



catalyst
METALS LTD

ABN 54 118 912 495

INTERIM REPORT
FOR THE HALF-YEAR ENDED 31 DECEMBER 2007

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CORPORATE DIRECTORY

DIRECTORS

Nathan McMahon (Chairman)
Bryan Dixon (Non-Executive Director)
Mark Thompson (Executive Director)

COMPANY SECRETARY

Lisa Wynne

REGISTERED OFFICE & PRINCIPAL PLACE OF BUSINESS

Level 1
22 Oxford Close, West Leederville
Perth, Western Australia 6005
Phone: +618 9381 4360
Facsimile: +618 9381 5911
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 Codes: CYL
CYLO

DIRECTORS' REPORT

The Directors present their report on Catalyst Metals Limited for the half-year ended 31 December 2007.

BOARD OF DIRECTORS

DIRECTORS

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

Nathan McMahon (Appointed 27 July 2007)
Mark Thompson
Bryan Dixon (Appointed 27 July 2007)
Howard Dawson (Removed 27 July 2007)
James Malone (Removed 27 July 2007)
Malcolm Carson (Resigned 3 August 2007)

COMPANY SECRETARY

Lisa Wynne was appointed as Company Secretary 1 August 2007 following the resignation of Michael Higginson.

REVIEW OF OPERATIONS

During the six month period ending 31 December 2007 Catalyst undertook an active field season with considerable exploration completed over the Minnie Creek project area.

A new tenement named "Black Range" was applied for during the half-year over the prospective geology directly northwest of the Minnie Creek Project. It contains several sites with anomalous gold, platinum group elements and uranium recorded by previous explorers.

Catalyst directors and consultants have been actively sourcing and reviewing several new projects with the potential for increasing value to Catalyst shareholders. These are continuing to be assessed.

RESULTS OF OPERATIONS

The operating loss after income tax of the Company for the half-year ended 31 December 2007 was \$51,474.

The Company's basic loss per share for the period was 0.2 cents

No dividend has been paid during or is recommended for the financial period ended 31 December 2007.

FINANCIAL POSITION

The Company's working capital, being current assets less current liabilities was \$2,453,581 at 31 December 2007.

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.

DIRECTORS' REPORT

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.



Nathan McMahon
Chairman

Dated at Perth this 22nd day of February 2008

RSM Bird Cameron Partners

Chartered Accountants

8 St Georges Terrace Perth WA 6000
GPO Box R1253 Perth WA 6844
T +61 8 9261 9100 F +61 8 9261 9111
www.rsmi.com.au

AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001 TO DIRECTORS OF CATALYST METALS LIMITED

I declare that to the best of my knowledge and belief, during the half-year ended 31 December 2007 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

SC Cubitt

S C CUBITT
Partner

Perth, WA

Dated:

22 February 2008

BALANCE SHEET

As at 31 December 2007

	Note	31 December 2007 \$	30 June 2007 \$
Current Assets			
Cash and cash equivalents		2,478,169	2,647,576
Trade and other receivables		17,036	13,973
Other financial assets at fair value through profit or loss		3,000	-
Total Current Assets		2,498,205	2,661,549
Non-Current Assets			
Property, plant and equipment		14,319	13,102
Available for sale financial assets		20,296	-
Exploration and evaluation expenditure		655,507	523,077
Total Non-Current Assets		690,122	536,179
TOTAL ASSETS		3,188,327	3,197,728
Current Liabilities			
Trade and other payables		41,624	69,051
TOTAL LIABILITIES		41,624	69,051
NET ASSETS		3,146,703	3,128,677
Equity			
Contributed equity	6	3,331,710	3,262,210
Reserves		82,609	82,609
Accumulated losses		(267,616)	(216,142)
TOTAL EQUITY		3,146,703	3,128,677

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

INCOME STATEMENT

For the Half-Year Ended 31 December 2007

	31 December 2007 \$	31 December 2006 \$
Revenue	84,893	85,143
Occupancy costs	15,096	14,500
Professional fees	64,570	31,842
Administration costs	13,971	30,763
Personnel	18,866	-
Corporate costs	15,425	119,956
Exploration written off	8,439	-
Loss before income tax expense	51,474	111,918
Income tax expense	-	-
Net loss attributable to members of Company	51,474	111,918
Basic loss per share (cents per share)	0.2	0.7
Diluted loss per share (cents per share)	0.2	0.7

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 2007

	Issued Capital	Accumulated losses	Reserves	Total
	\$	\$	\$	\$
Balance at 1 July 2006	173,000	(47,310)	-	125,690
Loss	-	(119,918)	-	(119,918)
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 31 December 2006	3,264,017	(159,228)	82,609	3,187,398
Balance at 1 July 2007	3,262,210	(216,142)	82,609	3,128,677
Loss	-	(51,474)	-	(51,474)
Issue of shares	69,500	-	-	69,500
Balance at 31 December 2007	3,331,710	(267,616)	82,609	3,146,703

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 2007

	31 December 2007 \$	31 December 2006 \$
Cash Flows from Operating Activities		
Payments to suppliers, contractors and employees	(174,529)	(100,273)
Interest received	87,576	77,884
Payments for exploration and evaluation	(121,480)	(243,760)
Net cash flows used in operating activities	(208,433)	(266,149)
Cash Flows from Investing Activities		
Payment for property, plant and equipment	(3,917)	(1,453)
Payments for available-for-sale financial assets	(26,557)	
Net cash used in investing activities	(30,474)	(1,453)
Cash Flows from Financing Activities		
Proceeds from issue of shares and options	69,500	3,315,000
Share issue expenses	-	(188,989)
Net cash flows from financing activities	69,500	3,126,011
Net increase/(decrease) cash and cash equivalents	(169,407)	2,858,409
Cash and cash equivalents at the beginning of the half-year	2,647,576	96,338
Cash and cash equivalents at the end of the half-year	2,478,169	2,954,747

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

NOTES TO THE FINANCIAL STATEMENTS

For The Half-Year Ended 31 December 2007

1. Statement Of Compliance

The half-year financial report is a general purpose financial report which has been prepared in accordance with AASB 134 Interim Financial Reporting and the Corporations Act 2001.

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 2007 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.

This interim financial report was approved by the Board of Directors on 22 February 2008.

2. Significant Accounting Policies

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.

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 2007. The accounting policies have been consistently applied, unless otherwise stated.

3. Segment Information

Catalyst Metals Limited operates on one business segment, being mineral exploration and one geographical segment, being Australia.

4. Events Occurring After the Balance Sheet Date

Since 31 December 2007, no event has arisen that would be likely to materially affect the operations of the Group, or the state of affairs of the Group not otherwise disclosed in the Group's financial report; other than disclosed below:

On 18 February 2008 the Company announced the acquisition of the Everton Molybdenum Project in Victoria. The project area of 127km² includes the Everton Molybdenite Mine, one of the most significant historic producers in Australia.

Terms of the Agreement

Catalyst will pay cash of \$20,000 and \$25,000 worth of shares for the right to farm in to up to 90% of the project. Catalyst can elect to spend \$250,000 on exploration over 2 years, including a minimum of 750m drilling, to acquire a 51% interest in the Project. Catalyst can earn a further 39% of the Project by spending an additional \$500,000 within the following 2 years plus \$40,000 cash and \$40,000 worth of shares to acquire an interest of 90%. The vendors' 10% interest will be free-carried until decision to mine, after which the vendor is required to contribute or be diluted.

5. Contingencies

The Company does not have any contingent assets or contingent liabilities as at 31 December 2007.

NOTES TO THE FINANCIAL STATEMENTS
For The Half-Year Ended 31 December 2007

		31 December 2007		30 June 2007	
		Number	\$	Number	\$
6.	Contributed Equity				
(a)	Share capital				
	Ordinary shares				
	Fully paid	(c) 23,347,001	3,224,407	23,000,001	3,151,432
	Incentive shares				
	Class A	4,000,000	4,000	4,000,000	4,000
	Class B	4,000,000	4,000	4,000,000	4,000
		<u>31,347,001</u>	<u>3,232,407</u>	<u>31,000,001</u>	<u>3,159,432</u>
(b)	Other equity securities				
	Options – Listed	(d) 11,152,500	99,303	-	102,778
	Options - Unlisted	1,050,000	-	-	-
	Total contributed equity	<u>43,550,000</u>	<u>3,331,710</u>	<u>31,000,001</u>	<u>3,262,2100</u>
(c)	Movements in Ordinary Shares				
	Details	Number of Shares	Issue price	\$'000	
	Balance at beginning of half-year	23,000,001		3,151,432	
	Shares issued on exercise of options	347,500	\$0.20	69,500	
	Transfer from Listed Options	-		3,475	
	Less: Transaction costs			-	
	Balance at end of year	<u>23,347,501</u>		<u>3,224,407</u>	
(d)	Movements in other equity securities				
	Details	Number of Shares	Issue price	\$'000	
	Listed Options				
	Balance at beginning of year	-		-	
	Entitlement issue at 1 cent	11,500,000	\$0.01	102,778	
	Exercise of Options	<u>(347,500)</u>	<u>\$0.01</u>	<u>(3,475)</u>	
	Balance at end of year	<u>11,152,500</u>		<u>99,303</u>	

DIRECTORS' DECLARATION

In the directors' opinion::

1. the financial statements and notes set out on pages 4 to 12 are in accordance with the Corporations Act 2001, including:
 - (a) complying with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
 - (b) giving a true and fair view of the consolidated entity's financial position as at 31 December 2007 and of its performance for the half-year ended on that date; and
2. there are reasonable grounds to believe that Catalyst Metals Limited 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.



Nathan McMahon
Chairman

Dated at Perth this 22nd day of February 2008

RSM Bird Cameron Partners

Chartered Accountants

8 St Georges Terrace Perth WA 6000
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T +61 8 9261 9100 F +61 8 9261 9111
www.rsmi.com.au

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

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Catalyst Metals Limited (the company) which comprises the balance sheet as at 31 December 2007, and the income statement, statement of changes in equity and cash flow statement for the half-year ended on that date, accompanying notes to the financial statements and the directors' declaration.

Directors' Responsibility for the Half-Year Financial Report

The directors of the company 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 2007 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 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 2007 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*.

Perth, WA

Dated: 22 February 2008

RSM Bird Cameron Partners

RSM BIRD CAMERON PARTNERS

Chartered Accountants

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Partner