

Catalyst Metals Limited

ABN 54 118 912 495

Annual Financial Report - 30 June 2023

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Catalyst Metals Limited
Corporate directory
30 June 2023

DIRECTORS

Robin Scrimgeour (Non-executive Director and interim Chairman)
Bruce Kay (Non-executive Director)
James Champion de Crespigny (Managing Director & Chief Executive Officer)

COMPANY SECRETARY

Frank Campagna

REGISTERED OFFICE

Level 1, 30 Richardson Street
West Perth WA 6005

**PRINCIPAL PLACE OF
BUSINESS**

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West Perth WA 6005
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Email: admin@catalystmetals.com.au

SHARE REGISTER

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Level 5, 126 Phillip Street
Sydney, New South Wales 2000
Telephone: 1300 288 664 or (61-2) 9698 5414
Email: hello@automicgroup.com.au
Website: www.automicgroup.com.au

AUDITORS

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

STOCK EXCHANGE LISTING

Catalyst Metals Limited shares are listed on the Australian Securities Exchange
(ASX code: CYL)

WEBSITE

www.catalystmetals.com.au

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Catalyst Metals Limited
Directors' report
30 June 2023

The Directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'Consolidated Entity' or 'Catalyst') consisting of Catalyst Metals Limited (referred to hereafter as the 'Company' or 'Parent Entity') and the entities it controlled at the end of, or during, the year ended 30 June 2023.

DIRECTORS

The following persons were Directors of Catalyst Metals Limited during the whole of the financial year and up to the date of this report, unless otherwise stated:

Stephen Boston (retired 8 August 2023)
Robin Scrimgeour
Bruce Kay
James Champion de Crespigny

COMPANY SECRETARY

Frank Campagna

PRINCIPAL ACTIVITIES

During the financial year the principal continuing activities of the Consolidated Entity consisted of:

- Mineral exploration and evaluation
- Production of gold

DIVIDENDS

There were no dividends paid, recommended or declared during the current or previous financial year.

REVIEW OF OPERATIONS

The loss for the Consolidated Entity after providing for income tax amounted to \$15,599,000 (30 June 2022: profit of \$2,091,000).

Victoria Introduction and Overview

Catalyst has significant interests over the Whitelaw Gold Belt and similar geological terranes both to the east and to the west.

The Whitelaw Fault Corridor is a 75-kilometre-long geological structure thought to control the emplacement of the Bendigo gold deposits, which extends in a generally northerly direction in favourable Ordovician rocks beneath the covering veneer of the Murray Basin sediments.

Significant developments during the period included the following:

Four Eagles Gold Project

- The drilling program in the first half-year period was delayed due to widespread regional flooding. Drilling commenced in December 2022 with reverse circulation drilling at Hayanmi, aircore drilling between Hayanmi and Boyd's Dam, and diamond drilling on a potential feeder zone at Boyd's dam.
- An application seeking permission to establish an underground access tunnel for diamond drilling was submitted in November 2022. 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.
- A maiden Mineral Resource was announced at the Four Eagles Gold Project of 665,000 tonnes at 7.7grams per tonne for 163,000 ounces.

Drummartin Project

- In August 2022, Catalyst was advised by St Barbara Limited that it has withdrawn from the Drummartin Joint Venture to focus on its existing projects.
- At the time of withdrawal, St Barbara Limited had spent approximately \$2.2 million on gravity and geochemical surveys, soil sampling and air core drilling.
- The Drummartin Joint Venture has identified 13 gravity targets from the detailed gravity survey completed last year.
- Catalyst will follow-up these highly prospective targets, which have been generated at no cost to Catalyst, as part of its ongoing exploration program. Catalyst retains all data from the joint venture and now has 100% ownership of the project.

FOUR EAGLES JOINT VENTURE (RL006422, EL5295, EL5508, AND EL006859 CATALYST 50%)

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 drilling program in the first half of financial year 2023 was affected by widespread regional flooding which delayed the commencement of the year's program. Drilling at Four Eagles commenced in December 2022 with reverse circulation drilling at Hayanmi, air core drilling between Hayanmi and Boyd's Dam, and diamond drilling on a deeper potential feeder zone at Boyd's dam.

In November 2022, Catalyst submitted a work plan for an exploration tunnel with Earth Resources Regulation, the Victorian Government's resource and exploration regulator. The 3.6km tunnel will enable year-round access with minimal environmental impact. The drilling will be from underground in the basement rocks, offering lower cost and more effective drilling angles.

Catalyst has continued to collaborate with the Victorian Government's regulation body, Earth Resources Regulation (ERR), to gain approval to develop an exploration access tunnel at Four Eagles.

Catalyst was advised that the application for development of an exploration tunnel would require an Environmental Impact Statement (EIS). Catalyst continues to engage with the Government and will work closely with the regulator through this additional requirement.

Local support for the potential project remains strong with regular enquiries as to when an investment decision on the project is expected to be considered by the joint venture partners.

Whilst the timeline regarding approval of the tunnel remains uncertain, Catalyst do not believe an EIS will negatively impact the currently anticipated timeline.

During the year, Catalyst delivered a maiden Mineral Resource at the Four Eagles Gold Project of 665,000 tonnes at 7.7grams per tonne for 163,000 ounces. The release of a Mineral Resource was significant as it demonstrated proof of concept that Four Eagles contains the same stacking of mineralisation as that of the historical 22-million-ounce Bendigo Goldfield, where high-grade mineralised zones repeated at depth.

Deposit	Classification	Tonnes	Grade (g/t)	Ounces
Boyd's Dam	Indicated	455,000	5.0	73,000
	Inferred	125,000	5.0	20,000
Iris	Indicated	-	-	-
	Inferred	85,000	26.2	70,000
Total		665,000	7.7	163,000

This included the high-grade Iris Zone of 70,000 ounces at 26.2 grams per tonne. The Iris Zone is situated approximately 80 metres below the Boyd's Dam deposit. Both Boyd's Dam and Iris Zone remain open along strike.

TANDARRA JOINT VENTURE GOLD PROJECT (RL006660) (CATALYST 51%)

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 km long and up to 4 km wide. Within this, Catalyst is focused on the continued evaluation of three gold bearing structural zones trending roughly north-south: Tomorrow; Macnaughtan; and Lawry. Field activity was affected by contractor availability during the 2023 field season, and as such no new data was made available.

OTHER BENDIGO REGIONAL EXPLORATION

The Golden Camel Joint Venture (Catalyst 50.1% in exploration licences EL5449 and EL5490, including the now closed Toolleen mine, with a right to purchase a 50.1% interest in the Golden Camel mining leases) had previously advanced with diamond drilling on the Golden Camel mining licence and RC drilling on the Toolleen Project. There was no new activity during the reporting period.

At the Boort exploration licence EL006670, Catalyst acts as manager of the joint venture with GEV (50:50). The activity at Boort to date is based around a gravity geophysics survey conducted in 2021, which resulted in the generation of 13 drilling targets. There was no new activity during the period.

Drummartin EL006507 is situated to the east of the Whitelaw Belt and covers the northern extension of the Redesdale, Fosterville and Drummartin Faults extending northwards from the vicinity of Fosterville gold mine. These faults are believed to be similar in nature and parallel to the Whitelaw Fault, which is understood to be the driver of mineralisation at Bendigo. St Barbara Limited (ASX: SBM) was funding and farming into EL006507 and was the manager of the Earn-in Joint Venture project conducting the exploration. However, SBM had elected to withdraw from the earn-in program in Q3 2022. There was no new activity during the period.

GEV has funded exploration to earn a 50% interest in the Macorna tenements with exploration activities managed by Catalyst. There was no new activity during the period.

HENTY GOLD MINE

The Henty Gold Mine in Tasmania purchased in January 2021 is a high grade, underground gold-silver mine with established infrastructure and significant exploration upside in the mineral rich Mt Read Volcanic belt in West Coast Tasmania, proximate to world class deposits such as the Rosebery polymetallic mine (continuous production for circa 100 years).

Key to Henty's success is increasing mine life, lifting its production rate and lowering its costs. Doing so will deliver a stable platform for Catalyst to fund corporate activities. To achieve this, Catalyst has invested heavily in exploration.

Operations

With production stabilised, improved development rates and a longer mine life, cost reduction remains the key focus moving forward. Henty has not been immune from the impact of rising input costs currently being experienced across Australia. The goal is for improved margins as site unit costs to continue to fall, and the impact of increased gold production comes into effect.

Henty sold 23,279 ounces of gold at an all-in sustaining cost (AISC) rate of A\$2,576 per ounce for the year. This compared with 24,771 ounces at an AISC of \$2,207 per ounce in the corresponding period last year. The average realised gold price was A\$2,710 per ounce.

Total ore mined was 220,801 tonnes during the year at a grade of 3.6 grams per tonne.

The mill processed 230,061 tonnes with a feed grade of 3.4g/t. Recovery for the half year averaged 91.2%. Gold produced for the year was 23,051 ounces.

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OPERATIONS	September 2022 Quarter	December 2022 Quarter	March 2023 Quarter	June 2023 Quarter	12 months to June 2023
Mining					
Total mined (t)	83,934	105,527	99,406	95,862	384,729
Ore Mined (t)	48,790	57,809	63,493	50,709	220,801
Mine Grade (g/t)	3.3	4.0	3.9	2.8	3.6
Mill production					
Processed (t)	57,474	57,673	52,999	61,915	230,061
Average Head Grade (g/t)	3.5	4.0	3.5	2.7	3.4
Recovery Gold (%)	92.2	90.7	90.5	91.2	91.2
Gold Produced (oz)	5,923	6,763	5,461	4,904	23,051
Gold Sold (oz)	5,974	6,955	5,148	5,202	23,279
Gold Price Realised (\$/oz)	2,521	2,641	2,799	2,931	2,710
Cash Cost (\$/oz)	2,131	1,612	1,909	2,317	1,935
AISC (\$/oz)	2,658	1,997	2,763	3,210	2,576
Silver Sold (oz)	4,753	7,271	4,956	8,330	25,310
Silver Price Realised (\$/oz)	28	33	38	29	31

CONSOLIDATION OF THE PLUTONIC GOLD BELT

The acquisition of Vango Mining (March 2023) and Superior Gold Inc (June 2023) in quick succession combines 3Mtpa processing capacity with established Mineral Resources.

On 29 June 2023, Catalyst completed its merger with Superior Gold Inc. by way of Canadian Plan of Arrangement. The completion of the Superior transaction brings together the Plutonic Gold Mine and the neighbouring high-grade Marymia tenements to the north-east, forming together the Plutonic Gold Belt.

During the June 2023 quarter, Catalyst continued the evaluation of historical drillhole data and Mineral Resources within the Marymia tenements. Planning commenced for the first round of drilling at the prospective and high-grade Trident Deposit. The drilling program will support a planned Definitive Feasibility Study expected to be completed in second half of calendar year 2023.

JORC 2012 MINERAL RESOURCES AND RESERVES

Catalyst confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements and that all material assumptions and technical parameters underpinning the estimates in the relevant 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.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

On 10 January 2023, Catalyst issued a bid to acquire Vango Mining Limited ("Vango"), offering 5 Catalyst shares for every 115 Vango shares. On the 7th of February 2023, Catalyst exceeded 50% ownership of Vango with the 90% compulsory acquisition threshold met on 21 February 2023. At the close of the takeover offer period on 6 March 2023, Catalyst held a relevant interest in 94.6% of Vango shares. Following completion of the compulsory acquisition process, Catalyst owned 100% of Vango Shares. Catalyst completed the compulsory acquisition on the 21 March 2023.

On 29 June 2023, Catalyst Metals Ltd acquired all the issued and common shares in Superior Gold Inc by plan of arrangement. Superior Gold Inc is a Canadian-based gold producer that owns 100% of the Plutonic Gold Operations located in Western Australia. The Plutonic Gold Operations include the Plutonic underground gold mine and central mill, numerous open-pit projects, and an interest in the Bryah Basin joint venture.

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

MATTERS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

No matter or circumstance has arisen since 30 June 2023 that has significantly affected, or may significantly affect the Consolidated Entity's operations, the results of those operations, or the Consolidated Entity's state of affairs in future financial years.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS OF OPERATIONS

Information on likely developments in the operations of the Consolidated Entity and the expected results of operations have not been included in this report because the Directors believe it would be likely to result in unreasonable prejudice to the Consolidated Entity.

MATERIAL BUSINESS RISKS

Catalyst operates in an uncertain economic environment, which can impact its ability to deliver results in accordance with its strategic plan and objectives. Its financial results are subject to various risks and uncertainties, which may not be within the reasonable control of the Consolidated Entity. The material business risks, which may have a material adverse impact on the Consolidated Entity's business, results and prospects for future financial years include:

Gold Prices

The Consolidated Entity generates revenues and cashflows primarily from the sale of gold and is therefore exposed to fluctuations in the Australian dollar gold price. Volatility in the gold price creates revenue uncertainty and requires careful management of business performance to ensure that operating cash margins are maintained. Declining gold price can also impact operations by requiring a reassessment of the feasibility of a particular exploration or development project which would cause delays and potentially have a material adverse effect on results of operations and financial conditions forward contracts.

Ore Reserve

Mineral Resource and Ore Reserve are expressions of judgement based on knowledge, experience, and industry practice, and no assurances can be given that the Mineral Resource and Ore Reserve estimates and the underlying assumptions will be realised. Estimates, which were valid when originally calculated, may alter when new information or techniques become available.

In addition, by their very nature, Mineral Resource and Ore Reserve estimates are imprecise and depend to some extent on interpretations, which may prove to be inaccurate. As further information becomes available through additional fieldwork and analysis, the Mineral Resource and Ore Reserve estimates may change.

Actual mineralisation of ore bodies may differ from those predicted, and any material variation in the estimated Ore Reserves may have a material adverse effect impact on the group's results of operations, financial condition, and prospects.

Production, operating and capital cost estimates

The group prepares estimates of future production, operating costs and capital expenditure relating to production at its operations. No assurance can be given that such estimates will be achieved. Failure to achieve production or cost estimates or material increases in costs could have an adverse impact on the group's future cash flows, profitability, results of operations and financial condition.

The Consolidated Entity's actual production and costs may vary from the estimates due to variety of reasons including variances in actual ore mined due to varying estimates of grade, tonnage, dilution, metallurgical and other characteristics; revision of mine plans; changing ground conditions; labour availability and costs; energy costs; and general inflationary pressures being felt across the industry.

The development of estimates is managed by the Catalyst using a rigorous planning, budgeting and forecasting process.

Operating risks

The group's mining operations are subject to all the hazards and risks normally encountered in the exploration, development, and production of gold that could result in decreased production, increased costs and reduced revenues. The operation may be affected by equipment failure, toxic chemical leakage, labour disruptions and availability, residue and tailings dam failures, rain and seismic events which may result in environmental pollution and consequent liability. The impact of these events could lead to disruptions in production and scheduling, increased costs and loss of facilities, which may have a material adverse impact on the Consolidated Entity's results.

To manage this risk Catalyst seeks to attract and retain high calibre employees and implement suitable systems and processes to ensure production targets are achieved.

Employee Workforce

Competition for human resources continues to be very high in Australia (and in particular in Western Australia). Strategic retention strategies and incentive schemes, and a focus on organisational culture, employee health and wellbeing continue to be a focus to address human resource risk.

Exploration and development risks

An ability to sustain or increase the current level of production in the longer term is in part dependent on the success of Catalyst's exploration activities. Exploration is a high-risk activity that requires large amounts of expenditure over extended periods of time. Few properties that are explored subsequently have economic deposits of gold identified, and even fewer are ultimately developed into producing mines.

Conclusions drawn during exploration and development are subject to the uncertainties associated with all sampling techniques and to the risk of incorrect interpretation of geological, geochemical, geophysical, drilling and other data. In addition, development of properties that are explored into producing mines requires to source appropriate level of funding. The Company has been successful in the past in securing funding through equity or debt to fund exploration and development programs but there is no assurance that funding will be secured for all future expansion projects.

Climate Change

Catalyst recognises that climate change poses a key environmental and social risk to our business, and the markets in which the group operates in. The highest priority climate related risks include reduced water availability, extreme weather events, changes in legislation and regulation, reputational risk, and technological and market changes. While Catalyst proposes to comply with applicable laws and regulations and conduct its programs in a responsible manner regarding the environment, there is the risk that Catalyst may incur liability for any breaches of these laws and regulations.

Licenses, permits and approvals

To operate its mines and undertake its exploration program, Catalyst needs to comply with applicable environment and planning laws, regulations and permitting requirements. The Consolidated Entity has in place the necessary approvals and licences to operate its mine sites and to undertake its exploration activities.

In the ordinary course of business, mining companies are required to seek government permits for exploration, expansion of existing operations or for the commencement of new operations. The duration and success of permitting efforts are contingent upon many variables not within the controls of the group. There can be no assurance that all necessary permits will be obtained, and, if obtained, that the costs involved will not exceed those estimated by the group.

Information technology and cyber security risk

Catalyst's operations are supported by information technology systems that are subject to interference or disruptions resulting in production downtime, operational delays, destruction or corruption of data, disclosure of sensitive information and data breaches. The Company has established disaster recovery plans and cyber security monitoring systems to manage this risk.

Community relations

Community relations is about people connecting with people. Maintaining trusted relationships with our local community stakeholders throughout the entire mining cycle is an essential part of securing and maintaining our social licences to operate.

Catalyst recognises that a failure to appropriately manage local community stakeholder expectations may lead to dissatisfaction which has the potential to disrupt production and exploration activities.

Government regulation and taxation

The Consolidated Entity's mining, processing, development and exploration activities are subject to various laws and statutory regulations governing prospecting, development, production, taxes, royalty payments, labour standards and occupational health, mine safety, toxic substances, land use, water use, communications, land claims of local people and other matters.

No assurance can be given that new laws, rules and regulations will not be enacted or that existing laws, rules and regulations will not be applied in a manner which could have an adverse effect on the group's financial position and results of operations. Any such amendments to current laws, regulations and permits governing operations and activities of mining and exploration, or more stringent implementation thereof, could have a material adverse impact on the Consolidated Entity.

The gold mining industry is subject to several Government taxes, royalties and charges. Changes to the rates of taxes, royalties and charges can impact the profitability of the Consolidated Entity.

Funding and debt covenants

The Consolidated Entity has entered into agreements with financiers and customers that contain various undertakings and financial covenants. Non-compliance with the undertakings and covenants contained in these agreements could lead to a default event resulting in the debt becoming due and payable with potentially adverse effects on the financial position of the group. Management continually monitors for compliance with the required undertakings and covenants.

ENVIRONMENTAL REGULATION

The Consolidated Entity is subject to and is compliant with all aspects of environmental regulation of its exploration and mining activities.

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 Consolidated Entity and supporting services are appropriately trained and equipped to manage any event. This is part of Catalyst's continuous improvement programme.

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INFORMATION ON DIRECTORS

Name: **Stephen Boston** (retired 8 August 2023)
Title: Non-Executive Chairman
Experience and expertise: 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.

Other current directorships: None
Former directorships (last 3 years): None
Special responsibilities: Chairman
Interests in shares: Not applicable as no-longer a Director

Name: **Robin Scrimgeour**
Title: Non-Executive Director (and interim Chair following the retirement of Mr Boston)
Experience and expertise: 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.

Other current directorships: None
Former directorships (last 3 years): None
Special responsibilities: Chair of audit committee
Interests in shares: 5,559,499

Name: **Bruce Kay**
Title: Non-Executive Director
Experience and expertise: 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.

Other current directorships: None
Former directorships (last 3 years): None
Special responsibilities: Technical Director
Interests in shares: 2,272,169

Name: **James Champion de Crespigny**
Title: Managing Director and Chief Executive Officer
Experience and expertise: 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.

Other current directorships: None
Former directorships (last 3 years): None
Interests in shares: 1,567,279
Interests in Performance Rights: 1,800,000

'Other current directorships' quoted above are current directorships for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

'Former directorships (last 3 years)' quoted above are directorships held in the last 3 years for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

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.

MEETINGS OF DIRECTORS

The number of meetings of the Company's Board of Directors ('the Board') held during the year ended 30 June 2023, and the number of meetings attended by each Director were:

	Board Meetings		Audit Committee Meetings	
	Attended	Held	Attended	Held
Stephen Boston	12	12	1	1
Robin Scrimgeour	12	12	2	2
Bruce Kay	12	12	-	-
James Champion de Crespigny	12	12	1	1

Held: represents the number of meetings held during the time the Director held office.

REMUNERATION REPORT (audited)

The remuneration report details the key management personnel remuneration arrangements for the Consolidated Entity, in accordance with the requirements of the Corporations Act 2001 and its Regulations.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including all Directors.

The remuneration report is set out under the following main headings:

- Principles used to determine the nature and amount of remuneration
- Details of remuneration
- Service agreements
- Share-based compensation
- Additional information
- Additional disclosures relating to key management personnel

Principles used to determine the nature and amount of remuneration

The objective of the Consolidated Entity's executive reward framework is to ensure reward for performance is competitive and appropriate for the results delivered. The framework aligns executive reward with the achievement of strategic objectives and the creation of value for Shareholders, and it is considered to conform to the market best practice for the delivery of reward. The Board of Directors ('the Board') ensures that executive reward satisfies the following key criteria for good reward governance practices:

- competitiveness and reasonableness
- acceptability to Shareholders
- performance linkage / alignment of executive compensation
- transparency

The reward framework is designed to align executive reward to Shareholders' interests. The Board have considered that it should seek to enhance Shareholders' interests by:

- having economic profit as a core component of plan design
- focusing on sustained growth in Shareholder wealth, consisting of dividends and growth in share price, and delivering constant or increasing return on assets as well as focusing the executive on key non-financial drivers of value
- attracting and retaining high calibre executives

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Additionally, the reward framework should seek to enhance executives' interests by:

- rewarding capability and experience
- reflecting competitive reward for contribution to growth in Shareholder wealth
- providing a clear structure for earning rewards

In accordance with best practice corporate governance, the structure of non-executive Director and executive Director remuneration is separate.

Non-executive Directors remuneration

Fees and payments to non-executive Directors reflect the demands and responsibilities of their role. Non-executive Directors' fees and payments are reviewed annually by the Board of Directors. The Board of Directors may, from time to time, receive advice from independent remuneration consultants to ensure non-executive Directors' fees and payments are appropriate and in line with the market. The chairman's fees are determined independently to the fees of other non-executive Directors based on comparative roles in the external market. The chairman is not present at any discussions relating to the determination of his own remuneration.

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.

ASX listing rules require the aggregate non-executive directors' remuneration be determined periodically by a general meeting. The most recent determination was at the Annual General Meeting held on 13 November 2019, where the Shareholders approved a maximum annual aggregate remuneration of \$550,000.

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.

Executive remuneration

The Consolidated Entity aims to reward executives based on their position and responsibility, with a level and mix of remuneration which has both fixed and variable components.

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.

The executive remuneration and reward framework has four components:

- base pay and non-monetary benefits
- short-term performance incentives
- share-based payments
- other remuneration such as superannuation and long service leave

The combination of these comprises the executive's total remuneration.

Executives may receive their fixed remuneration in the form of cash or other fringe benefits (for example motor vehicle benefits) where it does not create any additional costs to the Consolidated Entity and provides additional value to the executive.

The short-term incentives ('STI') program is designed to align the targets of the business units with the performance hurdles of executives. STI payments are granted to executives based on specific annual targets and key performance indicators ('KPI's') being achieved. KPI's include profit contribution, customer satisfaction, leadership contribution and product management.

The long-term incentives ('LTI') include long service leave and share-based payments. Shares are awarded to executives over a period of three years based on long-term incentive measures. These include increase in Shareholders value relative to the entire market and the increase compared to the Consolidated Entity's direct competitors.

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Shareholders approved the granting of performance rights to the Managing Director at the Annual General Meeting on 17 November 2022. Details of the performance rights and milestones are below:

Description	Grant Date	Expected Vesting Date	Number of performance rights	Probability achieving %
Tranche 1	17/11/2022	10/03/2023	700,000	100%
Tranche 2	17/11/2022	30/06/2024	800,000	100%
Tranche 3	17/11/2022	30/06/2024	1,000,000	100%

Key terms of Performance Rights

Each Performance Right will entitle the holder to one Share upon satisfaction of certain vesting conditions. The measurement period applicable to each tranche in each offer of Performance Rights is from the date of issue of the Performance Rights to 30 September 2026 ("Measurement Period").

- Tranche 1 Performance Rights will vest on the successful raising of at least \$10 million in capital by the Company in any capital raising or the achievement by the Consolidated Entity of actual annual gold production of 40,000 ounces in any rolling 12-month period in the Measurement Period (either by enhancement of current operations or new business development transactions).
- Tranche 2 Performance Rights will vest on the achievement by the Consolidated Entity of actual annual gold production of 80,000 ounces in any rolling 12-month period in the Measurement Period (either by enhancement of current operations or new business development transactions).
- Tranche 3 Performance Rights will vest on the achievement by the Consolidated Entity of actual annual gold production of 100,000 ounces in any rolling 12-month period in the Measurement Period (either by enhancement of current operations or new business development transactions).

It is noted that the vesting conditions related to gold production are cumulative, such that if 100,000 ounces of gold production is achieved in any 12-month period during the Measurement Period all Performance Rights that have not yet lapsed would vest and become exercisable. If 40,000 ounces of gold production is achieved in any 12-month period during the Measurement Period, all Performance Rights relating to that milestone only would vest.

Consolidated entity performance and link to remuneration

Remuneration for certain individuals is directly linked to the performance of the Consolidated Entity. A portion of cash bonus and incentive payments are dependent on defined earnings per share targets being met. The remaining portion of the cash bonus and incentive payments are at the discretion of the Nomination and Remuneration Committee. Refer to the section 'Additional information' below for details of the earnings and total shareholders return for the last five years.

Voting and comments made at the Company's 17 November 2022 Annual General Meeting ('AGM')

At the 2022 AGM, 99.4% of the votes received supported the adoption of the remuneration report for the year ended 30 June 2022. The Company did not receive any specific feedback at the AGM regarding its remuneration practices.

Details of remuneration

Amounts of remuneration

Details of the remuneration of key management personnel of the Consolidated Entity are set out in the following tables.

The key management personnel of the Consolidated Entity consisted of the following Directors of Catalyst Metals Limited:

- S Boston (retired 8 August 2023)
- R Scrimgeour
- B Kay
- J Champion de Crespigny

And the following person:

- Donna Thornton (Chief Financial Officer)

Catalyst Metals Limited
Directors' report
30 June 2023

	Short-term benefits	Post-employment benefits	Share-based payments	Total
	Cash salary and fees \$	Superannuation \$	Equity-settled \$	
2023				
<i>Non-Executive Directors:</i>				
S Boston	106,400	11,172	-	117,572
R Scrimgeour	81,400	-	-	81,400
B Kay	253,286	26,595	-	279,881
<i>Executive Directors:</i>				
J Champion de Crespigny (MD & CEO) ⁽¹⁾	265,994	27,929	1,870,127	2,164,050
J McKinstry (CEO) ⁽²⁾	128,898	10,128	-	139,026
<i>Other Key Management Personnel:</i>				
Donna Thornton (CFO) ⁽³⁾	73,986	7,047	-	81,033
Total Key Management Personnel compensation	909,964	82,871	1,870,127	2,862,962

(1) James Champion de Crespigny was appointed as Managing Director and Chief Executive Officer on 12 October 2022. The remuneration includes the entire year of remuneration including remuneration received as a Non-Executive Director.

(2) John McKinstry was Chief Executive Officer until 12 October 2022. The remuneration covers the period he was a Key Management Personnel.

(3) Donna Thornton was appointed as Chief Financial Officer on 27 February 2023.

In the year ended 30 June 2023, Mr Kay received \$74,000 (2022: \$74,000) 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 the joint venture agreements. During the year, Mr Boston received \$80,000 (2022: \$80,000) in Directors' fees and was paid extra consulting fees for managing the Company. Mr Champion de Crespigny was paid Directors' fees of \$24,667 (2022: \$47,072) before becoming the Managing Director and Chief Executive Officer on 12 October 2022.

	Short-term benefits	Post-employment benefits	Share-based payments	Total
	Cash salary and fees \$	Superannuation \$	Equity-settled \$	
2022				
<i>Non-Executive Directors:</i>				
S Boston	171,200	17,360	-	188,560
R Scrimgeour	81,400	-	-	81,400
B Kay ⁽¹⁾⁽³⁾	185,485	26,392	152,250	364,127
J Champion de Crespigny ⁽⁴⁾	122,672	11,650	-	134,322
G Schwab ⁽¹⁾⁽²⁾⁽³⁾⁽⁵⁾	77,000	11,400	142,100	230,500
<i>Executive Directors:</i>				
J McKinstry ⁽⁶⁾	289,808	20,625	-	310,433
B Robertson ⁽⁵⁾	119,041	14,404	120,500	253,945
<i>Other Key Management Personnel:</i>				
V Utete (GM Henty) ⁽⁷⁾	49,542	4,908	-	54,450
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.

Catalyst Metals Limited
Directors' report
30 June 2023

The proportion of remuneration linked to performance and the fixed proportion are as follows:

Name	Fixed remuneration		At risk - STI		At risk - LTI	
	2023	2022	2023	2022	2023	2022
<i>Executive Directors:</i> J Champion de Crespigny ⁽¹⁾	14%	100%	-	-	86%	-
<i>Other Key Management Personnel:</i> B Robertson	-	53%	-	-	-	47%

(1) At-risk remuneration received by Mr Champion de Crespigny was associated with the Performance Rights granted during the year ended 30 June 2023

The fixed remuneration for all other key management personnel for the year ended 30 June 2023 was 100% (2022: 100%).

Service agreements

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

Name: James Champion de Crespigny
Title: Managing Director & Chief Executive Officer
Agreement commenced: 12 October 2022
Term of agreement: Ongoing contract
Details: Total Fixed Remuneration: \$400,000 inclusive of superannuation
Notice: 6 months required by employee or company
If terminated during measurement period for any other reason other than cause or due to resignation, all unvested performance rights will vest and become exercisable.

Name: Donna Thornton
Title: Chief Financial Officer
Agreement commenced: 27 February 2023
Term of agreement: Ongoing Contract
Details: Total Fixed Remuneration: \$300,000 inclusive of superannuation
Notice period: 4 months by employee, 3 months by company

Key management personnel have no entitlement to termination payments in the event of removal for misconduct.

Share-based compensation

Issue of shares

There were no shares issued to Directors and other key management personnel as part of compensation during the year ended 30 June 2023.

Options

There were no options over ordinary shares issued to Directors and other key management personnel as part of compensation that were outstanding as of 30 June 2023.

There were no options over ordinary shares granted to or vested by Directors and other key management personnel as part of compensation during the year ended 30 June 2023.

Catalyst Metals Limited
Directors' report
30 June 2023

Performance rights

The terms and conditions of each grant of performance rights 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 rights granted	Grant date	Expected Vesting Date	Expiry Date	Fair value per right at Grant Date
James Champion de Crespigny	700,000	17/11/2022	10/03/2023	30/09/2026	\$1.350
James Champion de Crespigny	800,000	17/11/2022	30/06/2024	30/09/2026	\$1.350
James Champion de Crespigny	1,000,000	17/11/2022	30/06/2024	30/09/2026	\$1.350

Performance rights granted carry no dividend or voting rights.

Additional information

The earnings of the Consolidated Entity for the five years to 30 June 2023 are summarised below:

	2023 \$'000	2022 \$'000	2021 \$'000	2020 \$'000	2019 \$'000
Sales revenue	63,944	63,330	28,508	-	-
EBITDA ⁽¹⁾	(783)	7,376	6,003	(1,825)	(1,731)
EBIT ⁽¹⁾	(15,206)	2,033	846	(1,845)	(1,751)
Profit/(loss) after income tax	(15,599)	2,091	935	(1,748)	(1,686)

(1) Measure of the Consolidated Entity performance has been updated during the year to better reflect the stage of the operations. EBITDA and EBIT were not considered appropriate performance measures in the previous years as the Consolidated Entity was primarily undertaking exploration and evaluation activities and therefore have not been presented in the above table. With the acquisition of Henty during the year ended 30 June 2021 and Superior in the current financial year, the activities of the group have a great focus on mining operations, which are better measured using EBITDA and EBIT.

The factors that are considered to affect total shareholders return ('TSR') are summarised below:

	2023	2022	2021	2020	2019
Share price at financial year end (\$)	0.77	1.20	1.95	2.75	1.96
Basic earnings per share (cents per share)	(12.64)	2.13	1.04	(2.20)	(2.30)
Diluted earnings per share (cents per share)	(12.64)	2.12	0.96	(2.20)	(2.30)

Additional disclosures relating to key management personnel

Shareholding

The number of shares in the Company held during the financial year by each Director and other members of key management personnel of the Consolidated Entity, including their personally related parties, is set out below:

	Balance at the start of the year	Received as part of remuneration	Additions	Disposals/ other	Balance at the end of the year
<i>Ordinary shares</i>					
S Boston	5,750,727	-	50,000	-	5,800,727
R Scrimgeour	5,509,499	-	50,000	-	5,559,499
B Kay	2,222,169	-	-	-	2,222,169
J Champion de Crespigny	817,279	-	50,000	-	867,279
	14,299,674	-	150,000	-	14,449,674

Catalyst Metals Limited
Directors' report
30 June 2023

Performance rights holding

The number of performance rights over ordinary shares in the Company held during the financial year by each Director and other members of key management personnel of the Consolidated Entity, including their personally related parties, is set out below:

	Balance at the start of the year	Granted	Exercised	Expired / Forfeited / Other	Balance at the end of the year
<i>Performance rights over ordinary shares</i>					
James Champion de Crespigny	-	2,500,000	-	-	2,500,000
	-	2,500,000	-	-	2,500,000

	Vested and exercisable	Vested and unexercisable	Balance at the end of the year (vested)
<i>Performance rights over ordinary shares</i>			
James Champion de Crespigny	700,000	-	700,000
	700,000	-	700,000

Other transactions with key management personnel and their related parties

Mr Boston is also a Director of Raisemetrex Pty Ltd which was paid \$45,000 (2021: \$60,000) by the Company to provide an online platform for the administration of capital raisings and electronic communications with shareholders. All transactions were made on normal commercial terms and conditions and at market rates.

This concludes the remuneration report, which has been audited.

SHARES UNDER OPTION

Unissued ordinary shares of Catalyst Metals Limited under option at the date of this report are as follows:

Grant date	Expiry date	Exercise price	Number under option
4 January 2021	30 November 2024	\$3.00	250,000
29 June 2023	4 August 2025	\$3.48	357,100
29 June 2023	13 August 2026	\$1.98	446,375
29 June 2023	15 August 2024	\$3.06	17,855
29 June 2023	14 April 2026	\$2.27	71,420
29 June 2023	19 August 2027	\$1.79	71,420
29 June 2023	27 May 2027	\$2.65	89,275
29 June 2023	13 May 2025	\$2.39	53,565
			1,357,010

No person entitled to exercise the options had or has any right by virtue of the option to participate in any share issue of the Company or of any other body corporate.

SHARES UNDER PERFORMANCE RIGHTS

Unissued ordinary shares of Catalyst Metals Limited under performance rights at the date of this report are as follows:

Grant date	Expiry date	Exercise price	Number under rights
17 November 2022	30 November 2026	\$0.00	1,800,000

No person entitled to exercise the performance rights had or has any right by virtue of the performance right to participate in any share issue of the Company or of any other body corporate.

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SHARES ISSUED ON THE EXERCISE OF OPTIONS

There were no ordinary shares of Catalyst Metals Limited issued on the exercise of options during the year ended 30 June 2023 and up to the date of this report.

SHARES ISSUED ON THE EXERCISE OF PERFORMANCE RIGHTS

The following ordinary shares of Catalyst Metals Limited were issued during the year ended 30 June 2023 and up to the date of this report on the exercise of performance rights granted:

Date performance rights granted	Exercise price	Number of shares issued
17 November 2022	\$0.00	700,000

INDEMNITY AND INSURANCE OF OFFICERS

The Company has entered into indemnity agreements with each of the Directors and executives of the Company. Under the agreements, the Group will indemnify those officers against any claim or for any costs which may arise as a result of work performed in their capacity as a Director or executive and for which they may be held personally liable, except where there is a lack of good faith.

During the financial year, the Company paid a premium in respect of a contract to insure the Directors and executives of the Company against a liability to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

INDEMNITY AND INSURANCE OF AUDITOR

The Company 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 Company or any related entity.

PROCEEDINGS ON BEHALF OF THE COMPANY

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

NON-AUDIT SERVICES

Details of the amounts paid or payable to the auditor for non-audit services provided during the financial year by the auditor are outlined in note 29 to the financial statements.

The Directors are satisfied that the provision of non-audit services during the financial year, by the auditor (or by another person or firm on the auditor's behalf), is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001.

The Directors are of the opinion that the services as disclosed in note 29 to the financial statements do not compromise the external auditor's independence requirements of the Corporations Act 2001 for the following reasons:

- all non-audit services have been reviewed and approved to ensure that they do not impact the integrity and objectivity of the auditor; and
- none of the services undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants issued by the Accounting Professional and Ethical Standards Board, including reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the Company, acting as advocate for the Company or jointly sharing economic risks and rewards.

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.

ROUNDING OF AMOUNTS

The Company is of a kind referred to in Corporations Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Corporations Instrument to the nearest thousand dollars, or in certain cases, the nearest dollar.

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this Directors' report.

AUDITOR

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

This report is made in accordance with a resolution of Directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

On behalf of the Directors



James Champion de Crespigny
Managing Director & CEO

29 September 2023

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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 2023, 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

29 September 2023

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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

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GENERAL INFORMATION

The financial statements cover Catalyst Metals Limited as a 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. Its registered office and principal place of business is:

Level 1/30 Richardson Street West Perth WA 6005

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 29 September 2023. The Directors have the power to amend and reissue the financial statements.

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Catalyst Metals Limited
Consolidated statement of profit or loss and other comprehensive income
For the year ended 30 June 2023

	Note	Consolidated 2023 \$'000	2022 \$'000
Revenue from continuing operations	4	63,944	63,330
Other income	5	821	5,546
Interest revenue		171	58
Expenses			
Mining and processing costs		(28,323)	(30,945)
Personnel		(21,961)	(14,676)
Administration		(9,677)	(4,417)
Royalties		(3,648)	(3,675)
Share-based payments expense		(1,870)	-
Exploration & evaluation expenditure		(71)	(2,787)
Depreciation & amortisation relating to gold sales		(12,284)	(8,324)
Depreciation		(2,138)	(2,019)
Interest expenses		(563)	-
Profit/(loss) before income tax expense		(15,599)	2,091
Income tax expense	7	-	-
Profit/(loss) after income tax expense for the year attributable to the Owners of Catalyst Metals Limited	26	(15,599)	2,091
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year attributable to the Owners of Catalyst Metals Limited		<u>(15,599)</u>	<u>2,091</u>
		Cents	Cents
Basic earnings per share	41	(12.64)	2.13
Diluted earnings per share	41	(12.64)	2.12

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 financial position
As at 30 June 2023

	Note	Consolidated 2023 \$'000	2022 \$'000
Assets			
Current assets			
Cash and cash equivalents	8	28,791	18,243
Trade and other receivables	9	5,539	3,431
Inventory	10	17,801	5,706
Other financial assets	12	3,190	3,000
Total current assets		55,321	30,380
Non-current assets			
Property, plant and equipment	13	39,357	11,066
Right-of-use assets	11	7,466	121
Exploration and evaluation	14	125,751	17,508
Mining development assets	15	87,480	20,428
Receivables	12	48	36
Total non-current assets		260,102	49,159
Total assets		315,423	79,539
Liabilities			
Current liabilities			
Trade and other payables	16	47,747	12,004
Borrowings	17	23,195	1,509
Lease liabilities	18	2,126	639
Derivative financial instruments	19	1,956	-
Employee benefits	20	8,966	1,589
Provisions	21	800	-
Other advances	22	8,243	1,515
Deferred revenue	23	6,316	-
Total current liabilities		99,349	17,256
Non-current liabilities			
Borrowings	17	2,517	-
Lease liabilities	18	5,979	124
Employee benefits	20	1,035	711
Provisions	21	34,770	3,728
Total non-current liabilities		44,301	4,563
Total liabilities		143,650	21,819
Net assets		171,773	57,720
Equity			
Issued capital	24	200,989	73,239
Reserves	25	2,395	493
Accumulated losses	26	(31,611)	(16,012)
Total equity		171,773	57,720

The above consolidated statement of financial position should be read in conjunction with the accompanying notes

Catalyst Metals Limited
Consolidated statement of changes in equity
For the year ended 30 June 2023

Consolidated	Issued capital \$'000	Reserves \$'000	Retained profits \$'000	Total equity \$'000
Balance at 1 July 2021	72,913	373	(18,103)	55,183
Profit after income tax expense for the year	-	-	2,091	2,091
Other comprehensive income for the year, net of tax	-	-	-	-
Total comprehensive income for the year	-	-	2,091	2,091
<i>Transactions with Owners in their capacity as Owners:</i>				
Issue of shares (note 24)	326	-	-	326
Issue of options (note 24)	-	120	-	120
Balance at 30 June 2022	<u>73,239</u>	<u>493</u>	<u>(16,012)</u>	<u>57,720</u>
Consolidated	Issued capital \$'000	Reserves \$'000	Retained profits \$'000	Total equity \$'000
Balance at 1 July 2022	73,239	493	(16,012)	57,720
Loss after income tax expense for the year	-	-	(15,599)	(15,599)
Other comprehensive income for the year, net of tax	-	-	-	-
Total comprehensive income for the year	-	-	(15,599)	(15,599)
<i>Transactions with Owners in their capacity as Owners:</i>				
Share-based payments (note 42)	-	1,870	-	1,870
Issue of shares (note 24)	129,191	-	-	129,191
Cost of share issue	(1,441)	-	-	(1,441)
Issue of options	-	32	-	32
Balance at 30 June 2023	<u>200,989</u>	<u>2,395</u>	<u>(31,611)</u>	<u>171,773</u>

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes

Catalyst Metals Limited
Consolidated statement of cash flows
For the year ended 30 June 2023

	Note	Consolidated 2023 \$'000	2022 \$'000
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		64,000	63,633
Payments to suppliers and employees (inclusive of GST)		(56,305)	(54,991)
Payments for exploration and evaluation		(67)	(2,254)
Research and development tax offsets received		-	154
		<u>7,628</u>	<u>6,542</u>
Interest received		171	58
Other revenue		172	392
Interest and other finance costs paid		(112)	-
		<u>7,859</u>	<u>6,992</u>
Net cash from operating activities	40	<u>7,859</u>	<u>6,992</u>
Cash flows from investing activities			
Net of cash acquired through acquisition of subsidiaries	34,36	8,259	(5,205)
Payment for expenses relating to acquisitions		(592)	-
Payments for property, plant and equipment		(3,768)	(1,241)
Payments for exploration and evaluation		(6,950)	(5,816)
Payments for mine development assets		(14,488)	(8,535)
Proceeds from disposal of property, plant and equipment		650	-
		<u>(16,889)</u>	<u>(20,797)</u>
Net cash used in investing activities		<u>(16,889)</u>	<u>(20,797)</u>
Cash flows from financing activities			
Proceeds from issue of shares	24	21,600	1
Proceeds from borrowings		3,730	-
Share issue transaction costs		(1,378)	-
Repayment of borrowings		(3,212)	706
Repayment of lease liabilities		(631)	(477)
Joint venture exploration advances		(531)	1,300
		<u>19,578</u>	<u>1,530</u>
Net cash from financing activities		<u>19,578</u>	<u>1,530</u>
Net increase/(decrease) in cash and cash equivalents		10,548	(12,275)
Cash and cash equivalents at the beginning of the financial year		<u>18,243</u>	<u>30,518</u>
Cash and cash equivalents at the end of the financial year	8	<u><u>28,791</u></u>	<u><u>18,243</u></u>

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes

Note 1. Significant accounting policies

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

New or amended Accounting Standards and Interpretations adopted

The Consolidated Entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

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

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 financial assets and liabilities at fair value through profit or loss, financial assets at fair value through other comprehensive income, investment properties, certain classes of property, plant and equipment and derivative financial instruments.

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.

Going concern

The financial statements have been prepared on the going concern basis, which contemplates continuity of normal business activities and the realisation of assets and discharge of liabilities in the normal course of business.

As disclosed in the financial statements, the Consolidated Entity has incurred a net loss of \$15,599,000 during the year ended 30 June 2023 and, as of that date, the Consolidated Entity's current liabilities exceeded its current assets by \$44,028,000.

The Directors believe that it is reasonably foreseeable that the Consolidated Entity will continue as a going concern and that it is appropriate to adopt the going concern basis in the preparation of the financial report after consideration of the following factors:

- The Directors believe that the Henty and Plutonic Gold Mines will generate sufficient cashflow based on a detailed cashflow forecast prepared by Management. The cash flow forecast indicates that the Consolidated Entity expects to have sufficient working capital and other funds available to continue for at least the next twelve-month period ending 30 September 2024. The key assumptions used to derive the detailed cashflow forecast relate to future sales and capital and operating costs;
- The Consolidated Entity is exploring alternative sources of funding and is confident that, if required, existing material debt falling due before 30 June 2024 will be extended or replaced by reprofiled debt;
- Short term financing facilities could also be put in place in order to support any liquidity issue; and
- The consolidated entity has had strong support of key investors over time and Directors anticipate their continuing support should further equity raisings be required.

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 35.

Note 1. Significant accounting policies (continued)

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 2023 and the results of all subsidiaries for the year then ended. Catalyst Metals 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.

Intercompany transactions, balances and unrealised gains on transactions between entities in the Consolidated Entity are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Consolidated Entity.

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.

Where the Consolidated Entity loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The Consolidated Entity recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

Foreign currency translation

The financial statements are presented in Australian dollars, which is Catalyst Metals Limited's functional and presentation currency.

Foreign currency transactions

Foreign currency transactions are translated into Australian dollars using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at financial year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Foreign operations

The assets and liabilities of foreign operations are translated into Australian dollars using the exchange rates at the reporting date. The revenues and expenses of foreign operations are translated into Australian dollars using the average exchange rates, which approximate the rates at the dates of the transactions, for the period. All resulting foreign exchange differences are recognised in other comprehensive income through the foreign currency reserve in equity.

The foreign currency reserve is recognised in profit or loss when the foreign operation or net investment is disposed of.

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.

Note 1. Significant accounting policies (continued)

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.

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.

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.

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.

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 remeasured 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.

Note 1. Significant accounting policies (continued)

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.

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

The cost of equity-settled transactions is 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.

Note 1. Significant accounting policies (continued)

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.

Income tax

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

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

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

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

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

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

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

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

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.

Goods and Services Tax ('GST') and other similar taxes

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

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

Note 1. Significant accounting policies (continued)

Rounding of amounts

The Company is of a kind referred to in Corporations Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Corporations Instrument to the nearest thousand dollars, or in certain cases, the nearest dollar.

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 2023. The Consolidated Entity has not yet assessed the impact of these new or amended Accounting Standards and Interpretations.

Note 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.

Share-based payment transactions

The Consolidated Entity measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using either the Binomial or Black-Scholes model taking into account the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity.

Provision for impairment of inventories

The provision for impairment of inventories assessment requires a degree of estimation and judgement. The level of the provision is assessed by taking into account the recent sales experience, the ageing of inventories and other factors that affect inventory obsolescence.

Estimation of useful lives of assets

The Consolidated Entity determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

Note 2. Critical accounting judgements, estimates and assumptions (continued)

Impairment of non-financial assets other than goodwill and other indefinite life intangible assets

The Consolidated Entity assesses impairment of non-financial assets other than goodwill and other indefinite life intangible assets at each reporting date by evaluating conditions specific to the Consolidated Entity and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions.

In determining the recoverable amount of assets, key assumptions and estimates are used that require significant levels of judgement and are subject to risk and uncertainty that are beyond the control of the Consolidated Entity, including political risk, climate risk, and other global uncertainty risks, such as the impact of COVID-19.

Key assumptions contained in the cash flow projections for Value In Use models used to determine the recoverable amounts of assets include:

- Estimates of future production, operating costs, capital expenditure: These estimates are based on a combination of long-term planning supported by Life Of Mine (LOM) models, and short-term mine planning which is then reflected in operational budgets.
- Future commodity prices have been estimated by management based on industry experience and available market information.
- The cash flow forecast are discounted using a pre-tax discount rate of 22.6%.

Australian Accounting Standards require the Group to assess in respect of the reporting period, whether there are any indications that an asset may be impaired, or conversely whether reversal of a previously recognised impairment may be required. If any such indication exists, an entity shall estimate the recoverable amount of the asset or Cash Generating Unit (CGU).

At year end, the Group has identified impairment indicators, but has concluded that impairment of the CGU's was not required for the year ended 30 June 2023.

Employee benefits provision

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

Rehabilitation provision

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

Exploration and evaluation costs

Exploration and evaluation costs have been capitalised on the basis that the Consolidated Entity will commence commercial production in the future, from which time the costs will be amortised in proportion to the depletion of the mineral resources. Key judgements are applied in considering costs to be capitalised which includes determining expenditures directly related to these activities and allocating overheads between those that are expensed and capitalised. In addition, costs are only capitalised that are expected to be recovered either through successful development or sale of the relevant mining interest. Factors that could impact the future commercial production at the mine include the level of reserves and resources, future technology changes, which could impact the cost of mining, future legal changes and changes in commodity prices. To the extent that capitalised costs are determined not to be recoverable in the future, they will be written off in the period in which this determination is made.

Note 2. Critical accounting judgements, estimates and assumptions (continued)

Business combinations

As discussed in note 1, business combinations are initially accounted for on a provisional basis. The fair value of assets acquired, liabilities and contingent liabilities assumed are initially estimated by the Consolidated Entity taking into consideration all available information at the reporting date. Fair value adjustments on the finalisation of the business combination accounting are retrospective, where applicable, to the period the combination occurred and may have an impact on the assets and liabilities, depreciation and amortisation reported.

Unit-of-production method of depreciation/amortisation

The Consolidated Entity 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.

Note 3. Operating segments

Identification of reportable operating segments

The Consolidated Entity is organised into four operating segments:

- Victoria
- Tasmania
- Western Australia
- Corporate and unallocated

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. There is no aggregation of operating segments.

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.

Types of products and services

The principal products and services of each of these operating segments are mining and exploration and evaluation activities.

Intersegment receivables, payables and loans

Intersegment loans are initially recognised at the consideration received. Intersegment loans receivable and loans payable that earn or incur non-market interest are not adjusted to fair value based on market interest rates. Intersegment loans are eliminated on consolidation.

Major customers

During the year ended 30 June 2023 approximately \$63.9 million of the Consolidated Entity's external revenue was derived from sales of gold and silver to one customer (prior year: \$32.2 million and \$31.2 million respectively from two customers). No other single customer contributed 10% or more to the Group's revenue for the year.

Catalyst Metals Limited
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Note 3. Operating segments (continued)

Operating segment information

	Victoria	Tasmania	Western Australia	Corporate/ Unallocated	Total
Consolidated - 2023	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue					
Sales to external customers	-	63,944	-	-	63,944
Other income	92	128	1	600	821
Total revenue	<u>92</u>	<u>64,072</u>	<u>1</u>	<u>600</u>	<u>64,765</u>
EBITDA					
Depreciation and amortisation	73	10,902	(226)	(11,533)	(784)
Interest revenue					(14,423)
Finance costs					171
Loss before income tax expense					<u>(563)</u>
Income tax expense					(15,599)
Loss after income tax expense					<u>-</u>
					<u>(15,599)</u>
Assets					
Segment assets	23,291	45,699	228,140	18,293	315,423
Total assets					<u>315,423</u>
Liabilities					
Segment liabilities	589	14,128	90,862	38,071	143,650
Total liabilities					<u>143,650</u>
	Victoria	Tasmania	Corporate/ Unallocated	Total	
Consolidated - 2022	\$'000	\$'000	\$'000	\$'000	
Revenue					
Sales to external customers	-	63,330	-	63,330	
Other revenue	212	179	5,155	5,546	
Total revenue	<u>212</u>	<u>63,509</u>	<u>5,155</u>	<u>68,876</u>	
EBITDA					
Depreciation and amortisation	(377)	10,336	2,417	12,376	
Interest revenue				(10,343)	
Profit before income tax expense				<u>58</u>	
Income tax expense				2,091	
Profit after income tax expense				<u>-</u>	
				<u>2,091</u>	
Assets					
Segment assets	20,920	49,791	8,828	79,539	
Total assets				<u>79,539</u>	
Liabilities					
Segment liabilities	2,691	17,075	2,053	21,819	
Total liabilities				<u>21,819</u>	

Catalyst Metals Limited
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Note 3. Operating segments (continued)

Accounting policy for 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.

Note 4. Revenue

	Consolidated	
	2023	2022
	\$'000	\$'000
Sale of gold	63,148	62,637
Sale of silver	796	693
Revenue	63,944	63,330

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.

All sales are derived in Australia.

Note 5. Other income

	Consolidated	
	2023	2022
	\$'000	\$'000
Other income	129	334
Administration recovery fees	92	212
Mark-to-Market of Financial Instruments	600	-
Contingent consideration derecognised	-	5,000
Other income	821	5,546

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.

Note 6. Expenses

Loss before income tax includes the following specific expenses:

	Consolidated	
	2023	2022
	\$'000	\$'000
Depreciation	3,889	3,487
Directors' fees	835	938
Amortisation	10,518	6,856
	15,242	11,281

Catalyst Metals Limited
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Note 7. Income tax

	Consolidated	
	2023	2022
	\$'000	\$'000
<i>Numerical reconciliation of income tax expense and tax at the statutory rate</i>		
Profit/(loss) before income tax expense	(15,599)	2,091
Tax at the statutory tax rate of 30%	(4,680)	627
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Non-deductible expenses (non-assessable income)	567	(1,505)
Capital raising costs	(162)	(49)
Temporary differences and tax losses not brought to account as a deferred tax balance	4,275	927
Income tax expense	-	-

	Consolidated	
	2023	2022
	\$'000	\$'000
<i>Deferred tax assets not recognised</i>		
Deferred tax assets not recognised comprises temporary differences attributable to:		
Prepayments	(93)	(98)
Property, plant and equipment	(4,214)	(2,866)
Exploration Expenditure	(6,961)	(5,252)
Mining Development Assets	(6,842)	(6,459)
Right of use assets	2,271	2
Provisions and accrued expenses	324	409
Other advances / provisions	2,603	630
Provision for Rehabilitation	10,680	-
Tax deductibility for capital raising costs	887	592
Revenue Losses	90,556	18,747
Capital Losses	271	251
Total deferred tax assets not recognised	89,482	5,956

The above potential tax benefit, which excludes tax losses, for deductible temporary differences has not been recognised in the statement of financial position as the recovery of this benefit is uncertain.

Accounting policy for 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.

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Note 7. Income tax (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.

Note 8. Cash and cash equivalents

	Consolidated	
	2023	2022
	\$'000	\$'000
<i>Current assets</i>		
Cash at bank	28,791	18,243

Accounting policy for cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

The cash at bank includes \$1,196,000 (2022: \$2,163,000) 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).

Note 9. Trade and other receivables

	Consolidated	
	2023	2022
	\$'000	\$'000
<i>Current assets</i>		
Other receivables	1,073	1,041
Prepayments	2,896	2,029
GST receivable	1,570	361
	5,539	3,431

Accounting policy for trade and other receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30 days.

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

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

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Note 10. Inventory

	Consolidated	
	2023	2022
	\$'000	\$'000
<i>Current assets</i>		
Ore stockpiles	146	1,773
Gold in circuit	5,007	1,404
Bullion on hand	80	-
Consumable stores	12,568	2,529
	<u>17,801</u>	<u>5,706</u>

Accounting policy for inventories

Consumable stores, ore stockpiles, gold in circuit and bullion on hand are stated at the lower of cost and net realisable value. Cost comprises of direct materials and delivery costs, direct labour 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.

Stock on hand 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.

Note 11. Right-of-use assets

	Consolidated	
	2023	2022
	\$'000	\$'000
<i>Non-current assets</i>		
Leasehold improvements - right-of-use	12,981	261
Less: Accumulated depreciation	(5,515)	(140)
	<u>7,466</u>	<u>121</u>

Additions to the right-of-use assets during the year were \$12,981,000 and were primarily as a result of the acquisition of Superior Gold Inc.

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. The Consolidated Entity also leases plant and equipment under various agreements of between 1 and up to 5 years.

The Consolidated Entity leases office equipment under agreements of less than 1 year. These leases are either short-term or low-value, so have been expensed as incurred and not capitalised as right-of-use assets.

Accounting policy for right-of-use assets

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.

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Note 11. Right-of-use assets (continued)

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.

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.

Note 12. Other Financial Assets

	Consolidated	
	2023	2022
	\$'000	\$'000
<i>Current assets</i>		
Term Deposits & security deposits	3,190	3,000
<i>Non-current assets</i>		
Environmental rehabilitation bonds	48	36
	3,238	3,036

Note 13. Property, plant and equipment

	Consolidated	
	2023	2022
	\$'000	\$'000
<i>Non-current assets</i>		
Land and buildings - at cost	1,876	1,548
Less: Accumulated depreciation	(110)	(44)
	1,766	1,504
Plant and equipment - at cost	49,760	12,967
Less: Accumulated depreciation	(12,169)	(3,405)
	37,591	9,562
	39,357	11,066

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Note 13. 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:

Consolidated	Land and buildings \$'000	Plant and equipment \$'000	Total \$'000
Balance at 1 July 2021	748	11,633	12,381
Additions	800	1,334	2,134
Depreciation expense	(44)	(3,405)	(3,449)
	<hr/>	<hr/>	<hr/>
Balance at 30 June 2022	1,504	9,562	11,066
Additions	-	3,775	3,775
Additions through business combinations (note 36)	303	26,905	27,208
Additions through asset acquisition (note 34)	-	1,797	1,797
Disposals	-	(600)	(600)
Depreciation expense	(42)	(3,847)	(3,889)
	<hr/>	<hr/>	<hr/>
Balance at 30 June 2023	<u>1,765</u>	<u>37,592</u>	<u>39,357</u>

Accounting policy for property, plant and equipment

Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment (excluding land) over their expected useful lives as follows:

Buildings	40 years
Plant and equipment	3-7 years or unit of production

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the Consolidated Entity. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

Note 14. Exploration and evaluation

	Consolidated	
	2023 \$'000	2022 \$'000
<i>Non-current assets</i>		
Exploration and evaluation - at cost	172,040	17,508
Less: Accumulated amortisation	(46,289)	-
	<hr/>	<hr/>
	<u>125,751</u>	<u>17,508</u>

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Notes to the consolidated financial statements
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Note 14. Exploration and evaluation (continued)

Reconciliations

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

Consolidated	\$'000
Balance at 1 July 2021	11,432
Additions	<u>6,076</u>
Balance at 30 June 2022	17,508
Additions	6,453
Additions through business combinations (note 36)	10,801
Additions through asset acquisition (note 34)	94,238
Amortisation expense	<u>(3,249)</u>
Balance at 30 June 2023	<u><u>125,751</u></u>

Accounting policy for exploration and evaluation assets

Exploration and evaluation expenditure in relation to separate areas of interest for which rights of tenure are current is carried forward as an asset in the statement of financial position where it is expected that the expenditure will be recovered through the successful development and exploitation of an area of interest, or by its sale; or exploration activities are continuing in an area and activities have not reached a stage which permits a reasonable estimate of the existence or otherwise of economically recoverable reserves. Where a project or an area of interest has been abandoned, the expenditure incurred thereon is written off in the year in which the decision is made. The Consolidated Entity conducts impairment testing when indicators of impairment are present at the reporting date.

Note 15. Mining development assets

Reconciliations

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

Consolidated	\$'000
Balance at 1 July 2021	18,750
Additions	8,534
Amortisation expense	<u>(6,856)</u>
Balance at 30 June 2022	20,428
Additions through business combinations (note 36)	64,815
Expenditure during the year	12,755
Amortisation expense	<u>(10,518)</u>
Balance at 30 June 2023	<u><u>87,480</u></u>

Accounting policy for mining assets

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

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Note 15. Mining development assets (continued)

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.

Restoration costs expected to be incurred are provided for as part of development phase that give rise to the need for restoration.

Note 16. Trade and other payables

	Consolidated	
	2023	2022
	\$'000	\$'000
<i>Current liabilities</i>		
Trade Creditors	20,219	7,367
Accruals	26,303	4,637
Other payables	1,225	-
	<u>47,747</u>	<u>12,004</u>

Refer note 27 for further information on financial instruments.

Accounting policy for trade and other payables

These amounts represent liabilities for goods and services provided to the Consolidated Entity prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Note 17. Borrowings

	Consolidated	
	2023	2022
	\$'000	\$'000
<i>Current liabilities</i>		
Convertible notes payable (1)	11,346	-
Loan denominated in CAD\$ (2)	5,664	-
Other Loans (3)	2,439	1,509
Hire Purchase	3,746	-
	<u>23,195</u>	<u>1,509</u>
 <i>Non-current liabilities</i>		
Hire purchase	2,517	-
	<u>25,712</u>	<u>1,509</u>

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Note 17. Borrowings (continued)

- (1) In connection with the Vango Mining Limited acquisition (note 34), the Group has issued a convertible note with a face value of \$12,100,000 and a coupon rate of 10% per annum. The convertible note is repayable on 31 March 2024 but may be converted to equity before that time. The conversion feature has been accounted for as embedded derivative with a fair value at 30 June 2023 of \$403,333 presented as a derivative financial liability. The gain on the revaluation of the embedded derivative of \$600,000 has been recorded as Other Income as at 30 June 2023.
- (2) Loan denominated in CAD\$ relate to the loan recognised as part of the Superior Gold Inc acquisition (note 36), following which the Consolidated Entity inherited of a standby Facility Agreement in place for CAD \$5,000,000 (AUD \$5,664,000) as at 30 June 2023, which was drawn down prior to Catalyst acquiring Superior and bore interest at 1% per month. This loan had was converted to a gold loan by in July 2023.
- (3) Other Loans include interest-bearing liability associated with insurance premium funding and other loans. They bear interest at an average of 10.1% and are repayable between September 2023 and April 2024.

Refer note 27 for further information on financial instruments.

Assets pledged as security

As part of the acquisition of Superior Gold Inc (note 36) the gold loan with Auramet, which included the Call Options, was secured by a first priority security interest over all of the subsidiary Billabong's assets, with certain exclusions, an assignment over all pertinent mining leases and a Guarantee from the Company, which was secured by a pledge of its shares of Billabong.

Under the Gold Loan, the Company is subject to financial covenants requiring it to maintain a total minimum balance of cash, cash equivalents and undrawn lines of credit of AUD\$5.0 million and a restriction on additional indebtedness, except for permitted indebtedness as agreed to between the Company and Auramet. The Company was also subject to non-financial covenants, along with a restriction on liens. At 30 June 2023, the Gold Loan was in compliance with all covenants.

The Hire Purchase loans are secured over the respective equipment.

Accounting policy for borrowings

Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

The component of the convertible notes that exhibits characteristics of a liability is recognised as a liability in the statement of financial position, net of transaction costs.

On the issue of the convertible notes the fair value of the liability component is determined using a market rate for an equivalent non-convertible bond and this amount is carried as a non-current liability on the amortised cost basis until extinguished on conversion or redemption. The increase in the liability due to the passage of time is recognised as a finance cost. The remainder of the proceeds are allocated to the conversion option that is recognised and included in Shareholders equity as a convertible note reserve, net of transaction costs. The carrying amount of the conversion option is not remeasured in the subsequent years. The corresponding interest on convertible notes is expensed to profit or loss.

Note 18. Lease liabilities

	Consolidated	
	2023	2022
	\$'000	\$'000
<i>Current liabilities</i>		
Lease liability	2,126	639
<i>Non-current liabilities</i>		
Lease liability	5,979	124
	8,105	763

Note 18. Lease liabilities (continued)

Accounting policy for lease liabilities

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.

Note 19. Derivative financial instruments

	Consolidated	
	2023	2022
	\$'000	\$'000
<i>Current liabilities</i>		
Call Options	1,553	-
Derivative Instruments - Convertible Notes	403	-
	<u>1,956</u>	<u>-</u>

Refer to note 27 for further information on financial instruments.

Refer to note 36 for further information on the acquisition of Superior Gold Inc.

Accounting policy for derivative financial instruments

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged.

Derivatives are classified as current or non-current depending on the expected period of realisation.

The fair value of derivative instruments not traded in an active market is determined by using valuation techniques. These valuation techniques maximize the use of observable market data where available. If all significant inputs required to measure the fair value of an instrument are observable, the instrument is included in Level 2. As at 30 June 2023, all the Company's derivative financial instruments have been classified as Level 2 financial instruments according to the Company's fair value hierarchy. The fair value of these instruments is determined using the Black-Scholes method.

The Consolidated Entity did not apply hedge accounting on its outstanding derivatives. Therefore, changes in fair value are recorded in the Consolidated Statement of Profit or Loss and Other Comprehensive Income on a mark to market basis and recorded in financial assets and liabilities.

Call Options

The table below summarises the information on the call options delivered as part of Superior's Secured Senior Gold Loan (refer note 23)

Ounces	13,500
Weighted average price per ounce (in AUD\$)	2,900
Fair Value	1,553

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Note 19. Derivative financial instruments (continued)

The fair value of these derivative instruments has been estimated using the Black Scholes option pricing model. The key inputs used in the measurement of fair value as at 30 June 2023 of the Gold Loan are disclosed in the following table:

Call Options

Number of Options granted	13,500
Weighted average volatility	13.00%
Risk-free interest rate	4.18%
Estimated forfeiture rate	-
Expected dividend yield	-
Average Expected Life (years)	0.5
Weighted Average fair value	\$115.01

Derivative - Convertible Notes

Refer note 17 for terms of the Convertible Notes.

The conversion feature attached to the Convertible Notes issued has been accounted for as an embedded derivative recorded at fair-value as at 30 June 2023. The fair-value of these derivative instruments has been estimated using the Black Scholes option pricing model. The key inputs used in the measurement of fair value as at 30 June 2023 of this derivative instruments are as follows:

Derivative - Convertible Notes

Face Value	12,100,000
Number of options issuable	10,083,333
Spot price (\$ per instrument)	\$0.77
Strike price (\$ per instrument)	\$1.20
Expected Life (months)	9
Implied Volatility	54.97%
Risk Free Rate	2.96%

Note 20. Employee benefits

	Consolidated	
	2023	2022
	\$'000	\$'000
<i>Current liabilities</i>		
Annual leave	8,840	967
Long service leave	126	-
Employee benefits	-	622
	8,966	1,589
<i>Non-current liabilities</i>		
Long service leave	1,035	711
	10,001	2,300

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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Note 20. Employee benefits (continued)

Accounting policy for employee benefits

Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date 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 measured at 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 high quality corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Note 21. Provisions

	Consolidated	
	2023	2022
	\$'000	\$'000
<i>Current liabilities</i>		
Deferred consideration	800	-
<i>Non-current liabilities</i>		
Deferred consideration	-	800
Rehabilitation provision	34,770	2,928
	<u>34,770</u>	<u>3,728</u>
	<u>35,570</u>	<u>3,728</u>

Rehabilitation

The provision for rehabilitation 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.

The Consolidated Entity assesses its rehabilitation provision annually. Significant judgment is required in determining the provision for mine rehabilitation and closure as there are many factors that will affect the ultimate liability payable to rehabilitate the mine sites, including future disturbances caused by further development, changes in technology, changes in regulations, price increases, changes in timing of cash flows which are based on life of mine plans and changes in discount rates. When these factors change or become known in the future, such differences will impact the mine rehabilitation provision in the period in which the change becomes known.

Movements in provisions

Movements in each class of provision during the current financial year, other than employee benefits, are set out below:

	Rehabilitation	Deferred
	\$'000	Consideration
	\$'000	\$'000
Consolidated - 2023		
Carrying amount at the start of the year	2,928	800
Additions through business combinations (note 36)	27,878	-
Additions through asset acquisition (note 34)	3,964	-
	<u>34,770</u>	<u>800</u>
Carrying amount at the end of the year	<u>34,770</u>	<u>800</u>

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Note 21. Provisions (continued)

Accounting policy for provisions

Provisions are recognised when the Consolidated Entity has a present (legal or constructive) obligation as a result of a past event, it is probable the Consolidated Entity will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. If the time value of money is material, provisions are discounted using a current pre-tax rate specific to the liability. The increase in the provision resulting from the passage of time is recognised as a finance cost.

Deferred consideration

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

Deferred share consideration on the purchase has been deferred for a minimum of 3 years after purchase at a value of \$800,000. The deferred consideration has been reclassified as a current liability as at 30 June 2023.

Note 22. Advances

	Consolidated	
	2023	2022
	\$'000	\$'000
<i>Current liabilities</i>		
Advances from Joint Venture Partners	253	1,515
Advances on gold sales	7,990	-
	<u>8,243</u>	<u>1,515</u>

The (receivable) / advance from Joint Venture Partners relate 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 Four Eagles, Tandarra, Boort and Drummartin projects respectively.

Advances on gold sales relate to monies advanced from a customer on future sales of gold.

Note 23. Deferred revenue

	Consolidated	
	2023	2022
	\$'000	\$'000
<i>Current liabilities</i>		
Deferred revenue	6,316	-

Prior to the acquisition of Superior Gold Inc (note 36) by the Company, Superior Gold Inc. and its wholly-owned subsidiary Billabong Gold Pty Ltd ('Superior') entered into a Senior Secured Gold Loan ('Gold Loan') agreement (dated 7 October 2022) under which the Superior received gross proceeds of AUD\$10 million before associated costs.

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Note 23. Deferred revenue (continued)

In connection with the Gold Loan, Superior:

- Was required to deliver a total of 4,140 ounces of gold over 18 equal monthly instalments beginning on 30 January 2023 and terminating on 30 June 2024.
- Granted the lender 13,500 gold call options (“Call Options”) at a strike price of AUD\$2,900 per ounce of gold. These Call Options had expiry dates between August 2023 and 30 April 2024 and are up to a maximum of 1,500 ounces per month.
- Entered into a zero-cost collar price protection program with 10,000 puts at strike prices ranging from AUD\$2,475 to AUD\$2,500 per ounce and 10,000 of calls with strike prices ranging from AUD\$2,780 to AUD\$2,800. Both the puts and calls have expiry dates between 31 January 2023 and 31 October 2023 and are up to a maximum of 1,000 ounces per month, and
- Agreed to sell a minimum of 80% of its gold production at market prices from the Plutonic Gold Operations to the lender for a period that is not less than 6 months following delivery of the 4,140 ounces.

As at 30 June 2023, 2,760 ounces of gold are deliverable under the Gold Loan, with 2,760 ounces classified as current.

The Gold Loan, which included the Call Options, was secured by a first priority security interest over all of Billabong’s assets, with certain exclusions, an assignment over all pertinent mining leases and a Guarantee from the Company, which was secured by a pledge of its shares of Billabong.

Note 24. Issued capital

	2023	Consolidated		
	Shares	2022	2023	2022
		Shares	\$'000	\$'000
Ordinary shares - fully paid	219,062,544	98,456,148	200,831	73,081
Options - Listed	-	-	158	158
	219,062,544	98,456,148	200,989	73,239

Movements in ordinary share capital

Details	Date	Shares	Issue price	\$'000
Balance	1 July 2021	98,295,723		72,755
Issue of shares - to directors		135,000	\$2.03	274
Issue of shares - to consultants		25,000	\$2.03	51
Exercise of listed options		425	\$2.45	1
		<hr/>		<hr/>
Balance	30 June 2022	98,456,148		73,081
Issue of shares capital raising		21,600,000	\$1.00	21,600
Less: Transaction costs arising on share issue		-	\$0.00	(1,441)
Acquisition of Vango Mining		54,778,675	\$1.36	74,420
Acquisition of Superior Gold Inc		44,227,721	\$0.75	33,171
		<hr/>		<hr/>
Balance	30 June 2023	219,062,544		200,831

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Note 24. Issued capital (continued)

Movements in Options - Listed

Details	Date	Options	Issue price	\$'000
Balance	1 July 2021	7,881,996		157,785
Exercise of options		(425)	\$0.00	-
Lapse of options		(7,881,571)	\$0.00	-
Balance	30 June 2022	-		157,785

Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the Company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

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

Share buy-back

There is no current on-market share buy-back.

Capital risk management

The Consolidated Entity's objectives when managing capital is to safeguard its ability to continue as a going concern, so that it can provide returns for Shareholders and benefits for other stakeholders and to maintain an optimum capital structure to reduce the cost of capital.

Capital is regarded as total equity, as recognised in the statement of financial position, plus net debt. Net debt is calculated as total borrowings less cash and cash equivalents.

In order to maintain or adjust the capital structure, the Consolidated Entity may adjust the amount of dividends paid to Shareholders, return capital to Shareholders, issue new shares or sell assets to reduce debt.

The Consolidated Entity would look to raise capital when an opportunity to invest in a business or company was seen as value adding relative to the current Company's share price at the time of the investment. The Consolidated Entity is not actively pursuing additional investments in the short term as it continues to integrate and grow its existing businesses in order to maximise synergies.

The Consolidated Entity is subject to certain financing arrangements covenants and meeting these is given priority in all capital risk management decisions. There have been no events of default on the financing arrangements during the financial year.

The capital risk management policy remains unchanged from the 2022 Annual Report.

Accounting policy for 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.

Note 25. Reserves

	Consolidated	
	2023	2022
	\$'000	\$'000
Share-based payments reserve	2,395	493

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Note 25. Reserves (continued)

Share-based payments reserve

The reserve is used to recognise the value of equity benefits provided to employees and Directors as part of their remuneration, and other parties as part of their compensation for services.

Movements in reserves

Movements in each class of reserve during the current and previous financial year are set out below:

Consolidated	Share-based payments Reserve \$'000
Balance at 1 July 2021	373
Issue of options - to former CEO (EIS)	120
Balance at 30 June 2022	493
Issue of replacement options	32
Issue of Performance Rights - to Managing Director	1,870
Balance at 30 June 2023	2,395

Performance Rights

2,500,000 performance rights were granted to the Managing Director on 17 November 2022. The performance rights expire on 30 September 2026 and vest upon the Company's achieving performance hurdles. As at 30 June 2023, a probability of 100% was assigned for satisfaction of the vesting conditions. The share price on the grant date was \$1.35 resulting in a total fair value of \$3,375,000.

The performance rights are recognised over the vesting period.

Tranches	Performance Hurdle	Quantity	Value recognised during the period \$'000	Value to be recognised in future years over the vesting period \$'000
Tranche 1	Successful capital raising of \$10 million or Actual annual gold production of 40,000oz in rolling 12-month period.	700,000	945	-
Tranche 2	Actual annual gold production of 80,000oz in rolling 12-month period.	800,000	411	669
Tranche 3	Actual annual gold production of 100,000oz in rolling 12-month period.	1,000,000	514	836
		<u>2,500,000</u>	<u>1,870</u>	<u>1,505</u>

Note 26. Accumulated losses

	Consolidated	
	2023 \$'000	2022 \$'000
Accumulated losses at the beginning of the financial year	(16,012)	(18,103)
Profit/(loss) after income tax expense for the year	(15,599)	2,091
Accumulated losses at the end of the financial year	(31,611)	(16,012)

Note 27. Financial instruments

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 risk

Foreign currency risk

The Consolidated Entity undertakes certain transactions denominated in foreign currency and is exposed to foreign currency risk through foreign exchange rate fluctuations.

Foreign exchange risk arises from future commercial transactions and recognised financial assets and financial liabilities denominated in a currency that is not the entity's functional currency. The risk is measured using sensitivity analysis and cash flow forecasting.

The carrying amount of the Consolidated Entity's foreign currency denominated financial assets and financial liabilities at the reporting date were as follows:

	Assets		Liabilities	
	2023	2022	2023	2022
Consolidated	\$'000	\$'000	\$'000	\$'000
Canadian dollars	1,955	-	6,164	-

The Consolidated Entity had net liabilities denominated in foreign currencies of \$4,209,000 (assets of \$1,955,000 less liabilities of \$6,164,000) as at 30 June 2023 (2022: \$NIL). As the exposure to foreign exchange risk has arisen following the acquisition of Superior Gold Inc. on 29 June 2023, the exposure was minimal for the current year.

Price risk

The Consolidated Entity is exposed to commodity price risk arising from gold and other metals held for 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 are exposed to fluctuations in the price of these metals. If the average selling price of gold of \$2,710/oz (2022: \$2,529/oz) for the financial year had increased/decreased by 10%, the change in the loss before income tax for the Consolidated Entity would have been an increase/decrease of \$6,946,274 (2022: \$5,965,581).

Interest rate risk

The Consolidated Entity's main interest rate risk arises from the Consolidated Entity's short-term deposits with floating interest rates. These financial assets with variable rates expose the Consolidated Entity to cash-flow interest rate risk. The Consolidated Entity's interest-bearing liabilities all have a fixed interest rate and therefore do not expose the Consolidated Entity to cash-flow interest rate risk. All other financial assets and liabilities in the form of receivables and payables are non-interest bearing. The Consolidated Entity does not engage in any hedging or derivative transactions to manage interest rate risk.

Note 27. Financial instruments (continued)

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Consolidated Entity. The Consolidated Entity has a strict code of credit, including obtaining agency credit information, confirming references and setting appropriate credit limits. The Consolidated Entity obtains guarantees where appropriate to mitigate credit risk. The maximum exposure to credit risk at the reporting date to recognised financial assets is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the statement of financial position and notes to the financial statements. The Consolidated Entity does not hold any collateral.

The Consolidated Entity has adopted a lifetime expected loss allowance in estimating expected credit losses to trade receivables through the use of a provisions matrix using fixed rates of credit loss provisioning. These provisions are considered representative across all customers of the Consolidated Entity based on recent sales experience, historical collection rates and forward-looking information that is available.

The Consolidated Entity's credit exposure as at 30 June 2023 is relatively minimal, with trade receivables kept at a low level (refer note 9 for a breakdown of Trade and Other receivables).

Liquidity risk

Vigilant liquidity risk management requires the Consolidated Entity to maintain sufficient liquid assets (mainly cash and cash equivalents) and available borrowing facilities to be able to pay debts as and when they become due and payable.

The Consolidated Entity manages liquidity risk by maintaining adequate cash reserves and available borrowing facilities by continuously monitoring actual and forecast cash flows and matching the maturity profiles of financial assets and liabilities.

Remaining contractual maturities

The following tables detail the Consolidated Entity's remaining contractual maturity for its financial instrument liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the financial liabilities are required to be paid. The tables include both interest and principal cash flows disclosed as remaining contractual maturities and therefore these totals may differ from their carrying amount in the statement of financial position.

Consolidated - 2023	Weighted average interest rate %	1 year or less \$'000	Between 1 and 2 years \$'000	Remaining contractual maturities \$'000
Non-derivatives				
<i>Non-interest bearing</i>				
Trade payables	-	47,747	-	47,747
Advances	-	8,243	-	8,243
Deferred Consideration	-	800	-	800
<i>Interest-bearing - fixed rate</i>				
Deferred Revenue	13.87%	6,316	-	6,316
Hire purchase	5.40%	3,746	2,517	6,263
Lease liability	6.50%	2,126	5,979	8,105
Other loans	10.54%	19,449	-	19,449
Total non-derivatives		88,427	8,496	96,923
Derivatives				
Call options	-	1,553	-	1,553
Derivative instruments - Convertible Notes	-	403	-	403
Total derivatives		1,956	-	1,956

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Note 27. Financial instruments (continued)

Consolidated - 2022	Weighted average interest rate %	1 year or less \$'000	Between 1 and 2 years \$'000	Remaining contractual maturities \$'000
Non-derivatives				
<i>Non-interest bearing</i>				
Trade and other payables	-	12,003	-	12,003
Advances	-	1,515	-	1,515
Deferred payables	-	-	800	800
<i>Interest-bearing - fixed rate</i>				
Other loans	3.45%	1,509	-	1,509
Lease liability	4.16%	639	124	763
Total non-derivatives		15,666	924	16,590

Letter of Guarantee Facility

The Consolidated Entity has an AUD\$5.5 million Guarantee Credit Facility, amended 30 April 2021, (the "Credit Facility") with a leading international bank. The Credit Facility permits the Company to issue letters of guarantee for a term of up to 12 months to various suppliers from time to time to support the Plutonic Gold Operations.

The cash flows in the maturity analysis above are not expected to occur significantly earlier than contractually disclosed above.

Fair value of financial instruments

Unless otherwise stated, the carrying amounts of financial instruments reflect their fair value.

Note 28. Key management personnel disclosures

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

Compensation

The aggregate compensation made to Directors and other members of key management personnel of the Consolidated Entity is set out below:

	Consolidated	
	2023 \$'000	2022 \$'000
Short-term employee benefits	910	1,411
Post-employment benefits	83	134
Share-based payments	1,870	415
	2,863	1,960

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

	Consolidated	
	2023 \$'000	2022 \$'000
Payment for services from Raisemetrex Pty Ltd (Company related to Mr Boston)	45	60

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Note 28. Key management personnel disclosures (continued)

Receivable from and payable to related parties

There was \$177,600 due to Catalyst's Managing Director Mr Champion de Crespigny for consulting services provided to the Consolidated Entity. This has been paid subsequent to the balance sheet date but before the issue of this report.

Loans to/from related parties

There were no loans to or from related parties at the current and previous reporting date. Amounts owed to / from joint-venture partners have been disclosed in note 22.

Terms and Conditions

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

Note 29. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by RSM Australia Partners, the auditor of the Company:

	Consolidated	
	2023	2022
	\$'000	\$'000
<i>Audit services - RSM Australia Partners</i>		
Audit or review of the financial statements	292	108
<i>Other services - RSM Australia Partners</i>		
Audit of joint venture financial statements	21	21
Other assurance services	27	-
	48	21
	340	129

Note 30. Contingent assets

The Group does not have any contingent assets as at 30 June 2023.

Note 31. Contingent liabilities

The Consolidated Entity has issued cash-back bank guarantees as at 30 June 2023 of \$3,246,475 (2022: \$NIL) to a number of vendors.

In addition, as a result of the acquisition of Superior, the Consolidated Entity has in place a \$5,500,000 Letter of Guarantee bank facility. This facility has been used to provide letters of guarantee to various vendors for a total of \$5,330,167, leaving an unused facility as at 30 June 2023 of \$169,833.

The Credit Facility includes an aggregate fee of 3.23% calculated on drawn amounts and is secured by an assignment of a performance security guarantee issued by Export Development Canada in support of the Plutonic Gold Operations. The Credit Facility contains covenants customary for a loan facility of this nature, including limits on indebtedness and change of control. It contains a financial covenant test requiring that the Company maintain a minimum liquidity covenant of AUD\$5.0 million. At 30 June 2023, the Company was in compliance with all covenants.

Note 31. Contingent liabilities (continued)

A subsidiary of Vango Mining Limited, Sino Australia Resources (Laos) Co., Ltd (SARCO) is a joint venture project between Vango (49%) and China Nonferrous Metal Industry's Foreign Engineering and Construction Co., Ltd (NFC)(51%). Until 30 September 2009, Vango solely funded all exploration activities conducted by SARCO in Laos and since 1 October 2010 NFC has been funding ongoing exploration activities. In accordance with the Joint Venture agreement, at the time NFC's contribution had reached the level of Vango's initial contribution, both Vango and NFC are obliged to contribute their respective share of funding requirements for any further activity. An audit of Vango's contributions to SARCO JV expenditures from inception to 30 September 2009 was performed by NFC in 2012. On completion, NFC challenged a total of \$1.1 million in expenditure that is currently included as part of the total Company contribution by the Consolidated Entity, although no formal claim has been made by NFC. The amount in dispute is \$1,109,000 which forms the contingent liability. Vango has the right to audit the NFC contributions. At this time no such audit has been undertaken, although any findings from such an audit may constitute a future claim by Vango on NFC.

Contingent Consideration

As part of the acquisition of the Plutonic Gold Operations by Superior Gold Inc., Superior agreed to pay Northern Star Resources Inc. milestone payments ("Milestone Payments") of AUD\$2.5 million for every 250,000 ounces of NI 43-101 compliant measured and indicated resources identified at the Plutonic Gold Operations in excess of the 1,717,000 ounces of Joint Ore Reserves Committee 2012 compliant measured, indicated and inferred resources. The aggregate of the Milestone Payments is capped at AUD\$10 million.

The fair value of the Milestone Payments was determined to have \$nil value at the date of acquisition of Superior Gold Inc. by Catalyst and as at 30 June 2023 as Management determined the Plutonic Gold Operations do not currently meet the stated threshold and that it is uncertain that the threshold outlined in the Acquisition Agreement of 1,717,000 ounces of Joint Ore Reserves Committee 2012 compliant measured, indicated and inferred resources will be reached.

K2 earn-in dispute

On 25 May 2020, Zuleika Gold commenced legal proceedings against Vango Mining Limited and Dampier (Plutonic) Gold Ltd (now both wholly owned subsidiaries of Catalyst), seeking a determination that Vango and Dampier (Plutonic) Pty Ltd had (allegedly) breached a binding term sheet dated 12 May 2017 which allowed Zuleika to earn up to a 50% interest in the K2 gold deposit and that Zuleika had in fact earned an interest (ranging from 4.1% to 11.87%).

On 31 October 2022, the WA Supreme Court determined that Zuleika had earned a 4.1% interest in M52/183 (the K2 gold deposit tenement) and ordered Vango to transfer that interest in the tenement and pay Zuleika's legal costs. Vango has lodged an appeal against this decision. The issue of damages arising out of any established liability will be heard following the completion of the appeal.

Note 32. Commitments

	Consolidated	
	2023	2022
	\$'000	\$'000
<i>Tenement Commitments</i>		
Committed at the reporting date but not recognised as liabilities, payable:		
Exploration and evaluation expenditure on tenements	12,502	2,676
Committed at the reporting date but not recognised as liabilities		
Within one year	6,892	1,527
One to five years	5,610	1,148
	12,502	2,675

Note 33. Related party transactions

Parent entity

Catalyst Metals Limited is the parent entity.

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Note 33. Related party transactions (continued)

Subsidiaries

Interests in subsidiaries are set out in note 37.

Joint ventures

Interests in joint ventures are set out in note 38.

Key management personnel

Disclosures relating to key management personnel are set out in note 28 and the remuneration report included in the Directors' report.

Transactions with related parties

There were no transactions with related parties during the current and previous financial year.

Receivable from and payable to related parties

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

Loans to/from related parties

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

Note 34. Asset Acquisition

On 10 January 2023, Catalyst issued a bid to acquire Vango Mining Limited ("Vango"), offering 5 Catalyst shares for every 115 Vango shares. On the 7th February 2023, Catalyst exceeded 50% ownership of Vango with the 90% compulsory acquisition threshold met on 21 February 2023. At the close of the takeover offer period on 6 March 2023, Catalyst held a relevant interest in 94.6% of Vango shares. Following completion of the compulsory acquisition process, Catalyst owned 100% of Vango Shares. Catalyst completed the compulsory acquisition on the 21 March 2023.

Management has determined the acquisition of the 100% interest into Vango does not meet the definition of a business within AASB 3 Business Combinations. This Transaction has been accounted for as an asset acquisition.

Management has considered pertinent facts and circumstances in identifying the acquisition date and concluded the completion of the compulsory acquisition process represents the closing date of the asset acquisition.

The fair value of the consideration paid amounted to \$74,420,000 and comprised the issue of 54,778,675 shares issued as consideration to the shareholders of Vango. Transaction costs were capitalised consistent with acquisition accounting principles.

Details of the purchase consideration are as follows:

	\$'000
Ordinary shares issued	74,420
Transaction costs	<u>5,040</u>
	<u>79,460</u>

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Note 34. Asset Acquisition (continued)

The fair value of the purchase consideration has been allocated to the assets acquired and liabilities assumed as per the table below:

	\$'000
Cash and cash equivalents	2,993
Other current assets	153
Plant & Equipment	1,797
Exploration & Evaluation	94,238
Other payables	(2,957)
Borrowings	(12,800)
Provisions	(3,964)
Net assets acquired	<u><u>79,460</u></u>

Other information

The acquired asset contributed nil revenue from continuing operations and loss before tax of \$287,000 to Catalyst Metals Limited for the period from 7 February 2023 to 30 June 2023.

Note 35. Parent entity information

Set out below is the supplementary information about the parent entity.

Statement of profit or loss and other comprehensive income

	Parent	
	2023	2022
	\$'000	\$'000
Profit/(loss) after income tax	(15,139)	3,004
Total comprehensive income	(15,139)	3,004

Statement of financial position

	Parent	
	2023	2022
	\$'000	\$'000
Total current assets	132,731	8,263
Total assets	194,461	58,122
Total current liabilities	21,855	861
Total liabilities	22,688	861
Equity		
Issued capital	200,988	73,239
Share-based payments reserve	1,870	493
Options reserve	525	-
Accumulated losses	(31,610)	(16,471)
Total equity	<u><u>171,773</u></u>	<u><u>57,261</u></u>

Note 35. Parent entity information (continued)

Guarantees entered into by the parent entity in relation to the debts of its subsidiaries

The parent entity had no guarantees in relation to the debts of its subsidiaries as at 30 June 2023 and 30 June 2022.

Contingent liabilities

The parent entity had no contingent liabilities as at 30 June 2023 and 30 June 2022.

Capital commitments - Property, plant and equipment

The parent entity had no capital commitments for property, plant and equipment as at 30 June 2023 and 30 June 2022.

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 associates are accounted for at cost, less any impairment, in the parent entity.
- 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.

Note 36. Business combinations

On 29 June 2023, the Consolidated Entity acquired 100% of the ordinary shares of Superior Gold Inc., a Canadian-based gold producer that owns 100% of the Plutonic Gold Operations located in Western Australia, through its wholly-owned subsidiary Billabong Gold Pty Ltd.

The Plutonic Gold Operations include the Plutonic underground gold mine and central mill, numerous open-pit projects, and an interest in the Bryah Basin joint venture. It was acquired with a view to create a robust mid-tier gold producer, mainly through the consolidation of the Plutonic-Marymia gold belt.

The total consideration transferred was \$33,201,860. The acquisition was completed on 29 June 2023 and the accounting for the business combination as at 30 June 2023 is provisional.

The acquired business contributed revenues of \$NIL and profit after tax of \$NIL to the Consolidated Entity for the period from 29 June 2023 to 30 June 2023. If the acquisition occurred on 1 July 2022, the full year contributions would have been revenues of \$224,786,872 and loss after tax of \$52,643,407.

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Note 36. Business combinations (continued)

Details of the acquisition are as follows (provisional):

	Fair value \$'000
Cash and cash equivalents	5,265
Trade and other receivables	4,062
Inventories	13,024
Other current assets	172
Plant and equipment	27,208
Right-of-use assets	7,466
Mining Development assets	64,815
Exploration and evaluation	10,801
Trade and other payables	(35,301)
Other payables	(1,225)
Borrowings	(11,541)
Derivative financial instruments	(1,553)
Employee benefits provisions	(7,814)
Rehabilitation Provisions	(27,878)
Deferred revenue	(6,317)
Lease liability	(7,982)
	<u>33,202</u>
Acquisition-date fair value of the total consideration transferred	<u>33,202</u>

Representing:

Catalyst Metals Limited shares issued to vendor ⁽¹⁾	33,171
Replacement options issued	31
	<u>33,202</u>

	Consolidated	
	2023	2022
	\$'000	\$'000
Cash used to acquire business, net of cash acquired:		
Acquisition-date fair value of the total consideration transferred	33,202	-
Less: cash and cash equivalents	(5,265)	-
Less: shares issued as part of consideration	(33,171)	-
Less: replacement options issued as part consideration	(31)	-
	<u>(5,265)</u>	<u>-</u>
Net cash received	<u>(5,265)</u>	<u>-</u>

⁽¹⁾ 44,227,721 ordinary shares issued at \$0.75 per share

Accounting policy for 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.

Note 36. Business combinations (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.

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.

Note 37. Interests in subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 1:

Name	Principal place of business / Country of incorporation	Ownership interest	
		2023 %	2022 %
Silkfield Holdings Pty Ltd	Australia	100.00%	100.00%
Kite Gold Pty Ltd	Australia	100.00%	100.00%
Kite Operations Pty Ltd	Australia	100.00%	100.00%
Tandarra Management Pty Ltd	Australia	100.00%	100.00%
Nomad Metals Pty Ltd	Australia	100.00%	100.00%
Unity Mining Pty Ltd	Australia	100.00%	100.00%
Henty Gold Pty Ltd	Australia	100.00%	100.00%
Four Eagles JV Property Pty Ltd	Australia	50.00%	50.00%
Vango Mining Ltd	Australia	100.00%	-
Dampier Plutonic Pty Ltd	Australia	100.00%	-
Tanami Northern Gold Pty Ltd	Australia	100.00%	-
Nicholson East Pty Ltd	Australia	100.00%	-
Nicholson West Pty Ltd	Australia	100.00%	-
Suplejack Pty Ltd	Australia	100.00%	-
Coolan Yard Pty Ltd	Australia	100.00%	-
Ord River Resources (PNG) Pty Ltd	Australia	100.00%	-

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Note 37. Interests in subsidiaries (continued)

Name	Principal place of business / Country of incorporation	Ownership interest	
		2023 %	2022 %
Aileigh Pty Ltd	British Virgin Islands	100.00%	-
Carpe Diem Limited	Papua New Guinea	100.00%	-
Tampara Limited	Papua New Guinea	100.00%	-
Rotokas Limited	Papua New Guinea	100.00%	-
Superior Gold Inc	Canada	100.00%	-
Billabong Gold Pty Ltd	Australia	100.00%	-

Note 38. Interests in joint ventures

Interests in joint ventures are accounted for using the equity method of accounting. Information relating to joint ventures that are material to the Consolidated Entity are set out below:

Name	Principal place of business / Country of incorporation	Ownership interest	
		2023 %	2022 %
Bryah Basin Joint Venture	Australia	80.00%	-

Note 39. Events after the reporting period

No matter or circumstance has arisen since 30 June 2023 that has significantly affected, or may significantly affect the Consolidated Entity's operations, the results of those operations, or the Consolidated Entity's state of affairs in future financial years.

Note 40. Cash flow information

Reconciliation of profit/(loss) after income tax to net cash from operating activities

	Consolidated	
	2023 \$'000	2022 \$'000
Profit/(loss) after income tax expense for the year	(15,599)	2,091
Adjustments for:		
Depreciation and amortisation	14,422	10,343
Finance charges (non-cash)	430	-
Share based payments	1,870	446
Exploration costs (expensed)	67	-
Derecognised contingent consideration	-	(5,000)
Mark-to-market of derivative financial instruments	(600)	-
Change in operating assets and liabilities:		
Decrease/(increase) in trade and other receivables	1,954	(641)
Decrease/(increase) in inventory	1,117	(1,807)
Increase in trade and other payables	2,630	1,560
Increase in other provisions	1,568	-
Net cash from operating activities	7,859	6,992

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Note 41. Earnings per share

	Consolidated	
	2023	2022
	\$'000	\$'000
<i>Earnings per share for profit/(loss) from continuing operations</i>		
Profit/(loss) after income tax attributable to the Owners of Catalyst Metals Limited	<u>(15,599)</u>	<u>2,091</u>
	Consolidated	
	2023	2022
	\$'000	\$'000
Profit/(loss) after income tax attributable to the Owners of Catalyst Metals Limited	<u>(15,599)</u>	<u>2,091</u>
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	123,411,952	98,391,985
Adjustments for calculation of diluted earnings per share:		
Options over ordinary shares	<u>-</u>	<u>250,000</u>
Weighted average number of ordinary shares used in calculating diluted earnings per share	<u>123,411,952</u>	<u>98,641,985</u>
	Cents	Cents
Basic earnings per share	(12.64)	2.13
Diluted earnings per share	(12.64)	2.12

Accounting policy for earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to the Owners of Catalyst Metals Limited, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the financial year.

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

As the Consolidated Entity is in a net loss position for the year ended 30 June 2023, the grants of performance rights and the potential shares to be issued on conversion of the convertible notes have not been included in the Diluted earnings per share.

Note 42. 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 Consolidated Entity 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 of Directors.

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Note 42. Share-based payments (continued)

Set out below are summaries of performance rights granted under the Incentive Plan:

2023

Grant date	Expiry date	Exercise price	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
17/11/2022	30/06/2026	\$0.00	-	700,000	-	-	700,000
17/11/2022	30/06/2026	\$0.00	-	800,000	-	-	800,000
17/11/2022	30/06/2026	\$0.00	-	1,000,000	-	-	1,000,000
			-	2,500,000	-	-	2,500,000

Refer note 25 for details on the performance conditions attached to the performance rights.

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

2023

Grant date	Expiry date	Exercise price	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
22/10/2021	30/11/2024	\$3.00	250,000	-	-	-	250,000
			250,000	-	-	-	250,000

The weighted average remaining contractual life of options outstanding at the end of the financial year was 1.4 years (2022: 2.6 years).

Set out below are the performance rights exercisable at the end of the financial year:

Grant date	Expiry date	2023 Number	2022 Number
30/11/2022	30/06/2026	700,000	-
30/11/2022	30/06/2026	-	-
30/11/2022	30/06/2026	-	-
		700,000	-

The weighted average remaining contractual life of performance rights outstanding at the end of the financial year was 3 years.

No shares were issued as compensation during the year.

During the year ended 30 June 2022, 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.

Accounting policy for 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.

Note 42. Share-based payments (continued)

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

The cost of equity-settled transactions is 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.

Catalyst Metals Limited
Directors' declaration
30 June 2023

In the Directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 1 to the financial statements;
- the attached financial statements and notes give a true and fair view of the Consolidated Entity's financial position as at 30 June 2023 and of its performance for the financial year ended on that date; and
- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

The Directors have been given the declarations required by section 295A of the Corporations Act 2001.

Signed in accordance with a resolution of Directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the Directors



James Champion de Crespigny
Managing Director & CEO

29 September 2023

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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 2023, 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 2023 and of its financial performance for the year then ended; and
- (b) Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

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

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

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

Key audit matters

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

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Key audit matter	How our audit addressed this matter
<p>Going concern Refer to Note 1 in the financial statements</p>	
<p>At 30 June 2023, the Group has incurred a net loss of \$15,599,000 during the year ended 30 June 2023 and, as of that date, the Group's current liabilities exceeded its current assets by \$44,028,000.</p> <p>The Directors have prepared the financial report on the going concern basis. Mitigating factors have been disclosed in Note 1 to the financial statements.</p> <p>The achievement of the cash flow forecasts are subject to future events, some of which are beyond the direct control of the Group.</p>	<p>Our audit procedures included:</p> <ul style="list-style-type: none"> • Assessing and discussing with management and Directors the reasonableness of the Group's cash flow forecast for the 15-month period ended 30 September 2024; • Checking the mathematical accuracy of management's cash flow forecast; • Challenging the reasonableness of the key assumptions and mitigating factors used by management in the cash flow forecast by comparison to our knowledge of the business and supporting documentation; • Assessing the sensitivity of the key assumptions within management's cash flow forecast, particularly in relation to forecast sales and debt/equity funding; and • Assessing the adequacy of disclosures made in the financial report.
<p>Carry values of Henty Mine Assets Refer to Note 2 (Impairment of non-financial assets other than goodwill and other indefinite life intangible assets) in the financial statements</p>	
<p>Australian Accounting Standards require the Group to assess in respect of the reporting period, whether there are any indications that an asset may be impaired.</p> <p>If any such indication exists, an entity shall estimate the recoverable amount of the asset or Cash Generating Unit (CGU).</p> <p>At year end, management identified impairment indicators in respect of the Henty Mine CGU.</p> <p>The assessments for indicators of impairment by management requires the exercise of judgment and include a range of external and internal factors.</p> <p>Where impairment indicators are identified, forecasting cash flows for the purpose of determining the recoverable amount of a CGU involves critical accounting estimates and judgements and is affected by expected future performance and market conditions.</p> <p>Management concluded that impairment of the CGU was not required for the year ended 30 June 2023.</p> <p>We determined this area to be a key audit matter due to the significant account balance and the level of management estimates and judgement involved in the preparation of the impairment model to support the carrying values as discussed above and the overall complexities of this process.</p>	<p>Our audit procedures included:</p> <ul style="list-style-type: none"> • Assessing the Group's accounting policy for compliance with Australian Accounting Standards; • Considering the Group's determination of Henty Mine CGU based on our understanding of the operations of the Henty Mine and how the identifiable Henty Mine CGU generate independent cash inflows; • Considering the appropriateness of the value in use model applied by the Group to assess the carrying value of Henty Mine CGU. • Challenging the reasonableness of key assumptions used in the value in use model, including the: <ul style="list-style-type: none"> ○ Future production levels and operations expenditure; ○ Future commodity prices; ○ Discount rate applied; and ○ Life of Mine model; • Considering the sensitivity of the value in use model by varying key assumptions, including those noted above, within a reasonably possible range; • Working with our valuation specialists, we developed a discount rate range considered comparable using publicly available market data for comparable entities and assessed the integrity of the value in use model used; • Checking the mathematical accuracy of the value in use model and reconciling input data to supporting evidence, such as approved budgets and considering the reasonableness of these budgets; and • Assessing the adequacy disclosures included in the financial statements.

Key audit matter	How our audit addressed this matter
<p>Accounting for the asset acquisition of Vango Mining</p> <p>Refer to Note 34 in the financial statements</p>	
<p>On 10 January 2023, Catalyst issued a bid to acquire Vango Mining Limited ("Vango"), offering 5 Catalyst shares for every 115 Vango shares. Following completion of the compulsory acquisition process, Catalyst owned 100% of Vango Shares.</p> <p>Management has determined the acquisition of the 100% interest into Vango does not meet the definition of a business within AASB 3 Business Combinations. This transaction has been accounted for as an asset acquisition.</p> <p>The fair value of the consideration paid amounted to \$74,420,000 and comprised the issue of 54,778,675 shares issued as consideration to the shareholders of Vango. Transaction costs of \$5,040,000 were capitalised consistent with acquisition accounting principles.</p> <p>We determined this area to be a key audit matter due to the significance of this transaction and complexities and level of management judgement and estimates involved in the above assessment and the determination of the fair value of consideration paid and assets and liabilities acquired.</p>	<p>Our audit procedures included:</p> <ul style="list-style-type: none"> Assessing the Group's accounting policy for compliance with Australian Accounting Standards; Reading the acquisition agreements to understand the transaction, acquisition date and the related accounting considerations; Critically evaluating management's determination that the acquisition did not meet the definition of a business within AASB 3 Business Combinations and therefore was an asset acquisition; Assessing management's determination of the acquisition date, fair value of the consideration paid and the fair value of the assets and liabilities acquired; and Assessing the adequacy disclosures included in the financial statements.
<p>Accounting for the acquisition of Superior Gold</p> <p>Refer to Note 36 in the financial statements</p>	
<p>On 29 June 2023, the Group acquired 100% of the shares and voting rights in Superior Gold Inc., a Canadian-based gold producer that owns 100% of the Plutonic Gold Operations located in Western Australia, through its wholly-owned subsidiary Billabong Gold Pty Ltd. The total consideration transferred was \$33,201,860.</p> <p>The Plutonic Gold Operations include the Plutonic underground gold mine and central mill, numerous open-pit projects, and an interest in the Bryah Basin joint venture.</p> <p>Management has determined the acquisition meets the definition of a business within AASB 3 Business Combinations. The accounting for the business combination has been performed on a provisional basis as at 30 June 2023.</p> <p>We determined this area to be a key audit matter due to the significance of this transaction and complexities and level of management judgement and estimates involved in the above assessment and the determination of the fair value of consideration paid and assets and liabilities acquired.</p>	<p>Our audit procedures included:</p> <ul style="list-style-type: none"> Assessing the Group's accounting policy for compliance with Australian Accounting Standards; Reading the acquisition agreements to understand the transaction, acquisition date and the related accounting considerations; Critically evaluating management's determination that the acquisition meet the definition of a business within AASB 3 Business Combinations; Assessing management's determination of the acquisition date, fair value of the consideration paid and the fair value of the assets and liabilities acquired; and Assessing the adequacy disclosures included in the financial statements.

Other information

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2023, 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 2023.

In our opinion, the Remuneration Report of Catalyst Metals Limited, for the year ended 30 June 2023, 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
29 September 2023