



CATALYST METALS LIMITED

ABN 54 118 912 495

NOTICE OF ANNUAL GENERAL MEETING

EXPLANATORY MEMORANDUM

PROXY FORM

Date and time of meeting

20 November 2020 at 10.00 a.m.

Place of meeting

Celtic Club
48 Ord Street
West Perth, Western Australia

CATALYST METALS LIMITED

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the annual general meeting of shareholders of Catalyst Metals Limited (Company) will be held at the Celtic Club, 48 Ord Street, West Perth, Western Australia on Friday, 20 November 2020 at 10.00 a.m.

AGENDA

ORDINARY BUSINESS

Financial statements and reports

To receive and consider the annual financial report of the Company and the reports of the directors and auditors for the financial year ended 30 June 2020.

To consider and if thought fit to pass, with or without amendment, the following resolutions as ordinary resolutions.

1. Re-election of Stephen Boston as a director

“That Mr Stephen Boston, being a director of the Company, retires by rotation in accordance with Clause 14.2 of the Constitution and ASX Listing Rule 14.4, and being eligible for re-election, is hereby re-elected as a director of the Company.”

2. Re-election of Bruce Kay as a director

“That Mr Bruce Kay, being a director of the Company, retires by rotation in accordance with Clause 14.2 of the Constitution and ASX Listing Rule 14.4, and being eligible for re-election, is hereby re-elected as a director of the Company.”

To consider and if thought fit to pass, with or without amendment, the following resolution as an ordinary, **non-binding resolution**.

3. Remuneration report

“That for the purposes of Section 250R(2) of the Corporations Act, the Company adopts the Remuneration Report as contained in the annual financial report of the Company for the year ended 30 June 2020.”

A vote on Resolution 3 must not be cast (in any capacity) by or on behalf of any member of Key Management Personnel (details of whose remuneration are included in the Remuneration Report) or a Closely Related Party of such a member. However, a person described above may cast a vote on Resolution 3 as a proxy if the vote is not cast on behalf of a person described above and either:

- (a) the person does so as proxy appointed in writing that specifies how the proxy is to vote on the proposed resolution; or*
- (b) the Chairman of the meeting is appointed as proxy and the proxy form does not specify the way the proxy is to vote on the resolution, and expressly authorises the Chairman to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of a member of Key Management Personnel of the Company.*

SPECIAL BUSINESS

The special business of the meeting is to consider and if thought fit to pass, with or without amendment, the following resolutions as a special resolution.

4. Approval for 10% placement capacity

“That for the purposes of ASX Listing Rule 7.1A and for all other purposes, approval is given for the Company to issue up to that number of Equity Securities equal to 10% of the issued capital of the Company at the time of issue, calculated in accordance with the formula prescribed in ASX Listing Rule 7.1A.2 and on the terms and conditions set out in the explanatory memorandum accompanying the notice of meeting.”

The Company will disregard any votes cast in favour of this Resolution by or on behalf of any person who is expected to participate in the issue of Equity Securities under this resolution or a person who will obtain a material benefit if the resolution is passed (except a benefit solely by reason of being a holder of ordinary securities in the Company), or any associates of those persons. As at the date of this notice of meeting the Company has no specific plans to issue Equity Securities pursuant to ASX Listing Rule 7.1A and therefore it is not known who (if any) may participate in a potential issue of Equity Securities under ASX Listing Rule 7.1A.

However, this does not apply to a vote cast in favour of a resolution by or on behalf of:

- (a) a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or*
- (b) the person chairing the meeting as proxy or attorney for a person who is entitled to vote, in accordance with a direction given to the person chairing the meeting to vote on the resolution as the person chairing the meeting decides.*
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided that the following conditions are met:*
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and*
 - (ii) the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.*

By order of the Board

Frank Campagna
Company Secretary

Perth, Western Australia
12 October 2020

Voting exclusion note

Where a voting exclusion applies, the Company will not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form, or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

Proxy appointments

A member of the Company who is entitled to attend and vote at the meeting may appoint a proxy to attend and vote for the member at the meeting. A proxy need not be a member of the Company. A shareholder who is entitled to cast 2 or more votes may appoint 2 proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the member appoints 2 proxies and the appointment does not specify the proportion or number of the member's votes, then in accordance with Section 249X(3) of the Corporations Act, each proxy may exercise one-half of the votes.

A proxy form is enclosed. If required it should be completed, signed and returned to the Company's registered office in accordance with the proxy instructions on that form.

Voting entitlements

In accordance with Regulation 7.11.37 of the Corporations Regulations, the directors have determined that the identity of those entitled to attend and vote at the meeting is to be taken as those persons who held Shares in the Company as at 4.00 p.m. (WST) on 18 November 2020.

COVID-19 health restrictions

In the event that restrictions on public gatherings in Western Australia due to the COVID-19 global pandemic are reintroduced and prevent a physical meeting from being held, the annual general meeting will be held as a virtual meeting. Details of any virtual meeting will be notified to shareholders, including information and guidance on how to participate and vote at the meeting.

CATALYST METALS LIMITED
EXPLANATORY MEMORANDUM

This explanatory memorandum has been prepared for the information of shareholders of Catalyst Metals Limited in connection with the business to be considered at the forthcoming annual general meeting of shareholders of the Company and should be read in conjunction with the accompanying notice of meeting.

ANNUAL FINANCIAL REPORT

The financial report of the Company for the year ended 30 June 2020 (including the financial statements, directors' report and auditors' report) was included in the 2020 annual report of the Company, a copy of which is available on the Company's web-site at www.catalystmetals.com.au.

There is no requirement for shareholders to approve these reports. However, time will be allowed during the annual general meeting for consideration by shareholders of the financial statements and the associated directors' and auditors' reports.

RESOLUTION 1 – RE-ELECTION OF STEPHEN BOSTON AS A DIRECTOR

ASX Listing Rule 14.4 and Clause 14.2 of the Constitution require that a director (other than a managing director) must not hold office without re-election for more than 3 years and that one third of the directors in office (other than a managing director) must retire by rotation at each annual general meeting of the Company.

Mr Stephen Boston was last re-elected in November 2017 and therefore retires at the forthcoming annual general meeting in accordance with the Constitution and ASX Listing Rule 14.4 and being eligible, has offered himself for re-election at that meeting.

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.

The Board (excluding Mr Boston) recommends that shareholders vote in favour of the re-election of Mr Boston as a director of the Company. The Chairman intends to vote all available undirected proxies in favour of Resolution 1.

RESOLUTION 2 – RE-ELECTION OF BRUCE KAY AS A DIRECTOR

Mr Bruce Kay, who was last re-elected in November 2017 also retires at the forthcoming annual general meeting in accordance with ASX Listing Rule 14.4 and Clause 14.2 of the Constitution and being eligible, has offered himself for re-election at the meeting.

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 was previously group executive and managing director of exploration at Normandy Mining Limited where he was responsible for managing its global exploration program.

The Board (excluding Mr Kay) recommends that shareholders vote in favour of the re-election of Mr Kay as a director of the Company. The Chairman intends to vote undirected proxies in favour of Resolution 2.

RESOLUTION 3 – REMUNERATION REPORT

The Remuneration Report is contained in the Directors' Report section of the Company's 2020 annual report. The Remuneration Report describes the underlying principles and structure of the remuneration policies of the Company and sets out the remuneration arrangements in place for directors and senior executives.

The Corporations Act requires that a resolution to adopt the Remuneration Report be put to the vote of shareholders of the Company. Shareholders should note that the vote on Resolution 3 is not binding on the Company or its directors. However, the directors take the discussion at the meeting and the outcome of the vote into account when considering the Company's remuneration policies and practices.

The Chairman of the meeting intends to vote all available proxies in favour of Resolution 3.

RESOLUTION 4 – APPROVAL FOR 10% PLACEMENT CAPACITY

Broadly speaking, and subject to a number of exceptions, Listing Rule 7.1 limits the amount of equity securities that a listed company can issue without the approval of its shareholders over any 12 month period to 15% of the fully paid ordinary securities it had on issue at the start of that period.

ASX Listing Rule 7.1A provides that an "eligible entity" may seek shareholder approval by special resolution at its annual general meeting to allow it to issue Equity Securities up to maximum of 10% of its issued capital (**10% Placement Capacity**). The 10% Placement Capacity is in addition to the Company's 15% placement capacity under ASX Listing Rule 7.1 and increases the total placement capacity to 25%.

Resolution 4 seeks shareholder approval by way of a special resolution for the Company to have the additional 10% Placement Capacity provided for in Listing Rule 7.1A to issue securities without shareholder approval.

If shareholders approve Resolution 4, the number of equity securities that the Company can issue under the 10% Placement Capacity will be determined in accordance with the formula prescribed in ASX Listing Rule 7.1A.2 (as set out below) and the Company will be able to issue equity securities up to the combined 25% limit in Listing Rules 7.1 and 7.1A without any further shareholder approval.

The effect of Resolution 4 will be to allow the Company to issue equity securities of a maximum of 10% of the Company's ordinary fully paid securities on issue under the 10% Placement Capacity, during the period of up to 12 months from the date of the annual general meeting, without the requirement to obtain subsequent shareholder approval and without using the Company's 15% annual placement capacity available pursuant to ASX Listing Rule 7.1.

Resolution 4 is to be considered as a special resolution. Accordingly, at least 75% of votes cast by shareholders present and eligible to vote at the meeting must be in favour of Resolution 4 for it to be passed.

If Resolution 4 is not approved, the Company will not be able to access the additional 10% Placement Capacity to issue equity securities without shareholder approval provided for in Listing Rule 7.1A and will remain subject to the 15% limit on issuing equity securities without shareholder approval.

ASX Listing Rule 7.1A

For the purposes of ASX Listing Rule 7.1A, an eligible entity is one that, as at the date of the relevant annual general meeting:

- (a) is not included in the S&P/ASX 300 Index; and
- (b) has a maximum market capitalisation (excluding restricted securities and securities quoted on a deferred settlement basis) of \$300 million.

As at the date of this notice, the Company is an eligible entity as it is not included in the S&P/ASX 300 Index and has a current market capitalisation of \$221.6 million.

Any Equity Securities issued under the 10% Placement Capacity must be in the same class as an existing class of quoted Equity Securities. The Company currently has two classes of quoted Equity Securities on issue, being Shares (ASX trading code: CYL) and Options over ordinary Shares expiring 31 May 2022 (CYLOA). The exact number of Equity Securities that the Company may issue under ASX Listing Rule 7.1A will be calculated according to the following formula:

$(A \times D) - E$

Where:

- A** is the number of Shares on issue 12 months before the date of issue or agreement:
- (i) plus the number of Shares issued in the previous 12 months under an exception in ASX Listing Rule 7.2 (other than exceptions 9, 16 or 17);
 - (ii) plus the number of Shares issued in the previous 12 months on the conversion of convertible securities within rule 7.2 exception 9 where:
 - a. the convertible securities were issued or agreed to be issued before the commencement of the 12 month period; or
 - b. the issue of, or agreement to issue, the convertible securities was approved, or taken under these rules to have been approved, under rule 7.1 or 7.4;
 - (iii) plus the number of Shares issued in the previous 12 months under an agreement to issue securities within rule 7.2 exception 16, where:
 - a. the agreement was entered into before the commencement of the previous 12 month period; or
 - b. the agreement or issue was approved, or taken under the Listing Rule to have been approved, under rule 7.1 or rule 7.4;
 - (iv) plus the number of partly paid Shares that became fully paid in the previous 12 months;
 - (v) plus the number of Shares issued in the previous 12 months with the approval of holders of Shares under ASX Listing Rules 7.1 and 7.4. This does not include an issue of ordinary fully paid Shares under the company's 15% placement capacity without shareholder approval; and
 - (vi) less the number of Shares cancelled in the previous 12 months.
- D** is 10%.
- E** is the number of Equity Securities issued or agreed to be issued under ASX Listing Rule 7.1A.2 in the 12 months before the date of issue or agreement to issue that are not issued with the approval of holders of ordinary securities under ASX Listing Rule 7.1 or 7.4.

Technical information required by ASX Listing Rule 7.1A

In accordance with ASX Listing Rule 7.3A, the information below is provided in relation to Resolution 5:

(a) Minimum price

The minimum price at which the Equity Securities may be issued is 75% of the volume weighted average price of Equity Securities in that class, calculated over the 15 ASX trading days on which trades in that class were recorded immediately before:

- the date on which the price at which the Equity Securities are to be issued is agreed; or
- if the Equity Securities are not issued within 10 ASX trading days of the above date, the date on which the Equity Securities are issued.

(b) Date of issue

The Equity Securities may be issued under the 10% Placement Capacity commencing on the date of the meeting and expiring on the first to occur of the following:

- 12 months after the date of the meeting;
- the time and date of the Company's next annual general meeting; and

- the time and date of approval by shareholders of any transaction under ASX Listing Rules 11.1.2 (significant change to nature or scale of the Company’s activities) or 11.2 (disposal of main undertaking) (after which date, an approval under Listing Rule 7.1A ceases to be valid), (the “10% Placement Capacity Period”).

(c) Risk of voting dilution

Any issue of Equity Securities under the 10% Placement Capacity will dilute the interests of shareholders who do not receive any Shares under the issue.

If Resolution 4 is approved by shareholders and the Company issues the maximum number of Equity Securities available under the 10% Placement Capacity, the economic and voting dilution of existing Shares would be as shown in the table below.

The table shows the dilution of existing shareholders calculated in accordance with the formula outlined in ASX Listing Rule 7.1A(2), on the basis of the current market price of Shares and the current number of equity securities on issue as at the date of this notice of meeting.

The table shows the voting dilution impact for securities issued under the 10% Placement Capacity where the number of Shares on issue (Variable A in the formula) increases by 50% and 100% and the economic dilution where there are changes in the issue price of Shares (based on a 50% decrease to current market price of Shares and 100% increase).

Number of Shares on issue (Variable A in ASX Listing Rule 7.1A2)	Issue price per Share	Dilution		
		\$1.345 50% decrease in issue price	\$2.69 Issue price	\$5.38 100% increase in issue price
82,399,698 (Current Variable A)	Shares issued (10% voting dilution) Funds raised	8,239,969 \$11,082,758	8,239,969 \$22,165,516	8,239,969 \$44,331,033
123,599,547 (50% increase in Variable A)	Shares issued (10% voting dilution) Funds raised	12,359,954 \$16,624,138	12,359,954 \$33,248,276	12,359,954 \$66,496,552
164,799,396 (100% increase in Variable A)	Shares issued (10% voting dilution) Funds raised	16,479,939 \$22,165,517	16,479,939 \$44,331,035	16,479,939 \$88,662,071

The number of Shares on issue (Variable A in the formula) could increase as a result of the issue of Shares that do not require shareholder approval (such as under a pro-rata rights issue or Shares issued under a takeover offer) or that are issued with shareholder approval under Listing Rule 7.1.

The table above is based on the following assumptions:

1. Variable A being the current 82,399,698 Shares on issue.
2. The issue price set out above is the closing price of Shares on the ASX on 9 October 2020 (\$2.69 per Share).
3. The Company issues the maximum possible number of equity securities under the 10% Placement Capacity.
5. The issue of equity securities under the 10% Placement Capacity consists only of Shares. It is assumed that no Options are exercised into Shares before the date of issue of the equity securities.
6. This table does not set out any dilution pursuant to approvals under ASX Listing Rule 7.1, 7.4 or pursuant to an issue of shares pursuant to an exception in ASX Listing Rule 7.2.

7. The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.
8. The table does not show an example of dilution that may be caused to a particular shareholder by reason of placements under the 10% Placement Capacity, based on that shareholder's holding at the date of the annual general meeting. All shareholders should consider the dilution caused to their own shareholding depending on their specific circumstances.

Shareholders should note that there is a risk that:

- the market price for the Company's Shares may be significantly lower on the issue date than on the date of the meeting; and
- the Shares may be issued at a price that is at a discount to the market price for those Shares on the date of issue.

(d) Purpose of issue under 10% Placement Capacity

The Company intends to use any funds that may be raised under the 10% Placement Capacity for acquisition of new resources, assets and investments (including expenses associated with such an acquisition), continued exploration expenditure on the Company's current projects and any additional projects acquired (funds used for drilling, feasibility studies and ongoing project administration) and general working capital.

The Company will comply with the disclosure obligations under ASX Listing Rules 7.1A(4) upon the issue of any Equity Securities.

(e) Allocation under the 10% Placement Capacity

The allottees of the Equity Securities to be issued under the 10% Placement Capacity have not yet been determined. However, the allottees of Equity Securities could consist of current shareholders or new investors (or both), none of whom will be related parties of the Company.

The Company will determine the allottees at the time of the issue under the 10% Placement Capacity, having regard to the following factors:

- the purpose of the issue;
- alternative methods for raising funds available to the Company at that time including, but not limited to, an entitlement issue or other offer where existing shareholders may participate;
- the effect of the issue of the Equity Securities on the control of the Company;
- the circumstances of the Company including, but not limited to, the financial position and solvency of the Company;
- prevailing market conditions; and
- advice from corporate, financial and broking advisers (if applicable).

(f) Previous approval under ASX Listing Rule 7.1A

The Company obtained approval under ASX Listing Rule 7.1A at the 2019 annual general meeting held on 13 November 2019. The Company has not issued or agreed to issue any Shares pursuant to this previous approval under Listing Rule 7.1A.2 in the 12 months preceding the date of the meeting.

(g) Compliance with ASX Listing Rules 7.1A.4

When the Company issues Equity Securities pursuant to the 10% Placement Capacity, it will state in its announcement under Listing Rule 3.10.3 or in its application for quotation of securities under Listing Rule 2.7 that the securities are being issued under Listing Rule 7.1A and it will give to ASX a list of the allottees of the Equity Securities and the number of Equity Securities allotted to each (not for release to the market), in accordance with ASX Listing Rule 7.1A.4.

Voting exclusion

A voting exclusion statement is included in the notice of meeting. As at the date of this notice, the Company has not identified or invited any person to participate in an issue of Equity Securities under ASX Listing Rule 7.1A. Therefore, no existing shareholders will be excluded from voting on Resolution 4.

The Board recommends that shareholders vote in favour of Resolution 4 as it allows the Company to retain the flexibility to issue further securities representing up to 10% of the Company's share capital during the next 12 month period. The Chairman intends to vote all available undirected proxies in favour of Resolution 5.

GLOSSARY OF TERMS

“**ASX**” means ASX Limited;

“**ASX Listing Rules**” means the official listing rules of ASX;

“**Board**” means the board of directors of the Company;

“**Closely Related Party**” is defined in the Corporations Act and includes a spouse, dependant and certain other close family members, as well as any companies controlled by a member of KMP.

“**Company**” or “**Catalyst**” means Catalyst Metals Limited (ABN 54 118 912 495);

“**Constitution**” means the constitution of the Company;

“**Corporations Act**” means the Corporations Act 2001 (Commonwealth);

“**Corporations Regulations**” means the Corporations Regulations 2001 (Commonwealth);

“**Equity Securities**” includes a Share, a right to a Share or Option, an Option, a convertible security and any security that ASX decides to classify as an Equity Security

“**Key Management Personnel**” or “**KMP**” means those persons having authority and responsibility for planning, directing and controlling the activities of the Company directly or indirectly, including any director (whether executive or otherwise) of the Company.

“**Option**” means an option to subscribe for a Share.

“**Share**” means an ordinary fully paid share in the capital of the Company.



Catalyst Metals Limited | ABN 54 118 912 495

AGM Proxy Voting Form

If you are attending the meeting in person, please bring this with you for Securityholder registration.

Holder Number:

Your proxy voting instruction must be received by **10.00am (WST) on Wednesday, 18 November 2020**, being **not later than 48 hours** before the commencement of the Meeting. Any Proxy Voting instructions received after that time will not be valid for the scheduled Meeting.

SUBMIT YOUR PROXY

Complete the form overleaf in accordance with the instructions set out below.

YOUR NAME AND ADDRESS

The name and address shown above is as it appears on the Company's share register. If this information is incorrect, and you have an Issuer Sponsored holding, you can update your address through the investor portal: <https://investor.automic.com.au/#/home> Shareholders sponsored by a broker should advise their broker of any changes.

STEP 1 – APPOINT A PROXY

If you wish to appoint someone other than the Chair of the Meeting as your proxy, please write the name of that Individual or body corporate. A proxy need not be a Shareholder of the Company. Otherwise if you leave this box blank, the Chair of the Meeting will be appointed as your proxy by default.

DEFAULT TO THE CHAIR OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chair of the Meeting, who is required to vote these proxies as directed. Any undirected proxies that default to the Chair of the Meeting will be voted according to the instructions set out in this Proxy Voting Form, including where the Resolutions are connected directly or indirectly with the remuneration of KMP.

STEP 2 - VOTES ON ITEMS OF BUSINESS

You may direct your proxy how to vote by marking one of the boxes opposite each item of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

APPOINTMENT OF SECOND PROXY

You may appoint up to two proxies. If you appoint two proxies, you should complete two separate Proxy Voting Forms and specify the percentage or number each proxy may exercise. If you do not specify a percentage or number, each proxy may exercise half the votes. You must return both Proxy Voting Forms together. If you require an additional Proxy Voting Form, contact Automic Registry Services.

SIGNING INSTRUCTIONS

Individual: Where the holding is in one name, the Shareholder must sign.

Joint holding: Where the holding is in more than one name, all Shareholders should sign.

Power of attorney: If you have not already lodged the power of attorney with the registry, please attach a certified photocopy of the power of attorney to this Proxy Voting Form when you return it.

Companies: To be signed in accordance with your Constitution. Please sign in the appropriate box which indicates the office held by you.

Email Address: Please provide your email address in the space provided.

By providing your email address, you elect to receive all communications despatched by the Company electronically (where legally permissible) such as a Notice of Meeting, Proxy Voting Form and Annual Report via email.

CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting the appropriate 'Appointment of Corporate Representative' should be produced prior to admission. A form may be obtained from the Company's share registry online at <https://automic.com.au>.

Lodging your Proxy Voting Form:

Online:

Use your computer or smartphone to appoint a proxy at

<https://investor.automic.com.au/#/login>

or scan the QR code below using your smartphone

Login & Click on 'Meetings'. Use the Holder Number as shown at the top of this Proxy Voting Form.



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