ABN 54 118 912 495

ANNUAL REPORT AND FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2018

CATALYST METALS LIMITED

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CORPORATE DIRECTORY

DIRECTORS

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

COMPANY SECRETARY

Frank Campagna

REGISTERED OFFICE

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West Perth, Western Australia 6005

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SHARE REGISTRY

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Applecross, Western Australia 6153

Telephone:	+618 9315 2333
Facsimile:	+618 9315 2233
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Website:	www.securitytransfer.com.au

STOCK EXCHANGE LISTING

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

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 28 September 2018. The Directors have the power to amend and reissue the financial statements.

DIRECTORS' REPORT

Dear Shareholder,

The 2018 financial year saw your Company continue to accelerate its 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 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 Limited was a major participant in this offer – resulting in it increasing its shareholding in your company to 7.23%.

On 23 August 2017, the Company announced its "best high-grade gold intersections" at its Four Eagles Gold Project which included 20m @ 21.4g/t Au, 22m @ 36.5g/t Au and 6m @ 21.5g/t Au at Hayanmi.

On 7 December 2017, the Company announced that it had issued 6,410,256 ordinary fully paid shares at 78 cents per share (via a private share placement which raised $5.0 million) to St Barbara Limited resulting in its shareholding in your company increasing from 7.23% to 16%.

On 25 June 2018, the Company announced its "best ever high-grade gold intersection" at its Four Eagles Gold Project of 16m @ 63g/t Au (including 12m @ 84g/t Au) at Boyd's Dam.

On 30 June 2018, the Company's listed 50 cent options expired with over 87% having been exercised by option holders since they were issued pursuant to a pro-rata bonus issue in September 2015. The exercise of the balance of the options was undertaken by St Barbara Limited who had agreed to underwrite any shortfall.

Prior to the 30 June 2018, your Company received notification from Navarre Minerals Limited ("Navarre") confirming the expenditure of $3 million by Catalyst (via a wholly owned subsidiary) to earn a 51% interest in the Tandarra Gold Project in accordance with the Heads of Agreement entered into with Navarre in September 2014. A Joint Venture agreement for the project is currently being finalised.

As mentioned last year our Company is currently in the epi-centre of a major re-rating of Victorian Gold both internationally and more recently (during 2018), domestically! As a board we are very much looking forward to the continuation of this re-rating into 2019.

In closing off on another "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 incredible technical and corporate teams for everything they have done collectively for your Company in 2018, as the Company continues in positioning itself to make a major high grade gold discovery in Victoria in the very near term.

Stephen Boston
Chairman
28 September 2018

DIRECTORS' REPORT

The Directors of Catalyst Metals Limited present their report on the consolidated entity for the year ended 30 June 2018.

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 $4,818,624 as at 30 June 2018 (2017: $2,148,309).

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 2018 was $4,241,647 (2017: $1,124,909).

DIVIDENDS

No dividend has been paid during or is recommended for the financial year ended 30 June 2018.

REVIEW OF OPERATIONS

The Company's exploration program through 2017-18 continued to deliver results which advanced the economic prospects of previously identified Bendigo-style gold deposits, continued to identify and confirm additional gold mineralisation which awaits further testing; and expanded the Company's regional influence. Significant developments during 2017-18 included the following:

- Material advancement of the Four Eagles Gold Project :
  - the grant of Retention Licence 6422 to provide secure title for a further ten (10) years over the Boyd's Dam and Hayanmi gold deposits and associated mineralised zones;
  - the general confirmation of interpreted shape, continuity and grade of gold mineralisation of Boyd's Dam gold deposit by reverse circulation (RC) drilling which infilled the 2017 drilling arrays;
  - including best-ever intersections from Boyd's Dam gold deposit (16m @ 63.0g/t Au);
  - the confirmation (as the newly-named "Cunneens Prospect") of the potentially three (3) kilometre long gold mineralised zone previously designated "Eagle 1"; and
  - the confirmation in deeper diamond drilling of the presence of repeat structures beneath Boyd's Dam and Hayanmi – with visible gold; assays pending.

- Material advancement of the Tandarra Gold Project:
  - the completion by Catalyst of $3.0 million exploration expenditure to earn 51% interest in the project;
  - the completion and lodgement of a Mineralisation Report to accompany application for a Retention Licence over the area of Exploration Licence 4897 subject of the Project;
  - the extension by 30% (250 metres) of the strike length of the Tomorrow gold deposit;
  - the identification of a mineralised structure parallel to and beneath the Tomorrow zone, mimicking the multiple shallow-plunging mineralised zones which characterise the Bendigo goldfield; and
  - the geochemical recognition of new potential gold-mineralised zones in the results of reconnaissance air-core (AC) drilling of geophysical targets east of Tomorrow Zone.
- Geochemical definition of new arsenious (and potentially gold-mineralised) zones in the results of reconnaissance AC drilling of geophysical targets in Catalyst's Macorna (northernmost) and Sebastian (southernmost) exploration licences.
- The acquisition of significant additional exploration areas covering targets analogous to the Whitelaw Belt (focus of the main EL block) to east and west of the central EL belt.

WHITELAW BELT

The Company has significant interests in seven exploration licences (EL's) and one Retention Licence (RL) covering the whole of the known Whitelaw Belt - an area of approximately 75 kilometres long, and 5-10 kilometres wide commencing immediately north of the outcropping Bendigo Goldfield (Figure 1). This is the structural zone thought to control the emplacement of the Bendigo gold deposits, and to extend in generally northerly direction in favourable Ordovician rocks beneath the covering veneer of younger Murray Basin sediments.

In particular, the Company's Four Eagles and Tandarra projects, (respectively about 55 and 40 kilometres north-north-west of Bendigo) contain potentially economic gold deposits similar in style to those at the historical Bendigo mines (Figure 1). In addition to these gold deposits identified and outlined by Catalyst, this belt remains untested or at best sparsely tested and highly prospective for the discovery of new gold deposits of Bendigo and Fosterville styles.

INCREASED LAND HOLDINGS

Applying knowledge learned in exploration of the Whitelaw Belt, the Company has applied for and been granted EL's 6507 and 6670, covering structural zones respectively east and west of the Whitelaw Belt which are analogous to the Whitelaw and related to significant gold mines at Fosterville and Inglewood (Figure 1). Catalyst has also entered into a heads-of-agreement with Golden Camel Mining Pty Ltd to conduct exploration on and earn interests in EL's 5449 and 5490 and Mining Licences MIN 5548 and 5570. These titles cover the small Golden Camel gold deposit and prospective strike extensions totalling approximately 25 kilometres, again bearing close relationship to a major structural feature.

EXPLORATION RESULTS

All available detailed exploration data has been released during the 2018 financial year in Quarterly Reports, Presentations and special ASX announcements and the reader is referred to this information in addition to the brief summary presented in this report.

FOUR EAGLES GOLD PROJECT (RL6422, EL5295, EL5508)

The Four Eagles Gold Project is a joint venture between Catalyst 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 50% interest in the project while previous 25% JV partner Providence Gold and Minerals Pty Ltd retains a royalty interest. The project is managed by Catalyst and is jointly funded (50:50) by Catalyst and GEV within the Four Eagles Joint Venture, since GEV earned its 50%.

The Four Eagles Joint Venture covers an envelope of gold mineralisation about 6 kilometres long and 2.5 kilometres wide with high grade gold occurring in at least three structural zones trending roughly north south (Boyd's Dam-Boyd North, Hayanmi and Discovery; as detailed on Figure 2). Additional prospective structural zones are shown including Cunneens Prospect to the west. They have been identified by interpretation of detailed gravity geophysical datasets but are as yet only lightly explored.

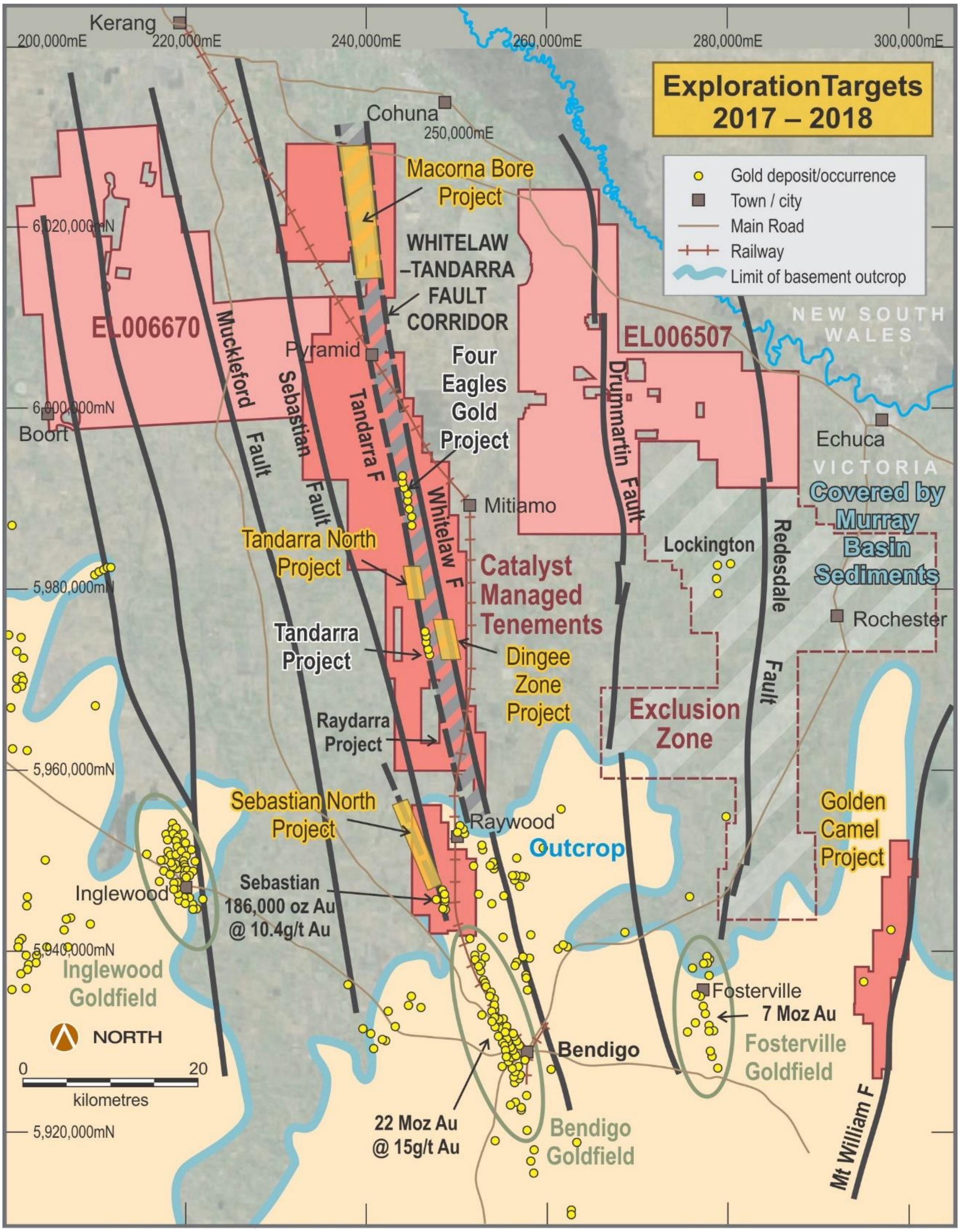

Figure 1: Whitelaw and Adjacent Gold Belts Showing Catalyst Managed Tenement Holdings

DIRECTORS' REPORT

At Boyd's Dam, infill drilling of 37 RC holes on 25 metre-spaced traverses along a 600 metre strike length and to depths of around 120 metre below surface reported strong mineralisation in 23 holes and provided clarification of the shape of the deposit and confirmation of the continuity of gold mineralisation. It should be noted that this zone of detailed drilling lies within a poorly tested corridor which has shown gold values over a strike length of about 2.0 kilometres (Figure 2).

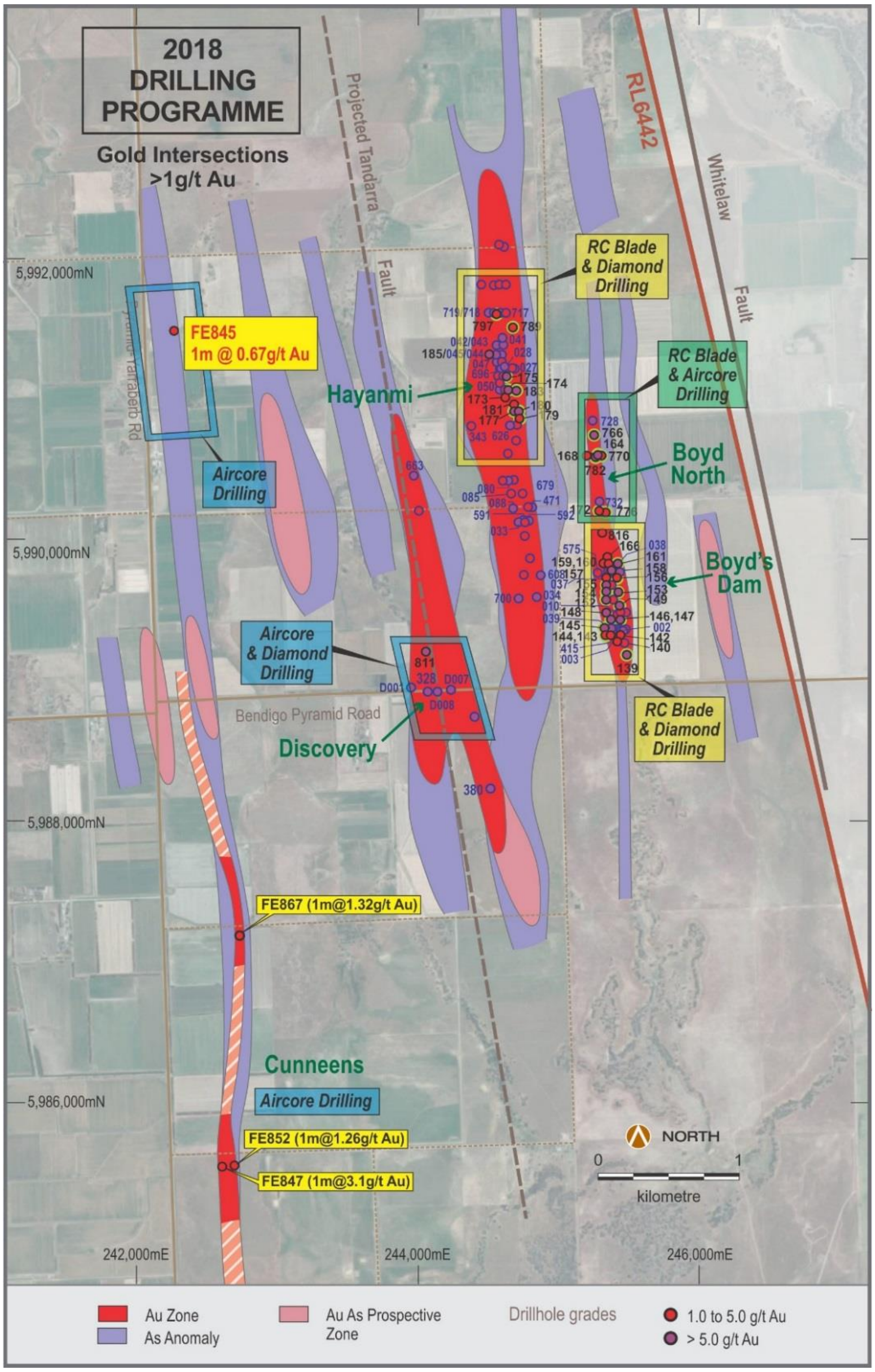

Figure 2: Four Eagles Gold Project showing gold deposits and major prospects and areas of DD, RC Blade/Hammer and Air Core Drilling in 2018.

DIRECTORS' REPORT

The drilling and mineralisation is summarised in figures 3a and 3b

Six diamond drill (DD) holes at Boyd's Dam and seven at Hayanmi (total 3,975 metres) provided the first test below 120 mertre vertical depth in each deposit. Broad intervals of quartz veining with arsenopyrite mineralisation and occasional visible gold indicate potential at both for repeat zones at depth of the gold mineralisation outlined by the RC program. The programs were co-funded by the Victorian Government under its TARGET incentive scheme.

An 18-hole AC drilling programme (2,351 metres) tested a zone formerly designated Eagle 1, a target generated from the detailed gravity geophysical survey in 2017 and located west and south of the main Four Eagles gold deposits. Its position at about 4 kilometres west of the Whitelaw Fault is similar to that of the most productive part of the Bendigo Goldfield. Anomalous arsenic values in the prospective zone and anomalous gold values (with a maximum of 3g/t Au) on three of four drilled traverses has confirmed the results reported from earlier geochemical reconnaissance to define the 3 kilometre long anomaly now renamed the Cuneens Prospect (Figure 2).

A district-scale ground gravity geophysics survey and follow-up air core drilling were conducted to the north of Pyramid Hill within EL5508. The details are discussed below in the Macorna Bore section.

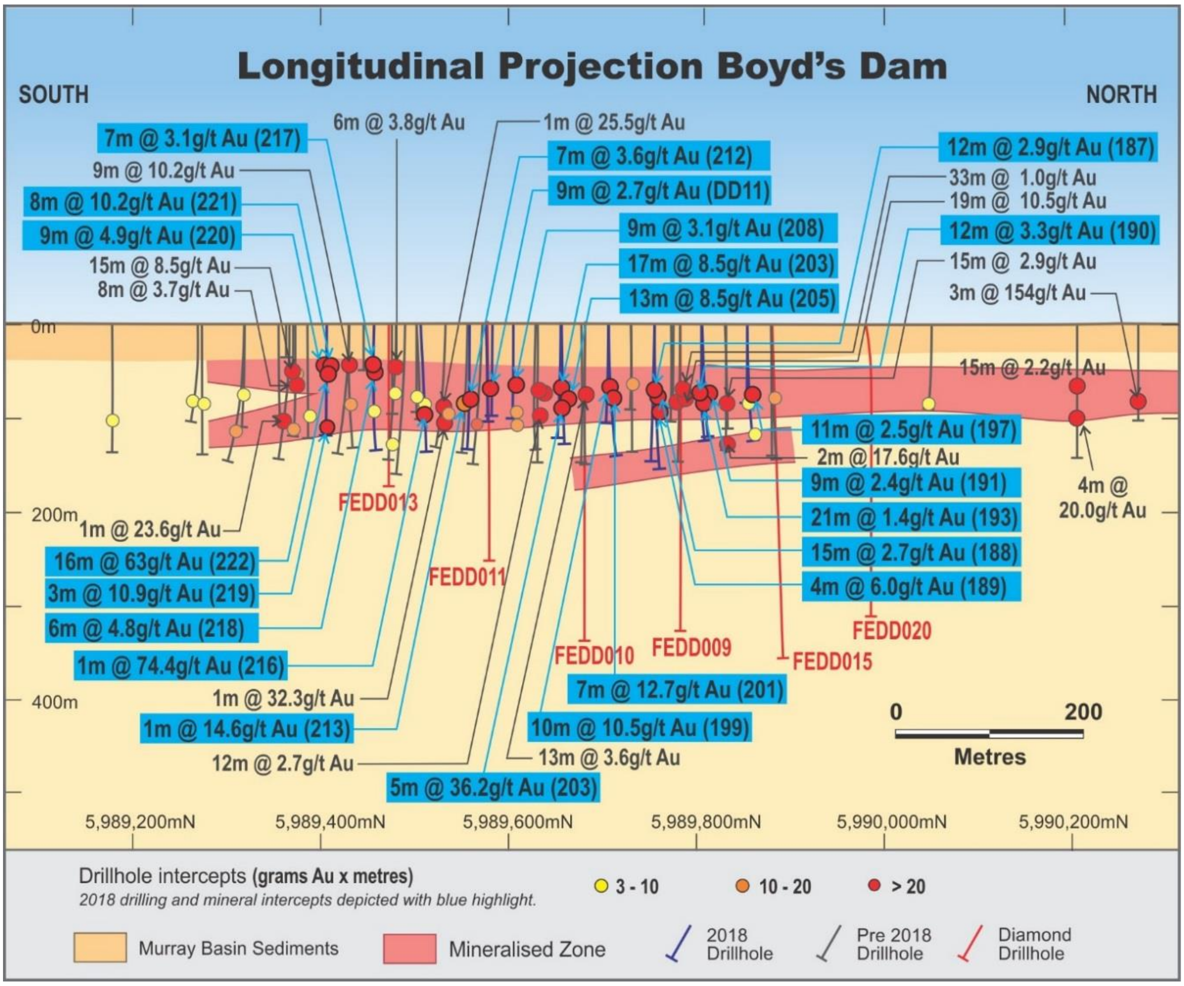

Figure 3a: Longitudinal Projection of Boyd's Dam Gold Deposit showing areas of RC and DD drilling in 2018. Significant intersections from 2018 are highlighted in blue.

DIRECTORS' REPORT

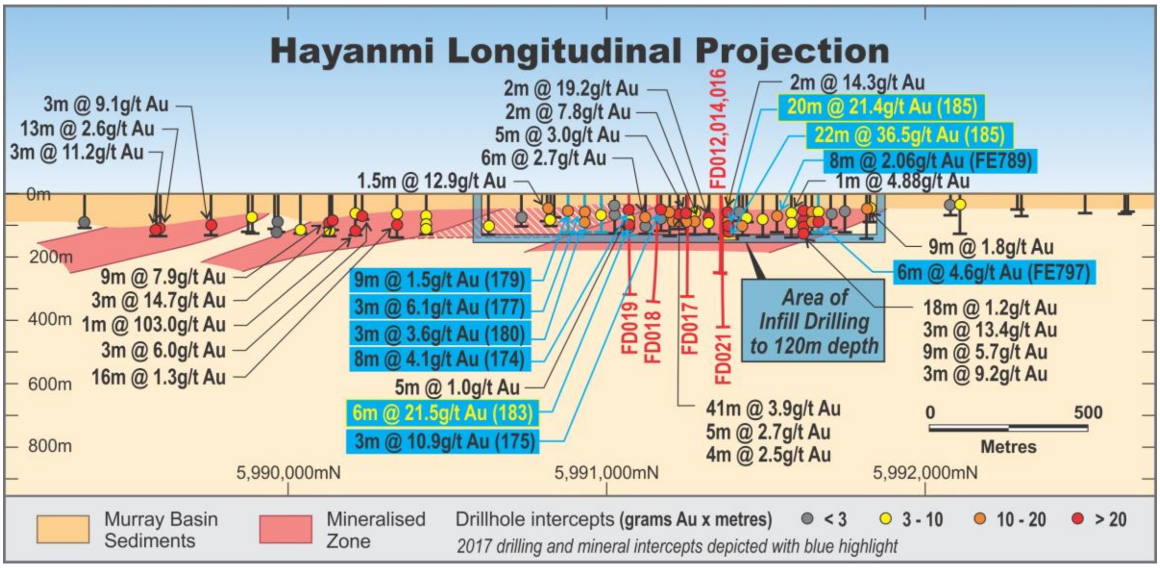

Figure 3b: Longitudinal Projection of Hayanmi Gold Deposit showing areas of RC and DD drilling in 2018. Significant intersections from 2018 are highlighted in blue.

TANDARRA GOLD PROJECT (EL4897, RL(Application)006660)

The Tandarra Gold Project covers EL4897. In June 2018, Catalyst completed its four year, $3.0 million sole-funded expenditure undertaking in order to earn a 51% equity interest in EL 4897 from owner Navarre Minerals Ltd (Navarre). Subsequently, Catalyst and Navarre are continuing to negotiate detailed terms of the 51:49 joint venture under which the exploration of EL4897 (and the subsequent Retention Licence) will be continued.

A second milestone achieved during the year was the successful lodgement of a Mineralisation Report describing the Tomorrow Zone gold deposit, based on 2016 drill results. This provided a necessary support for the application lodged to convert EL 4897 to a Retention Licence (RL). The grant of the RL will provide secure tenure beyond the life of the EL for the next stages of exploration and economic evaluation of Tomorrow Zone and other gold mineralisation within the tenement.

A 19-hole (2,259 metres) RC drilling program was completed to test for possible southerly extensions to the Tomorrow Zone and also a possible extension about 800 metres north. The program was generally confirmatory of grades and geometries interpreted from 2016 drilling, and confirmed an approximately 35% increase in strike length south of previously outlined mineralisation (Figures 4 & 5).

A 12-hole (3,493 metres) DD program was completed to assess the potential for repeated shallow plunging gold deposits at depth below Tomorrow Zone. This style of multiple parallel deposits is characteristic of the Bendigo gold deposits and a key to unlocking longer term potential at Tandarra and elsewhere along the Whitelaw Belt.

The 12 holes were drilled on 6 x 100m-spaced sections. A potentially mineralised structure carrying abundant quartz veining was identified on each section, with a broad zone of low-grade, gold-bearing quartz reported in drillhole DDT015 (Figure 6). While the holes on the remaining sections appear to have intersected the structure laterally outside the potentially mineralised zone, it is seen as highly significant that a prospective structure, mineralised in part, has been outlined along a 500m strike length, remaining open at each end.

Elsewhere in EL4897, a Deep Ground Penetrating Radar geophysical survey was conducted in the Dingee Zone, east of the Tomorrow Zone, to supplement existing detailed gravity data and identify targets for geochemical survey by AC drilling.

Widely spaced AC drilling was completed on 6 traverses in the Dingee area, plus nearby gravity targets (52 holes, 6,753 metres), resulting in the identification of two gold-arsenic bearing corridors east of Tomorrow Zone and more than 2km in strike-length, including in hole ACT308, an interval of 1.0m @ 4.8 g/t gold (Figures 1 and 4).

DIRECTORS' REPORT

Both the geophysics and the follow-up drilling were co-funded by the Victorian Government as a part of its TARGET scheme.

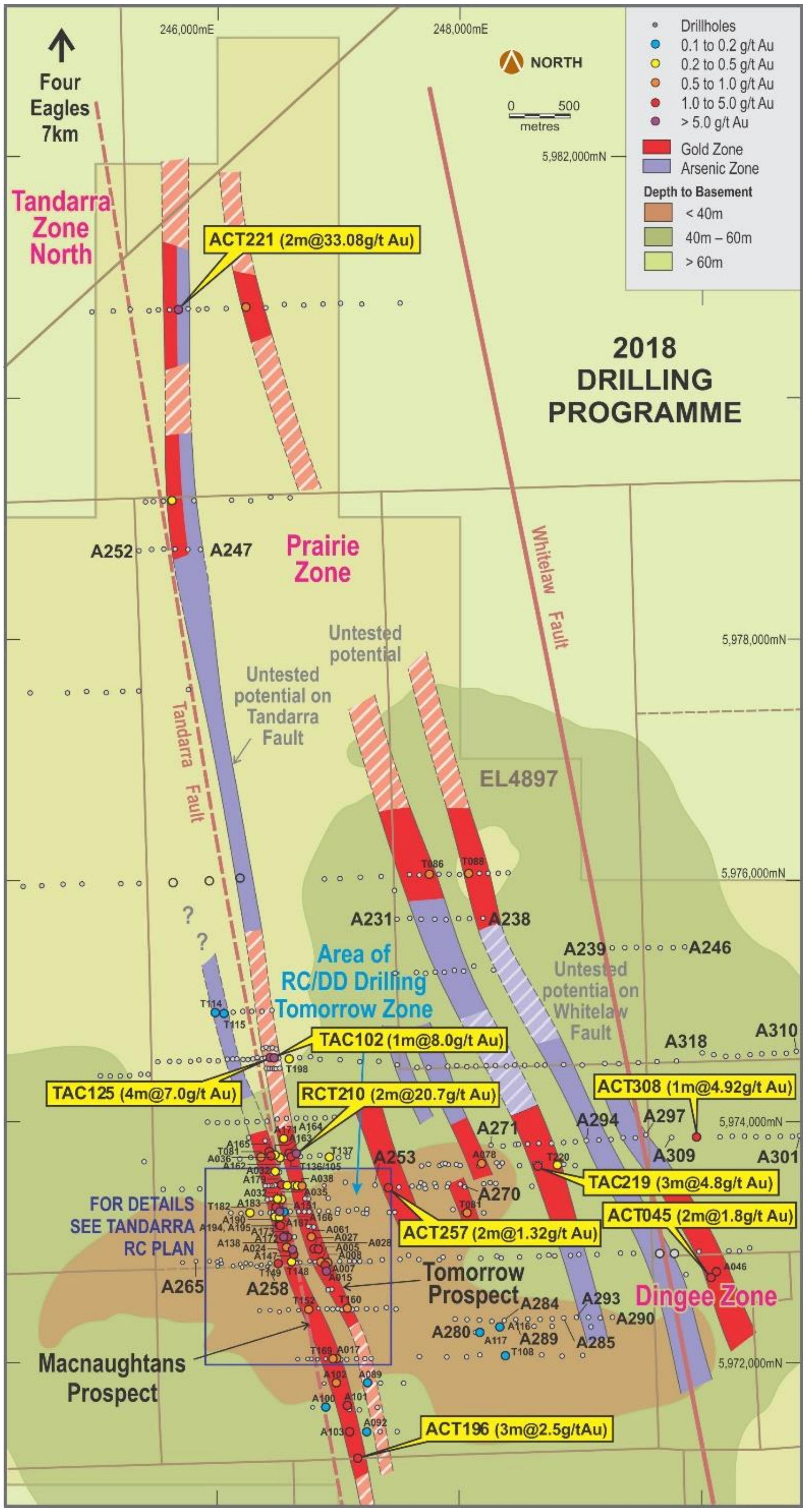

Figure 4: Tandarra Gold Project showing Gold Deposits and Major Prospects and Areas of DD and RC Blade/Hammer Drilling in 2018.

DIRECTORS' REPORT

ANALYTICAL TECHNIQUES AND 'NUGGET EFFECT'

Significantly mineralised samples from both Four Eagles and Tandarra projects are routinely check-assayed using larger (1-2 kilogram) samples than the initial 25-gram samples and analysed using Bulk Cyanide Leach technology in place of the Aqua Regia digest followed by ICP-MS analysis applied to initial sampling. This check-assay procedure has continued to demonstrate the relative reliability of the 25-gram sampling and the relatively low nugget effect applicable at both these projects, compared to that historically experienced in the Bendigo gold deposits, and as reported in greater detail in 2017.

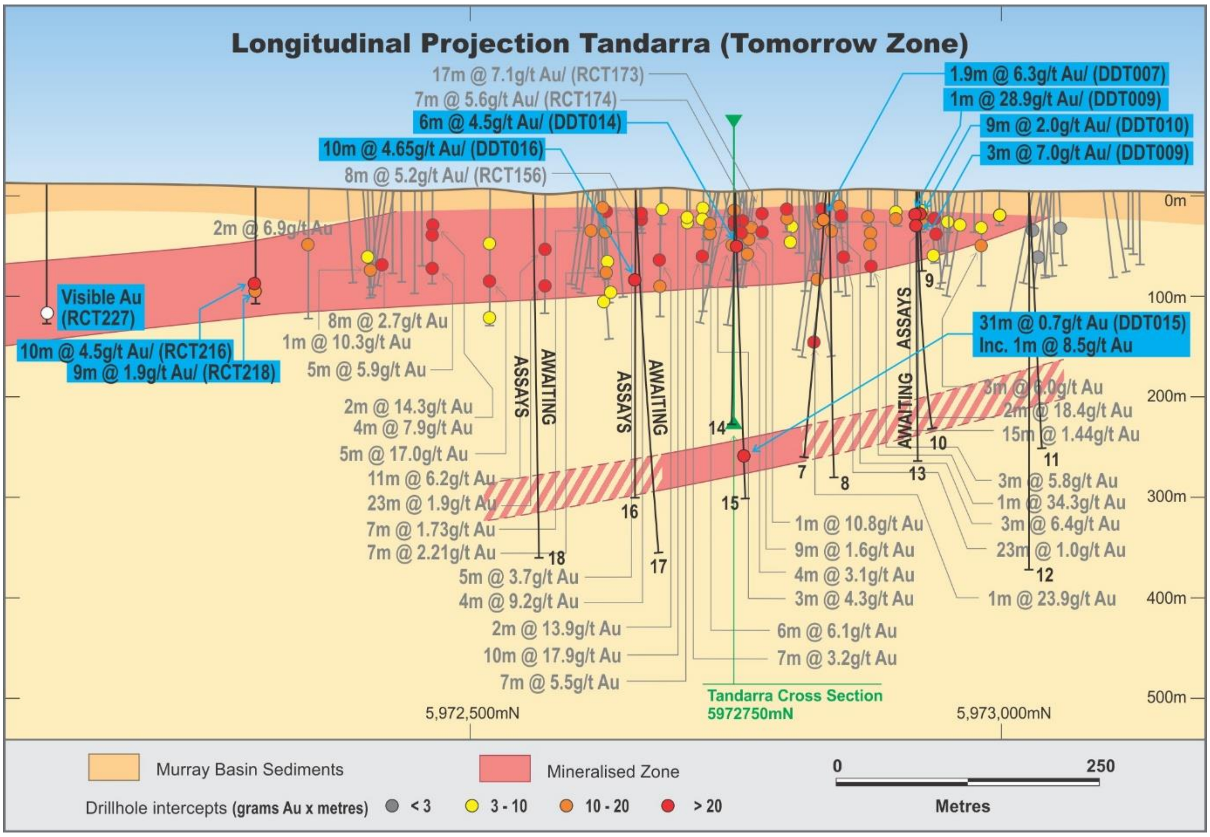

Figure 5: Longitudinal Projection of Tomorrow Zone Gold Deposit showing Areas of RC and DD Drilling in 2018. Significant intersections from 2018 are highlighted in blue.

OTHER WHITELAW BELT EXPLORATION

MACORNA BORE (EL5521 100% Catalyst-owned) (EL5508 50% Catalyst)

On these northernmost ELs of the Whitelaw Belt line, a detailed gravity geophysical survey facilitated the interpretation of targets for geochemical reconnaissance AC drilling. Twenty-eight widely spaced AC holes (3,183 metres) were completed on five traverses, three to four kilometres apart. Despite the wide spacing of both traverses and holes along traverse lines, consistent anomalous arsenic values and occasional gold results clearly defined two prospective corridors over five to ten kilometre strike-lengths, as well as verifying the efficacy of gravity interpretations to delineate prospective target areas. The corridors extend to the south into EL5508 which forms a part of the Four Eagles Joint Venture. The programs are being co-funded by the Victorian Government under its TARGET (round 2) incentive scheme.

SEBASTIAN (EL5533)

AC drilling (33 holes, 2,798 metres) was completed on 3 widely separated traverses in EL5333. Depth to basement was generally shallow. Anomalous arsenic values defined new prospective corridors which await follow up drilling.

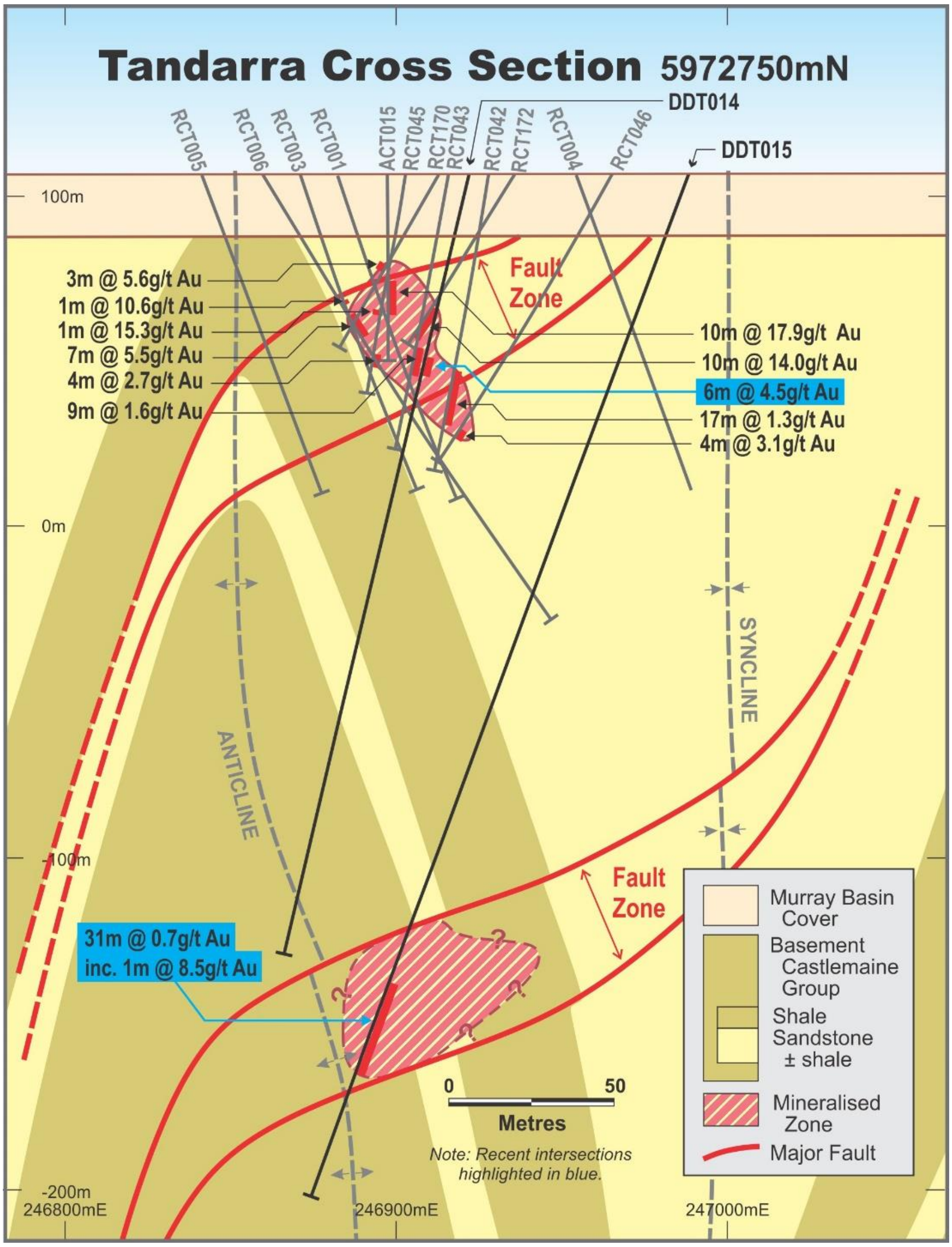

Figure 6: Tandarra Tomorrow Zone Cross Section 5,972,000N showing Zone of Deeper Gold Mineralisation

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 BENDIGO REGION EXPLORATION

There were no materially important results to hand at the time of writing, to the preliminary exploration activities undertaken on EL's 6507 Drummartin nor those on EL's 5449 and 5490 (Golden Camel Joint Venture) (Figure 1). EL6670 (Boort) has seen no field activity since being granted.

DIRECTORS' REPORT

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

During the financial year, the Group entered into an unincorporated joint venture with GEV with respect to the Four Eagles Gold Project and also entered into an unincorporated joint venture with NML for 51% of the Tandarra Project, for which the final terms are yet to be agreed. Otherwise 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 18 July 2018, there was 318,528 ordinary shares issued at $0.50 each to St Barbara Limited for underwriting the listed options that expired on 30 June 2018. On 23 July 2018 an Earn-In Agreement was signed with Golden Camel Mining Pty Ltd to earn 50.1% of EL5449 and EL5490 by spending $650,000 on exploration over the next 5 years. There is a requirement by the Company to spend a minimum of $55,000 on exploration before 30 September 2018. On 26 July 2018, there was 100,000 unlisted options exercised at $1 each to realise $100,000.

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 Indirect: 5,645,824 Ordinary Shares (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: 5,310,732 Ordinary Shares

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:	2,232,994 Ordinary Shares
	Indirect:	Nil

Information on Company Secretary

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

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

DIRECTORS' MEETINGS

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

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

ENVIRONMENTAL REGULATIONS

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

Compliance with environmental obligations is monitored by the Board of Directors. No environmental breaches have been notified to the Group by any government agency during the year ended 30 June 2018. 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 1,000,000 (2017: 3,672,403) unissued ordinary shares under option. There are 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:

DIRECTORS' REPORT

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 2017 AGM, 100% of the votes received supported the adoption of the remuneration report for the year ended 30 June 2017. The company did not receive any specific feedback at the AGM regarding its remuneration practices.

Details of Remuneration for Year Ended 30 June 2018

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.

2018	**Short-term employment benefits**		**Post-employment benefits**	**Share-based payments**	
Name	**Cash salary and fees**	**Other**	**Superannuation**	**Shares**	**Total**
Non-executive Directors					
S Boston	165,800	-	15,751	-	181,551
R Scrimgeour	59,130	-	-	-	59,130
G Schwab	54,000	-	5,130	-	59,130
B Kay	116,565	-	16,344	-	132,909
Total key management personnel compensation	**395,495**	**-**	**37,225**	**-**	**432,720**

DIRECTORS' REPORT

REMUNERATION REPORT (Continued)

No performance based remuneration was paid to the Directors during the year.

In 2018, Mr Kay received $54,000 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. Furthermore in 2018, Mr Boston received $80,000 per annum in Directors' fees and was paid extra consulting fees for managing the Company.

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**

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.

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 2017, Non-executive Directors receive remuneration of $48,000 per annum plus statutory superannuation, whilst the Chairman receives remuneration of $80,000 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 $6,000 per month.

SHARE-BASED COMPENSATION

Shares
No shares were issued as compensation during the financial year (2017: 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.

During the financial year no options were issued as compensation (2017: 1,000,000 options exercisable at $1 each on or before 31 October 2020 were issued to consultants of the Company).

REMUNERATION REPORT (Continued)

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 (2017: Nil).

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:

2018 – 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	-	(240,659)	(46,402)	-	-
R Scrimgeour	245,630	-	(245,630)	-	-	-
G Schwab	-	-	-	-	-	-
B Kay	89,668	-	(89,668)	-	-	-

(i) Mr Boston sold 46,402 options on-market

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.

2018 – Ordinary Share Holdings

Directors	*Balance at beginning of year*	*Purchased*	*Other changes (i)*	*Balance at end of year*
S Boston	5,741,160	240,659	(145,845)	5,835,974
R Scrimgeour	5,065,102	245,630	-	5,310,732
G Schwab	-	-	-	-
B Kay	2,143,326	89,668	-	2,232,994

(i) Mr Boston sold 145,845 ordinary fully paid shares to fund the exercise of options

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

2018 – Performance Rights Holdings

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

REMUNERATION REPORT (Continued)

OTHER TRANSACTIONS WITH KEY MANAGEMENT PERSONNEL AND THEIR RELATED PARTIES

Mr Boston is also a Director of Raisemetrex Pty Ltd which was paid $93,000 by the Company to provide the capital raising platform and corporate advisory services.

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:

	2018	*2017*	*2016*	*2015*	*2014*
Net loss for the period	(4,241,647)	(1,124,909)	(1,098,840)	(240,105)	(1,023,864)
Share price at financial year end ($)	1.50	0.50	0.59	0.42	0.32
Basic loss per share (cents per share)	(6.5)	(2.0)	(2.1)	(0.5)	(0.5)

END OF REMUNERATION REPORT

INDEMNIFICATION AND INSURANCE OF DIRECTORS AND OFFICERS

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

INDEMNIFICATION AND INSURANCE OF AUDITOR

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

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

PROCEEDINGS ON BEHALF OF THE GROUP

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the Group, or to intervene in any proceedings to which the Group is a party for the purpose of taking responsibility on behalf of the Group for all or part of those proceedings.

AUDITOR
RSM Australia Partners continues in office in accordance with section 327 of the Corporations Act 2001.

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 2018.

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 2018 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
28 September 2018

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 2018, 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
ALASDAIR WHYTE
Partner

Perth, WA
Dated: 28 September 2018

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 30 June 2018

	Note	2018 $	2017 $
Current Assets			
Cash and cash equivalents	7	4,954,122	2,529,414
Trade and other receivables	8	590,251	68,581
Total Current Assets		5,544,373	2,597,995
Non-Current Assets			
Property, plant and equipment	9	10,202	-
Total Non-Current Assets		10,202	-
TOTAL ASSETS		5,554,575	2,597,995
Current Liabilities			
Trade and other payables	11	735,951	261,427
Other - advances	12	-	188,259
Total Current Liabilities		735,951	449,686
TOTAL LIABILITIES		735,951	449,686
NET ASSETS		4,818,624	2,148,309
Equity			
Contributed equity	13	20,050,765	13,138,803
Share-based payments reserve	14(a)	372,972	372,972
Accumulated losses	14(b)	(15,605,113)	(11,363,466)
TOTAL EQUITY		4,818,624	2,148,309

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 2018

	Note	2018 $	2017 $
Revenue from continuing operations	3	191,224	119,405
Expenses			
Professional fees		(194,623)	(160,452)
Administration, occupancy and travel costs		(206,132)	(106,301)
Personnel		(362,717)	(465,299)
Corporate		(169,127)	(139,567)
Exploration and evaluation expenditure		(3,500,272)	(372,695)
Loss before income tax expense from continuing operations	4	(4,241,647)	(1,124,909)
Income tax expense	6	-	-
Loss after income tax from continuing operations		(4,241,647)	(1,124,909)
Other comprehensive income		-	-
Total comprehensive loss for the year		(4,241,647)	(1,124,909)
Total comprehensive loss attributable to members of the Parent entity		(4,241,647)	(1,124,909)
Earnings per share for loss attributable to the owners of Catalyst Metals Limited			
Basic loss per share (cents per share)	5	(6.5)	(2.0)
Diluted loss per share (cents per share)	5	(6.5)	(2.0)

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 2018

	Contributed Equity $	**Accumulated losses $**	**Share-based payments reserve $**	**Total $**
Balance at 30 June 2016	**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 2017	**13,138,803**	**(11,363,466)**	**372,972**	**2,148,309**
Total comprehensive loss for the year	-	(4,241,647)	-	(4,241,647)
Transactions with owners in their capacity as owners:				
Issue of shares	6,984,854	-	-	6,984,854
Share issue expenses	(72,892)	-	-	(72,892)
Balance at 30 June 2018	**20,050,765**	**(15,605,113)**	**372,972**	**4,818,624**

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 2018

	Note	2018 $	2017 $
Cash Flows from Operating Activities			
Payments for exploration and evaluation		(3,569,703)	(372,694)
Payments to suppliers, contractors and employees		(931,805)	(603,311)
Research and development tax offsets received		144,341	105,936
Interest received		46,883	13,469
Net cash flows used in operating activities	15	(4,310,284)	(856,600)
Cash Flows from Investing Activities			
Payments for property, plant and equipment		(10,996)	-
Net cash flows used in investing activities		(10,996)	-
Cash Flows from Financing Activities			
Proceeds from issue of shares and other equity securities		6,984,854	2,167,473
Share issue expenses		(72,892)	(68,750)
Farm in advances received (Note 12)		1,005,137	1,381,650
Farm in advances expended		(1,104,090)	(1,554,921)
Net cash flows provided from financing activities		6,813,009	1,925,452
Net increase in cash and cash equivalents		2,424,708	1,068,852
Cash and cash equivalents at the beginning of the financial year		2,529,414	1,460,562
Cash and cash equivalents at the end of the financial year	7	4,954,122	2,529,414

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 2018

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.

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

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

(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 2018 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)

Recognition and Initial Measurement (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.

Defined contribution superannuation expense

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

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(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.

(v) 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.

		2018 $	2017 $
3.	**Revenue**		
	Research and development tax offset recovery	144,341	105,936
	Interest received	46,883	13,469
		191,224	119,405
4.	**Expenses**		
	Loss before income tax includes the following specific expenses:		
	Depreciation	794	-
	Directors fees	362,717	286,373
	Superannuation expense		
	Exploration and evaluation expenditure (refer note 1(k))	3,500,272	372,695
	Share based payments (refer note 18)	-	231,500

		2018 No. of Shares	2017 No. of Shares
5.	**Earnings per Share**		
	Weighted average number of ordinary shares for basic and diluted earnings per share	64,957,128	56,004,449

		2018 $	2017 $
6.	**Income tax**		
	Loss before tax	(4,241,647)	(1,124,909)
	Prima facie tax on operating loss before income tax at 27.5%	1,166,453	309,350
	Tax effect of:		
	- non deductible items	(20,841)	(79,911)
	Deferred tax asset not brought to account at the reporting date as realisation of the benefit is not probable	(1,145,612)	(229,439)
	Income tax attributable to operating loss	-	-

Unrecognised deferred tax

The Group has $14,912,895 (2017: $10,486,155) 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 $4,101,046 (2017: $2,883,693), 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.

		2018 $	2017 $
7.	**Cash and cash equivalents**		
	Cash at bank	4,894,122	2,469,414
	Cash on deposit	60,000	60,000
		4,954,122	2,529,414

The cash at bank as at 30 June 2018 includes $16,818 (2017: $173,218) 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 joint venture in accordance with the Farm-In and Joint Venture Agreement signed by Catalyst Metals Ltd, Kite Gold Pty Ltd and Gold Exploration Victoria Pty Ltd on 9 March 2015.

		2018 $	2017 $
8.	**Trade and other receivables**		
	GST receivable	424,277	66,581
	Receivable from Gold Exploration Victoria Pty Ltd (note 12)	165,974	-
		590,251	66,581

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 2017	-	-	-
Closing net book amount 30 June 2018	416	9,786	10,202
At 30 June 2018			
Cost	21,055	22,115	43,170
Accumulated depreciation	(20,639)	(12,329)	(32,968)
Net book amount	416	9,786	10,202-
Year ended 30 June 2017			
Opening net book amount 1 July 2016	-	-	-
Closing net book amount 30 June 2017	-	-	-
At 30 June 2016			
Cost	20,602	11,572	32,174
Accumulated depreciation	(20,602)	(11,572)	(32,174)
Net book amount	-	-	-

10. Exploration and evaluation expenditure	2018 $	2017 $
Opening balance	-	-
Additions	3,500,272	372,695
Exploration expenditure written off (refer note 1(k))	(3,500,272)	(372,695)
Closing balance	-	-

11. Trade and other payables

Current Payables		
Trade creditors	574,327	181,630
Employee expenses payable	91,437	21,867
Accruals	70,187	57,930
	735,951	261,427

Included in the current payables is an aggregate amount of $182,792 (2017: $53,190) incurred in relation to the Four Eagles Gold Project which is payable by 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	2018 $	2017 $
Advances from applicants to Prospectus	-	12,500
Opening Balance of Advance from Gold Exploration Victoria Pty Ltd	188,259	349,0308
Advances received from Gold Exploration Victoria Pty Ltd	1,005,137	1,381,650
Exploration expenditure	(1,359,370)	(1,554,921)
Closing Balance of (Receivable)/Advance from Gold Exploration Victoria Pty Ltd (note 8)	(165,974)	175,759
	(165,974)	188,259

The (receivable)/advance from Gold Exploration Victoria Pty Ltd (GEV) relates to monies (receivable)/advanced (from)/ to Kite Gold Pty Ltd for its contribution to exploration expenditure on the Four Eagles Gold Project. During the 2018 financial year, GEV earned 50% of the Project by spending $4.2 million on exploration at the Four Eagles Gold Project. From March 2018 onward all expenditure at the Four Eagles Gold Project was shared equally by Kite Gold and GEV.

13. Contributed Equity

		2018 Number	2018 $	2017 Number	2017 $
(a) Share capital					
Ordinary shares					
Fully paid	(c)	69,793,916	20,050,765	59,413,952	13,138,803
(b) Other equity securities					
Options – Listed	(d)	-	-	2,572,403	-
Options – Unlisted	(d)	1,100,000	-	1,100,000	-
Performance Rights - Unlisted	(d)	-	-	-	-
Total contributed equity			20,050,765		13,138,803

(c) Movements in Ordinary Shares

Details	Number of Shares	Issue Price	$
Balance at 30 June 2016	54,729,004		10,933,680
Issue of shares - Exercise of listed options	50,781	$0.500	25,391
Issue of shares – Vesting of performance rights	350,000	-	106,399
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
Issue of shares – Prospectus	1,715,833	$0.50	857,916
Issue of shares – Share Placement	6,410,256	$0.78	5,000,000
Issue of shares – Exercise of listed options	2,253,875	$0.50	1,126,938
Capital raising expenses	-	-	(72,892)
Balance at 30 June 2018	69,793,916		20,050,765

13. Contributed Equity (Continued)

(d) Movements in other equity securities

Details	Number of Options
Listed Options	
Balance at 30 June 2016	2,623,184
Exercise of options	(50,781)
Balance at 30 June 2017	2,572,403
Exercise of options	(2,253,875)
Lapse of options	(318,528)
Balance at 30 June 2018	-
Unlisted Options	
Balance at 30 June 2016	-
Issue of options	1,100,000
Balance at 30 June 2017	1,100,000
Balance at 30 June 2018	1,100,000

Details	Number of Rights
Performance Rights	
Balance at 30 June 2016	350,000
Vesting of performance rights	(350,000)
Balance at 30 June 2017	-
Balance at 30 June 2018	-

(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) Performance Rights

Refer to Note 18 for details of performance rights

***(g) 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 2018 and no dividends are expected to be paid in 2019.

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.

13. Contributed Equity (Continued)

***(h) Details* of subsidiaries**

Details of the Group's subsidiaries at 30 June 2018 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

	2018 $	2017 $
Share-based payments reserve		
Balance at the beginning of the year	372,972	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	372,972

(i) The amount was recognised as capital raising cost in 2017.

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	(12,363,466)	(10,238,557)
Loss for the year	(4,241,647)	(1,124,909)
Balance at the end of the year	(15,605,113)	(11,363,466)

15. Notes to the Cash Flow Statement

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

	2018 $	2017 $
Operating loss after tax	(4,241,647)	(1,124,909)
Add non-cash items:		
Depreciation	794	-
Share based payment	-	231,500
Exploration expenditure paid in shares	-	-
Changes in net assets and liabilities		
(Increase)/decrease in receivables	(355,696)	8,299
Increase in payables	474,524	27,182
(Decrease)/increase in advances	(188,259)	1,328
Net cash used in operating activities	(4,310,284)	(856,600)

(b) Non-cash financing and investing activities

The Group did not have any non-cash financing or investing activities during the year (2017: 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 2018.

(b) Key management personnel remunerations

	2018	2017
Short-term employee benefits	395,495	257,693
Post-employment benefits	37.225	34,712
	432,720	292,405

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:

2018

Directors	*Balance at beginning of year*	*Granted as compensation*	*Exercised*	*Other changes*	*Balance at end of year*	*Vested and exercisable*
S Boston	287,061	-	(240,659)	(46,402)	-	-
R Scrimgeour	245,630	-	(245,630)	-	-	-
G Schwab	-	-	-	-	-	-
B Kay	89,668	-	(89,6680	-	-	-

2017

Directors	*Balance at beginning of year*	*Granted as compensation*	*Exercised*	*Other changes*	*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

(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.

2018

Directors	*Balance at beginning of year*	*Purchased*	*Other changes*	*Balance at end of year*
S Boston	5,741,160	240,659	(145,845)	5,835,974
R Scrimgeour	5,065,102	245,630	-	5,310,732
G Schwab	-	-	-	-
B Kay	2,143,326	89,668	-	2,232,994

16 Key Management Personnel Compensation (Continued)

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

(iii) Shareholdings (Continued)

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

(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:

2018

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

2017

Directors	*Balance at beginning of year*	*Granted as compensation*	*Vested*	*Other changes*	*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 and consulting fees for the year were $181,551 (2017: $78,840) of which $16,498 was accrued and outstanding at year end. Mr Boston is also a Director of Raisemetrex Pty Ltd which was paid $93,000 by the Company to provide the capital raising platform and corporate advisory services.
(ii) Mr Kay's Directors' fees and consulting fees for the year were $132,909 (2017: $108,445) of which $20,275 was accrued and outstanding at year end.
(iii) Mr Scrimgeour's Directors' fees for the year were $59,130 (2017: $52,260).
(iv) Mr Schwab's Directors' fees for the year were $59.130 (2017 $52,260) of which $14,782 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 no options were issued (2017: 1,100,000 exercisable at $1 each were issued to the consultants of the Company).

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.

	2018		2017	
	Number of Options	Weighted Average Exercise Price $	Number of Options	Weighted Average Exercise Price $
Opening amounts	1,100,000	$1.00	-	-
Issued during the year				
- Consultant options	-	-	1,100,000	$1.00
Closing amount	1,100,000	$1.00	1,100,000	$1.00

Included in the options issued to consultant during 2017 is 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 2.12 years (2017: 3.12).

2018

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
-	-	-	-	-	-	-	-

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

18. Share based payments (Continued)

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

(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"), 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 2017 financial year, 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. There were no Performance Rights issued in 2018.

Directors Shares

There were no Directors shares issued in 2018 (2017: Nil).

19. Auditor's Remuneration

	2018 $	2017 $
Audit or review of the financial statements	24,200	24,120
Other services	-	-
	23,950	24,120

20. Commitments

There were no outstanding commitments, which are not disclosed in the financial statements as at 30 June 2018 other than:

	2018 $	2017 $
(a) Tenement commitments		
No later than 1 year	828,295	506,500
Later than 1 year but not later than 5 years	-	-
	828,295	506,500

21 Financial Instruments

	Notes	Floating Interest Rate	1 year or less $	Over 1-5 years $	Non-interest bearing $	Total $
2018						
Financial assets						
Cash and cash equivalents	7	1.25%	4,954,122	-	-	4,954,122
Trade and other receivables	8	-	-	-	590,251	590,251
Total financial assets			4,954,122	-	590,251	5,544,373
Financial liabilities						
Trade and other payables	11	-	-	-	735,951	735,951
Advances	12	-	-	-	-	-
Total financial liabilities			-	-	735,951	735,951
Net financial assets			4,954,122	-	(145,700)	4,808,422

21 Financial Instruments (Continued)

	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

Reconciliation of net financial assets to net assets	**2018 $**	**2017 $**
Net Financial Assets	4,808,422	2,148,309
Property, plant & equipment	10,202	-
Exploration expenditure	-	-
Net Assets	4,818,624	2,148,309

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 2018, 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 $49,541 (2017: $25,924) 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.

21. Financial Instruments (continued)

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 2018.

24. Subsequent Events

On 18 July 2018, there was 318,528 ordinary shares issued at $0.50 each to St Barbara Limited for underwriting the listed options that expired on 30 June 2018. On 23 July 2018 an Earn-In Agreement was signed with Golden Camel Mining Pty Ltd to earn 50.1% of EL5449 and EL5490 by spending $650,000 on exploration over the next 5 years. There is a requirement by the Company to spend a minimum of $55,000 on exploration before 30 September 2018. On 26 July 2018, there was 100,000 unlisted options exercised at $1 each to realise $100,000.

25. Parent Entity Disclosure

	2018 $	2017 $
Total current assets	4,953,047	2,336,919
Total assets	4,963,249	2,337,021
Total current liabilities	201,630	220,737
Total liabilities	201,630	220,737
Equity		
Contributed equity	20,050,765	13,138,803
Share based payments reserve	372,972	372,972
Accumulated losses	(15,662,120)	(11,395,491)
Total equity	4,761,619	2,116,284
Loss for the year	(4,266,629)	(1,067,037)
Total comprehensive loss	(4,266,629)	(1,067,037)

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 2018 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 28th day of September 2018

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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 2018, 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 2018 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
Exploration and evaluation expenditure Refer to Statement of Profit or Loss and Other Comprehensive Income and Note 1(k)	
The Group has incurred a significant amount of exploration expenditure expense of $3,500,272 for the year ended 30 June 2018. We considered this to be a key audit matter because it is the most significant expense in the statement of profit or loss and other comprehensive income and due to the significant management judgments involved in applying the Group's accounting policy for exploration and evaluation expenditure. This includes assessing whether exploration activities have reached a stage at which the existence of economically recoverable reserves may be determined, such that such costs are expected to be recouped through successful development and exploitation of the area of interest or, alternatively, by its sale.	Our audit procedures in relation to exploration and evaluation expenditure included: • Ensuring that the right to tenure of the area of interest was current; • Agreeing a sample of additions to supporting documentation and ensuring the amounts are in respect of exploration activities and relate to the area of interest; • Through discussions with the management and review of the Board Minutes, ASX announcements and other relevant documentation, assessing management's determination that exploration activities have not yet progressed to the stage where the existence or otherwise of economically recoverable reserves may be determined; • Assessing whether the Group's accounting policy for exploration and evaluation expenditure is in compliance with Australia Accounting Standards; and • Assessing the adequacy of the disclosures in the financial report.

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 2018, 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 2018.

In our opinion, the Remuneration Report of Catalyst Metals Limited, for the year ended 30 June 2018, 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

ALASDAIR WHYTE
Partner

Perth, WA
Dated: 28 September 2018

CATALYST METALS LIMITED

ADDITIONAL INFORMATION

The following information was reflected in the records of the Company as at 24 September 2018.

Distribution of share and option holders

	Number of holders	
	Fully paid shares	Unlisted options
1 - 1,000	98	-
1,001 - 5,000	127	-
5,001 - 10,000	84	-
10,001 - 100,000	188	-
100,001 and over	60	2
	557	2
Including holdings of less than a marketable parcel	51	

Substantial shareholders

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

Shareholder	Number of shares	%
St Barbara Limited	10,831,089	15.43
Drill Investments Pty Ltd	5,923,105	8.44
Trapine Pty Ltd	5,825,345	8.30
Robin Scrimgeour	5,310,731	7.56
Gavin Caudle	3,873,625	5.52

Twenty largest holders of fully paid shares

	Shareholder	Shares	%
1.	St Barbara Limited	11,149,617	15.88
2.	HSBC Custody Nominees (Australia) Limited	8,134,472	11.59
3.	Drill Investments Pty Ltd	5,923,105	8.44
4.	Trapine Pty Ltd	4,684,770	6.67
5.	Citicorp Nominees Pty Ltd	4,622,157	6.58
6.	Toby Mountjoy	2,565,014	3.65
7.	Chepalix Pty Ltd	2,086,875	2.97
8.	Bruce Kay and Henriette Kay	1,998,843	2.85
9.	Providence Gold & Minerals Pty Ltd	1,758,599	2.50
10.	Gavin Caudle	1,379,837	1.97
11.	Gavin Arnold Caudle	1,373,625	1.96
12.	Kimberley Downs Pty Ltd	1,194,635	1.70
13.	Kenneth Raymond Teagle	1,131,569	1.61
14.	Gavin Arnold Caudle	1,000,000	1.42
15.	Great Australian Corporation Pty Ltd	889,217	1.27
16.	Roger George Davis	772,275	1.10
17.	Vestcourt Pty Ltd	750,000	1.07
18.	John Paul Sisterson	699,731	1.00
19.	Lindway Investments Pty Ltd	613,594	0.87
20.	Elshaw Pty Ltd	582,096	0.83
		53,310,031	75.93

ADDITIONAL INFORMATION

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 31.10.20	1,000,000	Maybach Consulting Pty Ltd	500,000	50.0
		Gabrielle Metcalf	500,000	50.0

Voluntary escrow

	Number
Ordinary fully paid shares subject to voluntary escrow until 7 December 2018	6,410,256

Corporate governance statement
The Company's 2018 corporate governance statement can be viewed at
http://www.catalystmetals.com.au/about_catalyst/corporate_governance.phtml

Tenement directory

Project	Tenement number	Beneficial interest
Victoria		
Four Eagles	RL6422	50%
Four Eagles	EL5295	50%
Pyramid	EL5508	50%
Raydarra East	EL5509	100%
Tandarra	EL4897 [1]	51%
Sebastian	EL5533	100%
Raydarra	EL5266	51% (earning in via farm-in agreement)
Macorna Bore	EL5521	100%
Drummartin	EL6507	100%
Boort	EL6670	100%

[1] Retention Licence RL006660 is under application to replace EL4897.

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.