catalyst METALS LTD

ABN 54 118 912 495

ANNUAL REPORT AND FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2017

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

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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 29 September 2017. The directors have the power to amend and reissue the financial statements.

DIRECTORS' REPORT

Dear Shareholder,

The 2017 financial year saw your Company really begin to leverage off its long term strategy of dominating the Whitelaw Gold Belt and conducting high quality exploration (which was initiated by your board in 2011) both technically and corporately.

On 16 March 2017, the Company announced that it had reached agreement with ASX-listed gold producer, St Barbara Limited (**St Barbara**)(ASX:SBM) to subscribe for $1.5 million of Catalyst shares in a placement which resulted in the issue of 3 million ordinary fully paid shares at an issue price of 50 cents per share. St Barbara's investment in your Company was as a direct result of the confidence it has in the gold potential of the Whitelaw Gold Belt. We welcome St Barbara to our register – and look forward to developing our relationship with them both as a major shareholder and technically.

On 19 May 2017, the Company announced it had been advised by the Resources Division of Minerals Development Victoria (**EcoDev**) that it had been successful with three applications for co-funding under the TARGET initiative to promote mineral exploration in Victoria. During the period to 30 June 2018, the Company will receive matching funding of $910,850 on exploration expenditure on three of the Company's projects in the Whitelaw Gold Belt.

On 31 July 2017, the Company announced that a share offer made under a prospectus dated 5 May 2017 had been fully subscribed and that the offer had closed early. $1.5 million was raised via the issue of 3 million ordinary fully paid shares at an issue price of 50 cents per share. St Barbara was a major participant in this offer – resulting in it raising its shareholding in your company to 7.23%.

These two capital raisings as well as the TARGET funding awarded to your company will allow for the acceleration of your company's 2017/18 exploration activities over the entire Whitelaw Gold Belt.

The Catalyst strategy over the last five years has been vindicated by the spectacular exploration success of Kirkland lake Gold Limited (**KL**) at the Fosterville Gold Mine which lies on a large fault system similar to the Whitelaw Gold Belt to the east. In July 2017, KL announced a new reserve for the Swan Discovery of 532,000 ounces at a grade of 58.8g/t Au (Reference: TSX announcement by KL dated 27 July 2017). In the June 2017 quarter, Fosterville produced 77,069 ounces of gold at a grade of 17.2g/t Au at an AISC of approximately $380 per ounce (Reference: TSX announcement by KL dated 9 July 2017).

This discovery and transformation of the Fosterville gold mine has resulted in renewed investor interest in the gold exploration potential in Victoria. Just as this news was becoming known in Australia, our Company announced a 22 metre intersection (in FERC185 at Hayanmi) that assayed 36.5g/t Au, with a one-metre interval assaying an incredible 273 g/t Au, which is the highest ever recorded for an interval at our Four Eagles Gold project to date, and one of the best greenfields exploration intersections reported in Australia in 2016/17.

Our Company currently finds itself (by way of its singular control of a proven/live high grade gold belt) in the epi-centre of what might very well be a major re-rating of Victorian Gold both domestically and internationally! As a board we are very looking forward to what 2017/18 might deliver – on both the corporate and technical fronts – as well as to what might happen should a major re-rating of Victorian Gold more generally begin to start really playing-out!

In closing off on "the best year yet" for our Company - your Board would like to again acknowledge and thank all of its many loyal shareholders (old and new), our Joint Venture Partners, our Earn-in Partner, our incredible technical team and our Corporate team for everything they have done collectively for the Company in 2016/17, as the Company continues to position itself to make a major high grade gold discovery in Victoria in the very near term.

Stephen Boston
Chairman
29 September 2017

DIRECTORS' REPORT

The Directors of Catalyst Metals Limited present their report on the consolidated entity for the year ended 30 June 2017.

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 $2,148,309 as at 30 June 2017 (2016: $923,131).

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 2017 was $1,24,909 (2016: $1,098,840).

DIVIDENDS

No dividend has been paid during or is recommended for the financial year ended 30 June 2017.

REVIEW OF OPERATIONS

The 2017 exploration programme has been the most successful in the Company's history with very high grade gold discovered at Four Eagles and Tandarra and a new regional gold discovery at Four Eagles. The following achievements have been delivered to shareholders:

- **Best ever intersections recorded at Hayanmi Zone at Four Eagles Gold Project**
  - **20m @ 21.4g/t Au (FERC185)**
  - **22m @ 36.5g/t Au (FERC185)**
- **Very high grade gold mineralisation intersected at Boyd's Dam at Four Eagles Gold Project:**
  - **6m @ 31.6g/t Au including 1m @ 138.5g/t Au (FERC152)**
  - **19m @ 9.5g/t Au including 1m @ 100.0g/t Au (FERC158)**
- **Further high grade gold intersections confirm Boyd North Prospect:**
  - **4m @ 20.0g/t Au (FE776)**
  - **9m @ 8.2g/t Au (FERC164)**
- **High grade gold mineralisation in shallow drilling of Tomorrow Zone at Tandarra Gold Project**
  - **10m @ 14.0g/t Au from 47 metres**
  - **17m @ 7.1g/t Au from 30 metres**
  - **21m @ 6.5g/t Au from 27 metres**

DIRECTORS' REPORT

- **Potential new gold discovery on Eagle 1 at Four Eagles Gold Project (3m @ 4.8g/t Au)**
- **Visible gold logged in RC drilling chips at Four Eagles Gold Project**
- **Low nugget effect at Four Eagles and Tandarra confirmed by good assay correlation between small (25 gram) and large (2 kilogram) samples**
- **Catalyst secures Victorian Government TARGET co-funding on three projects for $912,000**
- **New Exploration Licence Application on Drummartin and Redesdale Faults gold potential north of Fosterville**
- **Share placement to St Barbara Limited for $1,500,000**
- **Mineralisation Report for Four Eagles completed and Retention Licence Application lodged over area of EL4525**

The Catalyst exploration effort is focussed on the Whitelaw Gold Belt north of Bendigo where two greenfields gold discoveries have been made in the last ten years. 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).

In April 2017, the Company lodged an Exploration Licence application over a large area of approximately 660 square kilometres to cover parts of two regional fault structures east of and parallel to the Whitelaw Gold Belt. The location of this ELA006507 is shown on Figure 1 and covers the projected position of two major regional fault structures interpreted from gravity geophysical data (Drummartin and Redesdale Faults). The Company believes that these fault systems may have similar gold potential to the Whitelaw Gold Belt and have received little previous exploration. Subject to EL grant, the exploration on this licence will aim to test about 60 kilometres of strike length along these structures.

FOUR EAGLES JOINT VENTURE (EL4525, EL5295, EL5508, RL006422)

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 will likely spend a further $2.1 million before the end of 2017 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).

All available detailed exploration data has been released during the 2017 year in Quarterly Reports, Presentations and special ASX announcements and the reader is referred to this information rather than the brief summary presented in this report.

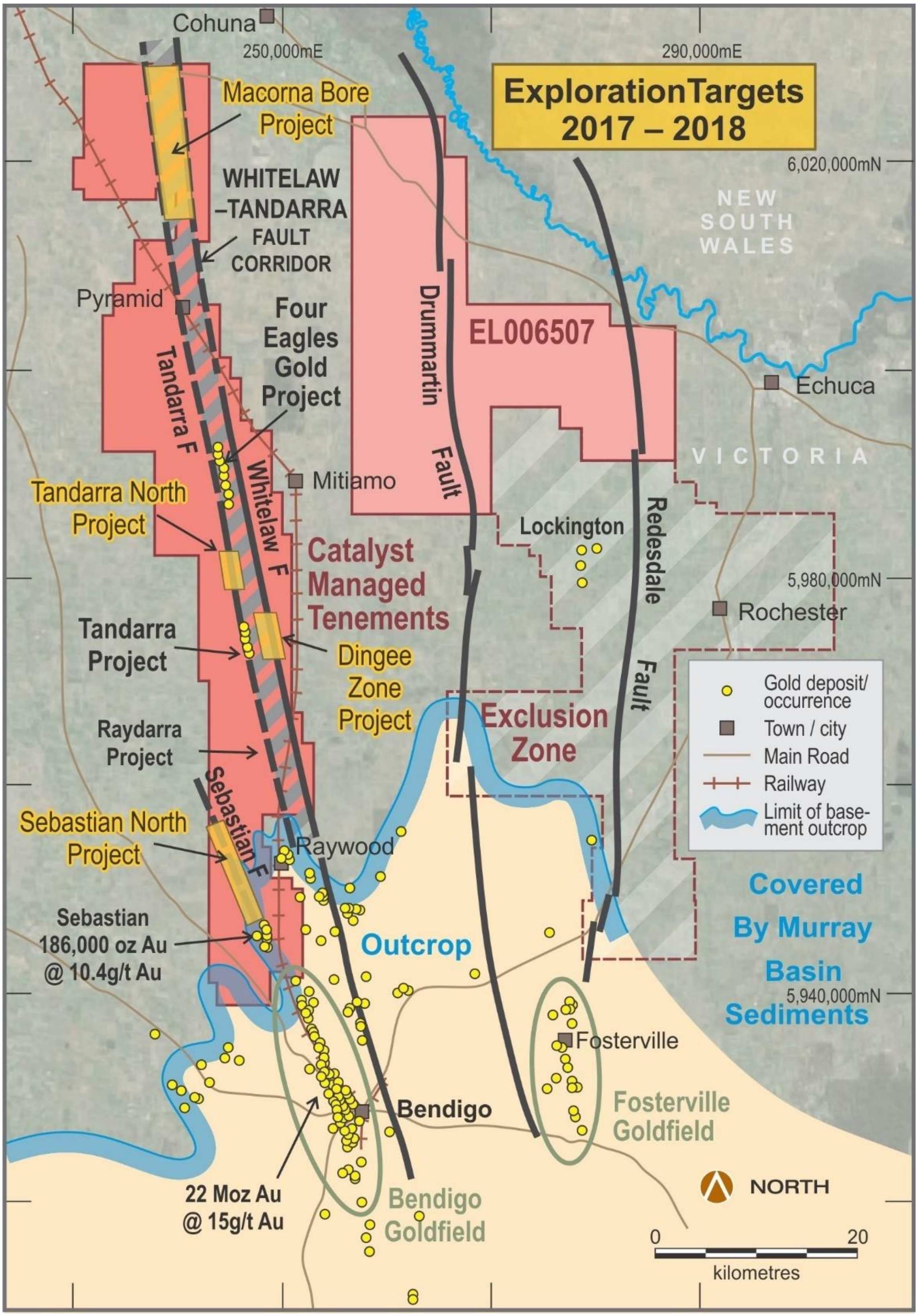

Figure 1: Whitelaw Gold Belt Tenement Holdings showing major Catalyst managed projects

DIRECTORS' REPORT

RC BLADE/HAMMER DRILLING

This programme involved the drilling of angled large diameter air core holes (RC Blade/Hammer) on the Boyd's Dam, Boyd North and Hayanmi Structures. Detailed plans, longitudinal projections and cross sections are presented in the Quarterly Report to the end of June 2017. The RC programme in 2017 has shown high grade gold mineralisation at a 50 metre traverse spacing on Hayanmi and Boyd's Dam and confirmed the Boyd North structure as a shallow gold bearing structure. Summary longitudinal projections are shown as Figures 3 and 4.

Hayanmi Prospect

Thirteen RC holes for a total of 1,936 metres were drilled over a 400-metre strike length of the Hayanmi Trend to test the gold mineralisation down to a vertical depth of about 100 metres. The objective of the programme was to test the Hayanmi structure at a traverse spacing of about 50 metres in order to interpret the shape of the gold mineralisation. The bulk leach data confirmed the strong intersections reported in the 25 gram assay data with a maximum value of **313g/t Au over a one metre interval**. The best intersections yet recorded at the Four Eagles Gold project were recorded in FERC185 with two strong intervals. This may indicate vertical "stacking" of the gold mineralisation which was a characteristic of the Bendigo gold zones. Significant intersections are listed below and are shown in plan view on Figure 2 and in longitudinal projection on Figure 3:

- **20.0m @ 21.4g/t Au including 5.0m @ 82g/t Au from 76 metres (FERC185)**
- **22.0m @ 36.5g/t Au from 116 metres including 8.0m @ 90.2g/t Au from 130 metres (FERC185)**
- **6.0m @ 21.5g/t Au from 77 metres including 4.0m @ 31.5g/t Au from 79 metres (FERC183)**

Modelling of the mineralised shapes and diamond drilling should resolve the structural setting of the gold mineralisation.

Boyd's Dam – Boyd North Prospect

A total of 3,510 metres of RC Blade in 24 holes at Boyd's Dam and a further 23 holes (2,427 metres) at Boyd North were drilled in 2017 and have been reported in previous ASX announcements.

This drilling showed strong gold mineralisation in the core section of Boyd's Dam and also confirmed the high gold grades obtained at Boyd North with air core in 2016. The total length of the Boyd's Dam Boyd North structure is now about 1.8 kilometres long with sporadic high gold grades scattered over the entire length. Boyd North is still only tested at 150 metre intervals and will require RC hammer drilling to penetrate the common quartz veins that occur along the structure.

Significant intersections are shown in plan view on Figure 2 and diagrammatically on the longitudinal projection as Figure 4 and are listed below:

- **6.0 m @ 31.6g/t Au including 1.0 m @ 138.5g/t Au from 114 metres (FERC152)**
- **19.0m @ 10.5g/t Au including 1.0m @ 100.0g/t Au from 59 metres (FERC158)**
- **4.0m @ 20.0g/t Au including 1.0m @ 70.6g/t Au from 110 metres (FE776)**
- **9.0m @ 10.2g/t Au from 42 metres (FERC147)**
- **1.0m @ 28.8g/t Au from 83 metres (FERC153)**
- **5.0m @ 7.97g/t Au from 50 metres (FE782)**
- **9.0m @ 8.2g/t Au from 37 metres (FERC164)**
- **12.0m @ 2.7g/t Au from 107 metres and 1.0m @ 20.9g/t Au from 86 metres (FERC154)**
- **13.0m @ 3.6g/t Au from 81 metres (FERC155)**
- **1.0 m @ 25.5g/t Au from 91 metres and 1.0m @ 32.3g/t Au from 112 metres (FERC149)**
- **2.0m @ 7.9g/t Au from 95 metres (FERC146)**
- **1.0m @23.6g/t Au from 115 metres (FERC145)**
- **6.0m @ 3.7g/t Au from 98 metres (FE766)**
- **4.0m @ 7.1g/t Au from 95 metres and 2.0m @ 17.6g/t Au from 157 metres (FERC161)**
- **15.0m @ 2.2g/t Au from 94 metres (FERC172)**
- **5.0m @ 3.4g/t Au from 82 metres (FERC166)**

DIRECTORS' REPORT

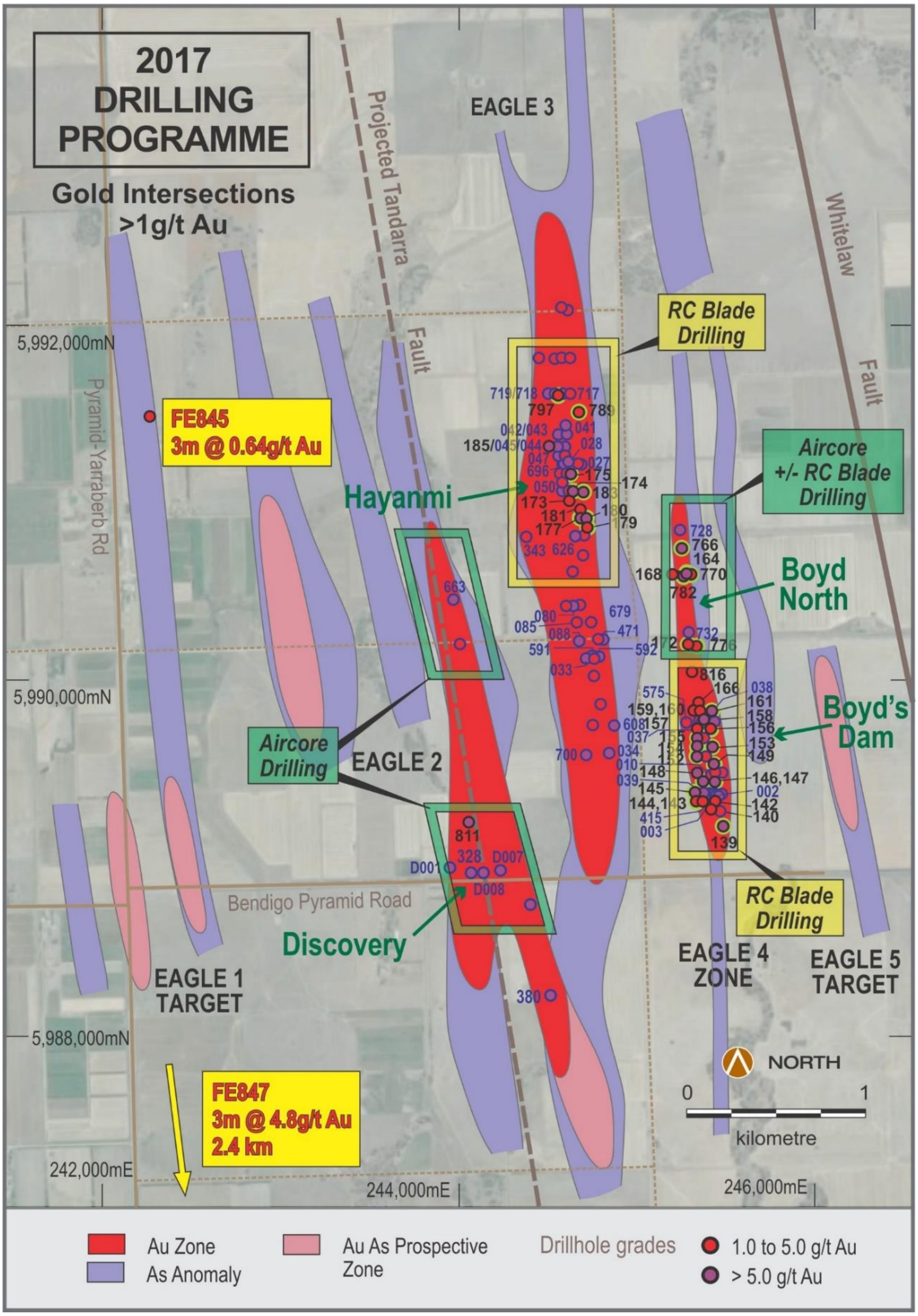

Figure 2a: Four Eagles Gold Project showing areas of RC Blade/Hammer and Air Core Drilling in 2017. Recent gravity target intersections are also shown

Drillhole Intersections

2017 Intersections

FERC139		1.0m @ 7.79g/t Au from 113m
FERC140		1.0m @ 4.19g/t Au from 86m
FERC142		1.0m @ 3.27g/t Au from 65m
FERC143		3.0m @ 2.75g/t Au from 80m
	and	1.0m @ 3.6g/t Au from 98m
FERC144		4.0m @ 4.16g/t Au from 127m
FERC145		1.0m @ 23.6g/t Au from 115m
FERC146		2.0m @ 7.91g/t Au from 95m
FERC147		9.0m @ 10.23g/t Au from 42m
FERC148		1.0m @ 6.33g/t Au from 117m
FERC149		1.0m @ 25.5g/t Au from 91m
	and	1.0m @ 32.3g/t Au from 112m
FERC152		6.0m @ 31.6g/t Au from 114m
FERC153		1.0m @ 28.8g/t Au from 83m
	and	1.0m @ 13.9g/t Au from 127m
FERC154		12.0m @ 2.48g/t Au from 75m
	inc	1.0m @ 20.9g/t Au from 86m
	and	12.0m @ 2.74g/t Au from 107m
	inc	6.0m @ 4.58g/t Au from 108m
FERC155		22.0m @ 2.31g/t Au from 72m
	inc	13.0m @ 3.61g/t Au from 81m
FERC156		6.0m @ 1.9g/t Au from 67m
FERC158		19.0m @ 10.47g/t Au from 59m
	inc	13.0m @ 14.7g/t Au from 65m
FERC159		4.0m @ 1.3g/t Au from 69m
FERC160		4.0m @ 1.1g/t Au from 101m
FERC161		6.0m @ 4.87g/t Au from 93m
	inc	3.0m @ 9.2g/t Au from 95m
	and	4.0m @ 4.8g/t Au from 149m
	and	2.0m @ 17.57g/t Au from 157m
FERC164		9.0m @ 8.18g/t Au from 37m
	inc	4.0m @ 13.4g/t Au from 41m
FERC166		5.0m @ 3.41g/t Au from 82m
FERC172		15.0m @ 2.25g/t Au from 94m
	inc	6.0m @ 4.0g/t Au from 101m
FERC173		2.0m @ 1.3g/t Au from 68m
FERC174		8.0m @ 4.1g/t Au from 61m
FERC175		6.0m @ 6.1g/t Au from 58m
	and	3.0m @ 10.9g/t Au from 60m
FERC177		3.0m @ 6.1g/t Au from 84m
FERC179		9.0m @ 1.5g/t Au from 65m
FERC180		3.0m @ 3.6g/t Au from 92m
	inc	1.0m @ 8.2g/t Au from 92m
FERC181		2.0m @ 4.5g/t Au from 93m
FERC183		6.0m @ 21.5g/t Au from 77m
FERC185		20.0m @ 21.4g/t Au from 76m
	and	22.0m @ 36.5g/t Au from 116m
FE766		6.0m @ 3.7g/t Au from 98m
FE770		5.0m @ 2.4g/t Au from 30m
FE776		4.0m @ 20.0g/t Au from 110m
FE782		5.0m @ 7.9g/t Au from 50m
FE789		8.0m @ 2.06g/t Au from 79m
FE797		6.0m @ 4.6g/t Au from 76m
FE811		8.0m @ 4.04g/t Au from 139m

Pre 2017 Intersections

FEDD001		3.7m @ 4.7g/t Au from 170m
FEDD007		0.75m @ 15.3g/t Au from 170m
FEDD008		0.4m @ 152g/t Au from 150m
FERC002		1m @ 18.3g/t Au from 127m
FERC003		2m @ 6.2g/t Au from 49m
FERC010		6.0m @ 3.77g/t Au from 44m
FE328		6m @ 82.7g/t Au from 123m
FE343		3m @ 3.34g/t Au from 111m
FE380		3m @ 9.71g/t Au from 120m
FE415		3.0m @ 36.6g/t Au from 57m
FE471		3.0m @ 5.96g/t Au from 75m
FE575		3.0m @ 4.9g/t Au from 66m
FE579		9.0m @ 2.33g/t Au from 48m
FE591		3.0m @ 14.7g/t Au from 87m
FE592		9.0m @ 7.9g/t Au from 87m
	inc	3.0m @ 20.5g/t Au from 90m
FE608		3.0m @ 9.1g/t Au from 108m
FE626		1.5m @ 12.9g/t Au from 52.5m
FE663		3.0m @ 59g/t Au from 102m
	and	3.0m @ 7.0g/t Au from 102m
FE696		41m @ 3.87g/t Au from 76m
	inc	6.0m @ 16.3g/t Au from 76m
FE700		13m @ 2.60g/t Au from 135m
	inc	5.0m @ 5.76g/t Au from 135m
FE717		9.0m @ 5.71g/t Au from 108m
FE718		3.0m @ 13.4g/t Au from 99m
FE719		3.0m @ 9.2g/t Au from 147m
FE728		1.0m @ 6.24g/t Au from 85m
FE732		3.0m @ 154g/t Au from 96m
FERC027		5.0m @ 2.71g/t Au from 100m
FERC028		1.0m @ 5.95g/t Au from 76m
FERC033		4.0m @ 3.3g/t Au from 102m
FERC034		3.0m @ 11.2g/t Au from 127m
FERC037		1.0m @ 11.0g/t Au from 66m
FERC038		16.0m @ 2.0g/t Au from 80m
FERC039		2.0m @ 7.6g/t Au from 55m
	and	8.0m @ 3.7g/t Au from 66m
FERC041		4.0m @ 3.8g/t Au from 116m
FERC042		4.0m @ 4.0g/t Au from 65m
FERC043		10.0m @ 3.7g/t Au from 61m
FERC044		2.0m @ 19.2g/t Au from 93m
FERC045		2.0m @ 10.6g/t Au from 81m
FERC047		2.0m @ 7.76g/t Au from 127m
FERC050		6.0m @ 2.7g/t Au from 97m
FERC055		1.0m @ 9.4g/t Au from 111m
FERC058		5.0m @ 3.0g/t Au from 71m
FERC059		6.0m @ 2.8g/t Au from 106m
FERC061		5.0m @ 2.6g/t Au from 73m
FERC080		1.0m @ 7.13g/t Au from 147m
FERC085		1.0m @ 9.54g/t Au from 109m
FERC088		1.0m @ 103.0g/t Au from 149m

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

DIRECTORS' REPORT

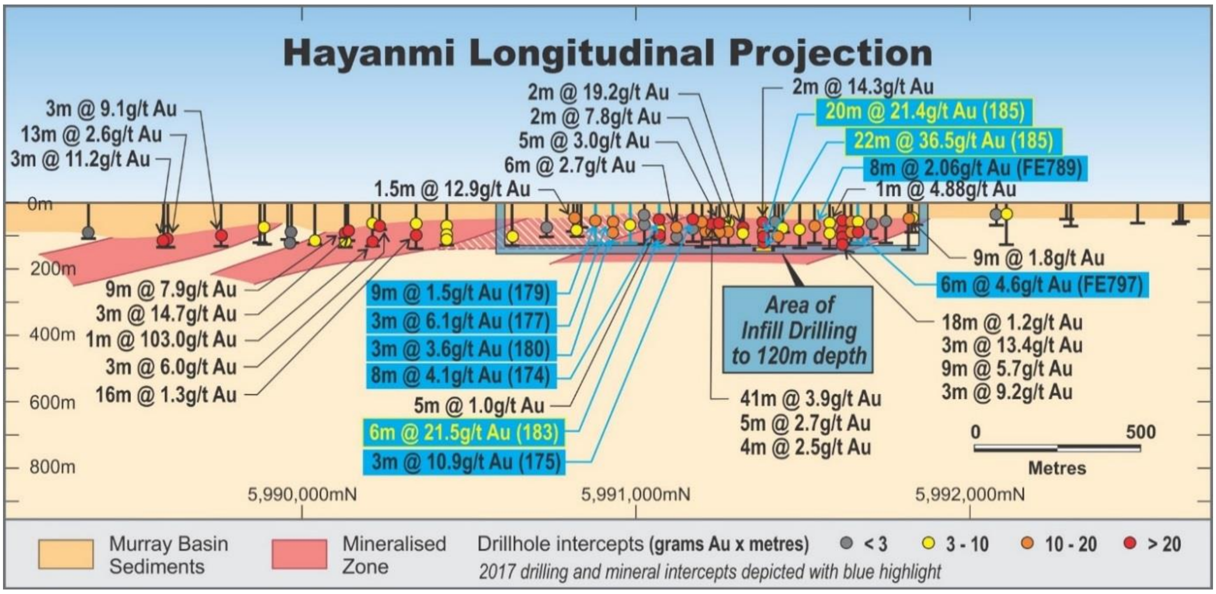

Figure 3: Longitudinal Projection of Hayanmi Prospect showing areas of RC drilling in 2017.

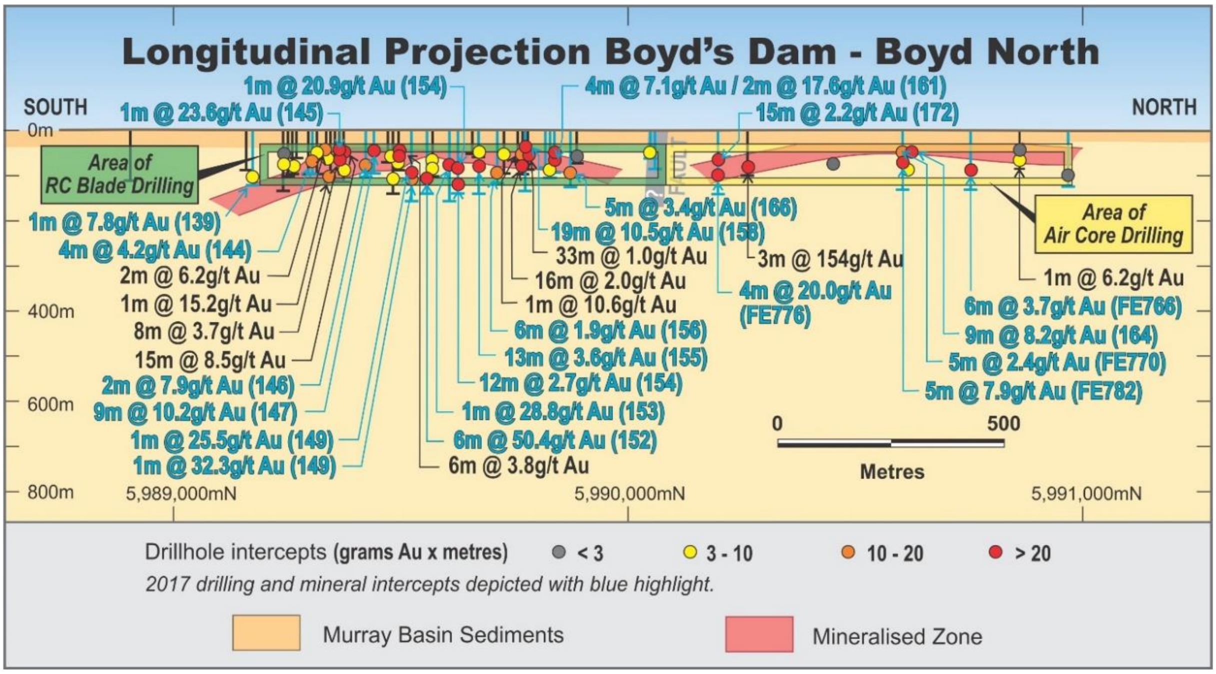

Figure 4: Longitudinal Projection of Boyd's Dam- Boyd North highlighting 2017 drill intersections (in blue)

Regional Air Core Reconnaissance Exploration

Air core drilling was completed in May 2017 with 8,899 metres of drilling completed at Boyd North, Hayanmi North, and Discovery Zones as well as reconnaissance drilling on five of the eight gravity geophysical targets.

Gravity Targets

A geophysical gravity survey in 2016 highlighted eight gravity targets for drill testing in 2017. Based on accessibility, five of these targets were tested with air core drilling during the March to May 2017 period and two of the targets have shown gold mineralisation (Figure 2a)

Assay results from the testing of gravity target 3 has produced a very significant gold intersection of **3.0 metres @ 4.8g/t Au from 123 metres depth in drill hole FE847.** This zone is in a totally new area with no previous drilling but may lie on the interpreted **Eagle 1 Trend** which had weak gold intersections about 2.5 kilometres to the north. On gravity Target 4, six (6) kilometres to the north, low grade gold mineralisation was also intersected in **drill hole FE845 which contained 3.0m @ 0.46g/t Au from 96 metres and 3.0 metres @ 0.61g/t Au from 114 metres.**

These results confirm the regional potential of the Four Eagles Gold project and show that gravity geophysics could be useful for reconnaissance over the entire 80 kilometre long Whitelaw Gold Belt.

Discovery Zone

Air core drilling was undertaken on the Discovery Zone for the first time in several years and has extended the high grade zone by 400 metres to the north with an intersection of **3.0 metres @ 9.6g/t Au in drill holeole FE811 and visible gold recorded in drill hole FE842**. This zone contained some of the highest grade intersections at the Four Eagles Gold Project but the exploration programme has focussed on Boyd's Dam and Hayanmi where the basement depth is shallower. Limited drilling was carried out at the northern end of the Discovery Zone where air core **hole FE663 contained 3.0 metres @ 59g/t Au**. The Discovery Zone appears to have several parallel lines of gold mineralisation and more drilling is required to understand the gold distribution evidenced in the following intersections:

- **3.0m @ 9.6g/t Au (FE811)**
- **3.7m @ 4.7g/t Au including 0.8 m @ 17.5g/t Au (FEDD001)**
- **0.4m @ 8.4g/t Au and 0.75m @ 15.3g/t Au (FEDD007)**
- **0.4m @ 152g/t Au (FEDD008)**
- **6.0m @ 82.7g/t Au (FE328)**
- **1.5m @ 1.81g/t Au (FE326)**
- **3.0m @ 9.71g/t Au (FE380)**
- **3.0m @ 1.4g/t Au (FE840)**
- **3.0m @59.0g/t Au and 3.0m @ 7.0g/t Au (FE663)**

Gold in the Discovery Zone is usually related to massive or stringer quartz zones and is a high-grade underground exploration target.

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. In September 2016, Catalyst satisfied an initial two-year expenditure commitment by spending a minimum of $800,000 on the Tandarra Gold Project (Figure 7).

RC BLADE DRILLING: TOMORROW AND MACNAUGHTANS ZONES

In April 2017, a 3,819 metre RC Blade drilling program commenced at the Tomorrow Gold Prospect to provide detailed grade information on the shallow, high-grade gold occurring within the top 60 metres of depth over a strike length of about 450 metres (Figure 8).

The programme of 64 angled, large diameter RC Blade drill holes were designed to test the continuity of the gold mineralisation that could be amenable to open pit mining. The drill traverse spacing was approximately 25 metres north-south and will enable mineralised shapes to be estimated with confidence in an area where the un-mineralised cover is relatively shallow (18 to 30 metres).

The drilling programme has confirmed high grade mineralisation over thick widths down to a vertical depth of about 60 metres and should enhance the grade in a portion of the shallow gold mineralisation. After modelling, it should be possible to determine the plunge of the shallow mineralisation thus providing drill targets at deeper levels. Best intersections (Assay in g/t Au X metre length > 15 gram-metres) from the 2017 drill programme are shown as follows and diagrammatically on the longitudinal projection on Figure 8:

Tomorrow Prospect
2017 Intersections:

- **6.0m @ 6.1g/t Au from 34 metres (RCT155)**
- **8.0m @ 5.2g/t Au from 42 metres (RCT156)**
- **8.0m @ 1.4g/t Au from 59 metres (RCT169)**
- **3.0m @ 5.6g/t Au from 31 metres (RCT170)**
- **10.0m @ 14.0g/t Au from 47 metres (RCT172)**
- **17.0m @ 7.1g/t Au from 30 metres (RCT173)**
- **7.0m @ 5.6g/t Au from 67 metres (RCT174)**
- **21.0m @ 6.5g/t Au including 3.0m @ 33.3g/t Au from 27 metres (RCT177)**
- **9.0m @ 2.2g/t Au from 44 metres (RCT178)**
- **4.0m @ 7.0g/t Au from 36 metres (RCT183)**
- **7.0m @ 2.8g/t Au from 22 metres (RCT184)**
- **6.0m @ 2.6g/t Au from 40 metres (RCT187)**
- **6.0m @ 3.0g/t Au from 32 metres (RCT194)**
- **2.0m @ 6.6g/t Au from 54 metres (RCT196)**
- **2.0m @ 9.4g/t Au from 57 metres (RCT197)**
- **13.0m @ 1.3g/t Au from 32 metres (RCT199)**
- **8.0m @ 3.1g/t Au from 31 metres (RCT204)**

RECONNAISSANCE AIR CORE DRILLING PROGRAMME: TANDARRA

There was no field activity on the regional targets at Tandarra during 2017 but the Company has been successful in being awarded a TARGET grant from the Victorian EcoDev as discussed later in this report.

BULK LEACH ASSAYS COMPARED TO 25 GRAM ASSAYS

Four Eagles Gold Project

Approximately 1,280 samples from the RC drilling programme on Hayanmi and Boyd's Dam Prospects (Figures 2a & 2b) have been re-assayed by bulk leaching the total ±2 kilogram sample. These samples have been chosen because they contained anomalous gold when using a 25 gram sub-sample and an Aqua Regia digest followed by ICP-MS analysis. This provides an excellent check of the variability of gold at the Four Eagles Gold Project **which tends to be fine grained and shows a low "nugget effect"** compared to the Bendigo Goldfield.

Results of the bulk leach samples generally showed a good correlation with the smaller samples, particularly at the critical lower grade range - as shown on the inset in Figure 5. Because of the larger size sample, the bulk leach assays are usually considered to be more reliable. Metallurgical test work has also shown that almost 60% of gold at Four Eagles is very fine grained (< 38 microns).

DIRECTORS' REPORT

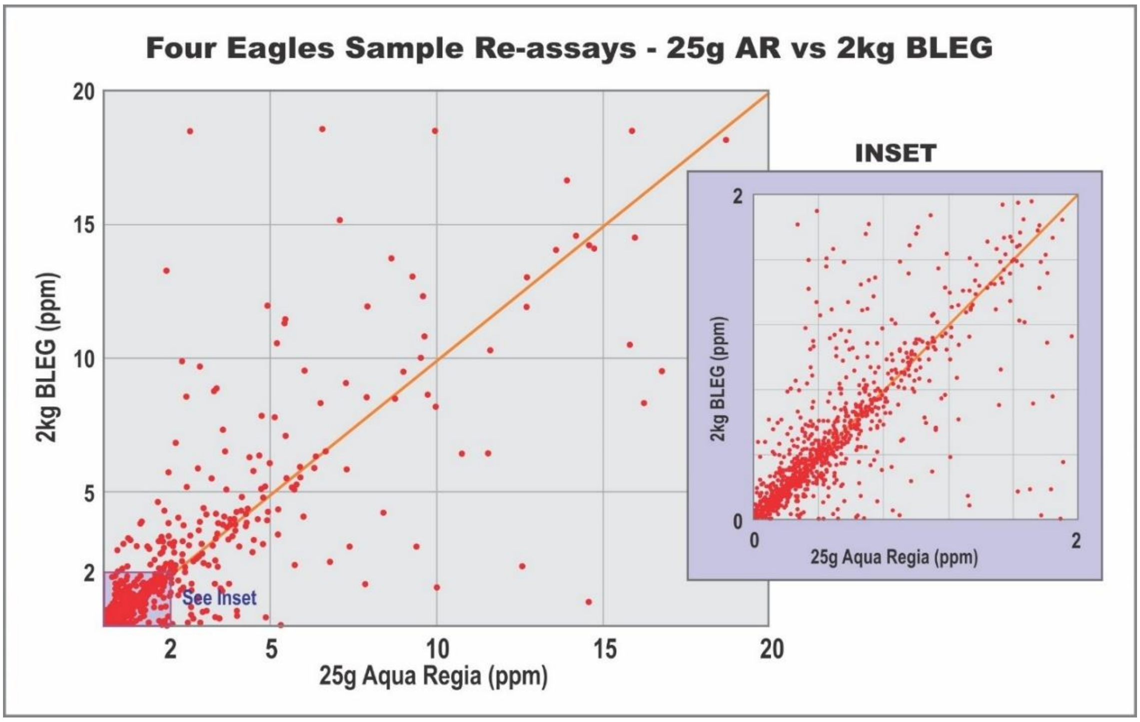

Figure 5: Four Eagles Gold Project showing assay correlation between 25 gram samples and 2-kilogram bulk leach samples

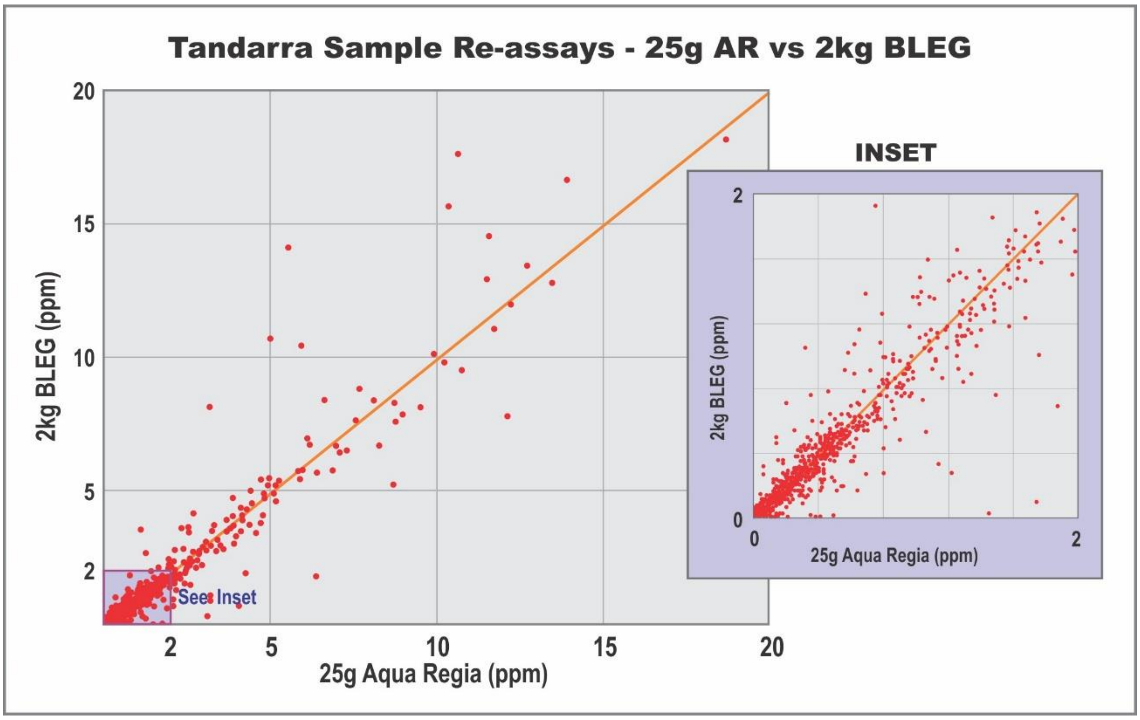

Figure 6: Tandarra Gold Project showing assay correlation between 25-gram samples and 2-kilogram bulk leach samples.

Tandarra Gold Project

Prior to 2015, Tandarra samples had been assayed only by bulk cyanide leaching so there was no data on comparison to small sample analysis to test the reproducibility of assays. In 2016 and 2017, Catalyst used the same assay methodology as applied at Four Eagles on RC drill samples in order to gain a better understanding of grade variability at the Tandarra Gold Project. As above, RC samples were initially assayed by using a 25 gram sub-sample subjected to an aqua regia leach and ICP-MS assay. Any anomalous samples were then subjected to a bulk cyanide leach of the total ±2 kilogram sample.

Approximately 1,000 samples have now been re-assayed in this manner and show excellent correlation between assays from small and large samples as shown by the scatter plot on Figure 6. Bulk Leach assays were usually slightly higher than the small 25 gram sample but only a minor proportion of the 1,000 samples assayed showed a lesser correlation. This supports the view that Tandarra gold mineralisation has a lower nugget variability compared to Bendigo which means that drilling assay data can be used for resource estimation.

CASTLEMAINE JOINT VENTURE PROJECT: RAYDARRA (EL5266)

Because of the focus on other higher priority targets in the Whitelaw Gold Belt, activity on Raydarra was limited to analysis of data and statutory reporting.

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

There was no field activity on these licences in 2017 but considerable resources have been applied in data review and planning for air core programmes in the latter half of the 2017 calendar year. Gravity surveys will be undertaken to target gold structures at Macorna Bore(EL5521).

TARGET MINERALS EXPLORATION INITIATIVE GRANTS PROGRAMME (ROUND 2)

In January 2017, Catalyst submitted four applications to the Victorian Department of Economic Development Jobs, Transport and Resources (**EcoDev**) for joint exploration funding of the Company's projects in the Whitelaw Gold Belt. These applications were lodged under Stage 2 of the Victorian Government's TARGET initiative which is designed to promote exploration in Victoria. Catalyst has received acceptance (subject to execution of grant agreements) for three of these applications and will receive matching funding of up to $910,850 during the 2017/18 year. Exploration is proposed on the following three projects:

Macorna Bore EL5521 (TARGET funding of $312,200)

This project will undertake a gravity survey followed up by Air Core drilling on EL5521 and adjacent areas on EL5508. As shown on Figure 6, this area lies on the interpreted northern extension of the Whitelaw Tandarra Fault corridor which may also be prospective for gold mineralisation. Drilling in 2016 showed shallow basement with anomalous arsenic values in air core drilling and this is often an indicator of proximity to gold mineralisation.

Hayanmi and Boyd's Dam (EL4525) deeper diamond drilling (TARGET funding $373,950)

The objective of this programme will be to test the Hayanmi and Boyd's Dam structures at a vertical depth of 200 to 300 metres. Based on comparative studies at Bendigo and Fosterville, rich gold lodes are often present in gently plunging shoots or separate parallel shoots beneath the shallow gold mineralisation intersected near surface. This diamond drilling programme will be planned after a complete interpretation of all results from the current RC and Air Core programmes. The area to be tested would lie beneath the current shallow drilling panels shown on Figures 3 and 4.

Tandarra (EL4897) Dingee Zone Programme (TARGET funding $224,700)

This programme will aim to trial Deep Ground Penetrating Radar (DGPR), a geophysical method that may be useful in identifying anticlinal structures and mineralised zones in the basement rocks. It may also be useful in mapping the basement topography beneath the Murray Basin sediments. Subject to the results of the DGPR survey, air core drilling will be used to test any targets on the Dingee Zone (Figure 7).

DIRECTORS' REPORT

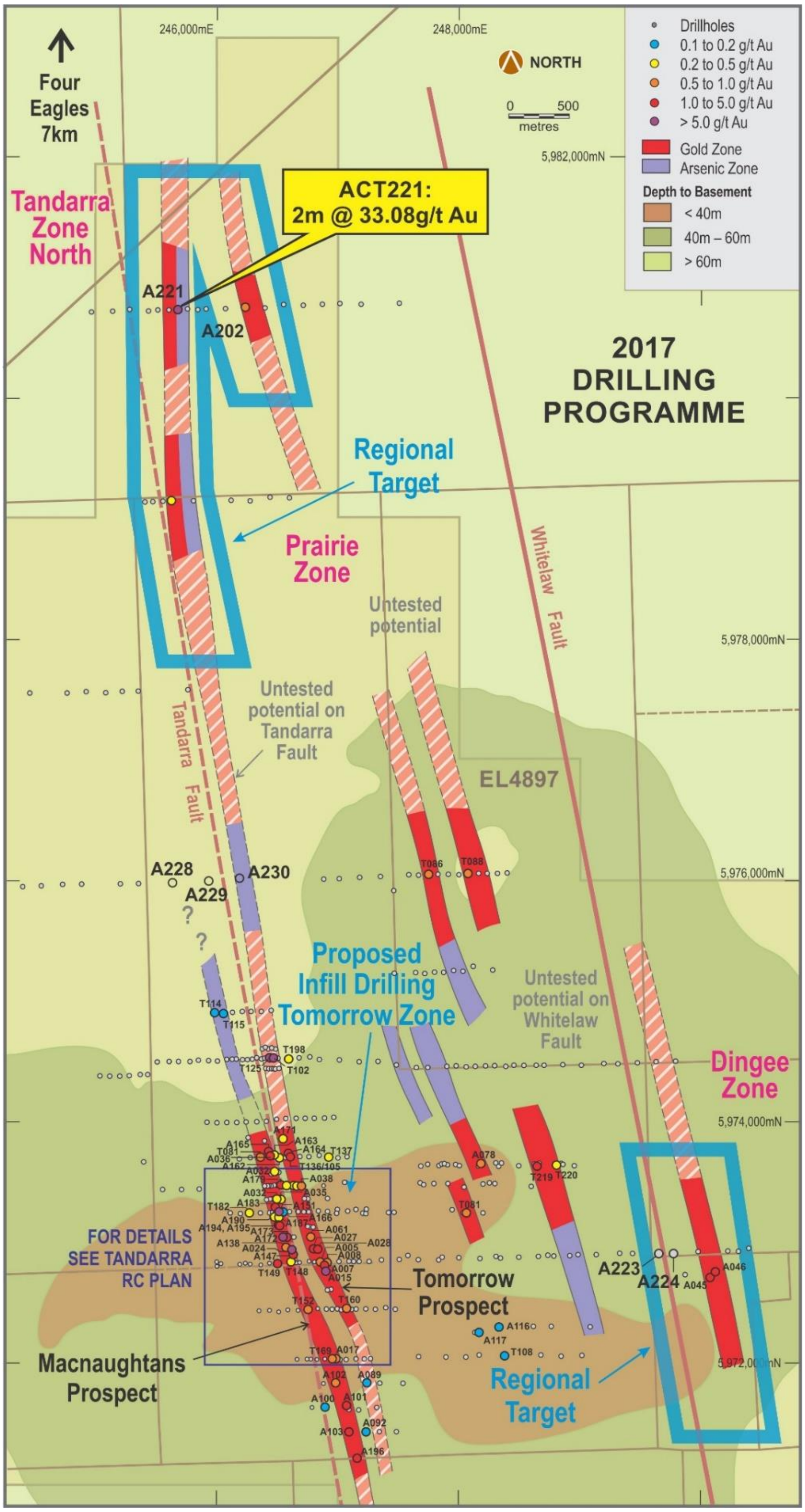

Figure 7: Tandarra Gold Project showing areas of RC Blade drilling at the Tomorrow Zone in 2017.

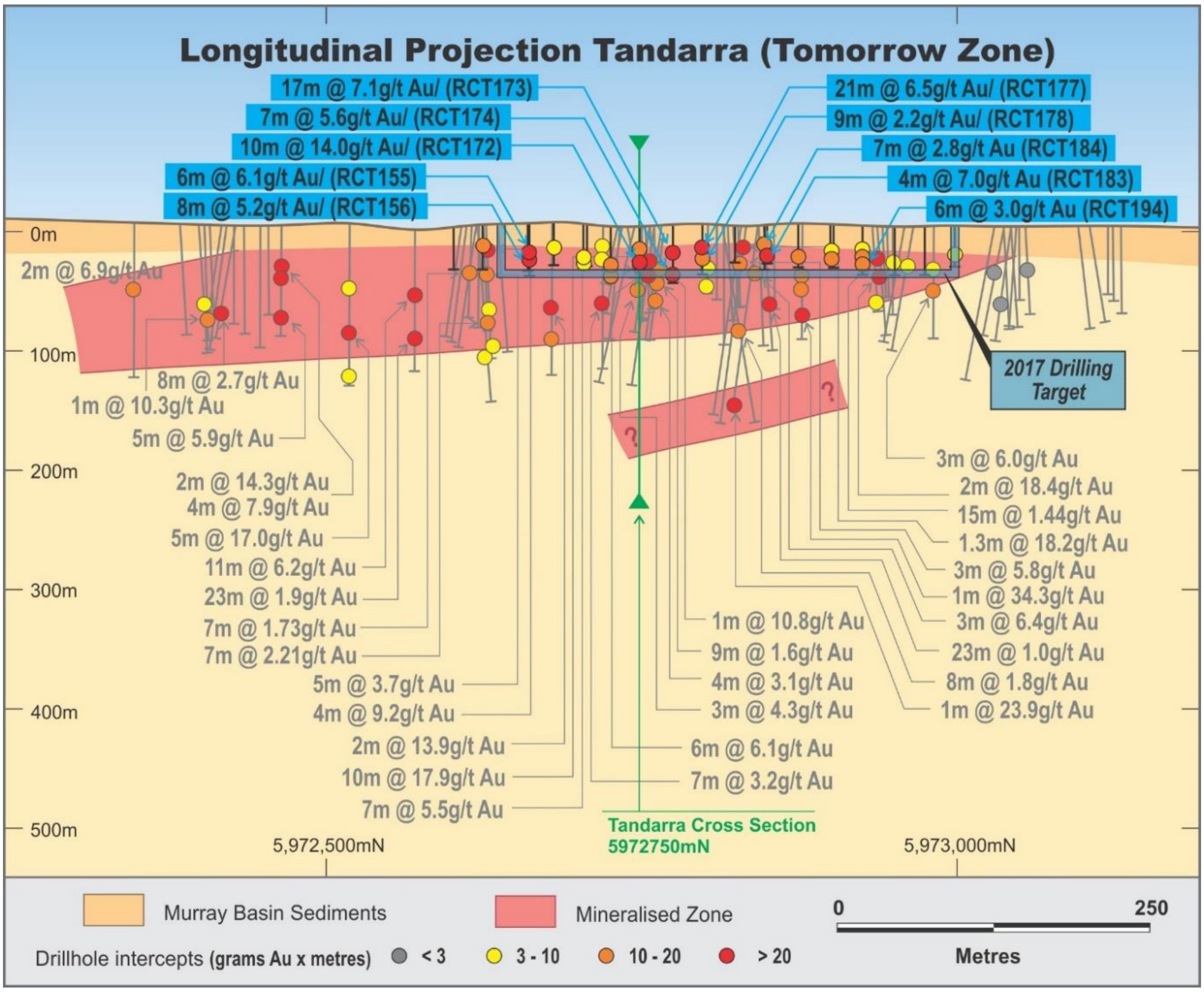

Figure 8: Longitudinal projection of Tomorrow Gold zone showing panel drilled in 2017 and recent intersections (blue highlight)

MINERALISATION REPORT/RETENTION LICENCE APPLICATION

Under Victorian Department of Economic Development, Jobs, Transport and Resources (DEDJTR) regulations, before the expiry of the term of an exploration licence, application must be made for conversion of the exploration licence into a Retention Licence, which includes a regulatory assessment process. During the December 2016 Quarter, Catalyst finalised the preparation of a Mineralisation Report on the Hayanmi and Boyd's Dam Gold Zones. The main purpose of this report is to satisfy DEDJTR regulations to show that gold mineralisation has been discovered and to form the basis of an application for a Retention Licence to replace the current Exploration Licence 4525. The Report has attempted to apply shapes to the zones of gold mineralisation and outline a ten-year programme of further exploration, scoping studies and possible feasibility studies.

The Retention Licence application was lodged on 22 December 2016. The RL006422 application is expected to take some time to be granted but the underlying EL4525, which had a nominal expiry of 19 January 2017 remains in force until the Retention Licence is approved.

Subsequent to year end, DEDJTR (regulatory arm of the Victorian Earth Resources Department) have contacted the Company and requested additional information and clarifications on the Mineralisation Report to assist in its regulatory assessment of the Report. This will include updating the Report with information obtained from the 2017 drilling programme and is expected to be completed during the December 2017 Quarter. Accordingly, Catalyst has formally requested an extension of time in which the Mineralisation Report was required to be submitted. An extension (which was received by the Company on the 28 September 2017) has been formally granted by DEDJTR until the 30 November 2017.

DIRECTORS' REPORT

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

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

FUTURE DEVELOPMENTS

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

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

SUBSEQUENT EVENTS

On 31 July 2017 the prospectus dated 5 May 2017 to raise $1,500,000 was closed fully subscribed and 1,715,833 shares were allotted at $0.50 each for $857,916. There was an interim allotment of shares on 16 June 2017 for $642,084.

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.

Memberships:	Senior Associate – Financial Services Institute of Australia	
Special Responsibilities:	Chairman	
Other Directorships:	None	
Interests in securities:	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.

Special Responsibilities:	Member of audit committee.	
Other Directorships:	None	
Interests in securities:	Direct:	Nil
	Indirect:	5,065,102 Ordinary Shares 245,630 Listed Options ($0.50, expiring 30 June 2018)

DIRECTORS' REPORT

Gary Schwab (Non-Executive Director)

Mr Schwab is a Certified Practicing 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	-	-

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 3,672,403 (2016: 2,672,403) unissued ordinary shares under option. There are 2,572,403 options exercisable at $0.50 each on or before 30 June 2018, 100,000 options are exercisable at $1.00 each on or before 31 July 2018 and 1,000,000 options exercisable at $1.00 each on or before 31 October 2020.

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:

REMUNERATION REPORT (Continued)

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

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

Fixed and variable remuneration is established for each executive director by the Board. The objective of short term incentives is to link achievement of the Group's operational targets with the remuneration received by executives charged with meeting those targets. 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 2016 AGM, 100% of the votes received supported the adoption of the remuneration report for the year ended 30 June 2016. The company did not receive any specific feedback at the AGM regarding its remuneration practices.

Details of Remuneration for Year Ended 30 June 2017

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.

2017	**Short-term employment benefits**		**Post-employment benefits**	**Share-based payments**	
Name	**Cash salary and fees**	**Other**	**Superannuation**	**Shares**	**Total**
Non-executive directors					
S Boston	72,000	-	6,840	-	78,840
R Scrimgeour	52,560	-	-	-	52,560
G Schwab	48,000	-	4,560	-	52,560
B Kay	85,133	-	23,312	-	108,445
Total key management personnel compensation	**257,693**	**-**	**34,172**	**-**	**292,405**

REMUNERATION REPORT (Continued)

In 2017, Mr Kay received $48,000 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 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**	
Name	**Cash salary and fees**	**Other**	**Superannuation**	**Shares**	**Total**
Non-executive directors					
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**

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.

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 July 2016, Non-executive directors receive remuneration of $48,000 per annum plus statutory superannuation, whilst the Chairman receives remuneration of $72,000 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 (2016: Nil).

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.

DIRECTORS' REPORT

REMUNERATION REPORT (Continued)

During the financial year 1,000,000 options exercisable at $1 each on or before 31 October 2020 were issued to consultants of the Company.

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 (2016: Nil). 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 of previously issued performance rights.

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:

2017 – 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

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.

2017 – Ordinary Share Holdings

Directors	*Balance at beginning of year*	*Purchased*	*Other changes*	*Balance at end of year*
S Boston	5,741,160	-	-	5,741,160
R Scrimgeour	4,915,089	150,013	-	5,065,102
G Schwab	-	-	-	-
B Kay	1,793,326	-	350,000	2,143,326

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:

2017 – 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:

	2017	*2016*	*2015*	*2014*	*2013*
Net loss for the period	(1,124,909)	(1,098,840)	(240,105)	(1,023,864)	(1,007,381)
Share price at financial year end ($)	0.50	0.59	0.42	0.32	0.33
Basic loss per share (cents per share)	(2.0)	(2.1)	(0.5)	(0.5)	(2.2)

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.

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 2017.

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 2017 has been received and immediately follows the Directors' Report.

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

Stephen Boston
Chairman

Perth, Western Australia
29 September 2017

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 2017, 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

AWhyte

Perth, WA
Dated: 29 September 2017

ALASDAIR WHYTE
Partner

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 30 June 2017

	Note	2017 $	2016 $
Current Assets			
Cash and cash equivalents	7	2,529,414	1,460,562
Trade and other receivables	8	68,581	76,880
Total Current Assets		2,597,995	1,537,442
Non-Current Assets			
Property, plant and equipment	9	-	-
Exploration and evaluation expenditure	10	-	-
Total Non-Current Assets		-	-
TOTAL ASSETS		2,597,995	1,537,442
Current Liabilities			
Trade and other payables	11	261,427	254,109
Other - advances	12	188,259	360,202
Total Current Liabilities		449,686	614,311
TOTAL LIABILITIES		449,686	614,311
NET ASSETS		2,148,309	923,131
Equity			
Contributed equity	13	13,138,803	10,933,680
Share-based payments reserve	14	372,972	228,008
Accumulated losses	14	(11,363,466)	(10,238,557)
TOTAL EQUITY		2,148,309	923,131

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

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
For the Year Ended 30 June 2017

	Note	2017 $	2016 $
Revenue from continuing operations	3	119,405	17,746
Expenses			
Professional fees		(160,452)	(84,300)
Administration, occupancy and travel costs		(106,301)	(91,068)
Personnel		(465,299)	(205,685)
Corporate		(139,567)	(132,130)
Exploration costs written off		(372,695)	(603,403)
Loss before income tax expense from continuing operations		(1,124,909)	(1,098,840)
Income tax expense	6	-	-
Loss after income tax from continuing operations		(1,124,909)	(1,098,840)
Other comprehensive income		-	-
Total comprehensive loss for the year		(1,124,909)	(1,098,840)
Total comprehensive loss attributable to members of the Parent entity		(1,124,909)	(1,098,840)
Earnings per share for loss attributable to the owners of Catalyst Metals Limited			
Basic loss per share (cents per share)	5	(2.0)	(2.1)
Diluted loss per share (cents per share)	5	(2.0)	(2.1)

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the Year Ended 30 June 2017

	Contributed Equity $	Accumulated losses $	Share-based payments reserve $	Total $
Balance at 30 June 2015	**9,4599,786**	**(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 2015	**10,933,680**	**(10,238,557)**	**228,008**	**923,131**
Total comprehensive loss for the year	-	(1,124,909)	-	(1,124,909)
Transactions with owners in their capacity as owners:				
Share based payments	-	-	231,500	231,500
Issue of shares	2,167,474	-	-	2,167,474
Transfer upon vesting of performance rights	106,399	-	(106,399)	-
Share issue expenses	(68,750)	-	19,863	(48,887)
Balance at 30 June 2016	**13,138,803**	**(11,363,466)**	**372,972**	**2,148,309**

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

CONSOLIDATED STATEMENT OF CASH FLOWS
For the Year Ended 30 June 2017

	Note	2017 $	2016 $
Cash Flows from Operating Activities			
Payments for exploration and evaluation		(372,694)	(603,403)
Payments to suppliers, contractors and employees		(603,311)	(659,585)
Research and development tax offsets received		105,936	-
Interest received		13,469	17,746
Net cash flows (used in) / provided by operating activities	15	(856,600)	(1,245,242)
Cash Flows from Investing Activities			
Net cash flows used in investing activities		-	-
Cash Flows from Financing Activities			
Proceeds from issue of shares and other equity securities		2,167,473	1,300,400
Share issue expenses		(68,750)	(31,643)
Farm in advances received (Note 12)		1,381,650	1,407,565
Farm in advances expended (Note 12)		(1,554,921)	(1,305,463)
Net cash flows from financing activities		1,925,452	1,370,859
Net increase / (decrease) in cash and cash equivalents		1,068,852	125,617
Cash and cash equivalents at the beginning of the financial year		1,460,562	1,334,945
Cash and cash equivalents at the end of the financial year	7	2,529,414	1,460,562

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

NOTES TO THE FINANCIAL STATEMENTS
For The Year Ended 30 June 2017

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 2017 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.

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.

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.

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 such costs are expected to be recouped through successful development and exploitation of the area of interest or, alternatively, by its sale.

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.

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.

Share-based payments

Equity-settled and cash-settled share-based compensation benefits are provided to employees.

Equity-settled transactions are awards of shares, or options over shares that are provided to employees in exchange for the rendering of services. Cash-settled transactions are awards of cash for the exchange of services, where the amount of cash is determined by reference to the share price.

The cost of equity-settled transactions are measured at fair value on grant date. Fair value is independently determined using either the Binomial or 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, together with non-vesting conditions that do not determine whether the consolidated entity receives the services that entitle the employees to receive payment. No account is taken of any other vesting conditions.

The cost of equity-settled transactions are recognised as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period. The amount recognised in profit or loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.

The cost of cash-settled transactions is initially, and at each reporting date until vested, determined by applying either the Binomial or Black-Scholes option pricing model, taking into consideration the terms and conditions on which the award was granted. The cumulative charge to profit or loss until settlement of the liability is calculated as follows:

- during the vesting period, the liability at each reporting date is the fair value of the award at that date multiplied by the expired portion of the vesting period.
- from the end of the vesting period until settlement of the award, the liability is the full fair value of the liability at the reporting date.

All changes in the liability are recognised in profit or loss. The ultimate cost of cash-settled transactions is the cash paid to settle the liability.

Market conditions are taken into consideration in determining fair value. Therefore any awards subject to market conditions are considered to vest irrespective of whether or not that market condition has been met, provided all other conditions are satisfied.

If equity-settled awards are modified, as a minimum an expense is recognised as if the modification has not been made. An additional expense is recognised, over the remaining vesting period, for any modification that increases the total fair value of the share-based compensation benefit as at the date of modification.

If the non-vesting condition is within the control of the consolidated entity or employee, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the consolidated entity or employee and is not satisfied during the vesting period, any remaining expense for the award is recognised over the remaining vesting period, unless the award is forfeited.

If equity-settled awards are cancelled, it is treated as if it has vested on the date of cancellation, and any remaining expense is recognised immediately. If a new replacement award is substituted for the cancelled award, the cancelled and new award is treated as if they were a modification.

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(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) 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.

(q) 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.

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

(r) 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.

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.

(s) 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.

(t) 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.

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(u) Joint ventures

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement. Investments in joint ventures are accounted for using the equity method. Under the equity method, the share of the profits or losses of the joint venture is recognised in profit or loss and the share of the movements in equity is recognised in other comprehensive income. Investments in joint ventures are carried in the statement of financial position at cost plus post-acquisition changes in the consolidated entity's share of net assets of the joint venture. Goodwill relating to the joint venture is included in the carrying amount of the investment and is neither amortised nor individually tested for impairment. Income earned from joint venture entities reduce the carrying amount of the investment.

(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 2017. 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.

AASB 16 Leases

This standard is applicable to annual reporting periods beginning on or after 1 January 2019. The standard replaces AASB 117 'Leases' and for lessees will eliminate the classifications of operating leases and finance leases. Subject to exceptions, a 'right-of-use' asset will be capitalised in the statement of financial position, measured as the present value of the unavoidable future lease payments to be made over the lease term. The exceptions relate to short -term leases of 12 months or less and leases of low-value assets (such as personal computers and small office furniture) where an accounting policy choice exists whereby either a 'right-of-use' asset is recognised or lease payments are expensed to profit or loss as incurred. A liability corresponding to the capitalised lease will also be recognised, adjusted for lease prepayments, lease incentives received, initial direct costs incurred and an estimate of any future restoration, removal or dismantling costs. Straight-line operating lease expense recognition will be replaced with a depreciation charge for the leased asset (included in operating costs) and an interest expense on the recognised lease liability (included in finance costs). In the earlier periods of the lease, the expenses associated with the lease under AASB 16 will be higher when compared to lease expenses under AASB 117. However, EBITDA (Earnings before Interest, Tax, Depreciation and Amortisation) results will be improved as the operating expense is replaced by interest expense and depreciation in profit or loss under AASB 16. For classification within the statement of cash flows, the lease payments will be separated into both a principal (financing activities) and interest (either operating or financing activities) component. For lessor accounting, the standard does not substantially change how a lessor accounts for leases. The consolidated entity will adopt this standard from 1 July 2019. The impact of the new leases standard is that leased asset will be capitalised in the statement of financial position, measured as the present value of the unavoidable future lease payments to be made over the lease term and a liability corresponding to the capitalised lease will also be recognised, adjusted for lease prepayments, lease incentives received, initial direct costs incurred and an estimate of any future restoration, removal or dismantling costs

2. CRITICAL ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

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

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

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

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.

		2017 $	2016 $
3.	**Revenue**		
	Research and development tax offset recovery	105,936	-
	Interest received	13,469	17,746
		119,405	17,746

		2017 $	2016 $
4.	**Expenses**		
	Loss before income tax includes the following specific expenses:		
	Directors fees	286,373	210,500
	Exploration written off (refer note 1(k))	372,695	603,403
	Share based payments (refer note 18)	231,500	-

		2017 No. of Shares	2016 No. of Shares
5.	**Earnings per Share**		
	Weighted average number of ordinary shares for basic and diluted earnings per share (i)	56,004,449	52,916,608

(i) In 2017 diluted earnings per share were calculated after classifying all options on issue remaining unconverted at 30 June 2017 as potential ordinary shares. As at 30 June 2017, the Group had 3,672,403 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.

		2017 $	2016 $
6.	**Income tax**		
	Loss before tax	(1,124,909)	(1,098,840)
	Prima facie tax on operating loss before income tax at 27.5%	309,350	329,652
	Tax effect of:		
	- non deductible items	(79,911)	(11,978)
	Deferred tax asset not brought to account at the reporting date as realisation of the benefit is not probable	(229,439)	(317,674)
	Income tax attributable to operating loss	-	-

6. Income Tax (continued)

Unrecognised deferred tax

The Group has $10,486,155 (2016: $9,651,833) 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 $2,883,693 (2016: $2,750,772), 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.

	2017 $	2016 $
7. Cash and cash equivalents		
Cash at bank	2,529,414	1,460,562

The cash at bank as at 30 June 2017 includes $173,218 (2016: $459,418) 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 $53,190 (2016: $77,830) (Note 11), and intercompany balances which have eliminated on consolidation, which reduces the net advance at 30 June 2017 to $175,759 (2016: $349,030) (Note 12).

	2017 $	2016 $
8. Trade and other receivables		
Sundry debtors	66,581	76,880

Fair value and credit risk

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

9. Property, plant and equipment

	Computer equipment $	Furniture, fittings and equipment $	Total $
Year ended 30 June 2017			
Opening net book amount 1 July 2016	-	-	-
Closing net book amount 30 June 2017	-	-	-
At 30 June 2017			
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 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	-	-	-

10. Exploration and evaluation expenditure

	2017 $	2016 $
Opening balance	-	-
Additions	372,695	603,403
Exploration written off (refer note 1(k))	(372,695)	(603,403)
Closing balance	-	-

11. Trade and other payables

	2017 $	2016 $
Current Payables		
Trade creditors	181,630	166,499
Employee expenses payable	21,867	29,877
Accruals	57,930	57,733
	261,427	254,109

Included in the current payables is an aggregate amount of $53,190 (2016: $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.

12. Advances	**2017** **$**	**2016** **$**
Advances from Option holders	-	11,172
Advances from applicants to Prospectus	12,500	-
Opening Balance of Advance from Gold Exploration Victoria Pty Ltd	349,030	246,928
Advances received from Gold Exploration Victoria Pty Ltd	1,381,650	1,407,565
Exploration expenditure	(1,554,921)	(1,305,463)
Closing Balance of Advance from Gold Exploration Victoria Pty Ltd	175,759	349.030
	188,259	360,202

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 2017 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. .

			2017 Number	2017 $	2016 Number	2016 $
13.	**Contributed Equity**					
(a)	***Share capital***					
	Ordinary shares					
	Fully paid	(c)	59,413,952	13,138,803	54,729,004	10,953,543
(b)	***Other equity securities***					
	Options – Listed	(d)	2,572,403	-	2,623,184	-
	Options – Unlisted	(d)	1,100,000	-	-	-
	Performance Rights - Unlisted	(d)	-	-	350,000	-
	Total contributed equity			13,138,803		10,953,543

(c) ***Movements in Ordinary Shares***

Details	**Number of Shares**	**Issue Price**	**$**
Balance at 30 June 2015	50,895,707		9,599,786
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 – Share Purchase Plan	250,000	$0.340	85,000
Issue of shares – Share Placement	1,963,500	$0.400	785,400
Capital raising expenses	-	-	(51,506)
Balance at 30 June 2016	54,729,004		10,933,680
Issue of shares - Exercise of listed options	22,344	$0.500	11,172
Issue of shares – Vesting of performance rights	350,000	-	106,399
Issue of shares – Exercise of listing options	28,437	$0.500	14,219
Issue of shares – Share Placement	3,000,000	$0.500	1,500,000
Issue of shares – Prospectus part issue	1,284,167	$0.50	642,083
Capital raising expenses	-		(68,750)
Balance at 30 June 2017	59,413,952		13,138,803

13. Contributed Equity (Continued)

(d) Movements in other equity securities

Details	Number of Options
Listed Options	
Balance at 30 June 2015	-
Balance at 30 June 2016	2,623,184
Exercise of options	(50,781)
Balance at 30 June 2017	2,572,403
Unlisted Options	
Balance at 30 June 2015	166,667
Exercise of options	(166,667)
Balance at 30 June 2016	-
Issue of options	1,100,000
Balance at 30 June 2017	1,100,000

Details	Number of Rights
Performance Rights	
Balance at 30 June 2015	350,000
Balance at 30 June 2016	350,000
Vesting of performance rights	(350,000)
Balance at 30 June 2017	-

(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	2,572,403
	2,572,403

(g) Performance Rights

Refer to Note 18 for details of performance rights

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 2017 and no dividends are expected to be paid in 2018.

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 2017 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

	2017 $	2016 $
Share-based payments reserve		
Balance at the beginning of the year	228,008	228,008
Issue of options to lead manager (note 18)(i)	19,863	-
Issue of options to consultants (note 18)	231,500	-
Vesting of performance rights (note 13(c))	(106,399)	-
Balance at the end of the year	372,972	228,008

(i) The amount was recognised as capital raising cost in 2016.

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	(10,238,557)	(9,139,717)
Loss for the year	(1,124,909)	(1,098,840)
Balance at the end of the year	(11,363,466)	(10,238,557)

15. Notes to the Cash Flow Statement

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

	2017 $	2016 $
Operating loss after tax	(1,124,909)	(1,098,840)
Add non-cash items:		
Share based payment	231,500	-
Exploration expenditure paid in shares	-	85,000
Changes in net assets and liabilities		
Decrease/(increase) in receivables	8,299	(48,412)
Increase/(decrease) in payables	27,182	(182,990)
Increase in advances	1,328	-
Net cash used in operating activities	(856,600)	(1,245,242)

(b) Non-cash financing and investing activities

The Group did not have any non-cash financing or investing activities during the year (2016: 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 2017.

(b) Key management personnel remunerations

	2017	2016
Short-term employee benefits	257,693	150,200
Post-employment benefits	34,712	60,300
	292,405	210,500

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

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:

2017

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

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.

(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.

2017

Directors	*Balance at beginning of year*	*Purchased*	*Other changes*	*Balance at end of year*
S Boston	5,741,160	-	-	5,741,160
R Scrimgeour	4,915,089	150,013	-	5,065,102
G Schwab	-	-	-	-
B Kay	1,793,326	-	350,000	2,143,326

16. Key Management Personnel Compensation (Continued)

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

(iii) Shareholdings (Continued)

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

(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:

2017

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	-	-	-

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	-

17. Related Party Disclosures

Key Management Personnel

(i) Mr Boston's directors' fees for the year were $78,840 (2016: $65,700) of which $6,570 was accrued and outstanding at year end. Mr Boston is also a director of Raisemetrex Pty Ltd which was paid $22,924 by the Company to provide the capital raising platform and corporate advisory services for the Prospectus that was lodged with ASIC on 5 May 2017.
(ii) Mr Kay's directors' fees and consulting fees for the year were $108,445 (2016: $57,200) of which $87,933 was accrued and outstanding at year end.
(iii) Mr Scrimgeour's directors' fees for the year were $52,560 (2016: $43,800).
(iv) Mr Schwab's directors' fees for the year were $52,560 (2016 $43,800) of which $13,140 was accrued and outstanding at year end.

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. During the year 1,100,000 options exercisable at $1 each were issued to the consultants of the Company (2016: Nil)).

Options issued

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.

	2017		2016	
	Number of Options	Weighted Average Exercise Price $	Number of Options	Weighted Average Exercise Price $
Issued during the year				
- Consultant options	1,100,000	$1.00	-	-
Closing amount	1,000,000	$1.00	-	-

Included in the options issued to consultant during the year is the 100,000 options exercisable at $1.00 each issued to the lead manager on 1 August 2016, for the share placement made in April 2016. The weighted average remaining contractual life of options outstanding at the end of the financial year was 1.47 years (2016: Nil).

2017

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
7 Nov 2016 (1)	31 Oct 2020	-	1,000,000	-	-	1,000,000	1,000,000
1 Aug 2016 (2)	31 Jul 2018	-	100,000	-	-	100,000	100,000

Fair Value of options issued

The fair value at issue date was determined using a Black-Scholes option pricing model that takes into account the exercise price, the share price at issue date and expected price volatility of the underlying share, and the risk free interest rate for the term of the loan.

(1) The model inputs for options granted during the year ended 30 June 2017 included:

Expiry date	31 Oct 2020
Type	Options are granted for no consideration
Dividend yield (%)	-
Expected price volatility (%)	83%
Risk-free interest rate (%)	1.70%
Expected life of options (years)	4
Option exercise price ($)	$1.00
Share price at grant date	$0.50
Number of options issued	1,000,000
Fair value of options issued at grant date recognised as an expense	$231,500

18. Share based payments (Continued)

(2) The model inputs for options granted during the year ended 30 June 2017 included:

Expiry date	**31 Jul 2018**
Type	Options are granted for no consideration
Dividend yield (%)	-
Expected price volatility (%)	100%
Risk-free interest rate (%)	1.48%
Expected life of options (years)	2
Option exercise price ($)	$1.00
Share price at grant date	$0.53
Number of options issued	100,000
Fair value of options issued at grant date recognised in equity (capital raising cost)	$19,863

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.

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 of the performance rights was satisfied.

Directors Shares

There were no directors shares issued in 2017.

	2017 **$**	**2016** **$**
19. Auditors' Remuneration		
Amounts received or due and receivable by the auditors for:		
Auditing accounts	24,120	22,750
Other services	-	-
	24,120	22,750

20. Commitments

There were no outstanding commitments, which are not disclosed in the financial statements as at 30 June 2017 other than:

	2017 **$**	**2016** **$**
(a) Tenement commitments		
No later than 1 year	506,500	554,855
Later than 1 year but not later than 5 years	-	-
	506,500	554,855

21. Financial Instruments

	Notes	Floating Interest Rate	1 year or less $	Over 1-5 years $	Non-interest bearing $	Total $
2017						
Financial assets						
Cash and cash equivalents	7	1.25%	2,529,414	-	-	2,529,414
Trade and other receivables	8	-	-	-	66,581	66,581
Total financial assets			2,529,414	-	66,581	2,597,995
Financial liabilities						
Trade and other payables	11	-	-	-	261,427	261,427
Advances	12	-	-	-	188,259	188,259
Total financial liabilities			-	-	449,686	449,686
Net financial assets			2,529,414	-	(383,105)	2,148,309

	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

Reconciliation of net financial assets to net assets	**2017 $**	**2016 $**
Net Financial Assets	2,148,309	923,131
Property, plant & equipment	-	-
Exploration expenditure	-	-
Net Assets	2,148,309	923,131

21. Financial Instruments (continued)

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 (h) with respect to capital risk management. The Board reviews and agrees policies for managing each of these risks.

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 2017, 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 $25,294 (2016: $14,606) 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 2017.

24. Subsequent Events

On 31 July 2017 the prospectus dated 5 May 2017 to raise $1,500,000 was closed fully subscribed and 1,715,833 shares were allotted at $0.50 each for $857,916. There was an interim allotment of shares on 16 June 2017 for $642,084.

25. Parent Entity Disclosure

	2017 $	2016 $
Total current assets	2,336,919	1,020,582
Total assets	2,337,021	1,020,684
Total current liabilities	220,737	187,450
Total liabilities	220,737	187,450
Equity		
Contributed equity	13,138,803	10,933,680
Share based payments reserve	372,972	228,008
Accumulated losses	(11,395,491)	(10,328,454)
Total equity	2,116,284	833,234
Loss for the year	(1,067,037)	(1,103,561)
Total comprehensive loss	(1,067,037)	(1,103,561)

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 2017 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 29th day of September 2017

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

Opinion

We have audited the financial report of Catalyst Metals Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2017, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity, and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the Corporations Act 2001, including:

(i) giving a true and fair view of the Group's financial position as at 30 June 2017 and of its financial performance for the year then ended; and

(ii) complying with Australian Accounting Standards and the Corporations Regulations 2001.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Consolidated Entity in accordance with the auditor independence requirements of the Corporations Act 2001 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the Corporations Act 2001, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	**How our audit addressed this matter**
Valuation of share options Refer to Note 18 in the financial statements	
During the year, the Company issued unlisted options to consultants, which were recognised as a share based payments expense of $231,500. Management have accounted for the options issued in accordance with *AASB 2 Share-based Payment* and determined the fair value using the Black-Scholes valuation model. We considered share based payments expense to be a key audit matter as it is a material expense to the Group and involves significant management estimates and judgments when valuing the options.	Our audit procedures in relation to share based payments expense included: • agreeing the key terms and conditions of the options issued to the respective agreements and/or supporting documentation and checked each input into the valuation model; • involving our financial modelling specialists to assess the key assumptions, including the risk free rate and the estimated future volatility; • assessing the reasonableness of the assumptions made regarding any vesting conditions on the recognition of the expense during the year; and • assessing the adequacy of the disclosures in Note 18.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2017, but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors 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 gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: http://www.auasb.gov.au/auditors_responsibilities/ar2.pdf. This description forms part of our auditor's report.

Report on the Remuneration Report

Opinion on the Remuneration Report
We have audited the Remuneration Report included within the directors' report for the year ended 30 June 2017.

In our opinion, the Remuneration Report of Catalyst Metals Limited, for the year ended 30 June 2017, complies with section 300A of the Corporations Act 2001.

Responsibilities

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.

RSM

RSM AUSTRALIA PARTNERS

AWhyte

Perth, WA
Dated: 29 September 2017

ALASDAIR WHYTE
Partner

CATALYST METALS LIMITED

ADDITIONAL INFORMATION

The following information was reflected in the records of the Company as at 21 September 2017.

Distribution of share and option holders

	Number of holders	
	Fully paid shares	Quoted options
1 - 1,000	45	152
1,001 - 5,000	90	75
5,001 - 10,000	71	20
10,001 - 100,000	154	35
100,001 and over	63	5
	423	287
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	%
Drill Investments Pty Ltd	5,615,094	9.19
Trapine Pty Ltd	5,484,135	8.97
Robin Scrimgeour	5,015,089	8.20
St Barbara Limited	4,420,833	7.23
Gavin Caudle	3,873,625	6.34
Kenneth Raymond Teagle	3,424,294	5.60

Twenty largest holders of fully paid shares

	Shareholder	Shares	%
1.	HSBC Custody Nominees (Australia) Limited	7,356,564	12.03
2.	Drill Investments Pty Ltd	5,665,094	9.27
3.	Trapine Pty Ltd	4,600,585	7.53
4.	St Barbara Limited	4,420,833	7.23
5.	Citicorp Nominees Pty Ltd	3,159,349	5.17
6.	Toby Mountjoy	2,442,870	4.00
7.	Kenneth Raymond Teagle	2,068,618	3.38
8.	Chepalix Pty Ltd	2,046,875	3.35
9.	Bruce Kay and Henriette Kay	1,863,183	3.05
10.	Providence Gold & Minerals Pty Ltd	1,730,349	2.83
11.	Gavin Caudle	1,500,000	2.45
12.	Gavin Arnold Caudle	1,373,625	2.25
13.	Kimberley Downs Pty Ltd	1,147,938	1.88
14.	Gavin Arnold Caudle	1,000,000	1.63
15.	Vestcourt Pty Ltd	787,500	1.29
16.	Roger George Davis	735,500	1.20
17.	John Paul Sisterson	699,731	1.14
18.	Trent Keliher	664,975	1.09
19.	Lindway Investments Pty Ltd	584,375	0.96
20.	Elshaw Pty Ltd	582,096	0.95
		44,430,060	72.68

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.	Citicorp Nominees Pty Ltd	99,404	3.86
7.	Providence Gold & Minerals Pty Ltd	88,750	3.45
8.	Bruce Kay and Henriette Kay	75,660	2.94
9.	Gavin Caudle	75,000	2.92
10.	Gavin Arnold Caudle	68,682	2.67
11.	Kenneth Raymond Teagle	61,754	2.40
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.	Vestcourt Pty Ltd	39,375	1.53
16.	Roger George Davis	36,775	1.43
17.	John Paul Sisterson	34,987	1.36
18.	Lindway Investments Pty Ltd	29,219	1.14
19.	Elshaw Pty Ltd	29,105	1.13
20.	Anthony John Battaglia	28,350	1.10
		1,886,490	73.33

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
- at $1.00 each on or before 31.10.20	1,000,000	Maybach Consulting Pty Ltd	500,000	50.0
		Ms Gabrielle Metcalf	500,000	50.0

Voluntary escrow

	Number
Ordinary fully paid shares subject to voluntary escrow until 16 March 2018	3,000,000

ADDITIONAL INFORMATION

Tenement directory

Project	Tenement number	Beneficial interest
Victoria		
Four Eagles	EL4525	50%
Four Eagles	RL6422 (application)	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%
Drummartin	ELA6507 (application)	100%

Competent person statement

The information in this report that relates to exploration results is based on information compiled by Mr Bruce Kay, a Competent Person, who is a Fellow of the Australasian Institute of Mining and Metallurgy. Mr Kay is a non-executive director of the Company and has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the JORC Code). Mr Kay consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Much of the 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.