



catalyst
METALS LTD

ABN 54 118 912 495

ANNUAL REPORT AND FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2016

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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Website: www.catalystmetals.com.au

AUDITORS

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STOCK EXCHANGE LISTING

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

GENERAL INFORMATION

The financial statements cover Catalyst Metals Limited as a consolidated entity consisting of Catalyst Metals Limited and the entities it controlled at the end of, or during, the year. The financial statements are presented in Australian dollars, which is Catalyst Metals Limited's functional and presentation currency.

Catalyst Metals Limited is a listed public company limited by shares, incorporated and domiciled in Australia.

A description of the nature of the consolidated entity's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 30 September 2016. The directors have the power to amend and reissue the financial statements.

CATALYST METALS LIMITED

CHAIRMAN'S REVIEW

Dear Shareholder,

The 2016 financial year has been another extremely busy and formative year for your Company with the continued active development and investment in the Company's long-term strategy to dominate the Whitelaw Gold Belt via ground it controls and manages through its Joint Venture with Gold Exploration Victoria Pty Ltd ("GEV"), Providence Gold and Minerals Pty Ltd and our earn-in partner Navarre Minerals Limited ("Navarre"). The Company's stated objective remains that of a major new virgin high grade gold discovery(s) which has/have been hidden under transported soil cover(s) north of the prolific gold producing Bendigo gold field (historic gold production of greater than 22 million ounces) in Victoria.

In August 2015, the Company undertook a pro-rata bonus issue of options to eligible shareholders on the basis of one (1) free option for every twenty (20) shares held. Each Bonus Option is exercisable into one fully paid ordinary share at an exercise price of 50 cents each on or before 30 June 2018. These options were subsequently listed and are trading under the Australian Securities Exchange code CYLO. Your board has been encouraged by a number of shareholders who have already exercised their options into fully paid ordinary shares in the Company.

In October 2015, the Company presented at a Gold Conference in Sydney, which resulted in the Company being exposed to the Sydney investment community with a particular focus on the Australian gold sector.

In February 2016, the Company commenced a major drilling and geophysics programme at the Four Eagles Gold Project, with two drill rigs contracted to drill approximately 24,000 metres via a combination of Aircore and RC Blade at Hayanmi and Boyd's Dam, together with some additional regional reconnaissance.

As a direct result of the Company's ongoing drilling success and its previous exposure to the Sydney investment community, the Company was able to complete a share placement to raise \$785,400 at a subscription price of 40 cents per share. The Placement was arranged and managed by Sydney based Paradigm Securities Pty Ltd ("Paradigm"). The Company received applications for a total of 1,963,500 ordinary shares for gross subscription proceeds of \$785,400. The Company welcomes its new shareholders who were introduced by Paradigm and looks forward to strengthening the relationship with both Paradigm and its clients in 2017.

On 12 May 2016, the Company was delighted to advise that its Joint Venture partner GEV had elected to proceed with the second stage of the farm-in agreement on the Four Eagles Gold Project after it had earned an initial 25% equity interest having spent \$2.1 million on the project since March 2015. GEV will now spend a further \$2.1 million on exploration to earn an additional 25% equity interest in the Four Eagles Gold Project.

In July 2016, the Company announced the discovery of additional high grade gold mineralisation from an RC drilling programme at the Tandarra Gold Project (in which the Company is currently earning a 51% interest from Navarre). The assays received delineated further zones of high grade gold mineralisation within the Tomorrow Gold Zone at Tandarra.

The Company also reported further high grade gold intersections from an additional RC drilling programme (that was halted by the arrival of winter rains) at the Four Eagles Gold Project. Although only 2,331 meters (17 holes) were drilled, intersections of greater than 1.0 g/t Au were present in fourteen (14) of the completed holes.

So in closing off on another productive year for your Company - your Board would like to acknowledge and thank all of its loyal shareholders (old and new), our Joint Venture Partners, our Earn-in partner, our hard-working technical team, our Corporate team and Paradigm for everything they have done collectively for the Company in 2016, as the Company positions itself to make a major discovery of gold in the very near term.

Stephen Boston
Chairman
30 September 2016

CATALYST METALS LIMITED

DIRECTORS' REPORT

The Directors of Catalyst Metals Limited present their report on the consolidated entity for the year ended 30 June 2016.

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 \$923,131 as at 30 June 2016 (2015: \$688,077).

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 2016 was \$1,098,840 (2015: \$240,105).

DIVIDENDS

No dividend has been paid during or is recommended for the financial year ended 30 June 2016.

REVIEW OF OPERATIONS

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 of gold produced at a grade of 15 g/t Au) as well as gold mineralisation at both the Four Eagles and Tandarra Gold Projects.

The Whitelaw-Tandarra Fault corridor is considered to be very important for gold deposition but is still largely untested north of Bendigo because the favourable gold-bearing rocks are hidden beneath barren Murray Basin cover sediments. The objective of Catalyst is to use modern geophysical and drilling techniques to discover high grade gold deposits that can be mined by open cut or underground methods. The discoveries at Four Eagles and Tandarra are testament to the high prospectivity of the Whitelaw Fault Corridor. The Four Eagles Gold Project and the Tandarra Gold Project are about 15 kilometres apart along the Whitelaw Fault Corridor which has experienced limited prior exploration. Catalyst now manages the entire Whitelaw Gold Belt and has interests in eight Exploration Licences which extend for 75 kilometres along the Whitelaw and Tandarra Faults north of Bendigo in Victoria (Figure 1).

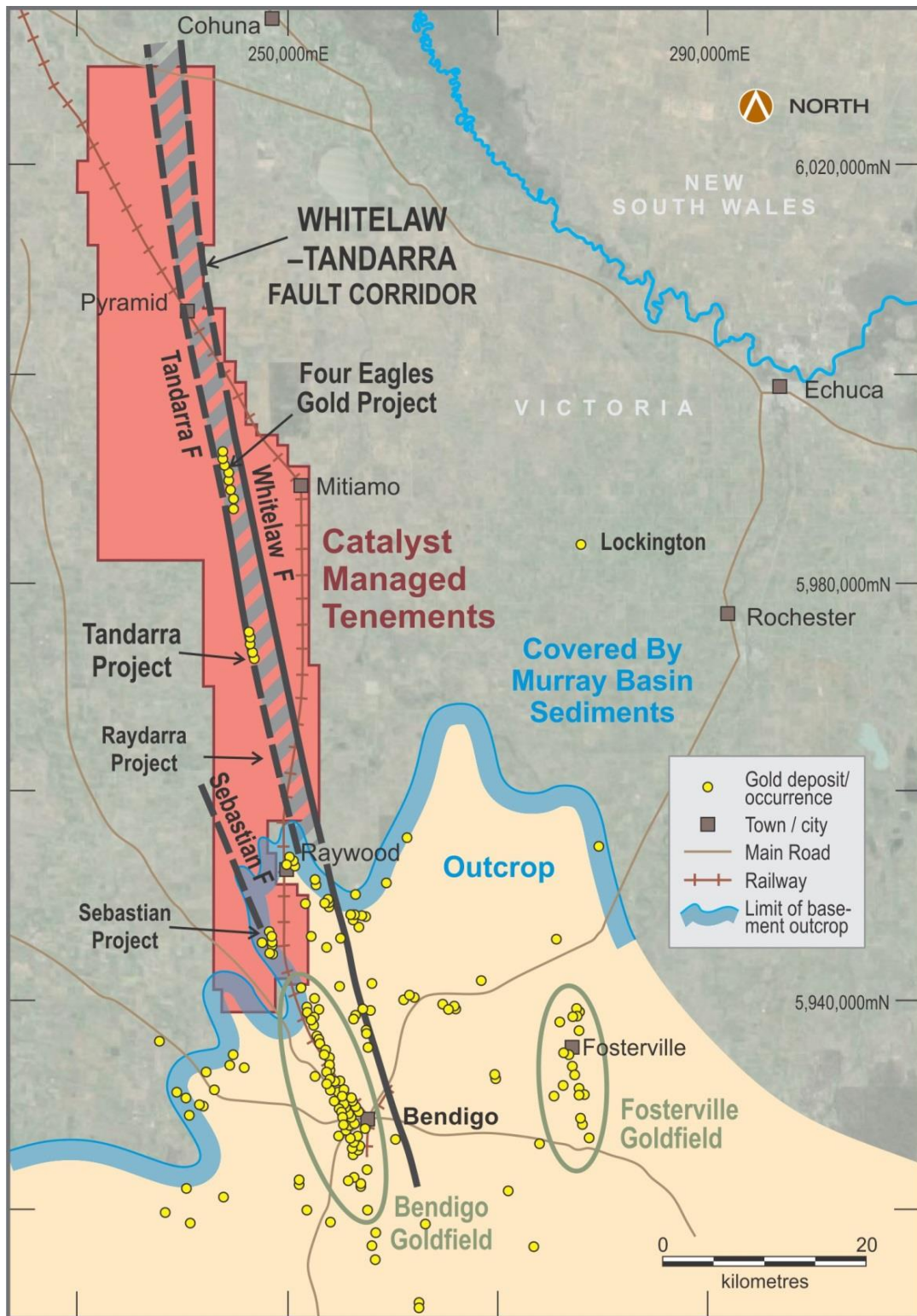


Figure 1: Whitelaw Gold Belt Tenement Holdings

DIRECTORS' REPORT

FOUR EAGLES JOINT VENTURE (EL4525, EL5295, EL5508)

The Four Eagles Gold Project is a joint venture between Catalyst, Providence Gold and Minerals Pty Ltd (**Providence**) and Gold Exploration Victoria Pty Ltd (**GEV**) (a wholly owned subsidiary of Hancock Prospecting Pty Ltd). Catalyst is retaining its 50% interest whilst GEV has now earned a 25% interest in the project and has made the decision to spend a further \$2.1 million to earn the remaining 25% from Providence. The project is managed by Catalyst within the Four Eagles Joint Venture.

The Four Eagles Joint Venture covers an envelope of gold mineralisation about 6 kilometres long and 2.5 kilometres wide with gold occurring in at least three structural zones trending roughly north south (Eagle 2, Eagle 3 and Eagle 4 on Figure 2a and 2b). Three prospects have produced high grade gold intersections (Discovery, Hayanmi and Boyd's Dam).

RC BLADE/HAMMER DRILLING

This programme involved the drilling of angled large diameter air core holes (RC Blade/Hammer) on the Hayanmi Structure. The Hayanmi Gold Zone is one of three gold trends identified at the Four Eagles Gold Project (Figure 2a and 2b). The objective of the programme was to have drill traverses every 50 to 100 metres along the mineralised corridor to enable geological modelling of the gold mineralisation.

Hayanmi Prospect

A total of 7,593 metres of RC Blade has been completed in 51 holes and a further 42 holes (4,052 metres) were drilled on the northern extension of the Hayanmi and Boyd's Dam trends using the smaller diameter air core rig. The RC Blade programme was carried out in two stages but the second stage was curtailed in early June 2016 due to successive rain events and grain sowing. More drilling is still required on the Hayanmi trend and will resume in January 2017. The drilling was successful in confirming the extent of the gold mineralisation along the zone as shown on the longitudinal projection in Figure 4 with several high grade gold intersections recorded. A full list of drill results and full location data and the Summary of Sampling Techniques and Reporting of Exploration Results according to the JORC Code 2012 Edition were set out in Table 1 and Table 2 of Appendix 1 and 2 of the Catalyst ASX Announcement of 29 April 2016 and in Appendix 1 of the ASX Announcement of 28 July 2016.

- **3.0 m @ 11.2 g/t Au including 1.0 m @ 32.5 g/t Au from 127 metres (FERC034)**
- **4.0m @ 2.92 g/t Au including 1.0m @ 10.35 g/t Au from 102 metres (FERC033)**
- **1.0m @ 103.0 g/t Au from 149 metres (FERC088)**
- **16.0m @ 1.26 g/t Au from 94 metres including 1.0m @ 9.54 g/t Au from 109 metres (FE085)**
- **8.0m @ 6.2 g/t Au including 1m @ 44.5 g/t Au from 83 metres (FERC052)**
- **5.0m @ 2.71 g/t Au from 100 metres (FERC027)**
- **2.0m @ 25.7g/t Au from 93 metres and 1.0m @ 37.0g/t Au from 109 metres (FERC044)**
- **6.0m @ 4.4g/t Au from 97 metres (FERC050)**
- **9.0m @ 5.7 g/t Au from 108 metres (FE717)**
- **3.0m @ 13.4 g/t Au from 99 metres (FE718)**
- **18.0 metres @ 1.2 g/t Au from 60 metres and 3.0 m @ 9.2 g/t Au from 147 metres (FE719)**
- **10.0m @ 3.7g/t Au including 2.0m @ 13.9g/t Au from 61 metres (FERC043)**
- **4.0m @ 4.15g/t Au including 1.0m @ 14.6g/t Au from 65 metres (FERC042)**
- **5.0m @ 6.1g/t Au including 1.0m @ 20.6g/t Au from 71 metres (FERC058)**
- **4.0m @ 2.8g/t Au including 1.0m @ 7.9g/t Au from 116 metres (FERC041)**
- **5.0m @ 2.34g/t Au from 73 metres including 1.0m @ 7.91g/t Au (FERC061)**
- **4.0m @ 2.6g/t Au from 106 metres including 1.0m @ 6.04g/t Au (FERC059)**

The longitudinal projection in Figure 4 suggests that the gold mineralisation has a generally flat or gentle plunge, possibly to the south but this cannot be confirmed without diamond drilling. These flat or gentle plunges are a characteristic of the total Bendigo-Fosterville district because the mineralisation is generally related to the intersection of steep fault structures with gently plunging anticlines.

It is informative to look at this early stage information at Hayanmi in comparison to known gold mineralisation structures at nearby Bendigo and Fosterville. On Figures 5 and 6, the current longitudinal projection at Hayanmi is shown at the same scale as the Bendigo New Chum lode and Fosterville respectively. Each of these known ore deposits contained gently plunging shoots that contained greater than one million ounces of gold over similar strike lengths to that observed at Hayanmi. It is hoped that further drilling at Hayanmi will better define the ore shoots within this 2.9 kilometre long structure.

DIRECTORS' REPORT

It is also likely that the Boyd's Dam and Discovery gold zones at Four Eagles will have similar plunging morphology but further drilling will be required to establish this.

All of the assays quoted above have been obtained using a 25 gram sub-sample and an Aqua Regia digest followed by ICP-MS analysis but anomalous assays were re-assayed by bulk leaching the total ± 2 kilogram sample subsequent to the end of the financial year. This provides an excellent check of the variability of gold at Four Eagles which tends to be fine grained and shows a low "nugget effect" compared to the Bendigo goldfield.

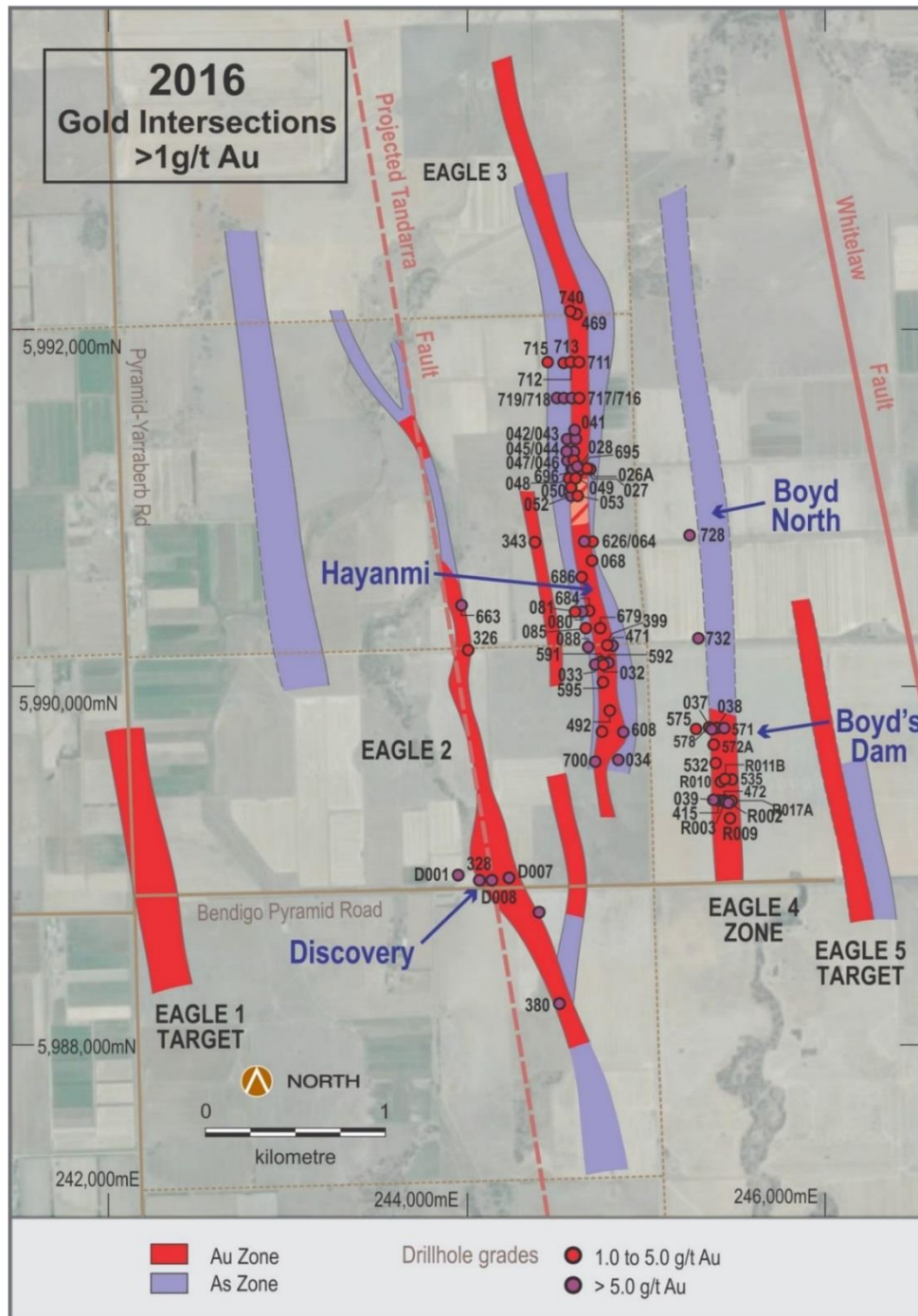


Figure 2a: Four Eagles Gold Project showing defined gold zones and planned 2016 drilling

Drillhole Intersections (>1.0g/t Au)		2016 Intersections	
FEDD001	3.7m @ 4.7g/t Au from 170m	FE711	1.0m @ 1.23g/t Au from 116m
	incl. 0.8m @ 17.5g/t Au from 173m	FE712	9.0m @ 1.24g/t Au from 72m
FEDD007	0.4m @ 8.4g/t Au from 168m	FE713	8.0m @ 1.23g/t Au from 70m
	and 0.75m @ 15.3g/t Au from 170m	FE715	1.0m @ 2.92g/t Au from 71m
FEDD008	0.4m @ 152g/t Au from 150m	FE716	3.0m @ 1.04g/t Au from 99m
FERC002	2m @ 1.8g/t Au from 67m	FE717	9.0m @ 5.71g/t Au from 108m
	and 1m @ 18.3g/t Au from 127m	FE718	3.0m @ 13.4g/t Au from 99m
FERC003	2m @ 6.2g/t Au from 49m	FE719	18.0m @ 1.16g/t Au from 60m
FERC009	3.0m @ 1.02g/t Au from 87m		and 3.0m @ 9.2g/t Au from 147m
	and 1.0m @ 1.41g/t Au from 92m	FE728	1.0m @ 6.24g/t Au from 85m
	and 1.0m @ 3.56g/t Au from 96m	FE732	3.0m @ 154g/t Au from 96m
FERC010	6.0m @ 3.77g/t Au from 44m	FE740	3.0m @ 1.55g/t Au from 54m
	and 6.0m @ 1.11g/t Au from 79m	FERC026A	1.0m @ 4.88g/t Au from 97m
FERC011B	1.0m @ 1.45g/t Au from 66m		and 4.0m @ 2.53g/t Au from 127m
	and 2.0m @ 3.58g/t Au from 87m	FERC027	5.0m @ 2.71g/t Au from 100m
FERC017A	1.0m @ 3.29g/t Au from 79m	FERC028	1.0m @ 5.95g/t Au from 76m
	and 3.0m @ 1.57g/t Au from 106m	FERC032	3.0m @ 2.22g/t Au from 129m
	and 1.0m @ 1.39g/t Au from 113m	FERC033	4.0m @ 2.92g/t Au from 102m
FE326	1.5m @ 1.81g/t Au from 114m	FERC034	3.0m @ 11.2g/t Au from 127m
FE328	6m @ 82.7g/t Au from 123m	FERC037	1.0m @ 10.55g/t Au from 66m
FE343	3m @ 3.34g/t Au from 111m		and 2.0m @ 1.3g/t Au from 83m
FE380	3m @ 9.71g/t Au from 120m	FERC038	16.0m @ 2.0g/t Au from 80m
FE399	3.0m @ 1.42g/t Au from 66m	FERC039	8.0m @ 3.65g/t Au from 66m
FE415	6.0m @ 2.6g/t Au from 45m		inc 1.0m @ 12.35g/t from 66m
	and 3.0m @ 36.6g/t Au from 57m		inc 1.0m @ 10.05g/t Au from 71m
FE469	3.0m @ 1.23g/t Au from 36m	FERC041	4.0m @ 2.81g/t Au from 116m
FE471	3.0m @ 5.96g/t Au from 75m		inc 1.0m @ 7.94g/t Au from 116m
	and 3.0m @ 1.33g/t Au from 81m	FERC042	4.0m @ 4.16g/t Au from 65m
FE472	3.0m @ 1.2g/t Au from 45m		inc 1.0m @ 14.6g/t Au from 67m
	and 3.0m @ 2.32g/t Au from 63m	FERC043	16.0m @ 2.73g/t Au from 61m
FE492	3.0m @ 1.2g/t Au from 75m		inc 2.0m @ 13.9g/t Au from 61m
FE532	3.0m @ 2.1g/t Au from 96m	FERC044	2.0m @ 25.7g/t Au from 93m
FE535	3.0m @ 1.37g/t Au from 63m		and 1.0m @ 37g/t Au from 109m
FE572A	3.0m @ 1.74g/t Au from 51m	FERC045	2.0m @ 10.6g/t Au from 81m
FE575	3.0m @ 4.9g/t Au from 66m	FERC046	4.0m @ 1.33g/t Au from 70m
FE578	3.0m @ 1.14g/t Au from 60m	FERC047	2.0m @ 7.76g/t Au from 127m
FE579	9.0m @ 2.33g/t Au from 48m	FERC048	1.0m @ 1.1g/t Au from 107m
FE579	and 3.0m @ 1.23g/t Au from 78m	FERC049	1.0m @ 1.94g/t Au from 122m
FE591	3.0m @ 14.7g/t Au from 87m	FERC050	6.0m @ 4.4g/t Au from 97m
FE592	9.0m @ 7.9g/t Au from 87m	FERC052	8.0m @ 6.72g/t Au from 83m
	incl. 3.0m @ 1.26g/t Au from 87m	FERC053	2.0m @ 1.42g/t Au from 114m
	incl. 3.0m @ 20.5g/t Au from 90m	FERC054	2.0m @ 2.42g/t Au from 101m
	and 3.0m @ 1.94g/t Au from 93m	FERC055	2.0m @ 5.06g/t Au from 110m
FE595	3.0m @ 2.33g/t Au from 126m	FERC056	6.0m @ 1.52g/t Au from 130m
FE606	3.0m @ 1.39g/t Au from 102m	FERC057	1.0m @ 8.4g/t Au from 73m
FE608	3.0m @ 9.1g/t Au from 108m	FERC058	5.0m @ 6.1g/t Au from 71m
FE626	1.5m @ 12.9g/t Au from 52.5m		inc 1.0m @ 20.6g/t Au from 71m
FE648	1.5m @ 1.0g/t Au from 82.5m	FERC059	1.0m @ 6.04g/t Au from 109m
FE649	4.5m @ 1.0g/t Au from 97.5m	FERC060	1.0m @ 3.62g/t Au from 130m
FE663	3.0m @ 59g/t Au from 102m	FERC061	1.0m @ 7.91g/t Au from 77m
	and 3.0m @ 7.0g/t Au from 102m	FERC062	2.0m @ 2.84g/t Au from 107m
FE679	3.0m @ 2.86g/t Au from 75m	FERC064	1.0m @ 4.79g/t Au from 110m
FE684	3.0m @ 2.57g/t Au from 84m	FERC068	2.0m @ 1.06g/t Au from 101m
FE686	3.0m @ 1.23g/t Au from 120m	FERC080	1.0m @ 7.13g/t Au from 147m
FE695	2.0m @ 1.45g/t Au from 91m	FERC081	1.0m @ 1.22g/t Au from 142m
FE696	41m @ 3.87g/t Au from 76m	FERC085	16.0m @ 1.26g/t Au from 94m
	incl. 6.0m @ 16.3g/t Au from 76m		inc. 1.0m @ 9.54g/t Au from 109m
	and 28m @ 2.03g/t Au from 90m	FERC088	1.0m @ 103.0g/t Au from 149m
FE700	13m @ 2.60g/t Au from 135m		
	incl. 5.0m @ 5.76g/t Au from 135m		

Figure 2b: Four Eagles Gold Project showing intersections for Figure 2a and Figure 3

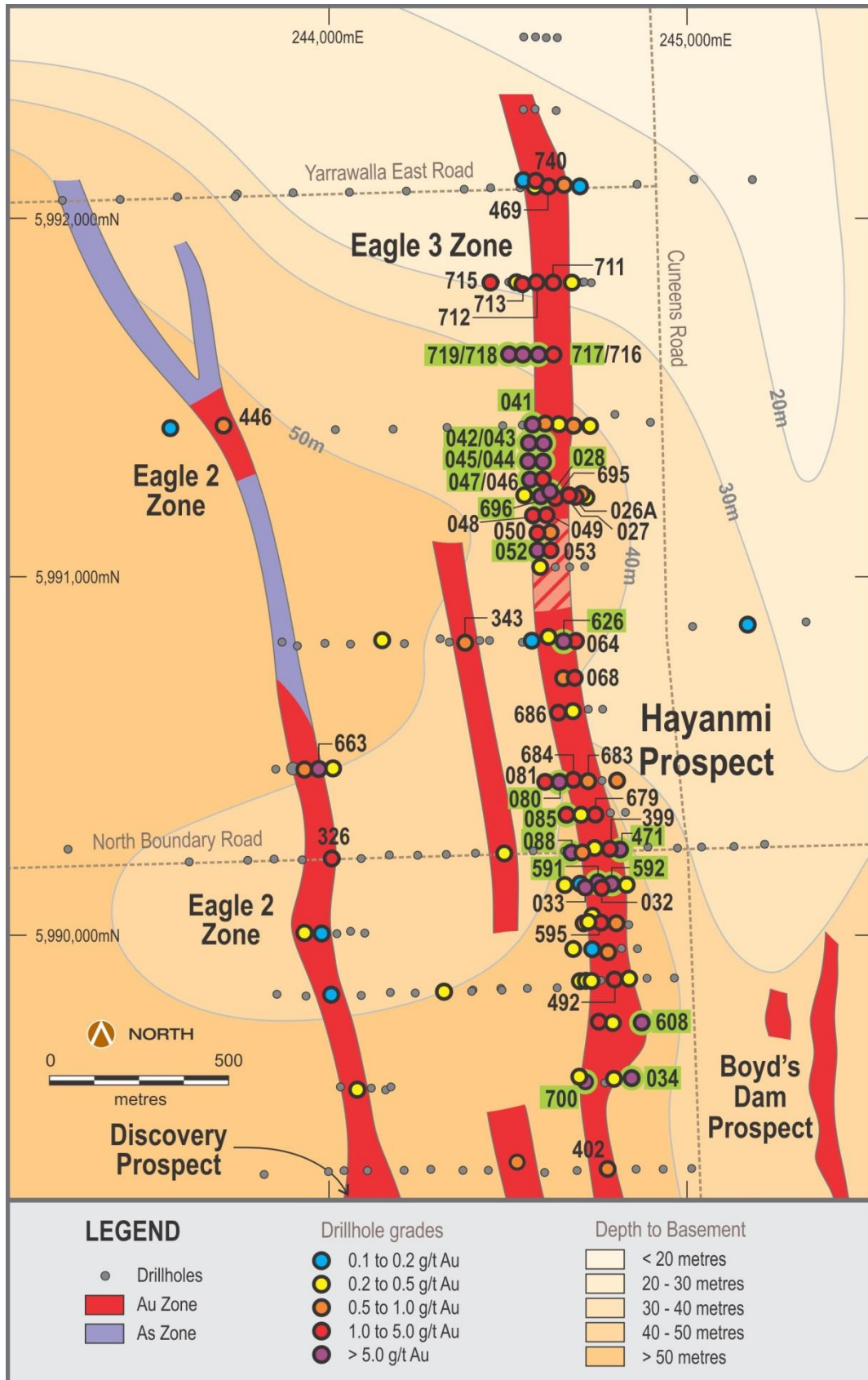


Figure 3: Hayanmi Prospect plan view showing gold trends and drill holes

DIRECTORS' REPORT

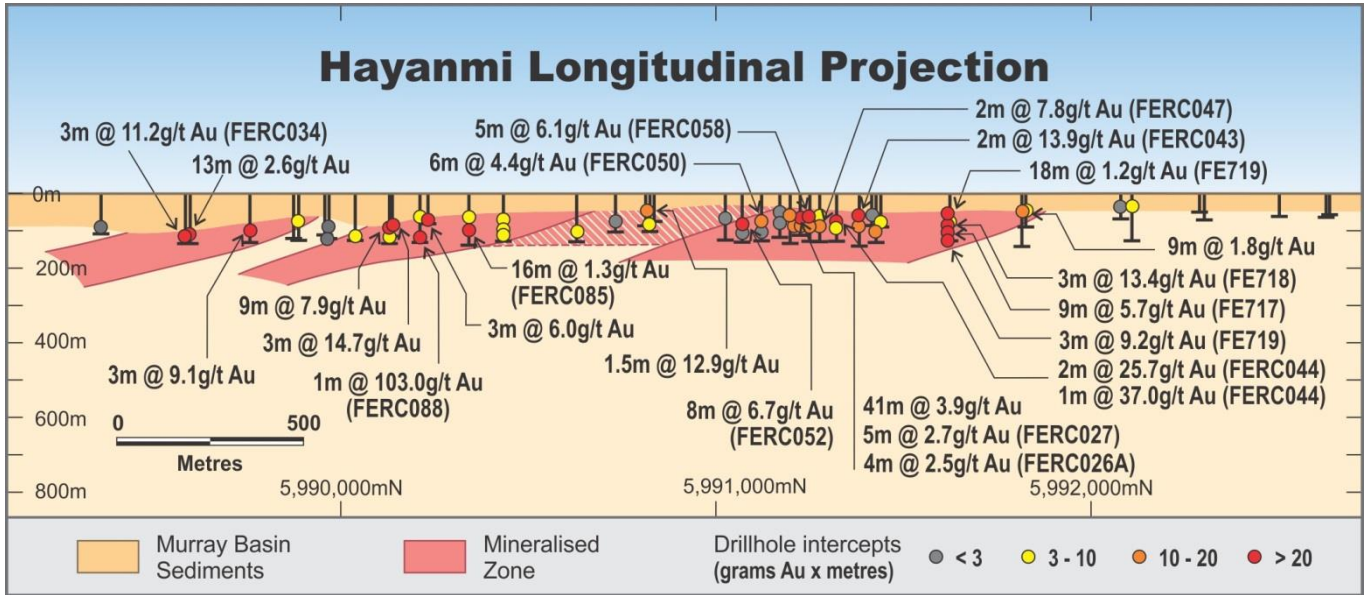


Figure 4: Hayanmi Prospect Longitudinal Projection looking west

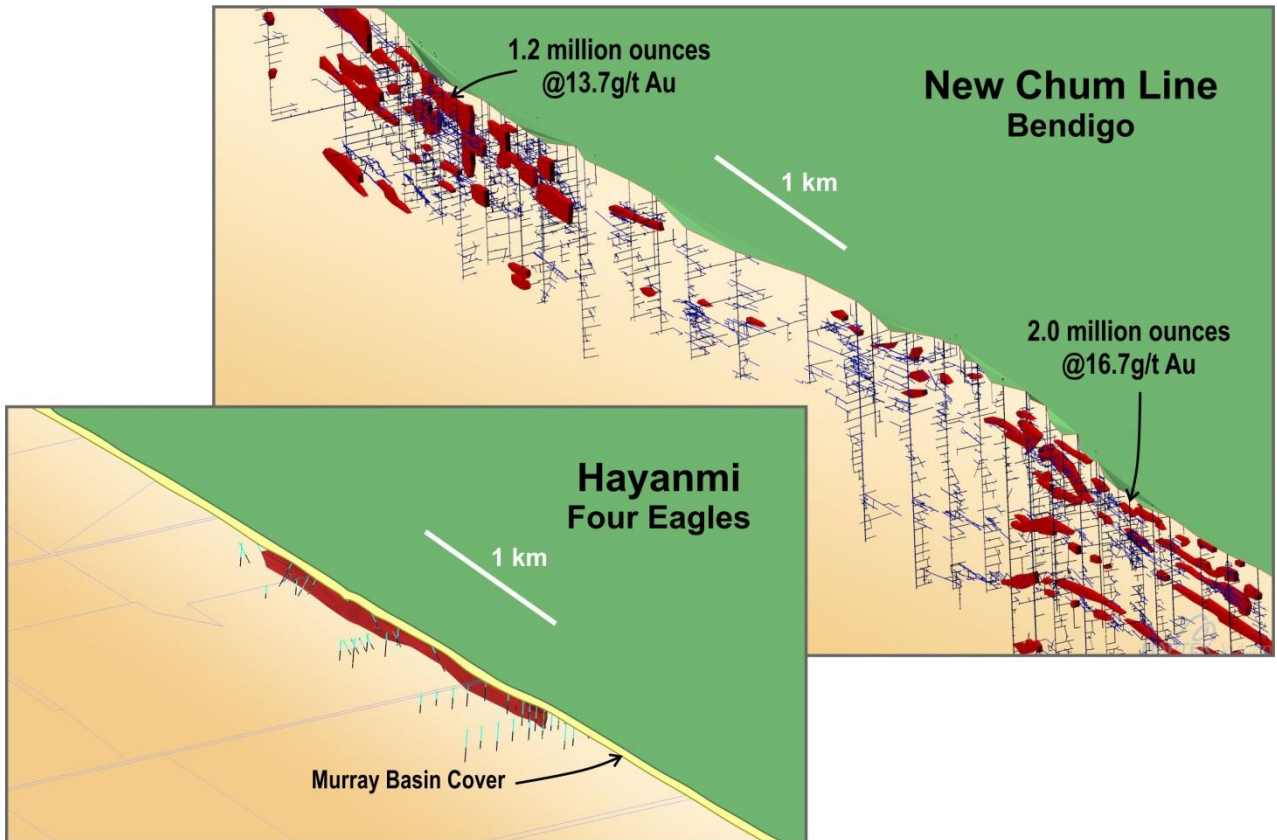


Figure 5: Isometric View of the New Chum gold zone at Bendigo compared to the current mineralised trend at Hayanmi (same scale). Note the “stacking” of flat plunging lodes at Bendigo

DIRECTORS' REPORT

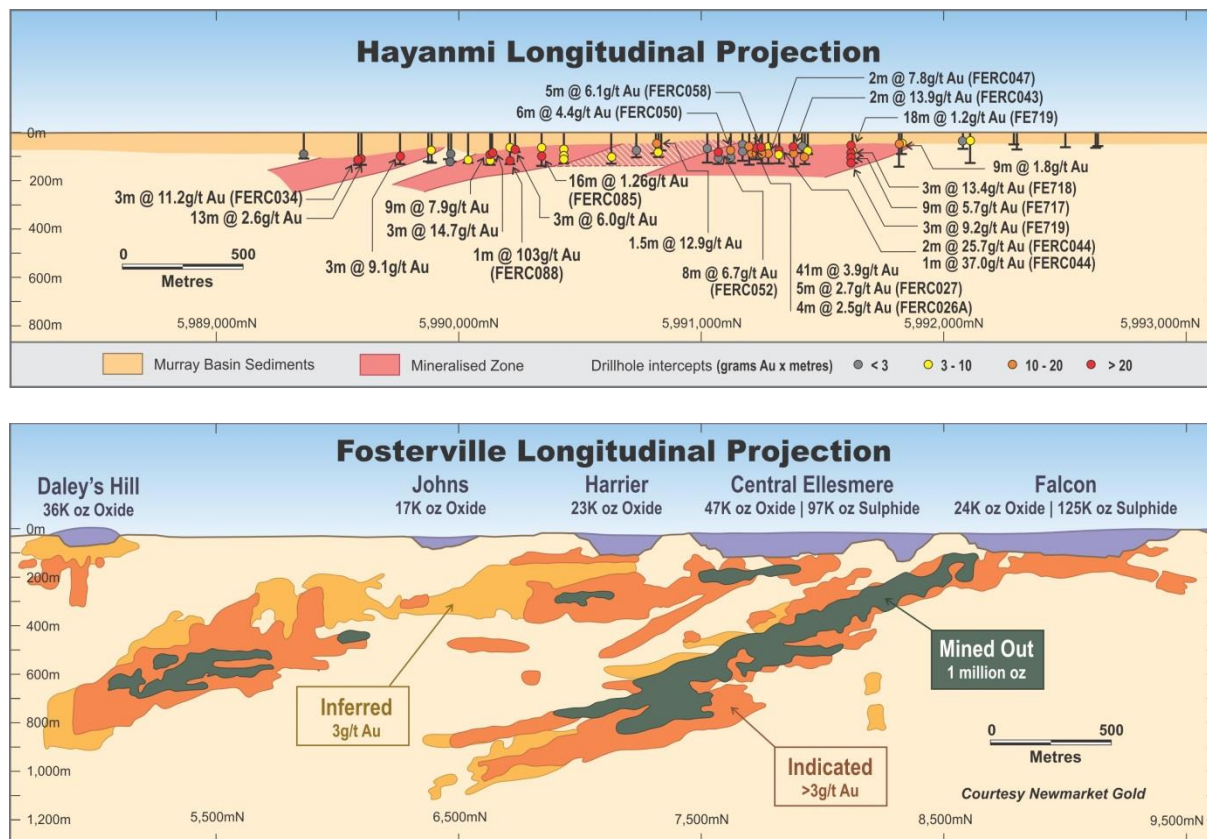


Figure 6: Longitudinal Projection of Hayanmi compared to the Fosterville Gold Zones (at the same scale). Courtesy Newmarket Gold Inc.

Boyd's Dam – Boyd North Prospect

Only three RC Blade/Hammer holes were drilled on the **Boyd's Dam Prospect** (Figures 6 & 7) for a total of 320 metres. All holes contained significant gold intersections and confirmed the general gold trends. A further 23 holes will be required to fully assess the Boyd's Dam Prospect and these are planned to be drilled later in 2016 after the annual grain harvest. Assays received from the three holes show the following intersections:

- 2m @ 7.57 g/t au from 55 metres (FERC039)
- 8.0m @ 3.65 g/t Au including 1.0 m @ 12.35 g/t Au and 1.0m @10.05 g/t au from 66 metres (FERC039)
- 1.0m @ 10.55 g/t Au from 66 metres (FERC037)
- 16.0m @ 2.0 g/t Au from 80 metres (FERC038)

These intersections are 400 metres apart as shown on the longitudinal projection on Figure 7.

The new discovery at **Boyd North** was reported in March 2016 and shows the potential of a high grade extension to the Boyd's Dam Prospect. Very high grades were present in a 3 metre sample in FE732 which produced an assay of >100 g/t Au because of the limitation of the assay method used for the reconnaissance programmes. This entire 3 metre sample has subsequently been bulk leached and assayed **154 g/t Au**.

Bulk leach assays for one-metre samples were received for drill hole FE728 which reported 3 metres @ 1.15 g/t Au previously and have upgraded the intersection to **1.0 metre @ 6.2 g/t Au from 84 metres**. If the intersections in FE728 and FE732 are on the same structure, a high grade gold zone at least 600 metres long may be present at Boyd North where basement depths are only 20 to 40 metres.

DIRECTORS' REPORT

Full location data on the 37 RC Blade/Hammer holes was shown on Table 1 and a Summary of Sampling Techniques and Reporting of Exploration Results according to the JORC Code 2012 Edition were tabulated in Appendix 1 which was released separately to the ASX in March 2016.

Regional Reconnaissance Exploration

Reconnaissance air core drilling was also undertaken on Exploration Licences 5508 and 5521 to satisfy work commitments on these licences. Nineteen (19) holes (2,161 metres) were completed on two road traverses about 40 kilometres north of the Four Eagles gold zones. The objective of the programme is to test the prospective Whitelaw-Tandarra Fault corridor north of Pyramid Hill where very little previous drilling has been undertaken. No significant gold values were obtained but one area on Gainey Road intersected Ordovician basement at 24 metres depth and contained highly anomalous arsenic values. It will require follow-up drilling at a later stage. Collar location data and assay values were recorded in Table 2b in Appendix 2 as released to the ASX on 29 April 2016.

GRAVITY SURVEY

The detailed ground gravity survey was completed with 3,040 stations being collected at a 100 metre by 400 metres station spacing. The data has been merged with available Government data and images are being produced for drill targeting. Several strong trends are apparent in the images and may represent new structures that could host gold mineralisation. Air core drilling (approximately 3,000 metres) is proposed to test these targets. These targets are shown on Figure 7.

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

The Tandarra Project is comprised of Exploration Licence 4897, which is owned by Navarre Minerals Limited (**Navarre**). Under a farm-in arrangement with Navarre, Catalyst is earning a 51% equity interest in Exploration Licence 4897 by spending \$3 million on exploration over a four year period. The Company delayed the commencement of the drilling programmes until April 2016 because the grant of a further two year extension to EL4897 was not received until March 2016.

RC BLADE DRILLING: TOMORROW AND MACNAUGHTANS ZONES

RC Blade drilling commenced at the **Tomorrow Gold Zone** in April 2016 and was completed in early May 2016, of which 39 holes were drilled for a total of 4,003 metres. Thirty Four (34) of these holes were drilled on the Tomorrow Gold Zone over a strike length of 800 metres and tested the structure down to a vertical depth of about 80 metres. Eight (8) traverses were completed to give an approximate traverse spacing of about 50 metres along the mineralised zone with holes oriented at 60 degrees to the west. Each traverse contained at least one significant gold intersection as shown on the plan view and longitudinal section as Figures 8a, 8b and 9.

Six holes were drilled on two traverses on the **Macnaughtans Gold Zone** but the maximum gold value was 0.75g/t Au. All assays reported have been obtained by using an aqua regia digest and an AAS finish on a 25 gram sample taken from a ± 2 kilogram sample. These 2 kilogram samples still need to be bulk leached with cyanide to verify the gold values and also to provide a better understanding of the gold particle size and reproducibility.

All drill traverses on the Tomorrow Gold Zone contained at least one significant gold intersection with some holes containing multiple zones. A summary of the significant intersections is provided below.

Tomorrow Gold Zone

- **5.0m @ 17.0g/t Au from 106 metres including 1.0m @ 79.6g/t Au (RCT107)**
- **10.0m @ 6.2g/t Au from 74 metres and 23m @ 1.91g/t Au from 90 metres (RCT111)**
- **2.0m @ 14.3g/t Au from 54 metres and 5.0m @ 5.9g/t Au from 84 metres (RCT132)**
- **4.0m @ 7.9g/t Au from 54 metres (RCT104)**
- **2.0m @ 6.9g/t Au from 61 metres (RCT102)**
- **2.0m @ 13.9g/t Au from 79 metres (RCT115)**
- **7.0m @ 3.16g/t Au from 73metres (RCT119)**
- **1.0m @ 8.96g/t Au from 29 metres and 6.0m @ 6.1g/t Au (RCT136)**
- **1.0m @ 11.2g/t Au from 62 metres (RCT124)**
- **1.0m @ 34.3g/t Au from 82 metres (RCT126)**
- **3.0m @ 6.0g/t Au from 64m (RCT131)**

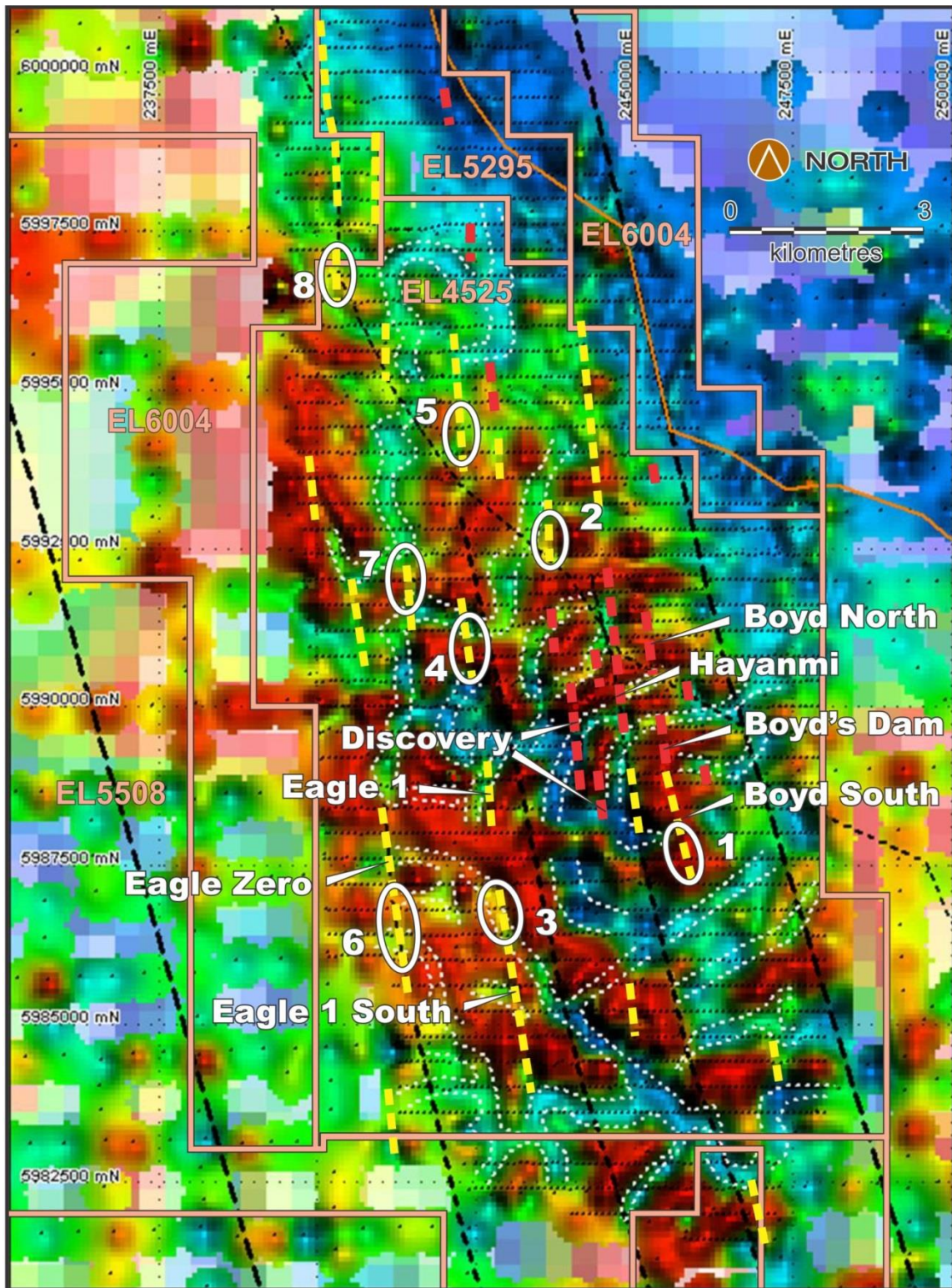


Figure 7: Gravity Image of four Eagles Gold Project showing targets for drill testing

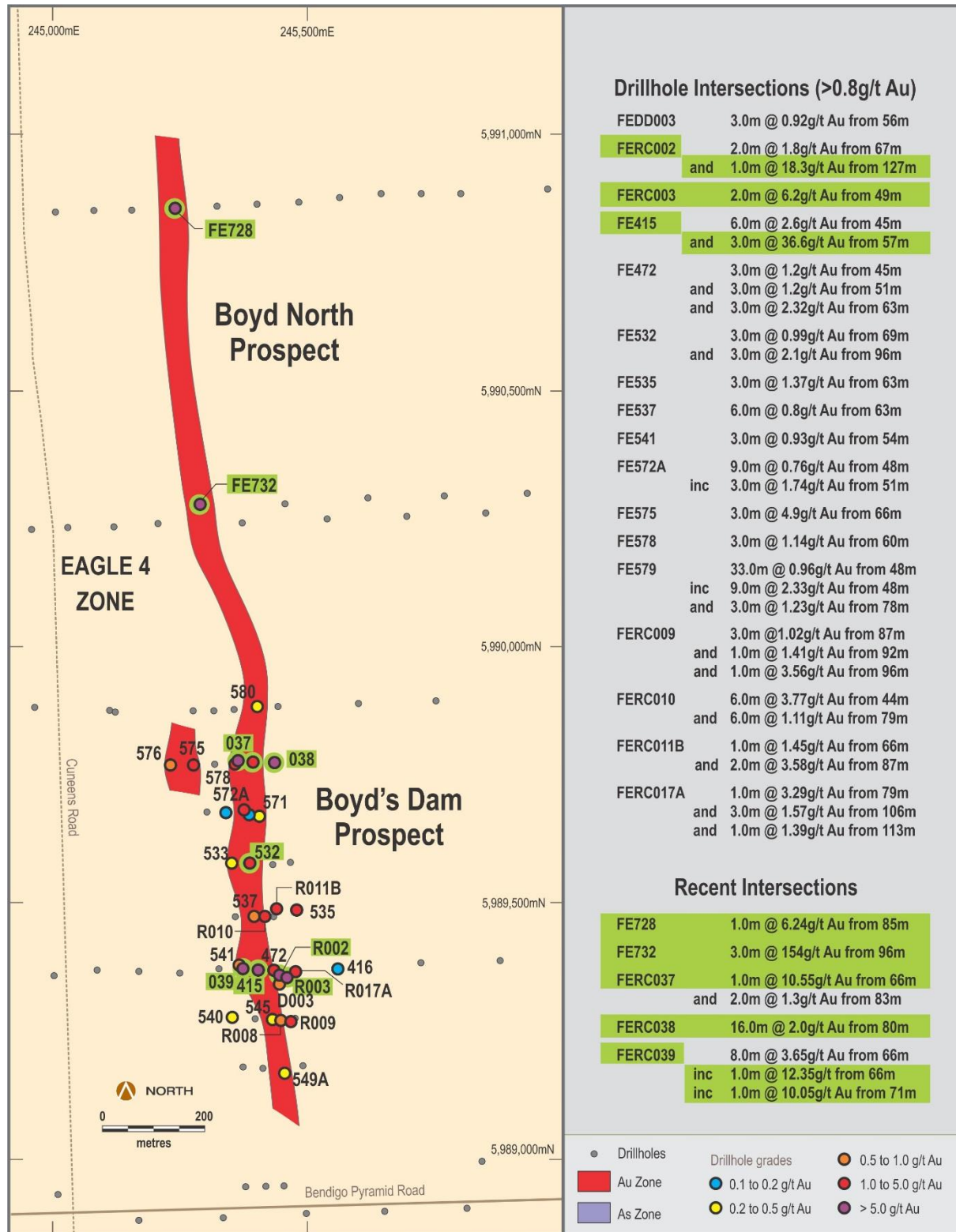


Figure 8: Boyd's Dam/ Boyd North Prospect plan view showing gold trend and drill holes

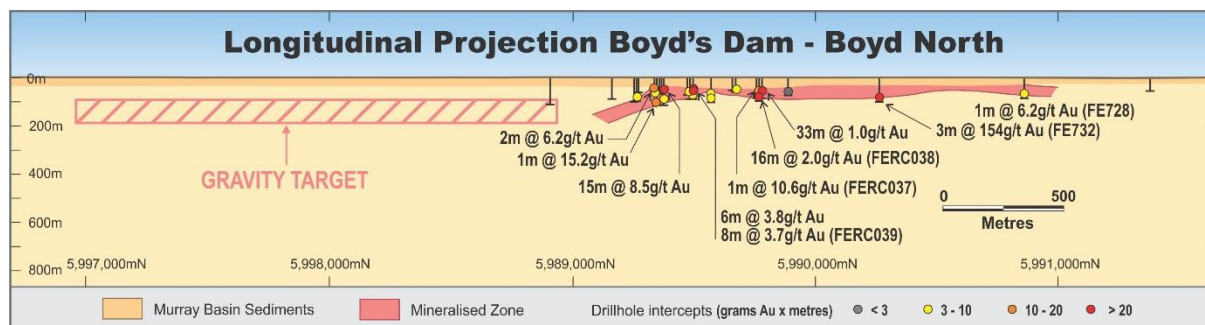


Figure 9: Boyd's Dam – Boyd North Longitudinal Projection looking west

The deeper intersection in RCT132 (**5.0 metres @ 5.9g/t Au**) at the southern end of the Tomorrow structure appears to be situated west of the main trend and may represent another parallel zone of mineralisation that has not been tested by previous drilling. There is also scope to extend the Tomorrow Gold Zone along strike to the south.

All assays are currently being finalised and entered into a database from which interpretation and modelling of the gold mineralisation will be conducted.

Full location data on the 39 RC Blade/hammer holes and a Summary of Sampling Techniques and Reporting of Exploration Results according to the JORC Code 2012 Edition were included in Appendix 1 of an ASX announcement dated 20 July 2016. Maximum gold values in each hole were also tabulated in Table 2 of the same Appendix.

RECONNAISSANCE AIR CORE DRILLING PROGRAMME: TANDARRA

Reconnaissance air core drilling had been planned for the Tandarra North and Dingee Zones (Figure 10) during the June 2016 Quarter but this was delayed by the late grant of EL4897 which meant that many drill sites became inaccessible because of grain sowing preparation and other seasonal farming activities. Three holes were drilled to the north of the Tomorrow Gold Zone and showed a basement depth of 80 to 100 metres. No gold mineralisation was intersected but anomalous arsenic values in air core hole ACT 230 suggests that the mineralised corridor may be present in this area. Further testing will be required. Collar location data and assay values were included in the ASX Announcement on 20 July 2016.

The deferred programme of reconnaissance air core drilling as shown on Figure 10 will now be rescheduled to begin following the grain harvest in December 2016.

CASTLEMAINE JOINT VENTURE PROJECT: RAYDARRA (EL5266)

A total of 8 reconnaissance air core holes (902 metres) were drilled at **Raydarra EL5266** (Figure 1) during the June Quarter 2016, along the roadside of Triplets Road and Yallock Mail Road, just south of Dingee. The drilling program was designed to provide vertical holes into Ordovician basement at a nominal spacing of 320m along two traverses 3.2 kilometres apart within the prospective corridor some 2.8 kilometres south of the Tandarra Tomorrow prospect.

The 5 air core holes drilled along Triplets Road encountered basement at a nominal 70m depth, with drill holes extending as much as 52 metres into basement, but the basement beneath Yallock Mail Road was substantially deeper and drilling did not achieve basement depth.

No significant gold values were recorded and the basement and the arsenic geochemistry showed low values.

DIRECTORS' REPORT

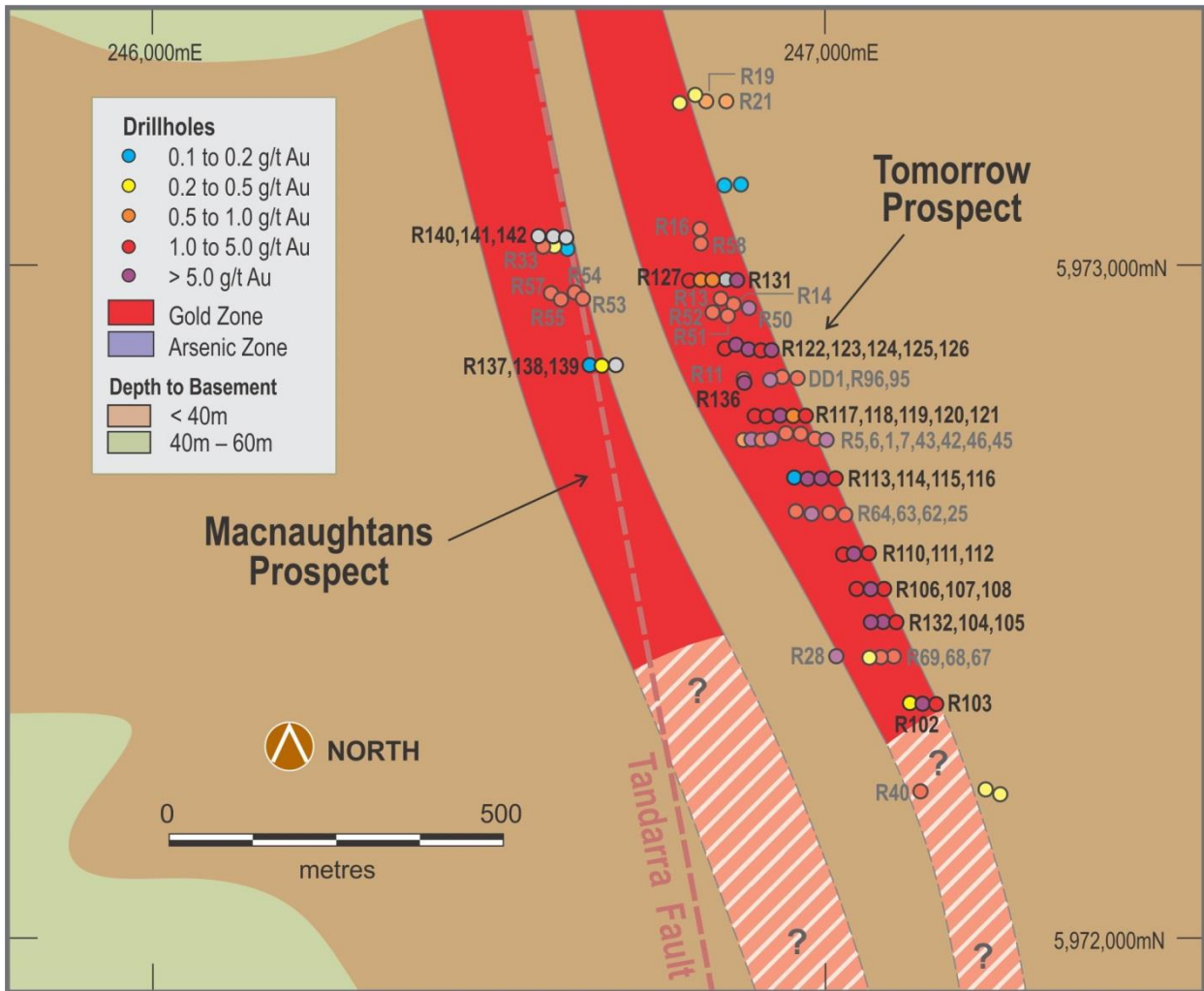


Figure 11a: Tomorrow and Macnaughtans Gold Trends showing location of recent RC drillholes (shown in dark highlight): Significant intersections are tabulated on Figure 8b.

DIRECTORS' REPORT

Significant Aircore Intersections			
TAC136	6.0m @ 2.95g/t Au from 75m	ACT151	1.5m @ 59.2g/t Au from 69m
TAC146	1.0m @ 9.96g/t Au from 42m	and	2.0m @ 5.12g/t Au from 70.5m
ACT015	10m @ 17.88g/t Au from 37m	ACT172	3.0m @ 8.83g/t Au from 46.5m
ACT024	1.0m @ 2.91g/t Au from 107m	and	1.5m @ 2.62g/t Au from 58.5m
and	1.0m @ 15.2g/t Au from 118m	and	1.5m @ 6.93g/t Au from 79.5m

Significant RC/DD Intersections			
DDT001	1.3m @ 18.2g/t Au from 20m	RCT050	2.0m @ 18.4g/t Au from 44m
and	1.7m @ 5.7g/t Au from 36m	RCT051	15m @ 1.44g/t Au from 22m
and	1.3m @ 5.9g/t Au from 39.4m	RCT062	5.0m @ 3.7g/t Au from 41m
RCT006	1.0m @ 6.05g/t Au from 45m	and	7.0m @ 2.21g/t Au from 81m
and	7.0m @ 5.5g/t Au from 50m	RCT063	4.0m @ 9.2g/t Au from 18m
RCT007	1.0m @ 8.6g/t Au from 12m	and	4.0m @ 2.39g/t Au from 103m
RCT028	8.0m @ 2.7g/t Au from 76m	RCT073	1.0m @ 7.29g/t Au from 41m
inc	2.0m @ 8.9g/t Au from 82m	RCT096	23m @ 1.0g/t Au from 58m
RCT045	1.0m @ 10.8g/t Au from 43m	RCT097	3.0m @ 6.4g/t Au from 54m
and	4.0m @ 2.67g/t Au from 55m		

Recent Significant RC Intersections			
RCT102	2.0m @ 6.9g/t Au from 61m	RCT124	1.0m @ 11.2g/t Au from 62m
RCT104	4.0m @ 7.9g/t Au from 54m	RCT126	1.0m @ 34.3g/t Au from 82m
RCT107	5.0m @ 17.0g/t Au from 106m	RCT131	3.0m @ 6.0g/t Au from 64m
RCT111	11m @ 6.2g/t Au from 74m	RCT132	2.0m @ 14.3g/t Au from 54m
and	23m @ 1.9g/t Au from 90m	and	5.0m @ 5.9g/t Au from 84m
RCT115	2.0m @ 13.9g/t Au from 79m	RCT136	1.0m @ 8.96g/t Au from 29m
RCT119	7.0m @ 3.16g/t Au from 73m	and	6.0m @ 6.1g/t Au from 51m

Figure 11b: Table of significant intersections shown on Figure 8a

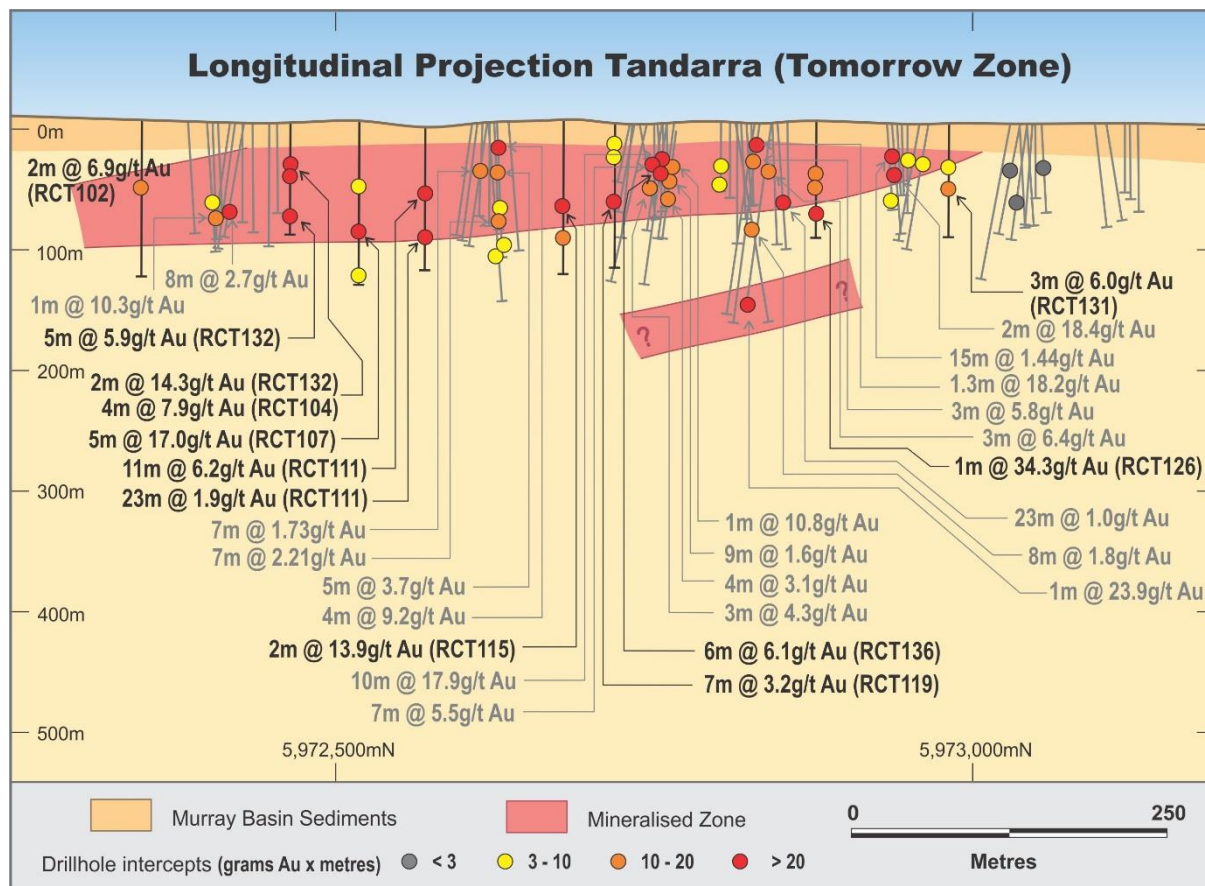


Figure 12: Longitudinal Projection of the Tomorrow Zone showing area of RC Blade Drilling

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

A total of 11 reconnaissance air core holes (1,338 metres) were drilled at **Raydarra East EL5509** (Figure 1) during the June 2016 Quarter, along the roadside of Triplets Road and Yallock Mail Road, Dingee. The drilling program was designed to provide vertical holes into Ordovician basement at a nominal spacing of 320m along two traverses 3.2 kilometres apart within the prospective corridor some 2.8 kilometres south of the Tandarra Tomorrow prospect.

Of the 7 air core holes drilled along Triplets Road, only ACR017 encountered basement; at 112 metres depth. The remaining holes were terminated prior to achieving basement either due to technical difficulties (pertaining to unconsolidated gravels) or due to excess depth (beyond 130 metres).

No anomalous gold or arsenic was recorded in drill hole ACR017 which intersected basement.

Reconnaissance air core drilling was carried out on EL5521 (Macorna Bore) and has been discussed earlier in this report.

There was no field activity on EL5533 (Sebastian).

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

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

CATALYST METALS LIMITED

DIRECTORS' REPORT

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 13 July 2016, 22,344 listed options exercisable at \$0.50 each were exercised which generated \$11,172 in cash proceeds.

On 1 August 2016, the Company issued 100,000 unlisted options exercisable at \$1.00 each to the lead manager of the share placement made in April 2016.

On 3 August 2016, the Company issued 350,000 ordinary fully paid shares to Mr Bruce Kay following the vesting of Performance Rights upon the satisfaction of vesting conditions.

On 24 August 2016, 28,437 listed options exercisable at \$0.50 each were exercised which generated \$14,218 in cash proceeds.

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: 4,915,089 Ordinary Shares 245,630 Listed Options (\$0.50, expiring 30 June 2018)

CATALYST METALS LIMITED

DIRECTORS' REPORT

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.

Special Responsibilities: Chairman of audit committee.

Other Directorships: None

Interests in securities: Direct: Nil
Indirect: Nil

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: 2,143,326 Ordinary Shares
89,668 Listed Options (\$0.50, expiring 30 June 2018)
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	6	6	-	-
Robin Scrimgeour	6	6	-	-
Gary Schwab	6	6	-	-
Bruce Kay	6	6	-	-

DIRECTORS' REPORT

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 2016. The Group's operations are subject to State and Federal laws and regulation concerning the environment.

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 2,672,403 (2015: 2,623,184) unissued ordinary shares under option. There are 2,572,403 options exercisable at \$0.50 each on or before 30 June 2018 and 100,000 options are exercisable at \$1.00 each on or before 31 July 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.

CATALYST METALS LIMITED

DIRECTORS' REPORT

REMUNERATION REPORT (Continued)

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.

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 2015 AGM, 100% of the votes received supported the adoption of the remuneration report for the year ended 30 June 2015. The company did not receive any specific feedback at the AGM regarding its remuneration practices.

Details of Remuneration for Year Ended 30 June 2016

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.

2016	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	60,000	-	5,700	-	65,700
R Scrimgeour	43,800	-	-	-	43,800
G Schwab	10,000	-	33,800	-	43,800
B Kay	36,400	-	20,800	-	57,200
Total key management personnel compensation	150,200	-	60,300	-	210,500

CATALYST METALS LIMITED

DIRECTORS' REPORT

REMUNERATION REPORT (Continued)

In 2016, Mr Kay received \$40,000 per annum in directors' fees and was paid extra fees for managing the Company's exploration programmes at the Four Eagles Gold Project and Tandarra Gold Project. The costs incurred in respect of the Four Eagles Gold Project were partially reimbursed by GEV as part of its earn in expenditure commitments.

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 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	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
Total key management personnel compensation	101,299	-	67,750	-	169,049

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.

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

No shares were issued as compensation during the financial year (2015: 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.

CATALYST METALS LIMITED

DIRECTORS' REPORT

REMUNERATION REPORT (Continued)

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.

During the financial year no performance rights were issued as compensation. Mr Bruce Kay has been granted Performance Rights with the following condition:

- (a) 350,000 Performance Rights to vest on the date that the Company, through its wholly owned subsidiary Kite Gold Pty Ltd (**Kite Gold**) becomes entitled to a 60% interest in the Four Eagles Gold Project or the Company disposes of any of its rights and interests in the Four Eagles Project, either via a direct sale of its interests in the project, the assignment of any of rights under the Four Eagles Heads of Agreement, the sale of all the shares it holds in Kite Gold, the issue of new shares in Kite Gold, or otherwise.

On 3 August 2016, Mr Kay was issued with 350,000 ordinary fully paid shares in the Company following the satisfaction of the vesting condition.

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:

2016 – Options Holdings

Directors	Balance at beginning of year	Granted as compensation	Exercised	Other changes (i)	Balance at end of year	Vested and exercisable
S Boston	-	-	-	287,061	287,061	287,061
R Scrimgeour	-	-	-	245,630	245,630	245,630
G Schwab	-	-	-	-	-	-
B Kay	-	-	-	89,668	89,668	89,668

(i) All options were issued to directors under a pro rata bonus option prospectus dated 26 August 2015.

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.

2016 – Ordinary Share Holdings

Directors	Balance at beginning of year	Purchased	Other changes	Balance at end of year
S Boston	5,694,285	46,875	-	5,741,160
R Scrimgeour	4,865,714	49,375	-	4,915,089
G Schwab	-	-	-	-
B Kay	1,746,451	46,875	-	1,793,326

CATALYST METALS LIMITED

DIRECTORS' REPORT

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:

2016 – 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	-

CONSEQUENCES OF PERFORMANCE ON SHAREHOLDER WEALTH

In considering the Group performance and benefits for shareholder wealth, the factors that are considered to affect total shareholder return are summarised below:

	2016	2015	2014	2013	2012
Net loss for the period	(1,098,840)	(240,105)	(1,023,864)	(1,007,381)	(3,507,052)
Share price at financial year end (\$)	0.59	0.42	0.32	0.33	0.55
Basic loss per share (cents per share)	(2.1)	(0.5)	(0.5)	(2.2)	(8.5)

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.

INDEMNIFICATION AND INSURANCE OF AUDITOR

The Group has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the company or any related entity against a liability incurred by the auditor.

During the financial year, the company has not paid a premium in respect of a contract to insure the auditor of the Group or any related party.

PROCEEDINGS ON BEHALF OF THE GROUP

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the Group, or to 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 part of those proceedings.

CATALYST METALS LIMITED

DIRECTORS' REPORT

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 2016.

OFFICERS OF THE COMPANY WHO ARE FORMER PARTNERS OF RSM AUSTRALIA PARTNERS

There are no officers of the company who are former partners of RSM Australia Partners

AUDITOR'S INDEPENDENCE DECLARATION

The lead auditor's independence declaration for the year ended 30 June 2016 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
30 September 2016

RSM Australia Partners

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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 2016, 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
RSM AUSTRALIA PARTNERS

Al Whyte
ALASDAIR WHYTE
Partner

Perth, WA
Dated: 30 September 2016

CATALYST METALS LIMITED

CONSOLIDATED STATEMENT OF FINANCIAL POSITION As at 30 June 2016

	Note	2016 \$	2015 \$
Current Assets			
Cash and cash equivalents	7	1,460,562	1,334,945
Trade and other receivables	8	76,880	31,235
Total Current Assets		1,537,442	1,366,180
Non-Current Assets			
Property, plant and equipment	9	-	-
Exploration and evaluation expenditure	10	-	-
Total Non-Current Assets		-	-
TOTAL ASSETS		1,537,442	1,366,180
Current Liabilities			
Trade and other payables	11	254,109	431,175
Other - advances	12	360,202	246,928
Total Current Liabilities		614,311	678,103
TOTAL LIABILITIES		614,311	678,103
NET ASSETS		923,131	688,077
Equity			
Contributed equity	13	10,933,680	9,599,786
Share-based payments reserve	14	228,008	228,008
Accumulated losses	14	(10,238,557)	(9,139,717)
TOTAL EQUITY		923,131	688,077

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 2016

	Note	2016 \$	2015 \$
Revenue from continuing operations	3	17,746	708,859
Expenses			
Professional fees		(84,300)	(150,600)
Administration, occupancy and travel costs		(91,068)	(74,115)
Personnel		(205,685)	(139,131)
Corporate		(132,130)	(184,637)
Exploration costs written off		(603,403)	(400,481)
Loss before income tax expense from continuing operations		<u>(1,098,840)</u>	<u>(240,105)</u>
Income tax expense	6	-	-
Loss after income tax from continuing operations		<u>(1,098,840)</u>	<u>(240,105)</u>
Other comprehensive income		-	-
Total comprehensive loss for the year		<u>(1,098,840)</u>	<u>(240,105)</u>
Total comprehensive loss attributable to members of the Parent entity		<u>(1,098,840)</u>	<u>(240,105)</u>
Earnings per share for loss attributable to the owners of Catalyst Metals Limited			
Basic loss per share (cents per share)	5	(2.1)	(0.5)
Diluted loss per share (cents per share)	5	(2.1)	(0.5)

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 2016

	Contributed Equity \$	Accumulated losses \$	Share-based payments reserve \$	Total \$
Balance at 30 June 2014	9,453,634	(8,899,612)	228,008	782,030
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
Balance at 30 June 2015	9,599,786	(9,139,717)	228,008	688,077
Total comprehensive loss for the year	-	(1,098,840)	-	(1,098,840)
Transactions with owners in their capacity as owners:				
Issue of shares	1,385,400	-	-	1,385,400
Share issue expenses	(51,506)	-	-	(51,506)
Balance at 30 June 2016	10,933,680	(10,238,557)	228,008	923,131

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 2016

	Note	2016 \$	2015 \$
Cash Flows from Operating Activities			
Payments for exploration and evaluation		(603,403)	(324,866)
Payments to suppliers, contractors and employees		(659,585)	(342,227)
Research and development tax offsets received		-	191,886
Exploration expenditure recouped (Note 3)		-	496,833
Interest received		17,746	20,140
Net cash flows (used in) / provided by operating activities	15	<u>(1,245,242)</u>	<u>41,766</u>
Cash Flows from Investing Activities			
Net cash flows used in investing activities		<u>-</u>	<u>-</u>
Cash Flows from Financing Activities			
Proceeds from issue of shares and other equity securities		1,300,400	15,000
Share issue expenses		(31,643)	-
Farm in advances received (Note 12)		1,407,565	916,522
Farm in advances expended (Note 12)		<u>(1,305,463)</u>	<u>(669,594)</u>
Net cash flows from financing activities		<u>1,370,859</u>	<u>261,928</u>
Net increase / (decrease) in cash and cash equivalents		125,617	303,694
Cash and cash equivalents at the beginning of the financial year		<u>1,334,945</u>	<u>1,031,251</u>
Cash and cash equivalents at the end of the financial year	7	<u><u>1,460,562</u></u>	<u><u>1,334,945</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 2016

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 25.

(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 2016 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 2016

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 2016

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 2016

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 2016

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 2016

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:

Class of Fixed Asset	Depreciation Rate
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 2016

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) Issued Capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

(v) Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the consolidated entity's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the consolidated entity's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

(w) 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 2016. 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.

CATALYST METALS LIMITED

NOTES TO THE FINANCIAL STATEMENTS For The Year Ended 30 June 2016

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

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.

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.

CATALYST METALS LIMITED

NOTES TO THE FINANCIAL STATEMENTS For The Year Ended 30 June 2016

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

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 2016

	2016 \$	2015 \$
3. Revenue		
Research and development tax offset recovery	-	191,886
Recoupment of Four Eagles exploration expenditure (i)	-	496,833
Interest received	17,746	20,140
	<u>17,746</u>	<u>708,859</u>

(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.

	2016 \$	2015 \$
4. Expenses		
Loss before income tax includes the following specific expenses:		
Directors fees	210,500	138,450
Exploration written off (refer note 1 (k))	603,403	400,481
Share based payments (refer note 18)	-	-
Depreciation	-	74
	<u>-</u>	<u>74</u>

	2016 No. of Shares	2015 No. of Shares
5. Earnings per Share		
Weighted average number of ordinary shares for basic and diluted earnings per share (i)	<u>52,916,608</u>	<u>50,865,474</u>

(ii) In 2016 diluted earnings per share were calculated after classifying all options on issue remaining unconverted at 30 June 2016 as potential ordinary shares. As at 30 June 2016, the Group had 2,623,184 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.

	2016 \$	2015 \$
6. Income tax		
Loss before tax	(1,098,840)	(240,105)
Prima facie tax on operating loss before income tax at 30%	329,652	72,031
Tax effect of:		
- non deductible items	(11,978)	(75,342)
- deductible capital raising expenditure	-	-
Deferred tax asset not brought to account at the reporting date as realisation of the benefit is not probable	<u>(317,674)</u>	<u>3,311</u>
Income tax attributable to operating loss	<u>-</u>	<u>-</u>

CATALYST METALS LIMITED

NOTES TO THE FINANCIAL STATEMENTS For The Year Ended 30 June 2016

6. Income Tax (continued)

Unrecognised deferred tax

The Group has \$9,984,285 (2015: \$8,592,921) 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 \$2,995,286 (2015: \$2,577,876), 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.

	2016 \$	2015 \$
7. Cash and cash equivalents		
Cash at bank	1,460,562	1,334,945

The cash at bank as at 30 June 2016 includes \$459,418 (2015: \$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 \$77,830 (Note 11), and inter company balances which have eliminated on consolidation, which reduces the net advance at 30 June 2016 to \$349,030 (Note 12).

	2016 \$	2015 \$
8. Trade and other receivables		
Sundry debtors	76,880	31,235

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 2016

9. Property, plant and equipment

	Computer equipment \$	Furniture, fittings and equipment \$	Total \$
Year ended 30 June 2016			
Opening net book amount 1 July 2015	-	-	-
Closing net book amount 30 June 2016	-	-	-
At 30 June 2016			
Cost or fair value	20,602	11,572	32,174
Accumulated depreciation	(20,602)	(11,572)	(32,174)
Net book amount	-	-	-
Year ended 30 June 2015			
Opening net book amount 1 July 2014	74	-	74
Depreciation charge	(74)	-	(74)
Closing net book amount 30 June 2015	-	-	-
At 30 June 2015			
Cost or fair value	20,602	11,572	32,174
Accumulated depreciation	(20,602)	(11,572)	(32,174)
Net book amount	-	-	-

10. Exploration and evaluation expenditure

	2016 \$	2015 \$
Opening balance	-	-
Additions	603,403	400,481
Exploration written off (refer note 1(k))	(603,403)	(400,481)
Closing balance	-	-

11. Trade and other payables

Current Payables

Trade creditors	166,499	238,063
Employee expenses payable	29,877	9,418
Accruals	57,733	183,694
	254,109	431,175

Included in the current payables is an aggregate amount of \$77,830 incurred on behalf of the 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 2016

12. Advances	2016 \$	2015 \$
Advances from Option holders	11,172	-
Opening Balance of Advance from Gold Exploration Victoria Pty Ltd	246,928	-
Advances received from Gold Exploration Victoria Pty Ltd	1,407,565	916,522
Exploration expenditure	<u>(1,305,463)</u>	<u>(669,594)</u>
Closing Balance of Advance from Gold Exploration Victoria Pty Ltd	349,030	246,928
	<u>360,202</u>	<u>246,928</u>

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 2016 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 has spent \$2.1 million to date to earn 25% of the Project and has exercised the right to spend a further \$2.1 million to earn a further 25% of the Project.

CATALYST METALS LIMITED

NOTES TO THE FINANCIAL STATEMENTS For The Year Ended 30 June 2016

		2016 Number	2016 \$	2015 Number	2015 \$
13. Contributed Equity					
	(a) Share capital				
	Ordinary shares				
	Fully paid	(c) 54,729,004	10,953,543	50,895,707	9,599,786
	(b) Other equity securities				
	Options – Listed	(d) 2,623,184	-	-	-
	Options – Unlisted	(d) -	-	166,667	-
	Performance Rights - Unlisted	(d) 350,000	-	350,000	-
	Total contributed equity		<u>10,953,543</u>		<u>9,599,786</u>

(c) Movements in Ordinary Shares

Details	Number of Shares	Issue Price	\$
Balance at 30 June 2014	50,301,700		9,453,634
Issue of shares - Navarre Minerals Limited	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	<u>50,000</u>	\$0.300	<u>15,000</u>
Balance at 30 June 2015	<u>50,895,707</u>		<u>9,599,786</u>
Issue of shares - Exercise of unlisted options	166,667	\$0.300	50,000
Issue of shares – Share Purchase Plan	1,453,130	\$0.320	465,000
Issue of shares – Navarre Minerals Limited	250,000	\$0.340	85,000
Issue of shares – Share Placement	1,963,500	\$0.400	785,400
Capital raising expenses	-		<u>(51,506)</u>
Balance at 30 June 2016	<u>54,729,004</u>		<u>10,933,680</u>

CATALYST METALS LIMITED

NOTES TO THE FINANCIAL STATEMENTS For The Year Ended 30 June 2016

13. Contributed Equity (Continued)

(d) Movements in other equity securities

Details	Number of Options	Issue Price	\$
Listed Options			
Balance at 30 June 2014	-		-
Balance at 30 June 2015	-		-
Issue of options	2,623,184	-	-
Balance at 30 June 2016	2,623,184		-
Unlisted Options			
Balance at 30 June 2014	916,667		-
Exercise of options	(50,000)		-
Expiry of options	(700,000)		-
Balance at 30 June 2015	166,667		-
Exercise of options	(166,667)		-
Balance at 30 June 2016	-		-
Details			
Performance Rights			
Balance at 30 June 2014	350,000		-
Balance at 30 June 2015	350,000		-
Balance at 30 June 2016	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

Listed Options

	Number
Options over ordinary fully paid shares exercisable:	
- at 50 cents each on or before 30 June 2018	2,623,184
	<u>2,623,184</u>

(g) Performance Rights

Refer to Note 18 for details of performance rights

CATALYST METALS LIMITED

NOTES TO THE FINANCIAL STATEMENTS For The Year Ended 30 June 2016

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 2016 and no dividends are expected to be paid in 2017.

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 2016 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

	2016 \$	2015 \$
<i>Share-based payments reserve</i>		
Balance at the beginning of the year	228,008	228,008
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	(9,139,717)	(8,899,612)
Loss for the year	<u>(1,098,840)</u>	<u>(240,105)</u>
Balance at the end of the year	<u>(10,238,557)</u>	<u>(9,139,717)</u>

CATALYST METALS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended 30 June 2016

15. Notes to the Cash Flow Statement

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

	2015 \$	2015 \$
Operating loss after tax	(1,098,840)	(240,105)
<i>Add non-cash items:</i>		
Depreciation	-	74
Share based payment	-	-
Directors' fees paid in shares	-	66,152
Exploration expenditure paid in shares	85,000	65,000
<i>Changes in net assets and liabilities</i>		
(Increase)/decrease in receivables	(48,412)	4,826
(Decrease)/increase in payables	(182,990)	145,819
Net cash (used in) / provided by operating activities	<u>(1,245,242)</u>	<u>41,766</u>

(b) Non-cash financing and investing activities

The Group did not have any non-cash financing or investing activities during the year (2015: 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 2016.

(b) Key management personnel remunerations

	2016	2015
Short-term employee benefits	150,200	101,299
Post-employment benefits	60,300	67,750
Share based payments	-	-
	<u>210,500</u>	<u>169,049</u>

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 2016

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:

2016

Directors	Balance at beginning of year	Granted as compensation	Exercised	Other changes (A)	Balance at end of year	Vested and exercisable
S Boston	-	-	-	287,061	287,061	287,061
R Scrimgeour	-	-	-	245,630	245,630	245,630
G Schwab	-	-	-	-	-	-
B Kay	-	-	-	89,668	89,668	89,668

- A. This represents options issued to eligible shareholders pursuant to the Bonus Option Issue Prospectus dated 26 August 2015.

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	-	-	-	-	-	-

- (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.

2016

Directors	Balance at beginning of year	Purchased	Other changes	Balance at end of year
S Boston	5,694,285	46,875	-	5,741,160
R Scrimgeour	4,865,714	49,375	-	4,915,089
G Schwab	-	-	-	-
B Kay	1,746,451	46,875	-	1,793,326

CATALYST METALS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended 30 June 2016

16. Key Management Personnel Compensation (Continued)

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

(iii) Shareholdings (Continued)

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.

(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:

2016

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	-

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	-

17. Related Party Disclosures

Key Management Personnel

- (i) Mr Boston's directors' fees for the year were \$65,700 (2015: \$56,036) of which \$5,475 was accrued and outstanding at year end.
- (ii) Mr Kay's directors' fees and consulting fees for the year were \$57,200 (2015: \$96,500) of which \$7,884 was accrued and outstanding at year end.
- (iii) Mr Scrimgeour's directors' fees for the year were \$43,800 (2015: \$28,148).
- (iv) Mr Schwab's directors' fees for the year were \$43,800 (2015 \$43,800) 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 2016

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.

	2016		2015	
	Number of Options	Weighted Average Exercise Price \$	Number of Options	Weighted Average Exercise Price \$
Opening amount	-	-	750,000	0.24
Exercised during the year				
- Consultant options	-	-	(50,000)	0.30
Expired during the year	-	-	(700,000)	0.30
Closing amount	-	-	-	-

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)	-	-

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

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

CATALYST METALS LIMITED

NOTES TO THE FINANCIAL STATEMENTS For The Year Ended 30 June 2016

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.

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 2016

	2016 \$	2015 \$
19. Auditors' Remuneration		
Amounts received or due and receivable by the auditors for:		
Auditing accounts	22,750	22,600
Other services	-	-
	22,750	22,600

20. Commitments

There were no outstanding commitments, which are not disclosed in the financial statements as at 30 June 2016 other than:

	2016 \$	2015 \$
(a) Tenement commitments		
No later than 1 year	554,855	307,267
Later than 1 year but not later than 5 years	-	-
	554,855	307,267

21. Financial Instruments

	Notes	Floating Interest Rate	1 year or less \$	Over 1-5 years \$	Non- interest bearing \$	Total \$
2016						
Financial assets						
Cash and cash equivalents	7	1.45%	1,460,562	-	-	1,460,562
Trade and other receivables	8	-	-	-	76,880	76,880
Total financial assets			1,460,562	-	76,880	1,537,442
Financial liabilities						
Trade and other payables	11	-	-	-	254,109	254,109
Advances	12	-	-	-	360,202	360,202
Total financial liabilities			-	-	614,311	614,311
Net financial assets			1,460,562	-	(537,431)	923,131

CATALYST METALS LIMITED

NOTES TO THE FINANCIAL STATEMENTS For The Year Ended 30 June 2016

21. Financial Instruments (continued)

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

Reconciliation of net financial assets to net assets	2016 \$	2015 \$
Net Financial Assets	923,131	688,077
Property, plant & equipment	-	-
Exploration expenditure	-	-
Net Assets	<u>923,131</u>	<u>688,077</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 13 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 2016

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 2016, 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 \$14,606 (2015: \$13,349) 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 2016.

CATALYST METALS LIMITED

NOTES TO THE FINANCIAL STATEMENTS For The Year Ended 30 June 2016

24. Subsequent Events

On 13 July 2016, 22,344 options exercisable at \$0.50 each were exercised which generated \$11,172 in cash proceeds.

On 1 August 2016, the Company issued 100,000 options exercisable at \$1.00 each to the lead manager of the share placement made in April 2016.

On 3 August 2016, the Company issued 350,000 ordinary fully paid shares to Mr Bruce Kay following the vesting of Performance Rights upon the satisfaction of vesting conditions.

On 24 August 2016, 28,437 options exercisable at \$0.50 each were exercised which generated \$14,218 in cash proceeds.

25. Parent Entity Disclosure

	2016 \$	2015 \$
Total current assets	1,020,582	764,549
Total assets	1,020,684	765,651
Total current liabilities	187,450	162,750
Total liabilities	187,450	162,750
Equity		
Contributed equity	10,933,680	9,599,786
Share based payments reserve	228,008	228,008
Accumulated losses	(10,328,454)	(9,224,893)
Total equity	833,234	602,901
Loss for the year	(1,103,561)	(314,891)
Total comprehensive loss	(1,103,561)	(314,891)

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, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
 - (b) give a true and fair view of the consolidated entity's financial position as at 30 June 2016 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 30th day of September 2016

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**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 2016, the consolidated statement of profit or loss and 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 2016 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 2016. 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 2016 complies with section 300A of the *Corporations Act 2001*.

RSM
RSM AUSTRALIA PARTNERS

A Whyte
ALASDAIR WHYTE
Partner

Perth, WA
Dated: 30 September 2016

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.

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 2016 and was approved by the Board on 30 September 2016.

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 other 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 experience aligned with the Company's objectives, with a number of directors being independent and

CORPORATE GOVERNANCE STATEMENT

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 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 are 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 are 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 manage both

CATALYST METALS LIMITED

CORPORATE GOVERNANCE STATEMENT

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.

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

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CORPORATE GOVERNANCE STATEMENT

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.

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ADDITIONAL INFORMATION

The following information was reflected in the records of the Company as at 23 September 2016.

Distribution of share and option holders

	Number of holders	
	Fully paid shares	Quoted options
1 - 1,000	40	155
1,001 - 5,000	70	80
5,001 - 10,000	56	21
10,001 - 100,000	148	35
100,001 and over	64	5
	<u>378</u>	<u>296</u>
Including holdings of less than a marketable parcel	38	

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	9.95
Drill Investments Pty Ltd	4,946,667	8.97
Robin Scrimgeour	4,587,500	8.32
Gavin Caudle	3,873,625	7.03
Kenneth Raymond Teagle	3,424,294	6.21
Toby Mountjoy	2,928,126	5.31

Twenty largest holders of fully paid shares

Shareholder	Shares	%
1. HSBC Custody Nominees (Australia) Limited	7,206,551	13.07
2. Drill Investments Pty Ltd	5,615,094	10.19
3. Trapine Pty Ltd	4,600,585	8.35
4. Toby Mountjoy	2,442,870	4.43
5. Chepalix Pty Ltd	2,046,875	3.71
6. Kenneth Raymond Teagle	2,021,074	3.67
7. Bruce Kay and Henriette Kay	1,863,183	3.38
8. Providence Gold & Minerals Pty Ltd	1,730,349	3.14
9. Gavin Caudle	1,500,000	2.72
10. Gavin Arnold Caudle	1,373,625	2.49
11. Kenneth Raymond Teagle	1,150,540	2.09
12. Gavin Arnold Caudle	1,000,000	1.81
13. Citicorp Nominees Pty Ltd	937,702	1.70
14. Kimberley Downs Pty Ltd	933,938	1.69
15. Vestcourt Pty Ltd	787,500	1.43
16. Roger George Davis	735,500	1.33
17. John Paul Sisterson	699,731	1.27
18. Lindway Investments Pty Ltd	584,375	1.06
19. Elshaw Pty Ltd	582,096	1.06
20. Anthony John Battaglia	567,000	1.03
	<u>38,378,588</u>	<u>69.62</u>

CATALYST METALS LIMITED

ADDITIONAL INFORMATION

Twenty largest holders of quoted options

Optionholder	Options	%
1. HSBC Custody Nominees (Australia) Limited	360,203	14.00
2. Drill Investments Pty Ltd	258,011	10.03
3. Trapine Pty Ltd	230,030	8.94
4. Toby Mountjoy	122,144	4.75
5. Chepalix Pty Ltd	102,344	3.98
6. Providence Gold & Minerals Pty Ltd	88,750	3.45
7. Bruce Kay and Henriette Kay	75,660	2.94
8. Gavin Caudle	75,000	2.92
9. Gavin Arnold Caudle	68,682	2.67
10. Kenneth Raymond Teagle	61,754	2.40
11. Kenneth Raymond Teagle	57,527	2.24
12. Gavin Arnold Caudle	50,000	1.94
13. John Wilson	50,000	1.94
14. Kimberley Downs Pty Ltd	46,697	1.82
15. Citicorp Nominees Pty Ltd	41,877	1.63
16. Vestcourt Pty Ltd	39,375	1.53
17. Roger George Davis	36,775	1.43
18. John Paul Sisterson	34,987	1.36
19. Lindway Investments Pty Ltd	29,219	1.14
20. Elshaw Pty Ltd	29,105	1.13
	<u>1,858,140</u>	<u>72.24</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:

Security	Number on issue	Holders of greater than 20% of each class of security		
		Name of holder	Number	%
Options over fully paid shares exercisable:				
- at \$1.00 each on or before 31.07.18	100,000	Martin Place Securities Pty Ltd	100,000	100.0

Tenement directory

Project	Tenement number	Beneficial interest
Victoria		
Four Eagles	EL4525	50%
Four Eagles	EL5295	50%
Pyramid	EL5508	50%
Raydarra East	EL5509	100%
Tandarra	EL4897	51% (earning in via farm-in agreement)
Sebastian	EL5533	100%
Raydarra	EL5266	51% (earning in via farm-in agreement)
Macorna Bore	EL5521	100%

CATALYST METALS LIMITED

ADDITIONAL INFORMATION

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 historical 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 and the quarterly activities report dated 31 July 2014.