



ASX: CYL

Quarterly Activities Report

Quarter ended 30 September 2014

SUMMARY

- **Heads of agreement finalised with Navarre Minerals on the Tandarra Gold Project north of Bendigo.**
- **Data review of North Bendigo gold belt commenced in preparation for 2015 field season.**
- **New tenement application for ground north of the Four Eagles Gold Project extends Catalyst managed strike length to 75 kilometres**

NORTH BENDIGO GOLD BELT

There was no field activity during the September 2014 quarter to minimise impact on the grain crops that are usually harvested by December 2014. Planning and preparations have commenced for the field drilling season that will be conducted between January and June 2015. The Catalyst tenement holdings were further consolidated by the Exploration Licence application 5521 which lies north of the Four Eagles Gold Project on the projected extension of the Whitelaw and Tandarra Faults. As shown on Figure 1, this extends the prospective North Bendigo gold corridor managed by Catalyst to almost 75 kilometres. Small compulsory relinquishments were made to Exploration Licences EL4525 and EL5295 but are in the western areas that have lower priority for gold discovery.

Four Eagles Gold Project

Activity at the Four Eagles Gold Project was limited to the completion of statutory annual tenement reports for the Victorian Department of State Development, Business and Innovation (DSDBI) which summarise the exploration programmes and expenditure for the year ended 30 June 2014. Planning has commenced for the 2015 drill programme that will include aircore, reverse circulation (RC) and diamond drilling. The proposed programme is summarised on Figure 2 and will involve detailed RC and lesser diamond drilling on the previously defined mineralised areas at **Hayanmi and Boyd's Dam**. Most drilling will be angled in order to pass through the total extent of the interpreted vertical structures. The other component of the exploration programme will be infill angled aircore drilling along the northern extension of the Hayanmi Prospect covering a strike length of about 2 kms.

Tandarra Gold Project

Planning has commenced for the 2015 exploration programme at the Tandarra Gold Project following the satisfaction of conditions precedent for the Navarre Heads of Agreement on 12 September 2014. This programme is likely to include two components:

- **Aircore Reconnaissance Programme** There are large areas of the Tandarra licence where projected gold zones have not been tested along strike from previously drilled gold intersections. These zones shown on Figure 3 will be tested at an initial grid spacing of about 500 metres along strike by 160 metres across strike. This programme will test about 14 kilometres of strike length at a broad spacing but will provide initial information on basement depth as well as defining any new zones of gold or arsenic anomalism. The main zones to be targeted have been designated as **Tandarra Zone North, Prairie Zone and Dingee Zone**.

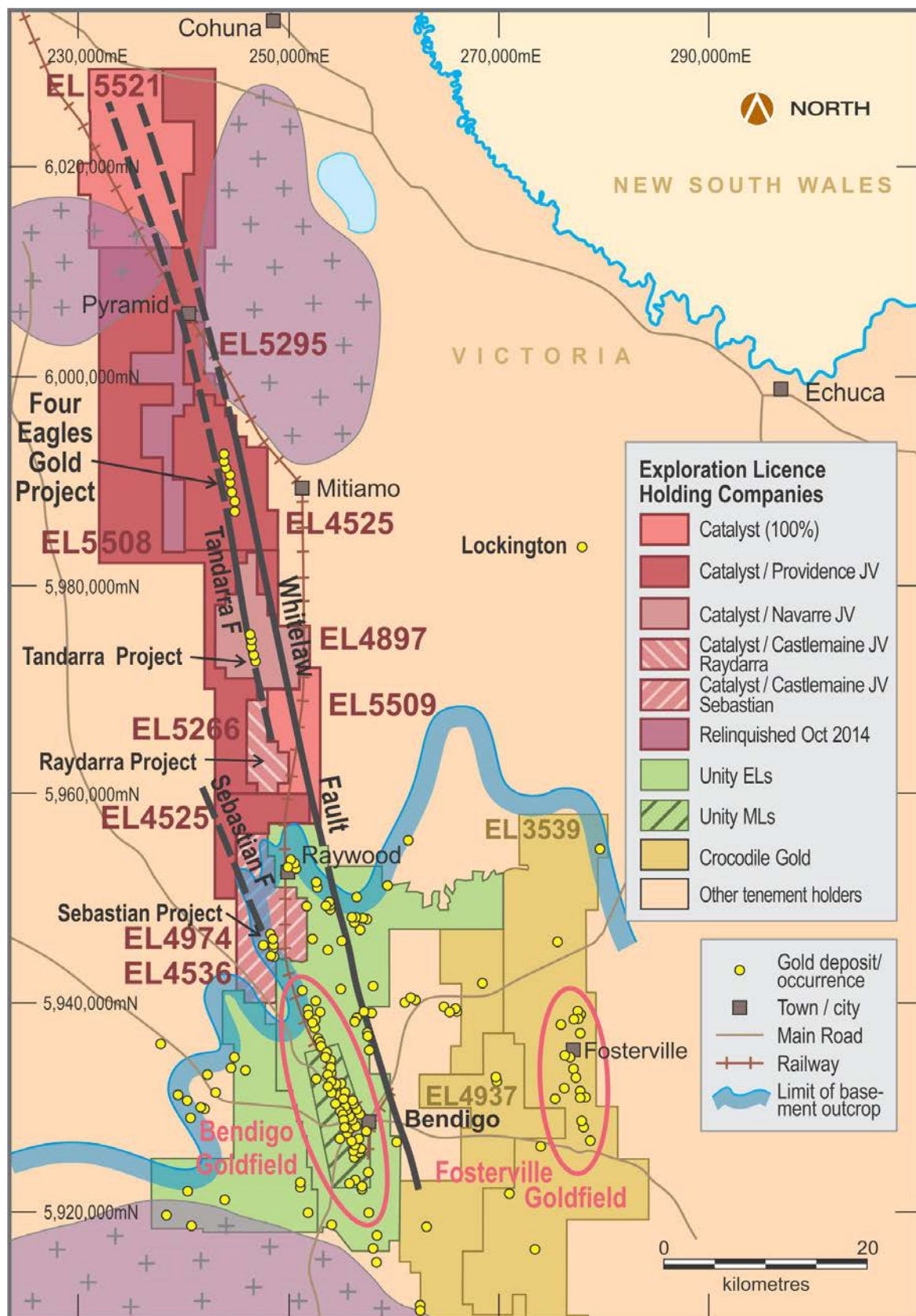


Figure 1: Four Eagles Gold Project Location Map

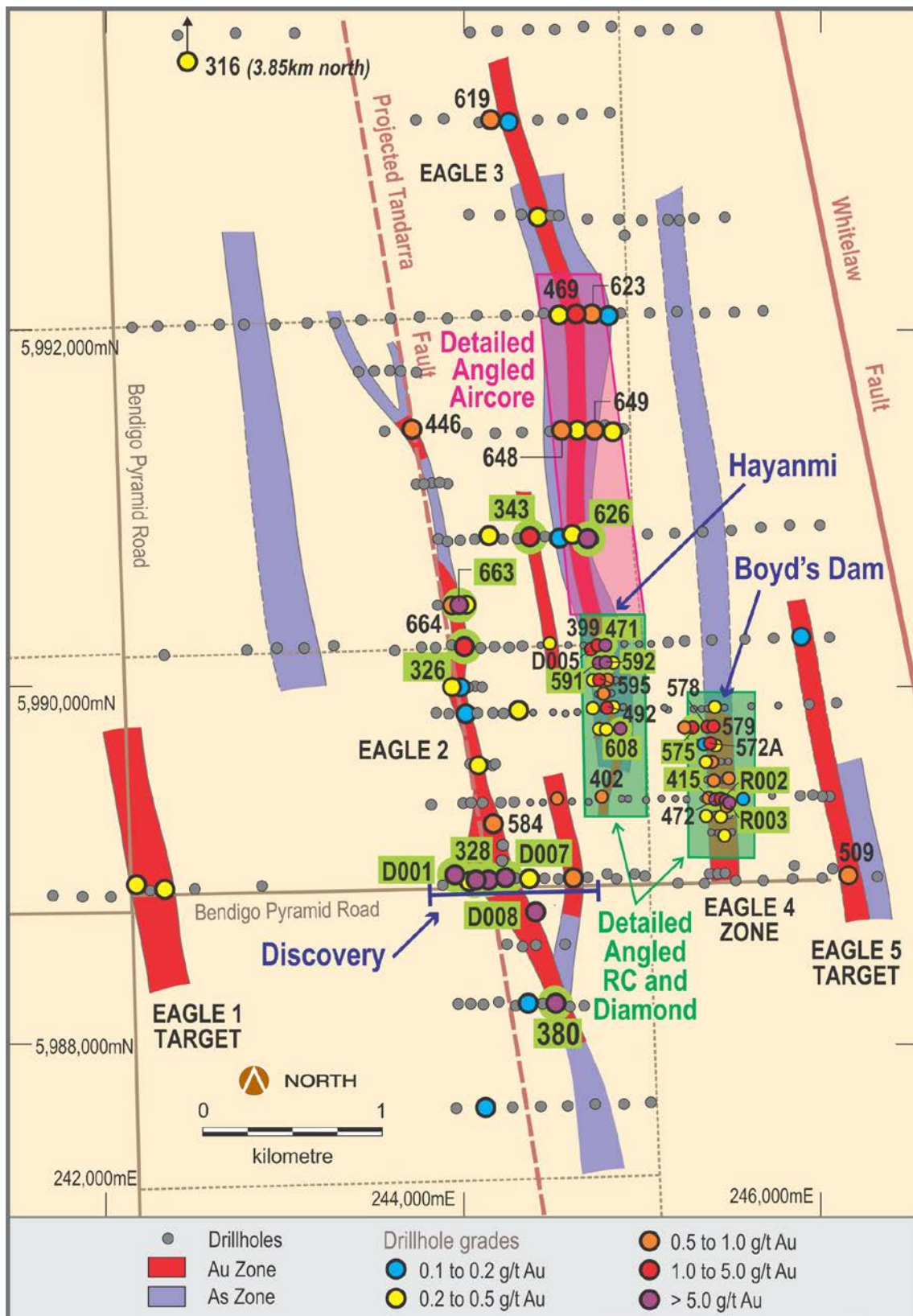


Figure 2a: Four Eagles Gold Project showing proposed 2015 Drilling Programme

Drillhole Intersections (>0.8g/t Au)

FEDD001		3.7m @ 4.7g/t Au from 170m
	inc.	0.8m @ 17.5g/t Au from 173m
FEDD007		0.4m @ 8.4g/t Au from 168m
	and	0.75m @ 15.3g/t Au from 170m
FEDD008		0.4m @ 152g/t Au from 150m
FERC002		2m @ 1.8g/t Au from 67m
	and	1m @ 18.3g/t Au from 127m
FERC003		2m @ 6.2g/t Au from 49m
FE326		1.5m @ 1.81g/t Au from 114m
FE328		6m @ 82.7g/t Au from 123m
FE343		3m @ 3.34g/t Au from 111m
FE380		3m @ 9.71g/t Au from 120m
FE399		3.0m @ 1.42g/t Au from 66m
FE415		6.0m @ 2.6g/t Au from 45m
	and	3.0m @ 36.6g/t Au from 57m
FE469		3.0m @ 1.23g/t Au from 36m
FE471		3.0m @ 5.96g/t Au from 75m
	and	3.0m @ 1.33g/t Au from 81m
FE472		3.0m @ 1.2g/t Au from 45m
	and	3.0m @ 2.32g/t Au from 63m
FE492		3.0m @ 1.2g/t Au from 75m
FE532		3.0m @ 2.1g/t Au from 96m
FE535		3.0m @ 1.37g/t Au from 63m
FE572A		3.0m @ 1.74g/t Au from 51m
FE575		3.0m @ 4.9g/t Au from 66m
FE578		3.0m @ 1.14g/t Au from 60m
FE579		9.0m @ 2.33g/t Au from 48m
	and	3.0m @ 1.23g/t Au from 78m
FE584		3.0m @ 0.88g/t Au from 117m
FE591		3.0m @ 14.7g/t Au from 87m
FE592		9.0m @ 7.9g/t Au from 87m
	incl.	3.0m @ 1.26g/t Au from 87m
	incl.	3.0m @ 20.5g/t Au from 90m
	and	3.0m @ 1.94g/t Au from 93m
FE595		3.0m @ 2.33g/t Au from 126m
FE606		3.0m @ 1.39g/t Au from 102m
FE608		3.0m @ 9.1g/t Au from 108m
FE619		3.0m @ 0.8g/t Au from 45m
FE623		3.0m @ 0.83g/t Au from 33m
FE626		1.5m @ 12.9g/t Au from 52.5m
FE648		1.5m @ 1.0g/t Au from 82.5m
FE649		4.5m @ 1.0g/t Au from 97.5m
FE663		3.0m @ 59g/t Au from 102m
	and	3.0m @ 7.0g/t Au from 102m

Figure 2b: Four Eagles Gold Project showing intersections for Figure 2a

- **Detailed RC and Diamond Drilling at Tomorrow** An objective and requirement of the Tandarra Heads of Agreement is to identify a zone of gold mineralisation on which a “mineralisation report” can be prepared for the DSDBI before December 2015. Previous exploration by Navarre has shown that the Tomorrow Prospect has shallow gold mineralisation that could become an open pit resource but will require further angled shallow diamond and RC drilling.

This programme is likely to include the redrilling of a diamond hole in the same position as DDT001 which intersected sporadic gold mineralisation from 20.5 metres downhole (18 metres vertical depth) to 46.8 metres but recovered only about 25% of the core because of soft saprolitic clays (Figures 4 & 5). Approximately 5.1 metres of fragmented core was obtained from this interval and assayed about 7.7g/t Au. **High grade intervals included 1.3 metres @ 18.2g/t Au from 20.1 metres, 1.3 metres @ 7.5g/t Au from 35.7 metres, 0.7 metres @ 10.9g/t Au from 36.9 metres and 1.3 metres @ 2.6 g/t Au from 45.1 metres depth.** Other shallow high grade intersections on the Tomorrow Structure are present in several drill holes and will require angled RC or diamond drilling to assess continuity (Figures 4, 5 & 6):

- **RCT006 (7 metres @ 5.5g/t Au from 50 metres)**
- **RCT 007 (1 metre @ 8.6g/t Au from 12 metres)**
- **RCT063 (4 metres @ 9.2g/t Au from 18 metres)**
- **RCT050 (2 metres @ 18.4g/t Au from 44 metres)**
- **RCT097 (3 metres @ 6.4g/t Au from 54 metres)**
- **ACT015 (10 metres @ 18.0g/t Au from 37 metres)**

Castlemaine Joint Venture Projects

Activities during the September 2014 quarter were aimed at securing extensions of term for tenements on the Sebastian Joint Venture with Castlemaine Goldfields Limited. Two tenements EL 4536 and EL4974 are old and the DSDBI requires exceptional circumstance reasons as to why they should be renewed. It now appears unlikely that these tenements will be renewed because of their long tenure periods. They are less prospective than other Catalyst managed ground along the Whitelaw fault.

Review of the Raydarra Project EL5266 was also commenced during the quarter but there is limited historical information for this licence. Reconnaissance aircore drilling will be required in 2015.

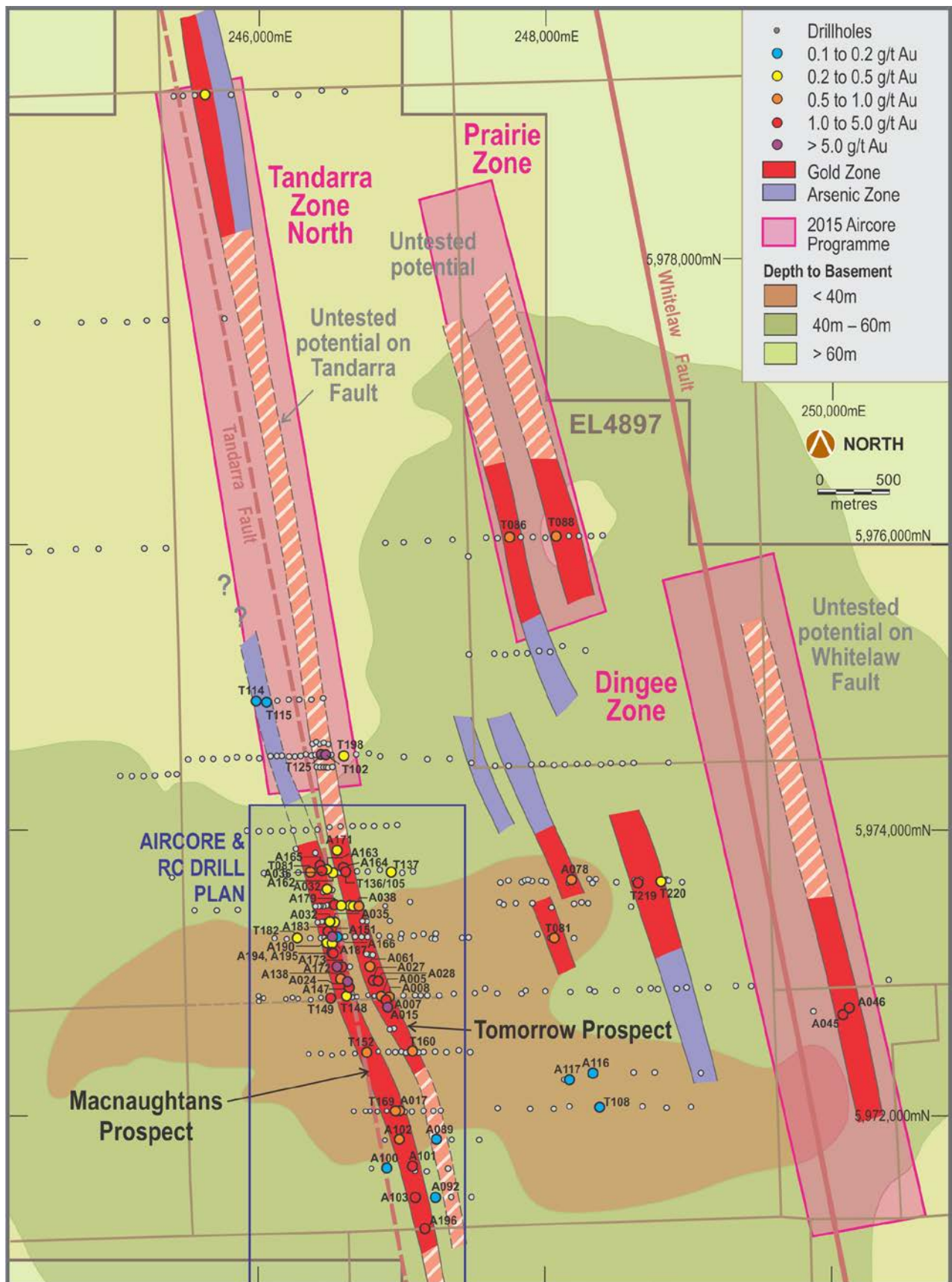


Figure 3a: Plan of Tandarra Project showing proposed 2015 aircore drilling

Drillhole Intersections (>1.0g/t Au)

TAC102	1.0m @ 1.32g/t Au from 77m
	and 1.0m @ 8.0g/t Au from 81m
	and 6.0m @ 1.76g/t Au from 83m
TAC105	5.0m @ 1.04g/t Au from 70m
TAC125	1.0m @ 1.0g/t Au from 74m
	and 4.0m @ 7.0g/t Au from 81m
	and 3.0m @ 2.91g/t Au from 82m
TAC136	6.0m @ 2.95g/t Au from 75m
TAC146	1.0m @ 9.96g/t Au from 42m
	and 1.0m @ 1.0g/t Au from 43m
TAC149	1.0m @ 1.14g/t Au from 43m
TAC219	3.0m @ 4.8g/t Au from 83m
ACT007	3.0m @ 1.15g/t Au from 36m
	and 6.0m @ 1.5g/t Au from 46m
ACT015	10m @ 17.88g/t Au from 37m
ACT024	1.0m @ 2.91g/t Au from 107m
	and 1.0m @ 15.2g/t Au from 118m
ACT027	2.0m @ 1.26g/t Au from 40m
ACT028	1.0m @ 2.1g/t Au from 57m
ACT036	1.0m @ 1.39g/t Au from 42m
ACT045	2.0m @ 1.83g/t Au from 61m
ACT046	1.0m @ 2.97g/t Au from 32m
ACT101	1.5m @ 1.0g/t Au from 64.5m
ACT103	3.0m @ 1.03g/t Au from 67.5m
ACT147	1.5m @ 2.46g/t Au from 79.5m
ACT151	1.5m @ 59.2g/t Au from 69m
	and 2.0m @ 5.12g/t Au from 70.5m
	1.5m @ 1.19g/t Au from 82.5m
	and 1.5m @ 1.48g/t Au from 96m
ACT164	1.5m @ 1.64g/t Au from 63m
	and 1.5m @ 1.52g/t Au from 66m
	and 1.5m @ 1.67g/t Au from 72m
	and 1.5m @ 1.37g/t Au from 75m
ACT165	4.5m @ 1.07g/t Au from 51m
ACT172	3.0m @ 8.83g/t Au from 46.5m
	and 1.5m @ 2.62g/t Au from 58.5m
	and 1.5m @ 6.93g/t Au from 79.5m
	and 1.5m @ 1.71g/t Au from 82.5m
ACT173	1.5m @ 2.76g/t Au from 94.5m
ACT179	1.5m @ 1.3g/t Au from 55.5m
ACT183	1.5m @ 1.4g/t Au from 72m
ACT194	1.5m @ 2.88g/t Au from 105m
ACT195	1.5m @ 3.4g/t Au from 52.5m
ACT196	3.0m @ 2.5g/t Au from 90m

Figure 3b: Aircore drill intersections shown on Figure 3a

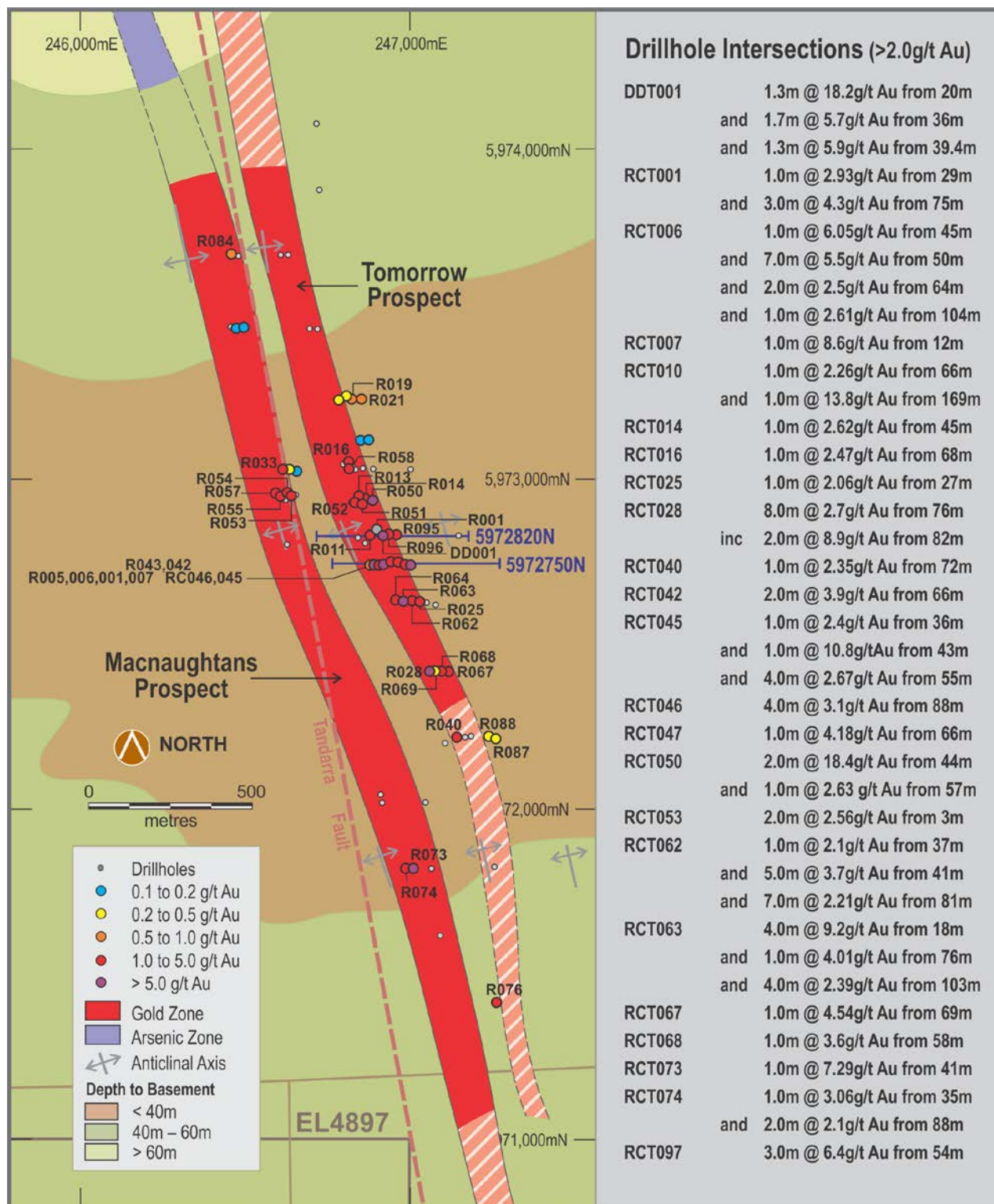


Figure 4: Plan showing Reverse Circulation drill holes and assays in Tomorrow and Macnaughtans Prospects and Location of Drill Cross Sections

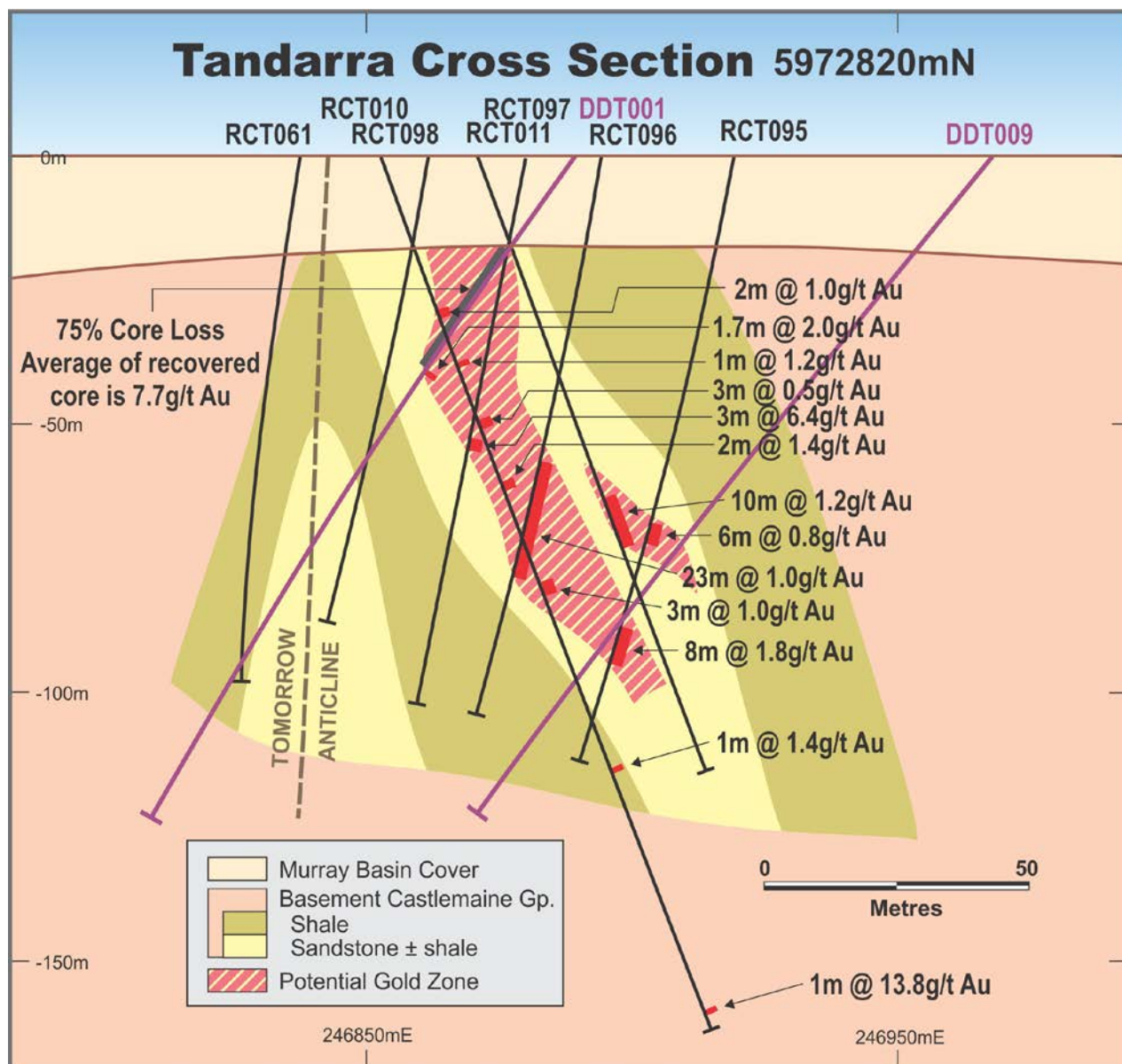


Figure 5: East West cross section through Tomorrow Structure at 5972820N on Tandarra Project

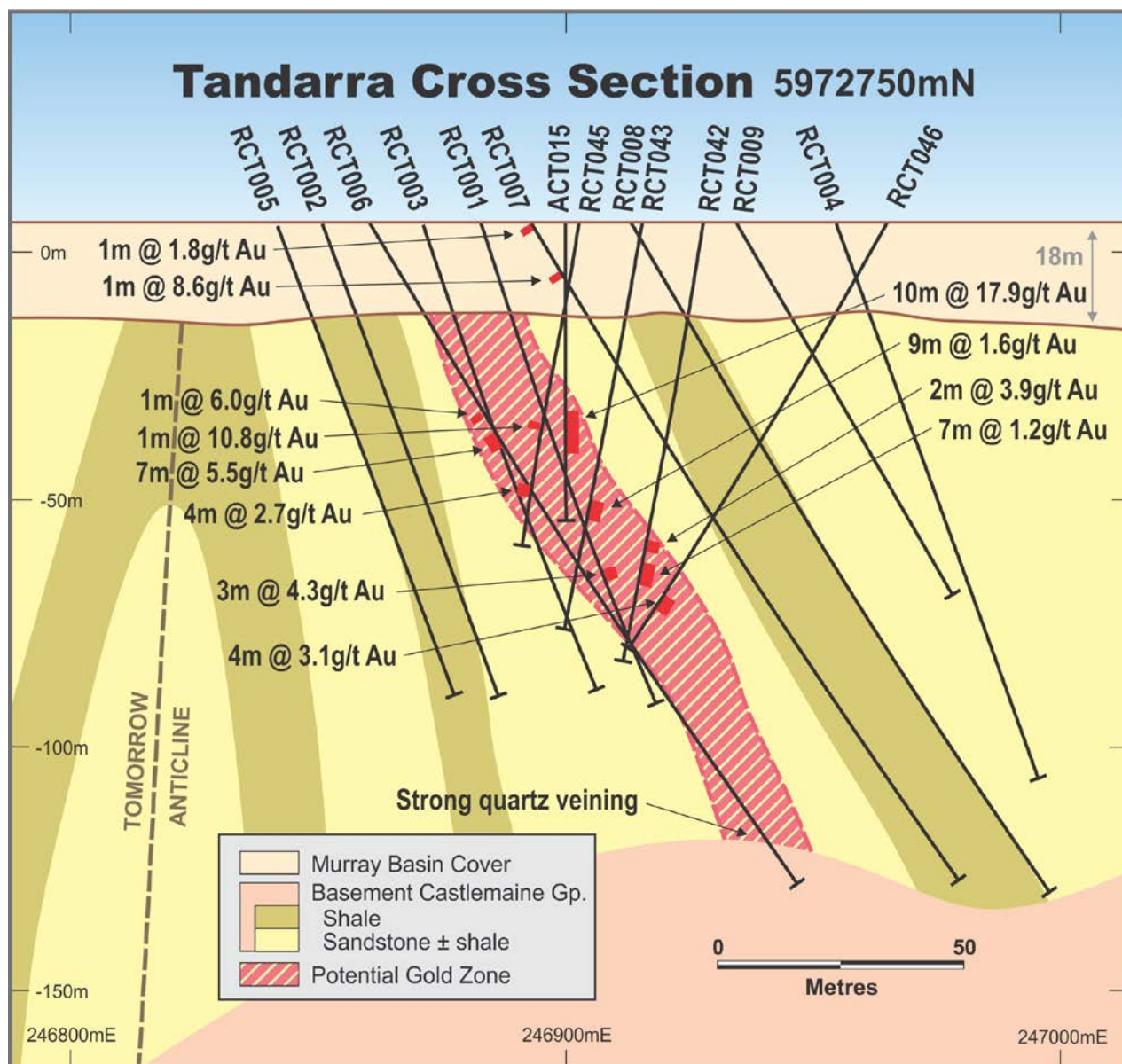


Figure 6: East west Cross Section through Tomorrow Structure at 5972750N on Tandarra Project.

JORC Reporting of Historic Navarre Exploration Results

Although Catalyst was not involved in the exploration at Tandarra, 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 current) 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 announcement dated 1 September 2014.

Everton Project (Victoria)

No field activity was undertaken on the Everton Project during the September 2014 quarter.

CORPORATE

In June 2014, Catalyst executed a binding Heads of Agreement with Navarre to enable Catalyst to earn a 51% equity interest in the Tandarra Gold Project (EL 4897) located north of Bendigo in Victoria. The transaction resulted in the regional consolidation of the entire Bendigo North Goldfield under single management for the first time.

On 12 September 2014 the conditions precedent for the Heads of Agreement were satisfied when Catalyst and Navarre reached agreement with Leviathan Resources Pty Ltd for the assignment of future royalties on the Tandarra Project. Consequently, Catalyst issued 250,000 ordinary fully paid shares and paid cash of \$55,000 (inc. GST) to Navarre. Leviathan is entitled to a 2% Net Smelter Return Royalty on production from EL 4897.

During the December 2014 quarter the Company will continue the review of the acquired tenements at Tandarra, Raydarra and Sebastian to prepare a programme and budget for potential field activity in January 2015. In conjunction with the renewal of the Four Eagles Gold Project Exploration Licence 4525 in January 2015, the Company will also commence preparation of a Mineralisation Report for the Victorian Department of State Development, Business and Innovation.

– ENDS –

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Corporate summary

ASX trading code:	CYL
Quoted shares:	50,551,700
Unlisted options:	916,667
Unlisted performance rights:	350,000
Cash balance at end of quarter:	\$0.8 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

Tenement directory

Project	Tenement number	Beneficial interest
Victoria		
Everton	EL4866	100%
Four Eagles	EL4525	50% (farm-in agreement)
Four Eagles	EL5295	50% (farm-in agreement)
Pyramid	EL5508	50% (farm-in agreement)
Raydarra East	EL5509	100%
Tandarra ¹	EL4897	51% (earning in via farm-in agreement)
Sebastian ¹	EL4536	51%
Sebastian ¹	EL4974	51%
Raydarra ¹	EL5266	51% (earning in via farm-in agreement)
Macorna Bore	EL5521 Application	100%

¹ Acquired during the quarter.

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 announcement dated 1 September 2014 and the quarterly activities report dated 31 July 2014.

Appendix 5B

Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/01, 1/6/10, 17/12/10.

Name of entity

CATALYST METALS LIMITED

ABN

54 118 912 495

Quarter ended ("current quarter")

30 September 2014

Consolidated statement of cash flows

		Current quarter \$A'000	Year to date (3 months) \$A'000
Cash flows related to operating activities			
1.1	Receipts from product sales and related debtors	-	-
1.2	Payments for (a) exploration and evaluation	(22)	(22)
	(b) development	-	-
	(c) production	-	-
	(d) administration	(105)	(105)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	7	7
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Other: legal fees – tenement joint ventures	(86)	(86)
Net operating cash flows		(206)	(206)
Cash flows related to investing activities			
1.8	Payment for purchases of:		
	(a) prospects	(55)	(55)
	(b) equity investments	-	-
	(c) other fixed assets	-	-
1.9	Proceeds from sale of:		
	(a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	-	-
1.10	Loans to other entities	-	-
1.11	Loans repaid by other entities	-	-
1.12	Other	-	-
Net investing cash flows		(55)	(55)
1.13	Total operating and investing cash flows (carried forward)	(261)	(261)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(261)	(261)
Cash flows related to financing activities			
1.14	Proceeds from issues of shares, options, etc.	-	-
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	-	-
	Net financing cash flows	-	-
	Net increase (decrease) in cash held	(261)	(261)
1.20	Cash at beginning of quarter/year to date	1,031	1,031
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	770	770

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	37
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 for directors' fees for the September 2014 quarter.

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

On 12 September 2014 all conditions precedent to the Heads of Agreement with Navarre Minerals Limited were satisfied and Catalyst issued 250,000 ordinary fully paid shares and paid cash of \$55,000 (inc. GST).

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	100
4.2 Development	-
4.3 Production	-
4.4 Administration	100
Total	200

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	6	4
5.2 Deposits at call	764	1,027
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	770	1,031

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	EL5521	Application	-	100%
	EL4974	Navarre JV	-	51%
	EL4987	Navarre JV	-	51%
	EL4536	Navarre JV	-	51%
	EL5266	Navarre JV	-	51%

+ See chapter 19 for defined terms.

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 Preference ⁺securities				
7.2 Changes during quarter				
(a) Increases through issues				
(b) Decreases through returns of capital, buy-backs, redemptions				
7.3 ⁺Ordinary securities	50,551,700	50,551,700		Fully paid
7.4 Changes during quarter				
(a) Increases through issues	250,000	250,000	-	Fully paid
(b) Decreases through returns of capital, buy-backs				
7.5 ⁺Convertible debt securities (description)				
7.6 Changes during quarter				
(a) Increases through issues				
(b) Decreases through securities matured, converted				
7.7 Options			<i>Exercise Price</i>	<i>Expiry Date</i>
- Unlisted	750,000	-	\$0.30	30 June 2015
- Unlisted	166,667	-	\$0.30	30 June 2016
7.8 Issued during quarter				
7.9 Exercised during quarter				
7.10 Expired during quarter				
7.11 Performance rights			<i>Vest Condition</i>	<i>Expiry Date</i>
Performance rights	350,000	-	(1)	3 October 2018
Issued during quarter				
Vested during quarter				
Expired during quarter				
7.12 Unsecured notes (totals only)				

Notes

- (1) Performance Rights will vest on the date that the Company, through Kite Gold Pty Ltd, has earned a 60% interest in the Four Eagles Gold Project.

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 5).
2. This statement does give a true and fair view of the matters disclosed.

Sign here:



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Date: 30 October 2014

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 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report.
5. Accounting Standards ASX will accept, for example, the use of International Financial Reporting 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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+ See chapter 19 for defined terms.