ASX: CYL

Quarterly Activities Report

Quarter ended 31 December 2014

SUMMARY

- **Exploration Licence Application EL5533 consolidates Whitelaw Gold Belt to 75 kilometre strike length.**
- **Planning well advanced for 2015 field season at both the Four Eagles and Tandarra Gold Projects.**
- **A seismic refraction survey to be conducted at the Four Eagles Gold Project in February 2015.**
- **Project funding options continued to be advanced throughout the quarter.**

WHITELAW GOLD BELT

The term **Whitelaw Gold Belt** has been adopted because the Catalyst tenements are situated along the 100 kilometre long Whitelaw Fault which is considered to be extremely important in the genesis of gold deposits that have formed adjacent to the structure. Victorian government seismic and gravity data suggest that this large fault structure controlled the formation of the Bendigo gold deposits (historically approximately 22 million ounces produced at a grade of 15 g/t Au) as well as gold mineralisation at both the Four Eagles and Tandarra Gold Projects.

Catalyst believes that other high grade gold deposits are likely to occur along the Whitelaw Gold Belt because it is covered by Murray Basin sediments which means it was never tested by historic prospectors. The Company continues to consolidate its strong tenement holdings along this belt so it can participate in any future gold discoveries (Figure 1). In November 2014, the Company applied for Exploration Licence EL5533 which covers the extension of the historic Sebastian gold deposit (Frederick the Great Mine) which produced high grade gold (186,000 ounces @ 10.4 g/t Au).

Because the land use in most of this area is grain cropping, no field activity was undertaken in the December 2014 quarter.

Four Eagles Gold Project

Activity at the Four Eagles Gold Project comprised the preparation of an exploration programme and budget for the 2015 calendar year and preparation of a submission to the Victorian Department of State Development, Business and Innovation ("DSDBI") to support the renewal of EL4525. A decision on this renewal is expected in February 2015 after which a field programme is planned to commence. The field programme will initially involve a ground seismic refraction survey which will cover the key areas of the Hayanmi, Boyd's Dam and Discovery Prospects (Figures 2a, 2b and 3).

The objective of the programme will be to map the basement topography, oxidation variation and the presence of basement anticlines and structure. A trial traverse of seismic reflection surveying will also be undertaken and interpreted to assess its usefulness in basement interpretation. Depending on the effectiveness of this method, further surveys may be carried out on other projects in the Whitelaw Belt.

The 2015 drilling programme will include aircore and reverse circulation (RC) drilling but diamond drilling may not be undertaken until the targets are better defined during 2015. The proposed programme is summarised on Figure 2 and will involve detailed RC drilling on the 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 kilometres.

Tandarra Gold Project (EL4897)

No fieldwork was undertaken during the December 2014 quarter and activity was limited to the continued review and interpretation of the Tandarra data, the planning for the 2015 exploration programme and the commencement of preparation of the Annual Technical Report for EL4897 to the Victorian DSDBI. As discussed in the September 2014 quarterly report, the 2015 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.**

- ***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 Minerals Limited ("Navarre") has shown that the Tomorrow Prospect has shallow gold mineralisation that has the potential to become an open pit resource but will require further angled shallow diamond and RC drilling. Plans and cross sections of the Tomorrow Prospect are shown on Figures 5, 6 and 7.

Drilling is likely to commence in the March 2015 quarter following discussions with local landowners. A submission has been prepared and lodged with the DSDBI to seek co-funding of an exploration programme under the TARGET incentive scheme. This would involve a trial seismic refraction survey over the Whitelaw Fault Dingee Zone and follow up aircore drilling.

Castlemaine Joint Venture Project (EL5266)

Activity on EL5266 was limited to further review and compilation of the available data and preparation of the Annual Technical Report to the Victorian DSDBI. There are no obvious targets from previous exploration but the tenement requires further reconnaissance aircore drilling in 2015.

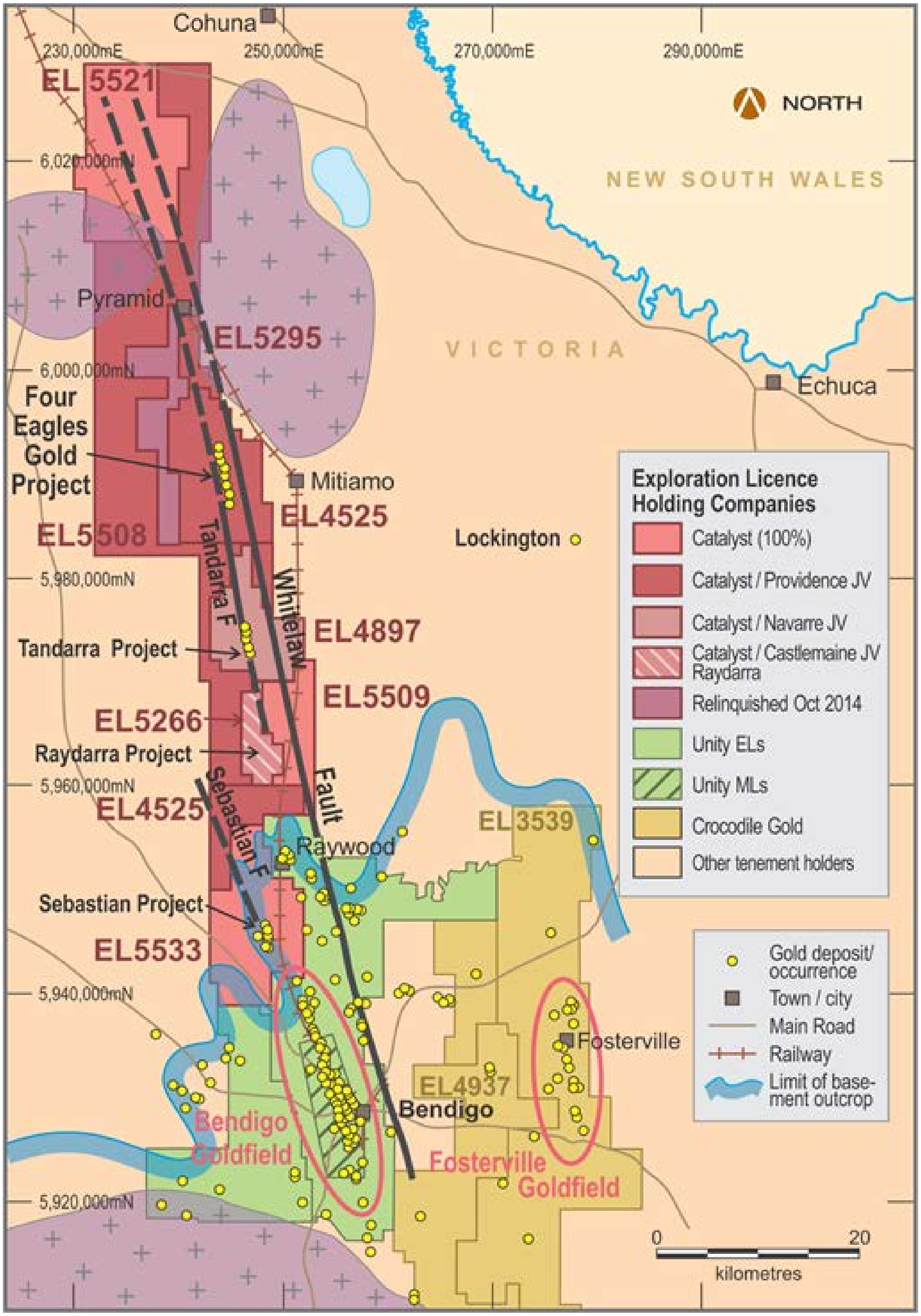


Figure 1: Whitelaw Gold Belt Tenement Holdings

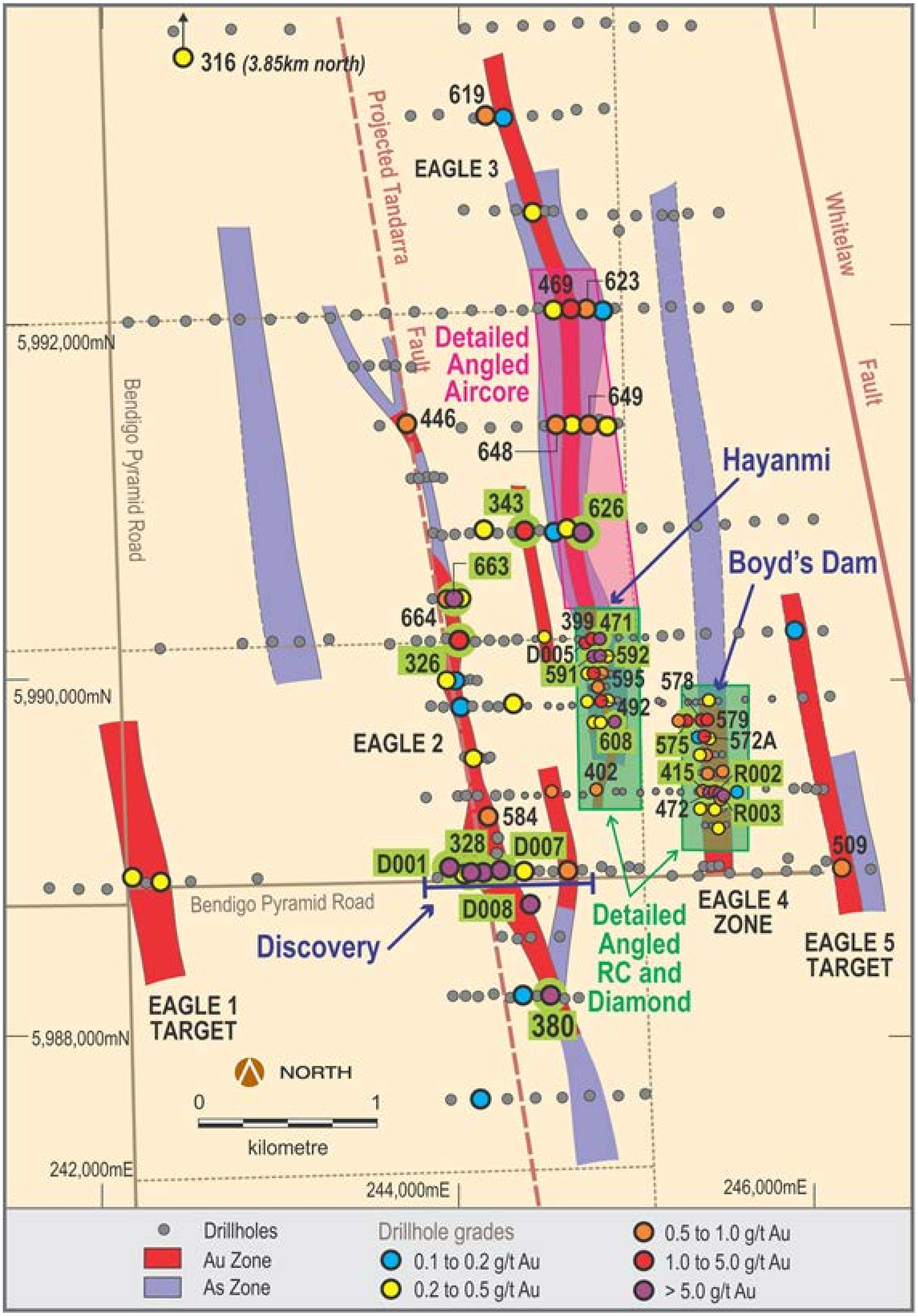


Figure 2a: Four Eagles Gold Project showing proposed 2015 Drilling Programme

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

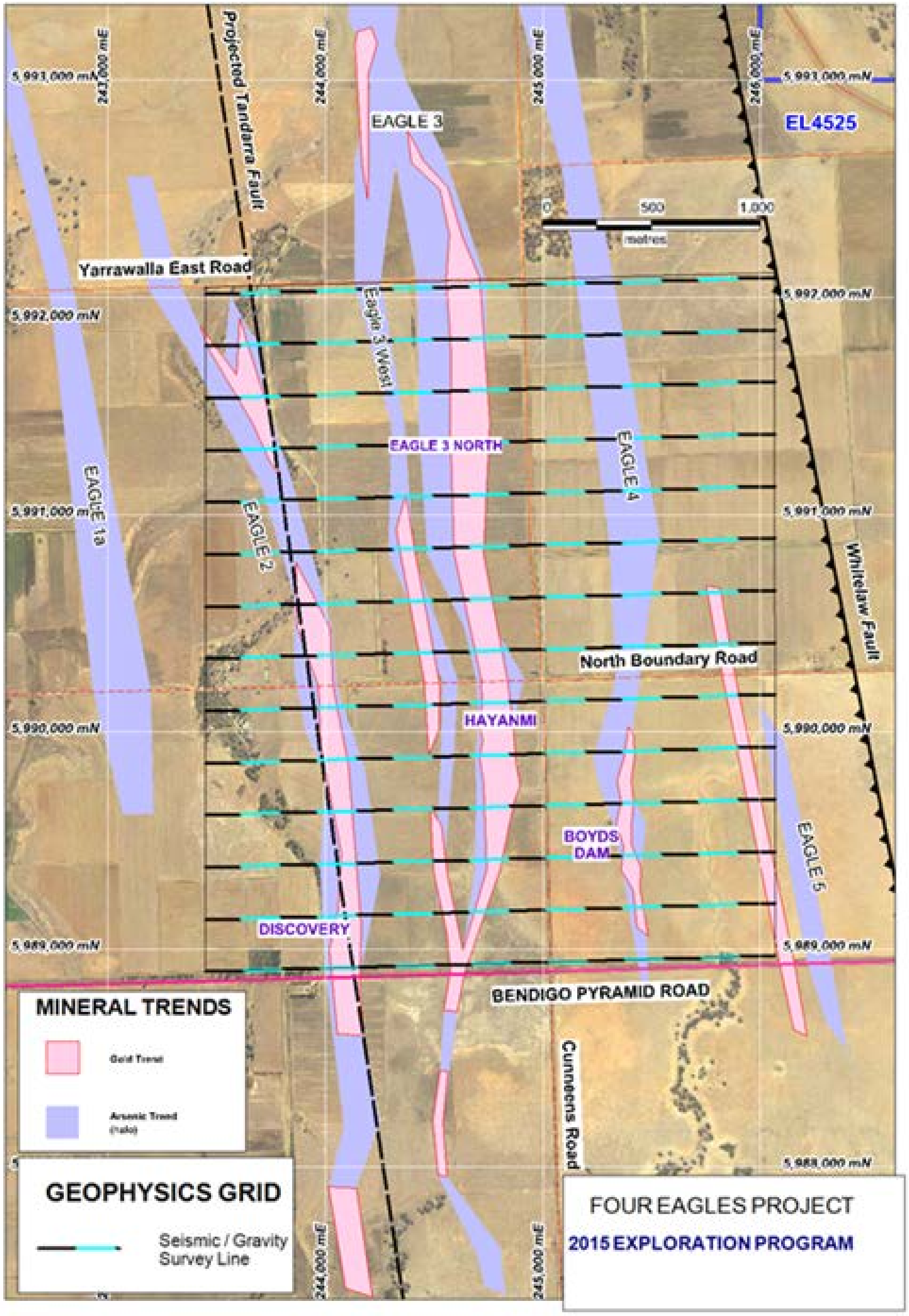


Figure 3 Four Eagles Gold Project proposed Seismic Refraction Survey

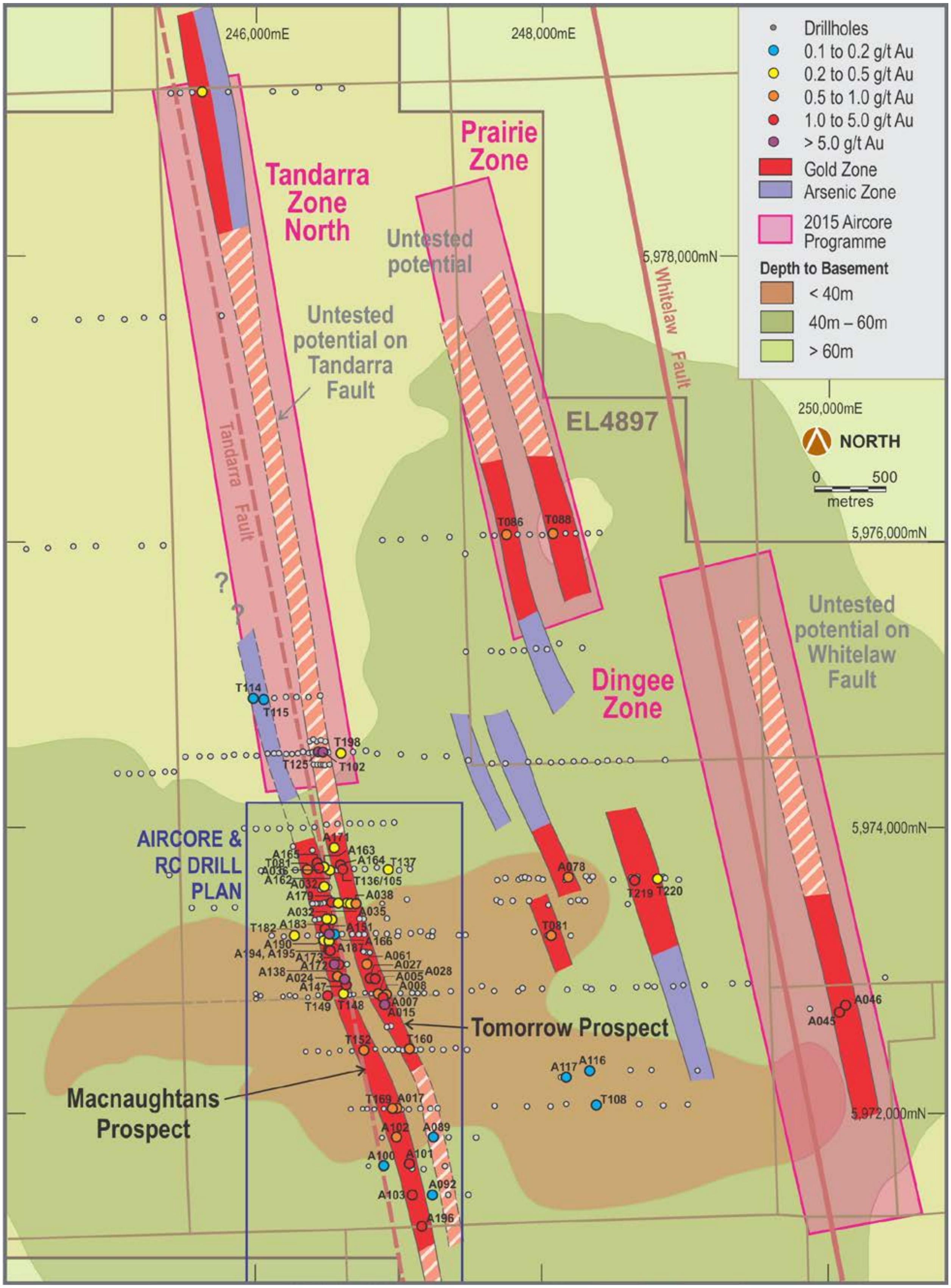
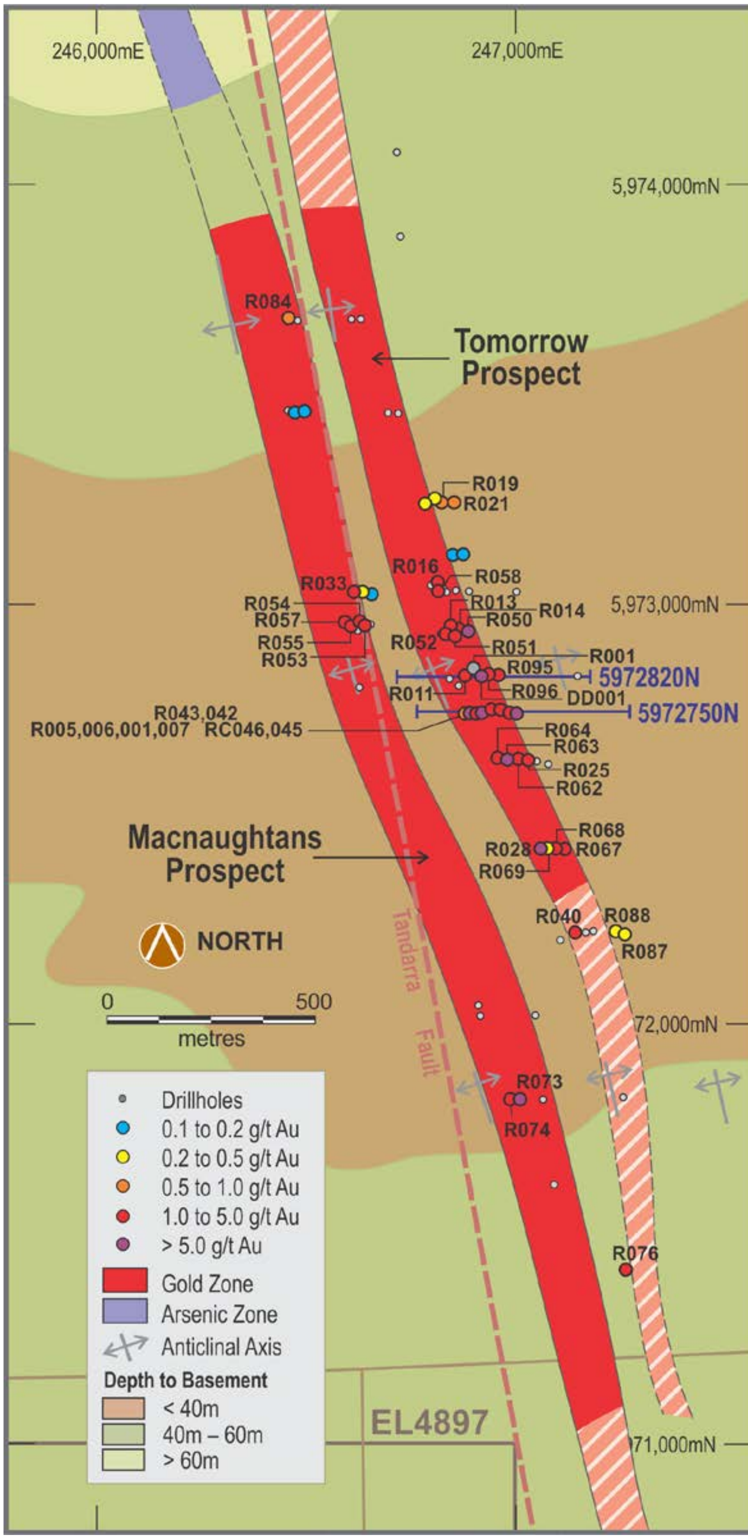


Figure 4a: Plan of Tandarra Project showing proposed 2015 aircore drilling

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/tAu 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 4b: Aircore drill intersections shown on Figure 4a



Drillhole Intersections (>2.0g/t Au)

DDT001		1.3m @ 18.2g/t Au from 20m
	and	1.7m @ 5.7g/t Au from 36m
	and	1.3m @ 5.9g/t Au from 39.4m
RCT001		1.0m @ 2.93g/t Au from 29m
	and	3.0m @ 4.3g/t Au from 75m
RCT006		1.0m @ 6.05g/t Au from 45m
	and	7.0m @ 5.5g/t Au from 50m
	and	2.0m @ 2.5g/t Au from 64m
	and	1.0m @ 2.61g/t Au from 104m
RCT007		1.0m @ 8.6g/t Au from 12m
RCT010		1.0m @ 2.26g/t Au from 66m
	and	1.0m @ 13.8g/t Au from 169m
RCT014		1.0m @ 2.62g/t Au from 45m
RCT016		1.0m @ 2.47g/t Au from 68m
RCT025		1.0m @ 2.06g/t Au from 27m
RCT028		8.0m @ 2.7g/t Au from 76m
	inc	2.0m @ 8.9g/t Au from 82m
RCT040		1.0m @ 2.35g/t Au from 72m
RCT042		2.0m @ 3.9g/t Au from 66m
RCT045		1.0m @ 2.4g/t Au from 36m
	and	1.0m @ 10.8g/tAu from 43m
	and	4.0m @ 2.67g/t Au from 55m
RCT046		4.0m @ 3.1g/t Au from 88m
RCT047		1.0m @ 4.18g/t Au from 66m
RCT050		2.0m @ 18.4g/t Au from 44m
	and	1.0m @ 2.63 g/t Au from 57m
RCT053		2.0m @ 2.56g/t Au from 3m
RCT062		1.0m @ 2.1g/t Au from 37m
	and	5.0m @ 3.7g/t Au from 41m
	and	7.0m @ 2.21g/t Au from 81m
RCT063		4.0m @ 9.2g/t Au from 18m
	and	1.0m @ 4.01g/t Au from 76m
	and	4.0m @ 2.39g/t Au from 103m
RCT067		1.0m @ 4.54g/t Au from 69m
RCT068		1.0m @ 3.6g/t Au from 58m
RCT073		1.0m @ 7.29g/t Au from 41m
RCT074		1.0m @ 3.06g/t Au from 35m
	and	2.0m @ 2.1g/t Au from 88m
RCT097		3.0m @ 6.4g/t Au from 54m

Figure 5: Plan showing Reverse Circulation drill holes and assays in Tomorrow and Macnaughtans Prospects and Location of Drill Cross Sections

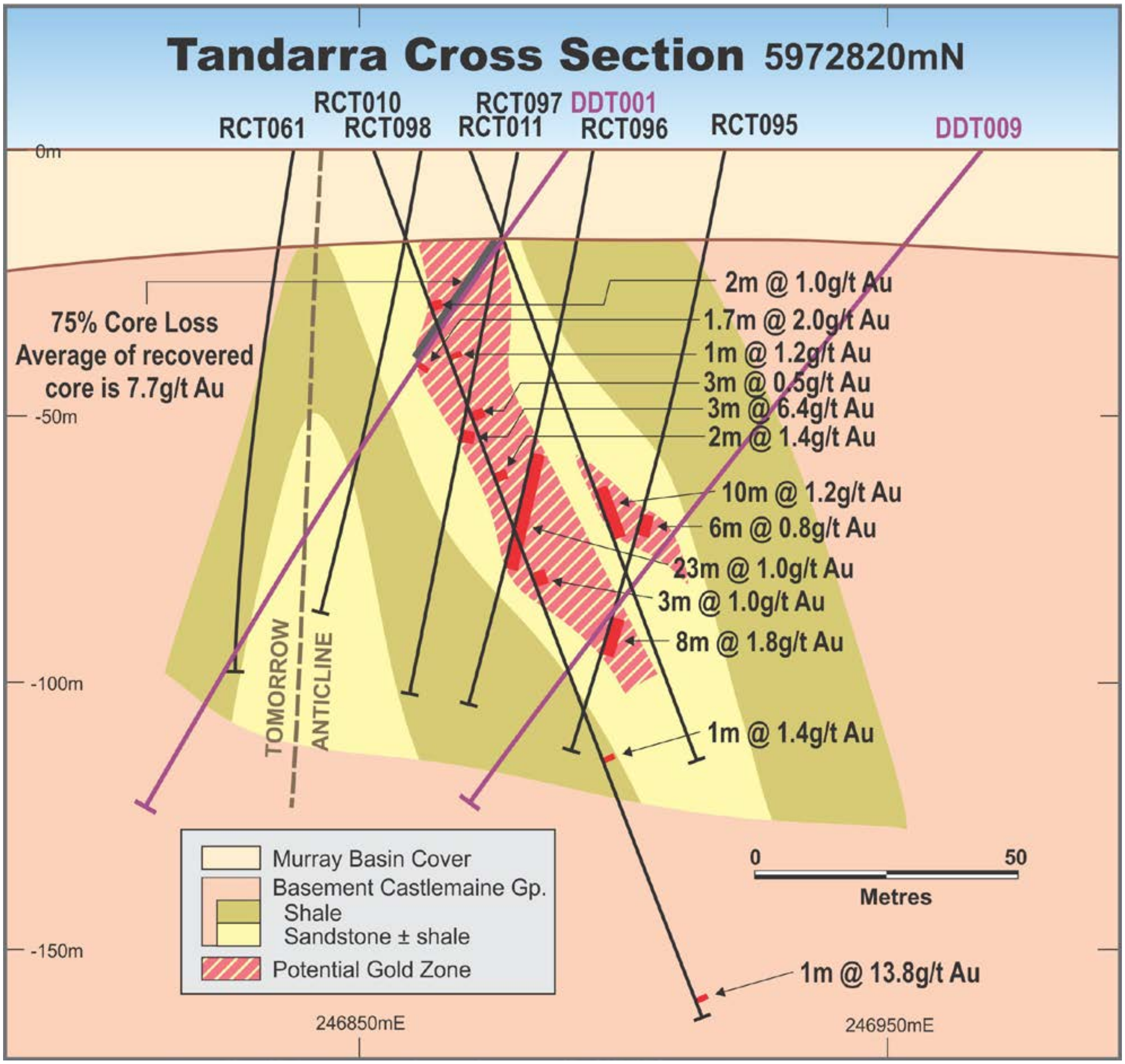


Figure 6: East West cross section through Tomorrow Structure at 5972820N on Tandarra Project

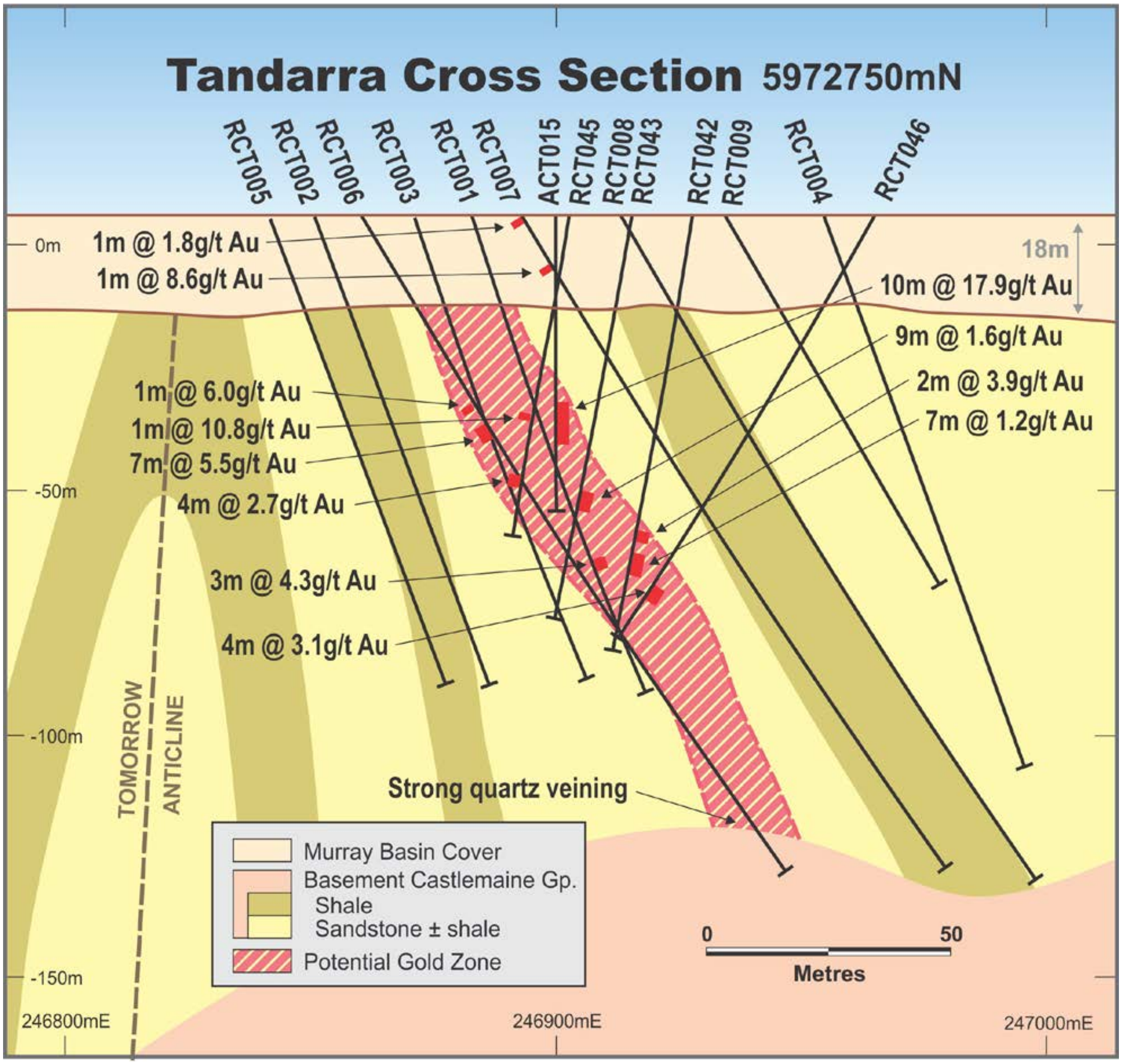


Figure 7: East west Cross Section through Tomorrow Structure at 5972750N on Tandarra Project.

Everton Project (Victoria)

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

CORPORATE

Further expansion and consolidation of the Whitelaw Gold Belt region under the control of Catalyst during 2014 has resulted in the Company being in a position to pursue various avenues for future funding.

Enquiries to:

Bruce Kay	Steve Boston
Technical Director	Chairman
Telephone: +61 400 613 180	+61 409 574 515

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Corporate summary	
ASX trading code:	CYL
Quoted shares:	50,845,707
Unlisted options:	916,667
Unlisted performance rights:	350,000
Cash balance at end of quarter:	$0.6 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	EL4897	51% (earning in via farm-in agreement)
Sebastian	EL5533 Application [1]	100%
Raydarra	EL5266	51% (earning in via farm-in agreement)
Macorna Bore	EL5521 [2]	100%

[1] New tenement application made during the December 2014 quarter.

[2] Tenement granted during the December 2014 quarter.

[3] Tenements EL4536 and EL4974 lapsed during the December 2014 quarter.

JORC Reporting of Historic Navarre Exploration Results

Although Catalyst was not involved in previous exploration at the Tandarra Gold Project, 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.

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.

Rule 5.3

Appendix 5B

Mining exploration entity quarterly report

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

Name of entity

CATALYST METALS LIMITED

ABN	Quarter ended ("current quarter")
54 118 912 495	**31 December 2014**

Consolidated statement of cash flows

		Current quarter $A'000	Year to date (6 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	(65)	(87)
	(b) development	-	-
	(c) production	-	-
	(d) administration	(138)	(243)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	9	16
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Other: legal fees – tenement joint ventures	(28)	(114)
	Net operating cash flows	(222)	(428)
Cash flows related to investing activities			
1.8	Payment for purchases of:		
	(a) prospects	-	(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)
1.13	Total operating and investing cash flows (carried forward)	(222)	(483)

+ See chapter 19 for defined terms.

1.13	Total operating and investing cash flows (brought forward)	(222)	(483)
	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	(222)	(483)
1.20	Cash at beginning of quarter/year to date	770	1,031
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	**Cash at end of quarter**	548	548

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	115
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 December 2014 quarter. Mr Bruce Kay also received $60,000 for the provision of technical consulting services in addition to his duties as a director for the period April 2014 to December 2014, which had been accrued but not paid until December 2014.

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

Issue of 294,007 ordinary fully paid shares at a deemed issued price of $0.35 per share to directors of the Company in satisfaction of accrued directors fees, as approved by shareholders at the annual general meeting held on 12 November 2014.

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	200
4.2	Development	-
4.3	Production	-
4.4	Administration	100
	Total	**300**

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	7	6
5.2	Deposits at call	541	764
5.3	Bank overdraft	-	-
5.4	Other (provide details)	-	-
	Total: cash at end of quarter (item 1.22)	**548**	**770**

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	EL4536 EL4974	Farm-in Farm-in	51% 51%	Nil Nil
6.2	Interests in mining tenements acquired or increased	EL5533	Application	Nil	100%

+ 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**	50,845,707	50,845,707		Fully Paid
7.4	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	294,007	294,007		Fully Paid
7.5	**+Convertible debt securities** *(description)*				
7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7	**Options**			*Exercise Price*	*Expiry Date*
	- 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**			*Vest Condition*	*Expiry Date*
	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.

+ 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 5).

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

Sign here: .... Date: 28 January 2015

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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