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METALS LTD

CATALYST METALS LIMITED AND ITS CONTROLLED ENTITIES
ABN 54 118 912 495

INTERIM REPORT

FOR THE HALF-YEAR ENDED 31 DECEMBER 2021

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CORPORATE DIRECTORY

DIRECTORS

Stephen Boston (Chairman)
Bruce Kay (Non-Executive Director)
Robin Scrimgeour (Non-Executive Director)
Gary Schwab (Non-Executive Director – resigned 12 November 2021)
James Champion de Crespigny (Non-Executive Director – appointed 12 November 2021)

COMPANY SECRETARY

Frank Campagna

REGISTERED OFFICE & PRINCIPAL PLACE OF BUSINESS

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Website: www.catalystmetals.com.au

AUDITORS

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Perth WA 6000

SHARE REGISTRY

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Perth, Western Australia 6000

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+612 9698 5414 (International)
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STOCK EXCHANGE LISTING

The Company is listed on the Australian Securities Exchange
Home Exchange: Perth
ASX Code: CYL & CYLOA

DIRECTORS' REPORT

The Directors present their report on Catalyst Metals Limited and its subsidiaries for the half-year ended 31 December 2021.

BOARD OF DIRECTORS

DIRECTORS

The names and details of Catalyst Metals Limited ("Company") directors in office during the half-year and up to the date of this report are as follows:

Stephen Boston
Bruce Kay
Robin Scrimgeour
Gary Schwab – resigned 12 November 2021
James Champion de Crespigny – appointed 12 November 2021

Directors were in office for the entire period unless otherwise stated.

REVIEW OF OPERATIONS

OVERVIEW

The Whitelaw Fault Corridor is a 75 kilometre long geological structure thought to control the emplacement of the Bendigo gold deposits, which extends in a generally northerly direction in favourable Ordovician rocks beneath the covering veneer of the Murray Basin sediments. In particular, the Four Eagles and Tandarra Gold Projects (respectively 55 kilometres and 40 kilometres north-northwest of Bendigo, Victoria) contain gold discoveries similar in style to the historic Bendigo goldfield. The adjacent fault systems provide potential for Bendigo and/or Fosterville-style discoveries at the Drummartin, Boort, and Golden Camel projects.

Catalyst has significant interests in two retention licences (RL's) and fourteen exploration licences (EL's) over the Whitelaw Gold Belt and similar geological terranes both to the east and to the west (Figure 1). With the addition of the Golden Camel Project, where Catalyst has the right to acquire an interest in the Golden Camel mining leases MIN5548 and MIN5570, these licences total some 2,100 square kilometres.

| Victorian tenement directory as at 31 December 2021 | | |
|---|-----------------|---|
| Project | Tenement | Beneficial interest |
| Victoria Four Eagles | RL006422 | 50% |
| | EL5295 | 50% |
| | EL5508 | 50% |
| | EL006859 | 50% |
| Macorna | EL5521 | 100% (farm-out of 50% to GEV) |
| | EL006894 | 100% (farm-out of 50% to GEV) |
| | EL006549 | 100% of mineral rights (farm out of 50% to GEV) |
| Boort | EL006670 | 100% (farm-out of 50% to GEV) |
| Tandarra | RL006660 | 51% |
| Raydarra East | EL5509 | 100% |
| Sebastian | EL5533 | 100% |
| Raydarra | EL007214 | 100% |
| Drummartin | EL006507 | 100% (farm-out of 50% to St Barbara) |
| Golden Camel | EL5490 & EL5449 | 50.1% |
| No interests in mining tenements or farm-in or farm-out agreements were acquired or disposed of during the quarter. | | |

Table 1: Victorian tenements

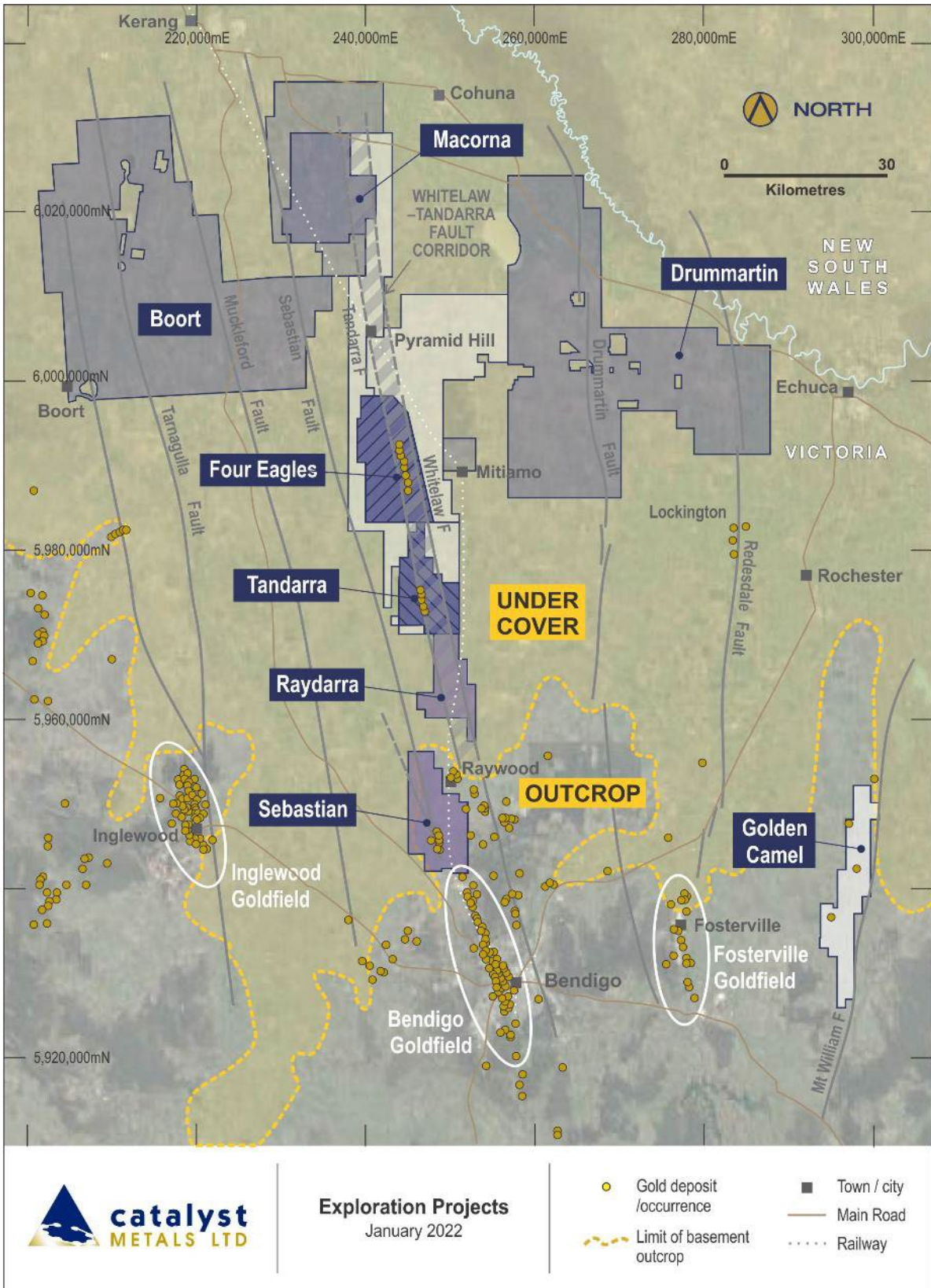


Figure 1: Whitelaw Gold Belt Tenement Holdings showing major Catalyst managed projects

DIRECTORS' REPORT

FOUR EAGLES JOINT VENTURE (RL006422, EL5295, EL5508, AND EL6859 CATALYST 50%)

Catalyst holds a 50% joint venture interest in the Four Eagles Gold Project with the other 50% held by Gold Exploration Victoria Pty Ltd (GEV) (a wholly owned subsidiary of Hancock Prospecting Pty Ltd). Exploration is jointly funded by Catalyst and GEV and is managed by Catalyst.

Retention Licence (RL) 006422, flanked by the remaining exploration licences, comprises the Four Eagles Gold Project and covers an envelope of gold mineralisation within an area of 6 kilometres trending north-south and 2.5 kilometres east-west including three prospects which have intersected high grade gold mineralisation (Hayanmi, Boyd's Dam, and Pickles). This footprint may be larger with the inclusion of high-grade gold mineralisation at Cunneens to the south-west and Eagle 5 to the east (Figure 2).

The drilling program through 2021 was affected by Covid-19 restrictions which prevented interstate drillers from moving freely. Drilling at Four Eagles during the December 2021 quarter was limited to Boyd's Dam due to crop constraints, with diamond and RC drilling continuing where possible into deep and adjacent structural targets. The interpretation of ground gravity and magnetics geophysics surveys across the accessible parts of Boyd's Dam, Hayanmi, and Pickles have provided targets of interest for the 2022 program.

Baseline study work commenced on identifying the optimal site to commence an exploration decline that would allow drilling from beneath the Murray Basin Sediments in basement rocks. The aim is to site the portal entry in an area of shallow cover to minimise impact and cost. The decline and underground development would allow access to Hayanmi, Boyd's North and Boyd's Dam prospects.

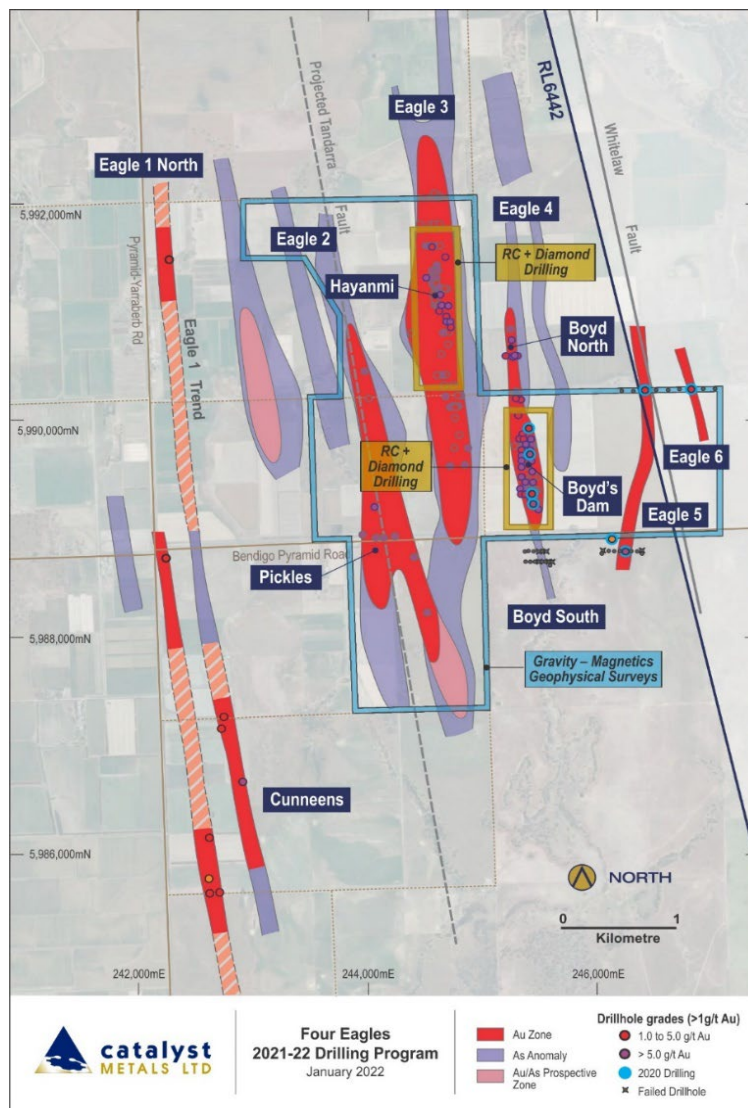


Figure 2: Four Eagles Gold project showing location of gold trends and prospects and areas of exploration in 2020

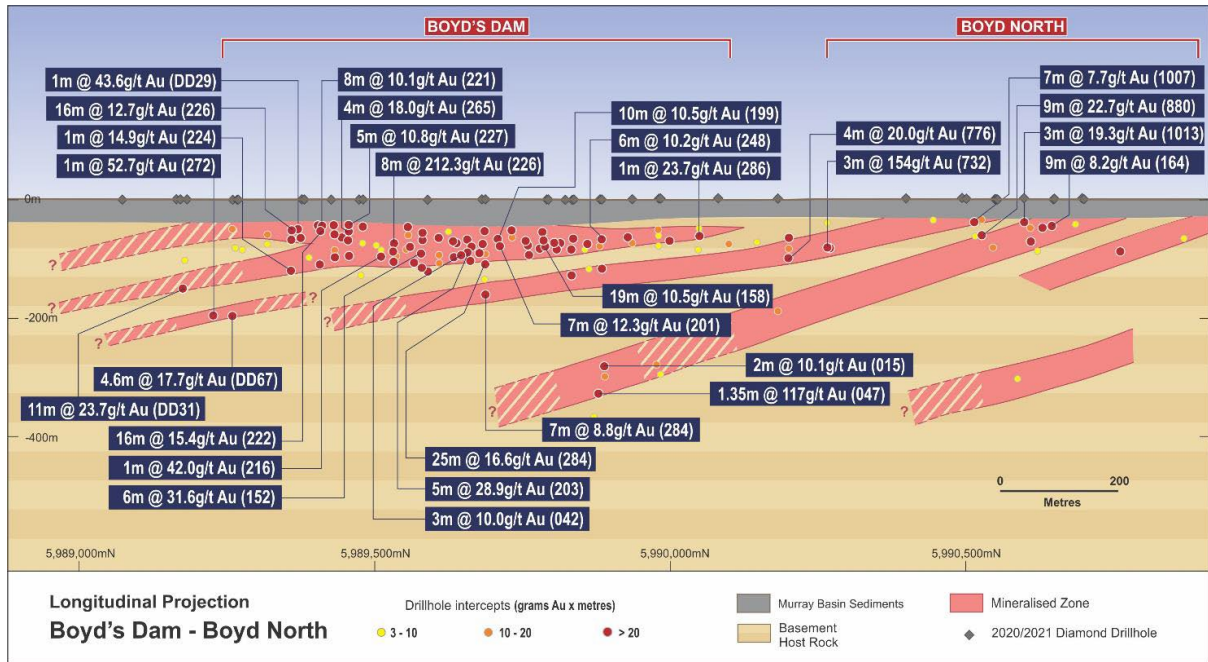


Figure 3: Longitudinal Projection Boyd's Dam-Boyd North Gold Zone showing significant 2020 intersections

TANDARRA JOINT VENTURE GOLD PROJECT (RL006660) (CATALYST 51%)

The Tandarra Gold Project is located structural corridor (Figure 1). The Tandarra Gold Project lies immediately to the south of Catalyst's Four Eagles Gold Project and approximately 40 kilometres north of Bendigo along the Whitelaw. Catalyst holds a 51% interest in Tandarra. Catalyst manages the joint venture with expenditures funded by joint venture partner, Navarre Minerals Ltd, in their respective proportions. Tandarra covers an area of 60 square kilometres, and includes three key prospects – Tomorrow, Macnaughtan, and Lawry – lying on the 75 kilometre long Whitelaw fault (see Figure 3).

At the Tomorrow prospect, geological interpretation of drillhole and geophysical data continued in the December 2021 quarter, with specific focus on the fault systems that are responsible for mineralisation. Three-dimensional modelling has provided further insight into the geometries of faults that are important to target generation at depth.

A metallurgical sample was submitted to an external laboratory for analysis on gravity and cyanide-soluble gold recovery, with results anticipated in the March 2022 quarter.

A soil sampling survey across the Tandarra tenement was completed during the December 2021 quarter. Nine of ten broadly spaced survey lines were completed, with laboratory analysis ongoing. The survey was implemented to determine possible exploration targets that have not been detected through geophysics.

MACORNA BORE PROJECT (EL5521 & EL006894 CATALYST 100%; COMMENCING JOINT VENTURE)

GEV has funded exploration to earn a 50% interest in the Macorna tenements with exploration activities managed by Catalyst. The scheduled partial relinquishment at EL006549 (276 graticules) was waived.

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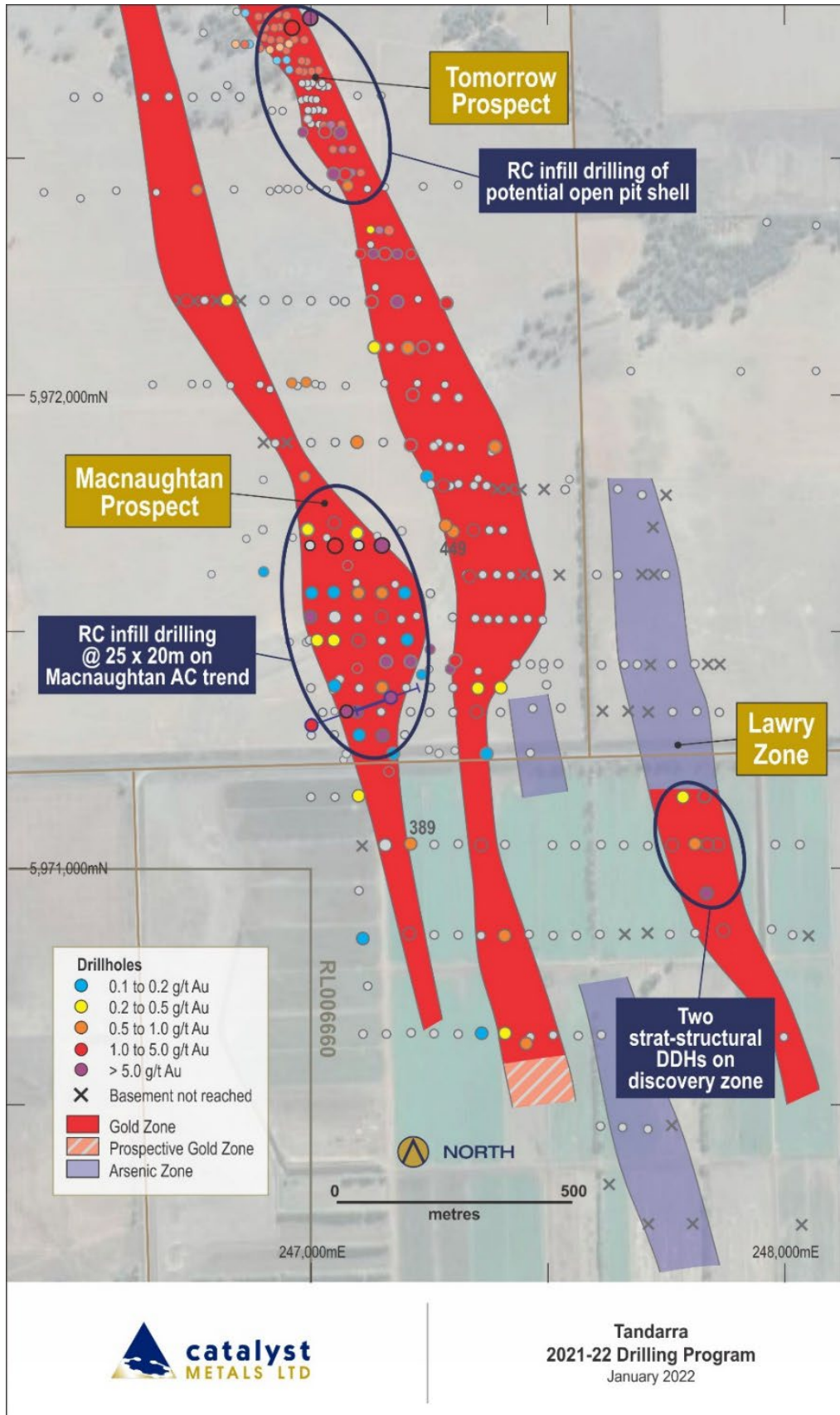


Figure 4: Tandarra Gold Project showing location of prospect locations and current activities

BOORT PROJECT (EL006670 CATALYST 100%; COMMENCING JOINT VENTURE)

GEV is funding exploration to earn a 50% interest in the Boort tenement, with exploration activities managed by Catalyst. The Boort project tenement was subject to a gravity geophysics survey in 2021, which resulted in the generation of 13 drilling targets. During the quarter a total of 27 holes were completed on Target 2 and Target 3 (Figure 5) for 3,134 metres, with assays anticipated in the March 2022 quarter.

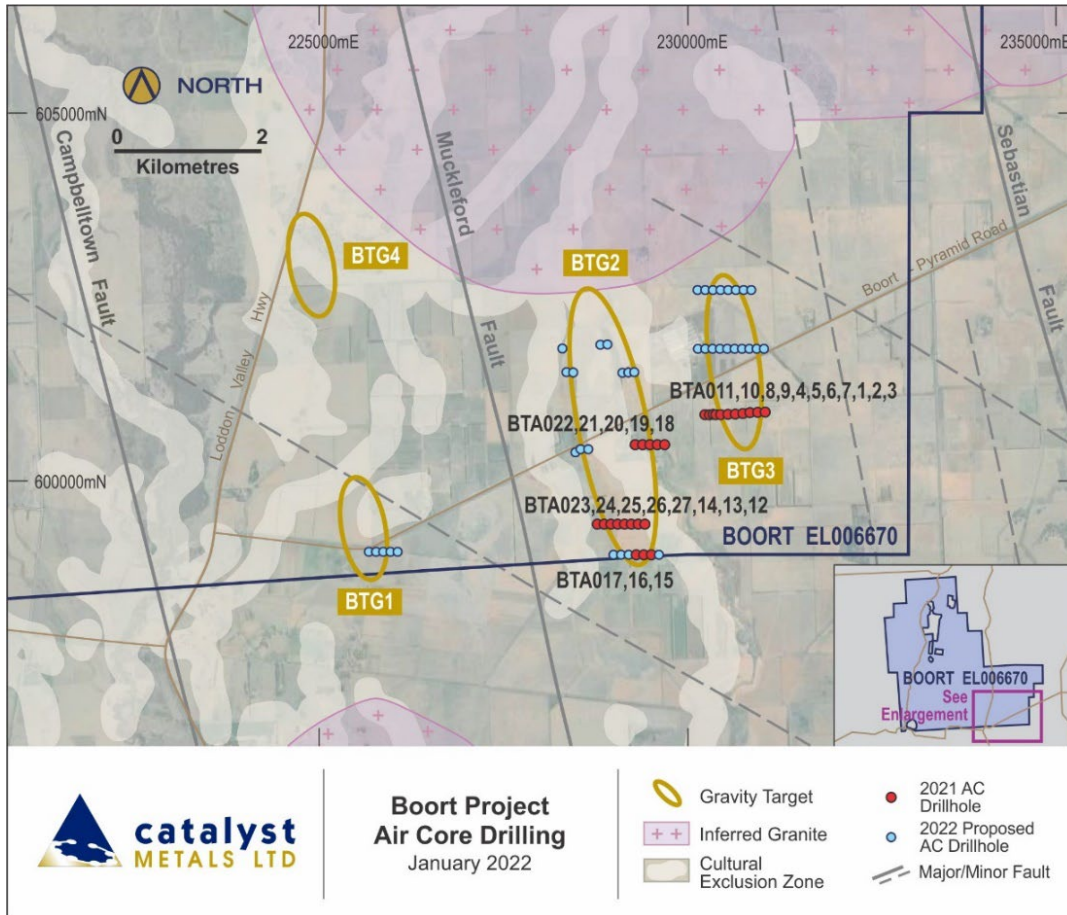


Figure 5: Boort Exploration Licence EL006670 showing gravity targets and air core drill holes

SEBASTIAN NORTH PROJECT (EL5533), RAYDARRA EAST (EL5509) and RAYDARRA (EL007214/EL5266) (CATALYST 100%)

These exploration licences at the south end of the Whitelaw Gold Belt (Figure 1) did not see exploration activity during the reporting period.

DRUMMARTIN (EL006507 CATALYST 100% ST BARBARA MINES EARNING IN)

Drummartin EL006507 is situated to the east of the Whitelaw Belt and covering parts of the Redesdale, Fosterville and Drummartin Faults extending northwards from the vicinity of Fosterville gold mine (Figure 1). St Barbara Limited (ASX: SBM) is funding and farming into EL006507 and is the manager of the Earn-in Joint Venture project conducting the exploration (Figure 1). The exploration licence is situated on the northern extension of the Drummartin, Fosterville and Redesdale Faults which are believed to be similar in nature and parallel to the Whitelaw Fault.

Air core drilling resumed at Drummartin in December 2021 with 4 holes for 602 metres at Target D9 (Figure 6) drilled prior to the end of the December 2021 quarter. Results are pending.

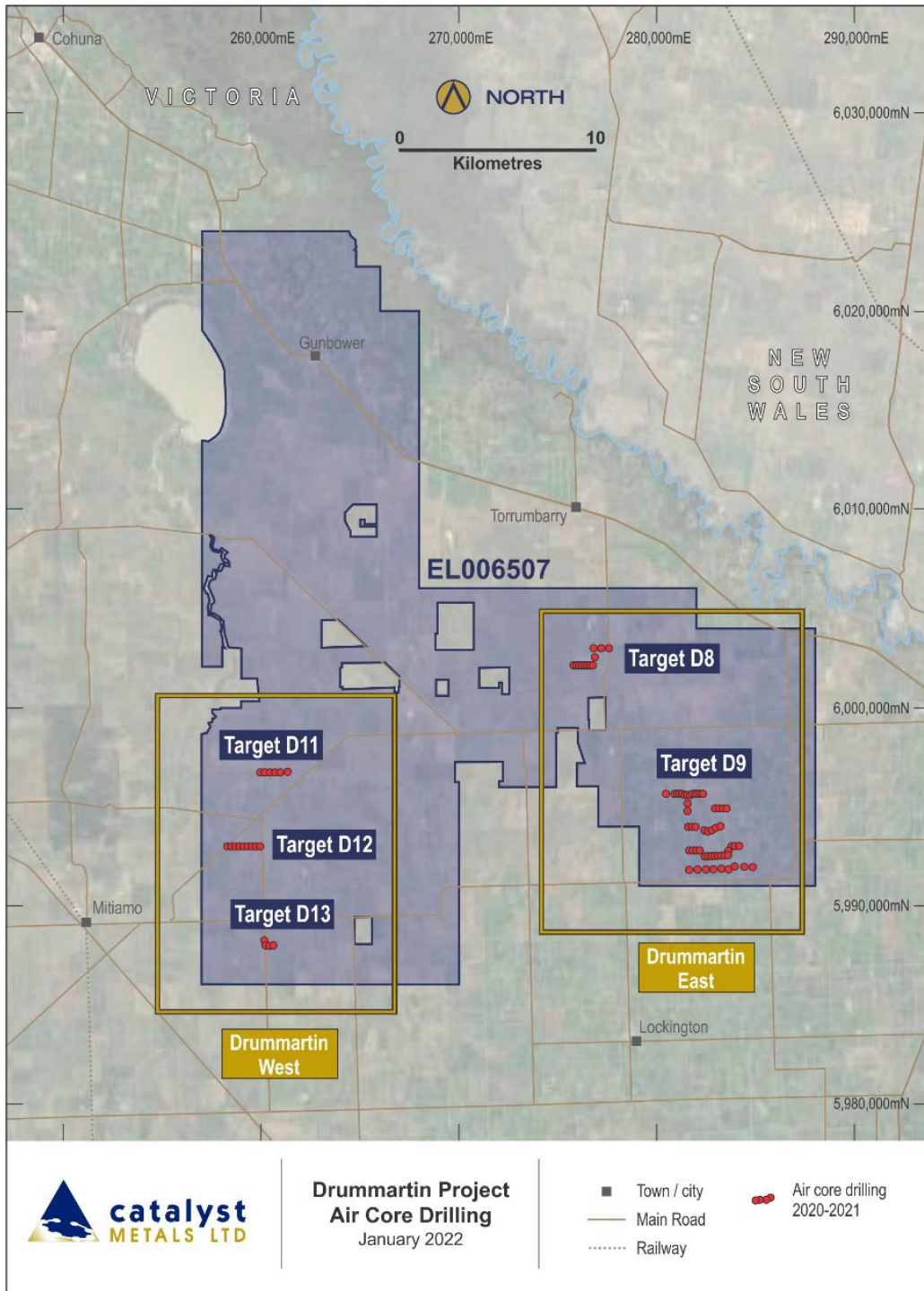


Figure 6: Drummartin Exploration Licence EL006507 showing gravity targets and air core drill holes

GOLDEN CAMEL (EL5449 AND EL5490 CATALYST 50.1%)

Catalyst holds a 50.1% interest in the Golden Camel Joint Venture. Catalyst manages the joint venture with expenditures funded by Catalyst and its JV partner in their respective proportions.

The 2021/2022 Joint Venture exploration programme is expected to commence in the June 2022 quarter.

DIRECTORS' REPORT

HENTY GOLD MINE

Henty is a high grade, underground gold-silver mine with established infrastructure and significant exploration upside in the mineral rich Mt Read Volcanic belt in Western Tasmania, proximate to world class deposits such as the Rosebery polymetallic mine (continuous production for circa 100 years).

Historically, the Mt Read Volcanic Belt has produced over 8 million ounces of gold. The operation consists of an underground mine, which is accessible from surface to the series of orebodies via shaft and decline, linked to a common portal exit, and a conventional carbon in leach (CIL) processing plant with a nameplate capacity of 300,000 tonnes per annum (currently operating at 220,000 tonnes per annum).

Key to Henty's success is increasing its mine life before then lifting its production profile and lowering its costs. Doing so should deliver a stable operating platform for Catalyst. To achieve this, Catalyst has invested heavily in exploration. There are currently four drill rigs operating at Henty with another on the way.

Recent exploration results have yielded success in two areas: (i) potential to increase resources due to high grade intercepts outside current resource shells, and (ii) potential to delineate new resources in new areas not previously considered.



Figure 7: Map of location for Henty Mine showing tenements

| Tasmanian tenement directory as at 31 December 2021 | | |
|---|------------|---------------------|
| Project | Tenement | Beneficial interest |
| Henty | ML 7M/1991 | 100% |
| | ML 5M/2002 | 100% |
| | ML 7M/2006 | 100% |
| | EL28/2001 | 100% |
| | EL8/2009 | 100% |
| No interests in mining tenements or farm-in or farm-out agreements were acquired or disposed of during the quarter. | | |

Table 2: Henty tenements

Operations

Henty sold 12,987 ounces of gold at an all in sustaining cost (AISC) rate of A\$2,156 per ounce for the half year. Since Catalyst acquired Henty it has produced 24,706 ounces of gold at an AISC of A\$2,038 per ounce. The average realised gold price was A\$2,386 per ounce. This compares to production of 11,590 ounces in 2020 under previous owners.

Henty recorded one recordable Lost Time Injury for the December 2021 quarter. The Total Recordable Injury Frequency Rate (TRIFR) stands at 9.32 at the end of the quarter which is status quo from the September 2021 quarter (Figure 8).

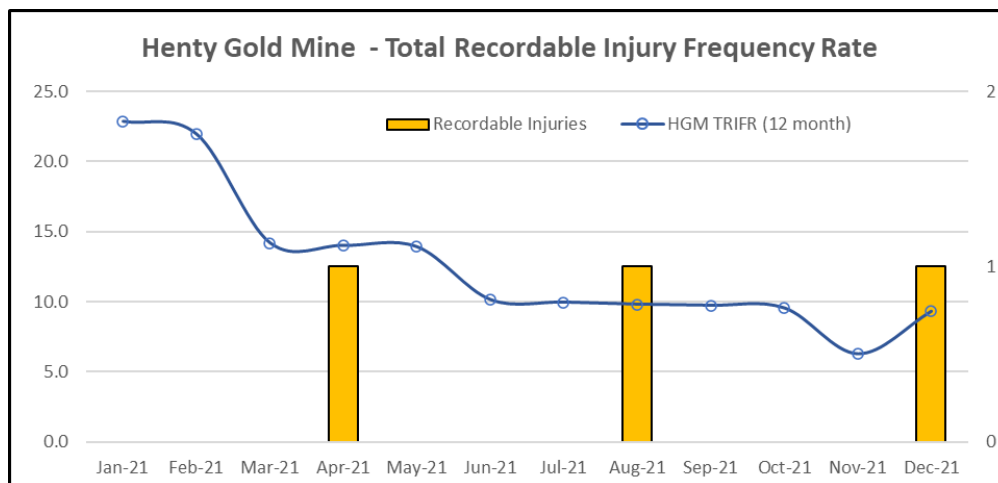


Figure 8: Henty TRIFR showing rolling 12-month period

Total of 101,8941 tonnes of ore was mined during the half year with majority sourced from Zone 96 (Figure 9). Current mining focus areas remain upper part of the mine, in and around the Intermediate Zone and Zone 96, while new ore sources are being grade control drilled.

Average head grade achieved since Catalyst ownership is 4.7g/t – above the Mineral Resource Estimate grade of 4.5g/t (announced 5 October 2021). This grade variation is expected under the mine plan.

The mill processed 100,985 tonnes with a feed grade of 4.4g/t. Recovery for the half year averaged 91.8%. Higher base metals contained within ore feed led to lower recovery rates for the period. Gold production for the half year was 13,086 ounces.

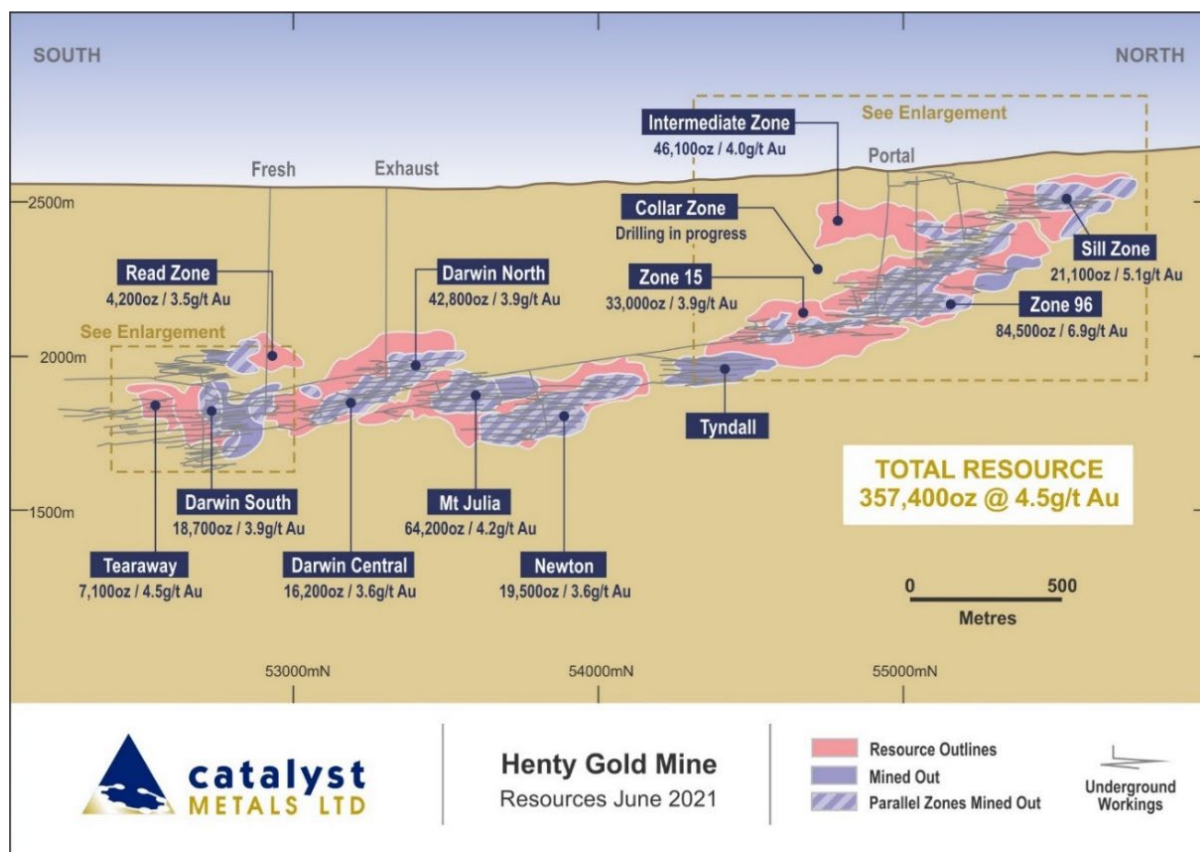


Figure 9: Long-section of Henty showing orebodies and JORC Resources at 30 June 2021

| OPERATIONS | September Qtr | December Qtr | FY22 YTD |
|-------------------------------|---------------|--------------|----------------|
| Mining | | | |
| Total Mined (tonnes) | 94,898 | 81,541 | 176,439 |
| Ore Mined (tonnes) | 51,851 | 50,090 | 101,941 |
| Mine Grade (g/t) | 4.9 | 4.0 | 4.4 |
| Mill production | | | |
| Processed (tonnes) | 49,299 | 51,686 | 100,985 |
| Average Head Grade (g/t) | 4.6 | 4.2 | 4.4 |
| Recovery Gold (%) | 92.1 | 91.5 | 91.8 |
| Gold Produced (ounces) | 6,775 | 6,311 | 13,086 |

Table 3: Key operational parameters

RESULTS OF OPERATIONS

The operating profit after income tax of the Group for the half-year ended 31 December 2021 was \$3,177,638 (2020: loss \$2,411,898).

The Company's basic earnings per share for the period was 3.23 cents (2020: loss of 2.90 cents per share).

No dividend has been paid during or is recommended for the financial period ended 31 December 2021.

DIRECTORS' REPORT

EVENTS AFTER REPORTING DATE

The impact of the Coronavirus (COVID-19) pandemic is ongoing. It is not practical to estimate the potential impact, positive or negative, after the reporting date. The situation is rapidly developing and is dependent on measures imposed by the Australian Government and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

No other matter or circumstances has arisen since 31 December 2021 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 immediately follows the Directors' Report.

This report has been made in accordance with a resolution of the Board of Directors.



Stephen Boston
Chairman

Dated: 15 March 2022

JORC Reporting of Historic Navarre Exploration Results

Although Catalyst was not involved in previous exploration at the Tandarra Gold Project, it has elected to update the information to comply with the JORC 2012 Code. The results had been publicly reported by Leviathan Resources Pty Ltd (ASX code LVR) (December 2004 to January 2007), Perseverance Corporation Limited (ASX code PSV) (January 2008 to March 2011) and Navarre Minerals Limited (ASX code NML) (March 2011 to September 2014) in numerous announcements during the stated periods under the JORC 2004 Code. Catalyst has limited knowledge on how the data was collected but has had to make assumptions based on the available historic data generated by these companies.

Full location data on the Tandarra drill holes and a Summary of Sampling Techniques and Reporting of Exploration Results according to the JORC Code 2012 Edition were included in the Company's ASX announcements dated 1 September 2014 and 29 July 2015.

Competent person's 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 announcements dated 1 September 2014, the quarterly activities report dated 31 July 2014, and for other Tandarra drilling on 29 July 2015.

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AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the financial report of Catalyst Metals Limited for the half-year ended 31 December 2021, 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 review; and
- (ii) Any applicable code of professional conduct in relation to the review.



David Wall
Partner
RSM Australia Partners

Perth, WA
Dated: 15 March 2022

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AUDIT | TAX | CONSULTING

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RSM Australia Partners ABN 36 965 185 036

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CATALYST METALS LIMITED AND ITS CONTROLLED ENTITIES
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 31 December 2021

| | Note | 31 December 2021 \$ | 30 June 2021 \$ |
|--|------|---------------------------|-----------------------|
| Current Assets | | | |
| Cash and cash equivalents | 7 | 28,187,561 | 33,518,541 |
| Trade and other receivables | | 2,516,155 | 2,816,154 |
| Inventory | | 4,023,471 | 3,898,595 |
| Total Current Assets | | <u>34,727,187</u> | <u>40,233,290</u> |
| Non-Current Assets | | | |
| Non current receivables | | 30,000 | 10,000 |
| Property, plant and equipment | | 6,718,296 | 5,814,969 |
| Mining development assets | 8 | 10,241,995 | 6,505,722 |
| Exploration and evaluation expenditure | 9 | 33,530,294 | 30,001,347 |
| Total Non-Current Assets | | <u>50,520,585</u> | <u>42,332,038</u> |
| TOTAL ASSETS | | <u>85,247,772</u> | <u>82,565,328</u> |
| Current Liabilities | | | |
| Trade and other payables | | 11,519,201 | 11,640,073 |
| Other – advances | 10 | 1,180,482 | 215,526 |
| Lease liabilities | | 520,154 | 224,794 |
| Interest bearing liabilities | | 170,000 | 802,595 |
| Provisions | | 1,382,068 | 604,350 |
| Deferred consideration payable | | 3,000,000 | 6,000,000 |
| Contingent consideration payable | | 5,000,000 | 5,000,000 |
| Total Current Liabilities | | <u>22,771,905</u> | <u>24,487,338</u> |
| Non-Current Liabilities | | | |
| Lease liabilities | | 264,478 | 220,062 |
| Deferred consideration payable | | 800,000 | 800,000 |
| Provisions | | 3,643,200 | 2,912,677 |
| | | <u>4,707,678</u> | <u>3,932,739</u> |
| TOTAL LIABILITIES | | <u>27,479,583</u> | <u>28,420,077</u> |
| NET ASSETS | | <u>57,768,189</u> | <u>54,145,251</u> |
| Equity | | | |
| Contributed equity | 11 | 73,237,482 | 72,912,682 |
| Share based payments reserves | 12 | 493,472 | 372,972 |
| Accumulated losses | | <u>(15,962,765)</u> | <u>(19,140,403)</u> |
| TOTAL EQUITY | | <u>57,768,189</u> | <u>54,145,251</u> |

The accompanying notes form part of this financial report

CATALYST METALS LIMITED AND ITS CONTROLLED ENTITIES
CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND
COMPREHENSIVE INCOME

For the Half-Year Ended 31 December 2021

| | | 31 December 2021 \$ | 31 December 2020 \$ |
|---|---|---------------------------|---------------------------|
| Revenue from continuing operations | 3 | 32,165,969 | - |
| Other revenue | 4 | 411,259 | 168,056 |
| Interest revenue | 4 | 23,666 | 41,362 |
| Expenses | | | |
| Mining and processing costs | | (13,403,508) | - |
| Depreciation and amortisation relating to gold sales | | (1,580,235) | - |
| Royalties | | (2,260,377) | - |
| Administration, corporate, occupancy and travel costs | | (3,651,343) | (252,835) |
| Personnel | | (4,689,496) | (351,517) |
| Depreciation | | (1,347,239) | (461) |
| Exploration and evaluation expenditure written off | | (2,491,058) | (2,016,503) |
| Profit/(Loss) before income tax expense | | 3,177,638 | (2,411,898) |
| Income tax expense | | - | - |
| Profit/(Loss) for the half year | | 3,177,638 | (2,411,898) |
| Other comprehensive income | | - | - |
| Total comprehensive income/(loss) for the half year | | 3,177,638 | (2,411,898) |
| Total comprehensive income/(loss) attributable to members of the company | | 3,177,638 | (2,411,898) |
| Basic profit/(loss) per share (cents per share) | | 3.23 | (2.90) |
| Diluted profit/(loss) per share (cents per share) | | 3.23 | (2.90) |

The accompanying notes form part of this financial report.

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CATALYST METALS LIMITED AND ITS CONTROLLED ENTITIES
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the Half-Year Ended 31 December 2021

| | Contributed Equity \$ | Accumulated Losses \$ | Reserves \$ | Total \$ |
|---|-----------------------------|-----------------------------|----------------|-------------------|
| Balance at 1 July 2020 | 41,350,109 | (19,037,962) | 372,972 | 22,685,119 |
| Loss for the period | - | (2,411,898) | - | (2,411,898) |
| Total comprehensive loss for the period | - | (2,411,898) | - | (2,411,898) |
| Transactions with owners in their capacity as owners: | | | | |
| Issue of shares | 19,000,126 | - | - | 19,000,126 |
| Share issue expenses | (693,341) | - | - | (693,341) |
| Balance at 31 December 2020 | 59,656,894 | (21,449,860) | 372,972 | 38,580,006 |
| Balance at 1 July 2021 | 72,912,682 | (19,140,403) | 372,972 | 54,145,251 |
| Profit for the period | - | 3,177,638 | - | 3,177,638 |
| Total comprehensive income for the period | - | 3,177,638 | - | 3,177,638 |
| Transactions with owners in their capacity as owners: | | | | |
| Issue of shares | 324,800 | - | - | 324,800 |
| Issue of options | - | - | 120,500 | 120,500 |
| Balance at 31 December 2021 | 73,237,482 | (15,962,765) | 493,472 | 57,768,189 |

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CATALYST METALS LIMITED AND ITS CONTROLLED ENTITIES
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
For the Half-Year Ended 31 December 2021

| | 31 December 2021 \$ | 31 December 2020 \$ |
|--|---------------------------|---------------------------|
| Cash Flows from Operating Activities | | |
| Receipts from customers | 32,165,969 | - |
| Payments to suppliers, contractors and employees | (20,710,746) | (411,661) |
| Interest received | 23,666 | 41,362 |
| Payments for exploration and evaluation | (2,491,058) | (1,917,538) |
| Other income | 257,207 | - |
| Receipt of R&D incentive | 656,495 | 69,091 |
| Net cash flows from/(used in) operating activities | 9,901,533 | (2,218,746) |
| Cash Flows from Investing Activities | | |
| Payments for property, plant and equipment | (1,969,797) | (22,444) |
| Payments for exploration and evaluation expenditure | (4,031,390) | (802,479) |
| Payments for mine development assets | (5,316,507) | - |
| Payments for purchase of business | (3,000,000) | - |
| Net cash flows from/(used in) investing activities | (14,317,694) | (824,923) |
| Cash Flows from Financing Activities | | |
| Proceeds from issue of shares | - | 19,000,126 |
| Net proceeds from borrowings | 366,244 | - |
| Share issue expenses | - | (693,341) |
| Joint venture exploration advances received | 1,821,113 | 719,325 |
| Joint venture exploration advances expended | (3,102,176) | (1,207,309) |
| Net cash flows from/(used in) financing activities | (914,819) | 17,818,801 |
| Net increase/(decrease) in cash and cash equivalents | (5,330,980) | 14,775,132 |
| Cash and cash equivalents at the beginning of the half-year | 33,518,541 | 18,335,520 |
| Cash and cash equivalents at the end of the half-year | 28,187,561 | 33,110,652 |

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CATALYST METALS LIMITED AND ITS CONTROLLED ENTITIES

NOTES TO THE FINANCIAL STATEMENTS

For The Half-Year Ended 31 December 2021

1. SIGNIFICANT ACCOUNTING POLICIES

This general purpose financial report for the half-year reporting period ended 31 December 2021 has been prepared in accordance with Australian Accounting Standard AASB 134: Interim Financial Reporting and the Corporations Act 2001. Compliance with AASB 134 ensures the financial report compliance with International Financial Reporting Standard IAS 34: Interim Financial Reporting.

The half-year report does not include full disclosures of the type normally included in an annual financial report. It is recommended that this financial report be read in conjunction with the annual financial report for the year ended 30 June 2021 and any public announcements made by Catalyst Metals Limited and its controlled entities during the half-year in accordance with continuous disclosure requirements arising under the Corporations Act 2001.

The same accounting policies and methods of computation have been followed in this interim financial report as were applied in the most recent annual financial statements.

Reporting Basis and Conventions

The half-year report has been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected non-current assets, financial assets and financial liabilities for which the fair value basis of accounting has been applied.

New and Revised Accounting Standards

The consolidated entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

2. SEGMENT INFORMATION

Identification of reportable operating segments

The consolidated entity is organised into two operating segments, being mining and exploration operations. These operating segments are based on the internal reports that are reviewed and used by the Board of Directors (who are identified as the Chief Operating Decision Makers ('CODM')) in assessing performance and in determining the allocation of resources.

The CODM reviews EBITDA (earnings before interest, tax, depreciation and amortisation). The accounting policies adopted for internal reporting to the CODM are consistent with those adopted in the financial statements.

The information reported to the CODM is on a monthly basis.

Types of products and services

The principal products and services of these operating segments are the mining and exploration operations in Australia.

During the half year ended 31 December 2021 approximately \$29.9 million (June 2021: \$26.3 million) of the consolidated entity's external revenue was derived from sales to a major Australian gold exporter.

Geographical information

The consolidated entity is one geographical segment, Australia.

CATALYST METALS LIMITED AND ITS CONTROLLED ENTITIES
NOTES TO THE FINANCIAL STATEMENTS
For The Half-Year Ended 31 December 2021

Operating segment information

| Consolidated – 31 December 2021 | Exploration \$ | Mining operations \$ | Total \$ |
|---|---------------------------|-------------------------------------|---------------------|
| Sales to external customers | - | 32,165,969 | 32,165,969 |
| Other revenue | 403,048 | 8,211 | 411,259 |
| Total segment revenue | 403,048 | 32,174,180 | 32,577,228 |
| Interest revenue | 23,666 | - | 23,666 |
| Total Revenue | 426,714 | 32,174,180 | 32,600,894 |
| EBITDA | (1,902,798) | 7,984,244 | 6,081,446 |
| Depreciation & amortisation | | | (2,927,474) |
| Interest | | | 23,666 |
| Profit before income tax expense | | | 3,177,638 |
| Income tax expense | | | - |
| Profit after income tax expense | | | 3,177,638 |
| Assets | | | |
| Segment assets | 34,646,613 | 50,601,159 | 85,247,772 |
| Total assets | | | 85,247,772 |
| Liabilities | | | |
| Segment liabilities | 13,479,167 | 14,000,416 | 27,479,583 |
| Total liabilities | | | 27,479,583 |
| Consolidated – 31 December 2020 | | | |
| Sales to external customers | - | - | - |
| Other revenue | 168,056 | - | 168,056 |
| Total segment revenue | 168,056 | - | 168,056 |
| Interest revenue | 41,362 | - | 41,362 |
| Total Revenue | 209,418 | - | 209,418 |
| EBITDA | (2,452,799) | - | (2,452,799) |
| Depreciation & amortisation | | | (461) |
| Interest | | | 41,362 |
| Loss before income tax expense | | | (2,411,898) |
| Income tax expense | | | - |
| Loss after income tax expense | | | (2,411,898) |

CATALYST METALS LIMITED AND ITS CONTROLLED ENTITIES
NOTES TO THE FINANCIAL STATEMENTS
For The Half-Year Ended 31 December 2021

| | 31 December 2021 | 31 December 2020 |
|-----------------------------------|-----------------------------|-----------------------------|
| | \$ | \$ |
| 3. REVENUE | | |
| From Continuing Operations | | |
| Sale of gold and other metals | 32,165,969 | - |
| | <u>32,165,969</u> | <u>-</u> |

Revenue is recorded once goods are transferred at a point in time.

| | | |
|--|----------------|----------------|
| 4. OTHER INCOME | | |
| Research and development tax offset recovery | 154,052 | - |
| Government grants | - | 67,500 |
| Administration recovery fees | 257,207 | 98,965 |
| Interest income | 23,666 | 41,362 |
| Other | - | 1,591 |
| | <u>434,925</u> | <u>209,418</u> |

5. EVENTS AFTER REPORTING DATE

The impact of the Coronavirus (COVID-19) pandemic is ongoing and while it has had no significant impact on the Consolidated Entity up to 31 December 2021, it is not practicable to estimate the potential impact, positive or negative, after the reporting date. The situation is rapidly developing and is dependent on measures imposed by the Australian Government and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

No other matter or circumstances has arisen since 31 December 2021 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

6. CONTINGENCIES

The Company does not have any contingent assets or contingent liabilities as at 31 December 2021.

| | 31 December 2021 | 30 June 2021 |
|-------------------------------------|-----------------------------|-------------------------|
| | \$ | \$ |
| 7. CASH AND CASH EQUIVALENTS | | |
| Cash at bank | 25,077,561 | 30,408,541 |
| Cash on deposit | 3,110,000 | 3,110,000 |
| | <u>28,187,561</u> | <u>33,518,541</u> |

The cash at bank as at 31 December 2021 includes \$2,909,058 (30 June 2021: \$510,301) held in trust by Catalyst Metals Ltd's subsidiaries, Kite Gold Pty Ltd, Tandarra Management Pty Ltd, Kite Operations Pty Ltd advanced by Gold Exploration Victoria Pty Ltd (**GEV**) and Navarre Minerals Limited (**NML**) as funds provided in advance for exploration expenditure on the Four Eagles Joint Venture, the Tandarra Joint Venture, the Boort Joint Venture and the Macorna Joint Venture.

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CATALYST METALS LIMITED AND ITS CONTROLLED ENTITIES
NOTES TO THE FINANCIAL STATEMENTS
For The Half-Year Ended 31 December 2021

| | 31 December 2021 \$ | 30 June 2021 \$ |
|---|------------------------------------|--------------------------------|
| 8. MINING DEVELOPMENT ASSETS | | |
| Opening balance | 6,505,722 | - |
| Additions | 5,316,508 | 4,461,057 |
| Additions through business combination | - | 3,708,537 |
| Amortisation expenses | <u>(1,580,235)</u> | <u>(1,663,872)</u> |
| Closing balance | <u>10,241,995</u> | <u>6,505,722</u> |
| 9. EXPLORATION AND EVALUATION EXPENDITURE | | |
| Opening balance | 29,243,312 | 5,547,838 |
| Additions | 3,907,965 | 5,884,623 |
| Additions through business combination | - | 17,810,851 |
| Closing balance | <u>33,151,277</u> | <u>29,243,312</u> |
| Mining rights | | |
| Opening balance | 758,035 | - |
| Additions through business combination | - | 1,137,111 |
| Depreciation expense | <u>(379,018)</u> | <u>(379,076)</u> |
| Closing balance | <u>379,017</u> | <u>758,035</u> |
| | <u>33,530,294</u> | <u>30,001,347</u> |
| 10. ADVANCES | | |
| Opening balance of Advance from Joint Venture Partners | 215,526 | 531,634 |
| Advances received from Joint Venture Partners | 3,793,393 | 5,614,506 |
| Exploration expenditure | <u>(2,828,437)</u> | <u>(5,930,614)</u> |
| Closing balance of (Receivable)/Advance from Joint Venture Partners | <u>1,180,482</u> | <u>215,526</u> |
| | <u>1,180,482</u> | <u>215,526</u> |

The (receivable)/advance from Joint Venture Partners relates to monies (receivable)/advanced (from)/to Kite Gold Pty Ltd and Tandarra Management Pty Ltd for their contribution to exploration expenditure on the Four Eagles Gold Project, Tandarra Gold Project, Macorna Gold Project and Boort Gold Project.

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CATALYST METALS LIMITED AND ITS CONTROLLED ENTITIES
NOTES TO THE FINANCIAL STATEMENTS
For The Half-Year Ended 31 December 2021

| | 31 December 2021 | | 30 June 2021 | |
|--|--------------------------|--------------------|-------------------|-------------------|
| | Number | \$ | Number | \$ |
| 11. CONTRIBUTED EQUITY | | | | |
| (a) Share capital | | | | |
| Ordinary shares | | | | |
| Fully paid | (c) 98,455,723 | 73,079,697 | 98,295,723 | 72,754,897 |
| (b) Other equity securities | | | | |
| Options – Listed | (d) 7,881,996 | 157,785 | 7,881,996 | 157,785 |
| Total contributed equity | | <u>73,237,482</u> | | <u>72,912,682</u> |
| (c) Movements in Ordinary Shares | | | | |
| Details | Number of Shares | Issue Price | | \$ |
| Balance at 30 June 2021 | 98,295,723 | | 72,754,897 | |
| Issue of shares – share placement | <u>160,000</u> | \$2.03 | <u>324,800</u> | |
| Balance at 31 December 2021 | <u>98,455,723</u> | | <u>73,079,697</u> | |
| (d) Movements in Listed Options | | | | |
| Details | Number of Options | Issue Price | | \$ |
| Balance at 30 June 2021 | <u>7,881,996</u> | | <u>157,785</u> | |
| Balance at 31 December 2021 | <u>7,881,996</u> | | <u>157,785</u> | |
| 12. SHARE BASED PAYMENT RESERVES | | | | |
| (a) Movements in Unlisted Options | | | | |
| Details | Number of Options | Issue price | | \$ |
| Balance at 30 June 2021 | - | | 372,972 | |
| Issued during period | <u>250,000</u> | \$0.48 | <u>120,500</u> | |
| Balance at 31 December 2021 | <u>250,000</u> | | <u>493,472</u> | |

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13. BUSINESS COMBINATION

On 20 January 2021 the group acquired 100% of the shares and voting rights in Unity Mining Pty Ltd (Henty Gold Mine). Henty Gold Mine is a high grade, underground gold-silver mine with established infrastructure and significant exploration upside in the mineral rich Mt Read Volcanic belt in Western Tasmania, proximate to world class deposits. The operation consists of an underground mine, which is accessible from surface to the series of ore bodies via shaft and decline, linked to a common portal exit, and a conventional CIL processing plant with a capacity of 300,000 tonnes per annum.

Details of the acquisition are as follows:

| | \$ |
|--|-------------|
| Cash | 555,318 |
| Receivables | 1,741,007 |
| Inventories | 3,465,285 |
| Property, plant and equipment | 2,654,329 |
| Exploration – mining rights | 1,137,111 |
| Mining development assets | 3,708,538 |
| Payables | (2,743,139) |
| Provisions | (3,329,300) |
| | <hr/> |
| Net assets acquired | 7,189,149 |
| | <hr/> |
| Exploration and evaluation expenditure | 17,810,851 |
| | <hr/> |
| Acquisition – date fair value of the total consideration transferred | 25,000,000 |
| Representing: | |
| Catalyst Metals Limited Shares issued to vendor ⁽¹⁾ | 7,200,000 |
| Cash Consideration paid | 6,000,000 |
| Deferred share consideration ⁽²⁾ | 800,000 |
| Deferred cash consideration ⁽³⁾ | 6,000,000 |
| Contingent Consideration ⁽⁴⁾ | 5,000,000 |
| | <hr/> |
| | 25,000,000 |
| | <hr/> |

- (1) 3,428,572 ordinary shares issued at \$2.10 per share, as partial payment for the acquisition.
- (2) Deferred share consideration will be deferred for a minimum of 3 years after purchase at \$2.10 per share
- (3) Deferred cash consideration is to be paid on the 6 month (\$3,000,000) and 12 month (\$3,000,000) anniversary of the acquisition. These amounts were paid in July 2021 and January 2022 respectively.
- (4) Contingent consideration amount will be calculated as the less of \$5,000,000 or 50% of cashflow to equity generated by Henty in the initial 12 months post acquisition. The payment of contingent consideration will occur as soon as practicable 12 months after acquisition. Management has assessed the probability of the payment as highly likely.
- (5) The acquisition is accounted on a provisional basis and awaiting completions reports.

DIRECTORS' DECLARATION

The directors of the company declare that:

1. The financial statements and notes:
 - a. comply with Accounting Standard AASB 134: Interim Financial Reporting, the Corporations Act 2001, 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 31 December 2021 and of its performance for the half-year ended on that date.
2. In the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 303(5)(a) of the Corporations Act 2001.

On behalf of the directors


Stephen Boston
Chairman

Dated: 15 March 2022



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INDEPENDENT AUDITOR'S REVIEW REPORT

To the Members of Catalyst Metals Limited

We have reviewed the accompanying half-year financial report of Catalyst Metals Limited, which comprises the condensed consolidated statement of financial position as at 31 December 2021, the condensed consolidated statement of profit or loss and comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

Directors' responsibility for the half-year financial report

The directors of the company are responsible for the preparation of the half-year 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 half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the consolidated entity's financial position as at 31 December 2021 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Catalyst Metals Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

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

THE POWER OF BEING UNDERSTOOD

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Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Catalyst Metals Limited is not in accordance with the *Corporations Act 2001*, including:

- (a) Giving a true and fair view of the consolidated entity's financial position as at 31 December 2021 and of its performance for the half-year ended on that date; and
- (b) Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.



David Wall
Partner
RSM Australia Partners

Perth, WA
Dated: 15 March 2022

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