Catalyst Metals Limited

ABN 54 118 912 495

Interim Report - 31 December 2023

Catalyst Metals Limited
Corporate directory
31 December 2023

DIRECTORS	David Jones AM (Non-Executive Chairman) (Appointed 2 October 2023) Robin Scrimgeour (Non-Executive Director) Bruce Kay (Non-Executive Director) James Champion de Crespigny (Managing Director & Chief Executive Officer) Stephen Boston (Non-Executive Chairman) (Retired 8 August 2023)
COMPANY SECRETARY	Frank Campagna
REGISTERED OFFICE	Level 1/30 Richardson Street West Perth WA 6005
PRINCIPAL PLACE OF BUSINESS	Level 1/30 Richardson Street West Perth WA 6005 Telephone: (61-8) 6324 0090 Email: admin@catalystmetals.com.au
SHARE REGISTER	Automic Pty Ltd 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

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 half-year ended 31 December 2023.

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

David Jones AM (Appointed 2 October 2023)
Robin Scrimgeour
Bruce Kay
James Champion de Crespigny
Stephen Boston (Retired 8 August 2023)

COMPANY SECRETARY
Frank Campagna

PRINCIPAL ACTIVITIES
During the financial half-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 half-year.

REVIEW OF OPERATIONS

The loss for the Consolidated Entity after providing for income tax amounted to $4,081,000 (31 December 2022: $2,381,000).

PLUTONIC GOLD MINE

The half year period represented Catalyst's first six months of ownership of the Plutonic Operations. The immediate priority for the Company was to stabilise the mine and its workforce.

Catalyst recorded improvements in all key performance indicators across the operations and Plutonic recorded gold sales of 36,545oz for the period. Gold produced for the quarter was 38,995oz. A total of 593,320 tonnes of ore were processed at a head grade of 2.34 g/t Au.

During the period, Catalyst invested in the purchase of two new loaders and three trucks to replace either ageing equipment or hire units. This equipment should deliver improved availabilities for the fleet in the near term. Construction of a tailings storage facility ('TSF') lift has also been completed.

Important for Plutonic's long term success is identifying new Resources in virgin areas near existing underground mine infrastructure. Delineating such Resources reduces pressure and risk on operations. Through an ability to mine virgin areas, mine planning and operations will become easier. Several new virgin areas have been identified with development drives and drill programs planned for 2024 in an effort to reduce operating risk.

Exploration and Development

In July 2023, Catalyst released a scoping study on the Trident deposit. The study contemplated an underground mine development with ore transported and processed at the Plutonic processing facility. Trident will be an incremental ore source to a base load being processed at Plutonic. The study was based on the historical Mineral Resource Estimate of ASX listed Vango Mining Ltd.

Catalyst has commenced a Definitive Feasibility Study (DFS) at Trident that will include independent work by consultants on geotechnology, metallurgy, mineralogy, hydrology, environmental, mining engineering and Mineral Resource estimation. To support this, Catalyst completed the first round of Mineral Resource verification drilling at the prospective and high-grade Trident Deposit.

Forty drill holes were completed, comprising reverse circulation (RC) pre-collars with diamond core tails to test the ore zone, for a total of 7,154 metres. Importantly, this drilling has confirmed the high-grade intercepts and grade continuity as reported by previous operators.

In September 2023, Catalyst announced that approval for Small Mining Operations had been received from the Department of Mines, Industry Regulations and Safety (DMIRS), allowing the Company to commence portal construction and decline development at the Trident project. This will de-risk the project schedule by allowing early works to commence ahead of final mining approvals.

Plutonic is characterised by mineralisation at depth with transported cover. This has parallels to Catalyst's Bendigo tenements where the Company has had success utilising ionic soil sampling to identify prospective areas.

In the December quarter, Catalyst completed a soil sampling program across the belt. The results of this program will inform priority exploration targets within the projects pipeline. Future exploration programmes will range from surface geochemistry and geophysics to discover hidden mineralisation at depth, through to drill outs of known deposits around existing mothballed pits, which number almost 30.

Evaluation of the numerous advanced and early-stage opportunities across the consolidated Plutonic Gold Belt is continuously progressing. New ore sources can be delivered to the Plutonic mill due to the network of existing haul roads extending the full 48km length of the Catalyst mining leases.

At reporting date, the Group undertook an assessment of the carrying amount of its exploration and evaluation assets. As a result of this review, an impairment loss of $10.1 million (31 December 2022: $nil) and write off of $3.0 million (31 December 2022: $nil) has been recognised in the income statement in relation to areas of interest where results have been unsuccessful or tenement ownership no longer held, and no future exploration and evaluation activities are expected.

HENTY GOLD MINE

Since acquiring the Henty Gold Mine in January 2021, Catalyst has been pursuing a strategy to increase mining inventory to support higher gold production and lower costs.

Production was below budget, owing to mine equipment downtime and lower than expected grade performance.

An equipment replacement plan was implemented with a combined rebuild and replacement of the ageing mining equipment having commenced into the new financial year. Mill availability previously impacted by unplanned failures will continue to be mitigated with conditioning monitoring. During the period, Henty took delivery of a new truck, replacement orders for a production rig and bogger were placed and a development jumbo rebuild commenced.

In December, the operational metrics at Henty improved against the previous quarter with improved production drilling, material movement and compliance to plan. Improvement in processing tonnes was an important milestone with the processing plant demonstrating for the first time under Catalyst ownership that it could process 300,000 tonnes per annum.

Catalyst’s considerable investment in drilling during FY2023 has started to yield results. The new Resources at Cradle Zone and areas near Darwin are in close proximity to existing workings while also not suffering from remnant mining. The team was able to incorporate these areas into a new plan. As the mine expands into these new areas in 2024 and 2025, operating risk will reduce to less reliance on remnant mining.

Construction of a TSF lift commenced during the December quarter. To date, these works remain on time and on budget.

During the period, several drillholes were designed on both adjoining exploration leases and site preparations have been completed at one, with the other yet to be approved. Exploration in the Henty region is greatly reliant on diamond drilling due to the dense vegetation and oftentimes challenging topography which render geophysics and soil geochemistry difficult.

6 months ended 31 December 2023	Units	Plutonic	Henty	Total
Mining				
Ore Mined	tonnes	605,297	118,817	724,114
Mined Grade	*g/t Au*	2.29	3.26	2.45
Mill production				
Processed	*tonnes*	593,320	117,304	710,624
Average Head Grade	*g/t Au*	2.34	3.30	2.50
Recovery Gold	*%*	87.5	90.0	88.1
Gold Recovered	*oz*	38,995	11,203	50,198
Gold Sold	*oz*	36,545	9,005	45,550
Average Gold Price Realised	*A$/oz*	2,906	3,017	2,928
Total Stockpiles Contained Gold	*oz*	2,998	-	2,998
Gold in Circuit (GIC)	*oz*	2,511	2,772	5,283
Total Gold Inventories	*oz*	5,509	2,772	8,281
Costs				
Underground Mining	*A$/oz*	1,555	1,777	1,599
Processing	*A$/oz*	429	426	430
Site Services	*A$/oz*	408	509	428
Ore Stock & GIC Movements	*A$/oz*	(206)	(516)	(267)
Cash Operating Cost	*A$/oz*	2,186	2,196	2,190
Royalties	*A$/oz*	70	159	88
Rehabilitation	*A$/oz*	15	7	14
Sustaining Capital	*A$/oz*	354	978	477
All-in Sustaining Cost	*A$/oz*	2,625	3,340	2,769

BENDIGO GOLD PROJECT

Exploration and Development

The Four Eagles Gold Project comprises numerous prospects, four of which are Boyd’s Dam, Hayanmi, Pickles and the Iris Zone. Management’s main focus at the Four Eagles Joint Venture is to gain approval to construct an access tunnel to explore underground.

The release of the maiden Mineral Resource at the Four Eagles Gold Project (665,000t at 7.7g/t for 163,000oz Au), which included the high-grade Iris Zone (70,000oz at 26.2g/t Au) has demonstrated proof of concept of the repetitive nature of mineralisation similar to that discovered at the historical 22-million-ounce Bendigo Goldfield.

Gaining approval to explore underground will allow Catalyst to better understand and further explore these exciting deposits.

To gain approval for an exploration tunnel at the Four Eagles Project, collaboration with Victorian Government’s regulation body, Earth Resources Regulation (ERR) is continuing.

Catalyst was advised in the June quarter that the application would require an Environmental Impact Statement (EIS). Works to address the Impact Statement have commenced, with the preparation of the Scope of Works underway.

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

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

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

MATTERS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

No matter or circumstance has arisen since 31 December 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.

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.

This report is made in accordance with a resolution of Directors, pursuant to section 306(3)(a) of the Corporations Act 2001.

On behalf of the Directors

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James Champion de Crespigny
Managing Director & CEO

26 February 2024

RSM Australia Partners

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AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the interim financial report of Catalyst Metals Limited for the half-year ended 31 December 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 review; and

(ii) Any applicable code of professional conduct in relation to the review.

RSM AUSTRALIA PARTNERS

Perth, Western Australia
23 February 2024

MATTHEW BEEVERS
Partner

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 half-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 26 February 2024.

Catalyst Metals Limited
Consolidated statement of profit or loss and other comprehensive income
For the half-year ended 31 December 2023

	Note	Consolidated 31 Dec 2023 $'000	Consolidated 31 Dec 2022 $'000
Revenue from continuing operations	3	133,811	33,522
Other income		199	131
Interest revenue		330	37
Expenses			
Mining and processing costs		(39,573)	(14,157)
Personnel		(49,277)	(10,188)
Administration		(14,174)	(2,439)
Royalties		(4,002)	(1,935)
Share-based payments expense		(1,709)	(105)
Impairment of exploration & evaluation assets	6	(10,103)	(2)
Write off of exploration & evaluation assets	6	(2,954)	-
Exploration & evaluation expenditure		(841)	(334)
Depreciation & amortisation		(12,469)	(6,807)
Interest expense		(3,319)	(104)
Loss before income tax expense		(4,081)	(2,381)
Income tax expense		-	-
Loss after income tax expense for the half-year attributable to the Owners of Catalyst Metals Limited		(4,081)	(2,381)
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss			
Foreign currency translation		(26)	-
Other comprehensive income for the half-year, net of tax		(26)	-
Total comprehensive income for the half-year attributable to the Owners of Catalyst Metals Limited		(4,107)	(2,381)
		Cents	**Cents**
Basic earnings per share		(1.86)	(2.42)
Diluted earnings per share		(1.86)	(2.42)

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 31 December 2023

	Note	Consolidated 31 Dec 2023 $'000	Consolidated 30 Jun 2023 $'000
Assets			
Current assets			
Cash and cash equivalents		19,420	28,791
Trade and other receivables		9,190	5,539
Inventories	4	30,920	17,801
Other financial assets		3,490	3,190
Total current assets		63,020	55,321
Non-current assets			
Property, plant and equipment	5	51,892	39,357
Right-of-use assets		6,213	7,466
Exploration and evaluation	6	116,381	125,751
Mining development assets	7	86,129	87,480
Receivables		338	48
Total non-current assets		260,953	260,102
Total assets		323,973	315,423
Liabilities			
Current liabilities			
Trade and other payables		51,251	47,747
Borrowings	8	21,847	23,195
Lease liabilities		6,218	2,126
Derivative financial instruments		1,703	1,956
Employee benefits		9,541	8,966
Provisions		800	800
Other advances	9	8,442	8,243
Deferred revenue	10	10,423	6,316
Total current liabilities		110,225	99,349
Non-current liabilities			
Borrowings	8	6,761	2,517
Lease liabilities		459	5,979
Employee benefits		1,084	1,035
Provisions		35,873	34,770
Total non-current liabilities		44,177	44,301
Total liabilities		154,402	143,650
Net assets		169,571	171,773
Equity			
Issued capital	11	202,222	200,989
Reserves		3,041	2,395
Accumulated losses		(35,692)	(31,611)
Total equity		169,571	171,773

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 half-year ended 31 December 2023

Consolidated	Issued capital $'000	Reserves $'000	Foreign Currency Translation Reserve $'000	Accumulated Losses $'000	Total equity $'000
Balance at 1 July 2022	73,239	494	-	(16,012)	57,721
Loss after income tax expense for the half-year	-	-	-	(2,381)	(2,381)
Other comprehensive income for the half-year, net of tax	-	-	-	-	-
Total comprehensive income for the half-year	-	-	-	(2,381)	(2,381)
Transactions with Owners in their capacity as Owners:					
Share-based payments	-	105	-	-	105
Balance at 31 December 2022	73,239	599	-	(18,393)	55,445

Consolidated	Issued capital $'000	Reserves $'000	Foreign Currency Translation Reserve $'000	Accumulated Losses $'000	Total equity $'000
Balance at 1 July 2023	200,989	2,395	-	(31,611)	171,773
Loss after income tax expense for the half-year	-	-	-	(4,081)	(4,081)
Other comprehensive income for the half-year, net of tax	-	-	(26)	-	(26)
Total comprehensive income for the half-year	-	-	(26)	(4,081)	(4,107)
Transactions with Owners in their capacity as Owners:					
Issue of shares (note 11)	196	-	-	-	196
Share-based payments	92	1,617	-	-	1,709
Exercise of employee share awards	945	(945)	-	-	-
Balance at 31 December 2023	202,222	3,067	(26)	(35,692)	169,571

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 half-year ended 31 December 2023

	Consolidated	
	31 Dec 2023 $'000	**31 Dec 2022 $'000**
Cash flows from operating activities		
Receipts from customers (inclusive of GST)	135,634	33,522
Payments to suppliers and employees (inclusive of GST)	(117,929)	(24,724)
Payments for exploration and evaluation	-	(336)
	17,705	8,462
Interest received	330	37
Other income	177	81
Interest and other finance costs paid	(707)	-
Net cash from operating activities	17,505	8,580
Cash flows from investing activities		
Payment for expenses relating to acquisitions	(1,543)	-
Payments for property, plant and equipment	(16,860)	(629)
Payments for exploration and evaluation	(6,038)	(2,148)
Payments for mine development assets	(4,571)	(8,523)
Proceeds from disposal of property, plant and equipment	-	650
Net cash used in investing activities	(29,012)	(10,650)
Cash flows from financing activities		
Proceeds from borrowings	14,852	762
Repayment of borrowings	(11,531)	(1,624)
Repayment of lease liabilities	(1,330)	(330)
Joint venture exploration advances received	211	1,785
Joint venture exploration advances expended	(20)	(1,650)
Net cash from/(used in) financing activities	2,182	(1,057)
Net decrease in cash and cash equivalents	(9,325)	(3,127)
Cash and cash equivalents at the beginning of the financial half-year	28,791	18,243
Effects of exchange rate changes on cash and cash equivalents	(46)	-
Cash and cash equivalents at the end of the financial half-year	19,420	15,116

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

Note 1. Significant accounting policies

These general purpose financial statements for the interim half-year reporting period ended 31 December 2023 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2023 and any public announcements made by the Company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, 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.

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 $4.1 million during the period ended 31 December 2023 and, as of that date, the Consolidated Entity’s current liabilities exceeded its current assets by $47.2 million.

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 to meet ordinary working capital needs of the Group 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 31 March 2025. The key assumptions used to derive the detailed cashflow forecast relate to future sales and costs;
- The Consolidated Entity is exploring alternative sources of funding and is confident that, if required, existing material debt falling due before 28 February 2025 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 the Directors anticipate their continuing support should further equity raisings be required.

Note 2. 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.

Note 2. Operating segments (continued)

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.

Operating segment information

Consolidated - 31 Dec 2023	Victoria $'000	Tasmania $'000	Western Australia $'000	Corporate/ Unallocated $'000	Total $'000
Revenue					
Sales to external customers	-	27,443	106,368	-	133,811
Other income	-	13	24	162	199
Total revenue	-	27,456	106,392	162	134,010
EBITDA	(54)	6,557	8,988	(4,114)	11,377
Depreciation and amortisation					(12,469)
Interest revenue					330
Interest expense					(3,319)
Loss before income tax expense					(4,081)
Income tax expense					-
Loss after income tax expense					(4,081)
Assets					
Segment assets	22,923	53,949	238,379	8,722	323,973
Total assets					323,973
Liabilities					
Segment liabilities	467	21,327	95,414	37,194	154,402
Total liabilities					154,402

Note 2. Operating segments (continued)

Consolidated - 31 Dec 2022	Victoria $'000	Tasmania $'000	Western Australia $'000	Corporate/ Unallocated $'000	Total $'000
Revenue					
Sales to external customers	-	33,522	-	-	33,522
Other income	-	69	-	62	131
Total revenue	-	33,591	-	62	33,653
EBITDA	(10)	7,061	-	(2,557)	4,494
Depreciation and amortisation					(6,808)
Interest revenue					37
Interest expense					(104)
Loss before income tax expense					(2,381)
Income tax expense					-
Loss after income tax expense					(2,381)
Consolidated - 30 Jun 2023					
Assets					
Segment assets	23,291	45,699	228,140	18,293	315,423
Total assets					315,423
Liabilities					
Segment liabilities	589	14,128	90,862	38,071	143,650
Total liabilities					143,650

Note 3. Revenue

	Consolidated 31 Dec 2023 $'000	Consolidated 31 Dec 2022 $'000
Sale of gold	133,280	33,151
Sale of silver	531	371
Revenue	133,811	33,522

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.

Note 4. Inventories

	Consolidated 31 Dec 2023 $'000	30 Jun 2023 $'000
Current assets		
Ore stockpiles	4,036	146
Gold in circuit	8,831	5,007
Bullion on hand	5,115	80
Consumable stores	12,938	12,568
	30,920	17,801

Note 5. Property, plant and equipment

	Consolidated 31 Dec 2023 $'000	30 Jun 2023 $'000
Non-current assets		
Land and buildings - at cost	1,717	1,876
Less: Accumulated depreciation	(136)	(110)
	1,581	1,766
Plant and equipment - at cost	58,743	46,512
Less: Accumulated depreciation	(16,468)	(12,169)
	42,275	34,343
Capital WIP - at cost	8,036	3,248
	51,892	39,357

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

Consolidated	Land and buildings $'000	Plant and equipment $'000	Capital WIP $'000	Total $'000
Balance at 1 July 2023	1,766	34,343	3,248	39,357
Additions	-	56	16,813	16,869
Transfers in/(out)	(159)	12,184	(12,025)	-
Depreciation expense	(26)	(4,299)	-	(4,325)
Foreign exchange	-	(9)	-	(9)
Balance at 31 December 2023	1,581	42,275	8,036	51,892

Note 6. Exploration and evaluation

Reconciliations

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

Consolidated	**$'000**
Balance at 1 July 2023	125,751
Additions	4,090
Impairment of assets	(10,103)
Write off of assets	(2,954)
Impairment expense through JV	(403)
Balance at 31 December 2023	116,381

At reporting date, the Group undertook an assessment of the carrying amount of its exploration and evaluation assets. During the period the Group identified indicators of impairment on certain exploration and evaluation assets under AASB 6 *Exploration and Evaluation of Mineral Resources*. As a result of this review, an impairment loss of $10.1 million (31 December 2022: $nil) and write off of $3.0 million (31 December 2022: $nil) have been recognised in the income statement in relation to areas of interest where results have been unsuccessful or tenement ownership no longer held, and no future exploration and evaluation activities are expected.

Note 7. Mining development assets

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

Consolidated	**$'000**
Balance at 1 July 2022	20,428
Additions through business combinations (note 15)	64,815
Expenditure during the year	12,755
Amortisation expense	(10,518)
Balance at 30 June 2023	87,480
Additions	4,571
Changes in rehabilitation asset	972
Amortisation expense	(6,894)
Balance at 31 December 2023	86,129

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.

Note 7. Mining development assets (continued)

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 12.7%.

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 half-year end, the Group has identified impairment indicators, but has concluded that impairment of the CGU's was not required for the half-year ended 31 December 2023.

Note 8. Borrowings

	Consolidated	
	31 Dec 2023 $'000	**30 Jun 2023 $'000**
Current liabilities		
Convertible notes payable[1]	11,851	11,346
Loan denominated in CAD$[2]	-	5,664
Other loans[3]	4,056	2,439
Hire purchase[4]	5,940	3,746
	21,847	23,195
Non-current liabilities		
Hire purchase[4]	6,761	2,517
	28,608	25,712

(1) In connection with the Vango Mining Limited acquisition, the Group has issued a convertible note with a face value of $12,100,000 and a coupon rate of 10% per annum. Tranche 1 and Tranche 2 of the convertible note are repayable on 31 March 2024 and 17 June 2024 respectively but may be converted to equity before that time. The conversion feature has been accounted for as embedded derivative with a fair value at 31 December 2023 of $302,500 presented as a derivative financial liability. The gain on the revaluation of the embedded derivative of $100,833 has been recorded as other income for the period ended 31 December 2023.
(2) Loan denominated in CAD$ relates to the loan recognised as part of the Superior Gold Inc acquisition (note 15), 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 was converted to a gold loan in July 2023 and then reprofiled in December 2023 (note 10).
(3) Other Loans include interest-bearing liabilities associated with insurance premium funding and other loans.
(4) The Hire Purchase loans are secured over the respective equipment.

Note 9. Advances

	Consolidated	
	31 Dec 2023 $'000	**30 Jun 2023 $'000**
Current liabilities		
Advances from Joint Venture Partners	443	253
Advances on gold sales	7,999	7,990
	8,442	8,243

The advance from Joint Venture Partners relate to monies advanced 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 10. Deferred revenue

	Consolidated	
	31 Dec 2023 $'000	**30 Jun 2023 $'000**
Current liabilities		
Deferred revenue - gold sales	3,138	-
Deferred revenue - gold loan	7,285	6,316
	10,423	6,316

Gold sales

The Company has received cash in advance from a customer for the delivery of gold that occurred after the reporting period.

Senior secured gold loan agreement

The Company, and its wholly-owned subsidiaries Superior Gold Inc. ('Superior') and Catalyst (Plutonic) Pty Ltd ('Plutonic') (formerly known as Billabong Gold Pty Ltd up to 22 January 2024) entered into a Senior Secured Gold Loan ('Gold Loan') agreement (dated 20 December 2023) under which they reprofiled their existing Gold Loan agreement to $7,285,000.

In connection with the Gold Loan, the Company:

- Is required to deliver a total of 3,330 ounces of gold over 9 equal monthly instalments beginning on 30 April 2024 and terminating on 30 December 2024.

The Gold Loan that existed previously incorporated Call Options, and these options are still in effect as at 31 December 2023. The details are as follows:

- Granted the lender 11,000 gold call options (“Call Options”) at an average gold price of AUD$2,980 per ounce of gold. These Call Options have an expiry date between 1 January 2024 and 31 May 2024.

As at 31 December 2023, 3,330 ounces of gold are deliverable under the Gold Loan, with 3,330 ounces classified as current.

The Gold Loan, which included the Call Options, was secured by a first priority security interest over all of Plutonic'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 Plutonic.

Note 11. Issued capital

	Consolidated			
	31 Dec 2023 Shares	**30 Jun 2023 Shares**	**31 Dec 2023 $'000**	**30 Jun 2023 $'000**
Ordinary shares - fully paid	220,157,544	219,062,544	202,064	200,831
Options - Listed	-	-	158	158
	220,157,544	219,062,544	202,222	200,989

Movements in ordinary share capital

Details	**Shares**	**$'000**
Balance as at 1 July 2023	219,062,544	200,831
Issue of shares - fulfil financial advisory fee	250,000	196
Issue of shares - employee share plan	845,000	1,037
Balance as at 31 December 2023	220,157,544	202,064

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.

Note 12. Share-based payments

Performance Rights

1,000,000 performance rights for $nil consideration were granted to Bruce Kay on 17 November 2023. The performance rights expire on 30 June 2028 and vest upon the Company's achieving performance hurdles. As at 31 December 2023, a probability of 100% was assigned for satisfaction of the vesting conditions. The share price on the grant date was $0.80 resulting in a total fair value of $800,000.

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	Actual annual gold production 75koz per annum in rolling 12-month period	200,000	34	126
Tranche 2	Actual annual gold production 100koz per annum in rolling 12-month period	200,000	34	126
Tranche 3	Actual annual gold production 150koz per annum in rolling 12-month period	200,000	4	156
Tranche 4	Actual annual gold production 175koz per annum in rolling 12-month period	200,000	4	156
Tranche 5	Bendigo Project ore reserve of at least 200koz of gold of at least 10.0g/t	200,000	4	156
		1,000,000	80	720

Note 12. Share-based payments (continued)

Options

2,000,000 options were granted to David Jones on 17 November 2023. The options have a maturity date of 5 years from the grant date. The share price on the grant date was $0.80.

In the absence of vesting conditions tied to the options, the expense is recognised immediately upon grant, as they are considered to be both granted and vested simultaneously. The options presented below have been valued using the lattice exercise trinomial method, which incorporates a multi-period framework to assess the potential outcomes of various price movements based on market conditions.

Tranches	Quantity	Spot Price $	Strike Price $	Face Value $'000	Implied Volatility %	Risk Free Interest Rate %	Expiration/ Maturity Date (Years)	Value recognised during the period $'000
Tranche 1	1,000,000	0.80	0.70	700	66.63%	4.14%	5	410
Tranche 2	500,000	0.80	0.90	450	66.63%	4.14%	5	190
Tranche 3	500,000	0.80	1.10	550	66.63%	4.14%	5	180
								780

An additional share-based payment expense of $0.8 million was recognised during the half-year in relation to performance rights previously issued that were subject to vesting conditions.

Note 13. Contingent liabilities

The Company is in discussions with Mineral Resources Tasmania ('MRT') in relation to the rehabilitation obligations for the Henty Gold Mine. The outcome of the discussions may result in an increase to the rehabilitation provision but is not yet known.

Note 14. Commitments

Gold delivery commitments

Forward sale contracts are accounted for as sales contracts with revenue recognised once gold has been physically delivered. The physical gold delivery contract are considered own use contracts and therefore do not fall within the scope of AASB 9 *Financial Instruments: Recognition and Measurement*. As a result, no derivatives are required to be recognised. Forward gold sale contract delivery commitments are shown below:

	Gold for physical delivery oz	Contracted sales price A$/oz	Committed gold sales value $'000
As at 31 December 2023			
Within one year			
Gold Loan Commitment	3,330	$3,135	10,440
Forward Gold Contracts	11,550	$3,050	35,228

Note 15. 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 Catalyst (Plutonic) Pty Ltd.

Note 15. Business combinations (continued)

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 $33,202,000, and as the acquisition was completed on 29 June 2023, the accounting for the business combination as at 31 December 2023 remains as provisional. The provisional amounts are likely to be adjusted as the Group finalises the acquisition accounting and purchase price allocation. The measurement period ends on either the earlier of (i) 12 months from the date of the acquisition (28 June 2024) or (ii) when the Company receives all the information possible to determine fair value. There has been no amendments to the provisional acquisition accounting adopted as at 30 June 2023.
Details of the acquisition (as presented at 30 June 2023) are as follows:

	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)
Acquisition-date fair value of the total consideration transferred	33,202
Representing:	
Catalyst Metals Limited shares issued to vendor (1)	33,171
Replacement options issued	31
	33,202

Note 16. Dividends

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

Note 17. Events after the reporting period

No matter or circumstance has arisen since 31 December 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.

Catalyst Metals Limited
Directors' declaration
31 December 2023

In the Directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;

- the attached financial statements and notes give a true and fair view of the Consolidated Entity's financial position as at 31 December 2023 and of its performance for the financial half-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.

Signed in accordance with a resolution of Directors made pursuant to section 303(5)(a) of the Corporations Act 2001.

On behalf of the Directors

____
James Champion de Crespigny
Managing Director & CEO

26 February 2024

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**INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF
CATALYST METALS LIMITED**

Report on the Interim Financial Report

Conclusion

We have reviewed the accompanying interim financial report of Catalyst Metals Limited, which comprises the condensed consolidated statement of financial position as at 31 December 2023, the condensed consolidated statement of profit or loss and comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the interim financial report of Catalyst Metals Limited is not in accordance with the *Corporations Act 2001* including:

(a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2023 and of its performance for the half-year ended on that date; and

(b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the Auditor's Responsibilities for the Review of the Financial Report section of our report. We are independent of the Company 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 (including Independence Standards) (the Code) that are relevant to our audit of the annual 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 Catalyst Metals Limited, would be in the same terms if given to the directors as at the time of this auditor's review report.

Directors' Responsibility for the Interim Financial Report

The directors of Catalyst Metals Limited are responsible for the preparation of the interim 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 interim financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility for the Review of the Financial Report

Our responsibility is to express a conclusion on the interim financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the interim financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2023 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of an interim financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

RSM AUSTRALIA PARTNERS

Perth, Western Australia

23 February 2024

MATTHEW BEEVERS

Partner