



ANNUAL REPORT AND FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2021

CATALYST METALS LIMITED

CONTENTS	PAGE
CORPORATE DIRECTORY	2
CHAIRMAN'S REVIEW	3
DIRECTORS' REPORT	5
AUDITOR'S INDEPENDENCE DECLARATION	23
CONSOLIDATED STATEMENT OF FINANCIAL POSITION	24
CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME	25
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY	26
CONSOLIDATED STATEMENT OF CASH FLOWS	27
NOTES TO THE FINANCIAL STATEMENTS	28
DIRECTORS' DECLARATION	54
INDEPENDENT AUDIT REPORT	55
ADDITIONAL INFORMATION	58

CATALYST METALS LIMITED

CORPORATE DIRECTORY

DIRECTORS

Stephen Boston (Non-Executive Chairman)
Robin Scrimgeour (Non-Executive Director)
Gary Schwab (Non-Executive Director)
Bruce Kay (Non-Executive Director)

COMPANY SECRETARY

Frank Campagna

REGISTERED OFFICE

44 Kings Park Road
West Perth, Western Australia 6005

Telephone: +618 6263 4423
Facsimile: +618 9284 5426
Email: admin@catalystmetals.com.au
Website: www.catalystmetals.com.au

AUDITORS

RSM Australia Partners
Level 32/2 The Esplanade
Perth, Western Australia 6000

SHARE REGISTRY

Automic Pty Ltd
Level 5, 126 Phillip Street
Sydney, New South Wales 2000

Telephone: 1300 288 664 or
+612 9698 5414
Email: hello@automicgroup.com.au
Website: www.automicgroup.com.au

STOCK EXCHANGE LISTING

Catalyst Metals Limited is listed on ASX Limited
Home Exchange – Perth
ASX code: CYL & CYLOA

GENERAL INFORMATION

The financial statements cover Catalyst Metals Limited as a consolidated entity ("Group" or "consolidated entity") consisting of Catalyst Metals Limited and the entities it controlled at the end of, or during, the year. The financial statements are presented in Australian dollars, which is Catalyst Metals Limited's functional and presentation currency.

Catalyst Metals Limited is a listed public company limited by shares, incorporated and domiciled in Australia.

A description of the nature of the consolidated entity's operations and its principal activities are included in the Directors' Report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of Directors, on 30 September 2021. The Directors have the power to amend and reissue the financial statements.

CHAIRMAN'S LETTER

Dear Shareholder,

The 2021 financial year has seen another significant step forward for your Company as it continued to consolidate its position as the most advanced gold explorer in the North Central Victorian Gold Fields whilst also becoming a gold producer following the acquisition of the fully operational high grade Henty Gold Mine in Tasmania. This acquisition delivered on a commitment made to our major shareholder base to pursue opportunities to acquire an operational gold mine with great exploration upside.

Some of the highlights of the Company's year are listed below.

In October 2020, the Company announced confirmation of multiple gold structures at the Tandarra Gold Project from diamond drilling at the Tomorrow zone, extensions of gold mineralisation at Macnaughtan from air core drilling and enhancement of gold mineralisation at the recently discovered Lawry zone.

The Company also announced in October 2020 that new zones of gold mineralisation with values of up to 43.5g/t Au had been intersected east of the Boyd's Dam trend which represented the discovery of a new mineralised structure. Further shallow high grade gold mineralisation was intersected at Boyd North. On 21 December 2020, the Company announced additional outstanding drilling results from Boyd's Dam (25 metres @ 23g/t Au, 7 metres @ 8.8g/t Au, 3 metres @ 19.3g/t Au, 7 metres @ 7.7g/t Au and 1 metre @ 32g/t Au), as well as the acquisition of the Henty Gold Mine in Tasmania, with significant in-mine and near mine exploration upside for a total cost of \$20 million (via a mix of shares, cash, two equal future dated deferred cash payments and a contingent deferred payment).

The Company also announced a Share Purchase Plan which was completed during the March 2021 quarter and raised \$4.8 million through the issue of 2,296,025 fully paid ordinary shares at an issue price of \$2.10 per share.

Settlement of the acquisition of the Henty Gold Mine was completed on 20 January 2021, with the Company becoming a gold producer from that date.

On 4 February 2021, the Company announced the completion of a private placement of \$1.26 million (at \$2.10 per share) to a new shareholder based in Singapore.

In March 2021, the Company announced visible gold in deep structure and high grade gold mineralisation from diamond drilling at the Four Eagles Gold Project. Intersections of 1.25 metres @ 117.0g/t Au, 0.3 metres @ 22.5g/t Au and 0.3 metres @ 33.8g/t Au were reported.

On 1 April 2021, the Company announced the purchase of a 263 hectare block of freehold land on behalf of the Four Eagles Joint Venture. The land covers the Boyd's Dam gold zone as well as potential newly discovered gold zones to the east. Ownership allows the Joint Venture to carry out drilling throughout the year (subject to weather), as well as security of land title over any future gold project development.

On 15 April 2021, the Company announced high grade zones with visible gold at the Tandarra Gold Project with two diamond drill holes at the Macnaughtan prospect intersecting visible gold and reporting grades of up to 412 g/t Au. At the nearby Lawry prospect, infill air-core drilling delivered 6 metres @ 3.16g/t Au and 2 metres @ 16.33g/t Au.

On 21 April 2021, the Company announced that the Henty Gold Mine had exceeded expectations by delivering positive operating cash flow and an estimated production forecast of 25,000 ounces of gold for calendar year 2021.

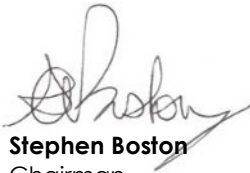
On 19 May 2021, the Company announced the receipt of favourable metallurgical results for Boyd's Dam. The test work indicated that the material is non-refractory, 97% gold recovery was achieved by gravity concentration & direct cyanidation, 99% gold recovery could be obtained from a combined gravity & floatation concentrate and results enable a number of processing alternatives to be evaluated for Boyd's Dam.

CHAIRMAN'S LETTER

On 22 June 2021, the Company announced high grade gold intersections up to 600g/t Au from in-mine near surface exploration at the Henty Gold Mine. Twenty six intersections were recorded with greater than 20g/t Au metres providing the Company with confidence in future higher grade gold mining being achieved at Henty.

The Board would like to especially acknowledge the outstanding work and effort of our technical team headed up by our Technical Director, Bruce Kay, as well as the management team, all our employees. More recently, we welcomed the valuable addition of Dion Alford as General Manager of Operations at Henty and all the people in his team at Henty who have seamlessly joined the Company, and all of whom will be contributing to the future success of our Company.

In closing off on yet another year of progress for our Company - your Board would like to acknowledge and thank all of its many loyal shareholders (old and new), our Joint Venture Partners and the many consultants and advisers, for all they have done to enhance and contribute towards the future growth of your Company as it continues to position itself to make a major high grade gold discovery in both Victoria and Tasmania.



Stephen Boston

Chairman

30 September 2021

CATALYST METALS LIMITED

DIRECTORS' REPORT

The Directors of Catalyst Metals Limited present their report on the consolidated entity for the year ended 30 June 2021.

DIRECTORS

The names of the Directors in office at any time during or since the end of the financial year are:

Stephen Boston
Robin Scrimgeour
Gary Schwab
Bruce Kay

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

COMPANY SECRETARY

Frank Campagna

FINANCIAL POSITION

The net assets of the Group are \$54,145,251 as at 30 June 2021 (2020: \$22,685,119).

CORPORATE STRUCTURE

Catalyst Metals Limited is a company limited by shares that is incorporated and domiciled in Australia.

PRINCIPAL ACTIVITIES

The principal activity of the Group during the financial year were mineral exploration and evaluation and production of gold.

RESULTS OF OPERATIONS

The operating loss after income tax of the Group for the year ended 30 June 2021 was \$102,441 (2020: \$1,746,832).

DIVIDENDS

No dividend has been paid during or is recommended for the financial year ended 30 June 2021.

REVIEW OF OPERATIONS

The Company has made major advances in 2020/21 with excellent exploration results in Victoria at Four Eagles Gold Project, Tandarra Gold Project and the Drummartin exploration project. Significantly, in January 2021, Catalyst purchased the Henty Gold Mine in Tasmania, and this has added resources, gold production, cash flow and exploration upside. In the 5 months and 12 days of mine ownership, the company produced 11,677 ounces of gold and revenue of \$28.5 million

Victoria Introduction and Overview

Catalyst has significant interests in two retention licences (RL's) and fourteen exploration licences (EL's) over the Whitelaw Gold Belt and similar geological terranes both to the east and to the west (Figure 1). These licences total some 2,246 square kilometres in area with the addition of the Golden Camel Project, where Catalyst has the right to acquire an interest in the Golden Camel mining leases MIN5548 and MIN5570 (Golden Camel mine) (Figure 1).

DIRECTORS' REPORT

The Whitelaw Fault is a 75 kilometre long geological structure thought to control the emplacement of the Bendigo gold deposits, which extends in a generally northerly direction from Bendigo in favourable Ordovician rocks beneath the covering veneer of the Murray Basin sediments. In particular, the Four Eagles and Tandarra Gold Projects (respectively 55 kilometres and 40 kilometres north-northwest of Bendigo) contain gold discoveries similar in structural style but differing mineralogically to the historic Bendigo goldfield. The regional fault systems parallel to the Whitelaw Fault also provide potential for Bendigo and/or Fosterville-style discoveries at the Drummartin, Boort and Golden Camel projects. Significant developments during the financial year included the following:

Four Eagles Gold Project

- Further high grade intersections were recorded at Boyd's Dam and Boyd North
- Excellent recoveries were seen in metallurgical testwork from gravity, flotation and cyanide leaching
- Scoping studies continued on the viability of mining on the Boyd's Dam mineralisation with extensive groundwater and geotechnical studies
- 650 hectares of freehold land were purchased over the Boyd's Dam project

Tandarra Gold Project

- High grade gold intersections drilled at Macnaughtans Prospect, extending the strike length to 1.4 kilometres
- Further high grade gold intersections recorded at the new Lawry Zone
- Multiple intersections further defined repetitions at depth beneath the main Tomorrow Zone mineralisation
- Scoping studies on potential open pit and underground development are in progress on the Tomorrow Zone

Drummartin Project

- Large air core drilling program completed on a further five of the thirteen gravity targets
- Indications of gold mineralisation present at Target 9

Golden Camel Project

- High grade gold intersections drilled at Golden Camel and Toolleen prospects
- Catalyst has earned 50.1% interest in the regional joint venture (EL5449, EL5490)

Other Exploration Projects

Air core drilling was carried out on the Macorna Project (EL5521, EL006894 and EL006549) and to the north (EL5295) and east (EL006859) of the Four Eagles Gold Project. The large ground gravity survey was completed at Boort (EL06670).

COVID-19 pandemic management

Exploration activities have been affected by the inability of drilling contractors to travel from New South Wales as well as the issues of decreased communication of staff and management. Nevertheless, drilling has continued throughout most of the financial year.

FOUR EAGLES GOLD PROJECT

The Four Eagles Gold Project is a joint venture between Catalyst's 100%-owned subsidiary, Kite Gold Pty Ltd and Gold Exploration Victoria Pty Ltd (GEV). The project is managed by Catalyst and is jointly funded (50:50) by Catalyst and GEV within the Four Eagles Joint Venture.

The Four Eagles Joint Venture includes retention license RL006422 and adjoining EL's (Figure 1). The retention licence covers an envelope of gold mineralisation about 6 kilometres long and 2.5 kilometres wide with high grade gold occurring in at least three structural zones trending roughly north-south (Boyd's Dam - Boyd North, Hayanmi and Pickles; as detailed on Figure 3). Additional prospective structural zones are shown including the Cunneens prospect to the west and Eagle 5 and Eagle 6 to the east.

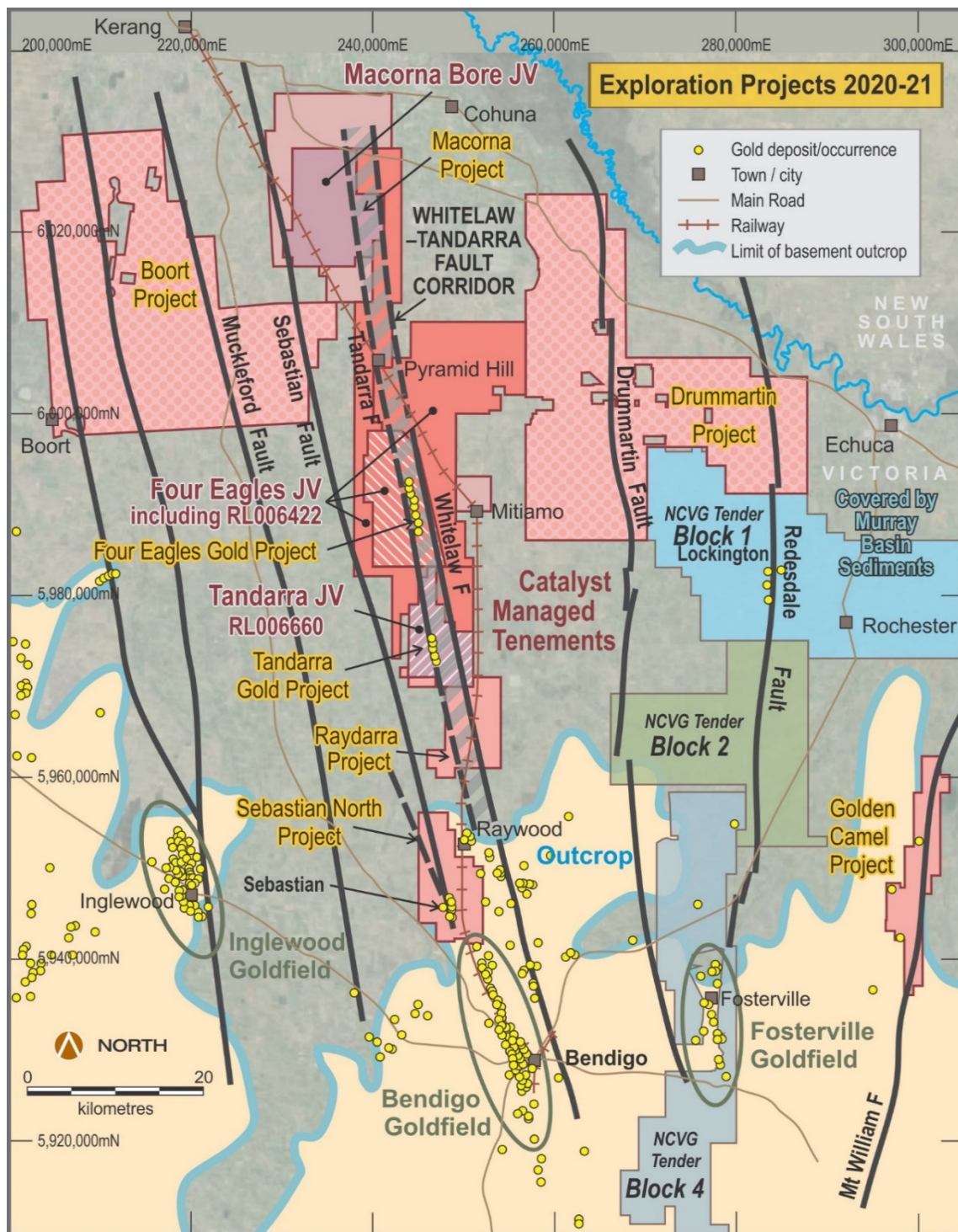


Figure 1: Whitelaw Gold Belt and Parallel Structural Zones showing Catalyst managed tenement holdings

DIRECTORS' REPORT

Drilling at Boyd's Dam - Boyd North during 2020-21 included diamond (DD), reverse circulation (RC) and air-core (AC) programs. The DD programmes produced further high grade gold intersections and showed the presence of the Boyd Western Shear that extends over the 1.5 kilometre strike length of the system and may represent a feeder structure to the flatter west dipping gold zones that contain much of the shallow high grade shoots. As shown on Figure 2, some of the intersections recorded are:

- **4.5 metres @ 17.7g/t Au**
- **1.35 metres @ 117g/t Au**
- **3.0 metres @ 19.3g/t Au**
- **7.0 metres @ 5.7g/t Au**
- **3.0 metres @ 10.0g/t Au**

Air core drilling east of Boyd's Dam at Eagle 5 or Eagle 6 intersected both high grade and lower grade gold mineralisation (**1 metre @ 43.5g/t Au and 9 metres @ 2.0g/t Au**).

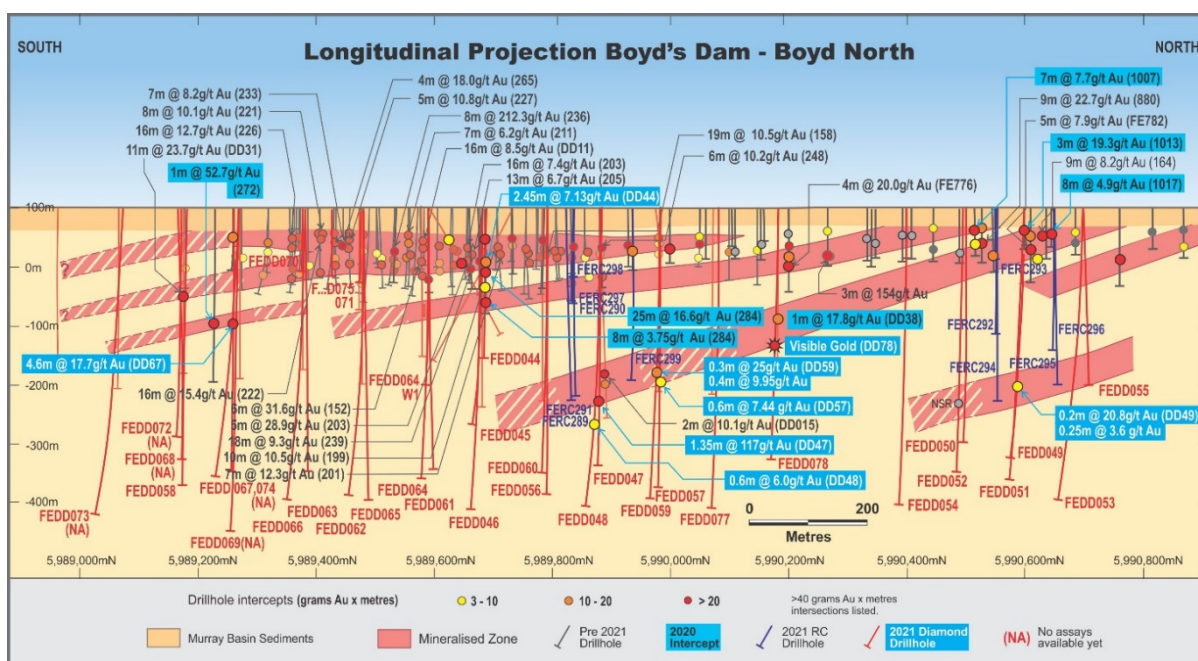


Figure 2: Longitudinal Projection of Boyd's Dam-Boyd North showing 2021 diamond and RC drill holes and significant intercepts

Investigations continued into the geotechnical characteristics of cover sediments, mineralised zones and enclosing rocks, and the hydrological character of cover and basement. Water monitoring bores were completed and drawdown tests have been used to measure water flows in the basement rocks and cover sequence. Hydrological modelling is in progress and this information will be vital in any mining scenario.

TANDARRA GOLD PROJECT

The Tandarra Gold Project is a joint venture between Catalyst's 100%-owned subsidiary Kite Operations Pty Ltd and Navarre Minerals Limited (Navarre). The project is managed by Catalyst and is jointly funded (51:49) by Catalyst and Navarre within the Tandarra Joint Venture.

The Tandarra Joint Venture covers Retention Licence RL006660. The RL covers an envelope of gold mineralisation and prospectivity about 12 kilometres long and up to 4 kilometres wide with high grade gold occurring in three structural zones trending roughly north-south (Tomorrow, Macnaughtans and Lawry Zones, as detailed on Figure 4).



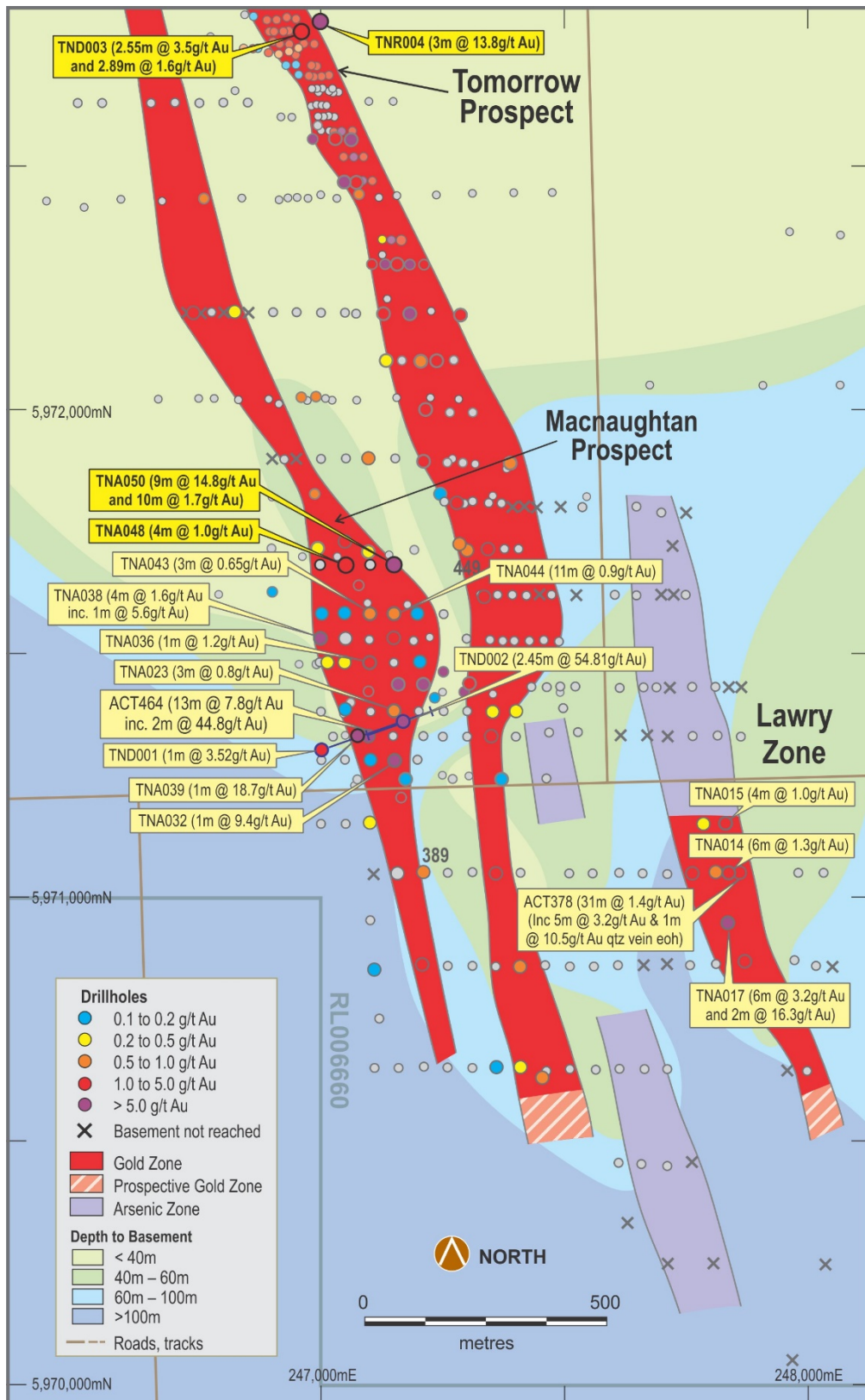


Figure 4: AC drill plan of the southern portion of the Retention Licence RL006660 showing gold and arsenic enriched zones and significant results achieved in the southern extension of Macnaughtan Zone and in the discovery of Lawry Zone

DIRECTORS' REPORT

OTHER BENDIGO REGIONAL EXPLORATION

The Golden Camel Joint Venture (Catalyst 50.1% in exploration licences (EL's) 5449 and 5490, including the now closed Toolleen mine, with right to purchase a 50.1% interest in the Golden Camel mining leases) advanced with diamond drilling on the Golden Camel mining licence and RC drilling on the Toolleen Project. The best diamond drillhole at Golden Camel contained **9 metres @ 5g/t Au** which shows the extension of the gold mineralisation below the oxide zone. At Toolleen an RC hole intersected **6 metres @ 9.7g/t Au including 2 metres @ 27.7g/t Au**. Catalyst has now earned a 50.1% interest in the joint venture on the exploration licences and is considering its option to purchase 50.1% of the mining licences.

At the Boort exploration licence EL006670 (Figure 1), Catalyst as manager of the joint venture with GEV has carried out a detailed gravity survey over the entire exploration licence and plans air core drilling over the gravity targets in the 2021-22 year.

At Drummartin (EL006507, Figure 1) a large air core drilling program was completed over five gravity targets and assays were still awaited at the end of the financial year.

HENTY GOLD MINE TASMANIA

On the 20 January 2021, Catalyst acquired the Henty Gold Mine in Tasmania by purchasing shares in Unity Mining Pty Ltd (Unity) from Diversified Minerals Pty Ltd. The acquisition of Unity for \$8 million in Catalyst shares at \$2.10 per share, \$6 million initial cash payment and two deferred payments of \$3 million each, 6 and 12 months after acquisition, represent the consideration. In addition to the aforementioned consideration a contingent payment of up to \$5 million may be payable subject to the after tax performance of Unity.

Following acquisition, the Catalyst focussed upon change management functions that enabled a smooth transition of ownership and assimilation of personnel into the Company. A full site safety review was conducted with site management and appropriate changes were implemented. There was renewed focus on mill recovery, production and exploration strategy, and ensuring that critical spares were ordered. Catalyst implemented significant upgrades of both the Enterprise Resource Planning (ERP) and Information Technology capabilities of the site to assist management and operating personnel in their decision making and reporting functions. These changes have had an immediate positive impact on the operations.

The past financial year has seen Catalyst advance towards realising its vision of being a leading low cost gold producer focussed on safety, profitability, sustainability and discovery. As well as continuing its success as an explorer, with the acquisition of the Henty Gold Mine the Company has now become a profitable gold producer. This enables Catalyst to reinvest in its projects and provide benefits to all constituency interests as it continues to undertake significant exploration programmes in both Victoria and Tasmania.

Both Henty and Victoria represent well endowed high grade mineral provinces with substantial historic gold production. Acquiring the Henty Gold Mine was complementary to the future of Catalyst as it develops inhouse underground production and technical services skills and judgement that will assist to de-risk any future development in Victoria or elsewhere.

Inaugural production for the Company from 20 January to 30 June 2021 was 11,677 ounces of gold at a C1 cash cost and AISC of \$1,506 and \$1,731 per ounce respectively. Revenue from the Henty Gold Mine for the 5 months and 11 days under Catalyst ownership was \$28.3 million and after royalties, refining and operating costs an operating profit of \$8.4 million was realised. After allowing for amortisation and overhead costs an inaugural operating profit before tax of \$7.2 million was achieved.

In addition to the gold production, the Company has commenced an aggressive exploration campaign with three diamond drills operating underground and surface drilling imminent for the September 2021

DIRECTORS' REPORT

Quarter. Spectacular results have already been achieved with several intersections of greater than 100g/t Au being recorded (**4.0 metres @ 103.0g/t Au, 7.1 metres @ 48.0g/t Au, 0.9 metres @ 90.1g/t Au, 3.0 metres @ 34.5g/t Au, 1.5 metres @ 121.4g/t Au, 2.65 metres @ 221.0g/t Au, 7.8 metres @ 36.4g/t Au**). These intersections are already impacting the grade of gold production and have added gold ounces to the resource when CSA completes the updated mineral resource statement effective 30 June 2021. The objective at Henty is to ultimately increase grade and production to achieve 50,000 ounces of gold per annum. Regional and in-mine exploration targets are summarised on Figures 5 and 6.

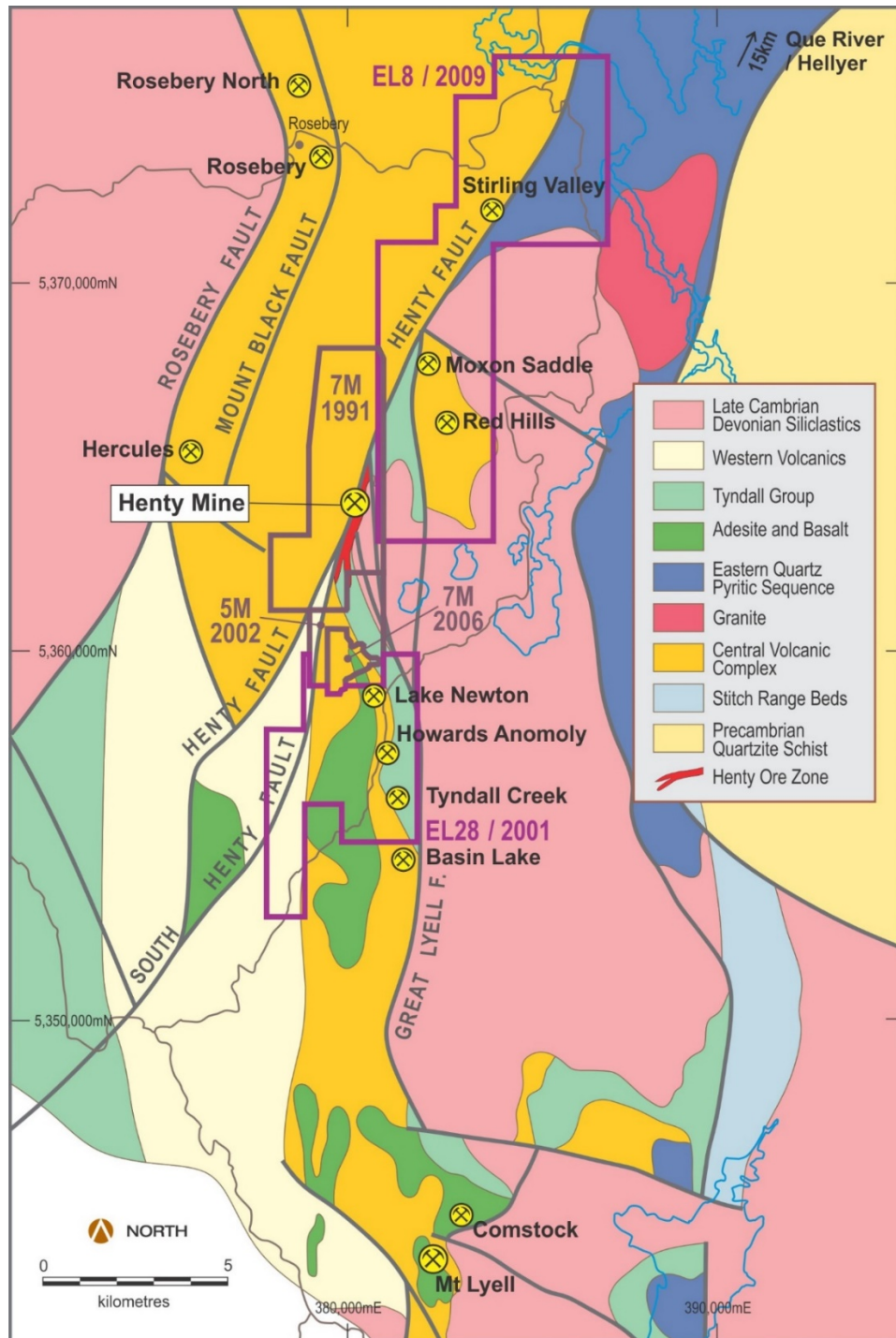


Figure 5: Henty regional tenements showing potential to north and south along the Henty Fault

DIRECTORS' REPORT

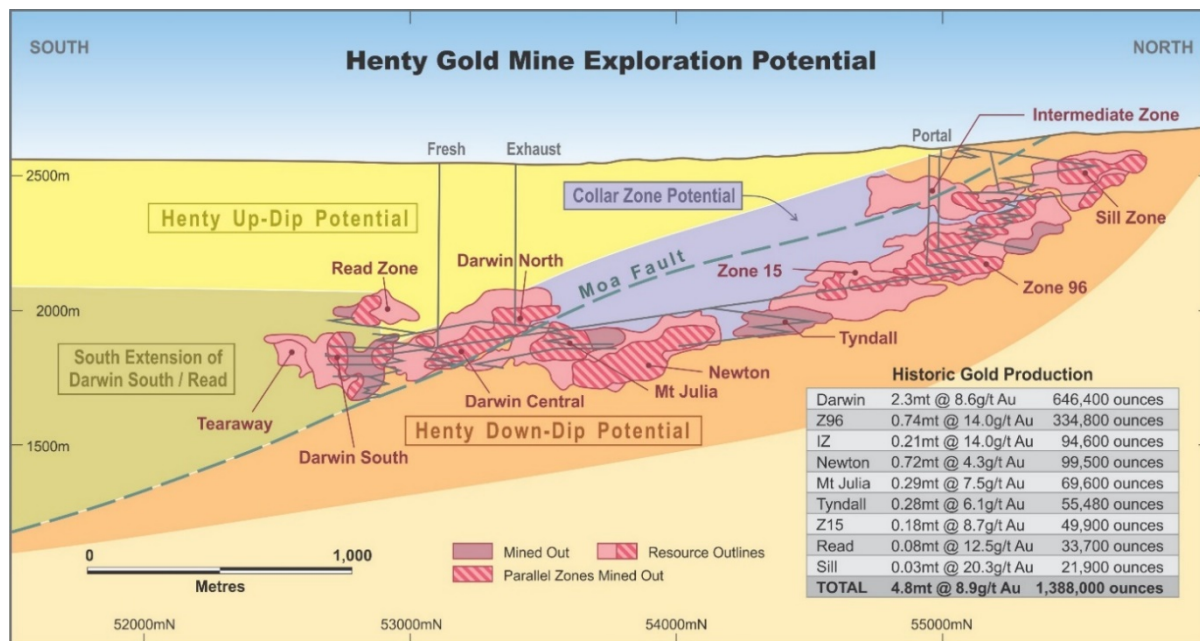


Figure 6: Henty longitudinal projection showing areas of exploration potential to be tested in 2021.

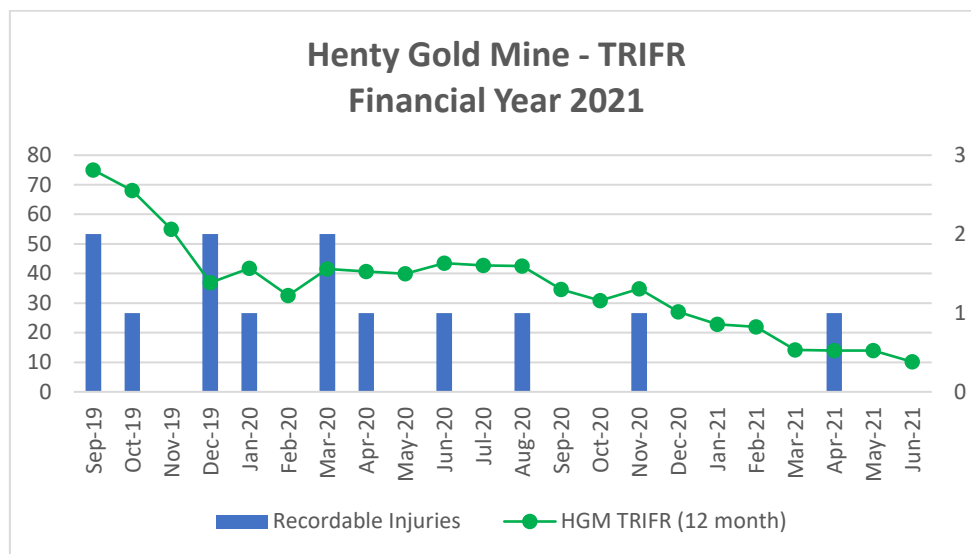
Work Health and Safety

During the year the Company significantly invested in upgrading its Work, Health and Safety Standards to what it believes is industry best practice.

These Standards establish a framework, which provides clear direction on how to enable and achieve good safety governance. They also allow Catalyst to demonstrate Work Health and Safety (WHS) due diligence on a systematic approach to effect the management of WHS throughout the organisation.

The WHS Management System Standards then also form the basis for the ongoing monitoring, measurement and auditing of safety performance and quarterly reporting framework to the Board for both Victoria and Henty Gold Mine.

Victoria recorded zero lost time injuries for the financial year. Henty Gold Mine, with a workforce of circa 150, has seen a continuous improvement in its safety performance during the year. The TRIFR now stands at 10 compared to approximately 27 when the mine was acquired.



DIRECTORS' REPORT

Environmental Performance

Throughout the year there were no material environmental impacts.

Through ongoing planning and review of management practices the Company continues to assess any potential impacts and ensure these risks are managed. Annually a simulation exercise is undertaken in consultation and involvement with regulatory and other constituency interests to ensure the Company and supporting services are appropriately trained and equipped to manage any event. This is part of a continuous improvement programme of the Company.

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

During the year the Company acquired 100% of the shares in Unity Mining Pty Ltd. Unity Mining Pty Ltd owns and operates the high grade gold mine, Henty Gold Mine in Western Tasmania.

There were no other significant changes in the state of affairs of the Group during the financial year.

FUTURE DEVELOPMENTS

To effect further significant exploration outcomes the Company, as well as its joint venture partners, has funded and budgeted a \$31.5 million commitment for financial year 2021-22, \$22 million of expenditure will be committed within Victoria and \$9.5 million in the Company's own right at Henty Gold Mine. This is the largest commitment Catalyst has ever made towards exploration and confirms its ongoing commitment in the medium term to building a substantial underground gold mining business.

In the opinion of the Directors there is no additional information available as at the date of this report on any likely developments which may materially affect the operations of the Group and the expected results of those operations in subsequent years.

SUBSEQUENT EVENTS

In July 2021 the Company paid \$3,000,000 portion of deferred consideration for the acquisition of the Henty Gold Mine in accordance with the Share Sale Agreement.

The impact of the Coronavirus (COVID-19) pandemic is ongoing and while it has had no significant impact on the Consolidated Entity up to 30 June 2021, it is not practicable to estimate the potential impact, positive or negative, after the reporting date. The situation is rapidly developing and is dependent on measures imposed by the Australian Government and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

INFORMATION ON DIRECTORS

Stephen Boston (Non-Executive Chairman)

Mr Boston is the Principal of a Perth based private investment group specialising in the Australian resources sector. Mr Boston previously worked as a stockbroker from 1984 to 1998 in Perth and Sydney. Mr Boston holds a Bachelor of Arts from the University of Western Australia.

<i>Memberships:</i>	Senior Associate – Financial Services Institute of Australia
<i>Special Responsibilities:</i>	Chairman
<i>Other Directorships:</i>	None
<i>Interests in securities:</i>	Direct: 156,984 Ordinary Shares & 19,015 Listed Options Indirect: 5,606,572 Ordinary Shares & 439,462 Listed Options (held by Trapine Pty Ltd, Elshaw Pty Ltd and Merewether Pty Ltd, companies in which Mr Boston holds a relevant interest)

DIRECTORS' REPORT

Robin Scrimgeour (Non-Executive Director)

Mr Scrimgeour spent 17 years working for Credit Suisse in London, Tokyo, Hong Kong and Singapore. His most recent experience has been providing structured hybrid financing for corporates in Asia for project and acquisitions concentrated in the primary resources sector. Mr Scrimgeour's previous experience was as a senior equity derivatives trader involved in the pricing of complex structured equity derivative instruments for both private and corporate clients focused in Asia. Mr Scrimgeour holds a Bachelor of Economics with Honours from the University of Western Australia.

Special Responsibilities: Member of audit committee

Other Directorships: None

Interests in securities: Direct: Nil
Indirect: 5,435,017 Ordinary Shares & 531,074 Listed Options

Gary Schwab (Non-Executive Director)

Mr Schwab is a CPA with over 40 years of business experience, including 20 years in the resources sector. Mr Schwab was previously Executive Director for a privately owned commodities group. In that role, Mr Schwab was responsible for managing a long term wealth creation strategy (in conjunction with the principal and owner) which culminated in the creation of what is currently one of Australia's wealthiest unlisted private commodities companies.

Special Responsibilities: Chairman of audit committee

Other Directorships: None

Interests in securities: Direct: Nil
Indirect: Nil

Bruce Kay (Non-Executive Director)

Mr Kay is a qualified geologist and former head of worldwide exploration for Newmont Mining Corporation. He is a highly experienced geologist with a resource industry career spanning more than 30 years in international exploration, mine, geological, project evaluation and corporate operations. Mr Kay retired from Newmont in 2003. Based in Denver, Colorado, USA, he managed worldwide exploration for that Group. Prior to this appointment Mr Kay was group executive and Managing Director of exploration at Normandy Mining Limited where he was responsible for managing its global exploration program from 1989 until 2002.

Special Responsibilities: Technical Director

Other Directorships: None

Interests in securities: Direct: 2,147,169 Ordinary Shares & 205,301 Listed Options
Indirect: Nil

Information on Company Secretary

Frank Campagna B.Bus (Acc), CPA

Company Secretary of Catalyst Metals Limited since November 2009. Mr Campagna is a CPA with over 25 years' experience as a Company Secretary, Financial Controller and Commercial Manager for listed resources and industrial companies. He currently operates a corporate consultancy practice which provides corporate secretarial services to both listed and unlisted companies.

DIRECTORS' REPORT

DIRECTORS' MEETINGS

The number of meetings attended by each of the Directors of the Company during the financial year was:

	Board Meetings		Audit Committee Meetings	
	Number held and entitled to attend	Number Attended	Number held and entitled to attend	Number Attended
Stephen Boston	8	8	-	-
Robin Scrimgeour	8	8	-	-
Gary Schwab	8	7	-	-
Bruce Kay	8	8	-	-

ENVIRONMENTAL REGULATIONS

The Group is subject to significant environmental regulation in respect to its mineral exploration activities. These obligations are regulated under relevant government authorities within Australia and overseas. The Group is a party to exploration and mining licences. Generally, these licences and agreements specify the environmental regulations applicable to exploration and mining operations in the respective jurisdictions. The Group aims to ensure that it complies with the identified regulatory requirements in each jurisdiction in which it operates.

Compliance with environmental obligations is monitored by the Board of Directors. No environmental breaches have been notified to the Group by any government agency during the year ended 30 June 2021. The Group's operations are subject to State and Federal laws and regulation concerning the environment.

PROCEEDINGS ON BEHALF OF THE GROUP

No person has applied for leave of Court to bring proceedings on behalf of the Group or intervene in any proceedings to which the Group is a party for the purpose of taking responsibility on behalf of the Group for all or any part of those proceedings.

SHARE OPTIONS

As at the date of this report, there were 7,881,996 (2020: 8,881,996) unissued ordinary shares under option. There are 7,881,996 options exercisable at \$2.45 each on or before 31 May 2022.

No person entitled to exercise the options has any right by virtue of the option to participate in any share issue of the parent entity or any other corporation.

REMUNERATION REPORT (AUDITED)

This report sets out the current remuneration arrangements for Directors and executives of the Group. For the purposes of this report, key management personnel is defined as those persons having authority and responsibility for planning, directing and controlling major activities of the Group, including any Director of the Group, and includes the executives in the consolidated entity receiving the highest remuneration. The information provided in this report includes remuneration disclosures that are required under Accounting Standard AASB 124 Related Party Disclosures.

DIRECTORS' REPORT

REMUNERATION REPORT (Continued)

Principles used to determine the nature and amount of remuneration

Directors and executives remuneration

Overall remuneration policies are determined by the Board and are adapted to reflect competitive market and business conditions. Within this framework, the Board considers remuneration policies and practices generally, and determines specific remuneration packages and other terms of employment for any executive Directors and senior management. Executive remuneration and other terms of employment are reviewed annually by the Board having regard to performance, relevant comparative information and expert advice.

The Group's remuneration policy for any Executive Directors and senior management is designed to promote superior performance and long term commitment to the Group. Remuneration packages are set at levels that are intended to attract and retain executives capable of managing the Group's operations.

Executive Directors and senior executives receive a base remuneration which is market related, together with performance based remuneration linked to the achievement of pre-determined milestones and targets.

The Group's remuneration policies are designed to align executives' remuneration with shareholders' interests and to retain appropriately qualified executive talent for the benefit of the Group. The main principles of the policy are:

- reward reflects the competitive market in which the Group operates; and
- individual reward should be linked to performance criteria.

The structure of remuneration packages for any Executive Directors and other senior executives comprises:

- a fixed sum base salary plus superannuation benefits;
- short term incentives through eligibility to participate in a performance bonus scheme if deemed appropriate; and
- long term incentives through any Executive Directors being eligible to participate in share option schemes with the prior approval of shareholders.

Fixed and variable remuneration is established for each Executive Director by the Board. The objective of short term incentives is to link achievement of the Group's operational targets with the remuneration received by executives charged with meeting those targets. The objective of long term incentives is to reward executives in a manner which aligns this element of their remuneration with the creation of shareholder wealth. Performance incentives may be offered to any Executive Directors and senior management through the operation of performance bonus schemes. A performance bonus, based on a percentage of annual salary, may be payable upon achievement of agreed operational milestones and targets.

Non-Executive Directors' remuneration

In accordance with current corporate governance practices, the structure for the remuneration of Non-Executive Directors and senior executives is separate and distinct. Shareholders approve the maximum fees payable to Non-Executive Directors, with the current approved limit being \$400,000 per annum. The Board is responsible for determining actual payments to Directors. Non-Executive Directors are entitled to statutory superannuation benefits. The Board approves any consultancy arrangements for Non-Executive Directors who provide services outside of and in addition to their duties as Non-Executive Directors.

Non-Executive Directors may be entitled to participate in equity based remuneration schemes. Shareholders must approve the framework for any equity based compensation schemes and if a recommendation is made for a Director to participate in an equity scheme, that participation must be specifically approved by the shareholders.

All Directors are entitled to have premiums on indemnity insurance paid by the Group.

DIRECTORS' REPORT

REMUNERATION REPORT (Continued)

At the 2020 AGM, the majority of the votes received supported the adoption of the remuneration report for the year ended 30 June 2020. The company did not receive any specific feedback at the AGM regarding its remuneration practices.

Details of Remuneration for Year Ended 30 June 2021

Details of the remuneration for each Director and key management personnel (as defined in AASB 124 *Related Party Disclosures*) of the Group during the year are set out in the following tables.

2021	Short-term employment benefits		Post-employment benefits	Share-based payments	
Name	Cash salary and fees	Other	Superannuation	Shares	Total
<i>Non-Executive Directors</i>					
S Boston	216,800	-	20,677	-	237,477
R Scrimgeour	81,030	-	-	-	81,030
G Schwab	121,638	-	11,586	-	133,224
B Kay	212,677	-	24,999	-	237,676
<i>Management</i>					
B Robertson - CEO	243,441	-	23,252	-	266,693
D Alford – GM Henty	125,000	-	11,875	-	136,875
Total key management personnel compensation	1,000,586	-	92,389	-	1,092,975

No performance based remuneration was paid to the Directors or Management during the year.

In 2021, Mr Kay received \$74,000 per annum in Directors' fees and was paid extra fees for managing the Company's exploration programmes at the Four Eagles Gold Project, Tandarra Gold Project, Macorna Gold Project, Boort Gold Project, Drummartin Gold Project and Golden Camel Gold Project. The costs incurred in respect of the joint ventures were partially reimbursed by the joint venture partners as part of its earn in expenditure commitments. Furthermore in 2021, Mr Boston received \$80,000 per annum in Directors' fees and was paid extra consulting fees for managing the Company and Mr Schwab received \$74,000 per annum in Directors' fees and was paid extra consulting fees for services provided to the Company outside his duties as a director.

Mr Robertson commenced as the CEO of the Company on 4 January 2021, prior to that he was employed by the Company as a consultant to provide advice on the acquisition of the Henty mine. On 23 August 2021, Mr Robertson tendered his resignation as CEO and provided 3 months' notice. Mr Alford is the General Manager Operations of the Henty Mine and commenced employment with Henty Gold Pty Ltd on 1 February 2021.

2020	Short-term employment benefits		Post-employment benefits	Share-based payments	
Name	Cash salary and fees	Other	Superannuation	Shares	Total
<i>Non-Executive Directors</i>					
S Boston	179,600	-	17,062	-	196,662
R Scrimgeour	81,030	-	-	-	81,030
G Schwab	93,200	-	8,854	-	102,054
B Kay	181,968	-	17,287	-	199,255
Total key management personnel compensation	535,798	-	43,203	-	579,001

DIRECTORS' REPORT

REMUNERATION REPORT (Continued)

In 2020, Mr Kay received \$74,000 per annum in Directors' fees and was paid extra fees for managing the Company's exploration programmes at the Four Eagles Gold Project, Tandarra Gold Project, Macorna Gold Project, Boort Gold Project, Drummartin Gold Project and Golden Camel Gold Project. The costs incurred in respect of the joint ventures were partially reimbursed by the joint venture partners as part of its earn in expenditure commitments. Furthermore in 2020, Mr Boston received \$80,000 per annum in Directors' fees and was paid extra consulting fees for managing the Company and Mr Schwab received \$74,000 per annum in Directors' fees and was paid extra consulting fees for services provided to the Company outside his duties as a director.

Letters of appointment have been entered into with each Director of the Company. No duration of appointment or termination benefits are applicable. Effective from 1 July 2019, Non-executive Directors receive remuneration of \$74,000 per annum plus statutory superannuation, whilst the Chairman receives remuneration of \$80,000 per annum plus statutory superannuation. Directors are permitted to salary sacrifice their fees.

Mr Bruce Robertson was employed as Chief Executive Officer of Catalyst on 4 January 2021. The key terms of Mr Robertson's employment is a base salary of \$300,000 per annum with statutory superannuation. Mr Robertson and the Company are required to provide three months notice for termination, unless the termination is for cause and then no notice period is required. Mr Robertson is entitled to a six month redundancy in there is a material change in his role or responsibilities. Mr Robertson is also entitled to receive the following options, which to date have not yet been granted:

- 250,000 exercisable at higher of \$3 or 15% premium to the 10 day VWAP for the period 4 – 15 January 2021, expiring in 4 years and vesting 6 months after the commencement date
- 250,000 exercisable at \$0.50 above the initial exercise price, expiring in 4.5 years and vesting 12 months after the commencement date
- 250,000 exercisable at \$1.00 above the initial exercise price, expiring in 5 years and vesting 18 months after the commencement date
- 250,000 exercisable at \$1.50 above the initial exercise price, expiring in 5.5 years and vesting 24 months after the commencement date

Should Mr Robertson cease employment with the Company then will only be entitled to retain options that have vested during the period of employment.

Mr Dion Alford was employed as General Manager of the Henty Gold Mine on 1 February 2021. The key terms of Mr Alford's employment is a base salary of \$310,000 per annum with statutory superannuation. Mr Alford receives company housing and a motor vehicle. Mr Alford and the Company are required to provide three months notice for termination, unless the termination is for cause and then no notice period is required. In the event of redundancy then Mr Alford is entitled to redundancy pay in accordance with the National Employment Standards.

SHARE-BASED COMPENSATION

Shares

No shares were issued as compensation during the financial year (2020: Nil).

Options

Options over shares in the Company are granted under the Catalyst Metals Limited Employee Incentive Plan ("Incentive Plan"). The purpose of the Incentive Plan is to provide employees, Directors, executive officers and consultants with an opportunity, in the form of options or other incentives, to subscribe for ordinary shares in the Group. The Directors consider the Incentive Plan enables the Group to retain and attract skilled and experienced employees, board members and executive officers and provide them with the motivation to contribute to the growth and future success of the Group.

During the financial year no options were issued as compensation (2020: Nil).

CATALYST METALS LIMITED

DIRECTORS' REPORT

REMUNERATION REPORT (Continued)

Performance Rights

Performance Rights over shares in the Company are granted under the Catalyst Metals Limited Performance Rights Plan ("Performance Rights Plan"). The objective of the Performance Rights Plan is to attract, motivate and retain employees, Directors and consultants ("Eligible Participants") of the Company by providing performance related incentives and rewards. Subject to certain criteria being satisfied, the Board may offer Eligible Participants performance rights which upon vesting will entitle the holder to one ordinary fully paid share in the Company for each performance right held.

During the financial year no performance rights were issued as compensation (2020: Nil).

SHARE AND OPTION HOLDINGS

Option holdings

The number of options over ordinary shares in the Company held during the year by each Director of the Company and other key management personnel, including their personally related parties, are set out below:

2021 – Options Holdings

Name	Balance at beginning of year	Granted as compensation	Exercised	Other changes	Balance at end of year	Vested and exercisable
S Boston	458,477	-	-	-	458,477	458,477
R Scrimgeour	531,074	-	-	-	531,074	531,074
G Schwab	-	-	-	-	-	-
B Kay	205,301	-	-	-	205,301	205,301
B Robertson	-	-	-	31,145	31,145	31,145
D Alford	-	-	-	-	-	-

Ordinary Shares

The number of ordinary shares in the Group held during the financial year by each Director and other key management personnel of the Group, including their personally related parties, are set out below. There were no shares granted during the year as compensation.

2021 – Ordinary Share Holdings

Directors	Balance at beginning of year	Purchased	Other Changes	Balance at end of year
S Boston	5,724,172	39,384	-	5,763,556
R Scrimgeour	5,310,732	40,285	-	5,351,017
G Schwab	-	-	-	-
B Kay	2,147,169	14,286	(14,286)	2,147,169
B Robertson	-	-	397,160	397,160
D Alford	-	-	-	-

OTHER TRANSACTIONS WITH KEY MANAGEMENT PERSONNEL AND THEIR RELATED PARTIES

Mr Boston is also a Director of Raisemetrex Pty Ltd which was paid \$60,000 (2020: \$74,734) by the Company to provide an online platform for the administration of capital raisings and electronic communications with shareholders.

CATALYST METALS LIMITED

DIRECTORS' REPORT

REMUNERATION REPORT (Continued)

CONSEQUENCES OF PERFORMANCE ON SHAREHOLDER WEALTH

In considering the Group performance and benefits for shareholder wealth, the factors that are considered to affect total shareholder return are summarised below:

	2021	2020	2019	2018	2017
Net profit (loss) for the period	(102,441)	(1,746,832)	(1,686,017)	(4,241,647)	(1,124,909)
Share price at financial year end (\$)	1.95	2.75	1.96	1.50	0.50
Basic profit (loss) per share (cents per share)	(0.1)	(2.2)	(2.3)	(6.5)	(2.0)

END OF REMUNERATION REPORT

INDEMNIFICATION AND INSURANCE OF DIRECTORS AND OFFICERS

The Group has entered into indemnity agreements with each of the Directors and officers of the Group. Under the agreements, the Group will indemnify those officers against any claim or for any expenses or costs which may arise as a result of work performed in their respective capacities as officers of the Group or any related entities.

INDEMNIFICATION AND INSURANCE OF AUDITOR

The Group has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the company or any related entity against a liability incurred by the auditor.

During the financial year, the company has not paid a premium in respect of a contract to insure the auditor of the Group or any related party.

PROCEEDINGS ON BEHALF OF THE GROUP

No person has applied to the Court under section 237 of the *Corporations Act 2001* for leave to bring proceedings on behalf of the Group, or to intervene in any proceedings to which the Group is a party for the purpose of taking responsibility on behalf of the Group for all or part of those proceedings.

AUDITOR

RSM Australia Partners continues in office in accordance with section 327 of the *Corporations Act 2001*.

NON-AUDIT SERVICES

The Board of Directors, in accordance with advice from the audit committee, is satisfied that the provision of non-audit services during the year is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*. The Directors are satisfied that any non-audit services did not compromise the external auditor's independence for the following reasons:

- all non-audit services are reviewed and approved by the audit committee prior to commencement to ensure they do not adversely affect the integrity and objectivity of the auditor; and
- the nature of the services provided do not compromise the general principles relating to auditor independence in accordance with *APES 110: Code of Ethics for Professional Accountants* set by the Accounting Professional and Ethical Standards Board.

No fees for non-audit services were paid/payable to the external auditors during the year ended 30 June 2021.

CATALYST METALS LIMITED

DIRECTORS' REPORT

OFFICERS OF THE COMPANY WHO ARE FORMER PARTNERS OF RSM AUSTRALIA PARTNERS

There are no officers of the company who are former partners of RSM Australia Partners.

AUDITOR'S INDEPENDENCE DECLARATION

The lead auditor's independence declaration for the year ended 30 June 2021 has been received and immediately follows the Directors' Report.

This report is made in accordance with a resolution of the Directors, pursuant to section 298(2)(a) of the Corporations Act 2021.

Stephen Boston
Chairman



Perth, Western Australia
30 September 2021

RSM Australia Partners

Level 32, Exchange Tower, 2 The Esplanade Perth WA 6000

GPO Box R1253 Perth WA 6844

T +61 (0) 8 9261 9100

F +61 (0) 8 9261 9111

www.rsm.com.au

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the financial report of Catalyst Metals Limited for the year ended 30 June 2021, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- (i) The auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- (ii) Any applicable code of professional conduct in relation to the audit.



David Wall
Partner
RSM Australia Partners

Perth, Western Australia
30 September 2021

CATALYST METALS LIMITED

CONSOLIDATED STATEMENT OF FINANCIAL POSITION As at 30 June 2021

	Note	2021 \$	2020 \$
Current Assets			
Cash and cash equivalents	9	33,518,541	18,335,520
Trade and other receivables	10	2,816,154	262,964
Inventory	11	3,898,595	-
Total Current Assets		40,233,290	18,598,484
Non-Current Assets			
Receivables	10	10,000	10,000
Property, plant and equipment	12	5,814,969	96,867
Exploration and evaluation expenditure	13	30,001,347	5,547,838
Mining development assets	14	6,505,722	-
Total Non-Current Assets		42,332,038	5,654,705
TOTAL ASSETS		82,565,328	24,253,189
Current Liabilities			
Trade and other payables	15	11,640,073	1,036,436
Other - advances	16	215,526	531,634
Lease liabilities	17	224,794	-
Interest bearing liabilities	18	802,595	-
Provisions	19	604,350	-
Deferred consideration payable	26	6,000,000	-
Contingent consideration payable	26	5,000,000	-
Total Current Liabilities		24,487,338	1,568,070
Non-Current Liabilities			
Lease Liabilities	17	220,062	-
Deferred consideration payable	26	800,000	-
Provisions	19	2,912,677	-
Total Non-Current Liabilities		3,932,739	-
TOTAL LIABILITIES		28,420,077	1,568,070
NET ASSETS		54,145,251	22,685,119
Equity			
Contributed equity	20	72,912,682	41,350,109
Share-based payments reserve	21(a)	372,972	372,972
Accumulated losses	21(b)	(19,140,403)	(19,037,962)
TOTAL EQUITY		54,145,251	22,685,119

The above Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

CATALYST METALS LIMITED

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME For the Year Ended 30 June 2021

	Note	2021 \$	2020 \$
Revenue from continuing operations	4	28,508,849	-
Other revenue	5	781,077	940,167
Interest revenue		88,535	97,833
Expenses			
Mining and processing costs		(13,738,002)	-
Depreciation and amortisation relating to gold sales		(1,663,872)	-
Royalties		(2,176,654)	-
Administration, corporate, occupancy and travel costs		(2,125,466)	(806,780)
Personnel		(4,808,586)	(612,153)
Depreciation		(744,327)	(20,097)
Exploration and evaluation expenditure		(4,223,995)	(1,345,802)
Loss before income tax expense from continuing operations	6	(102,441)	(1,746,832)
Income tax benefit	8	-	-
Loss after income tax from continuing operations		(102,441)	(1,746,832)
Other comprehensive income		-	-
Total comprehensive loss for the year		(102,441)	(1,746,832)
Total comprehensive loss attributable to members of the Parent entity		(102,441)	(1,746,832)
Earnings per share for loss attributable to the owners of Catalyst Metals Limited			
Basic loss per share (cents per share)	7	(0.1)	(2.2)
Diluted loss per share (cents per share)	7	(0.1)	(2.2)

The above Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

CATALYST METALS LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY For the Year Ended 30 June 2021

	Contributed Equity	Accumulated losses	Share-based payments reserve	Total
	\$	\$	\$	\$
Balance at 30 June 2019	33,301,230	(17,291,130)	372,972	16,383,072
Total comprehensive loss for the year	-	(1,746,832)	-	(1,746,832)
Transactions with owners in their capacity as owners:				
Issue of shares	7,892,645	-	-	7,892,645
Issue of options	157,785	-	-	157,785
Share issue expenses	(1,551)	-	-	(1,551)
Balance at 30 June 2020	41,350,109	(19,037,962)	372,972	22,685,119
Total comprehensive loss for the year	-	(102,441)	-	(102,441)
Transactions with owners in their capacity as owners:				
Issue of shares	32,281,780	-	-	32,281,780
Issue of options	-	-	-	-
Share issue expenses	(719,207)	-	-	(719,207)
Balance at 30 June 2021	72,912,682	(19,140,403)	372,972	54,145,251

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

CATALYST METALS LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS For the Year Ended 30 June 2021

	Note	2021 \$	2020 \$
Cash Flows from Operating Activities			
Receipts from suppliers		29,825,353	-
Payments for exploration and evaluation		(4,223,995)	(1,345,802)
Payments to suppliers, contractors and employees		(16,917,625)	(1,949,357)
Research and development tax offsets received		438,919	225,620
Other income		342,158	714,547
Interest received		88,535	97,833
Net cash flows provided/(used) in operating activities	22	<u>9,553,345</u>	<u>(2,257,159)</u>
Cash Flows from Investing Activities			
Payment for purchase of business net of cash acquired		(5,444,682)	-
Payments for property, plant and equipment		(3,429,024)	(109,022)
Payment for mine development assets		(4,461,057)	-
Payments for exploration and evaluation		<u>(5,884,621)</u>	<u>(3,591,357)</u>
Net cash flows used in investing activities		<u>(19,219,384)</u>	<u>(3,700,379)</u>
Cash Flows from Financing Activities			
Proceeds from issue of shares and other equity securities		25,081,781	8,050,430
Share issue expenses		(719,208)	(1,551)
Proceeds from borrowings		802,595	-
Joint venture exploration advances received	13	5,614,506	3,820,441
Joint venture exploration advances expended	13	<u>(5,930,614)</u>	<u>(3,473,715)</u>
Net cash flows provided from financing activities		<u>24,849,060</u>	<u>8,395,605</u>
Net increase in cash and cash equivalents		15,183,021	2,438,067
Cash and cash equivalents at the beginning of the financial year		<u>18,335,520</u>	<u>15,897,453</u>
Cash and cash equivalents at the end of the financial year	9	<u><u>33,518,541</u></u>	<u><u>18,335,520</u></u>

The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

NOTES TO THE FINANCIAL STATEMENTS For The Year Ended 30 June 2021

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

(a) New, revised or amending Accounting Standards and Interpretations adopted

The consolidated entity has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

(b) Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001, as appropriate for for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

Historical cost convention

The financial statements have been prepared under the historical cost convention, except for, where applicable, the revaluation of available-for-sale financial assets, financial assets and liabilities at fair value through profit or loss, investment properties, certain classes of property, plant and equipment and derivative financial instruments.

(c) Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Consolidated Entity's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 2.

(d) Parent entity information

In accordance with the Corporations Act 2001, these financial statements present the results of the consolidated entity only. Supplementary information about the parent entity is disclosed in note 32.

(e) Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Catalyst Metals Limited ('company' or 'parent entity') as at 30 June 2021 and the results of all subsidiaries for the year then ended. Catalyst Metal Limited and its subsidiaries together are referred to in these financial statements as the 'consolidated entity'.

Subsidiaries are all those entities over which the consolidated entity has control. The consolidated entity controls an entity when the consolidated entity is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the consolidated entity. They are de-consolidated from the date that control ceases.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Intercompany transactions, balances and transactions between entities in the consolidated entity are eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the consolidated entity.

CATALYST METALS LIMITED

NOTES TO THE FINANCIAL STATEMENTS For The Year Ended 30 June 2021

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(f) Operating segments

Operating segments are presented using the 'management approach', where the information presented is on the same basis as the internal reports provided to the Chief Operating Decision Makers ('CODM'). The CODM is responsible for the allocation of resources to operating segments and assessing their performance.

(g) Revenue

Revenue from contracts with customers is recognised based on the transfer of promised goods or services to customers with an amount that reflects the consideration to which the Group expects to be entitled to in exchange for those goods or services.

Sale of gold and other metals

Sale of gold and other metals is recognised at the point of sale, which is where the customer has taken delivery of the goods, the risks and rewards are transferred to the customer and there is a valid sales contract. Amounts disclosed as revenue are net of sales returns and trade discounts.

Interest

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

Other revenue

Other revenue is recognised when it is received or when the right to receive payment is established.

(h) Impairment

At each reporting date, the Group reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the income statement.

Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

(i) Cash and cash equivalents

For the purpose of the cash flow statement, cash includes cash on hand and at call deposits with banks or financial institutions and investments in money market instruments with less than 30 days to maturity.

(j) Trade and other receivables

Trade receivables, loans, and other receivables are recognised at amortised cost, less any allowance for expected credit losses.

(k) Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the Consolidated Entity's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the Consolidated Entity's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended 30 June 2021

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(l) Financial instruments

Recognition and Initial Measurement

Financial assets are measured at amortised cost if they are held within a business model whose objective is to hold assets in order to collect contractual cash flows which arise on specified dates and are solely principal and interest. All other financial instrument assets are classified and measured at fair value through profit or loss unless the entity makes an irrevocable election on initial recognition to present gains and losses on equity instruments (that are not held-for-trading) in other comprehensive income.

Financial assets may be impaired based on an expected credit loss model to recognise an allowance. Such impairment is measured with a 12-month expected credit loss model unless the credit risk on a financial instrument has increased significantly since initial recognition in which case the lifetime expected credit loss model is adopted

For financial liabilities, the portion of the change in fair value that relates to the Group's credit risk is presented in other comprehensive income.

Fair value

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

Impairment

At each reporting date, the Group assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen. Impairment losses are recognised in the income statement.

(m) Exploration and Evaluation Expenditure

Exploration and evaluation expenditure incurred by or on behalf of the Group is accumulated separately for each area of interest. Such expenditure comprises net direct costs and an appropriate portion of related overhead expenditure. Each area of interest is limited to a size related to a known or probable mineral resource capable of supporting a mining operation.

Exploration expenditure for each area of interest is written off as incurred, except that it may be carried forward provided that such costs are expected to be recouped through successful development and exploitation of the area of interest or, alternatively, by its sale. The Group performs impairment testing when facts and circumstances suggest the carrying amount has been impaired. If it was determined that the asset was impaired it would be immediately written off to the income statement.

Expenditure is not carried forward in respect of any area of interest unless the Group's right of tenure to that area of interest is current. Expenditures incurred before the Group has obtained legal rights to explore a specific area is expensed as incurred. Amortisation is not charged on areas under development, pending commencement of production.

(n) Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

(o) Provisions

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the balance sheet date.

NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended 30 June 2021

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(p) Employee entitlements

Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled within 12 months of the reporting date are recognised in current liabilities in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled.

Other long-term employee benefits

The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are recognised in non-current liabilities, provided there is an unconditional right to defer settlement of the liability. The liability is measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Defined contribution superannuation expense

Contributions to defined contribution superannuation plans are expensed in the period in which they are incurred.

Share-based payments

Equity-settled and cash-settled share-based compensation benefits are provided to employees.

Equity-settled transactions are awards of shares, or options over shares that are provided to employees in exchange for the rendering of services. Cash-settled transactions are awards of cash for the exchange of services, where the amount of cash is determined by reference to the share price.

The cost of equity-settled transactions are measured at fair value on grant date. Fair value is independently determined using either the Binomial or Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option, together with non-vesting conditions that do not determine whether the consolidated entity receives the services that entitle the employees to receive payment. No account is taken of any other vesting conditions.

The cost of equity-settled transactions are recognised as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period. The amount recognised in profit or loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.

The cost of cash-settled transactions is initially, and at each reporting date until vested, determined by applying either the Binomial or Black-Scholes option pricing model, taking into consideration the terms and conditions on which the award was granted. The cumulative charge to profit or loss until settlement of the liability is calculated as follows:

- during the vesting period, the liability at each reporting date is the fair value of the award at that date multiplied by the expired portion of the vesting period.
- from the end of the vesting period until settlement of the award, the liability is the full fair value of the liability at the reporting date.

All changes in the liability are recognised in profit or loss. The ultimate cost of cash-settled transactions is the cash paid to settle the liability.

Market conditions are taken into consideration in determining fair value. Therefore, any awards subject to market conditions are considered to vest irrespective of whether or not that market condition has been met, provided all other conditions are satisfied.

NOTES TO THE FINANCIAL STATEMENTS
For The Year Ended 30 June 2021

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(p) Employee entitlements (continued)

If equity-settled awards are modified, as a minimum an expense is recognised as if the modification has not been made. An additional expense is recognised, over the remaining vesting period, for any modification that increases the total fair value of the share-based compensation benefit as at the date of modification.

If the non-vesting condition is within the control of the consolidated entity or employee, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the consolidated entity or employee and is not satisfied during the vesting period, any remaining expense for the award is recognised over the remaining vesting period, unless the award is forfeited.

If equity-settled awards are cancelled, it is treated as if it has vested on the date of cancellation, and any remaining expense is recognised immediately. If a new replacement award is substituted for the cancelled award, the cancelled and new award is treated as if they were a modification.

(q) Income tax

The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:

- When the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or
- When the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The carrying amount of recognised and unrecognised deferred tax assets are reviewed at each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.

Catalyst Metals Ltd and its wholly-owned Australian subsidiaries have formed an income tax consolidated group under the tax consolidation regime. The head entity and each subsidiary in the tax consolidated group continue to account for their own current and deferred tax amounts. The tax consolidated group has applied the 'separate taxpayer within group' approach in determining the appropriate amount of taxes to allocate to members of the tax consolidated group.

In addition to its own current and deferred tax amounts, the head entity also recognises the current tax liabilities (or assets) and the deferred tax assets arising from unused tax losses and unused tax credits assumed from each subsidiary in the tax consolidated group.

NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended 30 June 2021

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(q) Income tax (continued)

Assets or liabilities arising under tax funding agreements with the tax consolidated entities are recognised as amounts receivable from or payable to other entities in the tax consolidated group. The tax funding arrangement ensures that the intercompany charge equals the current tax liability or benefit of each tax consolidated group member, resulting in neither a contribution by the head entity to the subsidiaries nor a distribution by the subsidiaries to the head entity.

(r) Earnings per share

Basic earnings per share is determined by dividing the profit from ordinary activities after related income tax expense by the weighted average number of ordinary shares outstanding during the financial year.

(s) Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST except:

- where the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

Cash flows are included in the cash flow statement on a gross basis and the GST component of cash flows arising from investing and financial activities, which are recoverable from, or payable to, the taxation authority, are classified as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

(t) Property, Plant and Equipment

Property, plant and equipment are measured on the cost basis and therefore carried at cost less accumulated depreciation and any accumulated impairment. In the event the carrying amount of property, plant and equipment is greater than the estimated recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount and impairment losses are recognised in profit or loss. A formal assessment of recoverable amount is made when impairment indicators are present.

The carrying amount of property, plant and equipment is reviewed annually by Directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the asset's employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

Depreciation

The depreciable amount of all fixed assets, but excluding freehold land, is depreciated on a straight-line basis over the asset's useful life to the consolidated entity commencing from the time the asset is held ready for use.

NOTES TO THE FINANCIAL STATEMENTS
For The Year Ended 30 June 2021

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(f) Property, Plant and Equipment (continued)

The depreciation rates used for each class of depreciable assets are:

Class of Fixed Asset	Depreciation Rate
Land and buildings	0 – 8%
Plant and equipment	11 - 33.33%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the statement of comprehensive income.

(u) Issued Capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

(v) Joint ventures

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement. Investments in joint ventures are accounted for using the equity method. Under the equity method, the share of the profits or losses of the joint venture is recognised in profit or loss and the share of the movements in equity is recognised in other comprehensive income. Investments in joint ventures are carried in the statement of financial position at cost plus post-acquisition changes in the consolidated entity's share of net assets of the joint venture. Goodwill relating to the joint venture is included in the carrying amount of the investment and is neither amortised nor individually tested for impairment. Income earned from joint venture entities reduce the carrying amount of the investment.

(w) Business Combinations

The acquisition method of accounting is used to account for business combinations regardless of whether equity instruments or other assets are acquired.

The consideration transferred is the sum of the acquisition-date fair values of the assets transferred, equity instruments issued or liabilities incurred by the acquirer to former owners of the acquiree and the amount of any non-controlling interest in the acquiree. For each business combination, the non-controlling interest in the acquiree is measured at either fair value or at the proportionate share of the acquiree's identifiable net assets. All acquisition costs are expensed as incurred to profit or loss.

On the acquisition of a business, the consolidated entity assesses the financial assets acquired and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic conditions, the consolidated entity's operating or accounting policies and other pertinent conditions in existence at the acquisition-date.

Where the business combination is achieved in stages, the consolidated entity remeasures its previously held equity interest in the acquiree at the acquisition-date fair value and the difference between the fair value and the previous carrying amount is recognised in profit or loss.

Contingent consideration to be transferred by the acquirer is recognised at the acquisition-date fair value. Subsequent changes in the fair value of the contingent consideration classified as an asset or liability is recognised in profit or loss. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity.

NOTES TO THE FINANCIAL STATEMENTS
For The Year Ended 30 June 2021

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(w) Business Combinations (continued)

The difference between the acquisition-date fair value of assets acquired, liabilities assumed and any non-controlling interest in the acquiree and the fair value of the consideration transferred and the fair value of any pre-existing investment in the acquiree is recognised as goodwill. If the consideration transferred and the pre-existing fair value is less than the fair value of the identifiable net assets acquired, being a bargain purchase to the acquirer, the difference is recognised as a gain directly in profit or loss by the acquirer on the acquisition-date, but only after a reassessment of the identification and measurement of the net assets acquired, the non-controlling interest in the acquiree, if any, the consideration transferred and the acquirer's previously held equity interest in the acquirer.

Business combinations are initially accounted for on a provisional basis. The acquirer retrospectively adjusts the provisional amounts recognised and also recognises additional assets or liabilities during the measurement period, based on new information obtained about the facts and circumstances that existed at the acquisition-date. The measurement period ends on either the earlier of (i) 12 months from the date of the acquisition or (ii) when the acquirer receives all the information possible to determine fair value.

(x) New Accounting Standards and Interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the consolidated entity for the annual reporting period ended 30 June 2021. The consolidated entity has not yet assessed the impact of these new or amended Accounting Standards and Interpretations.

(y) Foreign currency translation

The financial statements are presented in Australian dollars, which is the Group's functional and presentation currency.

(z) Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the consolidated entity's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the consolidated entity's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

(aa) Impairment of non-financial assets

Non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

NOTES TO THE FINANCIAL STATEMENTS
For The Year Ended 30 June 2021

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(ab) Inventories

Inventories are stated at the lower of cost and net realisable value on a 'weighted average' basis. Cost comprises direct materials and delivery costs, direct labour, import duties and other taxes, an appropriate proportion of variable and fixed overhead expenditure based on normal operating capacity, and, where applicable, transfers from cash flow hedging reserves in equity. Costs of purchased inventory are determined after deducting rebates and discounts received or receivable

Cost is determined on the following basis:

- (a) Gold and other metals on hand is valued on an average total production cost method
- (b) Ore stockpiles are valued at the average cost of mining and stockpiling the ore, including haulage
- (c) A proportion of related depreciation and amortisation charge is included in the cost of inventory

Stock in transit is stated at the lower of cost and net realisable value. Cost comprises of purchase and delivery costs, net of rebates and discounts received or receivable.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

(ac) Mining assets

Capitalised mining development costs include expenditures incurred to develop new ore bodies to define further mineralisation in existing ore bodies, to expand the capacity of a mine and to maintain production. Mining development also includes costs transferred from exploration and evaluation phase once production commences in the area of interest.

Amortisation of mining development is computed by the units of production basis over the estimated proved and probable reserves. Proved and probable mineral reserves reflect estimated quantities of economically recoverable reserves which can be recovered in the future from known mineral deposits. These reserves are amortised from the date on which production commences. The amortisation is calculated from recoverable proven and probable reserves and a predetermined percentage of the recoverable measured, indicated and inferred resource. This percentage is reviewed annually.

NOTES TO THE FINANCIAL STATEMENTS
For The Year Ended 30 June 2021

2. CRITICAL ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Exploration and evaluation costs

The Group's accounting policy for exploration and evaluation is set out in note 1(l). The application of this policy necessarily requires management to make certain estimates and assumptions as to future events and circumstances, in particular the assessment of whether economic quantities of reserves may be found. Any such estimates and assumptions may change as new information becomes available.

Unit-of-production method of depreciation/amortisation

The Group uses the unit-of-production basis when depreciating/amortising life of mine specific assets which results in a depreciation/amortisation charge proportionate to the depletion of the anticipated remaining life of mine production. Each asset's economic life, which is assessed annually, has due regard for both its physical life limitations and to present assessments of economically recoverable mine plan of the mine property at which it is located. These calculations require the use of estimates and assumptions.

Coronavirus (COVID-19) pandemic

Judgement has been exercised in considering the impacts that the Coronavirus (COVID-19) pandemic has had, or may have, on the consolidated entity based on known information. This consideration extends to the nature of the supply chain, staffing and geographic regions in which the consolidated entity operates. Other than as addressed in specific notes, there does not currently appear to be either any significant impact upon the financial statements or any significant uncertainties with respect to events or conditions which may impact the consolidated entity unfavourably as at the reporting date or subsequently as a result of the Coronavirus (COVID-19) pandemic.

Employee benefits provision

As discussed in note 1, the liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

Rehabilitation provision

A provision has been made for the present value of anticipated costs for future rehabilitation of land explored or mined. The consolidated entity's mining and exploration activities are subject to various laws and regulations governing the protection of the environment. The consolidated entity recognises management's best estimate for assets retirement obligations and site rehabilitations in the period in which they are incurred. Actual costs incurred in the future periods could differ materially from the estimates. Additionally, future changes to environmental laws and regulations, life of mine estimates and discount rates could affect the carrying amount of this provision.

CATALYST METALS LIMITED

NOTES TO THE FINANCIAL STATEMENTS For The Year Ended 30 June 2021

3. Operating segments

Identification of reportable operating segments

The consolidated entity is organised into two operating segments, being mining and exploration operations. These operating segments are based on the internal reports that are reviewed and used by the Board of Directors (who are identified as the Chief Operating Decision Makers ('CODM')) in assessing performance and in determining the allocation of resources.

The CODM reviews EBITDA (earnings before interest, tax, depreciation and amortisation). The accounting policies adopted for internal reporting to the CODM are consistent with those adopted in the financial statements.

The information reported to the CODM is on a monthly basis.

Types of products and services

The principal products and services of these operating segments are the mining and exploration operations in Australia.

Major customers

During the year ended 30 June 2021 approximately \$26.3 million (2020: nil) of the consolidated entity's external revenue was derived from sales to a major Australian gold exporter.

Geographical information

The consolidated entity is one geographical segment, Australia.

Operating segment information by activity

	Sales to external customers		Non-current assets	
	2021	2020	2021	2020
	\$	\$	\$	\$
Exploration	-	-	11,543,968	5,644,705
Mining Operations	28,508,849	-	30,778,070	-
	<u>28,508,849</u>	<u>-</u>	<u>42,322,038</u>	<u>5,644,705</u>
			2021	2020
			\$	\$

4. Revenue

From Continuing Operations

Sale of gold and other metals	28,508,849	-
	<u>28,508,849</u>	<u>-</u>

Revenue is recorded once goods are transferred at a point in time.

5. Other income

Research and development tax offset recovery	438,919	225,660
Government grants	67,500	337,200
Administration recovery fees	268,069	377,307
Other	6,589	-
	<u>781,077</u>	<u>940,167</u>

CATALYST METALS LIMITED

NOTES TO THE FINANCIAL STATEMENTS For The Year Ended 30 June 2021

	2021 \$	2020 \$
6. Expenses		
<i>Loss before income tax includes the following specific expenses:</i>		
Depreciation	744,327	20,097
Directors' fees	478,603	330,690
Exploration and evaluation expenditure (refer note 1(l))	4,223,995	1,345,802

	2021 No. of Shares	2020 No. of Shares
7. Earnings per Share		
Weighted average number of ordinary shares for basic and diluted earnings per share	89,771,426	80,961,276

	2021 \$	2020 \$
8. Income tax		
Loss before tax	(102,441)	(1,746,832)
Prima facie tax on operating loss before income tax at 26% (2020: 27.5%)	26,635	480,379
Tax effect of:		
- non deductible items	172,416	(124,415)
Deferred tax asset not brought to account at the reporting date as realisation of the benefit is not probable	(199,051)	(355,964)
Income tax attributable to operating loss	-	-

Unrecognised deferred tax

The Group has \$21,403,064 (2020: \$17,626,456) tax losses arising in Australia that are available indefinitely for offset against future profit of the companies in which the losses arose.

The potential deferred tax asset of \$5,564,797 (2020: \$4,847,276), arising from tax losses and temporary differences (as disclosed above), has not been recognised as an asset because recovery of tax losses and temporary differences is not considered probable.

The potential deferred tax asset will only be obtained if:

- the relevant Group derives future assessable income of a nature and an amount sufficient to enable the benefit to be realised;
- the relevant Group continues to comply with the conditions for deductibility imposed by tax legislation; and
- no changes in tax legislation adversely affect the relevant Group in realising the benefit from the deduction for the losses.

CATALYST METALS LIMITED

NOTES TO THE FINANCIAL STATEMENTS For The Year Ended 30 June 2021

	2021 \$	2020 \$
9. Cash and cash equivalents		
Cash at bank	30,408,541	18,225,520
Cash on deposit	3,110,000	110,000
	<u>33,518,541</u>	<u>18,335,520</u>

The cash at bank includes \$510,301 (2020: \$1,238,656) held in trust by Catalyst's subsidiaries, Kite Gold Pty Ltd (advanced by Gold Exploration Victoria Pty Ltd as funds provided in advance for exploration expenditure on the Four Eagles Gold Project joint venture and Boort Project joint venture) and Tandarra Management Pty Ltd (advanced by Navarre Minerals Limited as funds provided in advance for exploration expenditure on the Tandarra Gold Project joint venture).

	2021 \$	2020 \$
10. Trade and other receivables		
Current		
Trade debtors	344,257	-
GST receivable	187,846	154,377
Prepayments	1,481,653	-
Other	802,398	108,587
	<u>2,816,154</u>	<u>262,964</u>
Non-current		
Environmental Rehabilitation Bond	10,000	10,000
	<u>10,000</u>	<u>10,000</u>

Fair value and credit risk

Due to the short term nature of the receivables, their carrying value is assumed to approximate their fair value.

	2021 \$	2020 \$
11. Inventories		
Gold stocks	1,532,162	-
Stock on hand – parts and consumables	2,366,433	-
	<u>3,898,595</u>	<u>-</u>

	2021 \$	2020 \$
12. Property, plant and equipment		
Land and buildings – at cost	278,954	-
Less: accumulated depreciation	<u>(15,362)</u>	<u>-</u>
	<u>263,592</u>	<u>-</u>
Plant and equipment – at cost	5,956,591	152,192
Less: accumulated depreciation	<u>(405,214)</u>	<u>(55,325)</u>
	<u>5,551,377</u>	<u>96,867</u>
	<u>5,814,969</u>	<u>96,867</u>

CATALYST METALS LIMITED

NOTES TO THE FINANCIAL STATEMENTS For The Year Ended 30 June 2021

12. Property, plant and equipment (continued)

Reconciliations

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below

	Land and Buildings \$	Plant and equipment \$	Total \$
Balance at 1 July 2019	-	7,942	7,942
Additions	-	109,022	109,022
Depreciation expense	-	(20,097)	(20,097)
Balance at 30 June 2020	-	96,867	96,867
Additions	-	3,429,024	3,429,024
Additions through business combination	278,954	2,375,375	2,654,329
Depreciation expense	(15,362)	(349,889)	(365,251)
Balance at 30 June 2021	263,592	5,551,377	5,814,969

	2021 \$	2020 \$
13. Exploration and evaluation expenditure		
Opening balance	5,547,838	1,956,481
Additions	5,884,623	3,591,357
Additions through business combination	17,810,851	-
Closing balance	29,243,312	5,547,838
Mining rights		
Opening balance	-	-
Additions through business combination	1,137,111	-
Depreciation expense	(379,076)	-
Closing balance	758,035	-
	30,001,347	5,547,838

The ultimate recoupment of balances carried forward in relation to areas of interest still in the exploration or evaluation phase is dependent on successful development, and commercial exploitation, or alternatively sale of the respective areas. The Group conducts impairment testing when indicators of impairment are present at the reporting date.

	2021 \$	2020 \$
14. Mining Development Assets		
Capitalised mine development	6,505,722	-
	6,505,722	-
Opening Balance	-	-
Additions	4,461,057	-
Additions through business combination	3,708,537	-
Amortisation Expenses	(1,663,872)	-
	6,505,722	-

CATALYST METALS LIMITED

NOTES TO THE FINANCIAL STATEMENTS For The Year Ended 30 June 2021

	2021 \$	2020 \$
15. Trade and other payables		
Current Payables		
Trade creditors	5,312,075	588,966
Accruals	6,327,998	447,470
	<u>11,640,073</u>	<u>1,036,436</u>

Included in the current payables is an aggregate amount of \$1,203,467 (2020: \$257,511) incurred in relation to the Four Eagles Gold Project and Tandarra Gold Project which is payable by Gold Exploration Victoria Pty Ltd and Navarre Mineral Limited.

Due to the short term nature of these payables, their carrying value is assumed to approximate their fair value. Trade and other payables are non-interest bearing and normally settled on 30-day terms.

	2021 \$	2020 \$
16. Advances		
Opening Balance of Advance from Joint Venture Partners	531,634	184,908
Advances received from Joint Venture Partners	5,614,506	3,820,441
Exploration expenditure	<u>(5,930,614)</u>	<u>(3,473,715)</u>
Closing Balance of Advance/(Receivable) from Joint Venture Partners	<u>215,526</u>	<u>531,634</u>
	<u>215,526</u>	<u>531,634</u>

The (receivable)/advance from Joint Venture Partners relates to monies (receivable)/advanced (from)/to Kite Gold Pty Ltd, Tandarra Management Pty Ltd, Kite Operations Pty Ltd and Silkfield Holdings Pty Ltd for their contribution to exploration expenditure on the Four Eagles, Tandarra, Boort and Drummartin Gold Projects.

	2021 \$	2020 \$
17. Lease liabilities		
Current	224,794	-
Non - current	<u>220,062</u>	<u>-</u>
	<u>444,856</u>	<u>-</u>

	2021 \$	2020 \$
18. Interest bearing liabilities		
Opening balance	-	-
Additions	<u>802,595</u>	<u>-</u>
Closing balances	<u>802,595</u>	<u>-</u>

Interest bearing liabilities relate to insurance premium funding which is repayable by October 2021. An interest rate of 2.7% applies.

CATALYST METALS LIMITED

NOTES TO THE FINANCIAL STATEMENTS For The Year Ended 30 June 2021

	2021 \$	2020 \$
19. Provisions		
Current	604,350	-
Non - current	2,912,677	-
	<u>3,517,027</u>	<u>-</u>
Provision for employee benefits	604,350	-
Provision for rehabilitation	2,912,677	-
	<u>3,517,027</u>	<u>-</u>

Rehabilitation

The provision represents the present value of estimated costs for future rehabilitation of land explored or mined by the consolidated entity at the end of the exploration or mining activity.

	Note	2021 Number	2021 \$	2020 Number	2020 \$
20. Contributed Equity					
(a) Share capital					
Ordinary shares					
Fully paid	20(c)	98,295,723	72,754,897	82,399,646	41,192,324
(b) Other equity securities					
Options – Listed	20(d)	7,881,996	157,785	7,882,048	157,785
Options – Unlisted	25	-	-	1,000,000	-
Total contributed equity			<u>72,912,682</u>		<u>41,350,109</u>
(c) Movements in Ordinary Shares					

Details	Number of Shares	Issue Price	\$
Balance at 30 June 2019	78,892,444		33,301,230
Issue of shares –			
Exercise of listed options	7,202	\$2.45	17,645
Issue of shares –			
Exercise of unlisted options			
Issue of shares –			
Share Placement	3,500,000	\$2.25	7,875,000
Capital raising expenses	-	-	(1,551)
Balance at 30 June 2020	82,399,646		41,192,324
Issue of shares –			
Exercise of listed options	52	\$2.45	127
Issue of shares –			
Exercise of unlisted options	1,000,000	\$1.00	1,000,000
Issue of shares –			
Share Placement	14,896,025	\$2.10	31,281,653
Capital raising expenses	-	-	(719,207)
Balance at 30 June 2021	98,295,723		72,754,897

CATALYST METALS LIMITED

NOTES TO THE FINANCIAL STATEMENTS For The Year Ended 30 June 2021

20. Contributed Equity (continued)

(d) *Movements in Options - Listed*

Details	Number of Options	Issue Price	\$
Balance at 30 June 2019	-		-
Issue of options – Entitlement offer	7,889,250	\$0.02	157,785
Exercise of options	(7,202)	-	-
Balance at 30 June 2020	7,882,048		157,785
Issue of options – Entitlement offer	-	-	-
Exercise of options	(52)	-	-
Balance at 30 June 2021	7,881,996		157,785

(e) *Ordinary shares*

On a show of hands, every member present in person or by proxy shall have one vote and, upon a poll, each share shall have one vote.

(f) *Capital risk management*

When managing capital, management's objective is to ensure the entity continues as a going concern as well as to maintain optimal returns to shareholders and benefits for other stakeholders. Management also aims to maintain a capital structure that ensures the lowest cost of capital available to the entity.

In order to maintain or adjust the capital structure, the entity may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, enter into joint ventures or sell assets.

The entity does not have a defined share buy-back plan.

There is no current intention to incur debt funding on behalf of the Group as on-going exploration expenditure will be funded via cash reserves, equity or joint ventures with other companies. The Group is not subject to any externally imposed capital requirements.

CATALYST METALS LIMITED

NOTES TO THE FINANCIAL STATEMENTS For The Year Ended 30 June 2021

20. Contributed Equity (continued)

(g) Details of subsidiaries

Details of the Group's subsidiaries at 30 June 2021 are:

Name of subsidiary	Principal activity	Place of incorporation and operation	Proportion of ownership interest and voting power held	
			2021	2020
Silkfield Holdings Pty Ltd	Mineral Exploration	Australia	100%	100%
Kite Gold Pty Ltd	Mineral Exploration	Australia	100%	100%
Kite Operations Pty Ltd	Mineral Exploration	Australia	100%	100%
Tandarra Management Pty Ltd	Mineral Exploration	Australia	100%	100%
Nomad Metals Pty Ltd	Mineral Exploration	Australia	100%	100%
Unity Mining Pty Ltd	Mineral Exploration	Australia	100%	-
Henty Gold Pty Ltd	Gold Ore Production	Australia	100%	-
Four Eagles JV Property Pty Ltd	Property	Australia	50%	

21. Reserves & Accumulated Losses

(a) Reserves

	2021 \$	2020 \$
Share-based payments reserve		
Balance at the beginning of the year	372,972	372,972
Movements during the year	-	-
Balance at the end of the year	372,972	372,972

The share-based payments reserve records the value of share options issued by the Group.

(b) Accumulated losses

Balance at the beginning of the year	(19,037,962)	(17,291,130)
Loss for the year	(102,441)	(1,746,832)
Balance at the end of the year	(19,140,403)	(19,037,962)

CATALYST METALS LIMITED

NOTES TO THE FINANCIAL STATEMENTS For The Year Ended 30 June 2021

22. Notes to the Cash Flow Statement

(a) Reconciliation of net cash used in operating activities to operating loss after income tax

	2021 \$	2020 \$
Operating loss after tax	(102,441)	(1,746,832)
Add non-cash items:		
Depreciation	744,327	20,097
Depreciation and amortisation relating to gold sales	1,663,872	
Changes in net assets and liabilities		
(Increase)/decrease in receivables	1,316,506	(140,292)
(Increase)/decrease in inventory	(433,310)	-
(Decrease)/increase in other assets	(2,128,689)	(390,132)
(Decrease)/increase in payables	8,493,080	-
Net cash provided/(used) in operating activities	9,553,345	(2,257,159)

(b) Non-cash financing and investing activities

The Group did not have any non-cash financing or investing activities during the year (2020: Nil).

23. Key Management Personnel Compensation

(a) Directors and Specified Executives

The names and positions held by key management personnel in office at any time during the year are:

Directors

S Boston	Non-Executive Chairman (appointed 1 September 2009)
R Scrimgeour	Non-Executive Director (appointed 1 September 2009)
G Schwab	Non-Executive Director (appointed 8 December 2009)
B Kay	Non-Executive Director (appointed 9 February 2011)

Management

B Robertson	Chief Executive Officer (appointed 2 January 2021)
D Alford	General Manager Operations (appointed 1 February 2021)

All of the above directors were also key management persons during the year ended 30 June 2020.

(b) Key management personnel remunerations

	2021 \$	2020 \$
Short-term employee benefits	1,000,586	535,798
Post-employment benefits	92,390	43,203
	1,092,976	579,001

CATALYST METALS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended 30 June 2021

Detailed remuneration disclosures are provided in the Remuneration Report section of the Director's Report.

23. Key Management Personnel Compensation (continued)

(c) Equity instrument disclosures relating to key management personnel

- (i) *Options provided as remuneration and shares issued on exercise of such options*
Details of options provided as remuneration and share issued on the exercise of such options, together with terms and conditions of the options, can be found in the Remuneration Report section of the Directors' Report.
- (ii) *Option holdings*
The number of options over ordinary shares in the Company held during the year by each Director of the Company and other key management personnel, including their personally related parties, are set out below:

2021

Directors	Balance at beginning of year	Granted as compensation	Exercised	Other changes	Balance at end of year	Vested and exercisable
S Boston	458,477	-	-	-	458,477	458,477
R Scrimgeour	531,074	-	-	-	531,074	531,074
G Schwab	-	-	-	-	-	-
B Kay	205,301	-	-	-	205,301	205,301
B Robertson	-	-	-	31,145	31,145	31,145
D Alford	-	-	-	-	-	-

2020

Directors	Balance at beginning of year	Granted as compensation	Exercised	Other changes	Balance at end of year	Vested and exercisable
S Boston	-	-	-	458,477	458,477	458,477
R Scrimgeour	-	-	-	531,074	531,074	531,074
G Schwab	-	-	-	-	-	-
B Kay	-	-	-	205,301	205,301	205,301

- (iii) *Shareholdings*
Ordinary Shares
The number of ordinary shares in the Group held during the financial year by each Director and other key management personnel of the Group, including their personally related parties, are set out below. There were no shares granted during the year as compensation.

2021

Directors	Balance at beginning of year	Purchased	Other changes	Balance at end of year
S Boston	5,724,172	39,384	-	5,763,556
R Scrimgeour	5,310,732	40,285	-	5,351,017
G Schwab	-	-	-	-
B Kay	2,147,169	14,286	(14,286)	2,147,169
B Robertson	-	-	397,160	397,160
D Alford	-	-	-	-

CATALYST METALS LIMITED

NOTES TO THE FINANCIAL STATEMENTS For The Year Ended 30 June 2021

23. Key Management Personnel Compensation (continued)

(c) Equity instrument disclosures relating to key management personnel (continued)

2020

Directors	Balance at beginning of year	Purchased	Other changes	Balance at end of year
S Boston	5,835,974	-	(111,802)	5,724,172
R Scrimgeour	5,310,732	-	-	5,310,732
G Schwab	-	-	-	-
B Kay	2,232,994	-	(85,825)	2,147,169

24. Related Party Disclosures

Key Management Personnel

- (i) Mr Boston's Directors' fees and consulting fees for the year were \$216,800 (2020: \$196,662) of which \$16,267 was accrued and outstanding at year end. Mr Boston is also a Director of Raisemetrex Pty Ltd which was paid \$60,000 by the Company to provide an online platform for the administration of capital raisings and electronic communications with shareholders.
- (ii) Mr Kay's Directors' fees and consulting fees for the year were \$212,677 (2020: \$199,255).
- (iii) Mr Scrimgeour's Directors' fees for the year were \$81,030 (2020: \$81,030).
- (iv) Mr Schwab's Directors' fees and consulting fees for the year were \$121,638 (2020: \$102,054) of which \$6,167 was accrued and outstanding at year end.

All transactions were made on normal commercial terms and conditions and at market rates.

25. Share Based Payments

The Company has adopted an Employee Incentive Plan that allows for share options to be granted to eligible employees and officers of the Group. The number of share options that can be issued under the plan cannot exceed 5% of the total number of shares on issue. The terms and conditions of the share options issued under the plan are at the discretion of the Board. During the year no options were issued (2020: nil).

Options issued

The Company has issued equity based payments to key corporate and strategic consultants of the Company to provide an incentive for their future involvement and commitment.

	2021		2020	
	Number of Options	Weighted Average Exercise Price \$	Number of Options	Number of Options
Opening amounts	1,000,000	\$1.00	1,000,000	\$1.00
Exercised during the year	(1,000,000)	\$1.00	-	-
Closing amount	-	-	1,000,000	\$1.00

CATALYST METALS LIMITED

NOTES TO THE FINANCIAL STATEMENTS For The Year Ended 30 June 2021

25. Share Based Payments (continued)

2021

Issue date	Expiry date	Balance at start of year	Exercise Price	Number issued during year	Number exercised during year	Number expired during year	Balance at end of year	Number exercisable at end of year
7 Nov 2016	31 Oct 2020	1,000,000	\$1.00	-	(1,000,000)	-	-	-

2020

Issue date	Expiry date	Balance at start of year	Exercise Price	Number issued during year	Number exercised during year	Number expired during year	Balance at end of year	Number exercisable at end of year
7 Nov 2016	31 Oct 2020	1,000,000	\$1.00	-	-	-	1,000,000	1,000,000

The weighted average share price during the financial year was \$2.32 (2020: \$2.53).

The weighted average remaining contractual life of options outstanding at the end of the financial year was nil (2020: 0.34 years).

Performance Rights

The Company has adopted a Performance Rights Plan which allows for performance rights to be granted to employees, Directors and consultants of the Group ("Eligible Participants"), by providing performance related incentives and rewards. Subject to certain criteria being satisfied, the Board may offer Eligible Participants performance rights which upon vesting will entitle the holder to one ordinary fully paid share in the Company for each performance right held.

There were no Performance Rights issued in 2021 (2020: Nil).

Directors Shares

There were no Directors shares issued in 2021 (2020: Nil).

26. Business Combination

On 20 January 2021 the group acquired 100% of the shares and voting rights in Unity Mining Pty Ltd (Henty Gold Mine). Henty Gold Mine is a high grade, under ground gold-silver mine with established infrastructure and significant exploration upside in the mineral rich Mt Read Volcanic belt in Western Tasmania, proximate to world class deposits. The operation consists of an underground mine, which is accessible from surface to the series of ore bodies via shaft and decline, linked to a common portal exit, and a conventional CIL processing plant with a capacity of 300ktpa.

The acquisition includes the transition of the site operating team lead by General Manager, Mr Dion Alford.

As the acquisition of Unity Mining Pty Ltd was completed on 20 January 2021, the accounting for the business combination at 30 June 2021 is provisional.

CATALYST METALS LIMITED

NOTES TO THE FINANCIAL STATEMENTS For The Year Ended 30 June 2021

26. Business Combination (continued)

Details of the acquisition are as follows:

	\$
Cash	555,318
Receivables	1,741,007
Inventories	3,465,285
Property, plant and equipment	2,654,329
Exploration – mining rights	1,137,111
Mining development assets	3,708,538
Payables	(2,743,139)
Provisions	(3,329,300)
Net assets acquired	7,189,149
Exploration and evaluation expenditure	17,810,851
Acquisition – date fair value of the total consideration transferred	25,000,000
Representing:	
Catalyst Limited Shares issued to vendor ⁽¹⁾	7,200,000
Cash Consideration paid	6,000,000
Deferred share consideration ⁽²⁾	800,000
Deferred cash consideration ⁽³⁾	6,000,000
Contingent consideration payable ⁽⁴⁾	5,000,000
	25,000,000

(1) 3,428,572 ordinary shares issued at \$2.10 per share, as partial payment for the acquisition.

(2) Deferred share consideration will be deferred for a minimum of 3 years after purchase at \$2.10 per share

(3) Deferred cash consideration is to be paid on the 6 month (\$3,000,000) and 12 month (\$3,000,000) anniversary of the acquisition

(4) Contingent consideration amount will be calculated as the less of \$5,000,000 or 50% of cashflow to equity generated by Henty in the initial 12 months post acquisition. The payment of contingent consideration will occur as soon as practicable 12 months after acquisition. Management has assessed the probability of the payment as highly likely.

27. Auditor's Remuneration

	2021 \$	2020 \$
Audit or review of the financial statements	59,500	25,600
Other services – audit of joint venture financial statements	17,000	9,200
	76,500	34,800

CATALYST METALS LIMITED

NOTES TO THE FINANCIAL STATEMENTS For The Year Ended 30 June 2021

28. Commitments

There were no outstanding commitments, which are not disclosed in the financial statements as at 30 June 2021 other than:

	2021 \$	2020 \$
(a) Tenement commitments		
No later than 1 year	1,461,750	1,452,500
Later than 1 year but not later than 5 years	-	-
	<u>1,461,750</u>	<u>1,452,500</u>

29. Financial Instruments

	Notes	Floating Interest Rate	1 year or less \$	Over 1-5 years \$	Non-interest bearing \$	Total \$
2021						
Financial assets						
Cash and cash equivalents	9	0.5%	33,518,541	-	-	33,518,541
Trade and other receivables	10	-	-	-	2,826,154	2,826,154
Total financial assets			<u>33,518,541</u>	<u>-</u>	<u>2,826,154</u>	<u>36,344,695</u>
Financial liabilities						
Trade and other payables	15	-	-	-	11,640,073	11,640,073
Advances	16	-	-	-	215,526	215,526
Leases		5%	224,794	220,062	-	444,856
Deferred payables					11,800,000	11,800,000
Interest bearing liabilities		2.7%	802,595	-	-	802,595
Total financial liabilities			<u>1,027,389</u>	<u>220,062</u>	<u>23,655,599</u>	<u>24,903,050</u>
Net financial assets			<u>32,491,152</u>	<u>(220,062)</u>	<u>(20,829,445)</u>	<u>11,441,645</u>

CATALYST METALS LIMITED

NOTES TO THE FINANCIAL STATEMENTS For The Year Ended 30 June 2021

29. Financial Instruments (continued)

	Notes	Floating Interest Rate	1 year or less \$	Over 1-5 years \$	Non-interest bearing \$	Total \$
2020						
Financial assets						
Cash and cash equivalents	9	0.8%	18,335,520	-	-	18,335,520
Trade and other receivables	10	-	-	-	272,964	272,964
Total financial assets			18,335,520	-	272,964	18,608,484
Financial liabilities						
Trade and other payables	15	-	-	-	1,036,436	1,036,436
Advances	16	-	-	-	531,634	531,634
Total financial liabilities			-	-	1,568,070	1,568,070
Net financial assets			18,335,520	-	(1,495,106)	17,040,414

	2021 \$	2020 \$
Reconciliation of net financial assets to net assets		
Net Financial Assets	11,441,645	17,040,414
Property, plant & equipment	5,814,969	96,867
Exploration expenditure	30,001,347	5,547,838
Capitalised development	6,505,722	-
Inventory	3,898,595	-
Provisions	(3,517,027)	-
Net Assets	54,145,251	22,685,119

Market Risks

Interest rate risks

The Group's exposure to the risks of changes in market interest rates relates primarily to the Group's short-term deposits with a floating interest rate. These financial assets with variable rates expose the Group to cash flow interest rate risk. All other financial assets and liabilities in the form of receivables and payables are non-interest bearing. The Group does not engage in any hedging or derivative transactions to manage interest rate risk.

Interest rate sensitivity

At 30 June 2021, if interest rates had changed by 100 basis points during the entire year with all other variables held constant, profit for the year and equity would have been \$324,911 (2020: \$183,355) lower/higher, mainly as a result of lower/higher interest income from cash and cash equivalents.

A sensitivity of 100 basis points has been selected as this is considered reasonably possible in the current economic environment. Based on the sensitivity analysis only interest revenue from variable rate deposits and cash balances are impacted resulting in a decrease or increase in overall income.

NOTES TO THE FINANCIAL STATEMENTS
For The Year Ended 30 June 2021

29. Financial Instruments (continued)

Credit risk

The maximum exposure to credit risk at balance date is the carrying amount (net of provision of doubtful debts) of those assets as disclosed in the balance sheet and notes to the financial statements. The Group has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral where appropriate, as a means of mitigating the risk of financial loss from defaults. The Group's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties.

Liquidity risk

The responsibility for liquidity risk management rests with the Board of Directors. The Group manages liquidity risk by maintaining sufficient cash or credit facilities to meet the operating requirements of the business and investing excess funds in highly liquid short term investments.

30. Contingent Liabilities and Contingent Assets

The Group does not have any contingent liabilities or contingent assets at 30 June 2021.

31. Subsequent Events

In July 2021 the Company paid \$3,000,000 portion of deferred consideration for the acquisition of the Henty Mine.

The impact of the Coronavirus (COVID-19) pandemic is ongoing and while it has had no significant impact on the Consolidated Entity up to 30 June 2021, it is not practicable to estimate the potential impact, positive or negative, after the reporting date. The situation is rapidly developing and is dependent on measures imposed by the Australian Government and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

32. Parent Entity Disclosure

	2021	2020
	\$	\$
Total current assets	24,293,673	17,372,957
Total assets	57,229,965	17,469,824
Total current liabilities	3,084,714	708,626
Total liabilities	3,084,714	708,626
Equity		
Contributed equity	72,912,682	41,350,109
Share based payments reserve	372,972	372,972
Accumulated losses	(19,140,403)	(24,961,883)
Total equity	54,145,251	16,761,198
Profit (loss) for the year	5,821,480	(5,015,297)
Total comprehensive profit (loss)	5,821,480	(5,015,297)

CATALYST METALS LIMITED

DIRECTORS' DECLARATION

The Directors of the Company declare that in the opinion of the Directors:

1. the financial statements and notes are in accordance with the Corporations Act 2001 and:
 - (a) comply with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
 - (b) give a true and fair view of the consolidated entity's financial position as at 30 June 2021 and of its performance for the year then ended;
2. the financial statements and notes thereto also comply with International Financial Reporting Standards, as disclosed in Note 1;
3. the Directors have been given the declarations required by section 295A of the Corporations Act 2001; and
4. there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a circular resolution of the Board of Directors.



Stephen Boston
Chairman

Dated at Perth this 30th day of September 2021

RSM Australia Partners

Level 32, Exchange Tower, 2 The Esplanade Perth WA 6000
GPO Box R1253 Perth WA 6844

T +61 (0) 8 9261 9100

F +61 (0) 8 9261 9111

www.rsm.com.au

INDEPENDENT AUDITOR'S REPORT To the Members of Catalyst Metals Limited

Opinion

We have audited the financial report of Catalyst Metals Limited (**Company**) and its subsidiaries (**Group**), which comprises the consolidated statement of financial position as at 30 June 2021, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity, and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

- (a) Giving a true and fair view of the Group's financial position as at 30 June 2021 and of its financial performance for the year then ended; and
- (b) Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (**Code**) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed this matter
<i>Capitalised exploration and evaluation expenditure</i> Refer to Note 13 in the financial statements	
The Group has capitalised exploration and evaluation expenditure with a carrying value of \$30,001,347 as at 30 June 2021. We considered this to be a key audit matter due to the significant management judgments involved in assessing the carrying value of the asset including: • Determination of whether the exploration and evaluation expenditure can be associated with finding specific mineral resources and the basis on which that expenditure is allocated to an area of interest; • Assessing whether any indicators of impairment are present and, if so, judgement applied to determine and quantify any impairment loss; and • Assessing whether exploration activities have reached a stage at which the existence of economically recoverable reserves may be determined.	Our audit procedures included: • Ensuring that the right to tenure of the area of interest was current; • Agreeing a sample of additions to supporting documentation and ensuring the amounts are capital in nature and relate to the area of interest; • Enquiring with management and reviewing budgets and other documentation as evidence that active and significant operations in, or relation to, the area of interest will be continued in the future; • Assessing and evaluating management's assessment of whether indicators of impairment existed at the reporting date; and • Through discussions with the management and review of the Board Minutes, ASX announcements and other relevant documentation, assessing management's determination that exploration activities have not yet progressed to the stage where the existence or otherwise of economically recoverable reserves may be determined.

Key audit matter	How our audit addressed this matter
Business combination Refer to Note 26 in the financial statements	
On 20 January 2021, the Group acquired 100% of Unity Mining Pty Ltd and its subsidiary. Under a share sale agreement, the purchase consideration of \$25,000,000 consisted of 3,428,572 fully paid ordinary shares worth \$7,200,000; cash consideration of \$6,000,000; deferred consideration of \$6,800,000 payable in 3 instalments and contingent consideration of \$5,000,000. The accounting for this acquisition is a key audit matter because it involved the exercise of judgement in relation to: • Determining whether the transaction was a business combination or an asset acquisition, based on whether the definition of a business in <i>AASB 3 Business Combinations</i> was met; • Determining the fair value of the consideration paid through the issue of ordinary shares; • Determining the fair value of net assets acquired; and • Determining the acquisition date.	Our audit procedures included: • Reviewing the respective sale and purchase agreements to understand each transaction and the related accounting considerations; • Assessing management's determination of the fair value of the consideration paid and net assets acquired; • Evaluating management's determination that the acquisition of Unity Mining Pty Ltd met the definition of a business within <i>AASB 3 Business Combinations</i> and therefore was a business combination; and • Reviewing the disclosures in the financial statements.

Other information

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2021, but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the financial report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: http://www.auasb.gov.au/auditors_responsibilities/ar2.pdf.

This description forms part of our auditor's report.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included within the directors' report for the year ended 30 June 2021.

In our opinion, the Remuneration Report of Catalyst Metals Limited, for the year ended 30 June 2022, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

A handwritten signature in black ink, appearing to read 'David Wall'.

David Wall
Partner
RSM Australia Partners

Perth, Western Australia
30 September 2021

CATALYST METALS LIMITED

ADDITIONAL INFORMATION

The following information was reflected in the records of the Company as at 23 September 2021.

Distribution of share and option holders

	Number of holders		
	Fully paid shares	Listed options	Unlisted options
1 - 1,000	572	148	-
1,001 - 5,000	516	88	-
5,001 - 10,000	171	28	-
10,001 - 100,000	288	45	-
100,001 and over	82	13	-
	1,629	322	-
Including holdings of less than a marketable parcel	199		

Substantial shareholders

The following shareholders have lodged a notice of substantial shareholding in the Company.

Shareholder	Number of shares	%
St Barbara Limited	12,690,222	12.91
Gold Exploration Victoria Pty Ltd	12,495,278	12.71
Drill Investments Pty Ltd	7,375,000	7.50
Trapine Pty Ltd	5,799,877	5.90
Robin Scrimgeour	5,310,731	5.40

Twenty largest holders of fully paid shares

Shareholder	Shares	%
1. St Barbara Limited	12,690,222	12.91
2. Gold Exploration Victoria Pty Ltd	12,180,000	12.39
3. HSBC Custody Nominees (Australia) Limited	10,405,886	10.59
4. Drill Investments Pty Ltd	7,650,000	7.78
5. Citicorp Nominees Pty Ltd	6,593,553	6.71
6. Trapine Pty Ltd	4,684,770	4.77
7. Diversified Minerals Management Pty Ltd	2,960,999	3.01
8. BNP Paribas Nominees Pty Ltd	2,139,921	2.18
9. Kayfund Pty Ltd	2,108,843	2.15
10. Invia Custodian Pty Ltd	2,066,875	2.10
11. BMO Nesbitt Burns	1,428,571	1.45
12. Gavin Arnold Caudle	1,373,625	1.40
13. Providence Gold and Minerals Pty Ltd	1,350,349	1.37
14. Kimberley Downs Pty Ltd	1,208,921	1.23
15. Gavin Arnold Caudle	1,047,619	1.07
16. Lindway Investments Pty Ltd	865,975	0.88
17. Gavin Caudle	797,092	0.81
18. Roger George Davis	786,561	0.80
19. John Paul Sisterson	709,255	0.72
20. Vestcourt Pty Ltd	521,716	0.53
	<u>73,570,753</u>	<u>74.85</u>

CATALYST METALS LIMITED

ADDITIONAL INFORMATION

Twenty largest holders of quoted options

Optionholder	Options	%
1. St Barbara Limited	1,114,962	14.15
2. Gold Exploration Victoria Pty Ltd	868,000	11.01
3. HSBC Custody Nominees (Australia) Limited	863,180	10.95
4. Drill Investments Pty Ltd	667,500	8.47
5. Citicorp Nominees Pty Ltd	651,774	8.27
6. Trapine Pty Ltd	458,477	5.82
7. Invia Custodian Pty Ltd	206,688	2.62
8. Michael Rex Hunt & Lynne Maree Hunt	206,000	2.61
9. Kayfund Pty Ltd	201,468	2.55
10. Providence Gold and Minerals Pty Ltd	153,785	1.95
11. BNP Paribas Nominees Pty Ltd	139,413	1.77
12. Gavin Arnold Caudle	137,363	1.74
13. Kimberley Downs Pty Ltd	119,464	1.52
14. Gavin Arnold Caudle	100,000	1.27
15. Robert Joseph Biro	100,000	1.27
16. Gavin Caudle	89,710	1.14
17. Peter McClure Superannuation Fund Pty Ltd	86,000	1.09
18. Roger George Davis	77,228	0.98
19. Vestcourt Pty Ltd	71,000	0.90
20. John Sisterson & Simone Sisterson	69,974	0.89
	<u>6,381,986</u>	<u>80.97</u>

Unquoted securities

There were no classes of unquoted securities on issue in the Company.

Classes of shares and voting rights

At meetings of members or classes of members, each member entitled to vote may vote in person or by proxy or attorney. On a show of hands every holder of ordinary shares present at a meeting in person or by proxy is entitled to one vote, and on a poll, every person present in person or by proxy has one vote for each ordinary share held.

<i>Voluntary escrow</i>	<i>Number</i>
Ordinary fully paid shares subject to voluntary escrow until 20 January 2024	3,428,572

Corporate governance statement

The Company's 2020 corporate governance statement can be viewed at <https://catalystmetals.com.au/about-catalyst/corporate-governance/>

CATALYST METALS LIMITED

ADDITIONAL INFORMATION

Tenement directory

Project	Tenement number	Beneficial interest
Victoria		
Four Eagles	RL006422, EL5295, EL5508, EL006859	50%
Tandarra	RL006660	51%
Macorna	EL5521, EL006894 EL006549 (mineral rights)	100% (farm-out of 50% interest)
Boort	EL006670	100% (farm-out of 50% interest)
Drummartin	EL006507	100% (farm-out of 50% interest)
Raydarra East	EL5509	100%
Sebastian	EL5533	100%
Raydarra	EL007214	100%
Golden Camel	EL5490, EL5449	50.1% (earning in via farm-in agreement)
Tasmania		
Henty Gold Mine	ML 7M/1991, ML 5M/2002, ML 7M/2006, EL28/2001, EL8/2009	100%

Competent person 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.

CATALYST METALS LIMITED

ADDITIONAL INFORMATION

Mineral resources statement for Henty Gold Mine

In September 2020, CSA Global Pty Ltd (CSA Global) was commissioned by the vendors of the Henty Gold Mine in Tasmania to prepare a Mineral Resource Estimate (MRE). The MRE has been reported in accordance with the JORC 2012 Code. The Company acquired a 100% interest in the Henty Gold Mine with effect from 20 January 2021.

The Company's Mineral Resource estimate for the Henty Gold Mine as at 30 June 2021 is detailed below.

JORC Classification	Tonnage (Mt)	Au (g/t)	Ounces (koz)
Indicated	1.6	4.3	225
Inferred	0.8	4.2	109
Total	2.4	4.3	334

- Notes on Henty JORC 2012 Mineral Resources: The Resource estimate was prepared by CSA Global based on data up to 30 June 2020. An updated Resource estimate is currently being prepared.
- Due to the effect of rounding, totals may not represent the sum of all components.
- Tonnages are rounded to the nearest 0.1 million tonnes, ounces are rounded to the nearest 1,000 ounces, grades are shown to two significant figures.
- Reporting criteria are: Indicated and Inferred material (RESCAT=2 or RESCAT=3), Au >1.75 g/t (AU>1.75), unsterilised (STERIL=0) with reasonable prospects of eventual economic extraction (RPEEE=1).
- The information reported that relates to the Mineral Resources for the Henty underground deposit is extracted from the ASX release titled Major Exploration Programs, Complementary Acquisition and Capital Raising, dated 21 December 2020.

Competent Person's Statement for JORC 2012 Mineral Resource Estimate

The Henty Resource estimation in this report was prepared by Mr Christopher Adams of CSA Global Pty Ltd, a competent person as defined by the 2012 JORC Edition, who has five years' experience which is relevant to the style of mineralisation and type of deposit described in the report and to the activity for which he is accepting responsibility. He is a Member or Fellow of the Australasian Institute of Mining and Metallurgy or the Australian Institute of Geoscientists or a recognised Professional organisation (RPO) included in a list promulgated by ASX from time to time. Mr Adams verifies that the Mineral Resource estimate section of this report is based on and fairly and accurately reflects in the form and context in which it appears, the information in his supporting documentation relating to Mineral Resource estimate. Mr Adams consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Catalyst confirms that it is not aware of any new information or data that materially affects the information included in the original ASX market announcements and that all material assumptions and technical parameters underpinning the estimates in the relevant ASX market announcements continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Persons findings are presented have not been materially modified from the original market announcements.

Governance and internal controls

Mineral Resources are estimated either by suitably qualified consultants or internal personnel in accordance with the applicable JORC Code and using industry standard techniques and internal guidelines for the estimation and reporting of Mineral Resources. All data is collected in accordance with applicable JORC Code requirements. Any Ore Reserve estimates are based on pre-feasibility or feasibility studies which consider all material factors.

The estimates and supporting data and documentation are reviewed by qualified Competent Persons (including estimation methodology, sampling, analytical and test data).