Catalyst Metals Ltd

December 07 Period
Quarterly Report

- **Tungsten prospect expands significantly at Minnie Creek.**
- **New molybdenum targets indicated north of Minnie Springs.**
- **Ground radiometric surveys commence on Uranium targets.**

Exploration Completed

During the period Catalyst received highly encouraging results from its exploration at the Minnie Creek project in Western Australia. Four new prospect areas were tested by soil geochemical surveys in the Minnie Creek project area, along with further rock sampling and prospecting. A total of 712 soil samples were collected and analysed for multiple elements geochemistry. Most assay results have been returned by the laboratory however some elements such as gold are still awaiting final results. Rock sample assay results are not yet available.

Tungsten Prospect Expands

At the 'Nina' prospect (previously referred to as the 'Tungsten' prospect) the assay results of soil samples on a detailed 250m by 50m grid has outlined a much larger zone of tungsten mineralisation than was previously recognized. During discovery in 2007 the initial rock sampling returned tungsten grades up to 2.60% W with evidence of mineralization over 200m strike.

The new work completed indicates a broad zone of tungsten mineralisation 2,000m long and 800m wide, open along strike in both directions. Within the broader soil anomaly there occurs a series of shorter and parallel high grade zones up to 500m long and 100m wide. Tungsten mineralisation is developed primarily as Scheelite in quartz veining and disseminations in Proterozoic age metasediments and altered granodiorites, where they are in contact along a major (regional) scale fault zone. The higher grade zones are associated with the metasediments while lower grade zones are developed somewhat separately well within the granitoid.

Although at an early stage the size, grade and geological setting of the zone is highly encouraging for the potential of a tungsten deposit being present. Mapping, petrography and further detailed studies will continue to refine the prospect prior to selecting zones for testing by drilling.

Outcrops of altered granodiorite with high grade tungsten visible under UV light; 'Nina' prospect, Minnie Creek project.

New Molybdenum Targets

At the 'Hidden Valley' prospect the soil geochemical survey was conducted on reconnaissance 500m by 100m spacing over structural and landsat targets co-incident with stream sediment anomalies. This work has indicated several significant new zones of molybdenum mineralization, including grades up to 17ppm Mo in a broader zone up to 400m width, where grades over 5ppm Mo are

anomalous in exploration and grades over 10ppm Mo mark the mineralisation outline at the Minnie Springs prospect, approximately 4km to the south. The setting of the new targets, along the northern margin of the uraniferous granite intrusion that may have some role in the molybdenum development at Minnie Springs, is highly encouraging. The anomalies will be further investigated with rock chip and soil geochemistry, prospecting and mapping to identify the full extent of the mineralisation.

At the 'Old GJ Road' and 'Michelles Cu' prospects the final soil geochemical results have not yet been received.

At the main molybdenum discovery at 'Minnie Springs' additional drilling is being delayed by the lack of suitable drill rigs for the proposed diamond-core program. This is a widespread problem across the industry and while frustrating, the program will be underway as soon as practicable. .

Uranium Exploration Commenced

A suite of uranium targets occur within Catalysts 1200km^2 tenements in the Gascoyne region, indicated by airborne radiometric surveys and historical data. The uranium anomalies are developed in granitoid rocks and drainages of the Minnie Creek batholith, which is prospective for both secondary style (calcrete) hosted mineralisation and primary hardrock style (shear-hosted granitoid and 'Rossing' types).

Radiometric rock sampling underway on the 'Lisa' uranium prospect.

Detailed multiple-channel ground radiometric surveys and rock sampling of the prospective uranium targets started during the period. The objective is to identify if these uranium anomalous units contain enough tonnage and potential grade to justify a drilling program later in the season.

The initial target is the 'Bluebush' and 'Granite Well' prospects, where linear uranium-channel radiometric anomalies totalling approximately 15km length occur in a zone of multi-phase granitoids and pegmatite bodies (see Figure 1). The 'Lisa' prospect will also be among the first targets tested, where a prominent large Tertiary age calcrete formation is up to 12m thick as defined by historical drilling.

New Projects and Acquisitions

During the period field inspections and preliminary diligence was undertaken on several new opportunities identified by Catalyst directors. Negotiation has begun on an Australian project that includes a significant historical molybdenum producer. In addition, Catalyst has pre-qualified for the right to bid on a government-owned molybdenum-copper project in South America. These projects are at early stage so more details will be released as it is prudent and without prejudicing Catalysts' ongoing negotiations.

Corporate

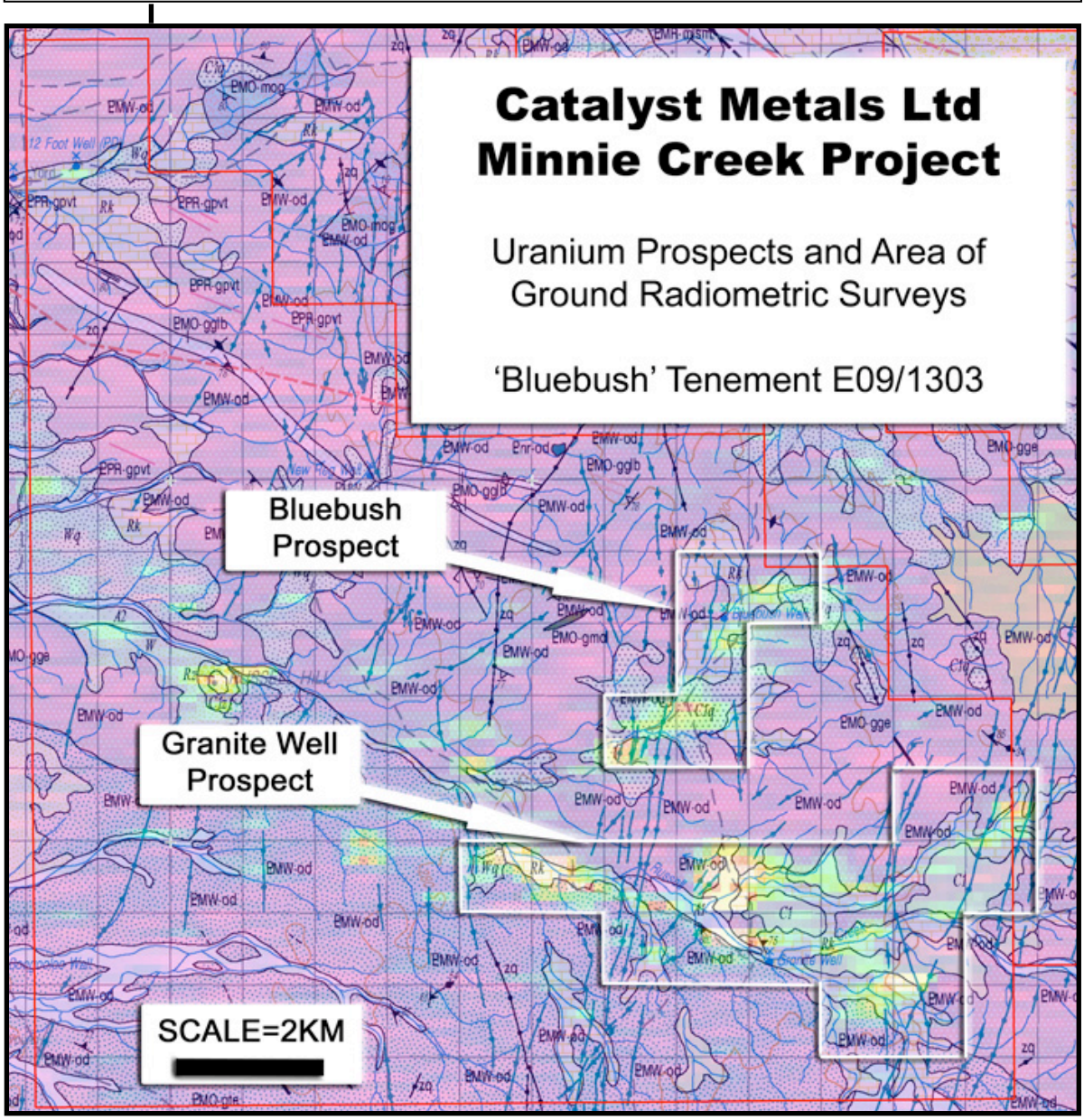
Catalyst had $2.59 million in cash and deposits at the end of December 2007 and a market capitalization of $3.50 million (based upon 15 cents per share).

For further information on the company please visit www.catalystmetals.com
Please direct enquiries to:

Mark Thompson - Director
Mobile 0424 043 380

Bryan Dixon - Director
Mobile 0422 930 724

Figure 1. Area of detailed ground radiometric surveys being conducted over uranium targets on 'Bluebush' tenement E09/1303, Minnie Creek project.



Exposure of thick Tertiary age calcrete developed at the 'Lisa' prospect on the 'Michelles Well' tenement E09/1291, Minnie Creek project. This unit is being surveyed with detailed ground radiometrics.

CORPORATE INFORMATION

ASX Code: **CYL**

Capital Structure

Ordinary Shares 23,347,500

Incentive Shares 8,000,000

Listed Options 11,152,500
(20 cent) expiring Dec 2008

Cash Balance Dec 07 $2,478,000

CONTACT DETAILS

T +61 8 9381 4360

F +61 8 9381 5911

Catalyst Metals Ltd
22 Oxford Close
WEST LEEDERVILLE WA 6007

PO Box 390
WEST PERTH WA 6872

Further Information

info@catalystmetals.com
www.catalystmetals.com

Competent Persons Statement
The information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Mr.Julian Bartlett B.Sc (Hons) Geol. M.Sc.(Econ.Geol.), RP.Geo, of Arastra Exploration Pty Ltd, who has sufficient experience in mineral resource estimation relevant to the style of mineralisation and type of deposit under consideration and to the activity to which he is undertaking, and consents to the inclusion in the public release of the matters based on their information in the form and context in which it appears