



18 June 2019

Dear Shareholder

NON-RENOUNCEABLE PRO-RATA OFFER OF OPTIONS

On 17 June 2019, Catalyst Metals Limited (**Catalyst**) announced a non-renounceable pro-rata offer of one (1) Option for every ten (10) Shares held by Eligible Shareholders on the Record Date, at an issue price of 2 cents per Option, to raise up to approximately \$157,785 (before costs) (**Offer**).

Each Option will be exercisable into one fully paid share in Catalyst at \$2.45 each on or before 31 May 2022. If the Offer is fully subscribed and all Options are subsequently exercised, this will raise approximately a further \$19.3 million for Catalyst.

The Company intends to use the limited funds raised by the Offer after costs, towards working capital requirements. The application of funds raised from the subsequent exercise of any Options will depend on when the Options are exercised and the Company's requirements at the relevant time.

Full details of the Offer are set out in the Prospectus and Appendix 3B lodged with ASX on 17 June 2019. The Prospectus is available to download at www.asx.com.au using ASX code "CYL" and at Catalyst's website at www.catalystmetals.com.au. A copy of the prospectus will be posted to Eligible Shareholders on or around 25 June 2019.

Under the Offer, every person who is registered as the holder of Catalyst shares with an address within Australia, New Zealand, Hong Kong and Singapore as at 5:00 pm Perth time on 20 June 2019 (**Record Date**) will be entitled to participate in the Offer. Fractional entitlements will be rounded up to the nearest whole number.

Shareholders with registered addresses in countries outside of Australia, New Zealand, Hong Kong and Singapore will not be eligible to participate in the Offer. Shareholders holding shares on behalf of persons who are resident outside of Australia, New Zealand, Hong Kong and Singapore are responsible for ensuring that subscribing for the Options under the Offer does not breach regulations in the relevant overseas jurisdiction.

Please note that Catalyst Shares will be quoted on an "ex" basis from 19 June 2019 and therefore any Catalyst shares bought or sold on market on and from this date will not carry entitlements under the Offer.

The Company does not presently intend to apply for quotation of the Options on ASX but retains the right to do so in the future.

Each Option may be exercised into one fully paid ordinary Catalyst share at a fixed price of \$2.45 per Option, which may be at a discount to the market price of the Shares during the exercise period, depending on the market price of Shares during the exercise period. The exercise price of \$2.45 is 24% higher than the volume weighted average price for the 5 days Shares traded on ASX up to and including 13 June 2019 of \$1.97. The full terms and conditions of the Options are set out in the Prospectus.

The Offer is open for acceptance by eligible shareholders from 25 June 2019 until 5.00 pm Perth time on 23 July 2019 (subject to the Directors varying the closing date in accordance with the ASX Listing Rules).

The table below sets out the capital structure of the Company as at 14 June 2019:

	Number	Expiry date	Exercise price
Shares	78,892,444	-	-
Unlisted options	1,000,000	31 October 2020	\$1.00

There are currently 1,000,000 unlisted options with an exercise price of \$1.00 to subscribe for Catalyst shares on issue. If all or some of these options are exercised prior to the Record Date this will impact the maximum number of options to be issued under the Offer. Assuming that no existing Options are exercised or Shares are issued during the Offer Period, the capital structure following completion of the Prospectus will be as above, however the number of Options on issue will increase by 7,889,244 to 8,889,244 Options.

Shareholder approval is not required for the Offer. The Company will not pay any broker handling fees on successful Applications. The following fees are payable to Raisemetrex Pty Ltd in relation to the Offer (subject to any limits under the Listing Rules):

- (a) fee of \$10,000, for use by the Company of the Raisemetrex Corporate Platform for the Offer; and
- (b) capital raising fee of 3% on all funds raised by applications made through the Corporate Platform.

The anticipated timetable for the Offer is as follows:

Event	Date
Announcement of Offer	17 June 2019
Lodgement of Prospectus with ASIC, ASX and NZCO	17 June 2019
Lodgement of Appendix 3B with ASX	17 June 2019
Notice to shareholders	18 June 2019
Ex Date (securities quoted on an ex entitlement basis)	19 June 2019
Record Date for determining Eligible Shareholders	5.00 pm (Perth time) on 20 June 2019
Despatch of Prospectus to Eligible Shareholders	25 June 2019
Offer opens	25 June 2019
Application process available through Raisemetrex web-site	25 June 2019
Last date to extend Closing Date	18 July 2019
Closing Date	5.00 pm (Perth time) on 23 July 2019 (unless extended)
Shortfall notification date	26 July 2019
Allotment of Options	30 July 2019
Despatch of holding statements for Options	5 August 2019

Catalyst reserves the right to amend this timetable subject to the ASX Listing Rules.

You are encouraged to read the Prospectus lodged with ASX on 17 June 2019 fully before making a decision in respect of the Offer. If you have any queries in relation to the Offer, you should consult your stockbroker or other professional adviser.

Yours sincerely



Stephen Boston
Chairman