catalyst
METALS LTD

ABN 54 118 912 495

INTERIM REPORT
FOR THE HALF-YEAR ENDED 31 DECEMBER 2006

CONTENTS

PAGE

CORPORATE DIRECTORY

DIRECTORS

Howard Dawson (Chairman)
Jim Malone (Non-Executive Director)
Mark Thompson (Executive Director)

COMPANY SECRETARY

Lisa Wynne

REGISTERED OFFICE & PRINCIPAL PLACE OF BUSINESS

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89 St George's Terrace
Perth, Western Australia 6000
Phone: +618 9415 1714
Facsimile: +618 9481 2200
Email: info@catalystmetals.com
Website: www.catalystmetals.com

AUDITORS

RSM Bird Cameron Partners
8 St Georges Terrace
Perth WA 6000

SHARE REGISTRY

Security Transfer Registrars
770 Canning Hwy
Applecross WA 6153
Telephone: +618 9315 2333
Facsimile: +618 9315 2233

STOCK EXCHANGE LISTING

The Company is listed on Australian Stock Exchange Limited
Home Exchange – Perth
ASX Code: CYL

The Directors present their report on Catalyst Metals Limited for the half-year ended 31 December 2006.

BOARD OF DIRECTORS

The names and details of the Catalyst Metals Ltd ("Company") directors in office during the financial period and until the date of this report are as follows. Directors were in office for this entire period unless otherwise stated.

Howard Dawson ***(Non-Executive Chairman)***

Mr Dawson was appointed to the Board in March 2006. Mr Dawson had a 11 year career as a geologist before entering the securities industry as a research analyst in 1987. Over the subsequent 16 years he fulfilled a number of complimentary roles within the securities industry including research, corporate advisory, business development and management for firms including Hartley Poynton, McIntosh Securities, Merrill Lynch and ABN AMRO Morgan Limited.

Mr Dawson brings to the Board of Catalyst Metals technical, financial and corporate skills that will be used to assist the Company in the evaluation of the Minnie Creek project as well as additional resource projects as the company develops.

Responsibilities:	Chairman of the Nomination and Remuneration Committee and a member of the Audit Committee. Mr Dawson also has responsibilities for capital raising, risk identification and independent technical and financial review of projects.
Qualifications:	Bachelor of Science (Geology) Senior Fellow FINSIA Member Australian Institute of Geoscientists
Directorships:	Discovery Capital Limited - Executive Chairman Lunalite International Limited - Non Executive Director Uranium King Limited – Non Executive Chairman Latin Gold Limited – Non-Executive Director
Past directorships:	Comet Resources Limited Bounty Industries Limited

Jim Malone ***(Non-Executive Director)***

Mr Malone was appointed to the Board in March 2006. Mr Malone has worked successfully as an accountant, stockbroker, business analyst and CEO of a medium sized business for the past 18 years. Mr. Malone had worked for Arthur Anderson accountants, Hartley Poynton stockbrokers, CSFB and Lehman Brothers merchant banks in London and for the West Coast Eagles and Richmond Football Clubs, the latter as CEO from 1994 to 2000.

Responsibilities:	Ongoing business development, all capital raisings, investor relations, ASX liaison, risk identification, corporate governance and financial management of the Company. Mr Malone is Chairman of the Audit Committee and a member of the Nomination and Remuneration Committee.
Qualifications:	Mr Malone has a Bachelor of Commerce degree from the University of Western Australia and is an Associate of the Australian Society of CPA's.
Directorships:	Livingstone Petroleum Limited - Non Executive Chairman Latin Gold Limited – Managing Director Uranium King Limited – Non Executive Director Discovery Capital Limited - Non Executive Director

Mark Thompson ***(Executive Director – Appointed 22 May 2006)***

Mr Thompson has worked extensively throughout Africa, USA, South America and Australia on mineral exploration, resource development and palaeontologic projects since 1989. Mr Thompson has worked for companies including Western Mining Corp, Equatorial Mining Ltd, Panorama Resources Ltd and Centenary International Mining Ltd. He has successfully vendored the lead properties for other companies such as Image Resources NL and Meteoric Resources Ltd. Prior to returning to full time exploration in 2005, Mr Thompson was based in America to help explore and develop palaeontology resources in Montana and Wyoming. Mr Thompson is a member of the Society of Vertebrate Palaeontology, the National Speakers Association of Australia and an Editorial Board member/author of the Encyclopaedia of Anthropology. He brings to Catalyst a strong technical as well as practical experience in the exploration for mineral deposits.

Responsibilities: Mr Thompson's role encompasses the management of all mineral exploration, identification and operational functions of the company. His responsibilities also include health, safety and environment management.

Directorships: None

Bryan Dixon ***(Company Secretary – Resigned 1 February 2007)***

Bryan has 13 years experience in the finance and the administration of public and listed companies and has previously been employed by KPMG, Resolute Limited and Société Générale. Bryan specialises in the administration and compliance of emerging ASX and AIM listed resource companies. Bryan brings additional financial, corporate, legal, investment analysis and taxation skills to the Company.

Qualifications: Bachelor of Commerce from the University of Western Australia
Chartered Accountant
Associate Member of Company Secretaries Australia

Lisa Wynne ***(Company Secretary – Appointed 11 October 2006)***

Lisa is a Chartered Accountant with 6 years experience working with listed entities in senior financial roles responsible for management and financial reporting, taxation, and ensuring continuous disclosure and compliance. Lisa presently works with a number of emerging ASX and AIM listed resource companies and specialises in financial and company secretarial transaction and corporate work.

Qualifications: Bachelor of Commerce
Chartered Accountant

REVIEW OF OPERATIONS

During the six monthly period ending 31 December 2006 Catalyst undertook an active field season with considerable exploration completed over the Minnie Creek project area. The focus of this work was the Minnie Springs molybdenum discovery and in November a 1,709 metre reverse circulation drilling was carried out. The results of this programme became available in December and January 2007 and indicate that the Minnie Creek mineralisation is widespread through the targeted zone with a higher grade and more contiguous core around and including the original discovery hole, MRC 6.

Further evaluation of the drilling results is being carried out, together with a review of the broader Minnie Creek project area to provide targets for the 2007 exploration year.

RESULTS OF OPERATIONS

The operating loss after income tax of the Company for the half-year ended 31 December 2006 was $111,918.

The Company's basic loss per share for the period was 0.7 cents

No dividend has been paid during or is recommended for the financial period ended 31 December 2006.

FINANCIAL POSITION

The Company's working capital, being current assets less current liabilities was $2,752,526 at 31 December 2006.

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.

AUDITOR'S INDEPENDENCE DECLARATION

The lead auditor's independence declaration for the half-year ended 31 December 2006 has been received and immediately follows the Directors' Report.

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

Howard Dawson

Howard Dawson
Chairman

Dated at Perth this 1st day of March 2007

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**AUDITOR'S INDEPENDENCE DECLARATION
TO THE BOARD OF DIRECTORS OF
CATALYST METALS LIMITED**

As lead audit partner for the review of the financial report of Catalyst Metals Limited for the half-year ended 31 December 2006, 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.

RSM Bird Cameron Partners
RSM BIRD CAMERON PARTNERS
Chartered Accountants

S Cubitt
S C CUBITT
Partner

Perth, WA
Dated: 1 March 2007

BALANCE SHEET
As at 31 December 2006

	Note	31 December 2006 $	30 June 2006 $
Current Assets			
Cash and cash equivalents	5	2,954,747	96,338
Trade and other receivables		63,343	8,850
Other current assets		-	53,468
Total Current Assets		3,018,090	158,656
Non-Current Assets			
Property, plant and equipment	6	1,308	-
Exploration and evaluation expenditure		433,564	-
Total Non-Current Assets		434,872	-
TOTAL ASSETS		3,452,962	158,656
Current Liabilities			
Trade and other payables		265,564	32,966
TOTAL LIABILITIES		265,564	32,966
NET ASSETS		3,187,398	125,690
Equity			
Contributed equity	10	3,264,017	173,000
Reserves		82,609	-
Accumulated losses		(159,228)	(47,310)
TOTAL EQUITY		3,187,398	125,690

The above balance sheet should be read in conjunction with the accompanying notes.

INCOME STATEMENT
For the Half-Year Ended 31 December 2006

	Note	31 December 2006 $
Revenue	2	85,143
Occupancy costs	3	14,500
Professional fees	3	31,842
Administration costs	3	30,763
Corporate costs	3	119,956
Loss before income tax expense		111,918
Income tax expense		-
Net loss attributable to members of Company		111,918
Basic loss per share (cents per share)	4	0.7
Diluted loss per share (cents per share)	4	0.5

The above income statement should be read in conjunction with the accompanying notes.

STATEMENT OF CHANGES IN EQUITY
For the Half-Year Ended 31 December 2006

	Issued Capital	Accumulated losses	Reserves	Total
	$	$	$	$
Balance at beginning of the half-year	173,000	(47,310)	-	125,690
Loss	-	(111,918)	-	(111,918)
Equity-based payments	-	-	82,609	82,609
Issue of shares	3,200,000	-	-	3,200,000
Issue of options	115,000	-	-	115,000
Share issue costs	(223,983)			(223,983)
Balance at end of the half-year	**3,264,017**	**(159,228)**	**82,609**	**3,187,398**

The above statement of changes in equity should be read in conjunction with the accompanying notes.

CASH FLOW STATEMENT
For the Half-Year Ended 31 December 2006

	Note	31 December 2006 $
Cash Flows from Operating Activities		
Payments to suppliers, contractors and employees		(100,273)
Interest received		77,884
Net cash flows used in operating activities		(22,389)
Cash Flows from Investing Activities		
Payment for property, plant and equipment		(1,453)
Payments for exploration and evaluation		(243,760)
Net cash used in investing activities		(245,213)
Cash Flows from Financing Activities		
Proceeds from issue of shares and options		3,315,000
Share issue expenses		(188,989)
Net cash flows from financing activities		3,126,011
Net increase cash and cash equivalents		2,858,409
Cash and cash equivalents at the beginning of the financial period		96,338
Cash and cash equivalents at the end of the financial period	5	2,954,747

The above cash flow statement should be read in conjunction with the accompanying notes.

NOTES TO THE FINANCIAL STATEMENTS
For The Period Ended 31 December 2006

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

(a) Financial Reporting Framework

The half-year financial report does not include all notes of the type normally included within the annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the consolidated entity as the full financial report.

It is recommended that this report be read in conjunction with the annual financial report for the year ended 30 June 2006 and any public announcements made by Catalyst Metals Limited during the half-year in accordance with continuous disclosure requirements arising under the Corporations Act 2001.

The half-year financial report is a general purpose financial report that has been prepared in accordance with Accounting Standards, Urgent Issues Group Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001. Accounting Standards include Australian equivalents to International Financial Reporting Standards ('A-IFRS'). Compliance with the A-IFRS ensures that the financial statements and notes of the Company comply with International Financial Reporting Standards ('IFRS').

The financial report has been prepared on an accruals basis and is based on historical costs and does not take into account changing money values or, except where stated, current valuations of non-current assets. Cost is based on the fair values of the consideration given in exchange for assets.

The a summary of the material accounting policies adopted by the Company in the preparation of the financial report can be found in the annual financial report for the year ended 30 June 2006 . The accounting policies have been consistently applied, unless otherwise stated.

(b) Statement of compliance

Australian Accounting Standards that have recently been issued or amended but are not yet effective have not been adopted for the half-year reporting period ending 31 December 2006 because they do not require a change to accounting policies and therefore have no impact or they are not applicable to the Company.

(c) 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 period.

(d) Comparative amounts

This is the first half-year financial report prepared by the Company which was incorporated in March 2006.

NOTES TO THE FINANCIAL STATEMENTS
For The Period Ended 31 December 2006

		31 December 2006 $
2.	**Revenue**	
	Interest received	85,143
3.	**Expenses**	
	Audit fees	4,750
	Directors remuneration	14,919
	Share based payments	82,609
	Personnel costs	38,383
	Rent	12,250

		2006 No. of Shares
4.	**Earnings per Share**	
	Weighted average number of ordinary shares outstanding during the period used in calculation of earnings per share	21,553,425
	Weighted average number of potential ordinary shares outstanding during the period used in calculation of diluted earnings per share	31,128,767

		31 December 2006 $	30 June 2006 $
5.	**Cash & Cash Equivalents**		
	Cash at bank	2,954,747	96,338

6. **Property, plant and equipment**

Acquisitions and disposals:

During the half-year ended 31 December 2006, the Company acquired assets with a cost of $1,453.

7. **Dividends**

No dividend has been paid during or is recommended for the financial period ended 31 December 2006

8. **Equity Based Payment**

The Company has entered into an Employee Share Option Plan that allows for share options to be granted to eligible employees and officers of the Company. 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 option issued under the plan are at the discretion of the Board however, the maximum term of the share option is five years.

In July 2006, 1,050,000 share options were granted to Mr Thompson under the Employee Share Option Plan. The options will be exercisable between 16 July 2006 and 16 July 2009.

All options granted to directors and key management personnel are ordinary shares in Catalyst Metals Limited, which confer a right of one ordinary share for every option held.

The exercise price estimated fair value of the options at grant date is as follows:

Options	Exercise price	Fair value
350,000	$0.25	$0.0880
350,000	$0.30	$0.0781
350,000	$0.35	$0.0700

	31 December 2006 $
9. **Commitments**	
There were no outstanding commitments, which are not disclosed in the financial statements as at 31 December 2006 other than:	
(a) Remuneration Commitments	
No later than 1 year	90,000
Later than 1 year but not later than 5 years	68,400
	158,400
(b) Tenement commitments	
No later than 1 year	229,500
Later than 1 year but not later than 5 years	-
	229,500
	387,900

10. **Contributed Equity**

		31 December 2006 Shares	$
Ordinary shares			
Fully paid	(a)	23,000,000	3,153,238
Incentive shares			
Class A		4,000,000	4,000
Class B		4,000,000	4,000
Options	(b)	11,500,000	102,779
		42,500,000	3,264,017

	Shares	$
(a) Movements in Ordinary Shares		
At 1 July 2006	7,000,000	165,000
Share placement at 20 cents	16,000,000	3,200,000
Transaction costs on share issue	-	(211,762
Ordinary shares at end of period	23,000,000	3,153,238

	Shares	$
(b) Movements in Options		
At 1 July 2006	-	-
Entitlement issue at 1 cent	11,500,000	115,000
Transaction costs on share issue	-	(12,221)
Options at end of period	11,500,000	102,779

11. **Related Party Disclosures**

Related party		*Sales to related parties*	*Purchases from related parties*	*Amounts owed by related parties*	*Amounts owed to related parties*
Other director's interests	*2006*	3,427	148,117	990	17,226

Terms and conditions of transaction with related parties
Sales to and purchase from related parties are made in arm's length transactions both at normal market prices and on normal commercial terms.

Outstanding balances at year-end are unsecured, interest free and settlement occurs in cash.

12. **Subsequent Events**

There has not been any matter or circumstance that has arisen since 31 December 2006, which has significantly affected, or may significantly affect the operations of the Company, the result of those operations, or the state of affairs of the Company in subsequent financial year.

23. **Contingent Liabilities**

The Company does not have any contingent liabilities.

DIRECTORS' DECLARATION

The Directors of the Company declare that:

1. the financial statements and notes are in accordance with the Corporations Act 2001 and:

   (a) comply with Accounting Standards and the Corporations Regulations 2001; and

   (b) give a true and fair view of the financial position as at 31 December 2006 and of the performance for the period ended on that date of the Company;

2. the Chairman and Chief Financial Officer have each declared that:

   (a) the financial records of the Company for the financial year have been properly maintained in accordance with section 286 of the Corporations Act 2001;

   (b) the financial statements and notes for the financial period comply with the Accounting Standards; and

   (c) the financial statements and notes for the financial period give a true and fair view.

3. 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.

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

Howard Dawson

Howard Dawson
Chairman

Dated at Perth this 1st day of March 2007

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Chartered Accountants

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INDEPENDENT AUDITOR'S REVIEW REPORT

TO THE MEMBERS OF

CATALYST METALS LIMITED

Scope

The Financial Report and Directors' Responsibility

We have reviewed the accompanying half-year financial report which comprises the income statement, balance sheet, statement of changes in equity, cash flow statement, accompanying notes to the financial statements and directors' declaration for Catalyst Metals Limited (the company), for the half-year ended 31 December 2006.

The directors of Catalyst Metals Limited are responsible for the preparation and fair presentation of the half-year financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Act 2001. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the half-year financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

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 an Interim 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 financial report is not in accordance with the Corporations Act 2001 including:

- giving a true and fair view of the company's financial position as at 31 December 2006 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 followed applicable independence requirements of Australian professional ethical pronouncements and the Corporations Act 2001.

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 company's financial position as at 31 December 2006 and of its performance for the half-year ended on that date; and

(b) complying with Accounting Standard AASB 134 Interim Financial Reporting and Corporations Regulations 2001.

RSM Bird Cameron Partners

RSM BIRD CAMERON PARTNERS
Chartered Accountants

S C CUBITT
Partner

Perth, WA
Dated: 1 March 2007