ASX: CYL

Quarterly Activities Report

Quarter ended 31 December 2009

HIGHLIGHTS

- **Approval received for planned drilling program designed to test the historic Everton Molybdenum Mine in Victoria.**
- **Appointment of Gary Schwab as a Non-Executive Director.**
- **Share placement raising additional $300,000 in working capital.**

Minnie Creek Project (Western Australia)

No field activities were undertaken during the period with work completed including statutory reporting, internal documentation and project data assessment.

As part of Catalyst's efforts to promote the Minnie Creek Project, diamond drill core corresponding to drill holes MSD004-009 has been donated to the Geological Survey of Western Australia's core library located in Perth. Drill holes MSD004-009 were completed at the Company's Minnie Springs prospect in 2008 and intersected highly encouraging broad zones of molybdenum mineralisation as reported in the following Company news release:

asx.com.au/asxpdf/20080710/pdf/31b39xjmgwqt8j.pdf

Mineralisation discovered at the Minnie Springs prospect demonstrated the presence of a previously unrecognised intrusive hosted ferroalloy deposit style within the Gascoyne Complex and highlighted the potential for further intrusive hosted discoveries within the greater geological setting.

Project Rationalisation

During the period Catalyst continued to review the Minnie Creek Project tenement holdings to reduce expenditure commitments while retaining the most prospective areas for further work and/or potential joint venture.

Everton Molybdenum Project (Victoria)

Departmental approval for a planned diamond and percussion drilling program designed to assess the economic potential of the historic Everton Molybdenum mine was received from the Victorian Department of Primary Industries on 13 November 2009.

A follow-up site inspection was completed in conjunction with the current quarry managers, North Eastern Catchment Management Authority, to begin co-ordinating a suitable program start date and evaluate current drill access logistics.

Corporate

On 17 December 2009, Catalyst made a private share placement of 3,000,000 ordinary fully paid shares at a subscription price of 10 cents per share to raise $300,000. These funds will be used for a planned drilling program at the Company's Everton molybdenum project, the review of additional project opportunities and for general working capital purposes.

Mr Gary Schwab was appointed as a Non-Executive Director of the Company on 8 December 2009. Mr Schwab has 40 years accounting and corporate experience, including 20 years as an Executive Director of one of Australia's wealthiest private resources groups.

In December 2009, 500,000 ordinary fully paid shares were issued as part consideration for the purchase of the remaining 90% interest in the Everton molybdenum project, as approved by shareholders at the annual general meeting of the Company held on 20 November 2009.

Mr Frank Campagna was appointed as Company Secretary on 20 November 2009 following the resignation of Ms Lisa Wynne.

The registered office of the Company was changed on 16 October 2009 to 18 Emerald Terrace West Perth Western Australia.

Please direct enquiries to:

Mr Steve Boston - Chairman
Telephone: (61-8) 9383 2825

Visit: catalystmetals.com.au

Corporate summary	
ASX trading code	CYL
Quoted shares:	30,588,226
Cash balance at end of quarter:	$1.86 million
Postal address:	PO Box 778 Claremont, Western Australia 6910
Telephone:	(+61 8) 9383 2825
Facsimile:	(+61 8) 9284 5426
E-mail:	admin@catalystmetals.com.au
Web-site:	www.catalystmetals.com.au

Competent persons statement

The information in this report that relates to Exploration Results has been compiled by independent consultant Dylan Jeffriess, B.Sc (Hons) Geol.(MAIG, MSEG). This report has been reviewed by independent consultant Dylan Jeffriess, who has sufficient experience which is 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.

Rule 5.3

Appendix 5B

Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001.

Name of entity

CATALYST METALS LIMITED

ABN	Quarter ended ("current quarter")
54 118 912 495	31 December 2009

Consolidated statement of cash flows

Cash flows related to operating activities		Current quarter $A'000	Year to date (6 months) $A'000
1.1	Receipts from sales and related debtors	-	-
1.2	Payments for (a) exploration and evaluation	(13)	(49)
	(b) development	-	-
	(c) production	-	-
	(d) administration	(26)	(140)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	15	25
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Other – R&D tax offset	-	33
	Net Operating Cash Flows	(24)	(131)
	Cash flows related to investing activities		
1.8	Payment for purchases of:		
	(a) prospects	-	(40)
	(b) equity investments	-	-
	(c) other fixed assets	-	-
1.9	Proceeds from sale of:		
	(a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	2	2
1.10	Loans to other entities	-	-
1.11	Loans repaid by other entities	-	-
1.12	Other (provide details if material)	-	-
	Net investing cash flows	2	(38)
1.13	Total operating and investing cash flows (carried forward)	(22)	(169)

+ See chapter 19 for defined terms.

1.13	Total operating and investing cash flows (brought forward)	(22)	(169)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	300	653
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other - share issue costs	-	(34)
	Net financing cash flows	300	619
	Net increase (decrease) in cash held	278	450
1.20	Cash at beginning of quarter/year to date	1,588	1,416
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	**Cash at end of quarter**	1,866	1,866

Payments to directors of the entity and associates of the directors
Payments to related entities of the entity and associates of the related entities

		Current quarter $A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	Nil
1.24	Aggregate amount of loans to the parties included in item 1.10	Nil

1.25 Explanation necessary for an understanding of the transactions

Payments to directors and employees for services to the economic entity.

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

Catalyst entered into an agreement on 30 September 2009 to purchase the remaining vendor interest in the tenements containing the Everton Molybdenum Project. Consideration for the transaction comprised a $40,000 cash payment, $10,000 for replacement of tenement bonds and the issue of 500,000 fully paid shares in the Company. The issue of these shares was approved by shareholders at the annual general meeting conducted on 20 November 2009 and allotment occurred on 3 December 2009.

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

Not applicable

+ See chapter 19 for defined terms.

Financing facilities available

Add notes as necessary for an understanding of the position.

		Amount available $A'000	Amount used $A'000
3.1	Loan facilities	-	-
3.2	Credit standby arrangements	-	-

Estimated cash outflows for next quarter

		$A'000
4.1	Exploration and evaluation	225
4.2	Development	-
	Total	**225**

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.		Current quarter $A'000	Previous quarter $A'000
5.1	Cash on hand and at bank	352	46
5.2	Deposits at call	1,514	1,542
5.3	Bank overdraft	-	-
5.4	Other (provide details)	-	-
	Total: cash at end of quarter (item 1.22)	**1,866**	**1,588**

Changes in interests in mining tenements

		Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements relinquished, reduced or lapsed				
6.2	Interests in mining tenements acquired or increased				

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

		Total number	Number quoted	Issue price per security	Amount paid up per security
7.1	**Partly paid +securities**				
7.2	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3	**+Ordinary securities**	30,588,226	30,588,226		Fully Paid
7.4	Changes during quarter (a) Increases through issues Ordinary fully paid shares (b) Decreases through returns of capital, buy-backs	3,500,000	3,500,000	10 cents	10 cents
7.5	**+Convertible debt securities** *(description)*				
7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7	**Options**				
7.8	Issued during quarter				
7.9	Exercised during quarter				
7.10	Expired during quarter				
7.11	**Debentures** *(totals only)*				
7.12	**Unsecured notes** *(totals only)*				

+ See chapter 19 for defined terms.

Compliance statement

1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 4).

2 This statement does give a true and fair view of the matters disclosed.

Sign here: Date: 28 January 2010

Print name: Frank Campagna
Company Secretary

Notes

1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.

2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.

3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.

4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.

5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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