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catalyst
METALS LTD

ABN 54 118 912 495

ANNUAL REPORT AND FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2022

CATALYST METALS LIMITED

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CATALYST METALS LIMITED

CORPORATE DIRECTORY

DIRECTORS

Stephen Boston (Non-Executive Chairman)
Robin Scrimgeour (Non-Executive Director)
Bruce Kay (Non-Executive Director)
James Champion de Crespigny (Non-Executive Director)

COMPANY SECRETARY

Frank Campagna

REGISTERED OFFICE & PRINCIPAL PLACE OF BUSINESS

Unit 9, Churchill Court, 331-335 Hay Street
Subiaco, Western Australia 6008

Telephone: +618 6107 5878
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

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 2022. The Directors have the power to amend and reissue the financial statements.

CATALYST METALS LIMITED

CHAIRMAN'S LETTER

Dear Shareholder,

On behalf of the Board of Directors of Catalyst Metals Limited, it gives me great pleasure to present the Company's 2022 Financial Report. The 2022 financial year has been an important year for the Company as we achieved some significant milestones at both our Victorian exploration projects and our Henty Gold Mine in Tasmania.

I am particularly happy to announce a group EBITDA of \$7.4 million. This is an outstanding effort from our team in the face of a challenging period with increasing cost pressures, skill shortages and ongoing disruptions from COVID 19.

This result demonstrates that the Company's strategy of increasing production and lowering unit costs at the Henty Gold Mine is beginning to bear fruit. Our aim with the Henty acquisition was to demonstrate that we could be successful mine operators and, to the extent possible, generate cashflow to cover corporate and exploration costs. If successful, this would place the Company in a unique position amongst its peers and provide capital protection for shareholders throughout market cycles.

The 2022 financial year was a period of change with a number of key leadership appointments including John McKinstry as Chief Executive Officer and Valentine Utete as General Manager of Operations at Henty. The Company also welcomed James Champion de Crespigny, an experienced mining executive as Non-Executive Director following the retirement of Gary Schwab.

At Henty, operations have continued to improve throughout the year with throughput increasing to an annualised rate of 230,000tpa and gold production of 25,199oz for the year. Behind these headline numbers are numerous operational improvements our team has worked hard to deliver which I would like to take a moment to acknowledge. Across the operations from exploration, production, processing and support services, improvements are being realised which is both a credit to the team and also highlights the opportunities at Henty and supports the rationale behind the Company's acquisition.

The Company is committed to extending Henty's mine life and improving profitability, and we consider exploration fundamental to this strategy. During the year we announced a number of high-grade intercepts from our drilling activities. Some of these were in close proximity to existing underground mine infrastructure which will allow for low-cost conversion, others were in historically underexplored areas, including the Cradle Zone and Darwin South, which represent potentially attractive future mining zones.

In Victoria, the Company completed just over 50,000m of drilling across its exploration projects. Unfortunately, the impact of COVID hampered access to drill rigs and prevented key personnel from getting to Bendigo. This negatively impacted drilling results during the financial year.

Nonetheless, the drilling did prove successful in increasing the known mineralisation in close proximity to Boyd's Dam. This is an important milestone as this concentration of mineralisation alters the economics of any future operation that may exist, as it will allow ore to be sourced from multiple high-grade areas in close proximity to one another i.e. Boyd's Dam, Hayanmi, Pickles, Cunneens and Boyd East.

At the Four Eagles Gold Project, the Company announced that studies had commenced to evaluate the concept of an underground exploration tunnel. This is an important development for the project which would allow Catalyst to more accurately drill targets, lower drilling costs and allow exploration of other nearby prospects. The drilling to date has been from surface and is now at a point where the Company is confident that a Mineral Resource will be estimated in the coming financial year.

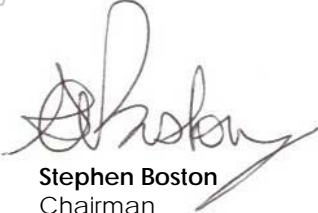
The Company has engaged industry leading consultants and conducted extensive community and stakeholder consultation as it works towards the submission of the underground exploration tunnel Work Plan with the Victorian Government.

The Board would like to especially acknowledge the outstanding work and effort of all our employees and our management teams, across our operations.

CATALYST METALS LIMITED

CHAIRMAN'S LETTER

Finally, the Board would like to acknowledge and thank all of its many loyal shareholders, our Joint Venture Partners and the many consultants and advisers, for all they have done to enhance and contribute towards the future growth of the Company as it continues to close in on the next Bendigo Goldfield and return Henty to its position as a long term, sustainable operation in Tasmania.



Stephen Boston
Chairman
30 September 2022

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CATALYST METALS LIMITED

DIRECTORS' REPORT

The Directors of Catalyst Metals Limited present their report on the consolidated entity for the year ended 30 June 2022.

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
Bruce Kay
James Champion de Crespigny (Appointed 12 November 2021)

Gary Schwab (retired 12 November 2021)

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 \$57,720,276 as at 30 June 2022 (2021: \$55,182,437)* Restated.

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 profit after income tax of the Group for the year ended 30 June 2022 was \$2,091,498 (2021: \$934,745) *Restated.

DIVIDENDS

No dividend has been paid during or is recommended for the financial year ended 30 June 2022.

**Refer Note 34 in the Financial Statements for detailed information on restatement of comparative.*

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DIRECTORS' REPORT

REVIEW OF OPERATIONS

Victoria Introduction and Overview

Catalyst has significant interests in two retention licences (RL's) and thirteen 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).

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

- A systematic drill-out of the Boyd's Dam mineralisation during the year will allow reinterpretation of the geology and the creation of a block model for delivering a JORC compliant Resource in FY23.
- Focus shifted to the northern section of Hayanmi where a systematic drill out has commenced with the aim of proceeding to a Resource in 2023.
- An application seeking permission to create an underground access for diamond drilling was prepared during the year, with an aim of submitting in the new year. The tunnel at around 140m below surface will run parallel with Boyd's Dam and Hayanmi providing year-round access to cheaper more efficient drilling.

Tandarra Gold Project

- Drill rigs budgeted for Tandarra were not available in the limited season available on the Tandarra ground forcing the delay of the planned Resource drill out. The drill-out has been deferred to the new financial year.

Drummartin Project

- Air core and diamond drilling was conducted on Target 9 prospect.
- In June 2022, partners St Barbara Mining who were managing the program to earn 50% interest in the joint venture advised they would not proceed further due to other corporate priorities. The interest reverts back to Catalyst along with all information gathered since February 2020. The information arising from St Barbara Mining's \$2.2m works programme undertaken since February 2020 reverts to Catalyst.

Boort Project

- Air core drilling and assaying has been completed at four gravity geophysics targets resulting in anomalous gold intersections at BTG02. Further follow up drilling is planned.
- Encouragingly, 3m at 18.25 g/t Au from 0.6m at 0.95 g/t Au were intersected in this first exploration campaign.

Golden Camel Project

- Diamond drilling completed on depth extension target at the Golden Camel pit, with interpretation ongoing.

Other Exploration Projects

Air core drilling was carried out on the Mologa lease (EL006859) immediately to the east of Four Eagles, with interpretation ongoing.

Ground-based magnetics geophysics and geochemical soil sampling programs have been completed on a number of leases during the year, with results showing good potential for ongoing target generation despite the Murray Basin cover.

DIRECTORS' REPORT

COVID-19 pandemic management

Towards the end of 2021, exploration activities gradually became less affected by COVID-19 restrictions, most notably, drilling contractors were able to travel across state borders. Personnel management through COVID-19 mitigation processes continued to be effective, with little disruption due to infections.

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 multiple parallel structural zones trending roughly north-south (Boyd's Dam - Boyd North and Hayanmi as detailed on Figure 3). Additional prospective structural zones are shown including the Pickles and Cunneens prospects to the west and Boyd East and Eagle 5 and Eagle 6 to the east.

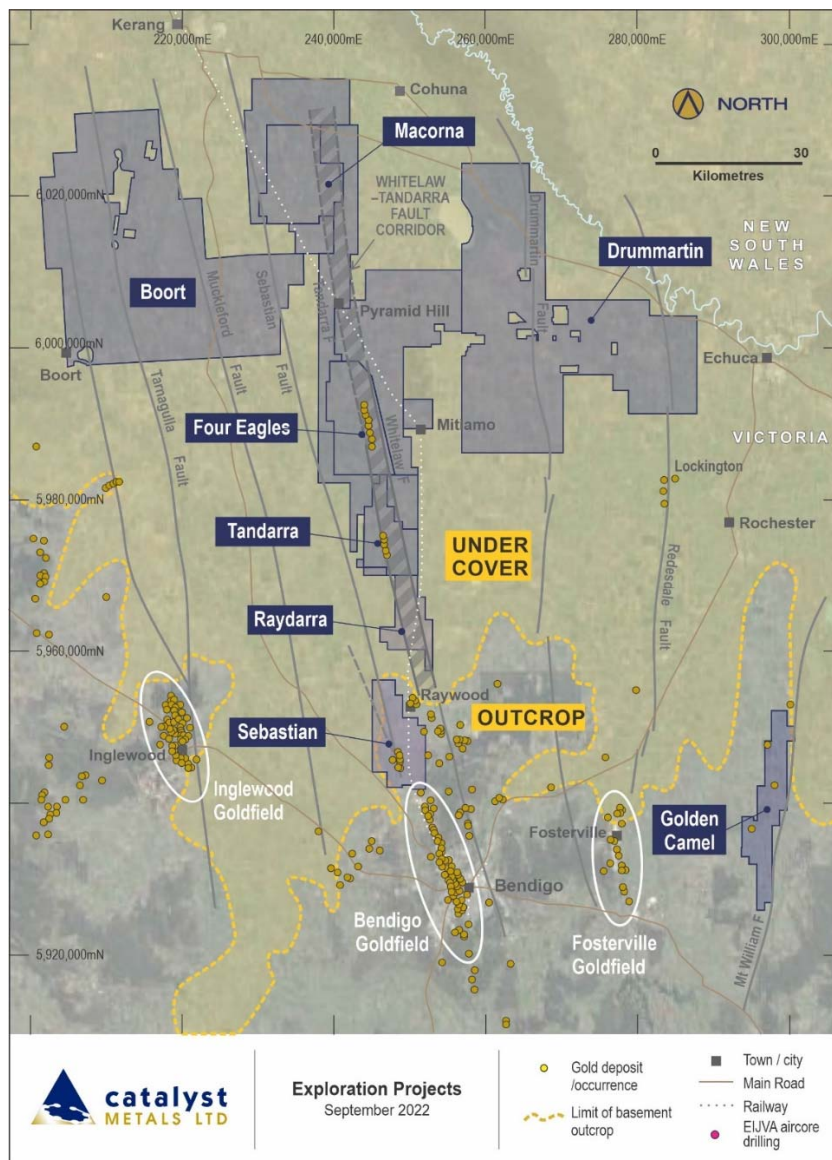


Figure 1: Whitelaw Gold Belt and Parallel Structural Zones showing Catalyst managed tenement holdings

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DIRECTORS' REPORT

Drilling at Boyd's Dam - Boyd North during FY22 included diamond (DD), reverse circulation (RC) programs. The DD programmes produced further high-grade gold intersections at depth and a comprehensive RC program into the known mineralisation delivered significant results. As shown on Figure 2, some of the intersections recorded are:

- 9m @ 29.09g/t Au
- 3m @ 25.24g/t Au
- 8m @ 6.72g/t Au
- 1m @ 49.1g/t Au
- 7m @ 2.15g/t Au
- 16m @ 1.37g/t Au
- 14m @ 1.16g/t Au
- 9m @ 1.37g/t Au
- 5m @ 2.02g/t Au

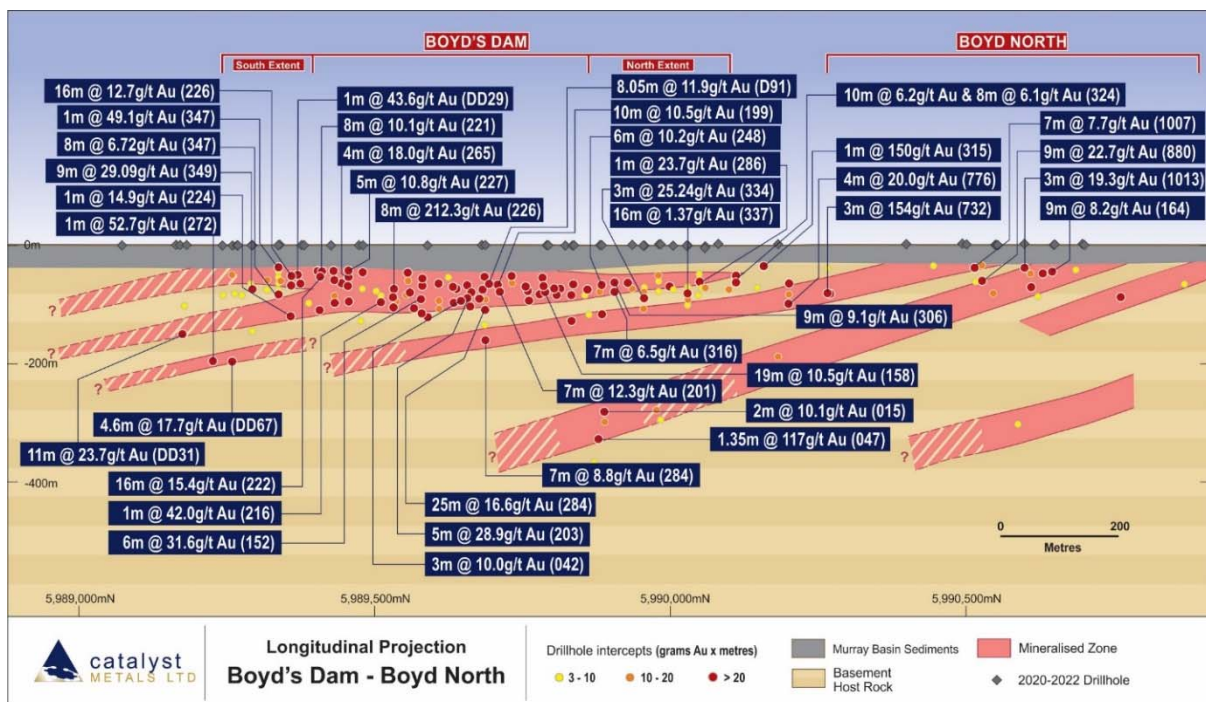


Figure 2: Longitudinal Projection of Boyd's Dam-Boyd North showing FY22 diamond and RC drill holes and significant intercepts

In April 2022 Catalyst employed Mr Adam Place to the position of General Manager – Victoria to accelerate plans for progressing Four Eagles to a development phase. This would involve development of an exploration tunnel beneath the Murray Basin Sediments to provide a drilling platform between the Boyd's Dam and Hayanmi prospects. The underground platform would provide year-round access for cheaper, deeper drilling as part of Feasibility Studies to determine the viability of future mining.

To undertake the exploration tunnel, Catalyst is required to submit a Works Plan to the Victorian Government. For the purpose of the Works Plan, investigations continued into the geotechnical and hydrogeological characteristics of cover sediments and basement rock in preparation for technical studies required for submission of the Works Plan.

Soon after year-end, all studies necessary for the submission of the Work Plan to the Victorian Government regulators were completed. Lodgement of the Works Plan is anticipated in Q2 FY23.

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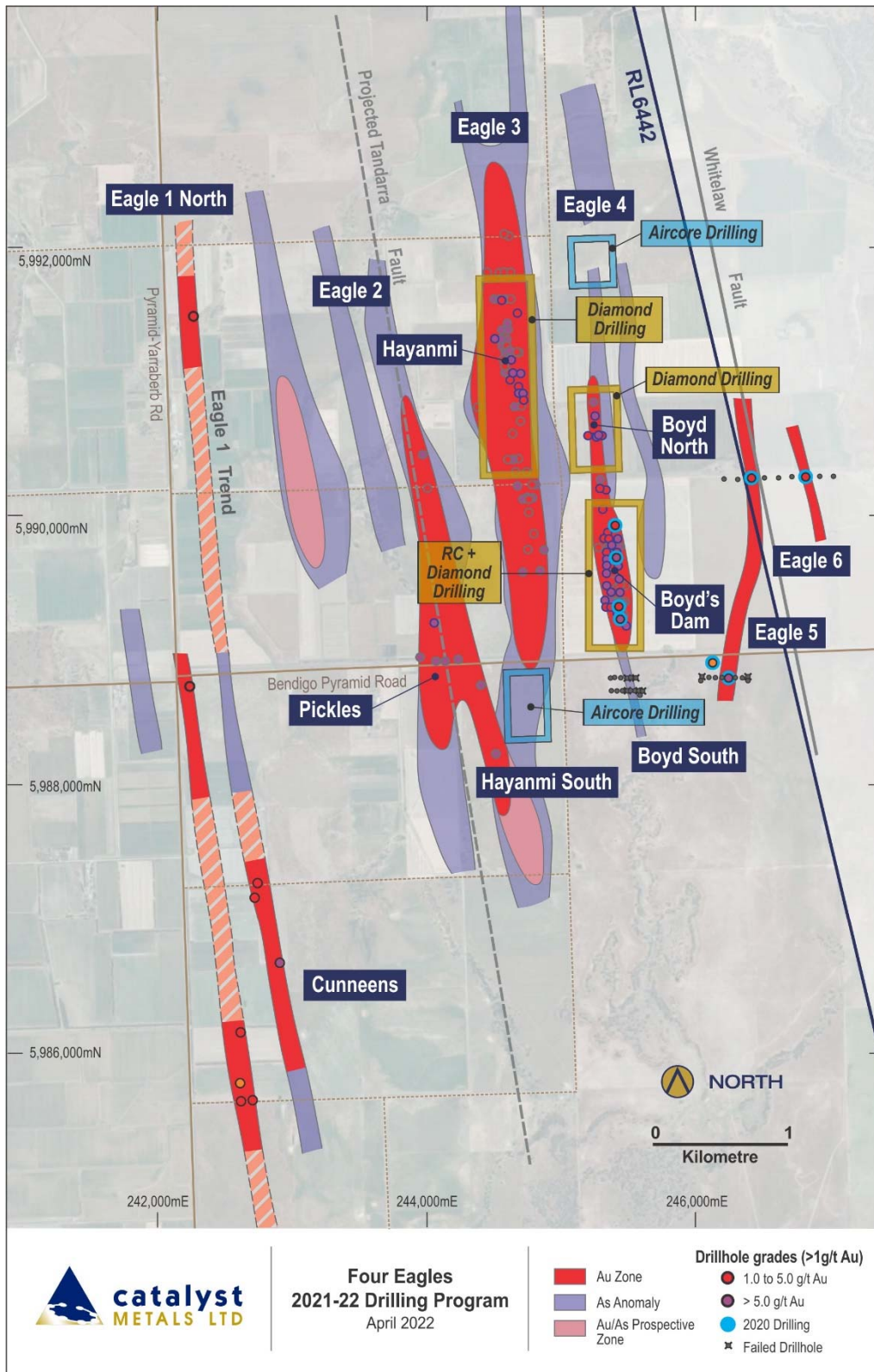


Figure 3: Four Eagles Gold project showing location of prospect locations, gold trends and FY22 drilling program locations.

DIRECTORS' REPORT

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 lies within Retention Licence RL006660. The RL covers an envelope of gold mineralisation and exploration prospects approximately 12 kilometres long and up to 4 kilometres wide. Within this Catalyst is continuing to drill three gold bearing structural zones trending roughly north-south (Tomorrow, Macnaughtan, and Lawry Zones, as detailed on Figure 4).

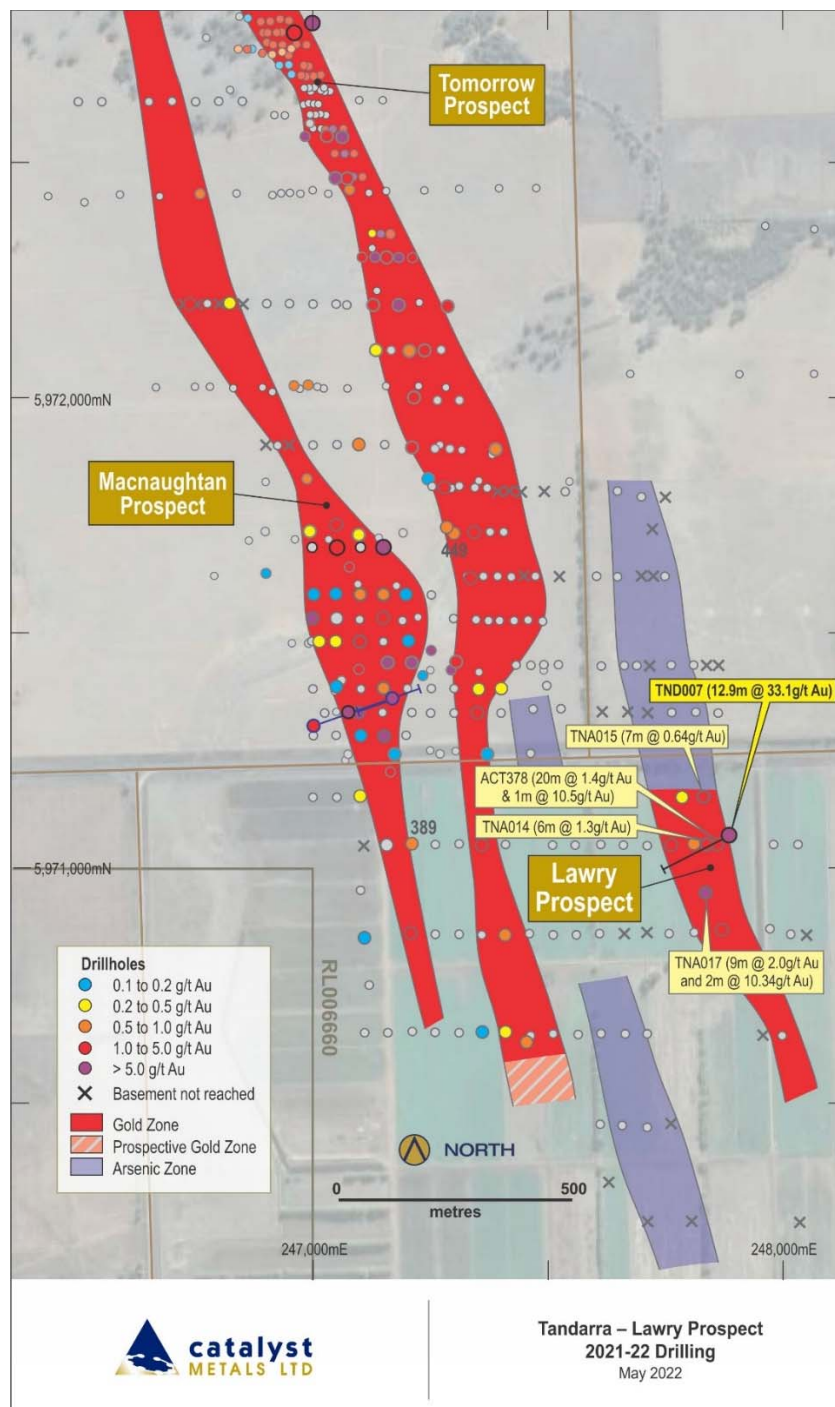


Figure 4: Drill plan showing gold and arsenic enriched zones and significant results achieved in the Lawry Zone

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CATALYST METALS LIMITED

DIRECTORS' REPORT

Hole TND007 was drilled into the Lawry Zone, and returned significant intersections, including:

- 0.9m @ 1.76g/t Au from 61.9m
- 12.9m @ 33.1g/t Au from 66.4m (including 0.5m @ 831g/t Au)
- 1.6m @ 0.5g/t Au from 122.8m
- 1.0m @ 2.5g/t Au from 153.5
- 0.7m @ 0.5g/t Au from 158.5m
- 1.0m @ 1.2g/t Au from 173.4
- 1.0m @ 1.32g/t Au from 226.6m

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. A program of two diamond drillholes was completed during the reporting period, with assaying and interpretation ongoing.

At the Boort exploration licence EL006670 (Figure 1), Catalyst as manager of the joint venture with GEV has conducted follow up drilling over several gravity targets, resulting in the return of a significant gold intersection (3m @ 18.2g/t Au) and an anomalous intersection (6m @ 0.9g/t Au).

At Drummartin (EL006507, Figure 1) a large air core drilling program was completed in 2021 with results finalised during the FY22 reporting period, including significant intersections of: 3m @ 6.19g/t Au; 1m @ 1.27g/t Au; and 4m @ 0.59g/t Au.

Follow-up air core and diamond drilling was completed during FY22 with the interpretation of results yet to be finalised.

HENTY GOLD MINE, TASMANIA

In 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 cost of Henty was \$8 million in Catalyst shares at \$2.10 per share (ie. 3.8m shares or 3.9% of Catalyst's outstanding ordinary share capital), \$6 million initial cash payment and two deferred payments of \$3 million of which both have been paid. A contingent payment subject to the after tax performance of Unity was not payable.

Under Catalyst management the operation focused on delivering a more consistent performance, focusing on adherence to the mining plan and underground drilling to boost Resource growth and re-new exploration efforts. The continuous success achieved in drilling enabled the site team to deliver a more aggressive target for the new financial year. In July, Catalyst announced plans to increase the gold production rate from the current 25,000ozpa to 35,000ozpa over the FY23 year. This increase was made possible by an increased Life of Mine plan involving a new mining crew commencing in the upper sections of the mine.

During the year, Catalyst welcomed the appointment of Mr Valentine Utete to the position of Henty General Manager. Mr Utete is an experienced mining professional with a distinguished record in underground mining operations. Mr Utete has already had a positive contribution to the Henty operations and Catalyst itself.

Catalyst views the Henty Mine as an exploration target as much a mine. During FY22 the Company re-invested \$4.8M in underground and surface drilling to better define Resources, expand Resources and look for new Resources.

Development of access for both stopeing and exploration is critical to the mine achieving goals and being able to plan for future expansion.

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CATALYST METALS LIMITED

DIRECTORS' REPORT

Key metrics for the year:

	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Full Year
Tonnes processed	49,299	51,686	57,847	56,672	215,504
Head grade	4.6	4.2	3.2	3.9	3.9
Recovery	92.1	91.5	91.3	94.2	92.3
Gold produced	6,775	6,311	5,358	6,755	25,199
Gold sold	6,366	6,621	5,004	6,780	24,771

Gold produced in FY22 was 25,199 ounces of gold at a C1 cash cost and AISC of \$1,706/oz and \$2,207/oz per ounce respectively. Revenue from the Henty Gold Mine operations was \$63.3 million and after royalties, refining and operating costs, an EBITDA of \$10.3 million was reported.

Catalyst is heavily committed to continued growth of Mineral Resources and the publishing of Ore Reserves compliant with the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC).

Drilling metrics

Type of Drilling	FY22 Actual Metres	FY23 Planned Metres
Grade control	21,939	9,640
Resource growth	17,305	12,880
Exploration	8,345	37,960
Total	47,589	60,480

In FY22 a large portion of the drilling was either grade control or resource growth, due to the limited drilling done previously and the short time span to production. In FY23 the focus will progressively shift in favour of more Resource growth and to a majority of exploration drilling. Exploration drilling is focused on finding new orebodies to further boost production.

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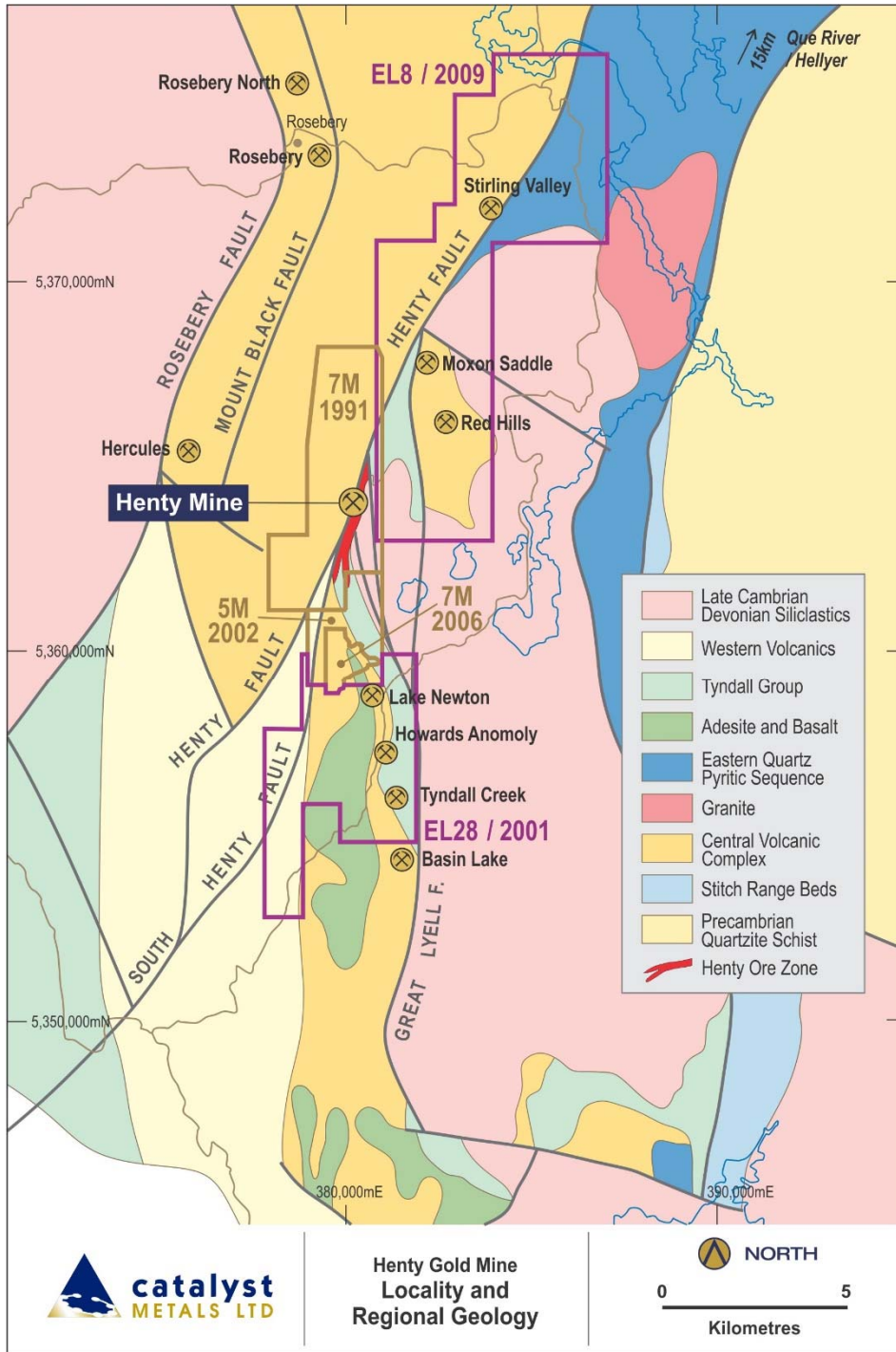


Figure 5: Henty regional tenements showing potential to north and south along the Henty Fault

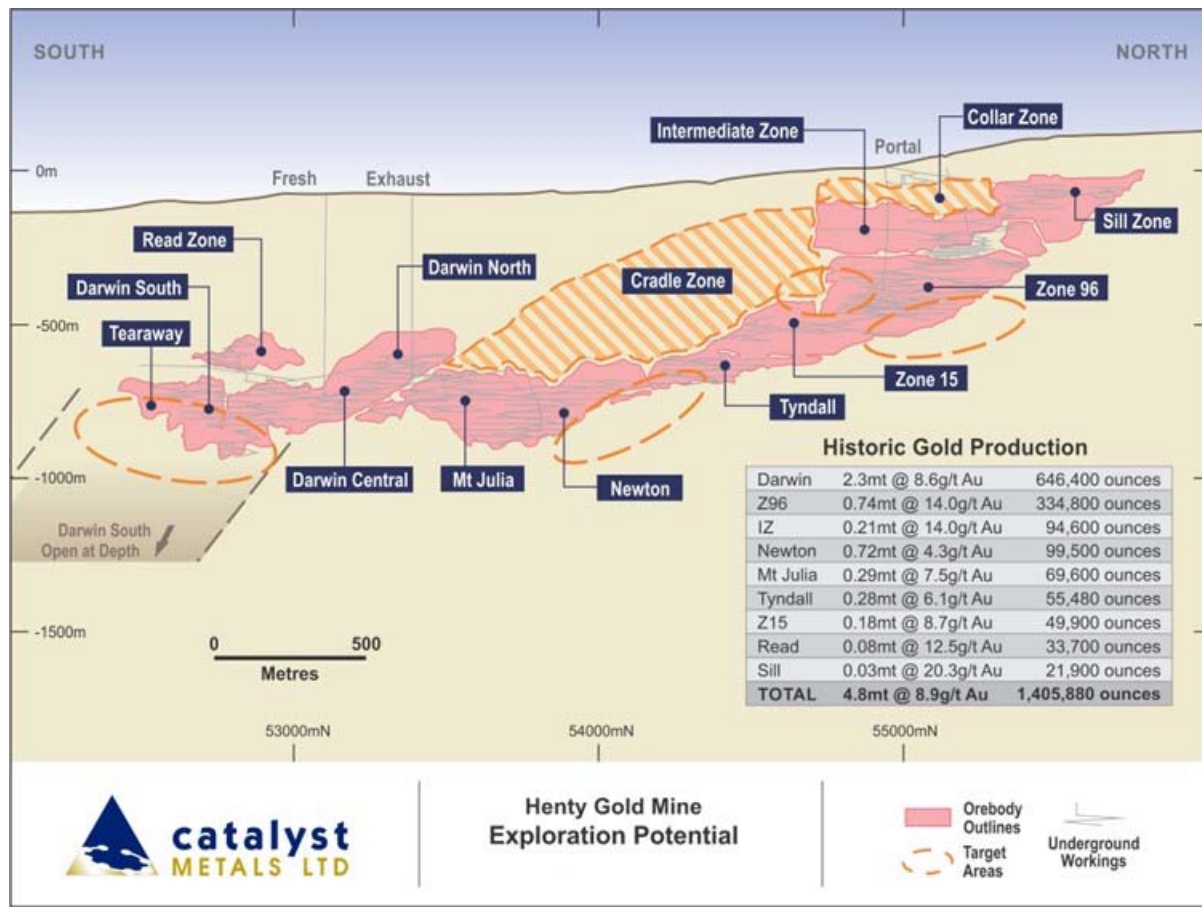


Figure 6: Henty longitudinal projection showing key areas of exploration focus in 2022.

Work Health and Safety

During the year Catalyst significantly invested in upgrading its Work, Health and Safety Standards in line with 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 continued improvement in its safety performance during the year. The TRIFR now stands at 12 compared to 10 at the end of FY21.

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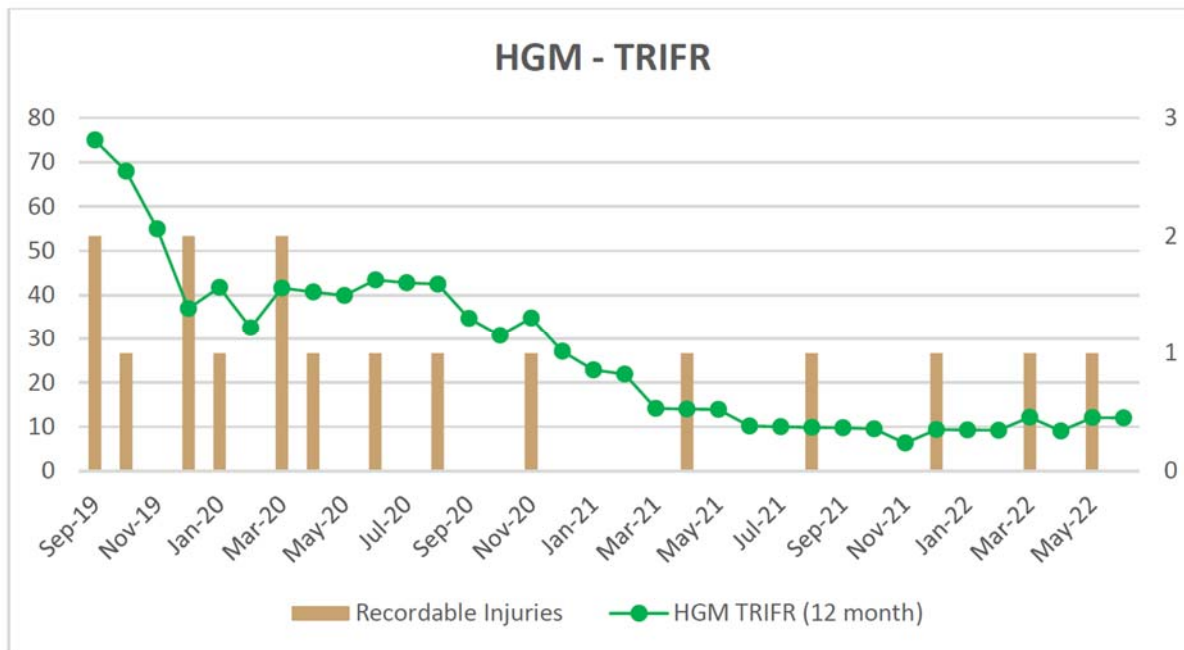


Figure 7: Henty Total recordable Injury Frequency Rate as at 30 June 2022.

Environmental Performance

Throughout the year there were no material environmental impacts.

Through ongoing planning and review of management practices Catalyst 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

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

FUTURE DEVELOPMENTS

In Victoria, Catalyst has agreed to budgets with its joint venture partners for ongoing exploration and development.

Catalyst has prepared a Work Plan on behalf of the JV partners for submission to the Victorian government regulators seeking permission to develop a 3.4Km tunnel at Four Eagles. The tunnel will commence at the northern end of Boyd’s North and run parallel with Boyd’s Dam and Hayanmi, at a depth of approximately 140m. The tunnel will be used as a drilling platform for completing Resource drillouts on Boyd’s Dam, Boyd’s North and Hayanmi but will also provide the platform for deeper exploration drilling which has proved difficult from surface. The underground platform provides year round access, minimises the impact on cropping fields and provides minimal visual impact on surface. Approval is anticipated in early 2023 with an investment decision to be made mid-year for a spring start on development.

At Henty, the Board approved a drilling capital budget of \$7.0M for growth of Resources and exploration. The FY23 drilling will focus on the newly identified Cradle Zone, deeper extensions at Darwin South and the near surface Collar Zone.

The addition of an additional mining crew at Henty will enable the site to exploit upper areas of the mine which had previously been excluded from the mining plan. The crew will use equipment already owned

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CATALYST METALS LIMITED

DIRECTORS' REPORT

by the mine, providing additional ore at incremental cost. The additional ore enables the production rate to increase from the current 25,000ozpa to a 35,000ozpa rate by July 2023. Going forward the operation will seek opportunities to further increase the production rate through exploration efforts.

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

On 27 September 2022 the Company released an updated Resource and Reserve statement which showed that Mineral Resources at the Henty Gold Mine had increased by 10% after accounting for FY22 production. Mineral Reserves for 30 June 2022 were 2.6Mt at 4.3g/t for 368,000oz Au (refer to the Additional Information section in this Annual Report).

No further significant events have occurred since the end of the financial year.

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>Special Responsibilities:</i>	Chairman
<i>Other Directorships:</i>	None
<i>Interests in securities:</i>	5,750,727 Ordinary Shares

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.

<i>Special Responsibilities:</i>	Member of audit committee
<i>Other Directorships:</i>	None
<i>Interests in securities:</i>	5,509,499 Ordinary Shares

CATALYST METALS LIMITED

DIRECTORS' REPORT

James Champion de Crespigny (Non-Executive Director)

(Appointed 12 November 2021)

Mr Champion de Crespigny is a qualified chartered accountant with extensive experience in capital markets, financing and mergers and acquisitions, primarily in the mining sector. His most recent experience was a Director of Cutfield Freeman & Co., a global boutique financial advisor specialising in the mining industry. Prior to this, he was an Associate Director at Mining Private Equity firm, EMR Capital.

Special Responsibilities: Business Development Director, Chairman Audit Committee

Other Directorships: None

Interests in securities: 817,279 Ordinary Shares

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: 2,222,169 Ordinary Shares

Retired Directors and Officers

Gary Schwab Independent Non-Executive Director
Retired 12 November 2021

B Robertson CEO
Resigned 30 September 2021

D Alford GM Henty
Resigned 12 July 2022

Information on Company Secretary

Frank Campagna *B.Bus (Acc), CPA*

Company Secretary of Catalyst Metals Limited since November 2009. Mr Campagna is a Certified Practising Accountant with over 25 years' experience as Company Secretary, Chief Financial Officer 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.

CATALYST METALS LIMITED

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	5	5	-	-
Robin Scrimgeour	5	5	-	-
Bruce Kay	5	5	-	-
James Champion de Crespigny (appointed 12 November 2021)	3	3	-	-
Gary Schwab (retired (12 November 2021))	2	1	-	-

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 2022. 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 250,000 ordinary shares under option (2021:7,881,996).

DIRECTORS' REPORT

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.

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 \$550,000 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.

DIRECTORS' REPORT

REMUNERATION REPORT (Continued)

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.

At the 2021 AGM, 99.7% of the votes received supported the adoption of the remuneration report for the year ended 30 June 2021. The company did not receive any specific feedback at the AGM regarding its remuneration practices.

Details of Remuneration for Year Ended 30 June 2022

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.

2022 Name	Short-term employment benefits		Post-employment benefits	Share-based payments	Total \$
	Cash salary and fees \$	Other \$	Superannuation \$	Shares and Options \$	
Non-Executive Directors					
S Boston	171,200	-	17,360	-	188,560
R Scrimgeour	81,400	-	-	-	81,400
J Champion de Crespigny ⁽⁴⁾	122,672	-	11,650	-	134,322
B Kay	185,485	-	26,392	^{(1) (3)} 152,250	364,127
Management					
J McKinstry – CEO ⁽⁶⁾	289,808	-	20,625	-	310,433
V Utete – GM Henty ⁽⁷⁾	49,542	-	4,908	-	54,450
Retired directors & Officers					
G Schwab – Director ⁽⁵⁾	77,000	-	11,400	^{(1) (2) (3)} 142,100	230,500
B Robertson - CEO ⁽⁵⁾	119,041	-	14,404	120,500	253,945
D Alford – GM Henty ⁽⁵⁾	314,999	-	27,499	-	342,498
Total key management personnel compensation	1,411,147	-	134,238	414,850	1,960,235

(1) Shareholders approved the issue of 75,000 shares and 60,000 shares to Mr Kay and Mr Schwab respectively, for the significant additional services they provided during the Henty Gold Mine acquisition process.

(2) Shareholders also approved the issue of 10,000 shares Mr Schwab for consulting services to be provided in the 12 month period following the AGM, following his retirement from the Board.

(3) The shares were valued at a deemed price of \$2.03, being the closing price of the shares on the day shareholders approved the issue.

(4) Includes remuneration received subsequent to his appointment on 12 November 2021.

(5) Includes remuneration received up until the date of resignation of the key management personnel.

(6) Includes remuneration received subsequent to his appointment on 4 October 2021.

(7) Includes remuneration received subsequent to his appointment on 1 May 2022.

In 2022, 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 2022, Mr Boston received \$80,000 per annum in Directors' fees and was paid extra consulting fees for managing the Company. Mr Champion de Crespigny was paid \$47,072 in Directors fees and Mr Schwab received \$37,000 in Directors' fees and extra consulting fees for services provided to the Company outside his duties as a director, up until the time he retired as a director.

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DIRECTORS' REPORT

2021	Short-term employment benefits		Post-employment benefits	Share-based payments	
Name	Cash salary and fees \$	Other \$	Superannuation \$	Shares and Options \$	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

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.

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.

SERVICE AGREEMENTS

Remuneration and other terms of employment for key management personnel are formalised in service agreements. Details of these agreements are as follows:

Current Personnel

Mr John McKinstry was promoted to the role of Chief Executive Officer of Catalyst on 4 October 2021. The key terms of Mr McKinstry's employment is a base salary of \$300,000 per annum with statutory superannuation. Mr McKinstry 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 McKinstry is entitled to a three month redundancy if there is a material change in his role or responsibilities.

Mr Valentine Utete was employed as General Manager of the Henty Gold Mine on 1 May 2022. The key terms of Mr Utete's employment is a base salary of \$300,000 per annum with statutory superannuation. Mr Utete receives company housing and a motor vehicle. Mr Utete 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 Utete is entitled to a three month redundancy if there is a material change in his role or responsibilities.

DIRECTORS' REPORT

Former Personnel

Mr Bruce Robertson who was employed as Chief Executive Officer of Catalyst resigned on 30 September 2021. The key terms of Mr Robertson's employment were a base salary of \$300,000 per annum with statutory superannuation. Mr Robertson and the Company were required to provide three months notice for termination, unless the termination was for cause and then no notice period was required. Mr Robertson was entitled to a six month redundancy if there was a material change in his role or responsibilities. Mr Robertson was also entitled to receive the following options:

- 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

On Mr Robertson's resignation he was entitled to retain 250,000 options that vested during his period of employment.

Mr Dion Alford who was employed as General Manager of the Henty Gold Mine resigned on 12 July 2022. The key terms of Mr Alford's employment were a base salary of \$310,000 per annum with statutory superannuation. Mr Alford received company housing and a motor vehicle. Mr Alford and the Company were required to provide three months notice for termination, unless the termination was for cause and then no notice period was required. In the event of redundancy then Mr Alford was entitled to redundancy pay in accordance with the National Employment Standards.

SHARE-BASED COMPENSATION

Shares

Pursuant to shareholder approval on 12 November 2021, on 23 November 2021 Mr Kay and Mr Schwab were issued 75,000 shares and 60,000 shares respectively for the significant additional services they provided during the Henty Gold Mine acquisition process. On 23 November 2021, Mr Schwab was issued 10,000 shares for the consulting services rendered. The issue was approved by shareholders at the AGM held on 12 November 2021.

The shares were valued at \$2.03, being the closing price on 12 November 2021, the day the issue of the shares was approved by shareholders.

No shares were issued as compensation during the previous financial year.

Employee Incentive Plan

Equity incentives (shares or options and performance rights 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.

No equity incentive options were granted during the year (2021: Nil).

CATALYST METALS LIMITED

DIRECTORS' REPORT

Options

The terms and conditions of each grant of options over ordinary shares affecting remuneration of directors and other key management personnel in this financial year or future reporting years are as follows:

Name	Number of Options granted	Grant date	Vesting date and exercisable date	Expiry date	Exercise price	Fair value per option at grant date
Bruce Robertson	250,000	4 Jan 2021	22 Oct 21	30 Nov 24	\$3.00	\$0.482

Options granted carry no dividend or voting rights.

Fixed vs At Risk Remuneration

Proportion of remuneration linked to performance and the fixed remuneration is as follows:

	Fixed Remuneration		At Risk	
	2022	2021	2022	2021
B Robertson	53%	100%	47%	0%

The fixed remuneration percentage for all other key management personnel was 100% for the year (2021:100%). The share based payments to the other personnel aren't performance based.

DIRECTORS' REPORT

REMUNERATION REPORT (Continued)

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:

2022 – Options Holdings

Name	Balance at beginning of year	Granted as compensation	Expired	Other changes ⁽⁴⁾	Balance at end of year	Vested and exercisable
S Boston	458,477	-	(458,477)	-	-	-
R Scrimgeour	531,074	-	(531,074)	-	-	-
B Kay	205,301	-	(205,301)	-	-	-
J Champion de Crespigny ⁽²⁾	-	-	(80,049)	80,049	-	-
G Schwab ⁽¹⁾	-	-	-	-	-	-
J McKinstry	-	-	-	-	-	-
V Utete	-	-	-	-	-	-
D Alford	-	-	-	-	-	-
B Robertson ⁽³⁾	31,145	250,000	(31,145)	(250,000)	-	-

(1) Mr Schwab retired as a non-executive director on 12 November 2021.

(2) Mr Champion de Crespigny held an indirect interest in 80,049 options on appointment as a non-executive director on 12 November 2021.

(3) Mr Robertson resigned on 30 September 2021.

(4) The listed options lapsed on 25 May 2022.

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.

2022 – Ordinary Share Holdings

Directors	Balance at beginning of year	Granted as compensation	Purchased	Other Changes	Balance at end of year
S Boston	5,763,556	-	46,767	(59,596)	5,750,727
R Scrimgeour	5,351,017	-	158,482	-	5,509,499
B Kay	2,147,169	75,000	-	-	2,222,169
J Champion de Crespigny ⁽¹⁾	-	-	-	817,279	817,279
G Schwab ⁽²⁾	-	70,000	-	(70,000)	-
J McKinstry	-	-	-	-	-
V Utete	-	-	-	-	-
B Robertson	397,160	-	-	(397,160) ⁽³⁾	-
D Alford	-	-	-	-	-

(1) Mr Champion de Crespigny held an indirect relevant interest in 814,779 shares on appointment as a non-executive director on 12 November 2021.

(2) Mr Schwab retired as a non-executive director on 12 November 2021.

(3) Mr Robertson resigned as Chief Executive Officer on 30 September 2021.

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CATALYST METALS LIMITED

DIRECTORS' REPORT

REMUNERATION REPORT (Continued)

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 (2021: \$60,000) by the Company to provide an online platform for the administration of capital raisings and electronic communications with shareholders.

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:

	2022	2021	2020	2019	2018
Net profit (loss) for the period	\$2,091,498	\$934,745*	(\$1,746,832)	(\$1,686,017)	(\$4,241,647)
Share price at financial year end (\$)	1.205	1.95	2.75	1.96	1.50
Basic profit (loss) per share (cents per share)	2.13	1.04*	(2.2)	(2.3)	(6.5)

*Restated

END OF REMUNERATION REPORT

2022 Shares under Option

Unissued ordinary shares of the Company under option at the date of this report are as follows:

Grant Date	Expiry Date	Exercise Price	Number of Options
4 January 2021	30 November 2024	\$3.00	250,000

The following ordinary shares were issued in the Company during the year ended 30 June 2022 and up to the date of this report on the exercise of options granted:

Date Options Granted:	Exercise Price	Number of shares issued
27 August 2019	\$2.45	425

CATALYST METALS LIMITED

DIRECTORS' 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 2022.

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

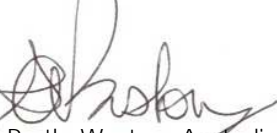
There are no officers of the company who are former partners of RSM Australia Partners.

AUDITOR'S INDEPENDENCE DECLARATION

The lead auditor's independence declaration for the year ended 30 June 2022 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 2001*.

Stephen Boston
Chairman



Perth, Western Australia
30 September 2022

RSM Australia Partners

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AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the financial report of Catalyst Metals Limited for the year ended 30 June 2022, 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.



RSM AUSTRALIA PARTNERS



MATTHEW BEEVERS
Partner

Perth, Western Australia

30 September 2022

THE POWER OF BEING UNDERSTOOD
AUDIT | TAX | CONSULTING

RSM Australia Partners is a member of the RSM network and trades as RSM. RSM is the trading name used by the members of the RSM network. Each member of the RSM network is an independent accounting and consulting firm which practices in its own right. The RSM network is not itself a separate legal entity in any jurisdiction.

RSM Australia Partners ABN 36 965 185 036

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CATALYST METALS LIMITED

CONSOLIDATED STATEMENT OF FINANCIAL POSITION As at 30 June 2022

	Note	2022 \$	Restated * 2021 \$
Current Assets			
Cash and cash equivalents	9	18,242,571	30,518,541
Other financial assets	9	3,000,000	3,000,000
Trade and other receivables	10	3,431,293	2,816,154
Inventory	11	5,705,826	3,898,595
Total Current Assets		<u>30,379,690</u>	<u>40,233,290</u>
Non-Current Assets			
Receivables	10	36,500	10,000
Property, plant and equipment	12	11,186,630	12,381,902
Exploration and evaluation expenditure	13	17,507,557	11,432,461
Mining development assets	14	20,428,429	18,749,849
Total Non-Current Assets		<u>49,159,116</u>	<u>42,574,212</u>
TOTAL ASSETS		<u>79,538,806</u>	<u>82,807,502</u>
Current Liabilities			
Trade and other payables	15	12,002,700	11,640,045
Other - advances	16	1,514,999	215,526
Lease liabilities	17	639,760	224,794
Interest bearing liabilities	18	1,509,281	802,610
Employee benefits	19	1,589,103	604,350
Deferred consideration payable	23	-	5,205,000
Contingent consideration payable	23	-	5,000,000
Total Current Liabilities		<u>17,255,843</u>	<u>23,692,325</u>
Non-Current Liabilities			
Lease Liabilities	17	123,979	220,063
Deferred consideration payable	23	800,000	800,000
Employee benefits	19	711,018	-
Provisions	27	2,927,690	2,912,677
Total Non-Current Liabilities		<u>4,562,687</u>	<u>3,932,740</u>
TOTAL LIABILITIES		<u>21,818,530</u>	<u>27,625,065</u>
NET ASSETS		<u>57,720,276</u>	<u>55,182,437</u>
Equity			
Contributed equity	20	73,238,523	72,912,682
Share-based payments reserve	21(a)	493,472	372,972
Accumulated losses	21(b)	<u>(16,011,719)</u>	<u>(18,103,217)</u>
TOTAL EQUITY	20	<u>57,720,276</u>	<u>55,182,437</u>

*Refer Note 34 for detailed information on restatement of comparative.

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 2022

		2022	Restated *
	Note	\$	2021 \$
Revenue from continuing operations	4	63,330,429	28,508,849
Other income	5	5,546,028	781,077
Interest revenue		58,486	88,535
Expenses			
Mining and processing costs		(30,945,076)	(9,951,823)
Depreciation and amortisation relating to gold sales		(8,324,457)	(4,406,304)
Royalties		(3,674,617)	(2,176,654)
Administration, corporate, occupancy and travel costs		(4,417,153)	(2,125,466)
Employee benefits expense		(14,676,505)	(4,808,586)
Depreciation		(2,018,757)	(750,888)
Exploration and evaluation expenditure		(2,786,880)	(4,223,995)
Profit before income tax expense from continuing operations	6	2,091,498	934,745
Income tax expense	8	-	-
Profit after income tax from continuing operations		2,091,498	934,745
Total comprehensive income for the year		2,091,498	934,745
Total comprehensive income attributable to members of the Parent entity		2,091,498	934,745
Earnings per share for profit attributable to the owners of Catalyst Metals Limited			
Basic profit per share (cents per share)	7	2.13	1.04
Diluted profit per share (cents per share)	7	2.12	0.96

*Refer Note 34 for detailed information on restatement of comparative.

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 2022

	Notes	Contributed Equity \$	Accumulated losses \$	Share- based payments reserve \$	Total \$
Balance at 30 June 2020		41,350,109	(19,037,962)	372,972	22,685,119
Total comprehensive profit for the year * Restated		-	934,745	-	934,745
Transactions with owners in their capacity as owners:					
Issue of shares	20	32,281,780	-	-	32,281,780
Issue of options	20	-	-	-	-
Share issue expenses	20	(719,207)	-	-	(719,207)
Balance at 30 June 2021 * Restated		72,912,682	(18,103,217)	372,972	55,182,437
Total comprehensive profit for the year		-	2,091,498	-	2,091,498
Transactions with owners in their capacity as owners:					
Issue of shares	20	325,841	-	-	325,841
Issue of options	20	-	-	120,500	120,500
Share issue expenses		-	-	-	-
Balance at 30 June 2022		73,238,523	(16,011,719)	493,472	57,720,276

*Refer Note 34 for detailed information on restatement of comparative.

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

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CATALYST METALS LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS For the Year Ended 30 June 2022

		2022	Restated *
	Note	\$	2021 \$
Cash Flows from Operating Activities			
Receipts from customers		63,632,509	29,825,353
Payments for exploration and evaluation		(2,254,482)	(4,223,995)
Payments to suppliers, contractors and employees		(54,991,164)	(15,561,074)
Research and development tax offsets received		154,052	438,919
Other income		391,976	342,158
Interest received		58,486	88,535
		<u>6,991,377</u>	<u>10,909,896</u>
Net cash flows provided operating activities	22	<u>6,991,377</u>	<u>10,909,896</u>
Cash Flows from Investing Activities			
Payment for security deposit		-	(3,000,000)
Payment for purchase of business net of cash acquired	26	(5,205,000)	(5,444,682)
Payments for property, plant and equipment		(1,241,172)	(3,429,024)
Payment for mine development assets		(8,535,020)	(5,817,608)
Payments for exploration and evaluation		(5,816,312)	(5,884,621)
		<u>(20,797,504)</u>	<u>(23,575,935)</u>
Net cash flows used in investing activities		<u>(20,797,504)</u>	<u>(23,575,935)</u>
Cash Flows from Financing Activities			
Proceeds from issue of shares and other equity securities		1,041	25,081,781
Share issue expenses		-	(719,208)
Repayment of borrowings		706,671	802,595
Lease payments		(477,028)	-
Joint venture exploration advances received	16	9,019,797	5,614,506
Joint venture exploration advances expended	16	(7,720,324)	(5,930,614)
		<u>1,530,157</u>	<u>24,849,060</u>
Net cash flows provided from financing activities		<u>1,530,157</u>	<u>24,849,060</u>
Net (decrease)/increase in cash and cash equivalents		(12,275,970)	12,183,021
Cash and cash equivalents at the beginning of the financial year		<u>30,518,541</u>	<u>18,335,520</u>
Cash and cash equivalents at the end of the financial year	9	<u>18,242,571</u>	<u>30,518,541</u>

*Refer Note 34 for detailed information on restatement of comparative.

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

CATALYST METALS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended 30 June 2022

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 33.

(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 2022 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 2022

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 should be 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.

CATALYST METALS LIMITED

NOTES TO THE FINANCIAL STATEMENTS For The Year Ended 30 June 2022

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 should be 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 2022

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Rehabilitation provision

In accordance with the Group's environmental policy and applicable legal requirements, a provision for rehabilitation is recognised in respect of the estimated cost of rehabilitation and restoration of the areas disturbed by mining activities up to the reporting date, but not yet rehabilitated.

When the liability is initially recorded, the estimated cost is capitalised by increasing the carrying amount of the related mining assets. At each reporting date the site rehabilitation provision is re-measured to reflect any changes in discount rates and timing or amounts to be incurred.

Additional disturbances or changes in rehabilitation costs will be recognised as additions or changes to the corresponding asset and rehabilitation provision, prospectively from the date of change. For closed sites, or where the carrying value of the related asset has been reduced to nil either through depreciation and amortisation or impairment, changes to estimated costs are recognised immediately in the statement of comprehensive income.

(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.

NOTES TO THE FINANCIAL STATEMENTS
For The Year Ended 30 June 2022

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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.

(g) **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.

CATALYST METALS LIMITED

NOTES TO THE FINANCIAL STATEMENTS For The Year Ended 30 June 2022

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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.

CATALYST METALS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended 30 June 2022

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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% or unit of production

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.

CATALYST METALS LIMITED

NOTES TO THE FINANCIAL STATEMENTS For The Year Ended 30 June 2022

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.

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 2022. 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.

CATALYST METALS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended 30 June 2022

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(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.

(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 development 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.

(ad) Right of use asset

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the consolidated entity expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

CATALYST METALS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended 30 June 2022

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The consolidated entity has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

(ae) Lease liability

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the consolidated entity's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

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NOTES TO THE FINANCIAL STATEMENTS
For The Year Ended 30 June 2022

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(m). 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.

Inventories

Net realisable value tests are performed at each reporting date and represent the estimated forecast sales price of the gold when it's expected to be realised, less estimated costs to complete production and bring the product to sale. Stockpiles are measured by estimating the number of tonnes added and removed from the stockpile, the number of contained gold ounces based on assay data, and the estimated recovery percentage. Stockpile tonnages are verified by periodic surveys.

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.

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.

NOTES TO THE FINANCIAL STATEMENTS
For The Year Ended 30 June 2022

2. CRITICAL ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (continued)

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.

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.

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 2022, \$63.4 million segment revenues from two customers amounted to \$32.2 million and \$31.2 million respectively (prior period: one customer amounting to \$26.3 m), arising from the sale of gold and silver. No other single customer contributed 10% or more to the Group's revenue for the year.

Geographical information

The consolidated entity is one geographical segment, Australia.

CATALYST METALS LIMITED

NOTES TO THE FINANCIAL STATEMENTS For The Year Ended 30 June 2022

3. Operating segments (continued)

Operating segment information

Consolidated - 30 June 2022	Exploration	Mining Operations	Total
	\$	\$	\$
Sales to external customers	-	63,330,429	63,330,429
Other revenue	366,537	179,491	546,028
Total segment revenue	366,537	63,509,920	63,876,457
Interest revenue	39,986	18,500	58,486
Total segment revenue	406,523	63,528,420	63,934,943
Unallocated revenue			5,000,000
Total revenue			68,934,943
EBITDA	(2,960,161)	10,336,387	7,376,226
Depreciation & amortisation			(10,343,214)
Interest revenue			58,486
Unallocated revenue			5,000,000
Profit before income tax benefit			2,091,498
Income tax benefit			-
Profit after income tax benefit			2,091,498
Assets			
Segment Assets	29,747,645	49,791,161	79,538,806
Total Assets			79,538,806
<i>Total assets includes:</i>			
Acquisition of non-current assets	1,093,213	1,299,790	2,393,003
Liabilities			
Segment liabilities	3,943,131	17,875,399	21,818,530
Total liabilities			21,818,530
Consolidated - 30 June 2021	Exploration	Mining Operations	Total
	\$	\$	\$
Sales to external customers	-	28,508,849	28,508,849
Other revenue	776,080	4,997	781,077
Total segment revenue	776,080	28,513,846	29,289,926
Interest revenue	88,535	-	88,535
Total revenue	864,615	28,513,846	29,378,461
EBITDA	(5,908,666)	11,912,068	6,003,402
Depreciation & amortisation			(5,157,192)
Interest			88,535
Profit before income tax benefit			934,745
Income tax benefit			-
Profit after income tax benefit			934,745

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CATALYST METALS LIMITED

NOTES TO THE FINANCIAL STATEMENTS For The Year Ended 30 June 2022

3. Operating segments (continued)

Assets

Segment Assets	36,269,416	46,538,086	82,807,502
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Total Assets			82,807,502
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Total assets includes:

Acquisition of non-current assets	-	13,156,011	13,156,011
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Liabilities

Segment liabilities	3,084,701	24,540,364	27,625,065
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Total liabilities			27,625,065
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2022	2021
\$	\$

4. Revenue

From Continuing Operations

Sale of gold	62,637,209	28,213,942
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Sale of silver	693,220	294,907
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	63,330,429	28,508,849
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Revenue is recorded at a point in time once goods are transferred.

2022	2021
\$	\$

5. Other income

Research and development tax offset recovery	154,052	438,919
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Government grants	-	67,500
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Administration recovery fees	212,485	268,069
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Other	179,491	6,589
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Contingent consideration derecognised ⁽ⁱ⁾	5,000,000	-
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	5,546,028	781,077
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- (i) Contingent consideration estimated at the date of acquisition of the Henty Gold Mine did not become payable, as the criteria for payment were not met and accordingly the amount has been derecognised through the profit and loss in the current period.

2022	2021
\$	\$

6. Expenses

Loss before income tax includes the following specific expenses:

Depreciation	3,486,773	750,888
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Directors' fees	937,670	478,603
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Amortisation	6,856,441	4,406,304
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Share based payments	446,341	-
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Exploration and evaluation expenditure (refer note 1(l))	2,785,359	4,223,995
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CATALYST METALS LIMITED

NOTES TO THE FINANCIAL STATEMENTS For The Year Ended 30 June 2022

7. Earnings per Share	2022 No. of Shares	Restated * 2021 No. of Shares
Profit after income tax	2,091,498	934,745
Weighted average number of ordinary shares for basic earnings per share	98,391,985	89,771,426
Adjustments for calculation of diluted earnings per share:		
Options over ordinary shares	250,000	7,881,996
Weighted average number of ordinary shares for diluted earnings per share	98,641,985	97,653,422
Basic earnings per share (cents per share)	2.13	1.04
Diluted earnings per share (cents per share)	2.12	0.96

*Refer Note 34 for detailed information on restatement of comparative.

8. Income tax	2022 \$	2021 \$
Profit before tax	1,667,084	742,748
Prima facie tax on operating loss before income tax at 30% (2021: 26%)	500,125	193,114
Tax effect of:		
- non assessable items	(1,505,088)	(125,976)
- Capital raising costs	(49,347)	(46,440)
- Temporary differences and tax losses not brought to account as a deferred tax balance	1,054,310	(20,698)
Income tax expense reported in income statement	-	-

Unrecognised deferred tax	2022 \$	2021 \$
Deferred tax assets have not been recognised in respect of the following items		
Prepayments	(98,349)	748,426
Property, plant and equipment	(2,866,254)	(20,942)
Exploration Expenditure	(5,252,267)	(2,997,068)
Mining Development Assets	(6,459,269)	-
Right of use assets	1,645	-
Provisions and accrued expenses	408,993	1,058,731
Other advances / provisions	630,312	-
Tax deductibility for capital raising costs	592,232	670,727
Revenue Losses	18,747,074	5,564,797
Capital Losses	250,807	217,366
	5,954,924	5,242,037

The Group has \$62,490,248 (2021: \$21,403,064) tax losses arising in Australia that are available indefinitely for offset against future profit of the companies in which the losses arose.

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CATALYST METALS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For The Year Ended 30 June 2022

8. Income tax (continued)

The potential deferred tax asset of \$5,954,924 (2021: \$5,242,037), 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.

	2022 \$	Restated * 2021 \$
9. Cash and cash equivalents and other financial assets		
<i>Cash and cash equivalents</i>		
Cash at bank	18,132,571	30,408,541
Cash on deposit	110,000	110,000
	<u>18,242,571</u>	<u>30,518,541</u>
<i>Other financial assets</i>		
Security deposit (cash on deposit)	3,000,000	3,000,000
	<u>3,000,000</u>	<u>3,000,000</u>

The cash at bank includes \$2,162,673 (2021: \$510,301) 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).

*Refer Note 34 for detailed information on restatement of comparative.

	2022 \$	2021 \$
10. Trade and other receivables		
<i>Current</i>		
Trade debtors	-	344,257
GST receivable	361,772	187,846
Prepayments	2,028,763	1,481,653
Other	1,040,758	802,398
	<u>3,431,293</u>	<u>2,816,154</u>
<i>Non-current</i>		
Environmental Rehabilitation Bond	36,500	10,000
	<u>36,500</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.

CATALYST METALS LIMITED

NOTES TO THE FINANCIAL STATEMENTS For The Year Ended 30 June 2022

	2022 \$	2021 \$
11. Inventories		
Gold stocks – ore stockpiles and gold in circuit	3,177,296	1,532,162
Stock on hand – parts and consumables	2,528,530	2,366,433
	<u>5,705,826</u>	<u>3,898,595</u>
	2022 \$	Restated * 2021 \$
12. Property, plant and equipment		
Land and buildings – at cost	1,547,775	770,000
Less: accumulated depreciation	(43,846)	(21,923)
	<u>1,503,929</u>	<u>748,077</u>
Plant and equipment – at cost	12,966,538	12,538,203
Less: accumulated depreciation	(3,404,987)	(904,378)
	<u>9,561,551</u>	<u>11,633,825</u>
Right of use asset – at cost	260,594	-
Less: accumulated depreciation	(139,444)	-
	<u>121,150</u>	<u>-</u>
	<u>11,186,630</u>	<u>12,381,902</u>

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 \$	Right of use asset \$	Total \$
Balance at 30 June 2020	-	96,867	-	96,867
Additions	-	3,429,024	-	3,429,024
Additions through business combination * Restated	770,000	8,999,212	-	9,769,212
Depreciation expense * Restated	(21,923)	(891,278)	-	(913,201)
	<u>748,077</u>	<u>11,633,825</u>	<u>-</u>	<u>12,381,902</u>
Balance at 30 June 2021 * Restated	748,077	11,633,825	-	12,381,902
Additions	799,698	1,332,713	260,594	2,393,005
Additions through business combination	-	-	-	-
Depreciation expense	(43,846)	(3,404,988)	(139,443)	(3,588,275)
	<u>1,503,929</u>	<u>9,561,550</u>	<u>121,151</u>	<u>11,186,630</u>
Balance at 30 June 2022	1,503,929	9,561,550	121,151	11,186,630

Additions to the right-of-use assets during the year were \$260,594.

The consolidated entity leases land and buildings for its offices with, in some cases, options to extend.

The leases have various escalation clauses. On renewal, the terms of the leases are renegotiated.

*Refer Note 34 for detailed information on restatement of comparative.

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CATALYST METALS LIMITED

NOTES TO THE FINANCIAL STATEMENTS For The Year Ended 30 June 2022

13. Exploration and evaluation expenditure	2022	Restated *
	\$	2021 \$
Opening balance	11,432,459	5,547,838
Additions	6,075,098	5,884,623
Additions through business combination	-	-
Closing balance	<u>17,507,557</u>	<u>11,432,461</u>

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.

**Refer Note 34 for detailed information on restatement of comparative.*

14. Mining Development Assets	2022	Restated *
	\$	2021 \$
Capitalised mine development	<u>20,428,429</u>	<u>18,749,849</u>
Opening Balance	18,749,849	-
Additions	8,535,021	5,817,608
Additions through business combination (Note 26)	-	17,338,545
Amortisation Expenses	<u>(6,856,441)</u>	<u>(4,406,304)</u>
Closing balance	<u>20,428,429</u>	<u>18,749,849</u>

**Refer Note 34 for detailed information on restatement of comparative.*

15. Trade and other payables	2022	2021
	\$	\$
Current Payables		
Trade creditors	7,365,776	5,312,075
Accruals	<u>4,636,924</u>	<u>6,327,970</u>
	<u>12,002,700</u>	<u>11,640,045</u>

Included in the current payables is an aggregate amount of \$918,679 (2021: \$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.

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CATALYST METALS LIMITED

NOTES TO THE FINANCIAL STATEMENTS For The Year Ended 30 June 2022

	2022 \$	2021 \$
16. Advances		
Opening Balance of Advance from Joint Venture Partners	215,526	531,634
Advances received from Joint Venture Partners	9,019,797	5,614,506
Exploration expenditure	<u>(7,720,324)</u>	<u>(5,930,614)</u>
Closing Balance of Advance/(Receivable) from Joint Venture Partners	<u>1,514,999</u>	<u>215,526</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.

	2022 \$	2021 \$
17. Lease liabilities		
Current	639,760	224,794
Non – current	<u>123,979</u>	<u>220,063</u>
	<u>763,739</u>	<u>444,857</u>

	2022 \$	2021 \$
18. Interest bearing liabilities		
Opening balance	802,610	-
Movement during the period	<u>706,671</u>	<u>802,610</u>
Closing balances	<u>1,509,281</u>	<u>802,610</u>

Interest bearing liabilities relate to insurance premium funding which is repayable by February 2023. An interest rate of 3.45% applies.

	2022 \$	2021 \$
19. Employee benefits		
Current	1,589,103	604,350
Non – current	<u>711,018</u>	<u>-</u>
	<u>2,300,121</u>	<u>604,350</u>
Provision for employee benefits	2,300,121	604,350
	<u>2,300,121</u>	<u>604,350</u>

Amounts not expected to be settled within the next 12 months

The current provision for employee benefits includes all unconditional entitlements where employees have completed the required period of service and also those where employees are entitled to pro-rata payments in certain circumstances. The entire amount is presented as current, since the consolidated entity does not have an unconditional right to defer settlement. However, based on past experience, the consolidated entity does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months.

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CATALYST METALS LIMITED

NOTES TO THE FINANCIAL STATEMENTS For The Year Ended 30 June 2022

20. Contributed Equity (continued)

(d) *Movements in Options - Listed*

Details	Number of Options	Issue Price	\$
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
Issue of options –			
Entitlement offer	-	-	-
Exercise of options	(425)	-	-
Lapse of options	(7,881,571)		-
Balance at 30 June 2022	-		157,785

(e) *Share based payment reserve*

Details	Number of Options	Issue Price	\$
Balance at 30 June 2021	-	-	372,912
Issue of options –			
To former CEO (EIS)	250,000	\$0.48	120,500
Balance at 30 June 2022	250,000		493,412

(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 2022

20. Contributed Equity (continued)

(g) Details of subsidiaries

Details of the Group's subsidiaries at 30 June 2022 are:

Name of subsidiary	Principal activity	Place of incorporation and operation	Proportion of ownership interest and voting power held	
			2022	2021
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%	100%
Henty Gold Pty Ltd	Gold Ore Production	Australia	100%	100%
Four Eagles JV Property Pty Ltd	Property	Australia	50%	50%

21. Reserves & Accumulated Losses

(a) Reserves

	2022 \$	Restated * 2021 \$
Share-based payments reserve		
Balance at the beginning of the year	372,972	372,972
Movements during the year	120,500	-
Balance at the end of the year	493,472	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	(18,103,217)	(19,037,962)
Profit for the year	2,091,498	934,745
Balance at the end of the year	(16,011,719)	(18,103,217)

*Refer Note 34 for detailed information on restatement of comparative.

CATALYST METALS LIMITED

NOTES TO THE FINANCIAL STATEMENTS For The Year Ended 30 June 2022

22. Notes to the Cash Flow Statement

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

	2022 \$	Restated * 2021 \$
Operating profit after tax	2,091,498	934,745
<i>Add non-cash items:</i>		
Depreciation	2,018,757	750,888
Depreciation and amortisation relating to gold sales	8,324,457	4,406,304
Share based payments	445,300	-
Derecognised contingent consideration	(5,000,000)	-
<i>Changes in net assets and liabilities</i>		
(Increase)/decrease in receivables	(641,639)	1,316,506
(Increase)/decrease in inventory	(1,807,231)	(433,310)
(Decrease)/increase in payables	1,560,237	4,706,901
Net cash provided/(used) in operating activities	6,991,377	9,553,345

*Refer Note 34 for detailed information on restatement of comparative.

23. Deferred and contingent consideration payable

	2022 \$	Restated * 2021 \$
Deferred consideration payable (refer to note 26)	-	5,205,000
Contingent consideration payable (refer to note 26)	-	5,000,000
Deferred consideration payable (refer to note 26)	800,000	800,000
	800,000	11,005,000

The conditions relating to the payment of contingent considerations were not met and this amount was derecognised to the profit and loss (refer to note 5).

*Refer Note 34 for detailed information on restatement of comparative.

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CATALYST METALS LIMITED

NOTES TO THE FINANCIAL STATEMENTS For The Year Ended 30 June 2022

24. Related Party Disclosures

Parent entity

Catalyst Metals Limited is the parent entity.

Subsidiaries

Interests in subsidiaries are set out in note 20.

Key management personnel

Disclosures relating to key management personnel are set out in the remuneration report included in the directors' report.

Transactions with related parties

The following transactions occurred with related parties:

Key management personnel remuneration

	2022	2021
	\$	\$
Short-term employee benefits	1,411,147	1,000,586
Share Based Payment	414,850	-
Post-employment benefits	134,238	92,390
	<u>1,960,235</u>	<u>1,092,976</u>

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

	2022	2021
	\$	\$
Payment for services from Raisemetrex Pty Ltd (director-related entity of Mr Stephen Boston)	60,000	60,000
	<u>60,000</u>	<u>60,000</u>

Receivable from and payable to related parties

There are no outstanding receivables and payables at the reporting date in relation to transactions with related parties.

Loans to/from related parties

There were no loans to or from related parties at the current and previous reporting date.

Terms and conditions

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

25. Share Based Payments

Employee Incentive Plan

Equity incentives (shares or options or performance rights over shares) in the Company can be granted to eligible employees and officers of the Group under the Catalyst Metals Limited Employee Incentive Plan ("Incentive Plan"). The number of equity incentives that can be issued under the plan cannot exceed 5% of the total number of shares on issue. The terms and conditions of the equity incentives issued under the plan are at the discretion of the Board.

There were no equity incentives issued during the current period and previous year under the employee incentive plan.

CATALYST METALS LIMITED

NOTES TO THE FINANCIAL STATEMENTS For The Year Ended 30 June 2022

25. Share Based Payments (continued)

Options issued

During the year the Company issued 250,000 options to key management personnel of the Company as part of their remuneration package for FY2022.

	2022	2021
	Number of Options	Weighted Average Exercise Price \$
Opening amounts	-	-
Issued during the year	250,000	\$3.00
Exercised during the year	-	-
Closing amount	250,000	\$3.00

2022

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
22 Oct 2021	30 Nov 2024	-	\$3.00	250,000	-	-	250,000	250,000

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	-	-	-

The weighted average share price during the financial year was \$2.03 (2021: \$2.03).

The weighted average remaining contractual life of options outstanding at the end of the financial year was 2.6 years (2021: nil).

The fair value of the equity-settled share options granted is estimated as at the grant date using a Hoadley ESO2 option valuation model taking into account the terms and conditions upon which the options were granted, as follows for the year ended 30 June 2022:

	\$3.00 Options
Number	250,000
Expected volatility (%)	50.0%
Risk-free interest rate (%)	0.67%
Exercise price (cents)	\$3.00
Grant date share price (cents)	\$2.08
Vesting date	20/10/2021
Valuation	\$0.48
Total value	\$120,500

CATALYST METALS LIMITED

NOTES TO THE FINANCIAL STATEMENTS For The Year Ended 30 June 2022

25. Share Based Payments (continued)

Directors Shares

Mr Kay and Mr Schwab were issued 75,000 shares and 60,000 shares respectively for the significant additional services they provided during the Henty Gold Mine acquisition process. Mr Schwab was issued 10,000 shares for the consulting services rendered. The shares were valued at \$2.03, being the closing price on 12 November 2021, when the issue of the shares was approved by shareholders.

No shares were issued as compensation during the previous financial year.

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CATALYST METALS LIMITED

NOTES TO THE FINANCIAL STATEMENTS For The Year Ended 30 June 2022

26. Business Combination

On 20 January 2021, the group acquired 100% of the shares and voting rights in Unity Mining Mining Pty Ltd and its 100% owned subsidiary, Henty Gold Mine Pty Ltd (the entity that owned the Henty Gold Mine asset). Henty Gold Mine is an underground 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.

As at 30 June 2021, the acquisition had been accounted for as a business combination. The business combination had been accounted for on a provisional basis. In the current reporting period, the remeasurement of the consideration paid/payable and fair value of assets and liabilities acquired have been finalised. As a consequence of finalising the acquisition amounts, the following balances previously reported on a provisional basis have been restated.

	Provisional Amount \$	Measurement Period Adjustments \$	Finalised Fair Value \$
Cash	555,318	(247,650)	307,668
Receivables	1,741,007	(51,968)	1,689,039
Inventories	3,465,285	(192,077)	3,273,208
Property, plant & equipment	2,654,329	7,114,883	9,769,212
Exploration – mining rights	1,137,111	(1,137,111)	-
Mining development assets	3,708,538	13,630,007	17,338,545
Payables	(2,743,139)	(2,361,192)	(5,104,331)
Provisions	(3,329,300)	9,423	(3,319,877)
Deferred tax asset	-	2,021,018	2,021,018
Deferred tax liability	-	(2,021,018)	(2,021,018)
Fair value of tangible net assets acquired	7,189,149	16,764,315	23,953,464
Exploration and evaluation expenditure	17,810,851	(17,810,851)	-
Fair value of consideration	25,000,000	(1,046,536)	23,953,464
Representing			
Catalyst Limited Shares issued to vendor (1)	7,200,000	-	7,200,000
Cash consideration paid	6,000,000	(1,046,536)	4,953,464
Deferred share consideration (2)	800,000	-	800,000
Deferred cash consideration (3)	6,000,000	-	6,000,000
Contingent consideration payable (4)	5,000,000	-	5,000,000
	25,000,000	(1,046,536)	23,953,464
Cash used to acquire business, net of cash acquired:			
Acquisition date fair value of cash consideration			10,953,464
Less: cash acquired			(307,668)
Less: payments made in prior year			(5,440,796)
Net cash outflow			5,205,000

CATALYST METALS LIMITED

NOTES TO THE FINANCIAL STATEMENTS For The Year Ended 30 June 2022

26. Business Combination (continued)

- (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 a value of \$800,000
- (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 is calculated as the lesser of \$5,000,000 or 50% of cashflow to equity generated by Henty Gold Mine in the initial 12 months post acquisition. The payment of contingent consideration will occur as soon as practicable 12 months after acquisition. At the date of acquisition management assessed the probability of the payment as probable.

	2022 \$	2021 \$
27. Provisions		
Current	-	-
Non - current	2,927,690	2,912,677
	<u>2,927,690</u>	<u>2,912,677</u>
Provision for rehabilitation	2,927,690	2,912,677
	<u>2,927,690</u>	<u>2,912,677</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. See note 1(o) for the accounting policy.

Movement in provisions

Movements in each class of provision during the current financial year are set out below:

	Rehabilitation
Carrying amount at the start of the year	2,912,677
Additional provisions recognised	15,013
Amounts transferred from non-current	<u>-</u>
Carrying amount at the end of the year	<u>2,927,690</u>

28. Auditor's Remuneration

During the financial year the following fees were paid or payable for services provided by RSM Australia Partners, the auditor of the company, its network firms and unrelated firms:

	2022 \$	2021 \$
Audit or review of the financial statements	107,750	59,500
Other services – audit of joint venture financial statements	20,900	17,000
	<u>128,650</u>	<u>76,500</u>

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CATALYST METALS LIMITED

NOTES TO THE FINANCIAL STATEMENTS For The Year Ended 30 June 2022

29. Commitments

There were no outstanding commitments, which are not disclosed in the financial statements as at 30 June 2022 other than:

	2022 \$	2021 \$
(a) Tenement commitments		
No later than 1 year	1,526,925	1,461,750
Later than 1 year but not later than 5 years	1,148,800	-
	<u>2,675,725</u>	<u>1,461,750</u>

30. Financial Instruments

	Notes	Interest Rate	1 year or less \$	Over 1-5 years \$	Non-interest bearing \$	Total \$
2022						
Financial assets						
Cash and cash equivalents	9	0.29%	21,242,571	-	-	21,242,571
Trade and other receivables	10	-	-	-	1,550,471	1,550,471
Total financial assets			<u>21,242,571</u>	<u>-</u>	<u>1,550,471</u>	<u>22,793,042</u>
Financial liabilities						
Trade and other payables	15	-	-	-	(12,002,700)	(12,002,700)
Advances	16	-	-	-	(1,514,999)	(1,514,999)
Leases	17	4.16%	(639,760)	(123,979)	-	(763,739)
Deferred payables	23	-	-	-	(800,000)	(800,000)
Interest bearing liabilities	18	3.45%	(1,509,281)	-	-	(1,509,281)
Total financial liabilities			<u>(2,149,041)</u>	<u>(123,979)</u>	<u>(14,317,699)</u>	<u>(16,590,719)</u>
Net financial assets			<u>19,093,530</u>	<u>(123,979)</u>	<u>(12,767,228)</u>	<u>6,202,323</u>

CATALYST METALS LIMITED

NOTES TO THE FINANCIAL STATEMENTS For The Year Ended 30 June 2022

30. Financial Instruments (continued)

	Notes	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	-	-	-	1,344,653	1,344,653
Total financial assets			33,518,541	-	1,344,653	34,863,194
Financial liabilities						
Trade and other payables	15	-	-	-	(11,640,045)	(11,640,045)
Advances	16	-	-	-	(215,526)	(215,526)
Leases	17	5%	(224,794)	(220,063)	-	(444,857)
Deferred payables	23				(11,005,000)	(11,005,000)
Interest bearing liabilities	18	2.7%	(802,610)	-	-	(802,610)
Total financial liabilities			(1,027,404)	(220,063)	(22,860,571)	(24,108,038)
Net financial assets			32,491,137	(220,063)	(21,515,918)	10,755,156

	2022 \$	2021 \$
Reconciliation of net financial assets to net assets		
Net Financial Assets	6,202,323	10,755,156
Property, plant & equipment	11,186,630	12,381,902
Exploration expenditure	17,507,557	11,432,461
Capitalised development	20,428,429	18,749,849
Prepayments	1,917,322	1,481,501
Inventory	5,705,826	3,898,595
Employee benefits	(2,300,121)	(604,350)
Provisions	(2,927,690)	(2,912,677)
Net Assets	57,720,276	55,182,437

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NOTES TO THE FINANCIAL STATEMENTS
For The Year Ended 30 June 2022

30. Financial Instruments (continued)

Financial risk Management objectives

The consolidated entity's activities expose it to a variety of financial risks: market risk (including foreign currency risk, price risk and interest rate risk), credit risk and liquidity risk. The consolidated entity's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the consolidated entity. The consolidated entity uses derivative financial instruments such as forward foreign exchange contracts to hedge certain risk exposures. Derivatives are exclusively used for hedging purposes, i.e. not as trading or other speculative instruments. The consolidated entity uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate, foreign exchange and other price risks, ageing analysis for credit risk and beta analysis in respect of investment portfolios to determine market risk.

Risk management is carried out by senior finance executives ('finance') under policies approved by the Board of Directors ('the Board'). These policies include identification and analysis of the risk exposure of the consolidated entity and appropriate procedures, controls and risk limits. Finance identifies, evaluates and hedges financial risks within the consolidated entity's operating units. Finance reports to the Board on a monthly basis.

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 or fixed rate. The Group does not engage in any hedging or derivative transactions to manage interest rate risk.

Interest rate sensitivity

At 30 June 2022, 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 \$227,302 (2021: \$324,911) 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.

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.

CATALYST METALS LIMITED

NOTES TO THE FINANCIAL STATEMENTS For The Year Ended 30 June 2022

30. Financial Instruments (continued)

Price risk

The consolidated entity is exposed to commodity price risk arises from gold and other metals held as sales.

The policy of the consolidated entity is to sell gold and other metals at the spot price and it has not entered into any hedging contracts. The consolidated entity's revenues were exposed to fluctuation in the price of these metals. If the average selling price of gold of \$2,529/oz (2021: \$2,315/oz) for the financial year had increased/decreased by 10% the change in the profit before income tax for the consolidated group would have been an increase /decrease of \$5,965,581 (2021: \$2,633,220).

31. Contingent Liabilities and Contingent Assets

The Group does not have any contingent liabilities or contingent assets at 30 June 2022.

32. Subsequent Events

On 27 September 2022 the Company released an updated Resource and Reserve statement which showed that Mineral Resources at the Henty Gold Mine had increased by 10% after accounting for FY22 production. Mineral Reserves for 30 June 2022 were 2.6Mt at 4.3g/t for 368,000oz Au (refer to Additional Information in this Annual Report).

No further significant events have occurred since the end of the financial year.

33. Parent Entity Disclosure

	2022 \$	Restated * 2021 \$
Total current assets	8,262,289	22,709,001
Total assets	58,121,672	60,233,579
Total current liabilities	860,640	415,131
Total liabilities	860,640	415,131
Equity		
Contributed equity	73,238,523	72,912,682
Share based payments reserve	493,472	372,972
Accumulated losses	(16,470,963)	(13,467,205)
Total equity	57,261,032	59,818,448
Profit (loss) for the year	(3,003,757)	(3,043,199)
Total comprehensive profit (loss)	(3,003,757)	(3,043,199)

Contingent liabilities

The parent entity had no contingent liabilities as at 30 June 2022 and 30 June 2021.

CATALYST METALS LIMITED

NOTES TO THE FINANCIAL STATEMENTS For The Year Ended 30 June 2022

33. Parent Entity Disclosure (continued)

Capital commitments - Property, plant and equipment

The parent entity had no capital commitments for property, plant and equipment as at 30 June 2022 and 30 June 2021.

Significant accounting policies

The accounting policies of the parent entity are consistent with those of the consolidated entity, as disclosed in note 1, except for the following:

- Investments in subsidiaries are accounted for at cost, less any impairment, in the parent entity;
- Investments in joint ventures are accounted for at cost, less any impairment, in the parent entity; and
- Dividends received from subsidiaries are recognised as other income by the parent entity and its receipt may be an indicator of an impairment of the investment.

34. Restatement of comparative and balances

The restatement of comparative balances comprises:

- During the period the Company completed the Purchase Price Accounting (PPA) for the Henty acquisition (refer to note 26), which had been reported on a provisional basis as at 30 June 2021. The finalisation of the PPA resulted in the restatement of certain 30 June 2021 balances.
- The reclassification of security deposits, which had previously been disclosed as cash and cash equivalents to other financial assets.

	Reported at 30 June 2021 \$	Effect of PPA \$	Restated \$
Cash and cash equivalents	33,518,541	(3,000,000)	30,518,541
Other financial assets	-	3,000,000	3,000,000
Property, plant and equipment	5,814,969	6,566,933	12,381,902
Exploration and evaluation assets	30,001,347	(18,568,886)	11,432,461
Mining development assets	6,505,722	12,244,127	18,749,849
Total assets	82,565,328	242,174	82,807,502
Deferred consideration payable	6,000,000	(795,000)	5,205,000
Total liabilities	28,420,065	(795,000)	27,625,065
Net assets	54,145,263	1,037,174	55,182,437
Equity			
Issued capital	72,912,682	-	72,912,682
Reserves	372,972	-	372,972
Accumulated losses	(19,140,391)	1,037,174	(18,103,217)
Total equity	54,145,263	1,037,174	55,182,437

No restatement occurred to the Statement of Financial Position as at 1 July 2020.

CATALYST METALS LIMITED

NOTES TO THE FINANCIAL STATEMENTS For The Year Ended 30 June 2022

	Reported at 30 June 2021 \$	Effect of PPA \$	Restated \$
Statement of comprehensive income			
Mining & Processing costs	(13,737,990)	3,786,167	(9,951,823)
Depreciation & amortisation relating to gold sales	(1,663,872)	(2,742,432)	(4,406,304)
Depreciation	(744,327)	(6,561)	(750,888)
Loss before tax	(102,429)	1,037,174	934,745
Income tax benefit	-	-	-
Net loss for the period	(102,429)	1,037,174	934,745
Total comprehensive loss for the period	(102,429)	1,037,174	934,745

	Reported at 30 June 2021 \$	Effect of Restatement \$	Restated \$
Cash Flows from Operating Activities			
Payments to suppliers, contractors and employees	(16,917,625)	1,356,551	(15,561,074)
Net cash flows from operating activities	9,553,345	1,356,551	10,909,896
Cash Flows from Investing Activities			
Payment for security deposit	-	(3,000,000)	(3,000,000)
Payment for mine development assets	(4,461,057)	(1,356,551)	(5,817,608)
Net cash flows used in investing activities	(19,219,384)	(4,356,551)	(23,575,935)
Net increase in cash and cash equivalents	15,183,021	(3,000,000)	12,183,021
Cash and cash equivalents at the beginning of the financial year	21,335,520	(3,000,000)	18,335,520
Cash and cash equivalents at the end of the financial year	33,518,541	(3,000,000)	30,518,541

	Reported at 30 June 2021 \$	Restated \$
Earnings per Share		
Basic earnings per share (cents per share)	(0.1)	1.04
Diluted earnings per share (cents per share)	(0.1)	0.96

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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 Australian 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 2022 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 Company 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 2022

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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 2022, 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 2022 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.

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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
<p><i>Carrying value of Capitalised exploration and evaluation expenditure</i> Refer to Note 13 in the financial statements</p>	
<p>As at 30 June 2022, the Group has capitalised exploration and evaluation expenditure with a carrying value of \$17,507,557.</p> <p>We determined this to be a key audit matter due to the significant management judgments involved in assessing the carrying value of the asset including:</p> <ul style="list-style-type: none"> • Determination of whether expenditure can be associated with finding specific mineral resources and the basis on which that expenditure is allocated to an area of interest; • Determination of whether exploration activities have progressed to the stage at which the existence of an economically recoverable mineral reserve may be assessed; and • Assessing whether any indicators of impairment are present and, if so, judgments applied to determine and quantify any impairment loss. 	<p>Our audit procedures included:</p> <ul style="list-style-type: none"> • Assessing the Group's accounting policy for compliance with Australian Accounting Standards; • On a sample basis, testing that the Group has valid rights to explore in the specific areas of interest; • Agreeing, on a sample basis, additions to supporting documentation and assessing whether the amounts may be capitalised and relate to the specific areas of interest; • Evaluating management's assessment that no indicators of impairment existed for those tenements where the Group has current rights of tenure; • Assessing management's determination that exploration and evaluation activities have not yet reached a stage where the existence or otherwise of economically recoverable reserves may be reasonably determined; and • Enquiring with management and reading budgets and other documentation as evidence that active and significant operations in, or relation to, the areas of interest will be continued in the future.

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Key audit matter	How our audit addressed this matter
<p>Carrying value of Mining development assets Refer to Note 14 in the financial statements</p>	
<p>At 30 June 2022, the Group has Mining development assets with a carrying value of \$20,428,429.</p> <p>We considered this to be a key audit matter due to the significant judgement and estimates used by management in measuring the carrying value of these assets.</p> <p>Areas of judgement include</p> <ul style="list-style-type: none"> • Determining the fair value of Mine development assets acquired in relation to the Henty Mine business combination (refer KAM below); • Application of the units of production method in determining the amortisation charge. This includes determining the appropriate mine reserve estimate and the cost allocation attributable to each asset; • Allocating mining development costs including expenditure incurred to develop new ore bodies to define further mineralisation in existing ore bodies, to expand the capacity of the mine and to maintain production; and • Assessing whether any indicators of impairment are present. 	<p>Our audit procedures included:</p> <ul style="list-style-type: none"> • Assessing the Group's accounting policy for compliance with Australian Accounting Standards; • Agreeing acquisition fair value of the Mine development assets to the finalised purchase price allocation; • On a sample basis, agreeing additions during the year to the Mine development asset to supporting documentation and evaluating whether the amounts were capital in nature and related to mining development activities; • Evaluating management's amortisation model and agreeing key inputs such as production costs and production outputs to supporting information. This included evaluating the work performed by management's expert with respect to the Life of Mine Plan and the mine reserve estimate and included assessing the competency and objectivity of the expert; • Testing the mathematical accuracy of the amortisation rates applied and resulting amortisation charge; • Critically evaluating management's assessment that no indicators of impairment existed; and • Assessing the disclosures in the financial statements.

Key audit matter	How our audit addressed this matter
<p>Accounting for the acquisition of the Henty Mine Refer to Note 26 in the financial statements</p>	
<p>The Group acquired 100% of the shares and voting right in Unity Mining Pty Ltd and its 100% owned subsidiary, Henty Gold Mine Pty Ltd on 20 January 2021.</p> <p>The acquisition was determined to be a business combination during the 30 June 2021 year end and was accounted for on a provisional basis as at 30 June 2021.</p> <p>The measurement period for the business combination ended during the year ended 30 June 2022 and comparative balances have been restated as set out in Note 34.</p> <p>The finalisation of the business combination accounting for this acquisition is a key audit matter due to the material nature of the acquisition, the related management estimates and judgements associated with finalising the identification and measurement of the fair value the purchase consideration and assets and liabilities acquired.</p>	<p>Our audit procedures included:</p> <ul style="list-style-type: none"> Assessing the Group's account policy for compliance with the Australian Accounting Standards; Reading the purchase agreement and other associated documents to obtain an understanding of the transaction and the related accounting considerations; Testing the determination of the fair value of consideration payable, including evaluating the basis for measuring contingent consideration; Assessing the methods, assumptions and data utilised in determining the fair value of assets and liabilities acquired, including evaluating the work performed by management's experts and the competency and objectivity of the expert; and Assessing the disclosures in the financial statements, including the restatement of comparative balances.

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 2022, 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 2022.

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.



RSM AUSTRALIA PARTNERS



MATTHEW BEEVERS
Partner

Perth, Western Australia

30 September 2022

CATALYST METALS LIMITED

ADDITIONAL INFORMATION

The following information was reflected in the records of the Company as at 23 September 2022.

Distribution of share and option holders

	Number of holders	
	Fully paid shares	Unlisted options
1 - 1,000	560	
1,001 - 5,000	508	
5,001 - 10,000	168	
10,001 - 100,000	275	
100,001 and over	82	1
	<u>1,593</u>	<u>1</u>
Including holdings of less than a marketable parcel	279	

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	12.89
Gold Exploration Victoria Pty Ltd	12,495,278	12.69
Drill Investments Pty Ltd	7,375,000	7.49
Trapine Pty Ltd	5,799,877	5.89
Robin Scrimgeour	5,310,731	5.39

Twenty largest holders of fully paid shares

Shareholder	Shares	%
1. St Barbara Limited	12,690,222	12.89
2. Gold Exploration Victoria Pty Ltd	12,180,000	12.37
3. HSBC Custody Nominees (Australia) Limited	9,751,813	9.90
4. Drill Investments Pty Ltd	7,650,000	7.77
5. Citicorp Nominees Pty Ltd	6,781,430	6.89
6. Trapine Pty Ltd	4,467,270	4.54
7. Diversified Minerals Management Pty Ltd	2,960,999	3.01
8. BNP Paribas Nominees Pty Ltd	2,672,842	2.71
9. Kayfund Pty Ltd	2,183,843	2.22
10. Chepalix Pty Ltd	2,066,135	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	1,285,349	1.31
14. Kimberley Downs Pty Ltd	1,208,921	1.23
15. Gavin Arnold Caudle	1,047,619	1.06
16. Lindway Investments Pty Ltd	952,198	0.96
17. Bayeux Investments Pty Ltd	814,779	0.83
18. Gavin Caudle	797,092	0.81
19. Roger George Davis	786,561	0.80
20. John Paul Sisterson	709,255	0.72
	<u>73,808,524</u>	<u>74.97</u>

CATALYST METALS LIMITED

ADDITIONAL INFORMATION

Unquoted securities

The following classes of unquoted securities are on issue:

Security	Number on issue	Holders of greater than 20% of each class of security		
		Name of holder	Number	%
Options over fully paid shares exercisable:				
- at \$3.00 each on or before 30.11.24	250,000	Bruce Robertson and Fiona Robertson	250,000	100.0

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.

Voluntary escrow

	Number
Ordinary fully paid shares subject to voluntary escrow until 20 January 2024	3,428,572

Corporate governance statement

The Company's 2022 corporate governance statement can be viewed at <https://catalystmetals.com.au/about-catalyst/corporate-governance/>

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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%
Raydarra East	EL5509	100%
Sebastian	EL5533	100%
Raydarra	EL007214	100%
Golden Camel	EL5490, EL5449	50.1%
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 2022, CSA Global Pty Ltd (CSA Global) was commissioned by Catalyst Metals to prepare a Mineral Resource Estimate (MRE) for the Henty Gold Mine in Tasmania. The MRE has been reported in accordance with the JORC 2012 Code.

The Company's Mineral Resource estimate for the Henty Gold Mine as at 30 June 2022 is detailed below.

JORC Classification	Tonnage (Mt)	Au (g/t)	Ounces (koz)
Indicated	1.8	4.5	257
Inferred	0.9	4.0	111
Total	2.6	4.3	368

- Notes on Henty JORC 2012 Mineral Resources: The Resource estimate was prepared by CSA Global based on data up to 30 June 2022. 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.

The Company's Mineral Resource estimate for the Henty Gold Mine as at 30 June 2021 was 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

The Company's Mineral Resource estimate for the Henty Gold Mine as at 30 June 2022 represents an increase by more than 10% to 368,000oz at 4.3 g/t after accounting for depletion from FY22 production.

Competent Person's Statement for JORC 2012 Mineral Resource Estimate

The Henty Resource estimation in this report was prepared by Ms Millicent Canisius, a Competent Person, who is an employee of CSA Global Pty Ltd, a Member of the Australasian Institute of Geoscientists (#3725) and a Member of the Australasian Institute of Mining and Metallurgy (#316885). Ms Canisius has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity which she is undertaking to qualify as Competent Person as defined in the 2012 Edition of the Australasian Code for the Reporting of Exploration Results, Mineral Resources, and Ore Reserves (JORC Code). Ms Canisius consents to the disclosure of information in this report 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).