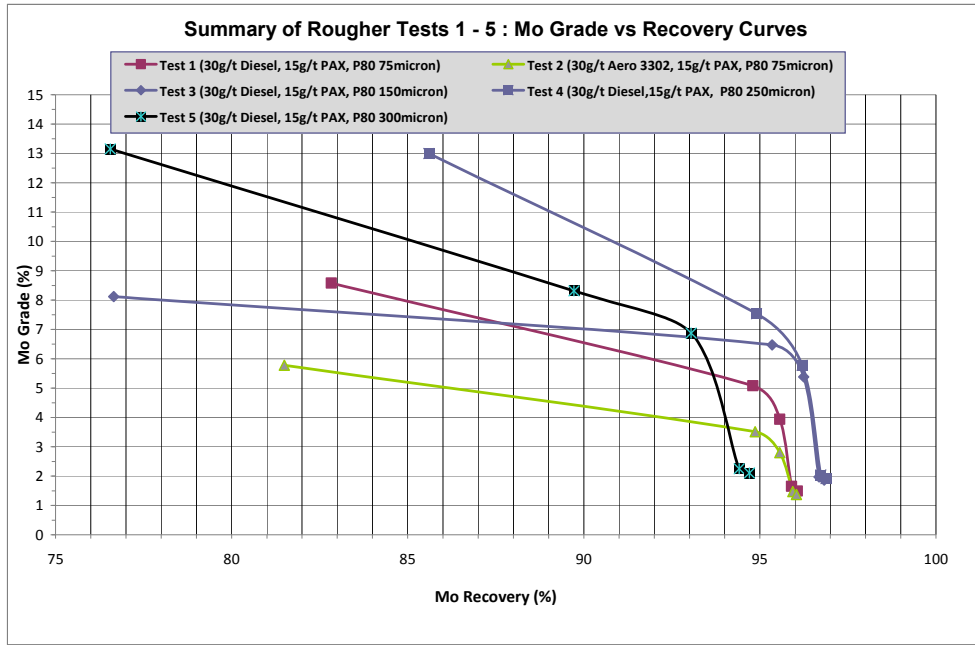
- Grind size – P80 = 250µm.
- Pulp pH modifier – Lime, dosage approximately 80 g/t to achieve pH 9.0
- Depressant: Lime as natural depressant at pH = 9.0
- Collector – Diesel, dosage = 30 g/t
- Frothing agent - DSF 620, dosage = 60 g/t

Rougher stage concentrate was then subjected to three (3) stages of cleaning to achieve a final concentrate grade of 39.8% Mo and 86.2 g/t rhenium. Optimum conditions from this stage were as follows:

- Grind size – P80 = 250µm.
- Collector – Diesel, dosage = 5 g/t
- Frothing agent - DSF 620, dosage = 0.6 g/t
- Pulp Eh modifier – NaHS targeting -500mV Eh, air carrier gas

The figure below shows the molybdenum flotation grade recovery curves at the rougher stage.

Figure 1



A summary of the final concentrate specification is presented in the table below to show the relative concentrations of elements. Levels of impurities measured are well within normal specification limits for molybdenum concentrates, nominally 0.05% for arsenic and 0.1% for bismuth.

Table 1.

| Element | Unit | Assay |
|---------|------|-------|
| Mo | % | 39.8 |
| Re | ppm | 86.2 |
| As | ppm | <50 |
| Bi | ppm | 30 |
| Cu | ppm | 290 |
| Fe | % | 3.06 |
| S | % | 28.4 |

The final cleaner concentrate fell just short of the target concentrate grade of 40% and delivered a lower recovery as a result of over dosing with NaHS to the sample during testwork. IMO consider based on the results obtained that a final concentrate grade of 40 – 45% Mo and recovery 80 – 85% would be achievable under the optimal cleaner stage flotation conditions determined during this stage of the test programme.

Radiometric Survey Data

Open file radiometric data is currently being compiled over the full extent of the Minnie Springs Project area. Presently, the Bangemall Survey flown by World Geoscience in 1995 has been acquired, respectively confirming and outlining Uranium channel anomalies located within the E09/I303 “Blue Bush” and newly acquired E09/I619 “Wanna” tenements.

Nina Tungsten - Molybdenum Prospect

The ‘Nina’ prospect is located approximately 15 km north of the Minnie Springs molybdenum – rhenium prospect and contains potentially high grade W ± Mo/Bi mineralisation visually associated

with either coarse grained quartz – scheelite veins or as disseminations. Prior selective sampling at the prospect returned assay results of up >10%W, 0.027%Mo and 0.06%Bi while sampling across vein faces included: 1.5m @0.4%W, 1.2m @0.13%W and 0.4m @0.7%W.

A work plan designed to follow-up positive results returned from the Nina prospect has been completed with the corresponding field program expected to commence during May. The planned work program will focus on; 1) the follow-up of new zones of scheelite bedrock mineralization as reported during the previous quarter at the Nina Prospect and 2) the reconnaissance of un-prospected tungsten anomalies (as defined in soils and streams) located both within the Nina Prospect area and along strike to the East.

A new tenement E09/1619 “Wanna” was applied for over the interpreted eastern continuation of the Nina Prospect structural and surface geochemical trend. A review of open file stream sediment sampling data along this trend has confirmed the presence of additional anomalous tungsten values along this trend.

Project Rationalisation

During the period Catalyst continued to review the Minnie Creek Project tenement holdings to reduce costs while retaining the most prospective areas for further work and/or potential joint venture.

Everton Molybdenum Project (Vic)

Work completed during the reporting period focused on the granting of relevant permits required for the planned program of up to 1000m diamond drilling and 700m of shallow percussion drilling. This drilling program will test the prospective zone around the historic Everton Molybdenum Mine, one of the largest historical producers of molybdenum in Australia. Catalyst has now earned a 10% interest in the Everton Project and expects to increase this to 51% following completion of the drilling program.

Corporate

Catalyst had \$1.44 million in cash and deposits at the end of March 2009 and a market capitalization of \$1.18 million (based upon 5.0 cents per share).

For further information on the company please visit www.catalystmetals.com. Please direct enquiries to:

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Competent Persons Statement

The information in this report that relates to Exploration Results has been compiled by Mark Thompson - Director (MAIG, MSEG) and independent consultant Dylan Jeffriess, B.Sc (Hons) Geol.(MAIG, MSEG). This report has been reviewed by independent consultant Dylan Jeffriess, who has sufficient experience which is relevant to the style of mineralization and type of deposit under consideration and to the activity to which he is undertaking, and consents to the inclusion in the public release of the matters based on their information in the form and context in which it appears.

CORPORATE SUMMARY

ASX Code: CYL
Listed Shares 23,558,137

Incentive Shares Class A 4,000,000 Exp July 2009
Incentive Shares Class B 4,000,000 Exp July 2009
Cash Balance March 09 \$1,441,000

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