

ASX Release

Date 31/1/07

No. of pages lodged: 6

Catalyst Metals Ltd

Company Announcements Office
Australian Stock Exchange Limited
4th Floor
20 Bridge Street
SYDNEY NSW 2000

Dear Sir or Madam,

QUARTERLY REPORT FOR THE PERIOD ENDED 31 December 2006

HIGHLIGHTS

- **Successful initial drilling program completed at Minnie Springs**
- **Exploration finds outcropping gold gossan grading up to 21.5 g/t Au**
- **Completion of 1 for 2 non-renounceable entitlements issue of options**

Overview

Catalyst is an ASX listed mineral explorer (www.catalystmetals.com) focussed on the highly prospective **Minnie Creek project** in Western Australia, where significant anomalous zones of molybdenum, gold, copper, tungsten and uranium have been recently discovered within a 972km² area. Catalyst has cash on hand to aggressively test these anomalies and a capital structure designed to offer investors high leverage to further exploration success.

During the quarter Catalyst completed significant field activity at Minnie Creek including:

- **Reconnaissance soil and rock chip sampling over targeted areas distal to Minnie Springs but within the same structural corridor**
(details and assay results released to ASX on 3 November 2006)

ASX Code: CYL

Capital Structure

CYL Ordinary Shares 23,000,000
Incentive Shares 8,000,000
Options 11,500,000
(20 cent) expiring Dec 2008

Cash Balance

Dec 06 \$2,900,000

Contact Details

T +61 8 9415 1714
F +61 8 9481 2200
Level 1, 89 St George's Tce
PERTH WA 6000
GPO Box 2508
PERTH WA 6000

Further Information

info@catalystmetals.com
www.catalystmetals.com

- Rock chip sampling over geochemical and induced polarisation ("IP") geophysical anomalies within the Minnie Springs molybdenum zone (details and assay results released to ASX on 26 October 2006)
- Initial RC drilling over the Minnie Springs Molybdenum discovery (results released to ASX on 9th and 30th January 2006)

Summary of Exploration Activities

Reconnaissance Soil and Rock Chip Sampling - Exploration

A sampling program tested four separate magnetic anomalies within tenement E09/1187. These anomalies lie within the main structural corridor extending approximately 20km along strike of the Minnie Springs mineralisation.

Soil sampling was completed on 500m x 100m spaced grids along with reconnaissance rock chip sampling of prospective outcrops. This work discovered **four new zones** of gossanous outcrop, two of which (the 'Woods' and 'River' prospects) have co-incident low-order base metal soil anomalies. Details and results were announced to the ASX on 3 November 2006.

At the 'Woods' prospect assay results received from 5 rock grab samples of the discovery gossan were significantly anomalous for gold and copper, with the gold grade ranging from **0.15g/t Au to 21.5g/t Au**. (See the attached Map 1 for location of the prospect within the project area).

These gold grades are amongst the highest returned to date from the project area where a number of new gold occurrences have been located including:

'Neptune' - a sulphidic/vein stockwork in granite with gold values to **7.0 g/t Au** and, 'Harpo' - an untested 4000m long **gold-in-soil** anomaly along a sheared and altered granite/metasediment contact.

These precious metal prospects will be further explored in the upcoming field season with mapping, further geochemistry and if warranted drill testing.

Rock chip sampling over geochemical and induced polarisation ("IP") geophysical anomalies - Minnie Springs Prospect

To develop targets for the recently completed drill program at Minnie Springs, rock grab samples were collected from outcrops over strong geophysical and geochemical anomalies. The assay results showed significant grade mineralisation present over the "IP2" anomaly and several unexplored areas of the molybdenum geochemical zone (details and results released to the ASX on 26 October 2006).

ASX Code: CYL

Capital Structure

CYL Ordinary Shares 23,000,000
Incentive Shares 8,000,000
Options 11,500,000
(20 cent) expiring Dec 2008

Cash Balance

Dec 06 \$2,900,000

Contact Details

T +61 8 9415 1714
F +61 8 9481 2200
Level 1, 89 St George's Tce
PERTH WA 6000
GPO Box 2508
PERTH WA 6000

Further Information

info@catalystmetals.com
www.catalystmetals.com

ASX Release

Date 31/1/07

page 3 of 6

Assay results over location "IP2" averaged 0.06% molybdenum ("Mo") including 0.11% Mo from gossanous veining. In the central Mo-zone grab samples of gossanous veining returned bonanza grades up to 0.53% Mo and rock grab samples grading 0.06% Mo or higher were located over a total 1300m strike within the molybdenum soil geochemistry anomaly which is 3250m long and 300m wide.

Drilling Program

A reverse circulation drilling program over the Minnie Springs molybdenum discovery was completed in November 2006.

18 shallow reverse circulation holes, totaling 1,699 m were completed by Catalyst targeting about 500m strike of the outcropping central area of molybdenum mineralization, along with one IP target. Holes MRC7 to MRC15, and holes MRC18 to MRC25 were drilled to test a large surface molybdenum ('Mo') anomaly associated with altered granodiorite intrusives and strong IP geophysical anomalies within mid-Proterozoic age rocks in the Gascoyne province. (For drillhole locations please see the attached Map 2).

The drilling encountered thick intervals of anomalous molybdenum (i.e. 120 m to end of hole of 0.05% Mo in MRC10) associated with potassic-altered granodiorite and containing occasional trace amounts of disseminated chalcopyrite. The drilling was successful in partially defining a higher grade core to a mineralized, porphyry-style system over a strike of approximately 400 metres.

Two additional holes (Holes MRC22 and 23) were drilled near the strong IP2 chargeability target that lies within the Mo zone. Both holes intersected thick (75+ m) zones containing pyrite, with narrow intervals of anomalous molybdenum (e.g., 2m of 0.04% Mo).

Highlights of the program were drillhole MRC10 intercepting 52m at 0.07%Mo which included 20m at 0.12%Mo from 24m, MRC7 intercepted 24m at 0.07%Mo including 8m at 0.17%Mo from 20m and MRC8 intercepting 34m at 0.07%Mo including 16m at 0.10%Mo from a zone where previous surface channel sampling returned 20m at 0.12% Mo. The detailed results of this drilling program were reported in the Company's news releases of 9 January and 30 January 2006 respectively.

The drill results are currently being assessed and an in-house study to determine the potential economic parameters of a mining operation at Minnie Springs will commence in the current quarter.

ASX Code: CYL

Capital Structure

CYL Ordinary Shares 23,000,000
Incentive Shares 8,000,000
Options 11,500,000
(20 cent) expiring Dec 2008

Cash Balance

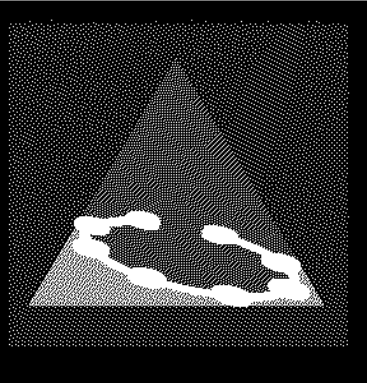
Dec 06 \$2,900,000

Contact Details

T +61 8 9415 1714
F +61 8 9481 2200
Level 1, 89 St. George's Tce
PERTH WA 6000
GPO Box 2508
PERTH WA 6000

Further Information

info@catalystmetals.com
www.catalystmetals.com



Corporate

In early December the Company completed a non-renounceable entitlements issue of options on the basis of 1 option for every 2 shares held. The options were issued to applicants at one cent each with an exercise price of 20 cents and an expiry date of 31 December 2008.

As at the completion of the December quarter the Company's cash balance was \$2,955,000.

Mark Thompson**Exploration Director**

For further information on the company please visit www.catalystmetals.com

Please direct enquiries to:

Mark Thompson – Exploration Director

Phone +61 8 9415 1714

Mob 0424 043 380

Information in this report has been reviewed by a Competent Person as defined in the JORC Code, being Mr Howard Dawson B.App.Sc SFFINSIA AIG, who has sufficient experience in mineral resource estimation relevant to the style of mineralisation and type of deposit under consideration and to the activity to which he is undertaking, and consents to the inclusion in the public release of the matters based on their information in the form and context in which it appears. Gold equivalents are calculated using current published prices of Technical Moly Oxide (MoO₃) at US \$24.50/lb and Gold US \$607/oz. Technical Moly Oxide is approximately 57% Mo.

About Molybdenum

Molybdenum (chemical symbol Mo - commonly called "Moly") is a silvery-white metal used primarily to increase the strength and durability of steel, producing steel alloys such as stainless steel and corrosive resistant pipelines. It is finding growing use as an important catalyst to 'crack' hydrocarbons and clean up low-quality fossil fuels. At current prices 0.07%Mo is the equivalent of 3.4g/t Au and the world Molybdenum trade in 2005 was worth approximately AUD\$12.7 billion (source Roskills, USGS).

ASX Code: CYL**Capital Structure**

CYL Ordinary Shares 23,000,000
Incentive Shares 8,000,000
Options 11,500,000
(20 cent) expiring Dec 2008

Cash Balance

Dec 06 \$2,900,000

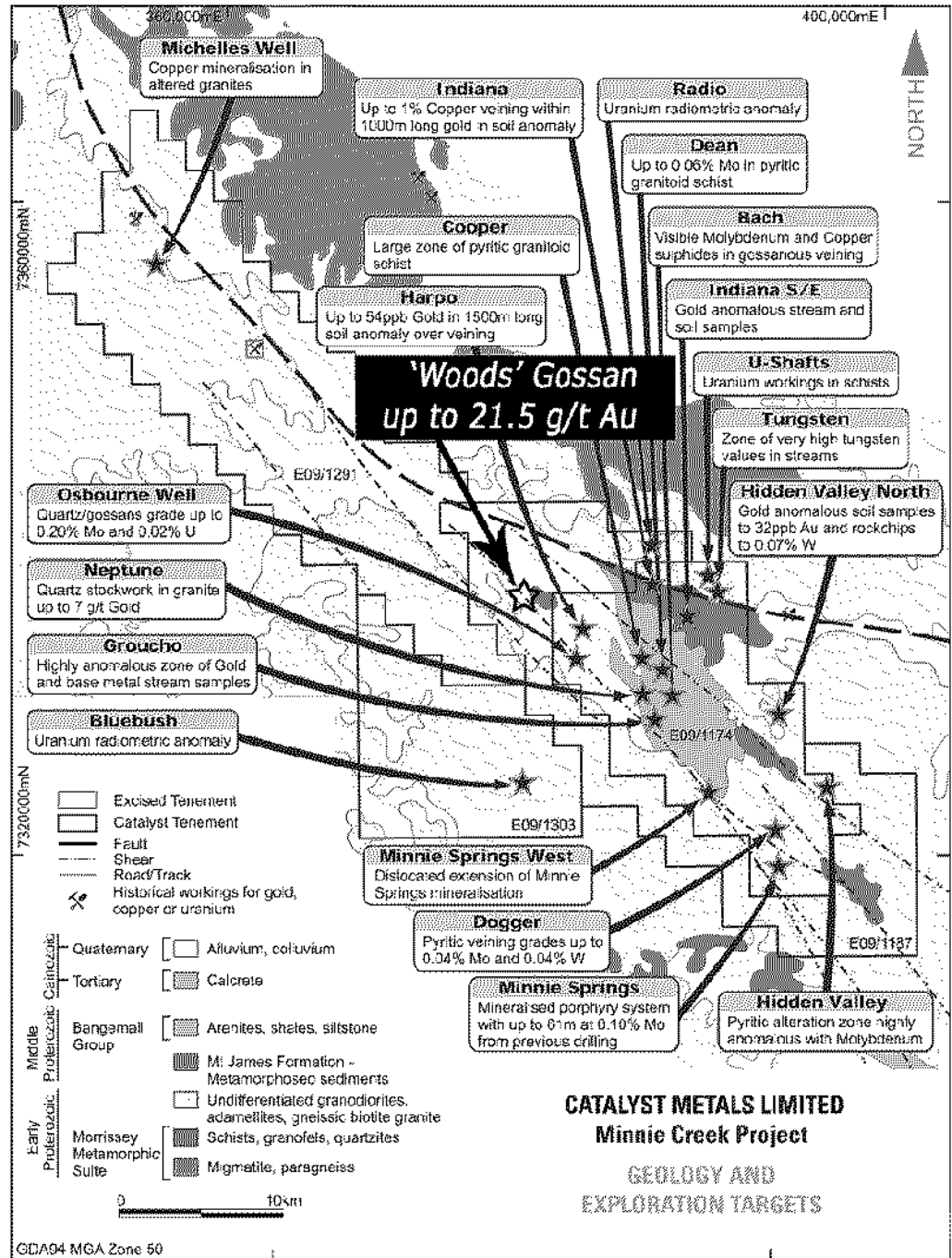
Contact Details

T +61 8 9415 1714
F +61 8 9481 2200
Level 1, 89 St George's Tce
PERTH WA 6000
GPO Box 2508
PERTH WA 6000

Further Information

info@catalystmetals.com
www.catalystmetals.com

Map 1. Location of 'Woods' prospect within Minnie Creek Project



ASX Code: CYL

Capital Structure

CYL Ordinary Shares 23,000,000
 Incentive Shares 8,000,000
 Options 11,500,000
 (20 cent) expiring Dec 2008

Cash Balance

Dec 06 \$2,900,000

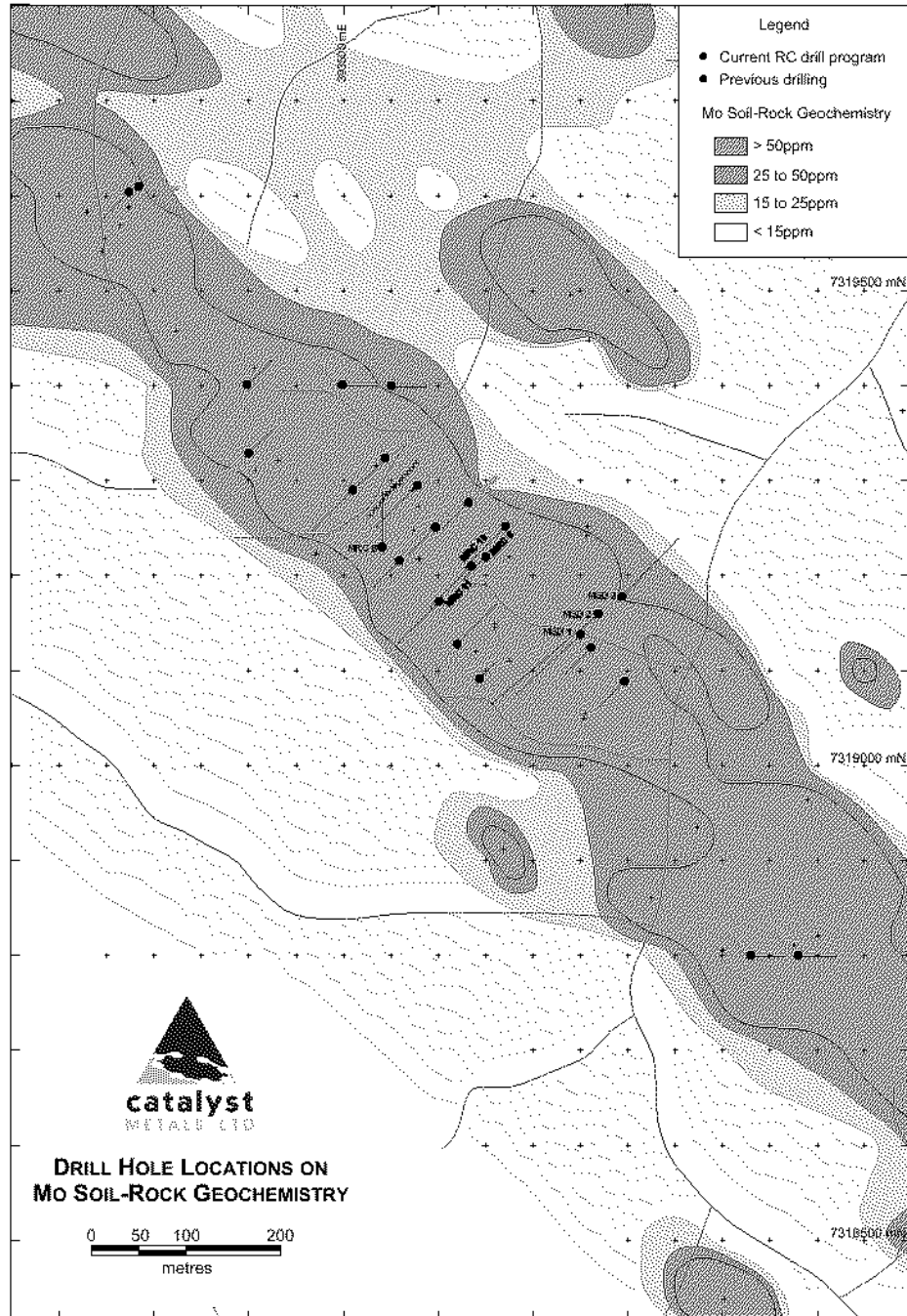
Contact Details

T +61 8 9415 1714
 F +61 8 9481 2200
 Level 1, 89 St George's Terrace
 PERTH WA 6000
 GPO Box 2508
 PERTH WA 6000

Further Information

info@catalystmetals.com
 www.catalystmetals.com

Map 2. Drillhole locations of current and historic drilling at Minnie Springs



ASX Code: CYL

Capital Structure

CYL Ordinary Shares 23,000,000
Incentive Shares 8,000,000
Options 11,500,000
(20 cent) expiring Dec 2008

Cash Balance

Dec 06 \$2,900,000

Contact Details

T +61 8 9415 1714
F +61 8 9481 2200
Level 1, 89 St. George's Terrace
PERTH WA 6000
GPO Box 2508
PERTH WA 6000

Further Information

info@catalystmetals.com
www.catalystmetals.com



DRILL HOLE LOCATIONS ON
Mo SOIL-ROCK GEOCHEMISTRY

