



**catalyst**  
METALS LTD

ABN 54 118 912 495

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**YEAR ENDED 30 JUNE 2015**

# CATALYST METALS LIMITED

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# CATALYST METALS LIMITED

## CORPORATE DIRECTORY

### DIRECTORS

Stephen Boston (Non-Executive Chairman)  
Robin Scrimgeour (Non-Executive Director)  
Gary Schwab (Non-Executive Director)  
Bruce Kay (Non-Executive Director)

### COMPANY SECRETARY

Frank Campagna

### REGISTERED OFFICE

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West Perth, Western Australia 6005

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### AUDITORS

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### SHARE REGISTRY

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### STOCK EXCHANGE LISTING

Catalyst Metals Limited is listed on ASX Limited  
Home Exchange – Perth  
ASX code: CYL & CYLO

# CATALYST METALS LIMITED

## CHAIRMAN'S REVIEW

Dear Shareholder,

What a year for your Company - I am happy to report that 2015 was an extremely busy and productive period for the Company which resulted in a number of corporate strategies (which were initiated in 2014) being completed. In addition – and as a direct result of these strategies the Company was able to complete the largest and arguably the most successful exploration programme it has ever completed since it has been involved in Victoria.

On 12 September 2014, your Company announced completion of the Navarre Heads of Agreement. This transaction resulted in the regional consolidation of the entire Whitelaw Gold Belt (which extends for 75 kilometres north of Bendigo) under the control and single management of the Company. Any future discovery of gold along the Whitelaw Gold Belt will now result in the Company being a direct beneficiary (this was not previously the case until now).

In addition and much more importantly, on 13 March 2015 your Company was delighted to announce that the Company and its joint venture partner Providence Gold and Minerals Pty Ltd (“PGM”) had executed an agreement with Gold Exploration Victoria Pty Ltd (“GEV”) (a wholly owned subsidiary of Hancock Prospecting Pty Ltd) for GEV to sole fund up to \$4.2million on exploration at the Four Eagles Gold Project to earn up to 50% of the Project. Under the farm-in agreement the parties formed a non-incorporated joint venture, with your Company maintaining its 50% equity in the Four Eagles Gold Project and its position as manager of the Project. The Board believes that the GEV agreement is an endorsement of the gold potential at Four Eagles and provides the necessary funding to test the large areas of gold mineralisation. Full details of this agreement are included in the Review of Operations.

Immediately following the announcement of the new Four Eagles Joint Venture with GEV and PGM, extensive field activity was commenced over a number of the Company's tenements in the Whitelaw Gold Belt (see Review of Operations section for more detail). The June 2015 Quarter saw field activities commence over four Joint venture exploration licences which included air core drilling, reverse circulation and mud drilling and seismic and gravity surveys. Additionally a Geology Manager was appointed to lead a well-qualified exploration team of contract geologists all of whom were sourced from the Bendigo district. The highlights of this work was reported on 22 June 2015 when your Company announced that “Drilling delivers best gold intersections to date at Four Eagles Gold Project” and on 24 July 2015 which announced that “Gold intersections confirm Four Eagles potential”. The programme generated a gold intersection of **41.0m @ 3.87g/t Au from 76 metres**, which is the best gold intersection ever recorded at the Four Eagles Gold Project. This announcement was followed by another on 29 July 2015 which announced that “High-grade gold mineralisation intersected in reconnaissance drilling at Tandarra Gold Project”, reported that a reconnaissance air core drill hole had intersected **2 metres @ 33.1g/t Au**, seven kilometres north of the Tomorrow Gold zone. Your Company is currently earning a 51% interest in the Tandarra Gold Project from Navarre Minerals Limited over a four year period.

On 11 June 2015 the Company announced a non-renounceable Share Purchase Plan offer (at a subscription price of 32 cents per share) which closed on the 7 August 2015. The Company received applications for a total of 1,453,130 ordinary shares for gross subscription proceeds of \$465,000. In June/July 2015, \$65,000 was raised via the exercise of 216,667 options at 30 cents each.

Your Company enters the 2016 Financial year buoyed by the potential of the next exploration programme (which should start early in the March 2016 Quarter) at the Four Eagles Gold project in conjunction with our new joint venture partner GEV. Corporately your Company is currently well funded into 2016, however your board will continue to remain cost conscious and defensive with regards to the way in which it conducts its activities.

Your Board again acknowledges and would like to thank all of its shareholders for their continuing support of the longer term ambitions of the Company as it endeavours to pursue the joint venturer's objective of the discovery of a major virgin gold discovery under soil cover north of Bendigo. We are delighted to have secured GEV as our new joint venture partner and we look forward to what the future may bring through working together with them.

**Stephen Boston**  
Chairman  
30 September 2015

# CATALYST METALS LIMITED

## DIRECTORS' REPORT

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The Directors of Catalyst Metals Limited present their report on the consolidated entity for the year ended 30 June 2015.

### DIRECTORS

The names of the Directors in office at any time during or since the end of the financial year are:

Stephen Boston  
Robin Scrimgeour  
Gary Schwab  
Bruce Kay

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

### COMPANY SECRETARY

Frank Campagna

### FINANCIAL POSITION

The net assets of the Group are \$688,077 as at 30 June 2015 (2014: \$782,030).

### CORPORATE STRUCTURE

Catalyst Metals Limited is a company limited by shares that is incorporated and domiciled in Australia.

### PRINCIPAL ACTIVITIES

The principal activity of the Group during the financial year was mineral exploration and evaluation. There was no significant change in the nature of the activities during the year.

### RESULTS OF OPERATIONS

The operating loss after income tax of the Group for the year ended 30 June 2015 was \$240,105 (2014: \$1,023,864).

### DIVIDENDS

No dividend has been paid during or is recommended for the financial year ended 30 June 2015.

### REVIEW OF OPERATIONS

The Company has made major advances in 2015 at its flagship Whitelaw Gold Belt Project in Victoria. In September 2014, it concluded a transaction with Navarre Minerals Limited to farm-in to the Tandarra Exploration Licence EL4897 and in March 2015, it formed a joint venture with Gold Exploration Victoria Pty Ltd ("GEV") whereby GEV will spend up to \$4.2 million to earn a 50% interest in the Four Eagles Gold Project. The Company has also applied for other Exploration Licences and now controls 75 kilometres of strike length along the Whitelaw fault corridor. (Figure 1)

Because of the increased focus on gold, the Company made the decision to allow the Everton molybdenum project (EL4866) to expire at the end of its five (5) year tenure.

# CATALYST METALS LIMITED

## DIRECTORS' REPORT

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### WHITELAW GOLD BELT

The term **Whitelaw Gold Belt** has been adopted because the Catalyst tenements are situated along the 100 kilometre long Whitelaw Fault which is considered to be extremely important in the genesis of gold deposits that have formed adjacent to the structure. Victorian government seismic and gravity data suggest that this large fault structure controlled the formation of the Bendigo gold deposits (historically approximately 22 million ounces produced at a grade of 15 g/t Au) as well as gold mineralisation at both the Four Eagles and Tandarra Gold Projects.

Catalyst believes that other high grade gold deposits are likely to occur along the Whitelaw Gold Belt because it is covered by Murray Basin sediments which means it was never tested by historic prospectors. The Company continues to consolidate its strong tenement holdings along this belt so it can participate in any future gold discoveries (Figure 1). In December 2014, the Company was granted an Exploration Licence EL5533 which covers the extension of the historic Sebastian gold deposit (Frederick the Great Mine) which produced high grade gold (186,000 ounces @ 10.4 g/t Au). Catalyst was also granted an Exploration Licence EL5521 in an area north of Pyramid Hill (Macorna Bore) to cover the extension of the Whitelaw gold trend.

Catalyst's tenement holdings in the Four Eagles Joint Venture were further consolidated with two new exploration licences EL5508 and ELA6604 being lodged. The location of these exploration licences is shown on Figure 1. ELA6604 has still not been granted at the date of this report.

The Company now manages exploration of the entire 75 kilometre strike length along the Whitelaw Tandarra fault corridor which is believed to be an important structure in the formation of gold deposits, and will share in any future gold discoveries that are made.

### FOUR EAGLES JOINT VENTURE TERMS

On 13 March 2015, Catalyst and its joint venture partner, PGM, signed an agreement with GEV, for GEV to sole fund up to \$4.2 million on exploration at the Four Eagles Gold Project, 70 kilometres north of Bendigo in Victoria (Figure 1) to earn up to 50% of the Project.

Under the farm-in agreement the parties formed a non-incorporated joint venture, with Catalyst maintaining its 50% equity in the Four Eagles Gold Project and remaining as manager of the Project. GEV has taken over the earn-in rights that Catalyst had with PGM, allowing GEV the right to earn up to 25% interest in the Project from PGM, subject to funding \$2.1 million of expenditure.

Once this initial investment is completed, GEV will have the right to earn a further 25% interest from PGM subject to further exploration funding of \$2.1 million, allowing it the option to earn up to 50% equity in the Project. PGM would then revert to a 2.5% Net Smelter Return royalty entitlement with Catalyst and GEV funding ongoing expenditure in relation to their ownership interests. Catalyst was reimbursed by GEV for some of its prior exploration expenditure as part of taking over Catalyst's current farm-in obligations.

Catalyst and GEV have also agreed to co-operate on an exclusive basis in relation to any further exploration or production opportunities within a designated area which is approximately 22,000 square kilometres in area (180 kilometres by 120 kilometres). As shown on Figure 2, this area covers the entire Whitelaw Gold Belt north of Bendigo and also extends into other gold districts in the region. The area has very favourable infrastructure in terms of road and rail access, power and water and there are six known gold plants within 100 kilometres of the Catalyst project areas.

### FOUR EAGLES JOINT VENTURE EXPLORATION (EL4525, EL5295, EL5508, ELA6604)

#### *Seismic and Gravity Survey*

Activity commenced in April 2015 with a ground seismic and gravity geophysical survey to map the basement topography and possible ore bearing fault structures. Twelve (12) refraction seismic traverses were completed with reflection seismic being carried out on two of these traverses. Gravity readings were taken on all of the traverses. The survey covered an area of about six (6) square kilometres including the Discovery, Hayanmi and Boyd's Dam Prospects.

## DIRECTORS' REPORT

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Data interpretation shows that the seismic refraction survey seems to have identified the contact between oxidised and fresh Ordovician basement rocks rather than the base of the younger Murray basin sediments. The reflection seismic data are still being processed and may show some basement structure. Gravity data appear to be the most useful in interpretation of the mineralisation structures and will be used in 2016 to cover reconnaissance areas where information is scarce.

### *Hayanmi Prospect*

The **Hayanmi Prospect** is one of three defined lines of gold mineralisation at the Four Eagles Gold Project (Figures 3a and 3b) and lies within the Eagle 3 Structure as shown on Figures 4 and 5. Both air core and reverse circulation drilling were carried out at Hayanmi during the year. The angled air core programme was designed to infill the 2.9 kilometre long mineralised zone to a spacing of about 200 metres although the proposed northern traverses were inaccessible because of flood irrigation. Twenty seven holes (27) were completed for a total of 3,944 drilled metres on seven east west traverses across the interpreted mineralised structure (Figures 4 and 5).

Three (3) reverse circulation (RC) drill holes were completed for a total of 450 metres and a further hole failed to reach basement. The programme was curtailed when wet weather made access difficult. The results of these holes are inconclusive as only one of the five traverses was completed and only 30% of the planned numbers of holes were drilled. The completed traverse contained only weak gold mineralisation but has possibly drilled to the east of the projected zone.

Most air core traverses contained at least one significant gold intersection with the best gold values from air core holes shown below. These intersections represent the final bulk leach assays from original one-metre samples collected at the drill rig:

- 41.0m @ 3.87g/t Au from 76 metres including 6.0 m @ 16.3g/t Au from 76 metres and 28.0m @ 2.03g/t Au from 90 metres (FE696)
- 3.0m @ 1.54g/t Au from 126 metres (FE700)
- 13.0m @ 2.6g/t Au including 5.0m @ 5.76g/t Au from 135 metres Au (FE700)
- 3.0m @ 2.86g/t Au from 75 metres (FE679)
- 6.0m @ 0.91g/t Au from 72 metres (FE681)
- 3.0m @ 2.57g/t Au from 84 metres (FE684)
- 3.0m @ 1.23g/t Au from 120 metres (FE686)
- 2.0m @ 1.45g/t Au from 91 metres (FE695)

The intersection in FE696 is very significant as it lies in an area where the basement depth is about 40 metres and becoming increasingly shallow to the north where a 600 metre long zone remains untested. It is also important to note that most of the holes with gold intersections were at the western end of the traverses and the trend therefore remains open to the west and will require further drilling.

All of the air core assays were obtained by assay using a bulk leach cyanide method on large two kilogram samples taken at one-metre intervals. They had initially been assayed at 3 metre intervals using 25-gram samples and an aqua regia digest followed by ICP-MS analysis. For reverse circulation samples, available assays are from one-metre intervals and 25-gram samples with aqua regia and ICP-MS. Anomalous samples were then re-assayed using the bulk cyanide leach method on the larger two kilogram sample.

On 22 June 2015, the Company released an announcement which included full location data on the 27 air core holes drilled as well as a Summary of Sampling Techniques and Reporting of Exploration Results according to the JORC Code 2012 Edition. Further location data and the Summary of Sampling Techniques and Reporting of Exploration Results for the Hayanmi RC drill holes were included in the June 2015 Quarterly Report. Previous intersections shown on Figures 3, 4 and 5 have been reported under the 2004 JORC Code.

### *Boyd's Dam Prospect*

The **Boyd's Dam Prospect** is one of three defined lines of gold mineralisation at the Four Eagles Gold Project (Figures 3, 6 and 7) and lies within the Eagle 4 Structure. Current and historic drilling results are shown in plan and longitudinal projection on Figures 6 and 7.

## DIRECTORS' REPORT

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The angled RC programme was designed to test the mineralised zone where previous air core drilling had located gold mineralisation over a 700 metre strike length. Five (5) RC holes have been completed for a total of 567 metres and final assays are shown below. Thirteen (13) RC holes had been planned for Boyd's Dam but mechanical and operational delays meant that the full programme could not be completed before the onset of grain sowing and wet weather. The programme will be completed in late 2015 or early 2016.

Four of the five holes contained at least one significant gold intersection with the best gold values shown below:

- 6.0m @ 3.77g/t Au including 1.0 m @ 7.82 from 44 metres (FERC010)
- 6.0m @ 1.11g/t Au from 79 metres (FERC010)
- 3.0m @ 1.02g/t Au, 1.0 m @ 1.41g/t Au, and 1.0 m @ 3.56g/t Au from 87 metres (FERC009)
- 2.0m @ 1.07g/t Au from 66 metres (FERC011B)
- 2.0m @ 3.58g/t Au from 87 metres (FERC011B)
- 1.0m @ 3.29g/t Au from 79 metres (FERC 017A)
- 3.0m @ 1.57g/t Au from 106 metres (FERC017A)
- 1.0m @ 1.39g/t Au from 113 metres (FERC017A)

The intersections suggest that there are two parallel zones of gold mineralisation at Boyd's Dam but more angled drilling is required. The location of the intersections are shown on the plan and long section views (Figures 5 and 7) and extend the zone of mineralisation shown in drill holes **FE415 (3 metres @ 36.6g/t Au from 57 metres, FERC 002 (1 metre @ 18.3g/t Au from 127 metres and FERC 003 (2 metres @ 6.2g/t Au from 49 metres).**

All of these assays have been completed by both 25-gram samples using aqua regia digest and ICP-MS and larger two kilogram samples using a total cyanide leach method and good correlation between the assays shows that the gold is evenly distributed throughout the sample. This is very important for grade estimation in any future resource estimation and suggests that the nugget gold issues of Bendigo are minimal at Four Eagles.

On 24 July 2015, the Company released full location data on the five RC holes drilled at Boyd's Dam together with a Summary of Sampling Techniques and Reporting of Exploration Results according to the JORC Code 2012 Edition. Further information was provided in the June 2015 Quarterly Report.

### ***Four Eagles JV Reconnaissance Exploration***

Reconnaissance air core drilling was undertaken in two areas during the June 2015 quarter. Five holes for 645 metres were completed on the interpreted **Eagle 1 Structure** (Figure 2a) but failed to intersect any significant gold mineralisation. Basement depths ranged from 50 to greater than 111 metres.

At **Macorna Bore** north of Pyramid Hill, six (6) holes were drilled for a total of 770 metres. Basement was encountered at depths from 95 metres to 112 metres with most holes intersecting hard rocks that were interpreted to be Ordovician sediments that had been hornfelsed by the nearby granites (Comment: hornfels is a term used for a rock that has been heated up and transformed by the heat from a molten magma, eg granite).

One weakly anomalous zone of 3 metres @ 0.122 g/t Au was recorded in drill hole ACM006 from 102 metres downhole and also had weakly anomalous arsenic geochemistry. These holes were located on Exploration Licence 5508.



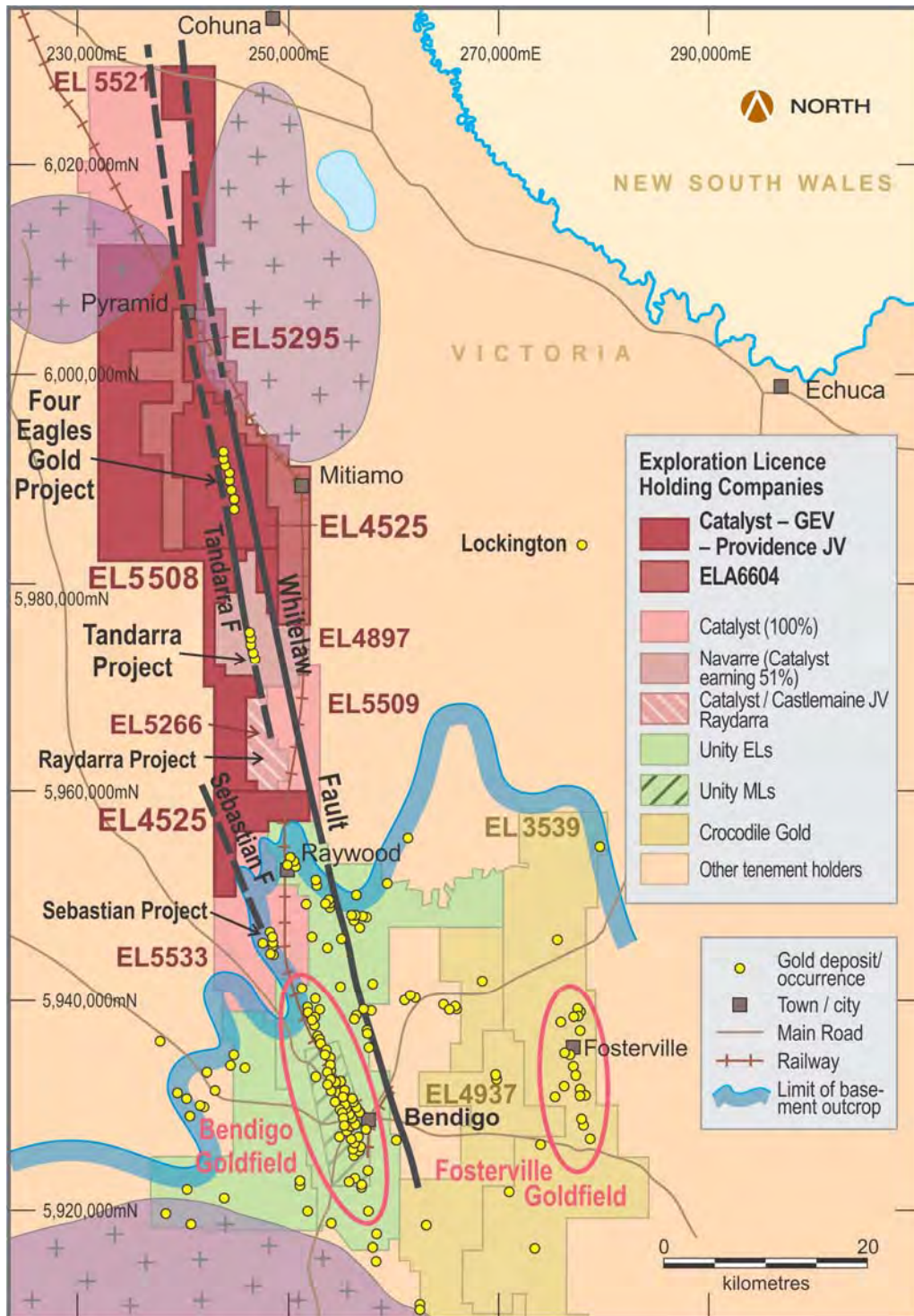


Figure 1 – Plan showing tenements under Catalyst management in the North Bendigo Gold Belt

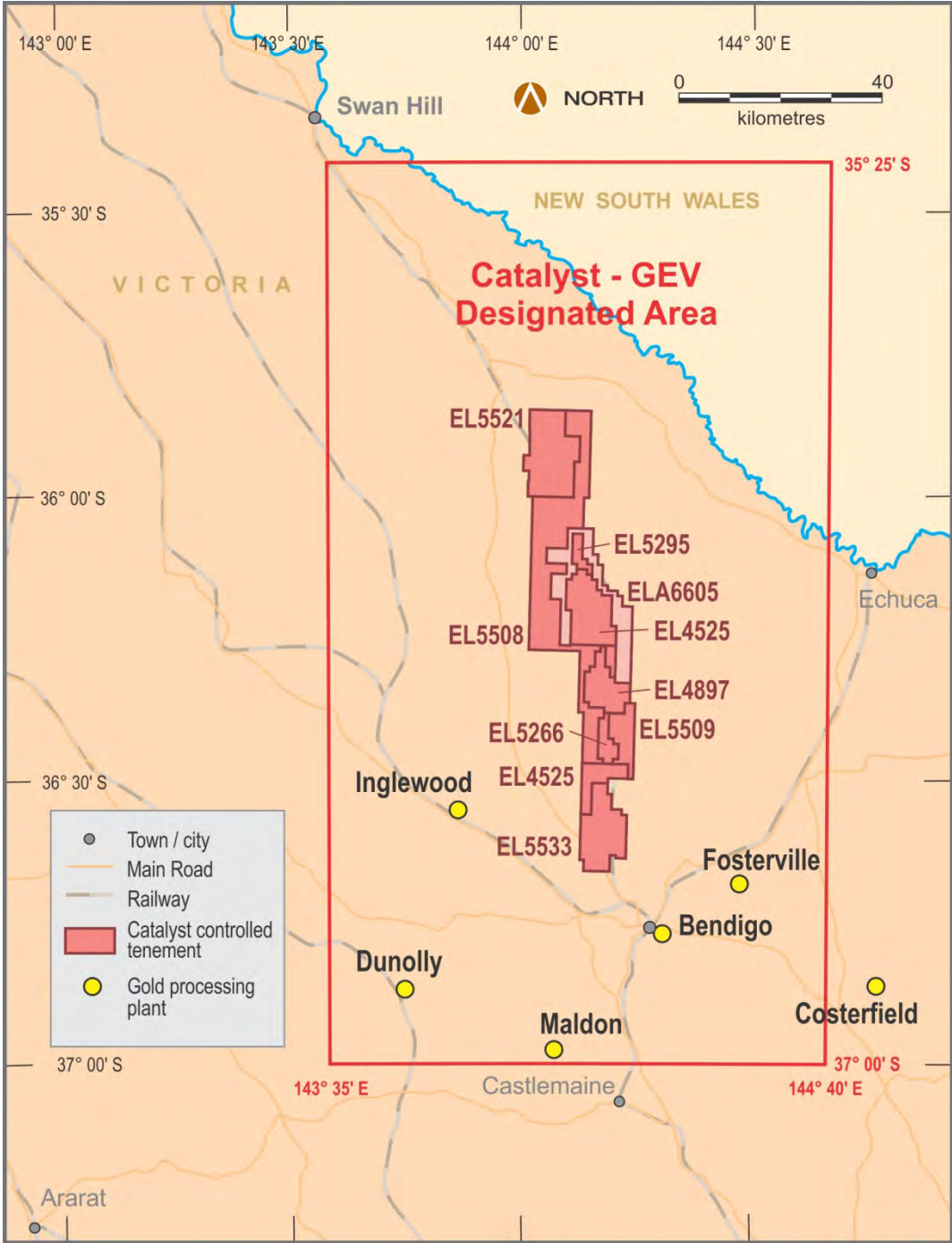


Figure 2: Catalyst GEV Designated Area

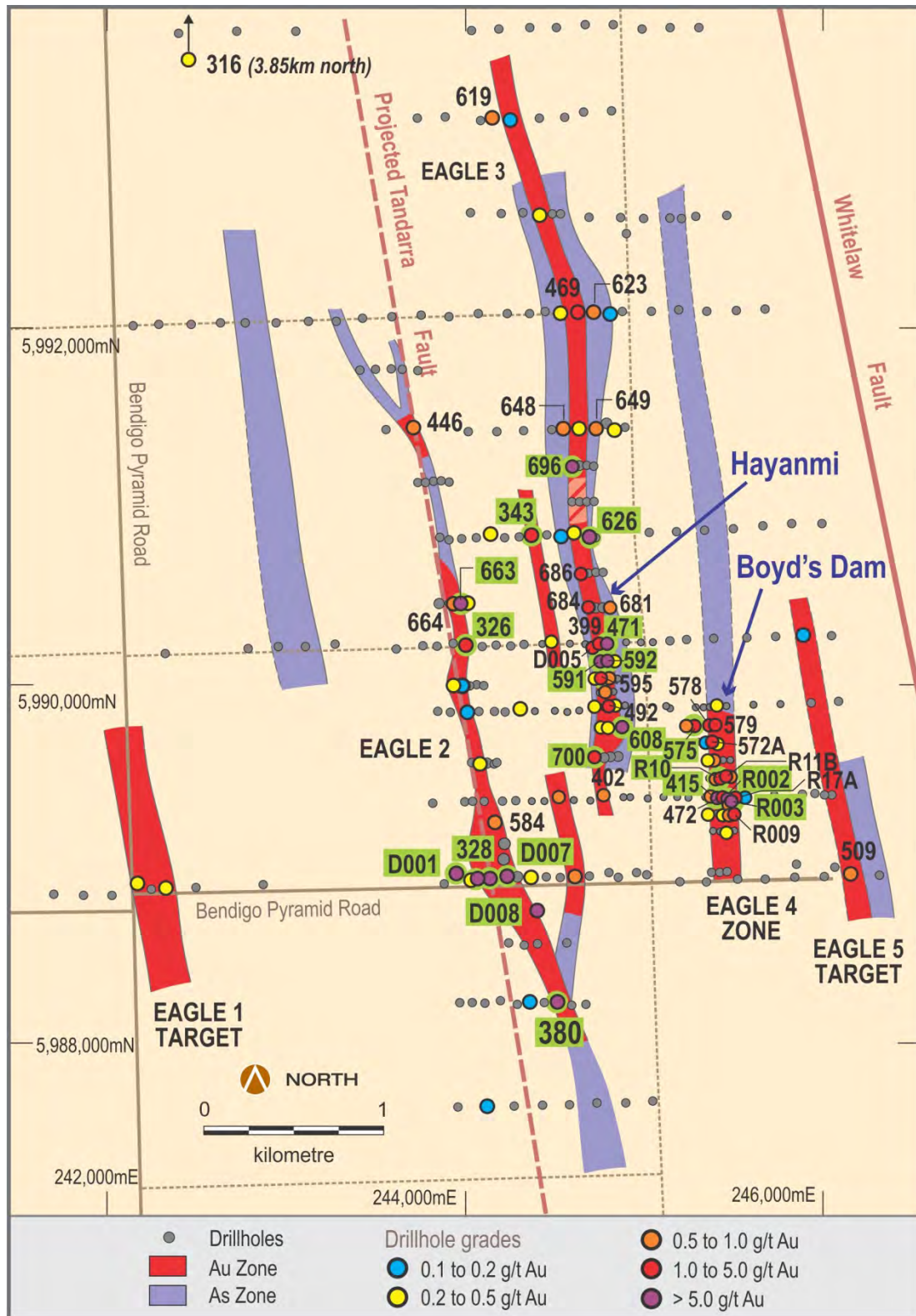


Figure 3a: Four Eagles Gold Project showing gold zones and drill holes

### Drillhole Intersections (>0.8g/t Au)

FEDD001		3.7m @ 4.7g/t Au from 170m	FE535		3.0m @ 1.37g/t Au from 63m
	incl.	0.8m @ 17.5g/t Au from 173m	FE572A		3.0m @ 1.74g/t Au from 51m
FEDD007		0.4m @ 8.4g/t Au from 168m	FE575		3.0m @ 4.9g/t Au from 66m
	and	0.75m @ 15.3g/t Au from 170m	FE578		3.0m @ 1.14g/t Au from 60m
FEDD008		0.4m @ 152g/t Au from 150m	FE579		9.0m @ 2.33g/t Au from 48m
FERC002		2m @ 1.8g/t Au from 67m	FE579	and	3.0m @ 1.23g/t Au from 78m
	and	1m @ 18.3g/t Au from 127m	FE584		3.0m @ 0.88g/t Au from 117m
FERC003		2m @ 6.2g/t Au from 49m	FE591		3.0m @ 14.7g/t Au from 87m
FERC009		3.0m @ 1.02g/t Au from 87m	FE592		9.0m @ 7.9g/t Au from 87m
	and	1.0m @ 1.41g/t Au from 92m		incl.	3.0m @ 1.26g/t Au from 87m
	and	1.0m @ 3.56g/t Au from 96m		incl.	3.0m @ 20.5g/t Au from 90m
FERC010		6.0m @ 3.77g/t Au from 44m		and	3.0m @ 1.94g/t Au from 93m
	and	6.0m @ 1.11g/t Au from 79m	FE595		3.0m @ 2.33g/t Au from 126m
FERC011B		1.0m @ 1.45g/t Au from 66m	FE606		3.0m @ 1.39g/t Au from 102m
	and	2.0m @ 3.58g/t Au from 87m	FE608		3.0m @ 9.1g/t Au from 108m
FERC017A		1.0m @ 3.29g/t Au from 79m	FE619		3.0m @ 0.8g/t Au from 45m
	and	3.0m @ 1.57g/t Au from 106m	FE623		3.0m @ 0.83g/t Au from 33m
	and	1.0m @ 1.39g/t Au from 113m	FE626		1.5m @ 12.9g/t Au from 52.5m
FE326		1.5m @ 1.81g/t Au from 114m	FE648		1.5m @ 1.0g/t Au from 82.5m
FE328		6m @ 82.7g/t Au from 123m	FE649		4.5m @ 1.0g/t Au from 97.5m
FE343		3m @ 3.34g/t Au from 111m	FE663		3.0m @ 59g/t Au from 102m
FE380		3m @ 9.71g/t Au from 120m		and	3.0m @ 7.0g/t Au from 102m
FE399		3.0m @ 1.42g/t Au from 66m	FE679		3.0m @ 2.86g/t Au from 75m
FE415		6.0m @ 2.6g/t Au from 45m	FE681		6.0m @ 0.91g/t Au from 72m
	and	3.0m @ 36.6g/t Au from 57m	FE684		3.0m @ 2.57g/t Au from 84m
FE469		3.0m @ 1.23g/t Au from 36m	FE686		3.0m @ 1.23g/t Au from 120m
FE471		3.0m @ 5.96g/t Au from 75m	FE695		2.0m @ 1.45g/t Au from 91m
	and	3.0m @ 1.33g/t Au from 81m	FE696		41m @ 3.87g/t Au from 76m
FE472		3.0m @ 1.2g/t Au from 45m		incl.	6.0m @ 16.3g/t Au from 76m
	and	3.0m @ 2.32g/t Au from 63m		and	28m @ 2.03g/t Au from 90m
FE492		3.0m @ 1.2g/t Au from 75m	FE700		13m @ 2.60g/t Au from 135m
FE532		3.0m @ 2.1g/t Au from 96m		incl.	5.0m @ 5.76g/t Au from 135m

Figure 3b: Four Eagles Gold Project showing intersections for Figure 3a

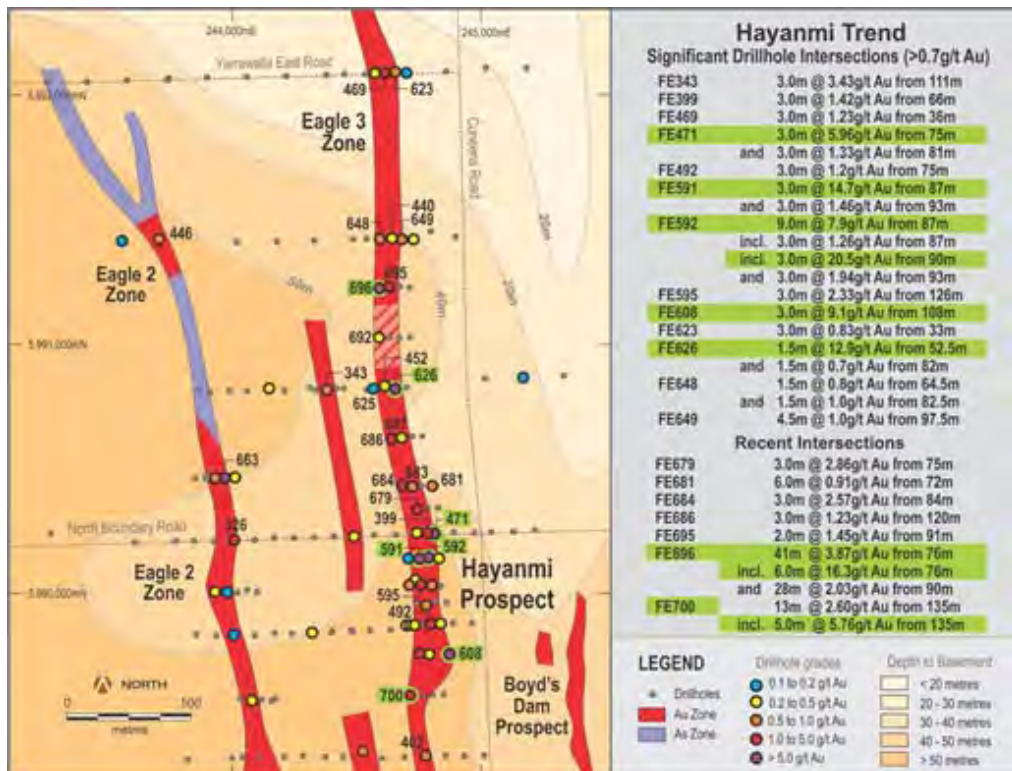


Figure 4: Hayanmi Prospect plan view showing gold trends and drill holes

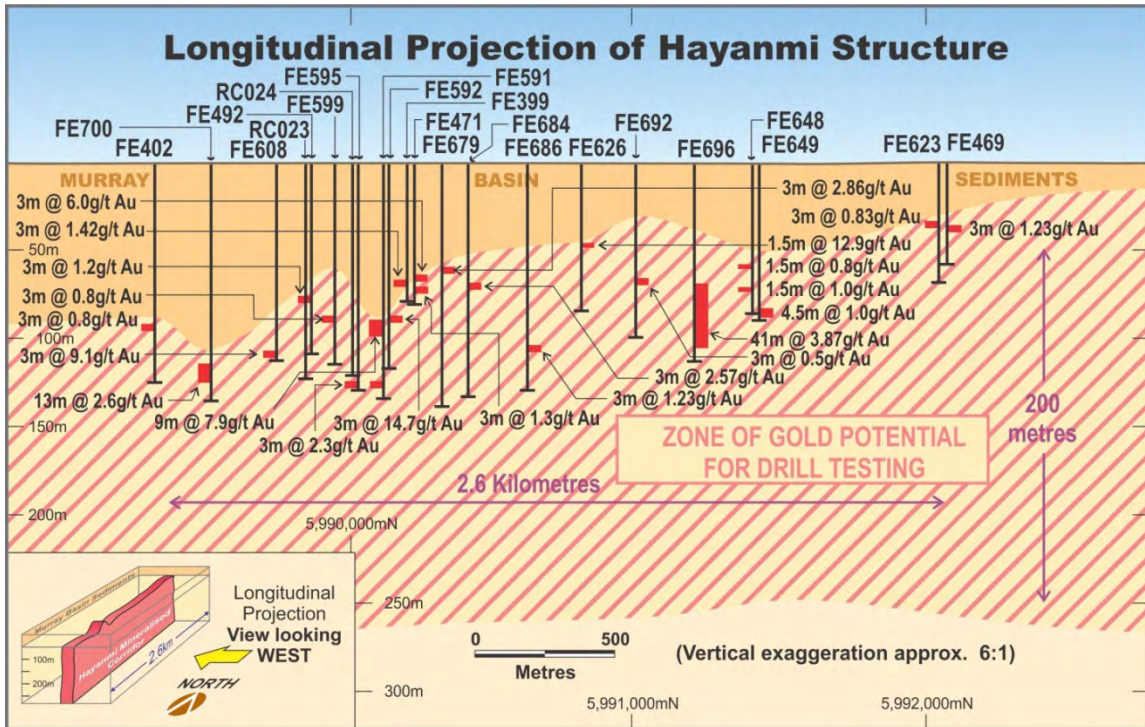


Figure 5: Hayanmi Prospect longitudinal section

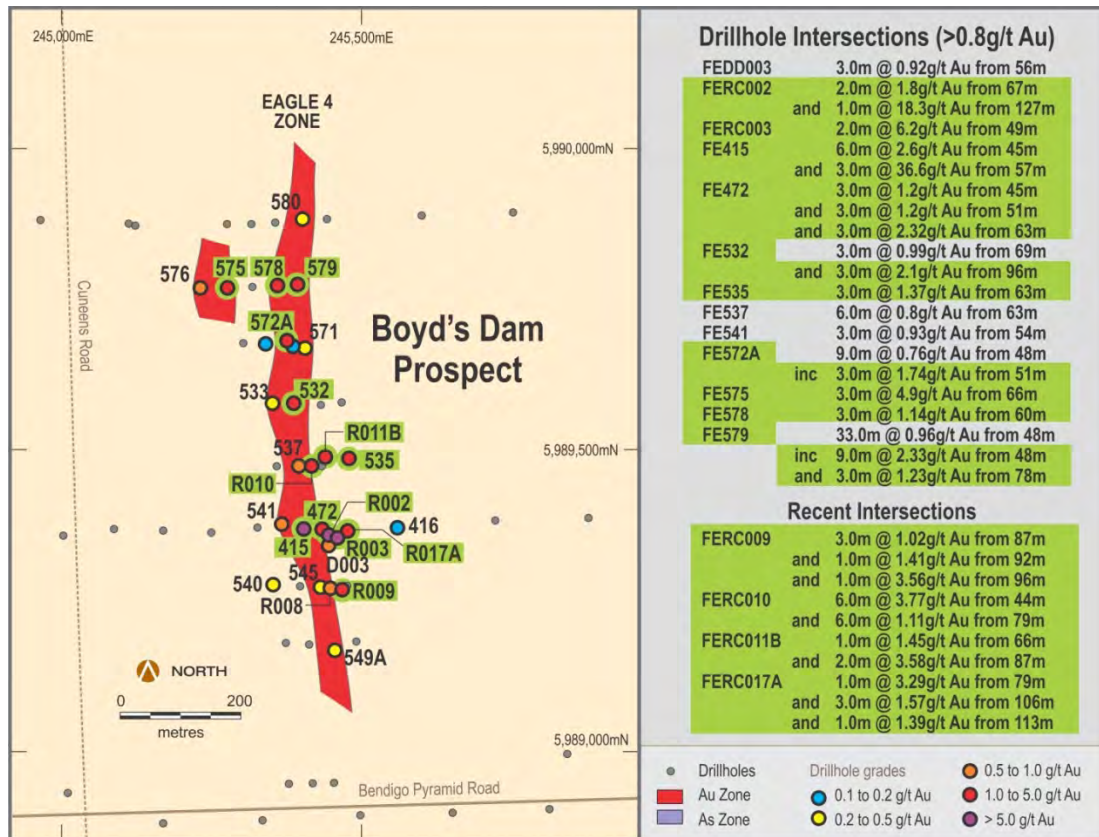


Figure 6: Boyd's Dam Prospect plan view showing gold trend and drill holes

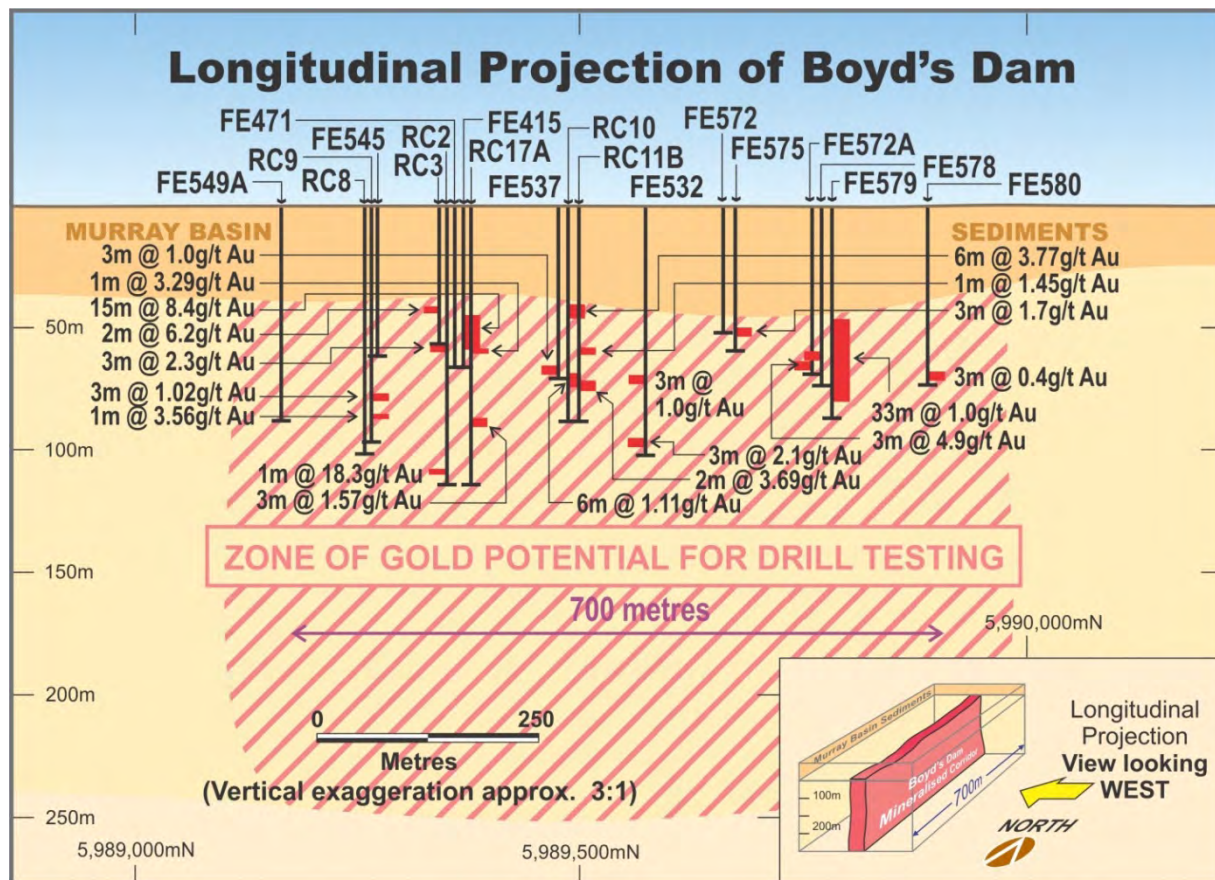


Figure 7: Boyd's Dam Prospect longitudinal projection

**TANDARRA GOLD PROJECT (EL4897) (CATALYST EARNING 51% FROM NAVARRE MINERALS LIMITED)**

**Agreement terms**

In order to earn its 51% equity interest in the Tandarra Gold Project (EL 4897), Catalyst will be required to spend \$3 million on exploration during a four year period commencing from 12 September 2014, provided that Catalyst incurs expenditure that is sufficient to maintain the tenement in good standing and be not less than \$200,000 per annum. Prior to 14 November 2015, Catalyst must prepare a mineralisation report sufficient for the requirements of the Mineral Resources (Sustainable) Development Act 1990 (Vic)(MRSD Act) to enable the renewal of EL4897 as either an Exploration Licence or Retention Licence. Catalyst had spent \$270,996 during the period to 30 June 2015.

**Tandarra Data Review**

A full review of the extensive database for these areas was commenced during the financial year and provided the basis for future drilling programmes. High grade gold mineralisation has already been intersected on the Tomorrow and Macnaughtan Structures with the former structure hosting grades up to 20g/t Au at basement depths of less than 20 metres. Depending on the continuity of mineralisation, this area could have potential for open pit mining.

**Regional Exploration Potential at Tandarra**

Planning for the 2015 exploration programme at the Tandarra Gold Project commenced following the satisfaction of Conditions Precedent for the Navarre Heads of Agreement on 12 September 2014.

The Company's first reconnaissance air core drilling programme at the Tandarra Gold Project commenced in April 2015 and was designed to gain initial information on basement depth and geochemistry in areas that had received very little previous exploration. Thirty one (31) holes were completed on three drill traverses along Upton's Road, Kennedy's Road and Settlement Road for a total metreage of 3,853 metres (Figure 8a, Figure 8b).

## DIRECTORS' REPORT

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Two significant zones of mineralisation were recorded on **Uptons Road** about 500 metres apart. The gold zones in these two holes are associated with a quartz-bearing clay-rich zone with elevated iron concentrations, particularly in Hole ACT221:

- **2.0m @ 33.1g/t Au including 1.0 m @ 65.6g/t Au from 129 metres (ACT221)**
- **5.0m @ 0.53g/t Au from 78 metres (ACT202)**

These intersections are situated about seven (7) kilometres north on strike of the main zone of high grade gold mineralisation at the Tomorrow Prospect and seven (7) kilometres south of the Four Eagles Gold Project and are probably related to the Tandarra Fault. This Tandarra Fault Zone is virtually untested over the 14 kilometre zone to the north and south of this intersection and will require considerably more air core drilling.

Consecutive one metre samples taken from ACT 221 and ACT 202 have been assayed using a total cyanide leach method on a two kilogram sample after encouraging initial assays were received using an aqua regia digest and ICP-MS on small 25-gram samples. Multi-element data has also been obtained for all basement samples with arsenic anomalism (As) being the most useful element to help determine proximity to a gold bearing structure.

This arsenic data was particularly useful for the Settlement Road programme where six air core holes were drilled to test a possible structure close to the interpreted position of the Whitelaw Fault. No significant gold values were obtained but anomalous arsenic values up to 200ppm As in hole ACT 223 and ACT 224 occurring with extensive zones of quartz veining suggests that gold mineralisation could be present somewhere along this structure. Previous air core holes to the south drilled by Navarre contained good gold values (**2.0 metres @ 1.83g/t Au from 61 metres in ACT045 and 1.0 metre @ 2.97g/t Au from 32 metres in ACT046**). Basement depth in this area ranged from 40 to 58 metres below recent cover.

Full locational data on the 31 air core holes drilled in the Company's initial programme and a Summary of Sampling Techniques and Reporting of Exploration Results according to the JORC Code 2012 Edition was released to the ASX on 29 July 2015 as Table 1 and Appendix 1. Historic intersections shown on Figure 8 were originally reported under the 2004 JORC Code by previous companies who carried out exploration on the area, but have been updated by Catalyst under the 2012 JORC Code.

Mr Bruce Kay, Catalyst's Technical Director, stated, "The discovery of high-grade gold in a widely spaced scouting programme is always a bonus and in this case shows the prospectivity of the major concealed fault structures located between Tandarra and Four Eagles".

### The Tomorrow –Macnaughtans Area

This area shown on the rectangular inset box of Figure 8a contains most of the known mineralisation on the Tandarra property and probably accounts for a high proportion of the prior exploration expenditure. Most of the reverse circulation (RC), diamond and aircore drilling was undertaken within this restricted area. Aircore and RC drillholes within this area are shown with their intersections on Figures 8a, 9 and 10 respectively and clearly show two parallel gold structures about 150 metres apart. On the Tomorrow Structure, high grade gold values occur within a 25 metre wide zone with multiple quartz veining and fractures which dips steeply to the east and probably coincides with the eastern limb of a tight anticline. Two cross sections through the Tomorrow Zone are shown on Figures 11 and 12.

On Figure 11, a diamond drillhole, DDT001 intersected sporadic gold mineralisation from 20.5 metres downhole (18 metres vertical depth) to 46.8 metres but core recovery was only about 25% because of soft saprolitic clays. Approximately 5.1 metres of fragmented core was obtained from this interval and assayed about 7.7g/t Au. **High grade intervals included 1.3 metres @ 18.2g/t Au from 20.1 metres, 1.3 metres @ 7.5g/t Au from 35.7 metres, 0.7 metres @10.9g/t Au from 36.9 metres and 1.3 metres @ 2.6 g/t Au from 45.1 metres depth.** This hole would need to be re-drilled to establish if continuous high grade gold mineralisation is present at this shallow depth on the Tomorrow Structure.

## DIRECTORS' REPORT

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Other shallow high grade intersections on the Tomorrow Structure are present in several drill holes:

- RCT006 (7 metres @5.5g/t Au from 50 metres)
- RCT 007 (1metre @ 8.6g/t Au from 12 metres)
- RCT063 (4metres @ 9.2g/t Au from 18 metres)
- RCT050 (2 metres @ 18.4g/t Au from 44 metres)
- RCT097 (3 metres @6.4g/t Au from 54 metres)
- ACT015 (10metres @18.0g/t Au from 37 metres)

As shown on Figure 9, the Tomorrow and Macnaughtan Structures still require considerably more angled RC drilling to define potential open pit resources. Because there is very little RC and diamond drilling that has tested these structures at vertical depths of greater than 100 metres, there is also potential for the discovery of high grade shoots that could be mined by underground methods.

Most of the activity on the Tomorrow Macnaughtans area is focussed on the preparation of a mineralisation report that is required by the Victorian Department of Economic Development, Jobs, Transport and Resources (ECODEV) before 14 December 2015. This will be a prerequisite for renewal as either an Exploration Licence or Retention Licence.

### JORC Reporting of Historic Navarre Exploration Results

Although Catalyst was not involved in the exploration at Tandarra, it elected to update the information to comply with the JORC 2012 Code. The results had been publicly reported by Leviathan Resources Pty Ltd (ASX code LVR) (December 2004 to January 2007), Perseverance Corporation Limited (ASX code PSV) (January 2008 to March 2011) and Navarre Minerals Limited (ASX code NML) (March 2011 to current) in numerous announcements during the stated periods under the JORC 2004 Code. Catalyst has limited knowledge on how the data was collected but has had to make assumptions based on the available historic data generated by these companies.

Full location data on the Tandarra drill holes and a Summary of Sampling Techniques and Reporting of Exploration Results according to the JORC Code 2012 Edition were included in the Company's release to the ASX on 1 September 2014.

### CASTLEMAINE JOINT VENTURE PROJECT: RAYDARRA (EL5266)

An application for renewal of EL5266 was submitted in March 2015 and the licence has been renewed for a further five (5) years by the Victorian Department of Economic Development, Jobs, Transport and Resources. After renewal, Catalyst will have to spend a further \$70,000 to earn its 51% interest in the tenements.

### OTHER WHITELAW BELT TENEMENTS: 100% CATALYST (EL5521, EL5533, EL5009)

Activity on these licences was mostly limited to desktop studies and interpretation of available data. On Exploration Licence 5521 at Macorna Bore, north of Pyramid Hill, three (3) air core holes were drilled for a total of 329 metres to test basement depth in the vicinity of the projected northerly trend of the Whitelaw Fault. Basement depth was about 90 metres and hard, dark, fine-grained lithologies are believed to be hornfelsed Ordovician basement rocks. No anomalous gold or arsenic values were obtained.

### Everton Project (EL4866) (Victoria)

Exploration Licence EL4866 was relinquished during the June 2015 quarter in order to focus on the gold exploration projects on the Whitelaw Gold Belt.



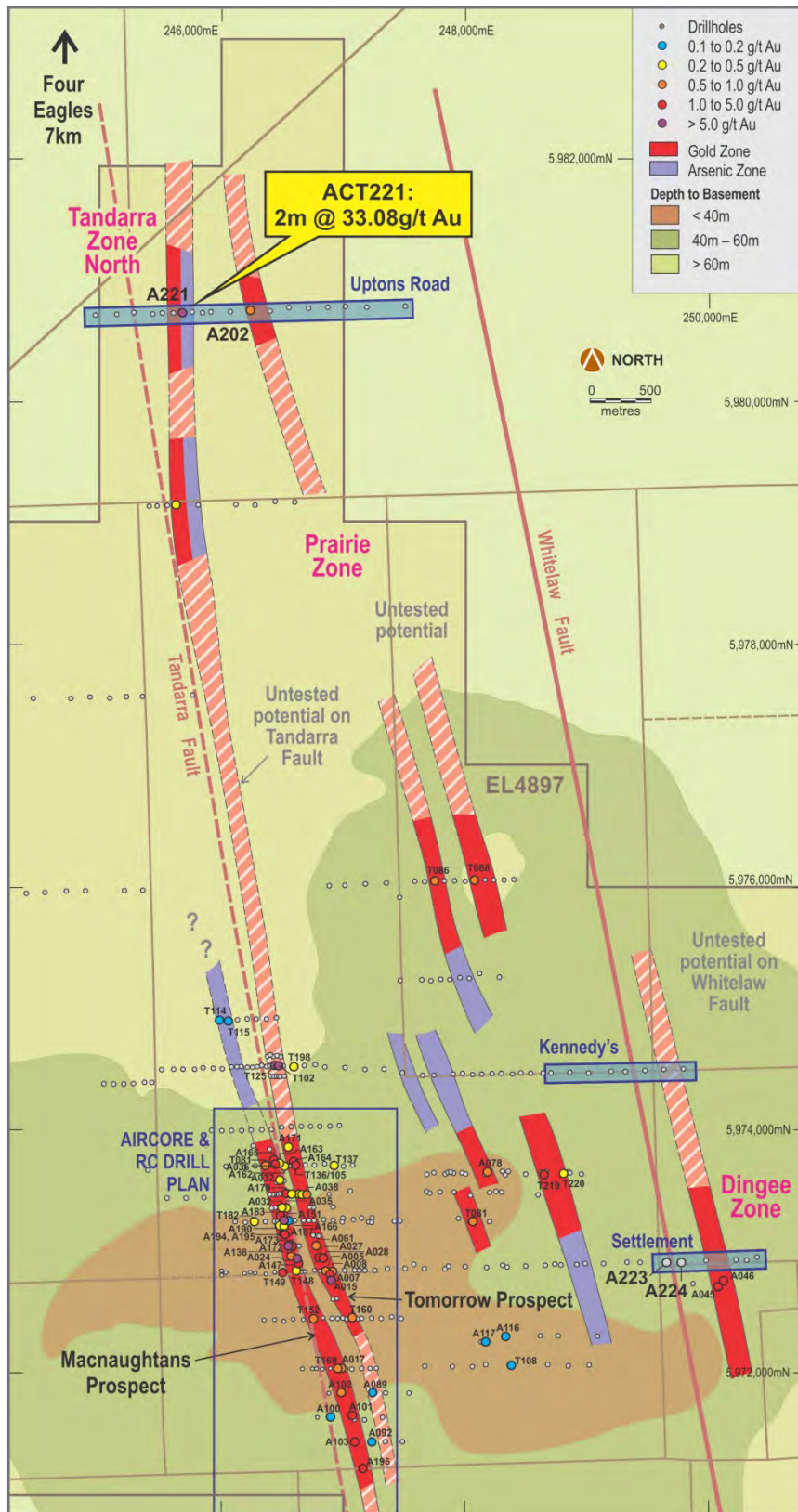


Figure 8a: Plan of Tandarra aircore drilling showing gold mineralisation trends and recent gold intersections

Drillhole Intersections (>1.0g/t Au)	
TAC102	1.0m @ 1.32g/t Au from 77m
	and 1.0m @ 8.0g/t Au from 81m
	and 6.0m @ 1.76g/t Au from 83m
TAC105	5.0m @ 1.04g/t Au from 70m
TAC125	1.0m @ 1.0g/t Au from 74m
	and 4.0m @ 7.0g/t Au from 81m
	and 3.0m @ 2.91g/t Au from 82m
TAC136	6.0m @ 2.95g/t Au from 75m
TAC146	1.0m @ 9.96g/t Au from 42m
	and 1.0m @ 1.0g/t Au from 43m
TAC149	1.0m @ 1.14g/t Au from 43m
TAC219	3.0m @ 4.8g/t Au from 83m
ACT007	3.0m @ 1.15g/t Au from 36m
	and 6.0m @ 1.5g/t Au from 46m
ACT015	10m @ 17.88g/t Au from 37m
ACT024	1.0m @ 2.91g/t Au from 107m
	and 1.0m @ 15.2g/t Au from 118m
ACT027	2.0m @ 1.26g/t Au from 40m
ACT028	1.0m @ 2.1g/t Au from 57m
ACT036	1.0m @ 1.39g/t Au from 42m
ACT045	2.0m @ 1.83g/t Au from 61m
ACT046	1.0m @ 2.97g/t Au from 32m
ACT101	1.5m @ 1.0g/t Au from 64.5m
ACT103	3.0m @ 1.03g/t Au from 67.5m
ACT147	1.5m @ 2.46g/t Au from 79.5m
ACT151	1.5m @ 59.2g/t Au from 69m
	and 2.0m @ 5.12g/t Au from 70.5m
	and 1.5m @ 1.19g/t Au from 82.5m
	and 1.5m @ 1.48g/t Au from 96m
ACT164	1.5m @ 1.64g/t Au from 63m
	and 1.5m @ 1.52g/t Au from 66m
	and 1.5m @ 1.67g/t Au from 72m
	and 1.5m @ 1.37g/t Au from 75m
ACT165	4.5m @ 1.07g/t Au from 51m
ACT172	3.0m @ 8.83g/t Au from 46.5m
	and 1.5m @ 2.62g/t Au from 58.5m
	and 1.5m @ 6.93g/t Au from 79.5m
	and 1.5m @ 1.71g/t Au from 82.5m
ACT173	1.5m @ 2.76g/t Au from 94.5m
ACT179	1.5m @ 1.3g/t Au from 55.5m
ACT183	1.5m @ 1.4g/t Au from 72m
ACT194	1.5m @ 2.88g/t Au from 105m
ACT195	1.5m @ 3.4g/t Au from 52.5m
ACT196	3.0m @ 2.5g/t Au from 90m
ACT221	2.0m @ 33.08g/t Au from 129m

Figure 8b: Aircore drill intersections shown on Figure 8a and 9

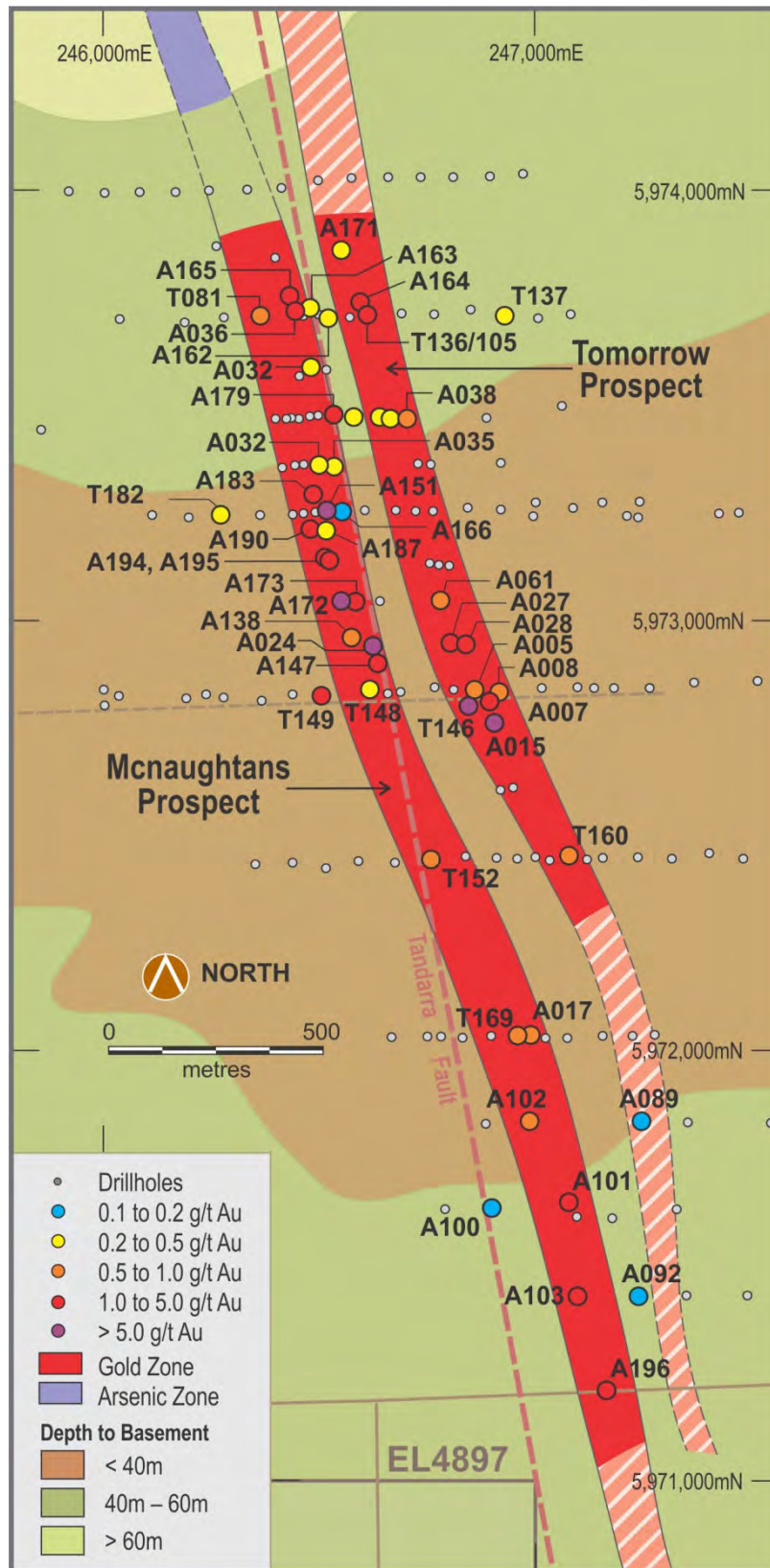


Figure 9: Plan showing aircore drillholes in Tomorrow and Macnaughtans Prospect Area (Enlargement of rectangular box on Figure 8a)

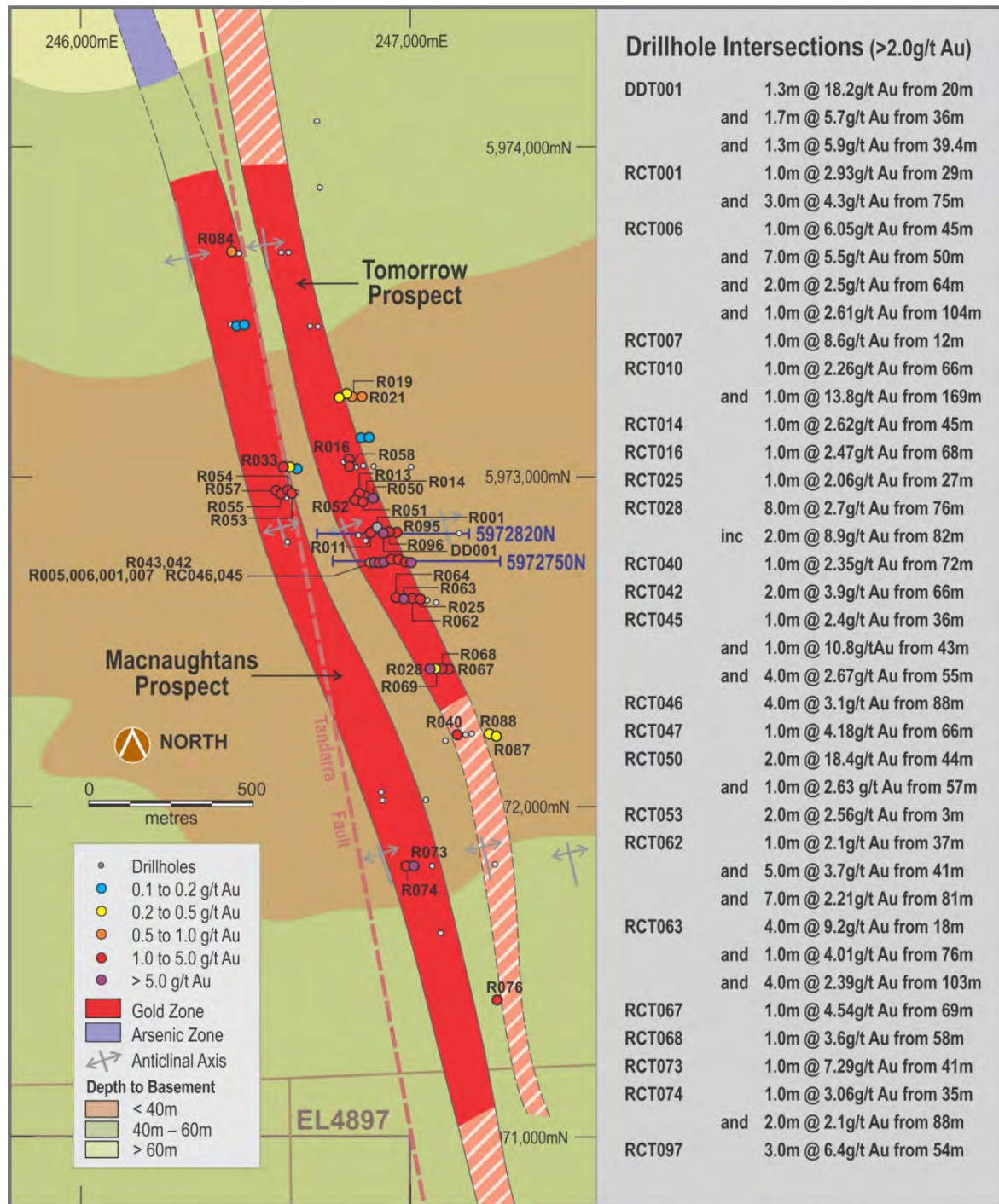


Figure 10: Plan showing Reverse Circulation drill holes and assays in Tomorrow and Macnaughtans Prospects (Enlargement of rectangular box on Figure 8a)

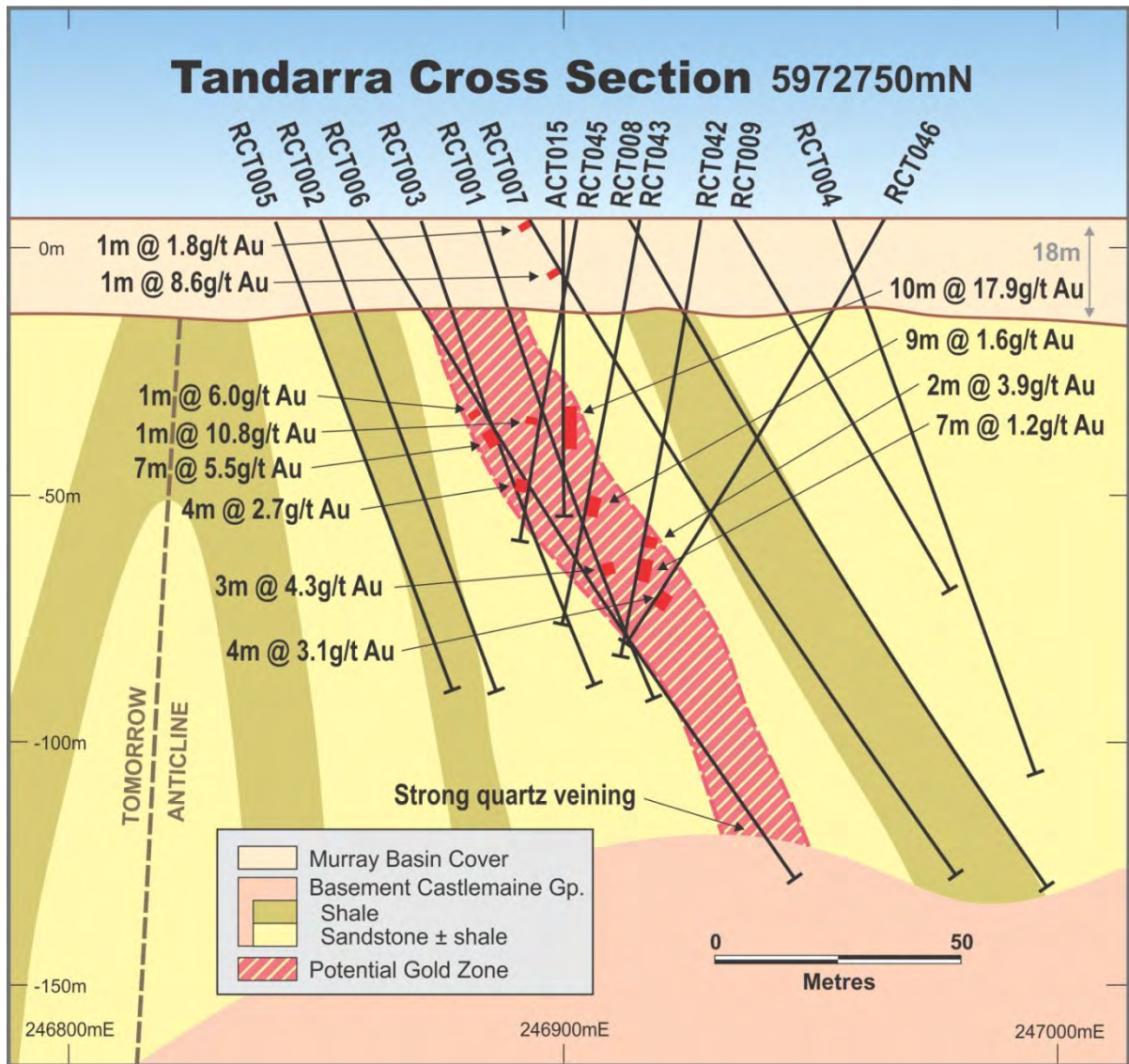


Figure 11: East west Cross Section through Tomorrow Structure at 5972750N on Tandarra Project.

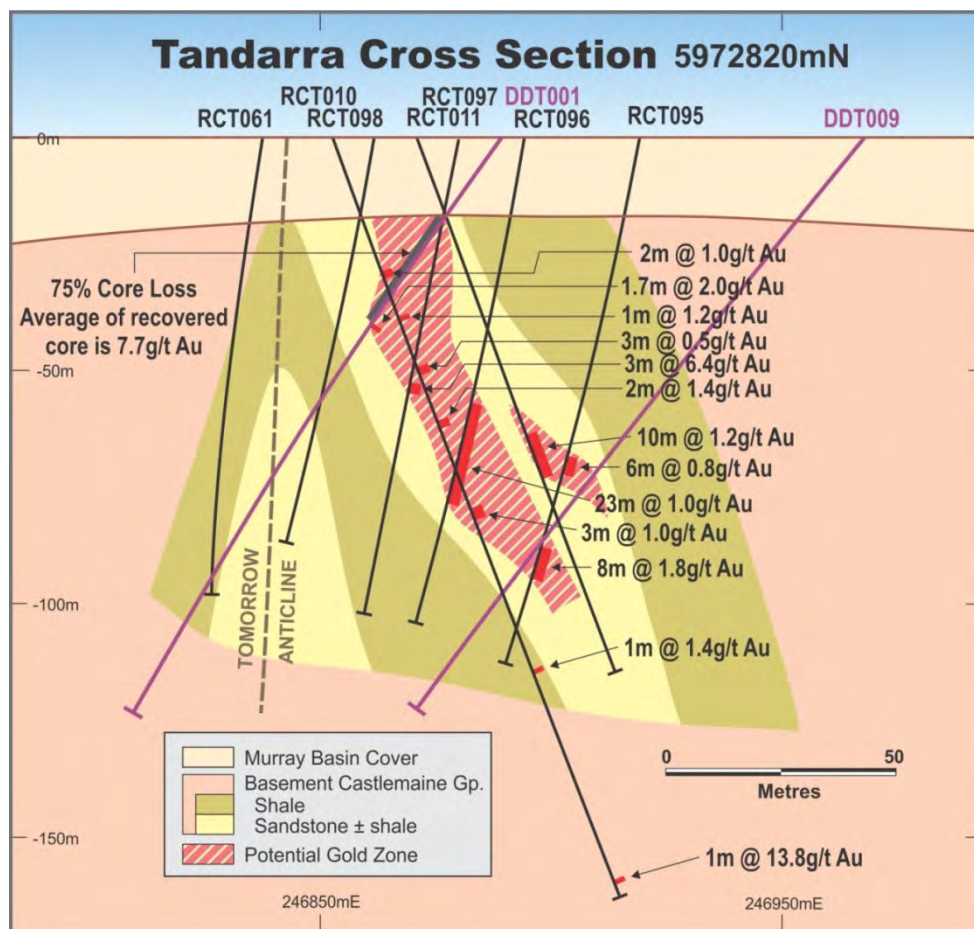


Figure 12: East west Cross section through Tomorrow Structure at 5972820N on Tandarra Project

**SIGNIFICANT CHANGES IN STATE OF AFFAIRS**

There were no significant changes in the state of affairs of the Group during the financial year.

**FUTURE DEVELOPMENTS**

During the course of the next financial year, the Group will continue its mineral exploration activities and will investigate additional resources projects in which the Group may participate.

In the opinion of the Directors there is no additional information available as at the date of this report on any likely developments which may materially affect the operations of the Group and the expected results of those operations in subsequent years.

**SUBSEQUENT EVENTS**

On 17 July 2015, 166,667 options exercisable at \$0.30 each were exercised which generated \$50,000 in cash proceeds.

On 12 August 2015, the Company closed the Share Purchase Plan after receiving application for a total of 1,451,130 at \$0.32 each for gross proceeds of \$465,000.

On 26 August 2015, the Company issued a prospectus for a pro-rate bonus issue of options to eligible shareholders on the basis of one (1) free option for every twenty (20) shares held at the record date of 8 September 2015. On 10 September 2015, the Company allotted and issued to eligible shareholders 2,623,184 options over fully paid shares, exercisable at \$0.50 each on or before 30 June 2018.

# CATALYST METALS LIMITED

## DIRECTORS' REPORT

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On 21 September 2015, the Company issued 250,000 ordinary fully paid shares to Navarre Minerals Limited in accordance with the terms of the Heads of Agreement for the Company to earn a 51% equity interest in the Tandarra Gold Project.

### INFORMATION ON DIRECTORS

#### Stephen Boston (Non-Executive Chairman)

Mr Boston is the Principal of a Perth based private investment group specialising in the Australian resources sector. Mr Boston previously worked as a stockbroker from 1984 to 1998 in Perth and Sydney. Mr Boston holds a Bachelor of Arts from the University of Western Australia.

<i>Memberships:</i>	Senior Associate – Financial Services Institute of Australia
<i>Special Responsibilities:</i>	Chairman
<i>Other Directorships:</i>	None
<i>Interests in securities:</i>	Direct: 190,150 Ordinary Shares 9,508 Listed Options (\$0.50, expiring 30 June 2018)
	Indirect: 5,551,010 Ordinary Shares 277,553 Listed Options (\$0.50, expiring 30 June 2018) (held by Trapine Pty Ltd, Elshaw Pty Ltd and Merewether Pty Ltd, companies in which Mr Boston holds a relevant interest)

#### Robin Scrimgeour (Non-Executive Director)

Mr Scrimgeour spent 17 years working for Credit Suisse in London, Tokyo, Hong Kong and Singapore. His most recent experience has been providing structured hybrid financing for corporates in Asia for project and acquisitions concentrated in the primary resources sector. Mr Scrimgeour's previous experience was as a senior equity derivatives trader involved in the pricing of complex structured equity derivative instruments for both private and corporate clients focused in Asia. Mr Scrimgeour holds a Bachelor of Economics with Honours from the University of Western Australia.

<i>Special Responsibilities:</i>	Member of audit committee.
<i>Other Directorships:</i>	None
<i>Interests in securities:</i>	Direct: Nil
	Indirect: 4,912,589 Ordinary Shares 245,630 Listed Options (\$0.50, expiring 30 June 2018)

#### Gary Schwab (Non-Executive Director)

Mr Schwab is a Certified Practising Accountant with over 40 years of business experience, including 20 years in the resources sector. Mr Schwab was previously Executive Director for a privately owned commodities group. In that role, Mr Schwab was responsible for managing a long term wealth creation strategy (in conjunction with the principal and owner) which culminated in the creation of what is currently one of Australia's wealthiest unlisted private commodities companies.

<i>Special Responsibilities:</i>	Chairman of audit committee.
<i>Other Directorships:</i>	None
<i>Interests in securities:</i>	Direct: Nil
	Indirect: Nil

# CATALYST METALS LIMITED

## DIRECTORS' REPORT

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### Bruce Kay (Non-Executive Director)

Mr Kay is a qualified geologist and former head of worldwide exploration for Newmont Mining Corporation. He is a highly experienced geologist with a resource industry career spanning more than 30 years in international exploration, mine, geological, project evaluation and corporate operations. Mr Kay retired from Newmont in 2003. Based in Denver, Colorado, USA, he managed worldwide exploration for that Group. Prior to this appointment Mr Kay was group executive and managing director of exploration at Normandy Mining Limited where he was responsible for managing its global exploration program from 1989 until 2002.

*Special Responsibilities:* Technical Director.

*Other Directorships:* None

*Interests in securities:* Direct: 1,793,326 Ordinary Shares  
89,668 Listed Options (\$0.50, expiring 30 June 2018)  
350,000 Performance Rights  
Indirect: Nil

### Information on Company Secretary

Frank Campagna *B.Bus (Acc), CPA*

Company Secretary of Catalyst Metals Limited since November 2009. Mr Campagna is a Certified Practising Accountant with over 25 years' experience as a Company Secretary, Financial Controller and Commercial Manager for listed resources and industrial companies. He currently operates a corporate consultancy practice which provides corporate secretarial services to both listed and unlisted companies.

### DIRECTORS' MEETINGS

The number of meetings attended by each of the Directors of the Company during the financial year was:

	Board Meetings		Audit Committee Meetings	
	Number held and entitled to attend	Number Attended	Number held and entitled to attend	Number Attended
Stephen Boston	5	5	-	-
Robin Scrimgeour	5	5	-	-
Gary Schwab	5	5	-	-
Bruce Kay	5	5	-	-

### ENVIRONMENTAL REGULATIONS

The Group is subject to significant environmental regulation in respect to its mineral exploration activities. These obligations are regulated under relevant government authorities within Australia and overseas. The Group is a party to exploration and mining licences. Generally, these licences and agreements specify the environmental regulations applicable to exploration and mining operations in the respective jurisdictions. The Group aims to ensure that it complies with the identified regulatory requirements in each jurisdiction in which it operates.

Compliance with environmental obligations is monitored by the Board of Directors. No environmental breaches have been notified to the Group by any government agency during the year ended 30 June 2015. The Group's operations are subject to State and Federal laws and regulation concerning the environment.



## DIRECTORS' REPORT

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### PROCEEDINGS ON BEHALF OF THE GROUP

No person has applied for leave of Court to bring proceedings on behalf of the Group or intervene in any proceedings to which the Group is a party for the purpose of taking responsibility on behalf of the Group for all or any part of those proceedings.

### SHARE OPTIONS

As at the date of this report, there were 2,623,184 unissued ordinary shares under option. These options are exercisable at \$0.50 each on or before 30 June 2018.

No person entitled to exercise the options has any right by virtue of the option to participate in any share issue of the parent entity or any other corporation.

### REMUNERATION REPORT (AUDITED)

This report sets out the current remuneration arrangements for directors and executives of the Group. For the purposes of this report, key management personnel is defined as those persons having authority and responsibility for planning, directing and controlling major activities of the Group, including any director of the Group, and includes the executives in the consolidated entity receiving the highest remuneration. The information provided in this report includes remuneration disclosures that are required under Accounting Standard AASB 124 *Related Party Disclosures*.

#### Principles used to determine the nature and amount of remuneration

##### *Directors and executives remuneration*

Overall remuneration policies are determined by the Board and are adapted to reflect competitive market and business conditions. Within this framework, the Board considers remuneration policies and practices generally, and determines specific remuneration packages and other terms of employment for any executive directors and senior management. Executive remuneration and other terms of employment are reviewed annually by the Board having regard to performance, relevant comparative information and expert advice.

The Group's remuneration policy for any executive directors and senior management is designed to promote superior performance and long term commitment to the Group. Remuneration packages are set at levels that are intended to attract and retain executives capable of managing the Group's operations.

Executive directors and senior executives receive a base remuneration which is market related, together with performance based remuneration linked to the achievement of pre-determined milestones and targets.

The Group's remuneration policies are designed to align executives' remuneration with shareholders' interests and to retain appropriately qualified executive talent for the benefit of the Group. The main principles of the policy are:

- reward reflects the competitive market in which the Group operates; and
- individual reward should be linked to performance criteria.

The structure of remuneration packages for any executive directors and other senior executives comprises:

- a fixed sum base salary plus superannuation benefits;
- short term incentives through eligibility to participate in a performance bonus scheme if deemed appropriate; and
- long term incentives through any executive directors being eligible to participate in share option schemes with the prior approval of shareholders.

Fixed and variable remuneration is established for each executive director by the Board. The objective of short term incentives is to link achievement of the Group's operational targets with the remuneration received by executives charged with meeting those targets.

# CATALYST METALS LIMITED

## DIRECTORS' REPORT

### REMUNERATION REPORT (Continued)

The objective of long term incentives is to reward executives in a manner which aligns this element of their remuneration with the creation of shareholder wealth.

Performance incentives may be offered to any executive directors and senior management through the operation of performance bonus schemes. A performance bonus, based on a percentage of annual salary, may be payable upon achievement of agreed operational milestones and targets.

#### *Non-executive directors' remuneration*

In accordance with current corporate governance practices, the structure for the remuneration of non-executive directors and senior executives is separate and distinct. Shareholders approve the maximum fees payable to non-executive directors, with the current approved limit being \$400,000 per annum. The Board is responsible for determining actual payments to directors. Non-executive directors are entitled to statutory superannuation benefits. The Board approves any consultancy arrangements for non-executive directors who provide services outside of and in addition to their duties as non-executive directors.

Non-executive directors may be entitled to participate in equity based remuneration schemes. Shareholders must approve the framework for any equity based compensation schemes and if a recommendation is made for a director to participate in an equity scheme, that participation must be specifically approved by the shareholders.

All directors are entitled to have premiums on indemnity insurance paid by the Group.

At the 2014 AGM, 100% of the votes received supported the adoption of the remuneration report for the year ended 30 June 2014. The company did not receive any specific feedback at the AGM regarding its remuneration practices.

#### Details of Remuneration for Year Ended 30 June 2015

Details of the remuneration for each director and key management personnel (as defined in AASB 124 *Related Party Disclosures*) of the Group during the year are set out in the following tables.

2015	Short-term employment benefits		Post-employment benefits	Share-based payments	Total
	Cash salary and fees	Other	Superannuation	Shares	
<i>Non-executive directors</i>					
S Boston	56,306	-	-	-	56,306
R Scrimgeour	28,148	-	-	-	28,148
G Schwab	10,950	-	32,850	-	43,800
B Kay	5,895	-	34,900	-	40,795
<b>Total key management personnel compensation</b>	<b>101,299</b>	<b>-</b>	<b>67,750</b>	<b>-</b>	<b>169,049</b>

In 2015, \$36,751 of Messrs Boston, Scrimgeour and Kay's directors' fees were written off from accrued directors' fees carried forward from 2014. This was due to the difference in the share price at the date of notice of the annual general meeting (\$0.35) and the actual share price at the grant date of the shares (\$0.225). During 2015 Mr Kay agreed to assist the company's cash position by foregoing directors' fees from 1 January 2014 and receiving only consulting fees.

# CATALYST METALS LIMITED

## DIRECTORS' REPORT

### REMUNERATION REPORT (Continued)

2014 Name	Short-term employment benefits		Post-employment benefits	Share-based payments	Total
	Cash salary and fees	Other	Superannuation	Shares	
<i>Non-executive directors</i>					
S Boston	65,550	-	-	-	65,550
R Scrimgeour	43,700	-	-	-	43,700
G Schwab	21,850	-	21,850	-	43,700
B Kay	30,000	52,800	13,700	64,003	160,503
<b>Total key management personnel compensation</b>	<b>161,100</b>	<b>52,800</b>	<b>35,550</b>	<b>64,003</b>	<b>313,453</b>

In 2014, a component of Messrs Boston, Scrimgeour and Kay's directors' fees were accrued but not paid to assist in the preservation of cash for the Company. Included in the remuneration report are amounts paid to Mr Kay for geological consulting services that are outside the scope of his directors' duties.

Letters of appointment have been entered into with each director of the Company. No duration of appointment or termination benefits are applicable. Effective from 1 January 2012, Non-executive directors receive remuneration of \$40,000 per annum plus statutory superannuation, whilst the Chairman receives remuneration of \$60,000 per annum plus statutory superannuation. Directors are permitted to salary sacrifice their fees.

The company secretary is deemed to be an executive by virtue of being an officer of the parent entity. The role performed by the company secretary does not meet the definition of key management person under AASB 124, hence this officer has been excluded from the key management personnel disclosures in the financial report.

The company secretary has an agreement on normal commercial terms for the provision of services at the rate of \$5,000 per month.

### SHARE-BASED COMPENSATION

#### *Shares*

On 13 November 2014, at the Company's 2014 Annual General Meeting, shareholders approved the issue of 294,007 ordinary fully paid shares to Messrs Boston, Scrimgeour and Kay in lieu of outstanding directors' fees for the 2013/14 financial year. The market price at the date of issue of the shares was \$0.225 per share

#### *Options*

Options over shares in the Company are granted under the Catalyst Metals Limited Employee Share Option Plan ("Option Plan"). The purpose of the Option Plan is to provide employees, directors, executive officers and consultants with an opportunity, in the form of options, to subscribe for ordinary shares in the Group. The Directors consider the Option Plan enables the Group to retain and attract skilled and experienced employees, board members and executive officers and provide them with the motivation to contribute to the growth and future success of the Group.

During the financial year no options were issued as compensation.

#### *Performance Rights*

Performance Rights over shares in the Company are granted under the Catalyst Metals Limited Performance Rights Plan ("Performance Rights Plan"). The objective of the Performance Rights Plan is to attract, motivate and retain employees, Directors and consultants ("Eligible Participants") of the Company by providing performance related incentives and rewards. Subject to certain criteria being satisfied, the Board may offer Eligible Participants performance rights which upon vesting will entitle the holder to one ordinary fully paid share in the Company for each performance right held.

# CATALYST METALS LIMITED

## DIRECTORS' REPORT

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### REMUNERATION REPORT (Continued)

During the financial year no performance rights were issued as compensation. In the 2012 financial year Mr Bruce Kay was granted Performance Rights with the following conditions:

- (a) 300,000 Performance Rights to vest on the date that the Company, through its wholly owned subsidiary Kite Gold Pty Ltd (**Kite Gold**) elects to continue after Phase 1 of the Four Eagles Heads of Agreement, as evidenced by satisfaction of the relevant condition precedents to Phase 2, being the issue and allotment of a further 750,000 Catalyst shares and payment of a further \$100,000 in cash to Providence Gold & Minerals Pty Ltd (**Providence**); and
- (b) 700,000 Performance Rights will vest on the date that the Company, through Kite Gold, becomes entitled to the transfer of a 50% interest in each of the exploration licences EL4525 and EL5295 under the Four Eagles Heads of Agreement.

On 15 April 2013 the Company agreed with Mr Kay to alter the Performance Rights conditions to reflect the Amendment and Restatement Deed of the Heads of Agreement that was signed with Providence. Under the terms of the revised Performance Rights, Mr Kay agreed to defer the vesting and issue of 350,000 Performance Rights until the granting of the extension of EL4525 from 20 January 2013 has been granted and Catalyst, through Kite Gold, becomes entitled to a 60% interest in the Four Eagles Gold Project.

On 17 June 2013, Mr Kay was issued with 350,000 ordinary fully paid shares in the Company following Kite Gold becoming entitled to the transfer of a 50% interest in EL4525 and EL5295.

### SHARE AND OPTION HOLDINGS

#### *Option holdings*

The number of options over ordinary shares in the Company held during the year by each director of the Company and other key management personnel, including their personally related parties, are set out below:

#### 2015 – Options Holdings

Directors	<i>Balance at beginning of year</i>	<i>Granted as compensation</i>	<i>Exercised</i>	<i>Other changes</i>	<i>Balance at end of year</i>	<i>Vested and exercisable</i>
S Boston	-	-	-	-	-	-
R Scrimgeour	-	-	-	-	-	-
G Schwab	-	-	-	-	-	-
B Kay	-	-	-	-	-	-

#### *Ordinary Shares*

The number of ordinary shares in the Group held during the financial year by each director and other key management personnel of the Group, including their personally related parties, are set out below. There were no shares granted during the year as compensation.

#### 2015 – Ordinary Share Holdings

Directors	<i>Balance at beginning of year</i>	<i>Purchased</i>	<i>Other changes</i>	<i>Balance at end of year</i>
S Boston	5,619,135	-	75,150	5,694,285
R Scrimgeour	4,680,500	-	185,214	4,865,714
G Schwab	-	-	-	-
B Kay	1,652,808	-	93,643	1,746,451

# CATALYST METALS LIMITED

## DIRECTORS' REPORT

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### REMUNERATION REPORT (Continued)

#### *Performance Rights*

The number of performance rights in the Company held during the financial year by each personally related parties, are set out below:

#### 2015 – Performance Rights Holdings

Directors	Balance at beginning of year	Granted as compensation	Vested	Other changes (ii)	Balance at end of year	Vested and exercisable
S Boston	-	-	-	-	-	-
R Scrimgeour	-	-	-	-	-	-
G Schwab	-	-	-	-	-	-
B Kay	350,000	-	-	-	350,000	-

### END OF REMUNERATION REPORT

### INDEMNIFICATION AND INSURANCE OF DIRECTORS AND OFFICERS

The Group has entered into indemnity agreements with each of the directors and officers of the Group. Under the agreements, the Group will indemnify those officers against any claim or for any expenses or costs which may arise as a result of work performed in their respective capacities as officers of the Group or any related entities.

### NON-AUDIT SERVICES

The board of directors, in accordance with advice from the audit committee, is satisfied that the provision of non-audit services during the year is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*. The directors are satisfied that any non-audit services did not compromise the external auditor's independence for the following reasons:

- all non-audit services are reviewed and approved by the audit committee prior to commencement to ensure they do not adversely affect the integrity and objectivity of the auditor; and
- the nature of the services provided do not compromise the general principles relating to auditor independence in accordance with APES 110: Code of Ethics for Professional Accountants set by the Accounting Professional and Ethical Standards Board.

No fees for non-audit services were paid/payable to the external auditors during the year ended 30 June 2015.

### AUDITOR'S INDEPENDENCE DECLARATION

The lead auditor's independence declaration for the year ended 30 June 2015 has been received and immediately follows the Directors' Report.

This report is made in accordance with a resolution of the Directors.

**Stephen Boston**  
Chairman



Perth, Western Australia  
29 September 2015

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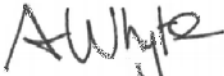
### **AUDITOR'S INDEPENDENCE DECLARATION**

As lead auditor for the audit of the financial report of Catalyst Metals Limited for the year ended 30 June 2015, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- (ii) any applicable code of professional conduct in relation to the audit.

RSM BIRD CAMERON PARTNERS.  
RSM BIRD CAMERON PARTNERS

Perth, WA  
Dated: 29 September 2015

  
ALASDAIR WHYTE  
Partner

# CATALYST METALS LIMITED

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION As at 30 June 2015

	Note	2015 \$	2014 \$
<b>Current Assets</b>			
Cash and cash equivalents	7	1,334,945	1,031,251
Trade and other receivables	8	31,235	36,061
Total Current Assets		1,366,180	1,067,312
<b>Non-Current Assets</b>			
Property, plant and equipment	9	-	74
Exploration and evaluation expenditure	10	-	-
Total Non-Current Assets		-	74
<b>TOTAL ASSETS</b>		1,366,180	1,067,386
<b>Current Liabilities</b>			
Trade and other payables	11	431,175	285,356
Other - advances	12	246,928	-
Total Current Liabilities		678,103	285,356
<b>TOTAL LIABILITIES</b>		678,103	285,356
<b>NET ASSETS</b>		689,077	782,030
<b>Equity</b>			
Contributed equity	13	9,599,786	9,453,634
Share-based payments reserve	14	228,008	228,008
Accumulated losses	14	(9,139,717)	(8,899,612)
<b>TOTAL EQUITY</b>		689,077	782,030

*The above Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.*

# CATALYST METALS LIMITED

## CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME For the Year Ended 30 June 2015

	Note	2015 \$	2014 \$
<b>Revenue from continuing operations</b>	3	708,859	32,094
<b>Expenses</b>			
Professional fees		(150,600)	(172,800)
Administration costs		(74,115)	(62,367)
Personnel		(139,131)	(250,693)
Corporate		(184,637)	(212,914)
Exploration costs written off		(400,481)	(357,184)
<b>Loss before income tax expense from continuing operations</b>		<u>(240,105)</u>	<u>(1,023,864)</u>
Income tax expense	6	-	-
<b>Loss after income tax from continuing operations</b>		<u>(240,105)</u>	<u>(1,023,864)</u>
Other comprehensive income		-	-
<b>Total comprehensive loss for the year</b>		<u>(240,105)</u>	<u>(1,023,864)</u>
<b>Total comprehensive income attributable to members of the Parent entity</b>		<u>(240,105)</u>	<u>(1,023,864)</u>
<b>Earnings per share for profit attributable to the owners of Catalyst Metals Limited</b>			
Basic loss per share (cents per share)	5	(0.5)	(2.1)
Diluted loss per share (cents per share)	5	(0.5)	(2.1)

*The above Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.*



# CATALYST METALS LIMITED

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY For the Year Ended 30 June 2015

	Contributed Equity \$	Accumulated losses \$	Share-based payments reserve \$	Total \$
<b>Balance at 30 June 2013</b>	<b>8,589,225</b>	<b>(7,875,748)</b>	<b>164,005</b>	<b>877,482</b>
Total comprehensive loss for the year	-	(1,023,864)	-	(1,023,864)
Transactions with owners in their capacity as owners:				
Share based payments	-	-	64,003	64,003
Issue of shares	889,990	-	-	889,990
Share issue expenses	(25,581)	-	-	(25,581)
<b>Balance at 30 June 2014</b>	<b>9,453,634</b>	<b>(8,899,612)</b>	<b>228,008</b>	<b>782,030</b>
Total comprehensive loss for the year	-	(240,105)	-	(240,105)
Transactions with owners in their capacity as owners:				
Issue of shares	146,152	-	-	146,152
<b>Balance at 30 June 2015</b>	<b>9,599,786</b>	<b>(9,139,717)</b>	<b>228,008</b>	<b>688,077</b>

*The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.*

# CATALYST METALS LIMITED

## CONSOLIDATED STATEMENT OF CASH FLOWS For the Year Ended 30 June 2015

	Note	2015 \$	2014 \$
<b>Cash Flows from Operating Activities</b>			
Payments for exploration and evaluation		(324,866)	(263,339)
Payments to suppliers, contractors and employees		(342,227)	(529,882)
Research and development tax offsets received		191,886	-
Exploration expenditure recouped (Note 3)		496,833	-
Interest received		20,140	35,397
Net cash flows provided by / (used in) operating activities	15	<u>41,766</u>	<u>(757,824)</u>
<b>Cash Flows from Investing Activities</b>			
Net cash flows used in investing activities		<u>-</u>	<u>-</u>
<b>Cash Flows from Financing Activities</b>			
Proceeds from issue of shares and other equity securities		15,000	700,000
Share issue expenses		-	(25,581)
Farm in advances received (Note 12)		916,522	-
Farm in advances expended (Note 12)		<u>(669,594)</u>	<u>-</u>
Net cash flows from financing activities		<u>261,928</u>	<u>674,419</u>
Net increase / (decrease) in cash and cash equivalents		303,694	(83,405)
Cash and cash equivalents at the beginning of the financial year		<u>1,031,251</u>	<u>1,114,656</u>
<b>Cash and cash equivalents at the end of the financial year</b>	<b>7</b>	<u><u>1,334,945</u></u>	<u><u>1,031,251</u></u>

*The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.*

# CATALYST METALS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS For The Year Ended 30 June 2015

### 1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

#### (a) **New, revised or amending Accounting Standards and Interpretations adopted**

The consolidated entity has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the consolidated entity.

#### (b) **Basis of preparation**

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001, as appropriate for for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

##### *Historical cost convention*

The financial statements have been prepared under the historical cost convention, except for, where applicable, the revaluation of available-for-sale financial assets, financial assets and liabilities at fair value through profit or loss, investment properties, certain classes of property, plant and equipment and derivative financial instruments.

##### *Critical accounting estimates*

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the consolidated entity's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 2.

#### (c) **Parent entity information**

In accordance with the Corporations Act 2001, these financial statements present the results of the consolidated entity only. Supplementary information about the parent entity is disclosed in note 24.

#### (d) **Principles of consolidation**

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Catalyst Metals Limited ('company' or 'parent entity') as at 30 June 2015 and the results of all subsidiaries for the year then ended. Catalyst Metal Limited and its subsidiaries together are referred to in these financial statements as the 'consolidated entity'.

Subsidiaries are all those entities over which the consolidated entity has control. The consolidated entity controls an entity when the consolidated entity is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the consolidated entity. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the consolidated entity are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the consolidated entity.

# CATALYST METALS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS For The Year Ended 30 June 2015

### 1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Non-controlling interest in the results and equity of subsidiaries are shown separately in the statement of profit or loss and other comprehensive income, statement of financial position and statement of changes in equity of the consolidated entity. Losses incurred by the consolidated entity are attributed to the non-controlling interest in full, even if that results in a deficit balance.

Where the consolidated entity loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The consolidated entity recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

#### (e) Operating segments

Operating segments are presented using the 'management approach', where the information presented is on the same basis as the internal reports provided to the Chief Operating Decision Makers ('CODM'). The CODM is responsible for the allocation of resources to operating segments and assessing their performance.

#### (f) Revenue

Revenue is recognised when it is probable that the economic benefit will flow to the consolidated entity and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable.

##### *Interest*

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

##### *Other revenue*

Other revenue is recognised when it is received or when the right to receive payment is established.

#### (g) Impairment

At each reporting date, the Group reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the income statement.

Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

#### (h) Cash and cash equivalents

For the purpose of the cash flow statement, cash includes cash on hand and at call deposits with banks or financial institutions and investments in money market instruments with less than 30 days to maturity.

#### (i) Trade and other receivables

Trade receivables, loans, and other receivables are recorded at amortised cost less impairment.

#### (j) Financial instruments

##### **Recognition and Initial Measurement**

Financial instruments, incorporating financial assets and financial liabilities, are recognised when the entity becomes a party to the contractual provisions of the instrument. Trade date accounting is adopted for financial assets that are delivered within timeframes established by marketplace convention.

## NOTES TO THE FINANCIAL STATEMENTS For The Year Ended 30 June 2015

### 1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments are initially measured at fair value plus transaction costs where the instrument is not classified as at fair value through profit or loss. Transaction costs related to instruments classified as at fair value through profit or loss are expensed to profit or loss immediately. Financial instruments are classified and measured as set out below.

#### **Derecognition**

Financial assets are derecognised where the contractual rights to receipt of cash flows expires or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are either discharged, cancelled or expire. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

#### **Classification and Subsequent Measurement**

##### (i) Financial assets at fair value through profit or loss

Financial assets classified as held for trading are included in the category 'financial assets at fair value through profit or loss'. Financial assets are classified as held for trading if they are acquired for the purpose of selling in the near term. Derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on investments held for trading are recognised in profit or loss.

##### (ii) Held-to-maturity investments

Non-derivative financial assets with fixed or determinable payments and fixed maturity are classified as held-to-maturity when the Group has the positive intention and ability to hold to maturity. Investments intended to be held for an undefined period are not included in this classification. Investments that are intended to be held-to-maturity, such as bonds, are subsequently measured at amortised cost. This cost is computed as the amount initially recognised minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between the initially recognised amount and the maturity amount.

This calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums and discounts. For investments carried at amortised cost, gains and losses are recognised in profit or loss when the investments are derecognised or impaired, as well as through the amortisation process.

##### (iii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are carried at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, as well as through the amortisation process.

##### (iv) Available-for-sale investments

Available-for-sale investments are those non-derivative financial assets that are designated as available-for-sale or are not classified as any of the three preceding categories. After initial recognition available-for sale investments are measured at fair value with gains or losses being recognised as a separate component of equity until the investment is derecognised or until the investment is determined to be impaired, at which time the cumulative gain or loss previously reported in equity is recognised in profit or loss.

#### **Fair value**

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

# CATALYST METALS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS For The Year Ended 30 June 2015

### 1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Impairment

At each reporting date, the Group assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen. Impairment losses are recognised in the income statement.

#### (k) Exploration and Evaluation Expenditure

Exploration and evaluation expenditure incurred by or on behalf of the Group is accumulated separately for each area of interest. Such expenditure comprises net direct costs and an appropriate portion of related overhead expenditure. Each area of interest is limited to a size related to a known or probable mineral resource capable of supporting a mining operation.

Exploration expenditure for each area of interest is written off as incurred, except that it may be carried forward provided that one of the following conditions is met:

- such costs are expected to be recouped through successful development and exploitation of the area of interest or, alternatively, by its sale; or
- exploration activities in an area of interest have not, at balance date reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves.

The Group performs impairment testing when facts and circumstances suggest the carrying amount has been impaired. If it was determined that the asset was impaired it would be immediately written off to the income statement.

Expenditure is not carried forward in respect of any area of interest unless the Group's right of tenure to that area of interest is current. Expenditures incurred before the Group has obtained legal rights to explore a specific area is expensed as incurred. Amortisation is not charged on areas under development, pending commencement of production.

#### (l) Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

#### (m) Provisions

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the balance sheet date.

#### (n) Employee entitlements

##### *Short-term employee benefits*

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled within 12 months of the reporting date are recognised in current liabilities in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled.

##### *Other long-term employee benefits*

The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are recognised in non-current liabilities, provided there is an unconditional right to defer settlement of the liability. The liability is measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

# CATALYST METALS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS For The Year Ended 30 June 2015

### 1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### *Defined contribution superannuation expense*

Contributions to defined contribution superannuation plans are expensed in the period in which they are incurred.

#### (o) **Income tax**

##### *Current tax*

Current tax is calculated by reference to the amount of income taxes payable or recoverable in respect of the taxable profit or tax loss for the year. It is calculated using tax rates and tax laws that have been enacted or substantively enacted by reporting date. Current tax for current and prior years is recognised as a liability (or asset) to the extent that it is unpaid (or refundable).

##### *Deferred tax*

Deferred tax is accounted for using the comprehensive balance sheet liability method in respect of temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax base of those items.

In principle, deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that sufficient taxable amounts will be available against which deductible temporary differences or unused tax losses and tax offsets can be utilised.

However, deferred tax assets and liabilities are not recognised if the temporary differences giving rise to them arise from the initial recognition of assets and liabilities (other than as a result of a business combination) which affects neither taxable income nor accounting profit. Furthermore, a deferred tax liability is not recognised in relation to taxable temporary differences arising from goodwill.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year(s) when the asset and liability giving rise to them are realised or settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by reporting date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

##### *Current and deferred tax for the year*

Current and deferred tax is recognised as an expense or income in the income statement, except when it relates to items credited or debited directly to equity, in which case the deferred tax is also recognised directly in equity, or where it arises from the initial accounting for a business combination, in which case it is taken into account in the determination of goodwill or excess.

#### (p) **Intangibles**

##### **Research and development**

Expenditure during the research phase of a project is recognised as an expense when incurred. Development costs are capitalised only when technical feasibility studies identify that the project will deliver future economic benefits and these benefits can be measured reliably.

Development costs have a finite life and are amortised on a systematic basis matched to the future economic benefits over the useful life of the project.

#### (q) **Equity based payments**

The Group determines the fair value of options issued to employees as remuneration and recognises the expense in the income statement. This policy is not limited to options and also extends to other forms of equity based remuneration.

# CATALYST METALS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS For The Year Ended 30 June 2015

### 1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fair value is measured using a Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions, and behavioural considerations. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period.

#### (r) Earnings per share

Basic earnings per share is determined by dividing the profit from ordinary activities after related income tax expense by the weighted average number of ordinary shares outstanding during the financial year.

#### (s) Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST except:

- where the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

Cash flows are included in the cash flow statement on a gross basis and the GST component of cash flows arising from investing and financial activities, which are recoverable from, or payable to, the taxation authority, are classified as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

#### (t) Property, Plant and Equipment

Plant and equipment are measured on the cost basis and therefore carried at cost less accumulated depreciation and any accumulated impairment. In the event the carrying amount of plant and equipment is greater than the estimated recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount and impairment losses are recognised in profit or loss. A formal assessment of recoverable amount is made when impairment indicators are present.

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the asset's employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

#### Depreciation

The depreciable amount of all fixed assets, but excluding freehold land, is depreciated on a straight-line basis over the asset's useful life to the consolidated group commencing from the time the asset is held ready for use.

The depreciation rates used for each class of depreciable assets are:

<b>Class of Fixed Asset</b>	<b>Depreciation Rate</b>
Computer equipment	25%-33.33%
Furniture, fittings and equipment	33.33%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.



# CATALYST METALS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS For The Year Ended 30 June 2015

### 1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the statement of comprehensive income.

#### (u) **New Accounting Standards and Interpretations not yet mandatory or early adopted**

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the consolidated entity for the annual reporting period ended 30 June 2015. The consolidated entity's assessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant to the consolidated entity, are set out below.

##### *AASB 9 Financial Instruments and its consequential amendments*

This standard and its consequential amendments are applicable to annual reporting periods beginning on or after 1 January 2018 and completes phases I and III of the IASB's project to replace IAS 39 (AASB 139) 'Financial Instruments: Recognition and Measurement'. This standard introduces new classification and measurement models for financial assets, using a single approach to determine whether a financial asset is measured at amortised cost or fair value. The accounting for financial liabilities continues to be classified and measured in accordance with AASB 139, with one exception, being that the portion of a change of fair value relating to the entity's own credit risk is to be presented in other comprehensive income unless it would create an accounting mismatch. Chapter 6 'Hedge Accounting' supersedes the general hedge accounting requirements in AASB 139 and provides a new simpler approach to hedge accounting that is intended to more closely align with risk management activities undertaken by entities when hedging financial and non-financial risks. The consolidated entity will adopt this standard and the amendments from 1 July 2018 but the impact of its adoption is yet to be assessed by the consolidated entity.

### 2. CRITICAL ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

##### *Share-based payment transactions*

The consolidated entity measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using either the Binomial or Black-Scholes model taking into account the terms and conditions upon which the instruments were granted.

The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity.

##### *Fair value measurement hierarchy*

The consolidated entity is required to classify all assets and liabilities, measured at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being: Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date; Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and Level 3: Unobservable inputs for the asset or liability. Considerable judgement is required to determine what is significant to fair value and therefore which category the asset or liability is placed in can be subjective.

**NOTES TO THE FINANCIAL STATEMENTS**  
**For The Year Ended 30 June 2015**

**2. CRITICAL ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (Continued)**

The fair value of assets and liabilities classified as level 3 is determined by the use of valuation models. These include discounted cash flow analysis or the use of observable inputs that require significant adjustments based on unobservable inputs.

*Estimation of useful lives of assets*

The consolidated entity determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

*Impairment of non-financial assets other than goodwill and other indefinite life intangible assets*

The consolidated entity assesses impairment of non-financial assets other than goodwill and other indefinite life intangible assets at each reporting date by evaluating conditions specific to the consolidated entity and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions.

It is reasonably possible that the underlying metal price assumption may change which may then impact the estimated life of mine determinant and may then require a material adjustment to the carrying value of mining plant and equipment, mining infrastructure and mining development assets. Furthermore, the expected future cash flows used to determine the value-in-use of these assets are inherently uncertain and could materially change over time. They are significantly affected by a number of factors including reserves and production estimates, together with economic factors such as metal spot prices, discount rates, estimates of costs to produce reserves and future capital expenditure.

*Income tax*

The consolidated entity is subject to income taxes in the jurisdictions in which it operates. Significant judgement is required in determining the provision for income tax. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The consolidated entity recognises liabilities for anticipated tax audit issues based on the consolidated entity's current understanding of the tax law. Where the final tax outcome of these matters is different from the carrying amounts, such differences will impact the current and deferred tax provisions in the period in which such determination is made.

*Recovery of deferred tax assets*

Deferred tax assets are recognised for deductible temporary differences only if the consolidated entity considers it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

*Exploration and evaluation costs*

The Group's accounting policy for exploration and evaluation is set out in note 1(k). The application of this policy necessarily requires management to make certain estimates and assumptions as to future events and circumstances, in particular the assessment of whether economic quantities of reserves may be found. Any such estimates and assumptions may change as new information becomes available. If, after having capitalised expenditure under the Group's policy, management concludes that the Group is unlikely to recover the expenditure by future exploitation or sale, then the relevant capitalised amount will be written off to the income statement.

# CATALYST METALS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS For The Year Ended 30 June 2015

	2015 \$	2014 \$
<b>3. Revenue</b>		
Research and development tax offset recovery	191,886	-
Recoupment of Four Eagles exploration expenditure (i)	496,833	-
Interest received	20,140	32,094
	708,859	32,094

(i) Representing the amount claimed and received from Gold Exploration Victoria Pty Ltd in consideration for exploration expenditure on the Four Eagles Gold Project in accordance with the Farm-In and Joint Venture Agreement signed by Catalyst Metals Ltd, Kite Gold Pty Ltd, Gold Exploration Victoria Pty Ltd and Providence Gold and Minerals Pty Ltd on 9 March 2015.

	2015 \$	2014 \$
<b>4. Expenses</b>		
<i>Loss before income tax includes the following specific expenses:</i>		
Directors fees	138,450	186,690
Exploration written off (refer note 1(k))	400,481	357,859
Share based payments (refer note 17)	-	64,003
Depreciation	74	640
	74	640

	2015 No. of Shares	2014 No. of Shares
<b>5. Earnings per Share</b>		
Weighted average number of ordinary shares for basic and diluted earnings per share (i)	50,685,474	47,881,667

(i) In 2015 diluted earnings per share were calculated after classifying all options on issue remaining unconverted at 30 June 2015 as potential ordinary shares. As at 30 June 2015, the Group had 166,667 options over unissued capital and has incurred a net loss. As the notional exercise prices of these options is greater than the current market price of the shares, they have not been included in the calculations of the diluted earnings per share as they are anti-dilutive for all periods presented.

	2015 \$	2014 \$
<b>6. Income tax</b>		
Loss before tax	(240,105)	(1,023,864)
Prima facie tax on operating loss before income tax at 30%	72,031	307,159
Tax effect of:		
- non deductible items	(75,342)	(108,614)
- deductible capital raising expenditure	-	-
Deferred tax asset not brought to account at the reporting date as realisation of the benefit is not probable	3,311	(198,545)
Income tax attributable to operating loss	-	-

# CATALYST METALS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS For The Year Ended 30 June 2015

### 6. Income Tax (continued)

Unrecognised deferred tax

The Group has \$8,592,921 (2014: \$8,581,886) tax losses arising in Australia that are available indefinitely for offset against future profit of the companies in which the losses arose.

The potential deferred tax asset of \$2,577,876 (2014: \$2,574,566), arising from tax losses and temporary differences (as disclosed above), has not been recognised as an asset because recovery of tax losses and temporary differences is not considered probable.

The potential deferred tax asset will only be obtained if:

- the relevant Group derives future assessable income of a nature and an amount sufficient to enable the benefit to be realised;
- the relevant Group continues to comply with the conditions for deductibility imposed by tax legislation; and
- no changes in tax legislation adversely affect the relevant Group in realising the benefit from the deduction for the losses.

	2015 \$	2014 \$
<b>7. Cash and cash equivalents</b>		
Cash at bank	1,334,945	1,031,251

The cash at bank as at 30 June 2015 includes \$530,396 held in trust by Catalyst Metals Ltd's subsidiary, Kite Gold Pty Ltd advanced by Gold Exploration Victoria Pty Ltd as funds provided in advance for exploration expenditure on the Four Eagles Gold Project in accordance with the Farm-In and Joint Venture Agreement signed by Catalyst Metals Ltd, Kite Gold Pty Ltd, Gold Exploration Victoria Pty Ltd and Providence Gold and Minerals Pty Ltd on 9 March 2015 (refer Note 12). These funds will be applied to settle Current Liabilities of \$283,468 (Note 11), which reduces the net advance at 30 June 2015 to \$246,928 (Note 12).

	2015 \$	2014 \$
<b>8. Trade and other receivables</b>		
Sundry debtors	31,235	36,061

Fair value and credit risk

Due to the short term nature of the receivables, their carrying value is assumed to approximate their fair value.

# CATALYST METALS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS For The Year Ended 30 June 2015

### 9. Property, plant and equipment

	Computer equipment \$	Furniture, fittings and equipment \$	Total \$
<b>Year ended 30 June 2015</b>			
Opening net book amount 1 July 2014	74	-	74
Additions	-	-	-
Disposals	-	-	-
Depreciation charge	(74)	-	(74)
Closing net book amount 30 June 2015	-	-	-
<b>At 30 June 2015</b>			
Cost or fair value	20,602	11,572	32,174
Accumulated depreciation	(20,602)	(11,572)	(32,174)
Net book amount	-	-	-
<b>Year ended 30 June 2014</b>			
Opening net book amount 1 July 2013	714	-	714
Additions	-	-	-
Disposals	-	-	-
Depreciation charge	(640)	-	(640)
Closing net book amount 30 June 2014	74	-	74
<b>At 30 June 2014</b>			
Cost or fair value	20,602	11,572	32,174
Accumulated depreciation	(20,528)	(11,572)	(32,100)
Net book amount	74	-	74

### 10. Exploration and evaluation expenditure

	2015 \$	2014 \$
Opening balance	-	-
Additions	400,481	357,184
Exploration written off (refer note 1(k))	(400,481)	(357,184)
Closing balance	-	-

### 11. Trade and other payables

#### Current Payables

Trade creditors	238,063	98,331
Employee expenses payable	9,418	-
Accruals	183,694	187,025
	431,175	285,356

Included in the current payables is an aggregate amount of \$283,468 incurred on behalf of Four Eagles Gold Project participant, Gold Exploration Victoria Pty Ltd.

Due to the short term nature of these payables, their carrying value is assumed to approximate their fair value. Trade and other payables are non-interest bearing and normally settled on 30-day terms.

# CATALYST METALS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS For The Year Ended 30 June 2015

<b>12. Advances</b>		<b>2015</b>	<b>2014</b>
		<b>\$</b>	<b>\$</b>
	Advance from Gold Exploration Victoria Pty Ltd	916,522	-
	Exploration expenditure	(669,594)	-
		246,928	-

The Advance from Gold Exploration Victoria Pty Ltd (GEV) relates to monies advanced to Kite Gold Pty Ltd for its contribution to exploration expenditure on the Four Eagles Gold Project. The balance at 30 June 2015 reflects expenditure that has not yet been incurred. This amount is a timing difference that will be reduced to nil once all proceeds advanced by GEV have been expended (refer Note 7). Under the Farm-In Agreement, GEV will sole fund up to \$4.2 million on exploration at the Four Eagles Gold Project to earn up to 50% of the Project. GEV can earn up to 25% of the Project by funding \$2.1 million of expenditure within the first 18 months.

		<b>2015</b>	<b>2015</b>	<b>2014</b>	<b>2014</b>
<b>13. Contributed Equity</b>		<b>Number</b>	<b>\$</b>	<b>Number</b>	<b>\$</b>
	<b>(a) Share capital</b>				
	<b>Ordinary shares</b>				
	Fully paid	(c) 50,895,707	9,599,786	50,301,700	9,453,634
	<b>(b) Other equity securities</b>				
	Options – Unlisted	(d) 166,667	-	916,667	-
	Performance Rights - Unlisted	(d) 350,000	-	350,000	-
	<b>Total contributed equity</b>		9,599,786	9,453,634	

### (c) Movements in Ordinary Shares

Details	Number of Shares	Issue Price	\$
Balance at 30 June 2013	47,053,033		8,589,225
Issue of shares - Providence Gold & Minerals	250,000	\$0.335	83,750
Issue of shares - Directors in lieu of fees	332,000	\$0.320	106,240
Issue of shares - Placement	1,666,667	\$0.300	500,000
Issue of shares - Exercise of unlisted options	1,000,000	\$0.200	200,000
Capital raising expenses	-		(25,581)
Balance at 30 June 2014	50,301,700		9,453,634
Issue of shares - Navarre Minerals Ltd	250,000	\$0.260	65,000
Issue of shares - Directors in lieu of fees	294,007	\$0.225	66,152
Issue of shares - Exercise of unlisted options	50,000	\$0.300	15,000
Balance at 30 June 2015	50,895,707		9,599,786

# CATALYST METALS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS For The Year Ended 30 June 2015

### 13. Contributed Equity (Continued)

#### (d) *Movements in other equity securities*

Details	Number of Options	Issue Price	\$
<b>Unlisted Options</b>			
Balance at 30 June 2013	1,750,000		-
Issue of options	166,667	-	-
Exercise of options	(1,000,000)		-
Balance at 30 June 2014	916,667		-
Exercise of options	(50,000)		-
Expiry of options	(700,000)		-
Balance at 30 June 2015	166,667		-
<b>Performance Rights</b>			
Balance at 30 June 2013	350,000		-
Balance at 30 June 2014	350,000		-
Balance at 30 June 2015	350,000		-

#### (e) *Ordinary shares*

On a show of hands, every member present in person or by proxy shall have one vote and, upon a poll, each share shall have one vote.

#### (f) *Options*

##### *Unlisted Options*

	Number
Options over ordinary fully paid shares exercisable:	
- at 30 cents each on or before 30 June 2016	166,667
	<u>166,667</u>

#### (g) *Performance Rights*

350,000 Performance Rights will vest on the date that the Company, through Kite Gold Pty Ltd, becomes entitled to a 60% interest in each of exploration licences EL4525 and EL5295 under the Four Eagles Heads of Agreement.

# CATALYST METALS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS For The Year Ended 30 June 2015

### 13. Contributed Equity (Continued)

#### (h) Capital risk management

When managing capital, management's objective is to ensure the entity continues as a going concern as well as to maintain optimal returns to shareholders and benefits for other stakeholders. Management also aims to maintain a capital structure that ensures the lowest cost of capital available to the entity.

In order to maintain or adjust the capital structure, the entity may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, enter into joint ventures or sell assets.

The entity does not have a defined share buy-back plan.

No dividends were paid in 2015 and no dividends are expected to be paid in 2016.

There is no current intention to incur debt funding on behalf of the Group as on-going exploration expenditure will be funded via cash reserves, equity or joint ventures with other companies.

The Group is not subject to any externally imposed capital requirements.

#### (i) Details of subsidiaries

Details of the Group's subsidiaries at 30 June 2015 are:

Name of subsidiary	Principal activity	Place of incorporation and operation	Proportion of ownership interest and voting power held
Silkfield Holdings Pty Ltd	Mineral Exploration	Australia	100%
Kite Gold Pty Ltd	Mineral Exploration	Australia	100%
Kite Operations Pty Ltd	Mineral Exploration	Australia	100%

### 14. Reserves & Accumulated Losses

#### (a) Reserves

	2015 \$	2014 \$
<i>Share-based payments reserve</i>		
Balance at the beginning of the year	228,008	164,005
Transfer to contributed equity	-	-
Share-based payments expense	-	64,003
Balance at the end of the year	<u>228,008</u>	<u>228,008</u>

The share-based payments reserve records the value of share options issued by the Group.

#### (b) Accumulated losses

Balance at the beginning of the year	(8,899,612)	(7,875,748)
Loss for the year	(240,105)	(1,023,864)
Balance at the end of the year	<u>(9,139,717)</u>	<u>(8,899,612)</u>



# CATALYST METALS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS For The Year Ended 30 June 2015

### 15. Notes to the Cash Flow Statement

*(a) Reconciliation of net cash provided by / (used in) operating activities to operating loss after income tax*

	2015 \$	2014 \$
Operating loss after tax	(240,105)	(1,023,864)
<i>Add non-cash items:</i>		
Depreciation	74	640
Share based payment	-	64,003
Directors' fees paid in shares	66,152	106,240
Exploration expenditure paid in shares	65,000	83,750
<i>Changes in net assets and liabilities</i>		
Decrease/(Increase) in receivables	4,826	(2,573)
Increase in payables	145,819	13,980
	<hr/>	<hr/>
Net cash provided by / (used in) operating activities	41,766	(757,824)

*(b) Non-cash financing and investing activities*

The Group did not have any non-cash financing or investing activities during the year (2014: Nil).

### 16. Key Management Personnel Compensation

*(a) Directors and Specified Executives*

The names and positions held by key management personnel in office at any time during the year are:

**Directors**

S Boston	Non-Executive Chairman (appointed 1 September 2009)
R Scrimgeour	Non-Executive Director (appointed 1 September 2009)
G Schwab	Non-Executive Director (appointed 8 December 2009)
B Kay	Non-Executive Director (appointed 9 February 2011)

All of the above persons were also key management persons during the year ended 30 June 2015.

*(b) Key management personnel remunerations*

	2015	2014
Short-term employee benefits	101,299	213,900
Post-employment benefits	67,750	35,550
Share based payments	-	64,003
	<hr/>	<hr/>
	169,049	313,453

Detailed remuneration disclosures are provided in the Remuneration Report section of the Director's Report.

# CATALYST METALS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS For The Year Ended 30 June 2015

### 16. Key Management Personnel Compensation (Continued)

#### (c) Equity instrument disclosures relating to key management personnel

##### (i) Options provided as remuneration and shares issued on exercise of such options

Details of options provided as remuneration and share issued on the exercise of such options, together with terms and conditions of the options, can be found in the Remuneration Report section of the Directors' Report.

##### (ii) Option holdings

The number of options over ordinary shares in the Company held during the year by each director of the Company and other key management personnel, including their personally related parties, are set out below:

#### 2015

Directors	Balance at beginning of year	Granted as compensation	Exercised	Other changes	Balance at end of year	Vested and exercisable
S Boston	-	-	-	-	-	-
R Scrimgeour	-	-	-	-	-	-
G Schwab	-	-	-	-	-	-
B Kay	-	-	-	-	-	-

#### 2014

Directors	Balance at beginning of year	Granted as compensation	Exercised	Other changes	Balance at end of year	Vested and exercisable
S Boston	-	-	-	-	-	-
R Scrimgeour	-	-	-	-	-	-
G Schwab	-	-	-	-	-	-
B Kay	250,000	-	(250,000)	-	-	-

##### (iii) Shareholdings

###### Ordinary Shares

The number of ordinary shares in the Group held during the financial year by each director and other key management personnel of the Group, including their personally related parties, are set out below. There were no shares granted during the year as compensation.

#### 2015

Directors	Balance at beginning of year	Purchased	Other changes (A)	Balance at end of year
S Boston	5,619,135	-	75,150	5,694,285
R Scrimgeour	4,680,500	-	185,214	4,865,714
G Schwab	-	-	-	-
B Kay	1,652,808	-	93,643	1,746,451

- A. This represents shares issued as a result of accrued directors' fees from 2013/14 being paid at the Company's Annual General Meeting on 13 November 2014 as well as shares purchased from the market during the year.

# CATALYST METALS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS For The Year Ended 30 June 2015

### 16. Key Management Personnel Compensation (Continued)

(c) *Equity instrument disclosures relating to key management personnel (Continued)*

(iii) *Shareholdings (Continued)*

#### 2014

Directors	Balance at beginning of year	Purchased	Other changes (A)	Balance at end of year
S Boston	5,504,135	-	115,000	5,619,135
R Scrimgeour	4,587,500	-	93,000	4,680,500
G Schwab	-	-	-	-
B Kay	1,278,808	-	374,000	1,652,808

A. This represents shares issued as a result of accrued directors' fees from 2012/13 being paid at the Company's Annual General Meeting on 15 November 2013 and the exercise of unlisted options by B Kay.

(iv) *Performance Rights*

The number of performance rights in the Company held during the financial year by each personally related parties, are set out below:

#### 2015

Directors	Balance at beginning of year	Granted as compensation	Vested	Other changes (ii)	Balance at end of year	Vested and exercisable
S Boston	-	-	-	-	-	-
R Scrimgeour	-	-	-	-	-	-
G Schwab	-	-	-	-	-	-
B Kay	350,000	-	-	-	350,000	-

#### 2014

Directors	Balance at beginning of year	Granted as compensation	Vested	Other changes (ii)	Balance at end of year	Vested and exercisable
S Boston	-	-	-	-	-	-
R Scrimgeour	-	-	-	-	-	-
G Schwab	-	-	-	-	-	-
B Kay	350,000	-	-	-	350,000	-

### 17. Related Party Disclosures

*Key Management Personnel*

(i) Mr Boston's directors' fees for the year were \$56,306 (2014: \$65,550) of which \$5,475 was accrued and outstanding at year end. All of this amount was paid to Elshaw Pty Ltd during the year, a company in which Mr Boston has a relevant interest.

(ii) Mr Kay's directors' fees and consulting fees for the year were \$40,795 (2014: \$96,500).

(iii) Mr Scrimgeour's directors' fees for the year were \$28,148 (2014: \$43,700).

(iv) Mr Schwab's directors' fees for the year were \$43,800 (2013 \$43,700) of which \$10,950 was accrued and outstanding at year end.

# CATALYST METALS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS For The Year Ended 30 June 2015

### 18. Share based payments

The Company has adopted an Employee Share Option Plan that allows for share options to be granted to eligible employees and officers of the Group. The number of share options that can be issued under the plan cannot exceed 5% of the total number of shares on issue. The terms and conditions of the share options issued under the plan are at the discretion of the Board.

No options were granted during the financial year.

#### Consultant options

The company has issued equity based payments to key corporate and strategic consultants of the company to provide an incentive for their future involvement and commitment.

	2015		2014	
	Number of Options	Weighted Average Exercise Price \$	Number of Options	Weighted Average Exercise Price \$
Opening amount	750,000	0.24	1,750,000	0.24
Exercised during the year				
- Consultant options	(50,000)	0.30	(1,000,000)	0.20
Expired during the year	(700,000)	0.20	-	-
Closing amount	-	-	750,000	0.30

#### 2015

Issue date	Expiry date	Balance at start of year	Number issued during year	Number exercised during year	Number expired during year	Balance at end of year	Number exercisable at end of year
2 July 2010	30 Jun 2015	750,000	-	(50,000)	(700,000)	-	-

#### 2014

Issue date	Expiry date	Balance at start of year	Number issued during year	Number exercised during year	Number expired during year	Balance at end of year	Number exercisable at end of year
2 July 2010	30 Jun 2014	1,000,000	-	(1,000,000)	-	-	-
2 July 2010	30 Jun 2015	750,000	-	-	-	750,000	750,000

The following table gives the assumptions made in determining the fair value of the options granted:

Expiry date	30 Jun 2014	30 Jun 2015
Type	Consultant	Consultant
Dividend yield (%)	-	-
Expected price volatility (%)	50%	50%
Risk-free interest rate (%)	5.50%	5.50%
Expected life of options (years)	4	5
Option exercise price (\$)	\$0.20	\$0.30
Share price at grant date	\$0.09	\$0.09
Number of options issued	1,000,000	1,000,000

# CATALYST METALS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS For The Year Ended 30 June 2015

### 18. Share based payments (Continued)

#### Performance Rights

The Company has adopted a Performance Rights Plan which allows for performance rights to be granted to employees, Directors and consultants of the Group, ("Eligible Participants") of the Company by providing performance related incentives and rewards. Subject to certain criteria being satisfied, the Board may offer Eligible Participants performance rights which upon vesting will entitle the holder to one ordinary fully paid share in the Company for each performance right held.

During the 2012 financial year Mr Bruce Kay was awarded Performance Rights with the following conditions:

- a. 300,000 Performance Rights will vest on the date that the Company, through its wholly owned subsidiary Kite Gold elects to continue after Phase 1 of the Four Eagles Heads of Agreement, as evidenced by satisfaction of the relevant condition precedents to Phase 2, being the issue and allotment of a further 750,000 Catalyst shares and payment of a further \$100,000 in cash to Providence; and
- b. 700,000 Performance Rights will vest on the date that the Company, through Kite Gold, becomes entitled to the transfer of a 50% interest in each of the exploration licences EL4525 and EL5295 under the Four Eagles Heads of Agreement.

On 19 March 2012, Mr Kay was issued with 300,000 ordinary fully paid shares in the Company when the vesting condition for the 300,000 Performance Rights was satisfied.

On 15 April 2013 the Company agreed with Mr Kay to alter the Performance Rights conditions to reflect the Amendment and Restatement Deed of the Heads of Agreement that was signed with Providence. Under the terms of the revised Performance Rights, Mr Kay agreed to defer the vesting and issue of 350,000 Performance Rights until the granting of the extension of EL4525 from 20 January 2013 had been granted and Catalyst, through Kite Gold, becomes entitled to a 60% interest in the Four Eagles Gold Project.

On 17 June 2013, Mr Kay was issued with 350,000 ordinary fully paid shares in the Company when Kite Gold became entitled to the transfer of a 50% interest in EL4525 and EL5295.

The Performance Rights have been valued at \$0.304 each based on the following assumptions:

- Each Performance Right will vest (otherwise the Performance Rights have a nil value)
- The initial undiscounted value of each Performance Right is effectively the value of an underlying share in the Company and the valuation is based on the price range that Catalyst shares traded on ASX during July 2011
- No discount is applied for the vesting conditions, as these are not market based performance conditions
- A discount of 20% is applied to general restrictions, such as non-listed status, non-voting rights, no dividend rights and no rights to surplus on a winding-up, which result in a lesser value than an ordinary share
- Vesting periods have not been taken into account.

#### *Providence Gold & Minerals Pty Ltd*

On 15 August 2013, in accordance with the Heads of Agreement signed on 24 December 2010 with Providence, Catalyst satisfied the Phase 3 condition precedents by issuing 250,000 ordinary fully paid shares to Providence and paying \$30,000.

#### *Directors Shares*

On 13 November 2014, at the Company's 2014 Annual General Meeting, shareholders approved the issue of 294,007 ordinary fully paid shares to Messrs Boston, Scrimgeour and Kay in lieu of outstanding directors' fees for the 2013/14 financial year. The market price at the date of issue of the shares was \$0.225 per share.

# CATALYST METALS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS For The Year Ended 30 June 2015

	2015 \$	2014 \$
<b>19. Auditors' Remuneration</b>		
Amounts received or due and receivable by the auditors for:		
Auditing accounts	22,600	22,400
Other services	-	-
	22,600	22,400

### 20. Commitments

There were no outstanding commitments, which are not disclosed in the financial statements as at 30 June 2015 other than:

	2015 \$	2014 \$
<i>(a) Tenement commitments</i>		
No later than 1 year	307,267	181,900
Later than 1 year but not later than 5 years	-	-
	307,267	181,900

### 21. Financial Instruments

	Notes	Floating Interest Rate	1 year or less \$	Over 1-5 years \$	Non- interest bearing \$	Total \$
<b>2015</b>						
Financial assets						
Cash and cash equivalents	7	2.35%	1,334,945	-	-	1,334,945
Trade and other receivables	8	-	-	-	31,235	31,235
Total financial assets			1,334,945	-	31,235	1,366,180
Financial liabilities						
Trade and other payables	11	-	-	-	431,175	431,175
Advances	12	-	-	-	246,928	246,928
Total financial liabilities			-	-	678,103	678,103
<b>Net financial assets</b>			1,334,945	-	(646,868)	688,077

# CATALYST METALS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS For The Year Ended 30 June 2015

### 21. Financial Instruments (continued)

	Notes	Floating Interest Rate	1 year or less \$	Over 1-5 years \$	Non-interest bearing \$	Total \$
<b>2014</b>						
Financial assets						
Cash and cash equivalents	7	3.13%	1,031,251	-	-	1,031,251
Trade and other receivables	8	-	-	-	36,061	36,061
Total financial assets			<u>1,031,251</u>	<u>-</u>	<u>36,061</u>	<u>1,067,312</u>
Financial liabilities						
Trade and other payables	11	-	-	-	285,356	285,356
Total financial liabilities			<u>-</u>	<u>-</u>	<u>285,356</u>	<u>285,356</u>
<b>Net financial assets</b>			<u>1,031,251</u>	<u>-</u>	<u>(249,295)</u>	<u>781,956</u>

	2015 \$	2014 \$
<b>Reconciliation of net financial assets to net assets</b>		
Net Financial Assets	688,077	781,956
Property, plant & equipment	-	74
Exploration expenditure	-	-
Net Assets	<u>688,077</u>	<u>782,030</u>

The Group's principal financial instruments comprise cash, short-term deposits and financial assets at fair value through comprehensive income.

The main purpose of these financial instruments is to finance the Group's operations. The Group has various other financial assets and liabilities such as sundry receivables, and trade payables, which arise directly from its operations.

The main risks arising from the Group's financial instruments are cash flow interest rate risk and equity price risk. Other minor risks are either summarised below and Note 12 with respect to capital risk management. The Board reviews and agrees policies for managing each of these risks.

# CATALYST METALS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS For The Year Ended 30 June 2015

### 21. Financial Instruments (Continued)

#### Market Risks

##### *Interest rate risks*

The Group's exposure to the risks of changes in market interest rates relates primarily to the Group's short-term deposits with a floating interest rate. These financial assets with variable rates expose the Group to cash flow interest rate risk. All other financial assets and liabilities in the form of receivables and payables are non-interest bearing. The Group does not engage in any hedging or derivative transactions to manage interest rate risk.

##### *Interest rate sensitivity*

At 30 June 2015, if interest rates had changed by 100 basis points during the entire year with all other variables held constant, profit for the year and equity would have been \$13,349 (2014: \$10,254) lower/higher, mainly as a result of lower/higher interest income from cash and cash equivalents.

A sensitivity of 100 basis points has been selected as this is considered reasonably possible in the current economic environment. Based on the sensitivity analysis only interest revenue from variable rate deposits and cash balances are impacted resulting in a decrease or increase in overall income.

#### Credit risk

The maximum exposure to credit risk at balance date is the carrying amount (net of provision of doubtful debts) of those assets as disclosed in the balance sheet and notes to the financial statements. The Group has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral where appropriate, as a means of mitigating the risk of financial loss from defaults. The Group's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties.

#### Liquidity risk

The responsibility for liquidity risk management rests with the Board of Directors. The Group manages liquidity risk by maintaining sufficient cash or credit facilities to meet the operating requirements of the business and investing excess funds in highly liquid short term investments.

### 22. Segment Information

The Group operates predominantly in one business segment and in one geographical location. The operations of the Group consist of mineral exploration, within Australia.

### 23. Contingent Liabilities and Contingent Assets

The Group does not have any contingent liabilities or contingent assets at 30 June 2015.



# CATALYST METALS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS For The Year Ended 30 June 2015

### 24. Subsequent Events

On 17 July 2015, 166,667 options exercisable at \$0.30 each were exercised which generated \$50,000 in cash proceeds.

On 12 August 2015, the Company closed the Share Purchase Plan after receiving application for a total of 1,453,130 at \$0.32 each for gross proceeds of \$465,000.

On 26 August 2015, the Company issued a prospectus for a pro-rate bonus issue of options to eligible shareholders on the basis of one (1) free option for every twenty (20) shares held at the record date of 8 September 2015. On 10 September 2015, the Company allotted and issued to eligible shareholders 2,623,184 options over fully paid shares, exercisable at \$0.50 each on or before 30 June 2018.

On 21 September 2015, the Company issued 250,000 ordinary fully paid shares to Navarre Minerals Limited in accordance with the terms of the Heads of Agreement for the Company to earn a 51% equity interest in the Tandarra Gold Project.

### 25. Parent Entity Disclosure

	2015 \$	2014 \$
Total current assets	764,549	1,046,820
Total assets	765,651	1,046,996
Total current liabilities	162,750	275,356
Total liabilities	162,750	275,356
Equity		
Contributed equity	9,599,786	9,453,634
Share based payments reserve	228,008	228,008
Accumulated losses	(9,224,893)	(8,910,002)
Total equity	602,901	771,640
Loss for the year	(314,891)	(1,034,254)
Total comprehensive income	(314,891)	(1,034,254)

# CATALYST METALS LIMITED

## DIRECTORS' DECLARATION

The Directors of the Company declare that in the opinion of the Directors:

1. the financial statements and notes are in accordance with the Corporations Act 2001 and:
  - (a) comply with Accounting Standards and the Corporations Regulations 2001; and
  - (b) give a true and fair view of the consolidated entity's financial position as at 30 June 2015 and of its performance for the year then ended;
2. the financial statements and notes thereto also comply with International Financial Reporting Standards, as disclosed in Note 1;
3. the directors have been given the declarations required by section 295A of the Corporations Act 2001; and
4. there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a circular resolution of the Board of Directors.



**Stephen Boston**  
Chairman

Dated at Perth this 29<sup>th</sup> day of September 2015

**INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS OF  
CATALYST METALS LIMITED**

**Report on the Financial Report**

We have audited the accompanying financial report of Catalyst Metals Limited, which comprises the consolidated statement of financial position as at 30 June 2015, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

*Directors' Responsibility for the Financial Report*

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply with *International Financial Reporting Standards*.

*Auditor's Responsibility*

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### *Independence*

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Catalyst Metals Limited, would be in the same terms if given to the directors as at the time of this auditor's report.

### *Opinion*

In our opinion:

- (a) the financial report of Catalyst Metals Limited is in accordance with the *Corporations Act 2001*, including:
  - (i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2015 and of its performance for the year ended on that date; and
  - (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and
- (b) the financial report also complies with *International Financial Reporting Standards* as disclosed in Note 1.

### **Report on the Remuneration Report**

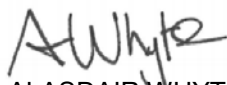
We have audited the Remuneration Report contained within the directors' report for the year ended 30 June 2015. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

### *Opinion*

In our opinion the Remuneration Report of Catalyst Metals Limited for the year ended 30 June 2015 complies with section 300A of the *Corporations Act 2001*.

RSM BIRD CAMERON PARTNERS.  
RSM BIRD CAMERON PARTNERS

Perth, WA  
Dated: 29 September 2015

  
ALASDAIR WHYTE  
Partner

# CATALYST METALS LIMITED

## CORPORATE GOVERNANCE STATEMENT

A description of the Company's main corporate governance practices is set out below. These practices, unless otherwise stated, were in place for the entire financial year. Copies of relevant corporate governance policies and charters are available in the corporate governance section of the Company's web-site at [www.catalystmetals.com.au](http://www.catalystmetals.com.au).

Good corporate governance will evolve with the changing circumstances of a company and must be tailored to meet these circumstances. Catalyst Metals Limited is a junior exploration company which currently operates with no permanent staff and no executive directors.

This Corporate Governance Statement is current as at 30 June 2015 and was approved by the Board on 29 September 2015.

### BOARD OF DIRECTORS

The Board is responsible for guiding and monitoring the Company on behalf of shareholders by whom they are elected and to whom they are accountable. The Board's primary role is to formulate the strategic direction of the Company and to oversee the Company's business activities and management.

The Company has established functions reserved for the Board and those to be delegated to senior management, as set out in the Board charter. The charter states that the Board is responsible for:

- the overall strategic direction and leadership of the Company;
- approving and monitoring management implementation of objectives and strategies;
- approving the annual strategic plan and monitoring the progress of both financial and non-financial performance;
- the corporate governance of the Company, and
- the establishment and maintenance of a framework of internal control and appropriate ethical standards for the management of the Company.

Due to the level and nature of the Company's current activities, there is presently no designated Managing Director position within the Company. A Managing Director will be appointed when the level of activities and circumstances warrant. Upon the appointment of a Managing Director, day to day management of the Company's affairs and the implementation of corporate strategies will be formally delegated by the Board to the Managing Director.

The Board is responsible for the appointment and removal of the Company Secretary. The Board charter sets out that the company secretary is accountable to the Board on all matters relating to the proper functioning of the Board.

### *Board composition and independence*

The Board charter states that the Board is to comprise an appropriate mix of both executive and non-executive directors and where possible, the roles of Chairman and Managing Director are not to be combined.

The Company has a four member Board comprising four non-executive directors, including the Chairman. Mr Boston and Mr Scrimgeour are not considered independent by virtue of their respective major shareholdings in the Company, neither is Mr Kay by virtue of financial remuneration during the year. Mr Schwab is considered an independent director based on the principles set out below.

The Board has adopted ASX recommended principles in relation to the assessment of directors' independence, which identifies shareholdings, executive roles and contractual relationships which may affect independent status. The Board does not believe that length of service is a potential indicator that independence may have been compromised. Financial materiality thresholds used in the assessment of independence are set at 10% of the annual gross expenditure of the Company and/or 25% of the annual income or business turnover of the director.

Under present circumstances, there is not a majority of directors classified as being independent, according to ASX guidelines. Board members should possess complementary business disciplines and

## CORPORATE GOVERNANCE STATEMENT

experience aligned with the Company's objectives, with a number of directors being independent and where appropriate, major shareholders being represented on the Board. Where any director has a material personal interest in a matter, the director must declare his interest and is not permitted to be present during discussions or to vote on the matter.

The composition of the Board is considered suitable for the Company's current size and level of operations and includes an appropriate mix of skills, expertise and experience relevant to the Company's current business operations. A Board skills matrix setting out the mix of skills and diversity that the Board aims to achieve will be progressively introduced as the size and level of activities of the Company expands in the future. Details of the experience, qualifications and term of office of directors are set out in the Directors' Report.

Having regard to the share ownership structure of the Company, it is considered appropriate by the Board that a major shareholder may be represented on the Board and if nominated, hold the position of Chairman. Such appointment would not be deemed to be independent under ASX guidelines. The Chairman is expected to bring independent thought and judgement to his role in all circumstances. Where matters arise in which there is a perceived conflict of interest, the Chairman must declare his interest and abstain from any consideration or voting on the relevant matter.

Each director has an agreement in writing with the Company, which sets out the key terms and conditions of their appointment including their duties, rights and responsibilities. Directors have the right, in connection with their duties and responsibilities, to seek independent professional advice at the Company's expense, subject to the prior written approval of the Chairman, which shall not be unreasonably withheld.

### *Performance assessment*

The Board has adopted a process for an annual self-assessment of its collective performance, the performance of individual directors and of Board committees. The Chairman meets with each non-executive director separately to discuss individual performance and the Board as a whole discusses and analyses its performance over the previous 12 months and examines ways in which the Board can better perform its duties. No formal assessment was undertaken during the year, however, the Chairman assesses the performance of the Board, individual directors and Board committees on an ongoing basis and undertakes informal appraisals with relevant directors.

The performance of senior executives will be reviewed annually by the Board through a formal performance appraisal and interview. Currently, the Board is collectively responsible for the evaluation of any senior executives. Executive remuneration and other terms of employment will be reviewed annually by the Board having regard to performance, relevant comparative information and where appropriate, expert advice. The Company does not presently have any senior executive positions and accordingly, no formal evaluation of senior executive performance was undertaken during the year.

### **BOARD COMMITTEES**

The Board has established a separate audit committee. Matters determined by the committee are submitted to the full Board as recommendations for Board consideration.

Membership of the audit committee comprises two non-executive directors, Mr Schwab (chairman) and Mr Scrimgeour. Details of the qualifications of committee members and attendance at audit committee meetings are set out in the Directors' Report.

The audit committee operates in accordance with a written charter. The audit committee oversees accounting and reporting practices and is also responsible for:

- reviewing and approving statutory financial reports and all other financial information distributed externally;
- co-ordination and appraisal of the quality of the audits conducted by the external auditor;
- determination of the independence and effectiveness of the external auditor and assessment of whether non-audit services have the potential to impair the auditor independence;
- reviewing the adequacy of the reporting and accounting controls of the Company.

## CORPORATE GOVERNANCE STATEMENT

The current size of the Board and the stage of development of the Company do not warrant the establishment of separate remuneration or nomination committees. The directors as a whole are responsible for the functions normally undertaken by these committees. In circumstances where the growth or complexity of the Company changes, the establishment of separate committees will be reconsidered.

The Board reviews all remuneration policies and practices for the Company, including overall strategies in relation to executive remuneration policies and compensation arrangements for any executive directors and senior management, as well as all equity based remuneration plans. The structure for the remuneration of non-executive directors and senior executives is separate and distinct. Details of the Company's remuneration policies are set out in the Remuneration Report section of the Directors' Report.

### ***Board nomination procedures***

The current size of the full Board permits it to act as the nomination committee and to regularly review membership. When a Board vacancy occurs, the Board identifies the particular skills, experience and expertise that will best complement Board effectiveness and then undertakes a selection process to identify candidates who can meet those criteria.

Prior to a candidate being considered for appointment as a director of the Company, appropriate enquiries will be made as to the person's character, experience, education, criminal record and bankruptcy history. Shareholders are provided with relevant information on any directors standing for re-election at a general meeting of the Company, including relevant qualifications and experience.

New directors will be provided with an induction including comprehensive briefings with the Chairman and senior executives, visits to operating sites and provision of information on the Company including Company and Board policies and other relevant documents.

All directors are expected to maintain the skills required to effectively discharge their obligations to the Company. Directors are encouraged to undertake professional development programmes to develop and maintain the skills and knowledge needed to perform their role as directors of the Company.

## **CORPORATE REPORTING**

The chief executive officer (or equivalent) and chief financial officer provide a declaration to the Board that the Company's external financial reports present a true and fair view of the Company's financial condition and operational results and that the declaration in relation to the integrity of the Company's external financial reports is founded on sound risk management and internal control systems and that those systems are operating effectively in relation to financial reporting risks.

The external auditors provide an annual declaration of their independence to the Board. The current audit engagement partner has conducted the audit since December 2011 with rotation due no later than five years from that date.

## **RISK MANAGEMENT**

The Company does not have a separate internal audit function as the Board believes that existing internal controls and management systems provide sufficient assurance that the Company's risk management, governance and internal control processes are operating effectively. Operational, financial, legal, compliance and strategic risks are managed as part of the day-to-day management of the Company's affairs with the support of relevant external professional advisers as required.

No separate risk committee has been established. The Board is responsible for the oversight of the Company's risk management and control framework. Responsibility for control and risk management will be delegated in the future to the appropriate level of management within the Company with the Managing Director (or equivalent) having ultimate responsibility to the Board for the risk management and control framework.

The Company's risk management systems are evolving and it is recognised that the extent of the systems will develop with the growth in the Company's activities. Internal controls are designed to

# CATALYST METALS LIMITED

## CORPORATE GOVERNANCE STATEMENT

manage both the effectiveness and efficiency of significant business processes, the safeguarding of assets, the maintenance of proper accounting records and the reliability of financial and non-financial information.

As the Board currently has responsibility for the monitoring of risk management it has not required a formal report regarding the material risks and whether those risks are managed effectively.

The Company undertakes mineral exploration activities and recognises that there are inherent risks in conducting its business operations. Material risks associated with economic, environmental and social sustainability include operational risks, occupational, health and safety, community and environmental risks, mineral resource estimates, metal prices and exchange rate fluctuations, financing and working capital requirements, compliance and regulatory risks.

Some of these risks are beyond the Company's direct control and require risk mitigation strategies whilst other risks are directly within the control of the Company and are managed through operational and management procedures.

### CODE OF CONDUCT

A formal code of conduct has been established and applies to all directors and employees, to guide compliance with the legitimate interests of all stakeholders. The code aims to encourage the appropriate standards of conduct and behaviour of the directors, employees and contractors of the Company. All personnel are expected to act with integrity and objectivity, striving at all times to enhance the reputation and performance of the Company.

The Company's share trading policy prohibits the purchase or disposal of securities by directors, senior executives and other designated persons in the period of one week prior to the release of quarterly reports and the Company's annual and half-year financial results. Any proposed transactions to be undertaken must be notified to the Chairman or Company Secretary in advance.

Where the Company grants securities under an equity based remuneration scheme, participants are prohibited from entering into arrangements for the hedging, or otherwise limiting their exposure to risk in relation to unvested shares, options or rights issued or acquired under the scheme.

### EMPLOYMENT DIVERSITY

The Board recognises the benefits of achieving an appropriate mix of diversity on its Board and throughout the Company as a means of enhancing the Company's performance and organisational capabilities. However, due to the current size and stage of development of the Company and there being no permanent employees, the Board has elected not to establish a formal diversity policy at this stage.

The Company aims to achieve an appropriate mix of diversity on its Board, in senior management and throughout the organisation. The Board has determined that no specific measurable objectives will be established until such time as the number of employees and level of activities of the Company increases to a level sufficient to enable meaningful and achievable objectives to be developed.

The appropriate mix of skills and diversity for membership of the Board is considered as part of ongoing nomination and succession planning and which recognises the value of balanced gender representation.

The Board currently comprises four directors, none of whom are female. The Company Secretary and the Chief Financial Officer are both male. There are no other officers or permanent employees of the Company.

### CONTINUOUS DISCLOSURE AND SHAREHOLDER COMMUNICATIONS

The Company has a formal written policy for the continuous disclosure of any price sensitive information concerning the Company. Material information is lodged immediately with the ASX and then disseminated by posting on the Company's web-site.



# CATALYST METALS LIMITED

## CORPORATE GOVERNANCE STATEMENT

The Board has adopted a formal written policy covering arrangements to promote communications with shareholders and to encourage effective participation at general meetings. The Company and the share registry offer mechanisms for electronic communication by shareholders, including an e-mail alert facility available through the Company's web-site. The external auditor is requested to attend annual general meetings and be available to answer shareholder questions about the conduct of the audit and the preparation and content of the audit report.

All shareholders are entitled to elect to receive a printed copy of the Company's annual report. In addition, all market announcements, media briefings, details of shareholders' meetings, press releases and financial reports are made available on the Company's web-site.

# CATALYST METALS LIMITED

## ADDITIONAL INFORMATION

The following information was reflected in the records of the Company as at 21 September 2015.

### *Distribution of share and option holders*

	Number of holders	
	Fully paid shares	Quoted options
1 - 1,000	36	160
1,001 - 5,000	42	90
5,001 - 10,000	46	19
10,001 - 100,000	128	35
100,001 and over	60	6
	<u>312</u>	<u>310</u>
Including holdings of less than a marketable parcel	39	

### *Substantial shareholders*

The following shareholders have lodged a notice of substantial shareholding in the Company.

Shareholder	Number of shares	%
Trapine Pty Ltd	5,484,135	10.39
Drill Investments Pty Ltd	4,946,667	9.37
Robin Scrimgeour	4,587,500	8.69
Gavin Caudle	3,873,625	7.34
Kenneth Raymond Teagle	3,424,294	6.49
Toby Mountjoy	2,928,126	5.55

### *Twenty largest holders of fully paid shares*

Shareholder	Shares	%
1. HSBC Custody Nominees (Australia) Limited	7,204,051	13.65
2. Drill Investments Pty Ltd	5,160,209	9.78
3. Trapine Pty Ltd	4,600,585	8.72
4. Toby Mountjoy	2,442,870	4.63
5. Kenneth Raymond Teagle	2,164,000	4.10
6. Chepalix Pty Ltd	2,046,875	3.88
7. Providence Gold & Minerals Pty Ltd	1,775,000	3.36
8. Bruce Kay and Henriette Kay	1,513,183	2.87
9. Gavin Caudle	1,500,000	2.84
10. Gavin Arnold Caudle	1,373,625	2.60
11. Kenneth Raymond Teagle	1,150,540	2.18
12. Gavin Arnold Caudle	1,000,000	1.90
13. Kimberley Downs Pty Ltd	933,938	1.77
14. Citicorp Nominees Pty Ltd	837,525	1.59
15. Vestcourt Pty Ltd	787,500	1.49
16. Roger George Davis	735,500	1.39
17. John Paul Sisterson	699,731	1.33
18. Lindway Investments Pty Ltd	584,375	1.11
19. Elshaw Pty Ltd	582,096	1.10
20. Anthony John Battaglia	567,000	1.07
	<u>37,658,603</u>	<u>71.36</u>

# CATALYST METALS LIMITED

## ADDITIONAL INFORMATION

### *Twenty largest holders of quoted options*

<u>Optionholder</u>	<u>Options</u>	<u>%</u>
1. HSBC Custody Nominees (Australia) Limited	360,203	13.73
2. Drill Investments Pty Ltd	258,011	9.84
3. Trapine Pty Ltd	230,030	8.77
4. Toby Mountjoy	122,144	4.66
5. Kenneth Raymond Teagle	108,200	4.12
6. Chepalix Pty Ltd	102,344	3.90
7. Providence Gold & Minerals Pty Ltd	88,750	3.38
8. Bruce Kay and Henriette Kay	75,660	2.88
9. Gavin Caudle	75,000	2.86
10. Gavin Arnold Caudle	68,682	2.62
11. Kenneth Raymond Teagle	57,527	2.19
12. Gavin Arnold Caudle	50,000	1.91
13. Kimberley Downs Pty Ltd	46,697	1.78
14. Citicorp Nominees Pty Ltd	41,877	1.60
15. Vestcourt Pty Ltd	39,375	1.50
16. Roger George Davis	36,775	1.40
17. John Paul Sisterson	34,987	1.33
18. Lindway Investments Pty Ltd	29,219	1.11
19. Elshaw Pty Ltd	29,105	1.11
20. Anthony John Battaglia	28,350	1.08
	<u>1,882,936</u>	<u>71.77</u>

### *Classes of shares and voting rights*

At meetings of members or classes of members, each member entitled to vote may vote in person or by proxy or attorney. On a show of hands every holder of ordinary shares present at a meeting in person or by proxy is entitled to one vote, and on a poll, every person present in person or by proxy has one vote for each ordinary share held.

### *Unquoted securities*

The following classes of unquoted securities are on issue:

<u>Security</u>	<u>Number on issue</u>	<u>Holders of greater than 20% of each class of security</u>		
		<u>Name of holder</u>	<u>Number</u>	<u>%</u>
Performance Rights (i)	350,000	Bruce Kay	350,000	100.0

- (i) Vest on the date that the Company, through Kite Gold Pty Ltd, becomes entitled to a 60% interest in each of exploration licences EL4525 and EL5295 under the Four Eagles Heads of Agreement.

# CATALYST METALS LIMITED

## ADDITIONAL INFORMATION

### *Tenement directory*

Project	Tenement number	Beneficial interest
<b>Victoria</b>		
Four Eagles	EL4525	50%
Four Eagles	EL5295	50%
Pyramid	EL5508	50%
Pyramid	EL6604 (Application)	50%
Tandarra	EL4897	Earning 51%
Raydarra	EL5266	Earning 51%
Macorna Bore	EL5521	100%
Raydarra East	EL5509	100%
Sebastian	EL5533	100%

### ***Competent person 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.*

*Much of the information relating to the Four Eagles project was prepared and first disclosed under the JORC Code 2004. This information 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 reported.*

*Information relating to the Tandarra project was first disclosed by previous tenement holders under the JORC Code 2004. This information has been subsequently reported by the Company in accordance with the JORC Code 2012, refer to announcement dated 1 September 2014.*