



CASSINI
RESOURCES LIMITED

ABN 50 149 789 337



Cassini Resources Limited and its Controlled Entities
ANNUAL REPORT 2014



CONTENTS

Corporate Information	2
Letter to Shareholders.....	3
Directors Report	4
Auditor's Independence Declaration.....	36
Independent Auditor's Report	37
Consolidated Statement of Profit or Loss and Other Comprehensive Income	39
Consolidated Statement of Financial Position	40
Consolidated Statement of Cash Flows	41
Consolidated Statement of Changes in Equity	42
Notes to the consolidated Financial Statements	43
Directors' Declaration.....	79
Corporate Governance Statement	80
ASX Additional Information	89

CORPORATE INFORMATION

This financial report includes the consolidated financial statements and notes of Cassini Resources Limited and its Controlled entities ('the Group'). The Group's functional and presentation currency is AUD (\$).

A description of the Group's operations and of its principal activities is included in the review of operations and activities in the Director's report. The Director's report is not part of the financial report.

Directors

Michael (Mike) Young
Non-Executive Chairman

Richard Bevan
Managing Director

Philip Warren
Non-Executive Director

Greg Miles
Executive Director

Jon Hronsky
Non-Executive Director

Company Secretary

Steven Wood

Registered Office

945 Wellington Street
West Perth WA 6005

Share Registry

Automic Registry Services
Level 1, 7 Ventnor Avenue
West Perth WA 6005
T: +1300 288 664

Website

www.cassiniresources.com.au

Auditors

BDO Audit (WA) Pty Ltd
38 Station Street
Subiaco WA 6008

Bankers

Westpac Banking Corporation
Level 13, 109 St Georges Terrace
Perth WA 6000

Solicitors

Steinepreis Paganin
Level 4, Next Building
16 Milligan Street
Perth WA 6000

Stock Exchange

Australian Securities Exchange Limited
Level 40, Central Park
152-158 St George's Terrace
Perth WA 6000

ASX Code: **CZI**

LETTER TO SHAREHOLDERS

Dear Shareholders

The Cassini space probe, launched in 1997, is the most ambitious planetary exploration program ever mounted. On its way to Saturn, the probe circled the Sun twice, used Venus to slingshot itself, and arrived in orbit around Saturn in 2004. This recent exploration of the planet by the Cassini spacecraft has surprised and delighted everyone with spectacular and unexpected results.

We've known about Saturn and its rings since Galileo first saw them in 1610 and up until the Cassini space probe we thought we knew pretty much all there was to know about Saturn. It goes to show what new eyes can do.

Which brings us to Cassini Resources. To say that Cassini Resources is an ambitious exploration company is an understatement. The acquisition of BHPB's West Musgrave Project surprised many, not least for its audacity. But having begun our Company on the back of the Musgrave region, we have always held the firm view that this is one of the last true frontiers of exploration in Australia. It is underexplored and underdeveloped and having the acreage we do, in Western Australia, is hugely advantageous in a world of Ebola, Islamic State, and sovereign risk.

The Nebo, Babel and Succoth deposits at the West Musgrave Project are part of a massive nickel-copper system that had been viewed as being uneconomic. However, like the new discoveries at Saturn, our 'new look' at the West Musgrave Project will, we expect, likewise yield spectacular and surprising results.

As I write this, we have two Reverse Circulation rigs on site and drilling the infill programs which we anticipate will define higher-grade zones within the massive Ni-Cu systems at Nebo-Babel. We will also carry out infill drilling at Succoth, a copper-nickel-PGE deposit, with a view to producing a maiden resource estimate there.

On the back of the acquisition, the Company successfully raised \$10m in a placement that was oversubscribed and completed in 24 hours. While general market conditions are down, the market will still reward good management with good projects.

But our most important acquisition this year has been our new team members. Dr Jon Hronsky, Dr Zoran Seat, and Dr Ben Grguric all have long histories with WMC, BHP and importantly the West Musgrave Project. I am proud of our team and I am happy to say that we have had a Company making year. Richard Bevan, our Managing Director, and his team and the Board, have advanced the Company in leaps and bounds this year and I would like to thank him for his dedication and hard work in what continues to be a tough environment for explorers.

I'd also like to thank David Johnson, who whilst resigning as Director during the year continues to advance our projects in Nevada. Nevada is one of the world's premier gold districts still producing new multi-million ounce discoveries despite 150 years of mining and exploration. It is a safe, mining friendly jurisdiction and has excellent exploration and mining expertise. We have turned over our projects there with systematic field work and will continue to do so as we find, acquire and test projects.

At Cassini we pride ourselves in following through our words with our actions and I think this year has been a great example of that.

On behalf of the Board of Directors of Cassini Resources Limited, I would like to thank you for your support as a shareholder of the Company, and we look forward to a successful future for the Company.

Yours faithfully



Michael Young
Non-Executive Chairman



DIRECTORS REPORT

Your Directors present the following report on Cassini Resources Limited and its controlled entities (referred to hereafter as “the Group”) for the year ended 30 June 2014.

Directors

The names of the Directors in office during the financial year and until the date of this report are as follows. All Directors were in office for the entire year unless otherwise stated:

Mr Mike Young	Non-Executive Chairman
Mr Richard Bevan	Managing Director
Mr Philip Warren	Non-Executive Director
Mr Greg Miles	Executive Director
Dr Jon Hronsky	Non-Executive Director (<i>appointed 3 April 2014</i>)
Mr David Johnson	Executive Director – Exploration (<i>resigned 30 June 2014</i>)

Principal Activities

During the year the principal activities of the Group consisted of:

- a) Identification and assessment of commercially attractive resource exploration projects;
- b) Acquisition of commercially attractive resource exploration projects; and
- c) Exploration of Cassini’s portfolio of tenements and projects.

There were no significant changes in the nature of the activities of the Group during the year.

Dividends

There were no dividends paid or proposed during the year.

DIRECTORS REPORT continued

Review of Operations

During the reporting period, Cassini has continued to explore its West Musgrave Project, consolidated holdings at the Nevada Projects and acquired the new X17 Project in the West Arunta region of WA. The Company has also expanded its position in the West Musgrave with the acquisition of BHP Billiton's Nebo and Babel deposits and associated tenements.

West Musgrave Project

The Company completed a program of reverse circulation (RC) drilling of 8 holes for 993m during early August 2013. The program was designed to test the Pandora geophysical target (Pandora), which was defined by VTEM and ground MLTEM surveying completed the previous reporting period. The locations of the drill hole collars in relation to the VTEM anomaly are shown below (Figure 1).

Pandora lies within a corridor of airborne magnetic anomalies interpreted to be sourced from magnetite-bearing zones within mafic/ultramafic igneous intrusive bodies of the Giles Complex, which are prospective for Ni-Cu-PGE massive sulphide mineralisation. The positioning of these bodies within a ~40 km long curvilinear corridor is thought to reflect intrusion of magma from the lower crust along a major structure. Results of the drilling program provide confirmation of this interpretation, reinforcing our views on the prospectivity of the West Musgrave Project area.

The drill holes intersected a mafic intrusive body containing thick zones composed of massive titaniferous magnetite with disseminated sulphides (5% by volume). Magnetite is a conductive mineral, especially when combined with disseminated sulphides, and down-hole electromagnetic surveys of the drill holes confirm that the source of the ground and airborne EM anomaly was intersected. The titaniferous magnetite zones contained anomalous concentrations of nickel and copper (summarized in Table 1); the strongest anomalism was observed in CRC007, which intersected 7 m @ 0.1% Cu and 645 ppm Ni from 48 m, and 1 m @ 0.14% Cu and 0.11% Ni from 78m.



DIRECTORS REPORT continued

Review of Operations (cont'd)

The magmatic processes that produced the high concentration of metals at Pandora are akin to those that formed the Jameson V-Ti deposits in the West Musgrave region. They are fundamentally different to the dynamic processes required to concentrate massive sulphides to form Ni-Cu±PGE deposits such as Nebo-Babel, Voiseys Bay, Nova, etc. However, the rocks intersected by our drilling indicate that deep-penetrating crustal structures that form pathways for intrusion of Giles Complex magma are present within the West Musgrave Project tenements. Given the right structural setting, these intrusions could host significant mineralisation. Furthermore, our drill holes penetrated only 50 m of transported cover overlying the basement rocks, demonstrating that the region can be explored effectively at a reasonable cost.

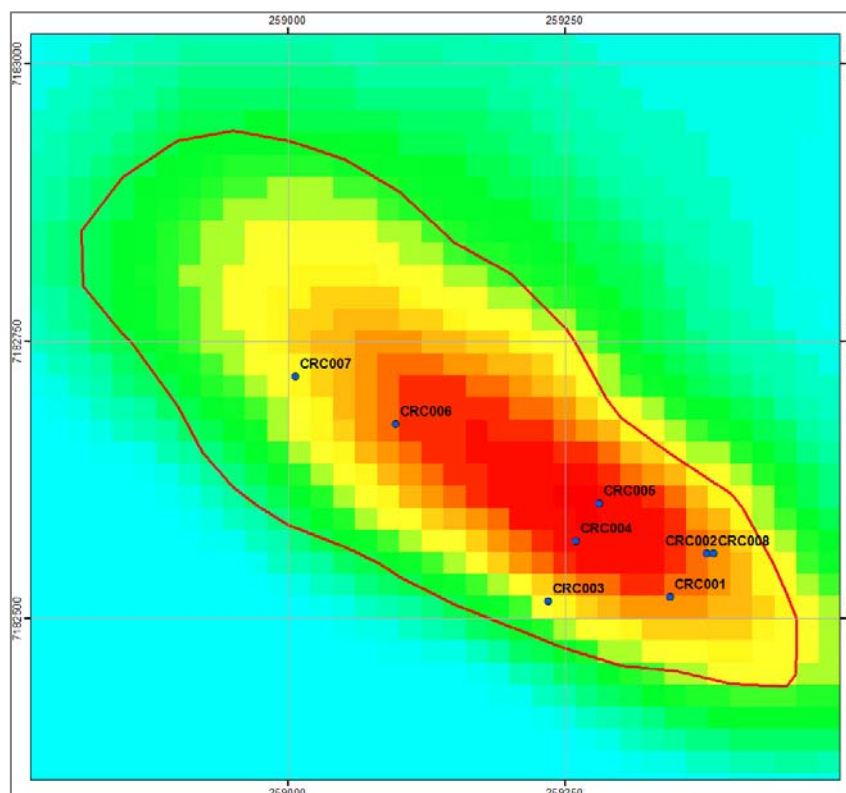


FIGURE 1. Drill collar plan at Pandora showing location of holes CRC001-008 and targeted VTEM anomaly (red).

TABLE 1. Collar information and summary of down-hole anomalism in CRC001-008, drilled at Pandora.

GDA94 MGA52						Assay Data		
Hole ID	Easting	Northing	Azimuth (True)	Dip	Hole Depth (m)	Cu Anomalism	Ni Anomalism	
CRC001	259345	7182520	026	-80	142	8m @ 547ppm from 48m; 4m @ 773ppm from 67m incl. 1m @ 0.11% from 68m	2m @ 653ppm from 48m; 1m @ 550ppm from 68m	<i>Reported previously</i>
CRC002	259378	7182559	026	-80	192	4m @ 505ppm Cu from 65m	Nil	<i>Reported previously</i>
CRC003	259235	7182516	026	-80	90	Nil	Nil	
CRC004	259260	7182570	026	-80	96	12m @ 618ppm from 53m; 2m @ 589ppm from 67m; 1m @ 652ppm from 72m; 1m @ 534ppm from 77m	5m @ 526ppm from 58m	<i>Reported previously</i>
CRC005	259281	7182604	026	-80	108	4m @ 682ppm from 71m	Nil	
CRC006	259097	7182676	026	-80	102	1m @ 536ppm from 67m; 1m @ 844ppm from 72m	Nil	
CRC007	259007	7182719	026	-80	108	7m @ 965ppm from 48m incl. 1m @ 0.14% from 48m; 4m @ 781ppm from 76m	8m @ 629ppm from 48m; 1m @ 0.11% from 78m	
CRC008	259384	7182559	206	-50	155	7m @ 551ppm from 58m; 5m @ 707ppm from 74m; 7m @ 703ppm from 108m	1m @ 548ppm from 75m; 1m @ 670ppm from 114m	
Total drill metres					993m			

DIRECTORS REPORT continued

Review of Operations (cont'd)

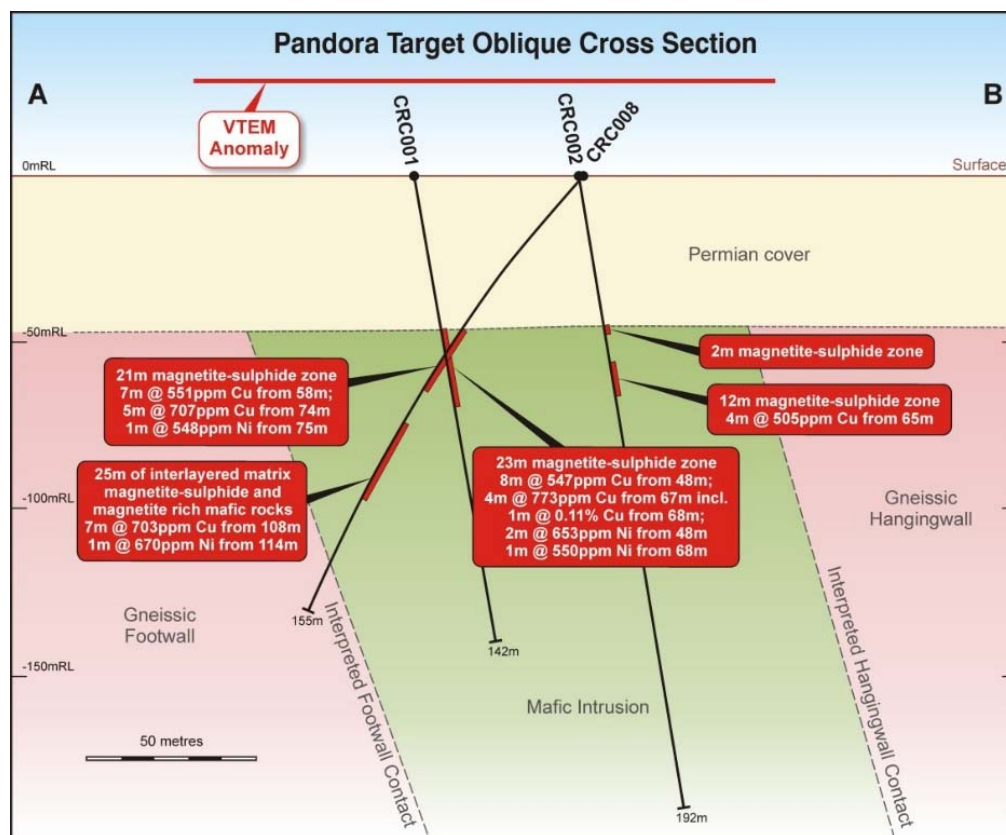


FIGURE 2. Cross section of drill holes

Pandora Forward Exploration Strategy

The Company has confirmed that the discrete magnetic anomalies in the project area are sourced from mafic intrusive bodies. The initial Variable Time-domain EM (VTEM) survey that identified the Pandora target was designed to test these magnetic anomalies and subsequent analysis has shown that a number of these anomalies were not effectively tested by VTEM due to conductive cover masking any possible response.

Moving Loop EM (MLEM) is likely to be a more sensitive and definitive technique to assess the presence of sulphide mineralisation coincident with these magnetic anomalies. Accordingly a MLEM program will be the next step in the exploration strategy.

The ground EM survey represents a highly targeted, relatively low cost exploration technique, which the Company is fully funded to be able to undertake and complete. The generation of further positive EM responses will assist the company in prioritising a number of prospective drill targets.

The Company will now progress these other untested anomalies and systematically prioritise and evaluate their prospectivity in the light of the encouraging results at the Pandora target.

Post survey analysis of the VTEM determined that it effectively tested only 120 km² (approximately 5%) of Cassini's 2,254km² project area. Although Cassini's exploration was focused on the strong discrete magnetic anomalies originally observed in the GSWA regional data, there is no compelling reason why mineralisation needs to only be associated with such bodies. The Company is also evaluating the option to complete much broader VTEM coverage of the project area.



DIRECTORS REPORT continued

Review of Operations (cont'd)

Nebo – Babel Acquisition

The Company has greatly expanded its West Musgrave Project through the acquisition of 100% of the BHPB West Musgrave Project in Western Australia from BHP Billiton Nickel West Pty Ltd and BHP Billiton Minerals Pty Ltd, two subsidiaries of BHP Billiton Limited ("BHP Billiton"). The deal was formally announced to the market on 3 April 2014.

The consolidated West Musgrave Project now includes the Nebo-Babel nickel-copper sulphide deposits and the Succoth copper prospect. The discovery hole at Nebo-Babel drilled by Western Mining Corporation in May 2000 intercepted 26.55m @ 2.45% Ni, 1.78% Cu, 0.74g/t PGE+Au.

Nebo-Babel has an Inferred Resource Estimate of 446Mt @ 0.33% Ni and 0.35% Cu (0.2% Ni cut-off) for 1.47Mt of contained nickel and 1.56Mt of contained copper. The Company's strategy will be to focus on a higher grade core of the resource which contains 33.2Mt @ 0.73% Ni and 0.59% Cu at 0.5% Ni cut-off. A detailed table of the Inferred Resource Estimate can be found in section 9 of the ASX additional information on page 94 of this report. The due diligence that Cassini has undertaken during the period indicates that Nebo-Babel has significant production potential as a smaller, higher-grade operation due to the following favourable characteristics of the deposits:

- Discrete higher-grade zones exist within the Nebo-Babel deposit which are yet to be fully delineated by drilling;
- Both Nebo and Babel deposits are amenable to open pit co-development as they are very close to the surface, with the Babel deposit outcropping;
- There is very limited supergene oxidation therefore fresh sulphide ore occurs close to surface; and
- Nebo-Babel has extremely favourable ore-body geometry. It is a flat dipping deposit which gives rise to potential for an open-pit operation with a very low stripping ratio.

DIRECTORS REPORT continued

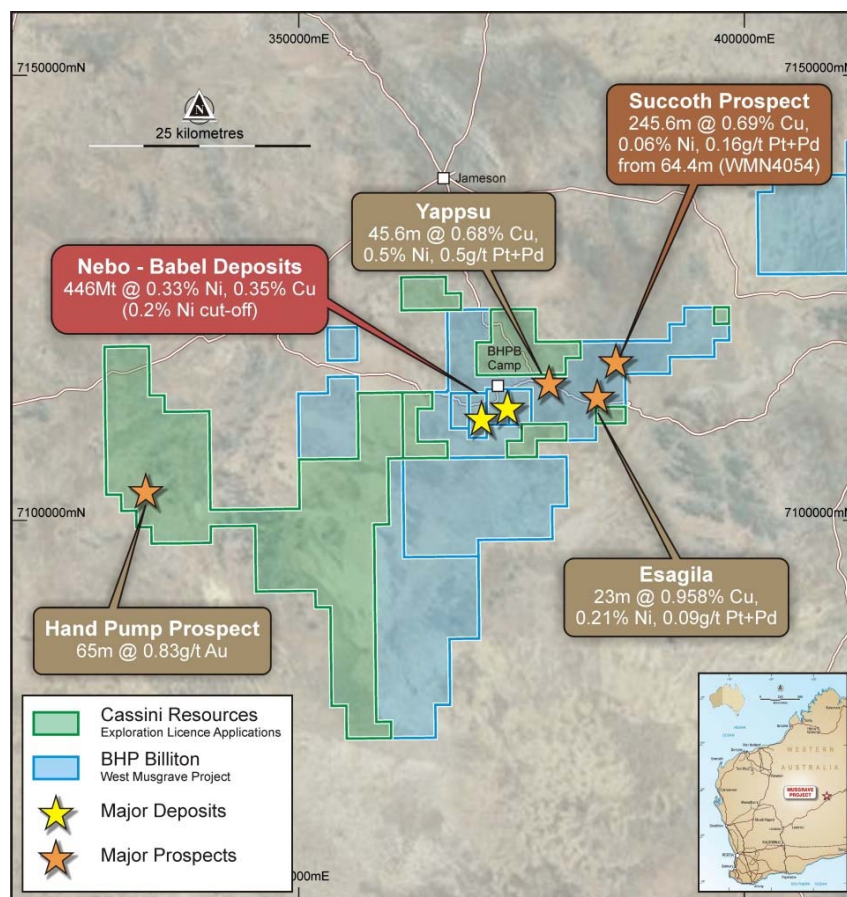


FIGURE 3: BHP Billiton's West Musgrave Project identifying major deposits and prospects

Review of Operations (cont'd)

Located only 13km to the north east of Nebo-Babel, the Succoth prospect was a significant copper discovery. Succoth is characterised by its significant size and the continuity of mineralisation, which provides large-scale mining potential. This potential is demonstrated by the limited drilling (approximately 35 RC & diamond drill holes) undertaken to date, which includes results such as 245.6m @ 0.69% Cu, 0.06% Ni, 0.16g/t Pt+Pd from 64.4m (VMN4054). The system remains open at depth.

Mineralisation at Succoth starts near surface, and a development scenario is considered likely to include open pit mining in the first instance. The proximity of Succoth to Nebo-Babel offers potential operational synergies and cost savings.

The Acquisition includes an extensive drilling and geochemical database, which confirms strong regional prospectivity. The Project contains several early-stage exploration targets. Two of the more notable targets, Yappsu and Esagila, have been the subject of preliminary drilling, with promising results. Intersections include:

- Yappsu – 45.6m @ 0.5% Ni, 0.68% Cu, 0.5g/t Pt+Pd
- Esagila – 23m @ 0.95% Cu, 0.21% Ni, 0.09g/t Pt+Pd

Since the Acquisition, the Company has taken possession of a significant geological database generated by Western Mining Corporation Limited and BHP Billiton over the past 15 years. Cassini has commenced a reinterpretation of this data in light of its strategy of developing a higher-grade, lower tonnage development scenario at the Project. The Company has identified a continuous higher grade core in both the Nebo and Babel Deposits (*Figure 4*) which provides confidence that the high-grade strategy does present a feasible open pit mining scenario.

DIRECTORS REPORT continued

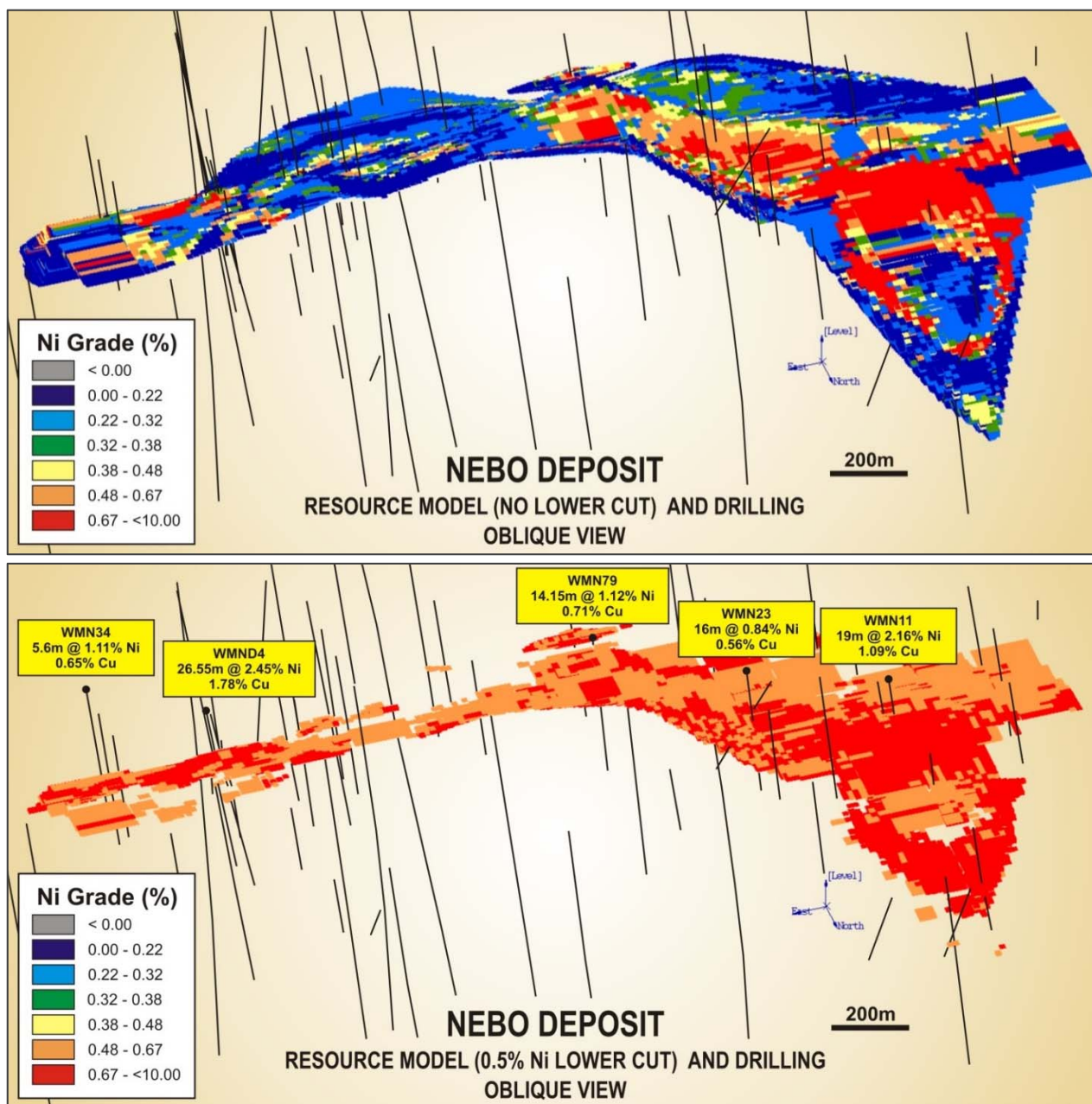


FIGURE 4. Nebo Block Model with no lower cut (above) and 0.5%Ni cut below highlighting higher-grade core within low grade resource.

Review of Operations (cont'd)

To progress Cassini's strategy, a reverse circulation (RC) drilling program has been planned to improve resource confidence at Nebo-Babel. The program is designed to infill the existing broad drill spacing where the resource is close to surface and also in the areas where the resource remains open. It is anticipated the drilling program will be in the order of 25,000m. Preparations for drilling are nearly complete with McKay Drilling awarded the drill contract, DMP Programme of Works approval received and a final heritage field trip completed. Re-establishment of the Exploration Camp is underway while the Company waits for granting of a clearing permit to re-establish access tracks, pads and sumps. The Company remains confident that final approvals will be received by the end of August, with drilling commencing immediately after that.

The Company has reviewed the drill hole database and other regional data sets such as geochemical and geophysical surveys. While this review is still in its early stages, a number of key findings have highlighted the outstanding prospectivity of the broader Project area. It is evident that Nebo-Babel is part of a 20km long mineralised corridor that contains a system of mafic intrusions hosting magmatic Ni and Cu sulphides (Figure 5).

DIRECTORS REPORT continued

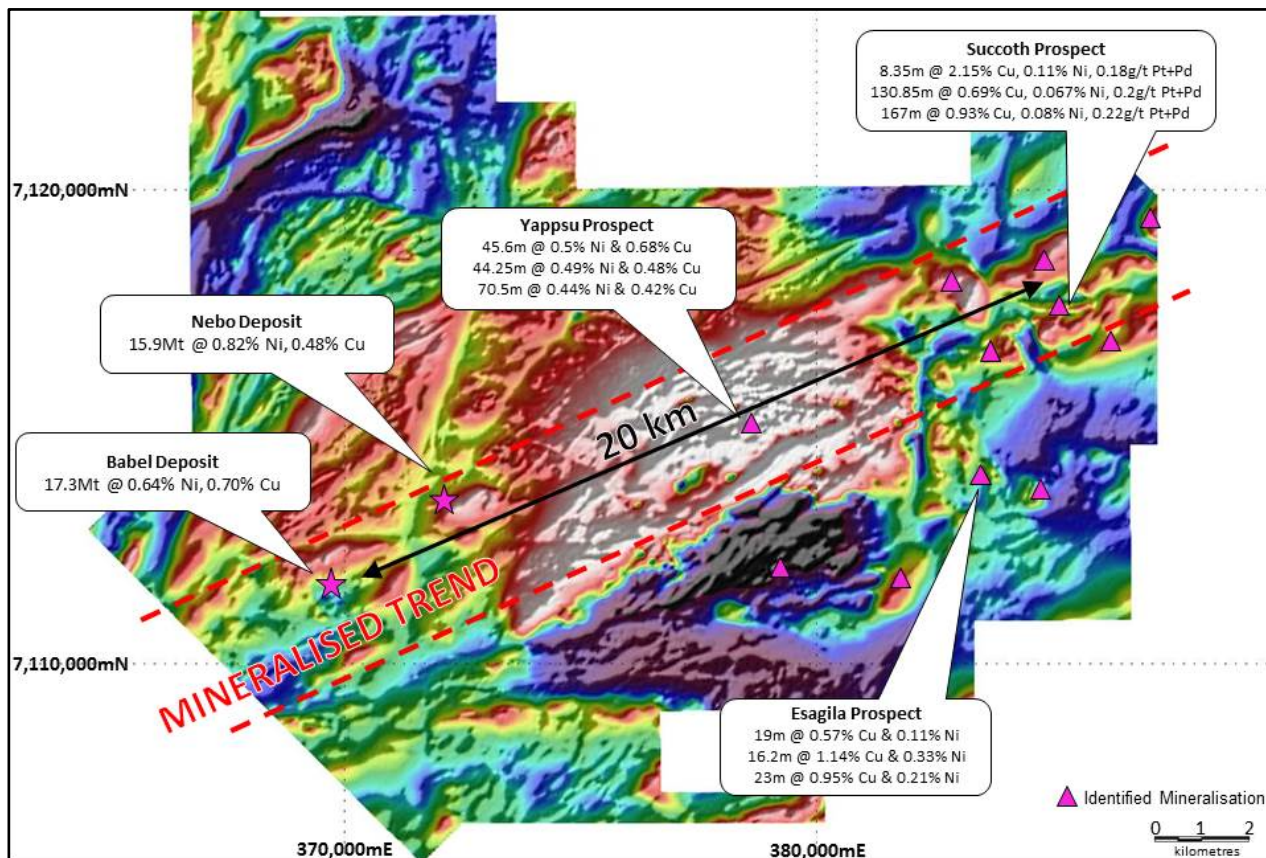


FIGURE 5. West Musgrave regional prospects and targets over magnetics.



DIRECTORS REPORT continued

Review of Operations (cont'd)

The most advanced of the regional prospects, outside of Nebo-Babel, is the Succoth Copper Prospect which Cassini plans to drill during the 2014 field season. Succoth is emerging as an exciting regional prospect, with higher grade mineralisation evident at the top of the Succoth mineralised zone and close to surface (*Figure 6*). Other important prospects include the Esagila and Yappsu prospects.

Cassini considers that there is good potential to ultimately define a large copper resource at Succoth and this remains one of the strategic objectives for the Company.

Importantly however, the recent review has enabled the Company to recognise that Succoth has high-grade copper mineralisation close to surface (such as 12 metres at 1.12% Cu, 0.07% Ni, 0.14g/t Pt+Pd from 19 metres (WMAC1379) and 11 metres at 1.32% Cu, 0.11% Ni, 0.40g/t Pt+Pd from 43 metres (WMN4032)).

This could make the upper parts of the Succoth prospect amenable to open-pit development, which could then support the economics of the planned development of resources at Nebo-Babel.

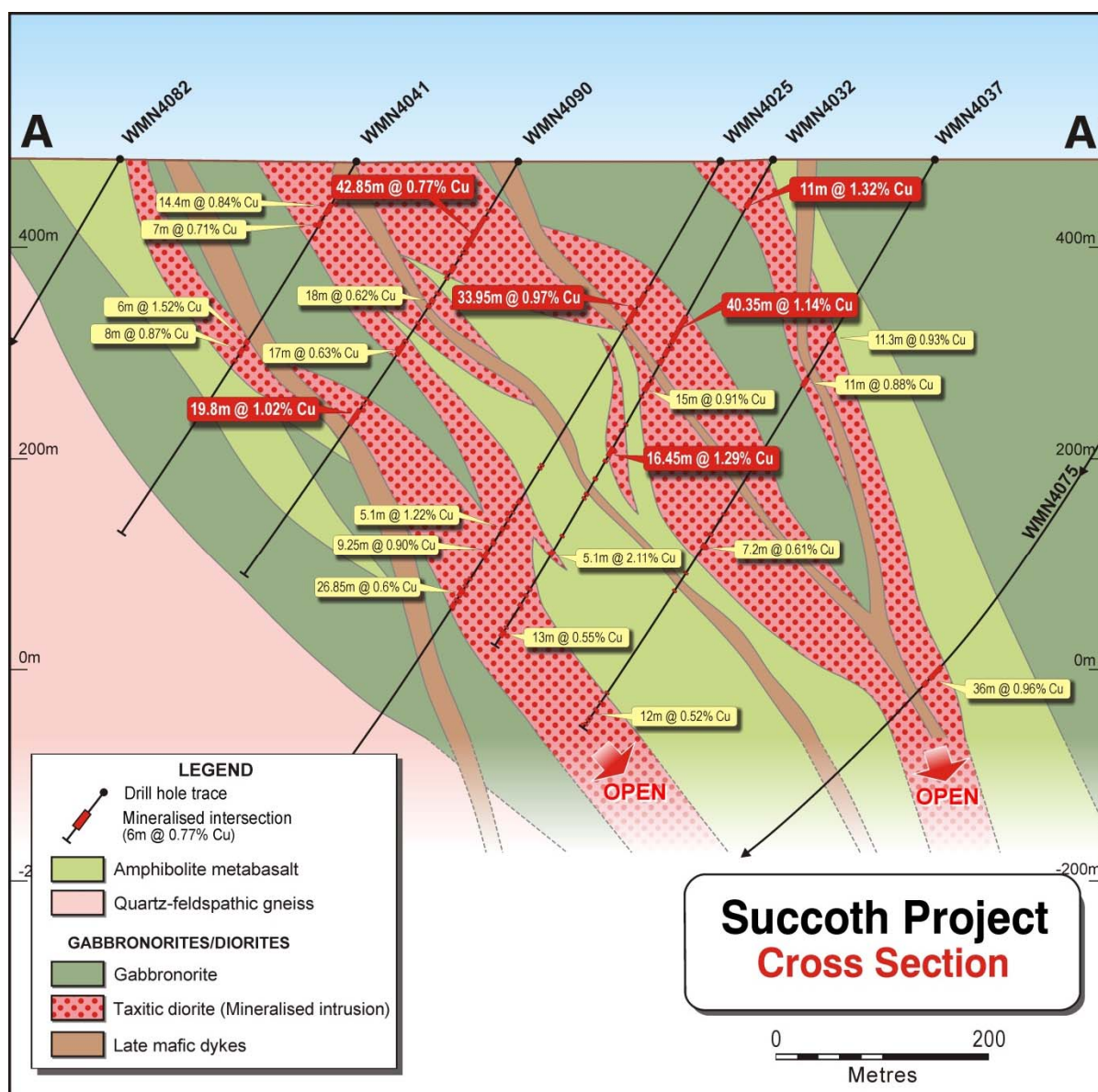


FIGURE 6. Succoth Prospect interpreted section.

DIRECTORS REPORT *continued*

Review of Operations (cont'd)

Nevada Gold Projects

The Nevada Gold Projects currently consist of three properties; White Flats, Cortez East and Quinn Canyon. Following a review of previous exploration at existing projects and acquisition opportunities in Nevada, the Company has rationalised its Project portfolio. Cassini initiated two new exploration projects; Cortez East and Quinn Canyon. Both projects target Carlin-type gold ore bodies and will complement the existing White Flats Project (*Figure 7*).

Meanwhile the Company has surrendered its rights to the Goldstar Project which was deemed not to meet the Company's target size hurdles in light of the project acquisitions in Australia.

White Flats Project

The White Flats Project is located 16 km SSW of Elko and about 18 km NE of the Rain gold mine. The Project is not on any recognised 'trend' and represents a grassroots play in a relatively unexplored area. The target is Carlin-style gold mineralisation at the Webb Formation-Devils Gate Limestone unconformity.

Anomalous stream sediments samples led to the discovery of several jasperoid outcrops, which carried strongly anomalous gold and high level associated trace elements. Soil sampling by BHP and Noranda defined gold anomalies up to 750 ppb Au over a strike length of roughly 2 km. Rock chip sampling also by BHP and Premier located altered carbonate and clastic sedimentary rocks containing up to 3,430 ppb Au.

Reconnaissance mapping and soil sampling (600 samples taken at 100 m by 30 m spacing) has been completed. Results are still pending.

Cortez East Project

Cortez East is located about 18 km east of the Cortez Gold Mine (owned by Barrick Gold Corporation) in Eureka County. Barrick report the Cortez complex containing 11 Moz Au proven and probable reserves, and produced 1.34 Moz Au in 2013. This does not include the recently discovered Gold Rush deposit, with a 9.96Moz Au resource. The property covers an interpreted antiform structure, expressed in the outcrop pattern of Roberts Mountains Thrust upper plate and overlap sequence rocks and supported by a magnetic geophysical feature that is interpreted as being sourced by an igneous intrusive, with an axis oriented parallel to the Cortez Trend (*Figure 8*). Structural culminations are an important element of targeting for Carlin-type deposits, since they result in fluid traps. A strongly altered igneous dyke outcrops in the centre of the property. Grab samples taken from this dyke contain up to 1 g/t Au, with elevated Carlin pathfinder elements.

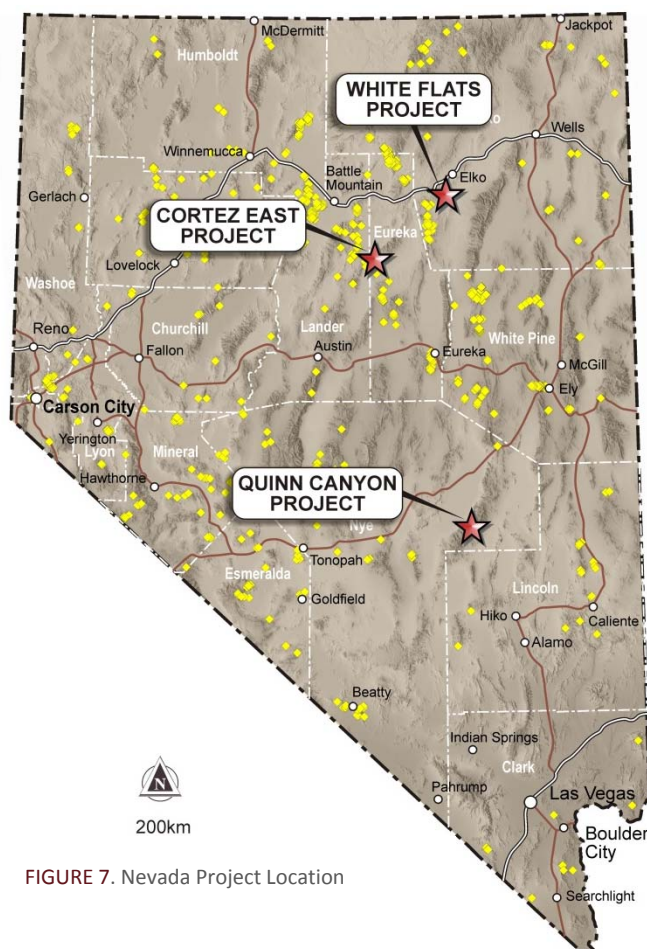
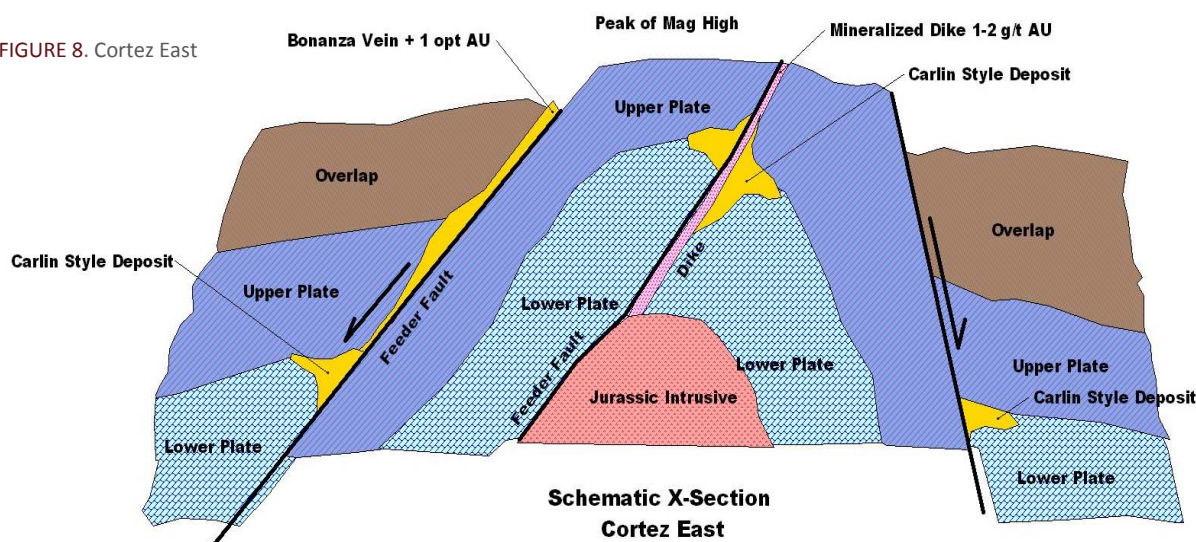


FIGURE 7. Nevada Project Location

DIRECTORS REPORT continued

Review of Operations (cont'd)

FIGURE 8. Cortez East



Cassini completed a reconnaissance soil geochemistry program on 1 July 2014 comprising 1800 samples collected on a 100 m by 30 m grid. Preliminary results have been received and initial interpretation indicates another geological mapping and rock sampling program is required to follow up results from the soil sampling, scheduled for the September 2014 quarter.

Quinn Canyon Project

Quinn Canyon is located in Nye County, 135 km SSW of Ely, in an area with no significant past or present gold producing mines. The Project has been over-looked by other companies as it does not lie within any currently recognised gold “trend”, and consequently has received little previous exploration. However, the property contains large (up to 200m wide) outcrops of jasperoid (siliceous rock formed by hydrothermal alteration of limestone, often associated with Carlin-type gold mineralisation) with highly anomalous gold content. As such, the project represents an opportunity to discover a new gold camp in Nevada. The project area is mountainous, with good exposure of the geology, making target identification relatively inexpensive.

A program of mapping and rock chip sampling has been planned to commence during the September 2014 quarter.

X17 Project – West Arunta

On 9 December 2013 the Cassini announced it has executed a Share Sale Agreement to earn up to 75% of Crossbow Resources Pty Ltd (“Crossbow”), which owns 100% of the West Arunta Project (“X17”) in Western Australia.

The X17 Project is located in the Gibson Desert region of north-eastern Australia and is considered prospective for two major geological targets

- i. Mt Isa-age, intrusion hosted, Cu-Au deposits in the northern part of project, and
- ii. Nifty-age, sediment-hosted, base-metal deposits (either Cu or Pb-Zn) in the south.

DIRECTORS REPORT continued

Review of Operations (cont'd)

The Project is located at a major tectonic intersection of the juncture of Central Australian Suture with a major NE trending crosscutting structural zone, known as the Lake Mackay fault, or the Top-Up Rise Fault. There is known copper-gold mineralisation located along strike to the east (Mt Webb and Pokali prospects)

Recent analysis of existing Geological Society of Western Australia (GSWA) geochemical data indicates a large (40 x 20km) surface lead (Pb), arsenic (As) and antimony (Sb) anomaly, elements commonly associated with hydrothermal gold and base metal mineralisation. There has been some sub-surface validation of this anomaly provided by Pb and Zn anomalous Aircore drill holes located at its margin, but the primary anomaly has never been drilled and remains untested.

The geochemical anomaly is considered consistent with the signature of a world-class mineral system in context of current sampling performed.

Cassini has commenced a more detailed geochemical survey to refine the existing, broadly-spaced GSWA geochemical sampling. Soil sampling will be completed on a 1km x 0.5km grid, with potential for more closely spaced follow-up where required.

The objective of this work would be to define a focused gold and/or base metal anomaly for detailed follow up including drilling.

Initial results from the sampling program are expected by the end of the September 2014 quarter.

DIRECTORS REPORT continued

Review of Operations (cont'd)

The Consolidated Statement of Profit & Loss and other Comprehensive Income shows a net loss attributable to members of \$5,097,596 for the financial year ended 30 June 2014 (2013: \$1,348,841).

Significant changes in the state of affairs

There were no significant changes in the state of affairs of the Group during the year.

Matters subsequent to the end of the period

Since the end of the reporting period, Cassini has received all permits and approvals to commence drilling at the West Musgrave Project. Drilling has commenced and was announced on the ASX on 3 September 2014.

Apart from the matters noted above, there are no other matters or circumstances that have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Group, or the state of affairs of the Group in future financial years.

Likely developments and expected results of operations

The Group will continue its mineral exploration and development activity at and around its projects with the object of identifying commercial resources.

The Group will also continue to identify and assess potential acquisitions suitable for the Group.

Environmental Regulation

The Group is subject to significant environmental regulation in respect of mineral exploration activities.

The Group operates within the resources sector and conducts its business activities with respect for the environment while continuing to meet the expectations of the shareholders, employees and suppliers. The company's exploration activities are currently regulated by significant environmental regulation under laws of the Commonwealth and states and territories of Australia. The Group aims to ensure that the highest standard of environmental care is achieved, and that it complies with all relevant environmental legislation.

The directors have considered the *National Greenhouse and Energy Reporting Act 2007* (the NGER Act) which introduced a single national reporting framework for the reporting and dissemination of information about the greenhouse gas emissions, greenhouse gas projects, and energy use and production of corporations. At the current stage of development, the directors have determined that the NGER Act will have no effect on the Group for the current, or subsequent financial year. The directors will reassess this position as and when the need arises.

The directors are mindful of the regulatory regime in relation to the impact of the organisational activities on the environment.

There have been no known breaches by the Group during the period.

DIRECTORS REPORT continued

Information on Directors

Michael Young	Non-Executive Chairman	
Qualifications	BSC (Hon), MAusIMM, MAIG, MSEG	
Appointed	Non-executive director since Incorporation on 10 March 11. Non-executive Chairman since ASX IPO listing on 9 January 2012	
Experience	Mr Young is a geologist and graduate of Queens University, Canada. He worked as a resource development geologist and consulting geologist before becoming the managing director of ASX listed BC Iron Ltd, a position which he retired from in May 2013. During his tenure, BC Iron Limited (ASX Code: BCI) successfully made the transition from an iron ore exploration company to the most recently established iron ore producer in WA's Pilbara region. Mr Young is a member of the Australasian Institute of Mining and Metallurgy (CP Geo), a member of the Australian Institute of Geoscientists, and a member of the Institute of Company Directors. He is also the Co-patron of the St Bartholomew's House Foundation.	
Interest in Shares and Options	<p><The MJE Young a/c> 2,595,524 ordinary shares 1,666,667 options (\$0.20, 30 June 2015)</p> <p><M & J Young Super Fund a/c> 206,000 ordinary fully paid shares</p>	
Current directorships	Non-executive Director: Vice President Council: Co-Patron: Managing Director, CEO:	BC Iron Limited (ASX: BCI) Association of Mining & Exploration Companies Foundation for St Bartholomew's House Energy & Minerals Australia Limited (ASX: EMA)
Former directorships held in past three years	Non-executive Director:	Waratah Resources Limited

DIRECTORS REPORT continued

Information on Directors (cont'd)

Richard Bevan	Managing Director	
Qualifications	BAppSc	
Appointed	Non-executive director since incorporation on 10 March 2011, Managing Director since ASX IPO listing on 9 January 2012	
Experience	Mr Bevan has experience as a Managing Director/Chief Executive Officer and Non-Executive Director for listed and unlisted companies. He is a member of the Australian Institute of Company Directors.	
Interest in Shares and Options	<p><The Bevan Investment a/c> 2,861,711 ordinary fully paid shares 1,666,666 options (\$0.20, 30 June 2015)</p> <p><The Slush Fund s/plan a/c> 277,778 ordinary fully paid shares</p>	
Current directorships	Non-Executive Director: Chairman: Director: Director:	Empired Ltd (ASX: EPD) Intework Incorporated (Not for Profit) Wirraway Metals & Mining Pty Ltd (unlisted) Search Resources Pty Ltd (unlisted)
Former directorships held in past three years	Non-Executive Chairman: Executive Director:	Cool Clear Water Group Ltd (unlisted) Metals of Africa Limited (ASX: MTA)

Phil Warren	Non-Executive Director	
Qualifications	B. Com., CA	
Appointed	10 March 2011	
Experience	Mr Warren is a chartered accountant and a Director of corporate advisory firm Grange Consulting Group, and has over 15 years of experience in finance, accounting and corporate roles in Australia and Europe. He has been responsible for a number of private and seed capital raisings as well as successful ASX listings and has acted as a Director and Company Secretary of a number of ASX listed companies.	
Interest in Shares and Options	<p>Philuchna Pty Ltd <Warren Family a/c> 855,982 ordinary fully paid shares 700,000 options (\$0.20, 30 June 2015)</p> <p>Philuchna Pty Ltd <Warren Superfund a/c> 116,157 ordinary fully paid shares</p>	
Current directorships	Non-Executive Director: Non-Executive Director: Director: Director:	Urban Land Estates Limited (unlisted) Select Exploration Limited (ASX: SLT) Wirraway Metals & Mining Pty Ltd (unlisted) Search Resources Pty Ltd (unlisted)
Former directorships held in past three years	None	

DIRECTORS REPORT continued

Information on Directors (cont'd)

Greg Miles	Non-Executive Director	
Qualifications	BSc, Grad Dip (Geol)	
Appointed	18 August 2011	
Experience	Mr Miles graduated from the Australian National University in Canberra as a geologist and has since worked in a number of different commodities and mineral provinces across a broad portfolio of grass-roots to development projects. More recently Mr Miles has been involved as a director of a number of junior mining companies including IPO's, providing technical expertise in exploration, project management and acquisitions. Mr Miles's professional highlights include involvement in the discovery of the 2.3Moz Centenary Deposit at the Darlot Gold Mine in the Eastern Goldfields, WA and the 40Mt Mount Caudan Iron Ore Deposit in the southern Yilgarn, WA.	
Interest in Shares and Options	Mr Gregory James Miles and Mrs Louise Anne Miles ATF Glamro Trust 325,000 ordinary fully paid shares	
	Mr Gregory James Miles 1,000,000 unlisted options (\$0.20, 30 June 2015)	
Current directorships	Non-Executive Director:	Blackham Resources Limited (ASX:BLK)
	Non-Executive Director:	Cove Resources Limited (ASX: CVE)
Former directorships held in past three years	None	

Jon Hronsky	Non-Executive Director	
Qualifications	BAppSci, PhD, MAIG, FSEG	
Appointed	3 April 2014	
Experience	Dr Jon Hronsky has 30 years of experience in the mineral exploration industry, primarily focused on project generation, technical innovation and exploration strategy development. Dr Hronsky has particular experience in nickel sulphide deposits, but has worked across a diverse range of commodities. He was responsible for conceptually targeting the West Musgrave nickel sulphide province. Dr Hronsky was most recently Manager - Strategy & Generative Services for BHP Billiton Mineral Exploration. Prior to that, Jon was Global Geoscience Leader for WMC Resources Ltd. Jon is also a Director of Encounter Resources and Chairman of the Board of Management of the Centre for Exploration Targeting at UWA.	
Interest in Shares and Options	Dr Jon Hronsky 500,000 unlisted options (\$0.20, 30 June 2015)	
Current directorships	Non-Executive Director:	Encounter Resources Limited (ASX: ENR)
	Chairman:	Chairman of the Board of Management of the Centre for Exploration Targeting at UWA
Former directorships held in past three years	None	

DIRECTORS REPORT continued

Information on Directors (cont'd)

David Johnson	Executive Director – Exploration (<i>resigned 30 June 2014</i>)
Qualifications	MSc, GDipAppFin, MAIG
Appointed	8 June 2012
Experience	<p>David is a geophysicist with over 20 years' experience in mineral exploration, covering a wide range of commodities and project locations in Australia, Asia, North America, Africa and Scandinavia.</p> <p>Prior to joining Cassini Resources, David was a founding principal of Revelation Geoscience, a mineral exploration consultancy based in Vancouver BC. As Chief Geophysicist at Independence Group, David played a leading role in the discovery of the Moran nickel orebody at Kambalda and the Rosie nickel deposit in the Duketon greenstone belt.</p>
Interest in Shares and Options	<p>791,671 ordinary Fully Paid Shares</p> <p>1,000,000 unlisted Options (\$0.25, 30 June 2015)</p>
Current directorships	None
Former directorships held in past three years	None

DIRECTORS REPORT continued

Director Meetings

The number of directors' meetings and number of meetings attended by each of the directors of the Company during the period are:

	Number of Meetings Eligible to Attend	Number of Meetings directors' Attended
Director	5	5
Mr Mike Young	5	5
Mr Richard Bevan	5	5
Mr Philip Warren	5	5
Mr Greg Miles	5	5
Dr Jon Hronsky (<i>appointed 3 April 2014</i>)	0	0
Mr David Johnson (<i>resigned 30 June 2014</i>)	5	5

Company Secretary

Steven Wood was appointed as Company Secretary on 8 June 2012. Steven is an employee of Grange Consulting Group, having joined Grange in October 2011 where he specialises in corporate advisory, company secretarial and financial management services. Steven is a Chartered Accountant, and since joining Grange he has been involved in various private and seed capital raisings as well as successful ASX listings, whilst also providing company secretarial and financial management services to both ASX and unlisted public and private companies.

Financial Position

The net assets of the consolidated Group have increased from \$4,571,239 at 30 June 2013 to \$12,195,567 at 30 June 2014. The Group's working capital, being current asset less current liabilities, has increased from \$412,634 at 30 June 2013 to \$7,367,968 at 30 June 2014.

Shares under Option

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

Date Options Granted	Expiry Date	Exercise Price	Number Under Option
Various	30 June 2015	\$0.20	7,000,000
31 May 2012	30 June 2015	\$0.25	1,000,000
19 November 2012	19 November 2017	\$0.112	100,000
9 April 2013	9 April 2018	\$0.20	1,000,000
22 May 2014	9 April 2018	\$0.20	3,000,000
9 April 2013	9 April 2018	\$0.30	1,000,000
26 July 2013	30 June 2015	\$0.25	1,000,000
22 May 2014	23 May 2019	\$0.241	1,500,000
Total			15,600,000

DIRECTORS REPORT continued

Shares Issued on the Exercise of Options

The following ordinary shares of Cassini Resources Limited were issued during the year ended 30 June 2014 on the exercise of options. No further shares have been issued since that date. No amounts are unpaid on any of the shares.

Date Options Granted	Date Shares Issued	Number of Shares Issued	Issue Price of Shares
19 November 2012	14 April 2014	900,000	\$0.112

Insurance of Officers

During the year, Cassini Resources Limited paid a premium of \$10,165 to insure the directors and secretaries of the Group.

The liabilities insured are legal costs that may be incurred in defending civil or criminal proceedings that may be brought against the officers in their capacity as officers of entities in the Group, and any other payments arising from liabilities incurred by the officers in connection with such proceedings. This does not include such liabilities that arise from conduct involving a wilful breach of duty by the officers or the improper use by the officers of their position or of information to gain advantage for them or someone else or to cause detriment to the Group. It is not possible to apportion the premium between amounts relating to the insurance against legal costs and those relating to other liabilities.

Proceedings on Behalf of the Group

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

No proceedings have been brought or intervened in on behalf of the Group with leave of the Court under section 237 of the *Corporations Act 2001*.

Non-Audit Services

The Group may decide to employ its auditor on assignments additional to their statutory audit duties where the auditor's expertise and experience with the Group is important.

The board of directors has considered the position and, in accordance with advice received from the audit committee, is satisfied that the provision of the non-audit services is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*. The directors are satisfied that the provision of non-audit services by the auditor, as set out below, did not compromise the auditor independence requirements of the *Corporations Act 2001* for the following reasons:

- all non-audit services have been reviewed by the audit committee to ensure they do not impact the impartiality and objectivity of the auditor; and
- none of the services undermine the general principles relating to auditor independence as set out in APES 110 Code of *Ethics for Professional Accountants*.

DIRECTORS REPORT continued

Non-Audit Services (cont'd)

During the period the following fees were paid or payable for services provided by the auditor of the Group:

	2014 \$	2013 \$
Audit services		
Amounts received or due and receivable by BDO Audit (WA) Pty Ltd		
- An audit or review of the financial reports of the entity	38,637	43,271
Total remuneration for audit services	38,637	43,271
Non-Audit services		
Amounts received by BDO Corporate Tax (WA) Pty Ltd		
- Income Tax Return and BAS review	15,421	15,810
Total remuneration for non-audit services	15,421	15,810

Auditor's Independence Declaration

A copy of the auditors' independence declaration as required under section 307C of the *Corporations Act 2001* has been included as part of the financial report.

DIRECTORS REPORT continued

Remuneration report (Audited)

The remuneration report outlines the remuneration arrangements which were in place during the year, and remain in place as at the date of this report, for the Directors and key management personnel of Cassini Resources Limited.

The information provided in this remuneration has been audited as required by section 308(3C) of the *Corporations Act 2001*.

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

- A Principles used to determine the nature and amount of remuneration.
- B Details of remuneration.
- C Service agreements.
- D Share-based compensation.
- E Equity instruments held by key management personnel.
- F Loans to key management personnel.
- G Other transactions with key management personnel.
- H Additional information.

A Principles used to determine the nature and amount of remuneration

The Board has elected not to establish a remuneration committee based on the size of the organisation and has instead agreed to meet as deemed necessary and allocate the appropriate time at its board meetings.

The following items are considered and discussed as deemed necessary at the board meetings:

- make specific recommendations to the board on remuneration of directors and senior officers;
- recommend the terms and conditions of employment for the Executive Director;
- undertake a review of the Executive Director's performance, at least annually, including setting with the Executive Director goals for the coming year and reviewing progress in achieving those goals;
- consider and report to the Board on the recommendations of the Executive Director on the remuneration of all direct reports; and
- develop and facilitate a process for Board and Director evaluation.

Non-Executive Directors

Fees and payments to non-executive directors reflect the demands which are made on, and the responsibilities of, the directors. Non-executive directors' fees and payments are reviewed annually by the board. The Chair's fees are determined independently to the fees of non-executive directors based on comparative roles in the external market.

Non-executive directors do not receive performance-based pay.

Directors' Fees

The current base fees were last reviewed subsequent to the completion of the acquisition of the West Musgrave Project, being 2 June 2014. Non-executive directors' fees are determined within an aggregate directors' fee pool limit, which is periodically recommended for approval by shareholders.

The maximum currently stands at \$300,000 per annum and was approved by shareholders at a general meeting of shareholders on 6 October 2011.

DIRECTORS REPORT continued

Remuneration report (cont'd)

A Principles used to determine the nature and amount of remuneration (cont'd)

Remuneration of executives consists of an un-risked element (base pay) and cash bonuses based on performance in relation to key strategic, non-financial measures linked to drivers of performance in future reporting periods. As such, remuneration is not linked to the financial performance of the Group in the current or previous reporting periods.

The tables below set out summary information about the Group's earnings and movement in shareholder wealth for the three years to 30 June 2014:

	30 June 2014	30 June 2013	30 June 2012
	\$	\$	\$
Revenue	38,120	32,871	78,882
Net loss before tax	(5,081,848)	(1,348,841)	(750,592)
Net loss after tax	(5,081,848)	(1,348,841)	(750,592)

No dividends have been paid for the three years to 30 June 2014.

	30 June 2014	30 June 2013	30 June 2012
	\$	\$	\$
Share price at start of year	0.105	0.13	0.20
Share price at end of year	0.17	0.105	0.13
Basic earnings / (loss) per share (cents)	(8.25)	(3.40)	(6.26)
Diluted earnings / (loss) per share (cents)	n/a	n/a	n/a

Additional fees

A Director may also be paid fees or other amounts as the Directors determine if a Director performs special duties or otherwise performs services outside the scope of the ordinary duties of a Director.

A Director may also be reimbursed for out of pocket expenses incurred as a result of their directorship or any special duties.

Retirement allowances for directors

Superannuation contributions required under the Australian Superannuation Guarantee Legislation continue to be made and are deducted from the directors' overall fee entitlements where applicable. In relation to Mr David Johnson, being subject to relevant US legislation, his appropriate retirement allowances were made and are deducted from the directors' overall fee entitlements where applicable during the year.

DIRECTORS REPORT continued

Remuneration report (cont'd)

A Principles used to determine the nature and amount of remuneration (cont'd)

Executive pay

In determining executive remuneration, the board aims to ensure that remuneration practices are:

- competitive and reasonable, enabling the company to attract and retain key talent;
- aligned to the company's strategic and business objectives and the creation of shareholder value;
- transparent; and
- acceptable to shareholders.

The executive remuneration framework has three components:

- Base pay and benefits, including superannuation;
- Short-term performance incentives; and
- Long-term incentives through participation in the Cassini Employee Share Option Plan.

Base pay

Executives receive their base pay and benefits structured as a total employment cost (TEC) package which may be delivered as a combination of cash and prescribed non-financial benefits at the executives' discretion.

Executives are offered a competitive base pay that comprises the fixed component of pay and rewards. Independent remuneration consultants provide analysis and advice to ensure base pay is set to reflect the market for a comparable role.

Base pay for executives is reviewed annually to ensure the executive's pay is competitive with the market. An executive's pay is also reviewed on promotion.

There are no guaranteed base pay increases included in any executives' contracts.

There are no short term incentives outstanding.

Benefits

No benefits other than noted above are paid to Directors or Management except as incurred in normal operations of the business.

Short term Incentives

No benefits other than noted above are paid to Directors or Management except as incurred in normal operations of the business.

Long term incentives

Options are issued at the Board's discretion. Other than options disclosed in section D of the remuneration report there have been no options issued to employees at the date of this financial report. The options were not performance based.

Remuneration consultants

PJ Kinder and Associates, remuneration consultants, were utilised to assist with the recommendation of revised salaries for the Managing Director. PJ Kinder and Associates were paid a total remuneration of \$550.00, inclusive of GST, for this service.

Remuneration consultants (cont'd)

By engaging an independent third party to assist with this recommendation, the Company confirms that the above recommendation was made free from undue influence by members of the group's KMP.

DIRECTORS REPORT continued

Remuneration report (cont'd)

B Details of remuneration

Amounts of remuneration

Details of the remuneration of the directors and the key management personnel of the Group are found below:

Mr Richard Bevan

Mr Mike Young

Mr Greg Miles

Mr Philip Warren

Dr Jon Hronsky (*appointed 3 April 2014*)

Mr David Johnson (*resigned 30 June 2014*)

Key Management Personnel of the Group

	Short- term employee benefits			Post-employment benefits		Share-based payments	Total	Total Remuneration Represented by
30 June 2014	Cash salary & Fees	Other	Non Monetary Benefits	Super-annuation Pensions	Retirement Benefits	Options		Options
Directors	\$	\$	\$	\$	\$	\$	\$	%
<i>Non-executive directors</i>								
Mike Young	37,500	-	-	-	-	-	37,500	-
Philip Warren	28,763	-	-	-	-	-	28,763	-
Jon Hronsky	8,950	-	-	828	-	24,000	33,778	71.1
Sub-total								
Non-executive directors	75,213	-	-	828	-	24,000	100,041	24.0
<i>Executive directors</i>								
Richard Bevan	190,013	-	-	17,576	-	-	207,589	-
Greg Miles	43,333	55,059 ¹	-	-	-	-	98,392	-
David Johnson	136,187	-	-	11,145	-	29,313	176,645	16.6
Total key management personnel compensation (Group)	444,746	55,059	-	29,549	-	53,313	582,667	9.1

1. This amount is in relation to additional geological consulting work conducted by Mr Miles and invoiced to the Company.

The relative proportions of remuneration that are linked to performance and those that are fixed are as follows:

DIRECTORS REPORT continued

Remuneration report (cont'd)

B Details of remuneration (cont'd)

Name	Fixed Remuneration					Performance Based Remuneration		
	2014					2014		
Executive Directors								
Richard Bevan								
Greg Miles								
David Johnson								
	Short- term employee benefits		Post-employment benefits			Share-based payments	Total	Total Remuneration Represented by Options
30 June 2013	Cash salary & Fees	Other	Non Monetary Benefits	Super-annuation Pensions	Retire-ment Benefits	Options		
Directors	\$	\$	\$	\$	\$	\$	\$	%
<i>Non-executive directors</i>								
Mike Young	8,333	-	-	-	-	-	8,333	-
Greg Miles	30,000	5,000 ¹	-	-	-	-	35,000	-
Philip Warren	30,000	-	-	-	-	-	30,000	-
Sub-total	68,333	5,000	-	-	-	-	73,333	-
Non-executive directors								
<i>Executive directors</i>								
Richard Bevan	137,500	-	-	12,375	-	-	149,875	-
David Johnson	127,890	-	-	15,590	12,055	29,313	184,848	15.86
Total key management personnel compensation (Group)	333,723	5,000	-	27,965	12,055	29,313	408,056	7.18

1. This amount is in relation to additional geological consulting work conducted by Mr Miles and invoiced to the Company.

The relative proportions of remuneration that are linked to performance and those that are fixed are as follows:

Name	Fixed Remuneration		Performance Based Remuneration	
	2013		2013	
Executive Directors				
Richard Bevan		100%		nil%
David Johnson		100%		nil%

DIRECTORS REPORT continued

Remuneration report (cont'd)

C Service agreements

Executive Directors

Name	Term of Agreement	Base Salary including Superannuation	Termination Benefit
Executive			
Richard Bevan	Open	AUD\$300,000	Relevant notice periods apply, being 1 months' notice with reason or 3 months without reason.
Greg Miles	Open	AUD\$220,000	1 months' notice.
David Johnson	N/a	USD\$125,000	n/a. Whilst Mr Johnson remains as an employee of the Company, he is no longer a director.

DIRECTORS REPORT continued

Remuneration report (cont'd)

C Service agreements (cont'd)

Non-executive Directors

On appointment to the Board, all non-executive directors enter into a service agreement with the Group in the form of a letter of appointment. The letter summarises the Board's policies and terms, including compensation, relevant to the director, and among other things:

- the terms of the directors appointment, including governance, compliance with the Company's Constitution, committee appointments, and re-election;
- the directors duties, including disclosure obligations, exercising powers, use of office, attendance at meetings and commitment levels;
- the fees payable, in line with shareholder approval, any other terms, timing of payments and entitlements to reimbursements;
- insurance and indemnity;
- disclosure obligations; and
- confidentiality.

The following fees applied during the 2013 financial year:

Base Fees	1 July 2012 - 31 August 2012	1 September 2012 - 30 September 2012	1 October 2012 - 30 March 2013	1 April 2013 - 30 June 2013
Non-executive Chair	\$50,000	Suspended	suspended	suspended
Non-executive directors	\$40,000	\$40,000	\$40,000	suspended
Managing Director ¹	\$175,000	\$175,000	\$125,000	\$125,000
Executive Director – Exploration ²	\$200,000	\$200,000	\$125,000	\$125,000

1. Exclusive of superannuation

2. US Dollars

During the 30 June 2014 financial year the directors agreed to modified remuneration amounts as per the below table.

Base Fees	1 July 2013 - 31 July 2013	1 August 2013 – 16 May 2014	16 May 2014 - 1 June 2014	1 June 2014 - 30 June 2014
Non-executive Chair	suspended	40,000	50,000	50,000
Non-executive director – Miles ³	suspended	30,000	40,000	220,000
Non-executive directors	suspended	30,000	40,000	50,000
Managing Director ¹	\$125,000	\$175,000	300,000	300,000
Executive Director – Exploration ²	\$125,000	\$125,000	125,000	125,000

1. Exclusive of superannuation

2. US Dollars. Note Mr Johnson resigned as director on 30 June 2014.

3. Mr Miles changed roles from Non-executive Director to Executive Director – Exploration on 1 June 2014.

DIRECTORS REPORT continued

Remuneration report (cont'd)

D Share-based compensation

Options

Options over shares in the Company are granted at the Directors' discretion.

The terms and conditions of each grant of options affecting remuneration in the current and future reporting periods are as follows:

David Johnson

Date Options Granted	Date options vest	Number Granted	Expiry Date	Exercise Price	Value per option at grant date	% vested
31 May 2012	31 May 2013	333,333	30 June 2015	\$0.25	0.0927	100%
31 May 2012	31 May 2014	333,333	30 June 2015	\$0.25	0.0927	100%
31 May 2012	31 May 2015	333,334	30 June 2015	\$0.25	0.0927	-

The options granted to David Johnson vest on each anniversary conditional upon continuous employment with the Group. Whilst no longer a director of Cassini, Mr Johnson remains in employment with the Group and as such the currently unvested options to vest on 31 May 2015 remain on issue.

Jon Hronsky

Date Options Granted	Date options vest	Number Granted	Expiry Date	Exercise Price	Value per option at grant date	% vested
26 July 2013	26 July 2013	500,000	30 June 2015	\$0.25	0.048	100%

Options granted carry no dividend or voting rights.

E Equity instruments held by key management personnel

Shareholdings

The numbers of shares in the Group held during the period by each director of Cassini Resources Limited and other key management personnel of the Group, including their personally related parties are set out below. There were no shares granted during the reporting period as compensation.

DIRECTORS REPORT continued

Remuneration report (cont'd)

2014

Name	Balance at the start of the year	Placement Shares Subscribed For	SPP Shares Subscribed For	Balance at appointment/ (resignation date)	Balance at the end of the year
Directors					
Michael Young	2,242,080	305,444	150,000	-	2,697,524
Richard Bevan	2,628,378	361,111	150,000	-	3,139,489
Phil Warren	707,695	194,444	70,000	-	972,139
Greg Miles	125,000	150,000	50,000	-	325,000
Jon Hronsky	-	-	-	-	-
David Johnson	791,671	-	-	(791,671)	-
Total	6,494,824	1,010,999	420,000	(791,671)	7,134,152

Note Mr Mike Young acquired a further 104,000 shares on market on 11 August 2014, and as such his total holding is 2,801,524 as at the date of this report.

There were no shares subject to escrow at 30 June 2014.

Option holdings

The number of options over ordinary shares in the Group held during the period by each director of Cassini Resources Limited and other key management personnel of the Group, including their personally related parties, are set out below.

2014

Name	Balance at the start of the period	Granted as compensation	Exercised	Balance at appointment/ (resignation date)	Balance at end of the period	Vested and exercisable	Unvested
Directors							
Michael Young	1,666,667	-	-	-	1,666,667	1,666,667	-
Richard Bevan	1,666,666	-	-	-	1,666,666	1,666,666	-
Phil Warren	700,000	-	-	-	700,000	700,000	-
Greg Miles	1,000,000	-	-	-	1,000,000	1,000,000	-
Jon Hronsky	-	-	-	500,000	500,000	500,000	-
David Johnson	1,000,000	-	-	(1,000,000)	-	-	-
Total	6,033,333	-	-	(500,000)	5,533,333	5,533,333	-

DIRECTORS REPORT continued

Remuneration report (cont'd)

F Loans to/from key management personnel

Details of loans made to the Company from Directors of the Group are set out below:

	2014 \$	2013 \$
Beginning of year	-	-
Loans advanced to the Company	355,000	-
Loans repaid by the Company	(355,000)	-
Interest charged	-	-
End of year	-	-

The purpose of these short term loans to the Company was to enable the Company to bridge a short-term financing gap and settle the West Musgrave acquisition prior to the settlement of the \$10m capital raising in May 2014.

Directors with loans to the Company above \$100,000 during the financial year:

2014	Balance at the start of the year	Interest paid and payable for the year	Balance at the end of the year	Highest indebtedness of Company to the Director during the year
Director				
Michael Young	-	-	-	250,000
Total	-	-	-	250,000

G Other transactions with key management personnel

The following payments were made to Grange Consulting Group Pty Ltd, of which Philip Warren is a Director, during the period for company secretarial work, corporate advisory services and rent:

	2014 \$	2013 \$
Payments to Grange Consulting Group Pty Ltd	121,000	125,870
Amounts payable to Grange Consulting Group Pty Ltd	11,000	11,000
	132,000	136,870

The following payments were made to Grange Capital Partners Pty Ltd, of which Philip Warren is a director, during the period for capital raising activities:

	2014 \$	2013 \$
Payments to Grange Capital Partners Pty Ltd	75,000	36,660
	75,000	36,660

As disclosed in the remuneration report Mr Miles received \$55,059 for consulting work during the period. Hidden Asset Pty Ltd, a company controlled and owned by Mr Greg Miles, received \$32,359 (2013: \$25,000) and Mr Miles invoiced \$22,700 in his own name. These amounts are disclosed in the director remuneration table.

DIRECTORS REPORT continued

Remuneration report (cont'd)

H Additional information

Voting and comments made at the Company's 2013 Annual General Meeting

In accordance with ASX Listing Rule 3.12.2, it is confirmed that the following resolution put to the AGM of Cassini Resources Limited shareholders, held on 13 November 2013, was unanimously passed on a show of hands:

- Resolution 1: Adoption of Remuneration Report

The votes were recorded as follows.

Resolution	For		Against		Abstain		Proxy discretion		Total
	Number	%	Number	%	Number	%	Number	%	
1.	6,550,000	67.54	35,000	0.36	2,612,080	26.94	500,000	5.16	9,697,080

This is the end of the remuneration report.

DIRECTORS REPORT continued

This report of Directors, incorporating the Remuneration Report, is signed in accordance with a resolution of Directors.

A handwritten signature in black ink, appearing to read 'R Bevan', with a stylized, cursive script.

Richard Bevan
Managing Director

Perth, Western Australia
26 September 2014

AUDITOR'S INDEPENDENCE DECLARATION



Tel: +61 8 6382 4600
Fax: +61 8 6382 4601
www.bdo.com.au

38 Station Street
Subiaco, WA 6008
PO Box 700 West Perth WA 6872
Australia

DECLARATION OF INDEPENDENCE BY PETER TOLL TO THE DIRECTORS OF CASSINI RESOURCES LIMITED

As lead auditor of Cassini Resources Limited for the year ended 30 June 2014, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Cassini Resources Limited and the entities it controlled during the period.

A handwritten signature in blue ink, appearing to read 'Peter Toll', with a long horizontal flourish extending to the right.

Peter Toll

Director

BDO Audit (WA) Pty Ltd

Perth, 26 September 2014

BDO Audit (WA) Pty Ltd ABN 79 112 284 787 is a member of a national association of independent entities which are all members of BDO Australia Ltd ABN 77 050 110 275, an Australian company limited by guarantee. BDO Audit (WA) Pty Ltd and BDO Australia Ltd are members of BDO International Ltd, a UK company limited by guarantee, and form part of the international BDO network of independent member firms. Liability limited by a scheme approved under Professional Standards Legislation (other than for the acts or omissions of financial services licensees) in each State or Territory other than Tasmania.

INDEPENDENT AUDITOR'S REPORT



Tel: +61 8 6382 4600
Fax: +61 8 6382 4601
www.bdo.com.au

38 Station Street
Subiaco, WA 6008
PO Box 700 West Perth WA 6872
Australia

INDEPENDENT AUDITOR'S REPORT

To the members of Cassini Resources Limited

Report on the Financial Report

We have audited the accompanying financial report of Cassini Resources Limited, which comprises the consolidated statement of financial position as at 30 June 2014, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, 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 year's end or from time to time during the financial year.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply with *International Financial Reporting Standards*.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

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

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Cassini Resources Limited, would be in the same terms if given to the directors as at the time of this auditor's report.

BDO Audit (WA) Pty Ltd ABN 79 112 284 787 is a member of a national association of independent entities which are all members of BDO Australia Ltd ABN 77 050 110 275, an Australian company limited by guarantee. BDO Audit (WA) Pty Ltd and BDO Australia Ltd are members of BDO International Ltd, a UK company limited by guarantee, and form part of the international BDO network of independent member firms. Liability limited by a scheme approved under Professional Standards Legislation (other than for the acts or omissions of financial services licensees) in each State or Territory other than Tasmania.

INDEPENDENT AUDITOR'S REPORT continued



Opinion

In our opinion:

- (a) the financial report of Cassini Resources Limited is in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2014 and of its performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and
- (b) the financial report also complies with *International Financial Reporting Standards* as disclosed in Note 1.

Report on the Remuneration Report

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2014. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Opinion

In our opinion, the Remuneration Report of Cassini Resources Limited for the year ended 30 June 2014 complies with section 300A of the *Corporations Act 2001*.

BDO Audit (WA) Pty Ltd

A blue ink signature, appearing to read 'Peter Toll', is written over a faint blue BDO logo.

Peter Toll

Director

Perth, 26 September 2014

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME **For the year ended 30 June 2014**

	Note	2014 \$	2013 \$
Revenue from Continuing Operations			
Interest received	2	38,120	32,871
Finance costs		(6,972)	(1,936)
Employee and director benefits expense	3	(482,598)	(338,723)
Financial and company secretarial expenses		(117,301)	(117,379)
Audit fees		(38,757)	(48,285)
Legal fees		(83,559)	(24,470)
Insurance		(20,349)	(14,351)
ASX and share registry fees		(80,867)	(47,601)
Share based payments expense		(504,156)	(29,313)
Consultants		(216,698)	(42,049)
Other Employee Expenses	3	(29,807)	(40,020)
Exploration write-off		(3,157,348)	(521,198)
Travel and entertainment		(106,872)	(49,468)
Rent expense		(37,178)	(29,974)
Marketing and public relations expense		(46,698)	(47,794)
Depreciation expense		(18,344)	(12,294)
Other expenses		(172,464)	(16,857)
Loss before income tax		(5,081,848)	(1,348,841)
Income tax expense	4	-	-
Loss after income tax		(5,081,848)	(1,348,841)
Other Comprehensive Income			
<i>Items that may be reclassified to profit or loss</i>			
Exchange differences on translation of foreign operations		(15,748)	386,317
Other comprehensive income for the year, net of tax		(5,097,596)	386,317
Total comprehensive loss for the year		(5,097,596)	(962,524)
Loss from continuing operations is attributable to:			
Members of the parent entity		(5,081,848)	(1,348,841)
Non-controlling interests recognised		-	-
		(5,081,848)	(1,348,841)
Total comprehensive loss is attributable to:			
Owners of Cassini Resources Limited		(5,097,596)	(962,524)
Non-controlling interests		-	-
		(5,097,596)	(962,524)
Loss per share attributable to ordinary equity holders			
Basic and diluted loss per share (cents per share)	5	(8.25)	(3.40)

The above consolidated statement of profit or loss and other comprehensive income is to be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2014

	Note	2014 \$	2013 \$
ASSETS			
Current Assets			
Cash and cash equivalents	7	7,943,427	460,286
Other receivables	8	143,759	32,426
Total Current Assets		8,087,186	492,712
Non-Current Assets			
Property, plant and equipment	9	266,553	59,897
Exploration and evaluation expenditure	10	3,841,828	4,098,708
Total Non-current Assets		4,108,381	4,158,605
TOTAL ASSETS		12,195,567	4,651,317
LIABILITIES			
Current Liabilities			
Trade payables	11	191,053	38,497
Other payables	12	528,165	41,581
Total Current Liabilities		719,218	80,078
TOTAL LIABILITIES		719,218	80,078
NET ASSETS		11,476,349	4,571,239
EQUITY			
Issued capital	13	16,967,355	6,022,288
Options reserve	14	968,673	262,067
Foreign currency translation reserve		370,569	386,317
Accumulated losses		(7,181,281)	(2,099,433)
Capital and reserves attributable to owners of the company		11,125,316	4,571,239
Non-controlling interests	25	351,033	-
TOTAL EQUITY		11,476,349	4,571,239

The above consolidated statement of financial position is to be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 30 June 2014

	Note	2014 \$	2013 \$
Cash flows from operating activities			
Payments to suppliers and employees		(1,343,742)	(916,264)
Interest and finance costs paid		(5,000)	-
Interest received		38,120	32,871
Net cash flows used in operating activities	15	<u>(1,310,622)</u>	<u>(883,393)</u>
Cash flows from investing activities			
Exploration and evaluation expenditure		(1,670,869)	(1,212,689)
Property plant and equipment		(230,435)	(15,889)
Net cash flows used in investing activities		<u>(1,901,304)</u>	<u>(1,228,578)</u>
Cash flows from financing activities			
Proceeds from issue of shares and options		11,401,600	723,000
Capital raising costs		(706,533)	(37,660)
Net cash flows from financing activities		<u>10,695,067</u>	<u>685,340</u>
Net increase/(decrease) in cash and cash equivalents		7,483,141	(1,426,630)
Cash and cash equivalents at beginning of the year		460,286	1,886,916
Cash and cash equivalents at end of the year	7	<u>7,943,427</u>	<u>460,286</u>

The above consolidated statement of cash flows is to be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the period ended 30 June 2014

	Issued Capital	Accumulated Losses	Option Reserve	Foreign Currency Translation Reserve	Non- Controlling Interests	Total
	\$	\$	\$	\$	\$	\$
Balance at 1 July 2012	5,336,948	(750,592)	182,754	-	-	4,769,110
Loss for the year	-	(1,348,841)	-	-	-	(1,348,841)
Other comprehensive income	-	-	-	386,317	-	386,317
Total comprehensive loss	-	(1,348,841)	-	386,317	-	(962,524)
<i>Transactions with owners, directly recorded in equity:</i>						
Issue of shares	723,000	-	-	-	-	723,000
Issue of options	-	-	79,313	-	-	79,313
Share issue costs	(37,660)	-	-	-	-	(37,660)
Balance at 30 June 2013	6,022,288	(2,099,433)	262,067	386,317	-	4,571,239

	Issued Capital	Accumulated Losses	Option Reserve	Foreign Currency Translation Reserve	Non- Controlling Interests	Total
	\$	\$	\$	\$	\$	\$
Balance at 1 July 2013	6,022,288	(2,099,433)	262,067	386,317	-	4,571,239
Loss for the year	-	(5,081,848)	-	-	-	(5,081,848)
Other Comprehensive Income	-	-	-	(15,748)	-	(15,748)
Total Comprehensive Income	-	(5,081,848)	-	(15,748)	-	(5,097,596)
<i>Transactions with owners, directly recorded in equity:</i>						
Issue of shares	11,651,600	-	-	-	-	11,651,600
Issue of options	-	-	706,606	-	-	706,606
Non-controlling interest on acquisition of subsidiary	-	-	-	-	351,033	351,033
Share issue costs	(706,533)	-	-	-	-	(706,533)
Balance at 30 June 2014	16,967,355	(7,181,281)	968,673	370,569	351,033	11,476,349

The consolidated statement of changes in equity is to be read in conjunction with the accompanying notes.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. Summary of significant accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to the period presented, unless otherwise stated. These financial statements are for the consolidated Group consisting of Cassini Resources Limited and its subsidiaries, together referred to as Cassini or the Group.

a) Basis of preparation

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the *Corporations Act 2001*.

Cassini Resources Limited is a listed public company, incorporated and domiciled in Australia. Cassini Resources Limited is a for-profit entity for the purpose of preparing the financial statements.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards as issued by the IASB. Material accounting policies adopted in the preparation of this financial report are presented below and have been consistently applied unless otherwise stated.

The financial report has been prepared on an accruals basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

An individual entity is no longer presented as the consequence of a change to the Corporations Act 2001. Financial information for Cassini Resources Limited as an individual entity is included in Note 25.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *continued*

1. Summary of significant accounting policies (cont'd)

b) Principles of consolidation

Subsidiaries

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Cassini Resources Limited ("**the Company**" or "**the Parent Entity**") as at 30 June 2014 and the results of all subsidiaries for the period then ended. Cassini Resources Limited and its subsidiaries together are referred to in this financial report as "**the Group**" or "**the consolidated entity**".

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The acquisition method of accounting is used to account for the acquisition of subsidiaries by the Group.

Intercompany transactions, balance and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction proves evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the Consolidated Statement of Profit or Loss and Other Comprehensive Income, Consolidated Statement of Changes in Equity, and Consolidated Statement of Financial Position respectively.

c) Foreign Currency Translation

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss and translation differences on non-monetary assets such as equities whose changes in the fair value are presented in other comprehensive income are included in the related reserve in equity.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

1. Summary of significant accounting policies (cont'd)

d) Leases

The Group currently has no leases.

e) Contributed equity

Ordinary shares are classified as equity. Mandatorily redeemable preference shares are classified as liabilities. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds. Where any Group company purchases the Company's equity instruments, for example as the result of a share buy-back or a share-based payment plan, the consideration paid, including any directly attributable incremental costs (net of income taxes) is deducted from equity attributable to the owners of Cassini Resources Limited as treasury shares until the shares are cancelled or reissued. Where such ordinary shares are subsequently reissued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the owners of Cassini Resources Limited.

f) Earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the Company, excluding any costs of servicing equity other than ordinary shares;
- by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year and excluding treasury shares (note 5).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *continued*

1. Summary of significant accounting policies (cont'd)

g) Property, plant and equipment

All property, plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Cost may also include transfers from equity of any gains or losses on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Increases in the carrying amounts arising on revaluation of assets are recognised, net of tax, in other comprehensive income and accumulated in reserves in equity. To the extent that the increase reverses a decrease previously recognised in profit or loss, the increase is first recognised in profit or loss. Decreases that reverse previous increases of the same asset are first recognised in other comprehensive income to the extent of the remaining surplus attributable to the asset; all other decreases are charged to profit or loss. Each year, the difference between depreciation based on the re-valued carrying amount of the asset charged to profit or loss and depreciation based on the asset's original cost, net of tax, is reclassified from the property, plant and equipment revaluation surplus to retained earnings.

Depreciation on assets is calculated using the straight-line method to allocate their cost or re-valued amounts, net of their residual values, over their estimated useful lives or, in the case of leasehold improvements and certain leased plant and equipment, the shorter lease term as follows:

- Vehicles: 3-5 years
- Furniture, fittings and equipment: 3-8 years
- Field Equipment: 3-8 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss. When re-valued assets are sold, it is Group policy to transfer any amounts included in other reserves in respect of those assets to retained earnings.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

1. Summary of significant accounting policies (cont'd)

h) Trade and other receivables

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less an allowance for impairment, once they become over due by more than 60 days. A separate account records the impairment.

An allowance for a doubtful debt is made when there is objective evidence that the Group will not be able to collect the debts. The criteria used to determine that there is objective evidence that an impairment loss has occurred include whether the Financial Asset is past due and whether there is any other information regarding increased credit risk associated with the Financial Asset. Bad debts which are known to be uncollectible are written off when identified.

i) Trade payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months from the reporting date. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

j) Business combinations

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the fair values of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred also includes the fair value of any asset or liability resulting from a contingent consideration arrangement and the fair value of any pre-existing equity interest in the subsidiary. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net identifiable assets.

The excess of the consideration transferred and the amount of any non-controlling interest in the acquiree over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the subsidiary acquired and the measurement of all amounts has been reviewed, the difference is recognised directly in profit or loss as a bargain purchase.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognised in profit or loss.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *continued*

1. Summary of significant accounting policies (cont'd)

k) Parent entity information

The financial information for the parent entity, Cassini Resources Limited, disclosed in note 24 has been prepared on the same basis as the consolidated financial statements, except as set out below.

(i) *Investments in subsidiaries, associates and joint venture entities*

Investments in subsidiaries, associates and joint venture entities are accounted for at cost in the financial statements of Cassini Resources Limited. Dividends received from associates are recognised in the parent entity's profit or loss, rather than being deducted from the carrying amount of these investments.

(ii) *Financial guarantees*

Where the parent entity has provided financial guarantees in relation to loans and payables of subsidiaries for no compensation, the fair values of these guarantees are accounted for as contributions and recognised as part of the cost of the investment.

(iii) *Share-based payments*

The grant by the Company of options over its equity instruments to the employees of subsidiary undertakings in the Group is treated as a capital contribution to that subsidiary undertaking. The fair value of employee services received, measured by reference to the grant date fair value, is recognised over the vesting period as an increase to investment in subsidiary undertakings, with a corresponding credit to equity.

l) Income Tax

The income tax expense (revenue) for the period comprises current income tax expense (income) and deferred tax expense (income).

Current income tax expense charged to the profit or loss is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantially enacted, as at reporting date. Current tax liabilities (assets) are therefore measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the period as well unused tax losses.

Current and deferred income tax expense (income) is charged or credited directly to equity instead of the profit or loss when the tax relates to items that are credited or charged directly to equity.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

1. Summary of significant accounting policies (cont'd)

l) Income Tax (cont'd)

Deferred tax assets and liabilities are ascertained based on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets also result where amounts have been fully expensed but future tax deductions are available. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates enacted or substantively enacted at reporting date. Their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Where temporary differences exist in relation to investments in subsidiaries, branches, associates, and joint ventures, deferred tax assets and liabilities are not recognised where the timing of the reversal of the temporary difference can be controlled and it is not probable that the reversal will occur in the foreseeable future.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where a legally enforceable right of set-off exists, the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

m) Exploration and Development Expenditure

Exploration, evaluation and development expenditure incurred is accumulated in respect of each identifiable area of interest. These costs are only carried forward to the extent that they are expected to be recouped through the successful development of the area or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves.

Accumulated costs in relation to an abandoned area are written off in full against profit in the period in which the decision to abandon the area is made.

When an area commences production, accumulated exploration and evaluation expenditure for the relevant area of interest is transferred to producing projects and depleted on a unit of production basis.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *continued*

1. Summary of significant accounting policies (cont'd)

m) Exploration and Development Expenditure (cont'd)

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

Costs of site restoration are provided over the life of the facility from when exploration commences and are included in the costs of that stage. Site restoration costs include the dismantling and removal of mining plant, equipment and building structures, waste removal, and rehabilitation of the site in accordance with clauses of the mining permits. Such costs have been determined using estimates of future costs, current legal requirements and technology on an undiscounted basis.

Any changes in the estimates for the costs are accounted on a prospective basis. In determining the costs of site restoration, there is uncertainty regarding the nature and extent of the restoration due to community expectations and future legislation. Accordingly the costs have been determined on the basis that the restoration will be completed within one year of abandoning the site.

n) Impairment of Assets

At each reporting date, the Group reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the income statement.

Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

o) Employee Benefits

(i) *Wages and salaries, annual leave and sick leave*

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave expected to be settled within 12 months of the reporting date are recognised in other payables in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled.

(ii) *Long service leave*

The liability for long service leave is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

(iii) *Share-based payments*

Share-based compensation benefits are provided to employees via the Cassini Resources Limited Employee Share Option Plan.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *continued*

1. Summary of significant accounting policies (cont'd)

o) Employee Benefits (cont'd)

(iii) *Share-based payments (cont'd)*

The fair value of options granted under the Cassini Resources Limited Employee Share Option Plan is recognised as an employee benefit expense with a corresponding increase in equity. The fair value is measured at grant date and recognised over the period during which the employees become unconditionally entitled to the options.

The fair value at grant date is independently determined using a Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option.

The fair value of the options granted is adjusted to reflect market vesting conditions, but excludes the impact of any non-market vesting conditions (for example, profitability and sales growth targets).

Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable. At each reporting date, the entity revises its estimate of the number of options that are expected to become exercisable. The employee benefit expense recognised each period takes into account the most recent estimate. The impact of the revision to original estimates, if any, is recognised in the income statement with a corresponding adjustment to equity.

p) Provisions

Provisions for legal claims, service warranties and make good obligations are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the reporting date. The discount rate used to determine the present value reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

q) Cash and Cash Equivalents

For cashflow statement presentation proposed, cash and cash equivalents include cash on hand, deposits held at call with financial institutions, other short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in rate and bank overdrafts.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

1. Summary of significant accounting policies (cont'd)

r) Revenue and Other Income

Revenue is measured at the fair value of the consideration received or receivable after taking into account any trade discounts and volume rebates allowed. Any consideration deferred is treated as the provision of finance and is discounted at a rate of interest that is generally accepted in the market for similar arrangements. The difference between the amount initially recognised and the amount ultimately received is interest revenue.

Interest revenue is recognised using the effective interest rate method, which, for floating rate financial assets, is the rate inherent in the instrument. Dividend revenue is recognised when the right to receive a dividend has been established.

Dividends received from associates and joint venture entities are accounted for in accordance with the equity method of accounting.

All revenue is stated net of the amount of goods and services tax (GST).

s) Asset Acquisition Accounting

On 23 May 2014 Cassini Resources Limited acquired 75% of the issued shares of Crossbow Resources Pty Ltd ("Crossbow"). Crossbow shareholders received cash, shares and options in Cassini..

Cassini acquired Crossbow with the key asset being its Arunta Project. As the acquisition of Crossbow is not deemed a business acquisition, the transaction must be accounted for as a share based payment and asset acquisition for the net assets acquired.

The Company acquired the West Musgrave Project on 6 May 2014. The West Musgrave Project was acquired as an asset acquisition.

When an asset acquisition does not constitute a business combination, the assets and liabilities are assigned a carrying amount based on their relative fair values in an asset purchase transaction and no deferred tax will arise in relation to the acquired assets and assumed liabilities as the initial recognition exemption for deferred tax under AASB 112 applies. No goodwill will arise on the acquisition and transaction costs of the acquisition will be included in the capitalised cost of the asset.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *continued*

1. Summary of significant accounting policies (cont'd)

t) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

Cash flows are presented in the Consolidated Statement of Cash Flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

u) Critical accounting estimates and judgments

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definitions, seldom equal the related actual results.

Key Estimate – Taxation

Deferred tax balances in relation to losses and temporary differences have not been recognised as it is not probable that they can be recovered at balance date.

Share based payment transactions

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value of options is determined by an internal valuation using Black-Scholes option pricing model.

Exploration and Evaluation Expenditure

The Group capitalises expenditure relating to exploration and evaluation where it is considered likely to be recoverable or where the activities have not reached a stage which permits a reasonable assessment of the existence of reserves. While there are certain areas of interest from which no reserves have been extracted, the directors are of the continued belief that such expenditure should not be written off since exploration activities in such areas have not yet concluded.

v) Segment Reporting

From 1 January 2009, operating segments are identified and segment information disclosed on the basis of internal reports that are regularly provided to, or reviewed by, the Group's chief operating decision maker which, for the Group, is the board of directors. In this regard, such information is provided using different measures to those used in preparing the Consolidated Statement of Profit or Loss and Other Comprehensive Income and Consolidated Statement of Financial Position. Reconciliations of such management information to the statutory information contained in the interim financial report have been included.

As a result of the adoption of the revised AASB 8, certain cash generating units have been redefined having regard to the requirements in AASB 136: Impairment of Assets.

The Group operates in one industry, mineral exploration and assessment of mineral projects and in two main geographical segments, being Australia and the USA. Refer to Note 17 for details.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

1. Summary of significant accounting policies (cont'd)

w) New accounting standards and interpretations

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2014 reporting periods and have not been early adopted by the Company. The Company's assessment of the impact of these new standards and interpretations is set out below.

Title of standard	Nature of change	Impact	Mandatory application date/ Date adopted by company
AASB 9 Financial Instruments	AAB 9 addresses the classification, measurement and derecognition of financial assets and financial liabilities. Since December 2013, it also sets out new rules for hedge accounting.	<p>There will be no impact on the company's accounting for financial assets and financial liabilities, as the new requirements only effect the accounting for available-for-sale financial assets and the accounting for financial liabilities that are designated at fair value through profit or loss and the company does not have any such financial assets or financial liabilities.</p> <p>The new hedging rules align hedge accounting more closely with the company's risk management practices. As a general rule it will be easier to apply hedge accounting going forward. The new standard also introduces expanded disclosure requirements and changes in presentation.</p>	<p>Must be applied for financial years commencing on or after 1 January 2017. Therefore application date for the company will be 30 June 2018.</p> <p>The company does not currently have any hedging arrangements in place.</p>
IFRS 15 (issued June 2014) Revenue from contracts with customers	An entity will recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. This means that revenue will be recognised when control of goods or services is transferred, rather than on transfer of risks and rewards as is currently the case under IAS 18 Revenue.	Due to the recent release of this standard the company has not yet made an assessment of the impact of this standard.	Must be applied for annual reporting periods beginning on or after 1 January 2017. Therefore application date for the company will be 30 June 2018.

The Group has not elected to early adopt any new Standards or Interpretations.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

x) Changes in accounting policies and disclosures

In the year ended 30 June 2014, the Group has reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to its operations and effective for the current annual financial reporting year.

In Note w - New accounting standards and interpretations, the Company has outlined certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2014 reporting periods and have not been early adopted by the Company.

The Group has applied the following standards and amendments for the first time for their annual reporting period commencing 1 July 2013:

- (i) *AASB 10 Consolidated Financial Statement, AASB 11 Joint Arrangements, AASB 12 Disclosure of Interests in Other Entities, AASB 128 Investments in Associates and Joint Ventures, AASB 127 Standards arising from the Consolidation and Joint Arrangements Standards*
- (ii) *AASB 2012-10 Amendments to Australian Accounting Standards – Transition Guidance and other Amendments which provides an exemption from the requirement to disclose the impact of the change in accounting policy on the current period*
- (iii) *AASB 13 Fair Value Measurement and AASB 2011-8 Amendments to Australian Accounting Standards arising from AASB 119 (September 2011)*
- (iv) *AASB 2012-5 Amendments to Australian Accounting Standards arising from Annual improvement 2009-2011 Cycle, and*
- (v) *AASB 2012-2 Amendments to Australian Accounting Standards – Disclosures – Offsetting Financial Assets and Financial Liabilities*

The adoption of AASB 11 and AASB 13 resulted in changes in accounting policies and adjustments to the amounts recognised in the financial statements. The other standards only affected the disclosures in the notes to the financial statements

The financial report was authorised for issue on 26 September 2014 by the board of directors.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

2. Revenues & Other Income

	2014 \$	2013 \$
Revenue		
Bank interest	38,120	32,871
	<u>38,120</u>	<u>32,871</u>

3. Loss for the period

Loss for the period includes the following items:

	2014 \$	2013 \$
Employee benefits expense		
Employee wages and directors fees	482,598	338,723
Superannuation and other employee expenses	29,807	40,020
Total employee benefits expense	<u>512,405</u>	<u>378,743</u>

4. Income Tax

	2014 \$	2013 \$
(a) Income Tax Expense		
Current Tax Expense	-	-
Deferred Tax Expense	-	-
	<u>-</u>	<u>-</u>
(b) Reconciliation of income tax expense to prima facie tax payable:		
Loss before income tax	(5,081,848)	(1,348,841)
Prima facie income tax at 30%	(1,524,555)	(404,652)
Tax effect of amounts not deductible in calculating taxable income	172,222	21,265
Difference in overseas tax rates	(48,363)	(32,567)
Tax losses not recognised	1,400,696	415,954
Income tax expense/(benefit)	<u>-</u>	<u>-</u>
(c) Unrecognised deferred tax assets arising on timing difference and losses		
Losses – Revenue	1,961,713	1,135,804
Other	264,942	83,584
FX Translation	(118,796)	-
Exploration Asset	(469,305)	(443,957)
	<u>1,638,554</u>	<u>775,431</u>

The benefit for tax losses will only be obtained if:

- the Group derives future assessable income in Australia of a nature and of an amount sufficient to enable the benefit from the deductions for the losses to be realised;
- the Group continues to comply with the conditions for deductibility imposed by tax legislation in Australia; and

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

4. Income Tax (cont'd)

- (iii) there are no changes in tax legislation in Australia which will adversely affect the Group in realising the benefit from the deductions for the losses.

At 30 June 2014, there is no recognised or unrecognised deferred income tax liability for taxes that would be payable on the unremitted earnings of certain of the Group's subsidiary as the Group has no liability for additional taxation should such amounts be remitted.

5. Earnings per Share

Basic earnings per share amounts are calculated by dividing net profit/(loss) for the period attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the period.

The following reflects the income and share data used in the total operations basic and diluted earnings per share computations:

	2014	2013
	Cents	Cents
Loss after income tax	(5,081,848)	(1,348,841)
Basic loss per share attributable to equity holders	(8.25)	(3.40)
	No.	No.
Weighted average number of ordinary shares outstanding during the period used in calculating basic EPS	61,610,369	39,698,083

There have been no other transactions involving ordinary shares or potential ordinary shares since the reporting date and before the completion of these financial statements.

As the Company is loss making there is no diluted EPS calculated.

6. Dividends Paid or Proposed

The directors do not recommend the payment of a dividend and no amount has been paid or declared by way of a dividend to the date of this report.

7. Cash and Cash Equivalents

	2014	2013
	\$	\$
Current		
Cash at bank and in hand	7,943,427	460,286
	<u>7,943,427</u>	<u>460,286</u>

Cash at bank and in hand earns interest at both floating rates based on daily bank rates and fixed rate term deposits.

Refer to note 16 on financial instruments for details on the Company's exposure to risk in respect of its cash balance.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

8. Other Receivables

	2014 \$	2013 \$
Current		
Pre-paid expense	9,409	5,467
Accrued interest	12,899	-
GST Receivable	121,451	26,959
	<u>143,759</u>	<u>32,426</u>

Past due but not impaired

The group did not have any receivables that were past due as at 30 June 2014 (30 June 2013: Nil). The Group did not consider a credit risk on the aggregate balances as at 30 June 2014. For more information, please refer to note 16 Financial Instruments, Risk Management Objectives and Policies.

9. Property, plant and equipment

	Office equipment \$	Computer Equipment \$	Motor vehicle \$	Field Equipment \$	Total \$
As at 1 July 2012	982	-	55,320	-	56,302
Additions	-	1,519	2,085	8,966	12,570
Depreciation	(982)	(1,519)	(9,793)	-	(12,294)
Exchange differences	-	-	3,319	-	3,319
At 30 June 2013	-	-	50,931	8,966	59,897
As at 1 July 2013	-	-	50,931	8,966	59,897
Additions	8,687	21,748	-	200,000	230,435
Depreciation	-	(2,682)	(11,535)	(4,127)	(18,344)
Exchange differences	-	-	(5,435)	-	(5,435)
At 30 June 2014	8,687	19,066	33,961	204,839	266,553

10. Exploration and evaluation expenditure

	2014 \$	2013 \$
Non – Current		
Exploration and Evaluation at cost	3,841,828	4,098,708
Movement		
Opening balance	4,098,708	3,009,204
EE&E attributable to acquisitions (note 24)	1,372,808	-
Exploration Expenditure capitalised during the year	1,246,064	1,356,936
Stamp duty capitalised during the year	452,285	-
Exploration Expenditure written off during the year	(3,157,348)	(521,198)
Foreign exchange on translation	(170,689)	253,766
	<u>3,841,828</u>	<u>4,098,708</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

10. Exploration and evaluation expenditure (cont'd)

The value of the Group's interest in exploration expenditure is dependent upon:

- the continuance of the Group's rights to tenure of the areas of interest;
- the results of future exploration; and
- the recoupment of costs through successful development and exploitation of the areas of interest, or alternatively, by their sale.

The Group's exploration properties may be subjected to claim(s) under native title, or contain sacred sites, or sites of significance to Aboriginal people. As a result, exploration properties or areas within the tenements may be subject to exploration restrictions, mining restrictions and/or claims for compensation. At this time, it is not possible to quantify whether such claims exist, or the quantum of such claims.

11. Trade Payables

	2014 \$	2013 \$
Current		
Trade payables	191,053	38,497
	<u>191,053</u>	<u>38,497</u>

Trade payables are non-interest bearing and are normally settled on 60-day terms. Other payables are non-interest bearing and have an average term of 2 months. All amounts are expected to be settled within 12 months. Please refer to note 16 on Financial Instruments for further discussion on risk management.

12. Other payables

	2014 \$	2013 \$
Current		
Accruals	50,630	15,853
PAYG	24,830	24,787
Superannuation payable	-	941
Stamp duty payable	452,285	-
GST collected	420	-
	<u>528,165</u>	<u>41,581</u>

All amounts are expected to be settled within 12 months.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

13. Issued Capital

Date	Details	No. of Shares	Issue Price	\$
1 July 2012		34,550,001		5,336,948
22 November 2012	Placement	7,637,500	0.08	611,000
8 February 2013	Director Placement	1,400,000	0.08	112,000
	Less: share issue costs	-		(37,660)
30 June 2013		43,587,501		6,022,288
8 August 2013	Issue of Share Purchase Plan Shares	13,000,000	0.10	1,300,000
14 April 2014	Conversion of options	900,000	0.112	100,800
23 May 2014	Placement	55,560,000	0.18	10,000,800
23 May 2014	West Musgrave Project Acquisition Success Fee	277,778	0.18	50,000
23 May 2014	Stage 2 consideration in respect of acquisition of 75% of the issued capital of Crossbow Resources PL	1,111,111	0.18	200,000
	Less: share issue costs	-		(706,533)
30 June 2014		114,436,390		16,967,355

(a) The share capital of the Group as at 30 June 2013 was 43,587,501 ordinary shares, of which 5,250,000 shares were subject to ASX escrow restrictions until 9 January 2014. No shares of the Company were subject to escrow at 30 June 2014.

(b) Terms and conditions of issued capital

Ordinary shares have the right to receive dividends as declared and, in the event of winding up the company, to participate in proceeds from the sale of all surplus assets in proportion to the number of and amounts paid up on shares held.

Ordinary shares entitle their holder to one vote, either in person or by proxy, at a meeting of the company.

Date Options Granted	Expiry Date	Exercise Price	Number Under Option
Various	30 June 2015	\$0.20	7,000,000
31 May 2012	30 June 2015	\$0.25	1,000,000
19 November 2012	19 November 2017	\$0.112	100,000
9 April 2013	9 April 2018	\$0.20	1,000,000
22 May 2014	9 April 2018	\$0.20	3,000,000
9 April 2013	9 April 2018	\$0.30	1,000,000
26 July 2013	30 June 2015	\$0.25	1,000,000
22 May 2014	23 May 2019	\$0.241	1,500,000
Total			15,600,000

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *continued*

13. Issued Capital (cont'd)

(c) Capital risk management

The Group's objectives when managing capital are to safeguard their ability to continue as a going concern, so that they can continue to provide returns to shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. The Group's capital includes ordinary share capital, partly paid shares and financial liabilities, supported by financial assets.

The Group's capital includes mainly ordinary share capital and financial liabilities supported by financial assets.

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

Due to the nature of the Group's activities, being mineral exploration, the Group does not have ready access to credit facilities, with the primary source of funding being equity raisings. Therefore, the focus of the Group's capital risk management is the current working capital position against the requirements of the Group to meet exploration programmes and corporate overheads. The Group's strategy is to ensure appropriate liquidity is maintained to meet anticipated operating requirements, with a view to initiating appropriate capital raisings as required.

The net working capital position of the Group at 30 June 2014 was \$7,367,968 and the net increase in cash held during the period was \$7,483,141.

The Group had at 30 June 2014 \$7,943,427 of cash and cash equivalents and no debt.

14. Reserves

	2014 \$	2013 \$
a) Reserves		
Option Reserve	968,673	262,067
	<u>968,673</u>	<u>262,067</u>

Options reserve

The option reserve recognises options issued as share based payments. The following options were issued during the current and prior year:

Options	Date	Number	Reserve
Opening balance		8,000,000	182,754
Archer X Options – 11.2c	19 November 2012	1,000,000	16,667
Archer X Options – 20c	9 April 2013	1,000,000	16,667
Archer X Options – 30c	9 April 2013	1,000,000	16,666
D Johnson Options – 1/3 vested	31 May 2013	-	29,313
30 June 2013		<u>11,000,000</u>	<u>262,067</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

14. Reserves (cont'd)

Options	Date	Number	Reserve
Opening balance		11,000,000	262,067
Consultants - \$0.25	26 July 2013	1,000,000	48,014
Corporate advisory fees - \$0.20	23 May 2014	3,000,000	376,829
Stage 2 consideration in respect of acquisition of 75% of the issued capital of Crossbow Resources PL - \$0.241	23 May 2014	1,500,000	252,450
Options exercised (\$0.112, 19 Nov 2017)		(900,000)	-
Vesting of 1/3 portion of D Johnson options		-	29,313
30 June 2014		15,600,000	968,673

15. Operating Cash Flow Reconciliation

	2014 \$	2013 \$
Reconciliation of operating cash flows to net loss		
Loss for the year	(5,081,848)	(1,348,841)
Foreign exchange	5,748	38,304
Share based payments	504,156	29,313
Depreciation expense	18,344	12,294
Exploration Expenditure written off	3,157,348	521,198
Increase/(Decrease) in trade and other payables	196,544	(174,733)
Decrease/(Increase) in trade and other receivables	(110,914)	39,072
Cash flow from operations	(1,310,622)	(883,393)

Non-cash financing and investing activities

There has been no event not already disclosed elsewhere in the Annual Report. Refer to note 24 Asset Acquisitions for additional detail on non-cash investing activities.

16. Financial Instruments

Financial Risk Management

The Groups activities expose it to a variety of financial risks including market risk (interest rate risk, foreign exchange risk and price risk), credit risk and liquidity risk. The Groups overall risk management program focuses on the unpredictability of the financial markets and seeks to minimise potential adverse effects on the financial performance of the Group. The Group does not use derivative financial instruments; however the Group uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate and other price risks and aging analysis for credit risk.

Risk management is carried out by the Board of Directors with assistance from suitably qualified external and internal advisors. The Board provides written principles for overall risk management and further policies will evolve commensurate with the evolution and growth of the Group.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

16. Financial Instruments (cont'd)

(a) Market risk

(i) Interest Rate Risk

The Group's only interest rate risk arises from cash and cash equivalents. Term deposits and current accounts held with variable interest rates expose the Group to cash flow interest rate risk.

Interest rate sensitivity analysis

The following table illustrates sensitivities to the Group's exposures to changes in interest rates and equity prices. The tables indicates the impact of how profit and equity values reports at reporting date would have been affected by changes in the relevant risk variable that management considers to be reasonably possible. These sensitivities assume that the movement in a particular variable is independent of other variables.

2014	Change in profit/ (loss) \$
Increase in interest rate by 100 basis points	79,434
Decrease in interest rate by 100 basis points	(79,434)
2013	Change in profit/ (loss) \$
Increase in interest rate by 100 basis points	4,603
Decrease in interest rate by 100 basis points	(4,603)

The above interest rate sensitivity analysis has been performed on the assumption that all other variables remain unchanged.

(ii) Foreign exchange risk

The Group operated pre-dominantly in Australia in the period ended 30 June 2014 and had minimal exposure to foreign exchange risk.

The ongoing activities of Search Resources and its US subsidiary Lynx Resources (US), Inc. exposes the Group to foreign exchange risk as a result of the expenditure requirements on the Joint Venture Projects acquired. The Board has discussed risk management policies in respect of this exposure, and this risk will apply in future years.

(iii) Price risk

The Groups exposure to price risk is minimal given the Group is still in the exploration phase.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

16. Financial Instruments (cont'd)

(b) Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company has adopted the policy of dealing with creditworthy counterparties and obtaining sufficient collateral or other security where appropriate, as a means of mitigating the risk of financial loss from defaults. The Company measures credit risk on a fair value basis. The Company does not have any significant credit risk exposure to a single counterparty or any Group of counterparties having similar characteristics.

The carrying amount of financial assets recorded in the financial statements, net of any provisions for losses, represents the Company's maximum exposure to credit risk without taking account of the fair value of any collateral or other security obtained.

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings:

	2014 \$	2013 \$
Cash and cash equivalents AA-	7,943,427	460,286
Total	7,943,427	460,286

(c) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. The Group manages liquidity risk by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. As at reporting date the Group had sufficient cash reserves to meet its requirements. The Group therefore had no credit standby facilities or arrangements for further funding in place.

The financial liabilities of the Group at reporting date were trade payables incurred in the normal course of the business. These were non-interest bearing and were due within the normal 30-60 days terms of creditor payments. The Group does not consider this to be material to the Group and have therefore not undertaken any further analysis of risk exposure.

2014		Fixed Interest rate maturing in				Non-interest Bearing	Total	Weighted average effective interest rate
Financial Instrument	Floating interest rate	1 year or less	Over 1 to 5 years	More than 5 years				
Financial Assets								
Cash	943,427	7,000,000	-	-	-	7,943,427	3.36%	
Receivables – other	-	-	-	-	143,759	143,759		
Total financial assets	943,427	7,000,000	-	-	143,759	8,087,186		
Financial Liabilities								
Trade payables	-	-	-	-	191,053	191,053		
Other payables	-	-	-	-	528,165	528,165		
Total financial liabilities	-	-	-	-	719,218	719,218		

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

16. Financial Instruments (cont'd)

2013	Fixed Interest rate maturing in					Non-interest Bearing	Total	Weighted average effective interest rate
Financial Instrument	Floating interest rate	1 year or less	Over 1 to 5 years	More than 5 years				
Financial Assets								
Cash	460,286	-	-	-	-	460,286	2.76%	
Receivables – other	-	-	-	-	32,426	32,426		
Total financial assets	460,286	-	-	-	32,426	492,712		
Financial Liabilities								
Trade payables	-	-	-	-	38,497	38,497		
Other payables	-	-	-	-	41,581	41,581		
Total financial liabilities	-	-	-	-	80,078	80,078		

17. Operating Segments

The Group has identified its operating segments based on the internal reports that are reviewed and used by the Board of Directors in assessing performance and determining the allocation of resources.

The Group is managed primarily on the basis of its exploration and corporate activities. Operating segments are therefore determined on the same basis.

Reportable segments disclosed are based on aggregating operating segments where the segments are considered to have similar economic characteristics.

The Group operates as a two segments which is mineral exploration within Australia and the US. The Group is domiciled in Australia.

Basis of accounting for purposes of reporting by operating segments

Accounting policies adopted

Unless stated otherwise, all amounts reported to the Board of Directors as the chief decision maker with respect to operating segments are determined in accordance with accounting policies that are consistent to those adopted in the annual financial statements of the Company.

Segment assets

Where an asset is used across multiple segments, the asset is allocated to the segment that receives the majority of economic value from the asset. In the majority of instances, segment assets are clearly identifiable on the basis of their nature and physical location.

Unless indicated otherwise in the segment assets note, deferred tax assets and intangible assets have not been allocated to operating segments.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *continued*

17. Operating Segments (cont'd)

Segment liabilities

Liabilities are allocated to segments where there is direct nexus between the incurrence of the liability and the operations of the segment. Borrowings and tax liabilities are generally considered to relate to the Company as a whole and are not allocated. Segment liabilities include trade and other payables.

Unallocated items/reconciling items

The following items of revenue, expense, assets and liabilities are not allocated to operating segments as they are not considered part of the core operations of any segment:

- net gains on disposal of available-for-sale investments;
- impairment of assets and other non-recurring items of revenue or expense;
- income tax expense;
- deferred tax assets and liabilities;
- intangible assets; and
- discontinuing operations.

30 June 2014

Segment Performance	Exploration Australia \$	Exploration United States \$	Reconciling \$	Total \$
Profit / (Loss) before income tax	(311,276)	(3,106,024)	(1,664,548)	(5,081,848)
Segment assets				
Cash	3	23,757	7,919,666	7,943,426
Exploration and evaluation	3,841,828	-	-	3,841,828
Other	196,388	73,392	140,533	410,313
Total segment assets	4,038,219	97,149	8,060,199	12,195,567
Segment liabilities				
Creditors	-	20,003	171,050	191,053
Other	8,570	6,226	513,369	528,165
Total segment liabilities	8,570	26,229	684,419	719,218

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

17. Operating Segments (cont'd)

30 June 2013

Segment Performance	Exploration Australia \$	Exploration United States \$	Reconciling \$	Total \$
Profit / (Loss) before income tax	(132,266)	(678,517)	(538,058)	(1,348,841)
Segment assets				
Cash	1	28,497	431,788	460,286
Exploration and evaluation	1,422,310	2,656,398	-	4,098,708
Other	-	65,364	-	65,364
Total segment assets	1,422,311	2,750,259	431,788	4,624,358
Segment liabilities				
Creditors	-	(80)	(38,417)	(38,497)
Other	-	(11,810)	(2,812)	(14,622)
Total segment liabilities	-	(11,890)	(41,229)	(53,119)

Reconciliation to loss before income tax

	2014 \$	2013 \$
Operating Segment Profit & Loss	(3,417,300)	(810,783)
Interest Income	38,120	32,771
Employee and director benefits expense	(349,202)	(205,834)
Financial and company secretarial expenses	(111,301)	(115,649)
Legal fees	(83,559)	(6,394)
ASX and share registry fees	(80,867)	(47,531)
Share based payments expense	(504,156)	(29,313)
Consultants	(216,698)	-
Travel and entertainment	(99,889)	(21,678)
Other expenses	(256,996)	(144,429)
Loss before income tax from continuing operations	(5,081,848)	(1,348,841)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

18. Share-Based Payments

a) Employee Share Option Scheme

The establishment of the Employee Share Option Scheme was approved by the board of directors on 10 October 2011. The Employee Share Option Scheme is designed to provide long term incentives for senior managers and above (including executive and non-executive directors) and to attract and retain experience employees, board members and executive officers and provide them with the motivation to make the Group more successful. Under the plan, participants are granted options which only vest if certain performance standards are met. Participation in the plan is at the Board's discretion and no individual has a contractual right to participate in the plan or to receive any guaranteed benefits.

An option may only be exercised after that option has vested and any other conditions imposed by the Board on exercise are satisfied. The options remain exercisable for a period between two or five years from listing date or on cessation of employment. Options are granted under the plan for no consideration.

Options granted under the plan carry no dividend or voting rights. When exercisable, shares allotted pursuant to the exercise of options will be allotted following receipt of all the relevant documents and payments and will rank equally with all other shares.

The following share-based payment arrangements to Directors and employees existed at 30 June 2014. All options granted to Director's and employees are for ordinary shares in Cassini Resources Limited which confer a right of one ordinary share for every option held.

Grant Date	Expiry Date	Exercise Price	Balance at start of year	Granted during the year	Exercised during the year	Forfeited during the year	Balance at end of the year	Vested & exercisable at end of the year
			Number	Number	Number	Number	Number	Number
2014								
6 May 2011	30 Jun 2015	\$0.20	3,783,333	-	-	-	3,783,333	3,783,333
6 Oct 2011	30 Jun 2015	\$0.20	1,000,000	-	-	-	1,000,000	1,000,000
15 Dec 2011	30 Jun 2015	\$0.20	250,000	-	-	-	250,000	250,000
31 May 2012	30 Jun 2015	\$0.20	1,000,000	-	-	-	1,000,000	666,666
			6,033,333	-	-	-	6,033,333	5,699,999
Weighted average exercise price			\$0.20					
Grant Date	Expiry Date	Exercise Price	Balance at start of year	Granted during the year	Exercised during the year	Forfeited during the year	Balance at end of the year	Vested & exercisable at end of the year
			Number	Number	Number	Number	Number	Number
2013								
6 May 2011	30 Jun 2015	\$0.20	3,783,333	-	-	-	3,783,333	3,783,333
6 Oct 2011	30 Jun 2015	\$0.20	1,000,000	-	-	-	1,000,000	1,000,000
15 Dec 2011	30 Jun 2015	\$0.20	250,000	-	-	-	250,000	250,000
31 May 2012	30 Jun 2015	\$0.20	1,000,000	-	-	-	1,000,000	333,333
			6,033,333				6,033,333	5,366,666
Weighted average exercise price			\$0.20	-	-	-	\$0.20	\$0.20

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

18. Share-Based Payments (cont'd)

a) Employee Share Option Scheme (cont'd)

There were no options issued to directors in the years ended 30 June 2014 or 30 June 2013 under the Employee Share Option Scheme.

b) Other share based payments

2014

- (i) On 26 July 2013 1 million options were issued to key consultants of the Company to motivate and provide incentive in carrying out their respective roles for the Company. The total fair value of these options was calculated to be \$48,000 using a Black-Scholes option valuation model with the following inputs:

Share Price at Grant Date	\$0.12
Exercise Price	\$0.25
Grant Date	26/07/13
Expiration date	30/6/15
Life of the Options	1.929
Volatility	90
Risk Free Rate	2.52%

500,000 of these options were issued to Jon Hronsky, who was subsequently appointed as a director of the Company.

- (ii) 3 million options were issued on 22 May 2014 as consideration for corporate advisory services provided by Hartleys Limited. The total fair value of these options was calculated to be \$376,829 using a Black-Scholes option valuation model with the following inputs:

Share Price at Grant Date	\$0.18
Exercise Price	\$0.20
Grant Date	22/05/14
Expiration date	09/04/18
Life of the Options	3.885
Volatility	115%
Risk Free Rate	3.16%

- (iii) 277,778 fully paid ordinary shares were issued a nominee of Hartleys Limited in lieu of a \$50,000 success fee payable on the successful completion of the acquisition of the West Musgrave Project.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

18. Share Based Payments (cont'd)

- (iv) 1,500,000 options were issued on 22 May 2014 to the vendors of Crossbow Resources Pty Ltd in satisfaction of the Company's Stage 2 Consideration obligations to acquire 75% of the equity of Crossbow Resources Pty Ltd. The total fair value of these options was calculated to be \$252,450 using a Black-Scholes option valuation model with the following inputs:

Share Price at Grant Date	\$0.18
Exercise Price	\$0.241
Grant Date	23/05/14
Expiration date	23/5/19
Life of the Options	5.005
Volatility	234%
Risk Free Rate	2.50%

- (v) 1,111,111 fully paid ordinary shares were issued to the vendors of Crossbow Resources Pty Ltd in satisfaction of the Company's Stage 2 Consideration obligations to acquire 75% of the equity of Crossbow Resources Pty Ltd. The total value of these shares of \$200,000 was calculated based on the value of the consideration payable that was settled through the issue of these shares.

The options issued on 31 May 2012 to David Johnson partially vested to the value of \$29,313 during the 12 months ended 30 June 2014. The options vest on each anniversary on Mr Johnson's employment, and are conditional upon continuous employment with the Group.

2013

The 3 million options issued in three 1 million lot tranches at 30 June 2013 above were issued in relation to the Archer X Agreement associated with the Company's West Musgrave Project. The options were deemed to have a fair value total of \$50,000.

The options issued on 31 May 2012 to David Johnson partially vested to the value of \$29,313 during the 12 months ended 30 June 2013. The options vest on each anniversary on Mr Johnson's employment, and are conditional upon continuous employment with the Group.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

18. Share-Based Payments (cont'd)

b) Expenses arising from share-based payment transactions

Total expenses arising from share-based payment transactions recognised during the period as part of share based expense were as follows:

	2014 \$	2013 \$
Options issued to key consultants (expensed to Statement of Profit or Loss and Other Comprehensive Income)	48,014	-
Options issued to Hartleys Limited (expensed to Statement of Profit or Loss and Other Comprehensive Income)	376,829	-
Options issued in respect of the acquisition of Crossbow Resources Pty Ltd (capitalised against exploration assets)	-	-
Shares issued in respect of the acquisition of Crossbow Resources Pty Ltd (capitalised against exploration assets)	-	-
Shares issued to Hartleys in lieu of fees	50,000	-
Options issued in relation to Archer X Agreement (capitalised against exploration assets)	-	50,000
Options issued to executive director (expensed to Statement of Profit or Loss and Other Comprehensive Income)	29,313	29,313
	504,156	79,313

19. Commitments and Contingent Liabilities

a) Exploration Expenditure

In order to maintain mining tenements, the economic entity is committed to meet the prescribed conditions under which tenements were granted. These commitments may be met in the normal course of operations by future capital raisings and/or farm-out and under certain circumstances are subject to the possibility of adjustment to the amount and timing of such obligations or by tenement relinquishment.

	Nevada 2014 \$	Wirraway 2014 \$	Nevada 2013 \$	Wirraway 2013 \$
Exploration expenditure commitments Payable:				
Not later than 12 months	162,500	2,633,000	450,000	542,000
Between 12 months and 5 years	1,050,000	-	1,200,000	2,168,000
Greater than 5 years	52,500	-	-	-
	1,265,000	2,633,000	1,650,000	2,710,000

Three of the four Nevada lease agreements require \$50,000 expenditure respectively in the next twelve months, and \$325,000 respectively over the subsequent 3 years. Agate Pass, signed in December 2013, required varied payments and are incorporated in the above table.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

19. Commitments and Contingent Liabilities (cont'd)

Other Commitments and Contingencies

The Group has operating lease commitments for 1 year and 3 months amounting to \$125,412.

As disclosed at Note 24a, the Group has the following contingent liabilities in respect of the acquisition of its West Musgrave Project:

- A 2% net smelter royalty is payable by the Group on the net proceeds from future production from the tenements within the West Musgrave Project; and
- A production milestone payment is payable by the Group 12 months after production from the Project commences, amounting to \$10 million in cash (and escalated for CPI).

The Crossbow acquisition requires \$3m of exploration commitments and a deferred cash consideration of \$3.25m.

The Company has no other commitments to acquire property, plant and equipment and has no contingent liabilities as at the date of report.

20. Related Party Disclosure

a) Parent entities

Cassini Resources Limited is the ultimate Australian parent entity.

b) Subsidiaries

The consolidated financial statements include the financial statements of Cassini Resources Limited and the subsidiaries listed in the following table.

	Country of Incorporation 2014	% Equity Interest	Country of Incorporation 2013	% Equity Interest	Principal Activity
Search Resources Limited	Australia	100	Australia	100	Holding Co
Lynx Resources (US) Inc.	USA	100	USA	100	Operating subsidiary
Wirraway Metals Pty Ltd	Australia	100	Australia	100	Operating subsidiary
Grande Exploraciones S.A.C	Peru	99.9	Peru	99.9	Holding Co
Nevado Exploraciones S.A.C	Peru	99.9	Peru	99.9	Holding Co
Crossbow Resources Pty Ltd	Australia	75	-	-	Operating subsidiary

c) Key management personnel compensation

	2014 \$	2013 \$
Short-term employee benefits	499,805	338,723
Post-employment long term benefits	29,549	40,020
Share based payments	53,313	29,313
Total	582,667	408,056

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

20. Related Party Disclosure (cont'd)

d) Loans to/ from related parties

	2014	2013
	\$	\$
Loans to subsidiaries		
Loans advance during the period	3,489,391	1,981,821
Payable by Wirraway to Parent	(1,920,069)	(838,402)
Payable to Search to Parent	(1,569,322)	(1,143,419)
	-	-

The following payments were made to Grange Consulting Group Pty Ltd, of which Philip Warren is a Director, during the period for company secretarial work, corporate advisory services and rent:

	2014	2013
	\$	\$
Payments to Grange Consulting Group Pty Ltd	121,000	125,870
Amounts payable to Grange Consulting Group Pty Ltd	11,000	11,000
	132,000	136,870

The following payments were made to Grange Capital Partners Pty Ltd, of which Philip Warren is a director, during the period for capital raising activities:

	2014	2013
	\$	\$
Payments to Grange Capital Partners Pty Ltd	75,000	36,660
	75,000	36,660

As disclosed in the remuneration report Mr Miles received \$55,059 for consulting work during the period. Hidden Asset Pty Ltd, a company controlled and owned by Mr Greg Miles, received \$32,359 (2013: \$25,000) and Mr Miles invoiced \$22,700 in his own name (2013: \$5,000). These amounts are disclosed in the director remuneration table.

21. Events After the Reporting Date

Since the end of the reporting period, Cassini has received all permits and approvals to commence drilling at the West Musgrave Project. Drilling has commenced and was announced on the ASX on 3 September 2014.

Apart from the matters noted above, there are no other matters or circumstances that have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Group, or the state of affairs of the Group in future financial years.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

22. Auditor's Remuneration

	2014 \$	2013 \$
Audit Services		
Amounts received or due and receivable by BDO Audit (WA) Pty Ltd		
- An audit and review of the financial reports of the entity (including subsidiaries)	38,757	43,721
Non-Audit Services		
Amounts received by BDO Corporate Tax (WA) Pty Ltd for non-audit services		
- Income tax return and BAS review	15,421	15,810
Total remuneration for non-audit services	15,421	15,810

23. Parent Entity Information

The following details information related to the parent entity, Cassini Resources Limited, as at 30 June 2014. The information presented here has been prepared using consistent accounting policies as presented in Note 1.

	2014 \$	2013 \$
Current assets	7,932,565	431,788
Non-current assets	1,500,272	4,181,196
Total assets	9,432,837	4,612,984
Current liabilities	562,984	41,741
Non-current liabilities	-	-
Total liabilities	562,984	41,741
Contributed equity	17,885,101	6,233,501
Accumulated losses	(9,066,175)	(1,713,112)
Share issue costs	(917,746)	(211,213)
Option reserve	968,673	262,067
Total equity	8,869,853	4,571,243
Loss after income tax	(7,848,528)	(1,030,753)
Other comprehensive income/ (loss) for the period	-	-
Total comprehensive loss for the period	(7,848,528)	(1,030,753)

Guarantees

The Company has not entered into any guarantees in relation to the debts of any of its subsidiaries.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

24. Asset Acquisitions

a) West Musgrave Project

On 6 May 2014 the Group announced completion of the acquisition of BHP Billiton's West Musgrave Project. The West Musgrave Project includes the Nebo-Babel Ni-CU sulphide deposits and the Succoth Cu sulphide prospect, and an excellent land package that provides the Group with further exploration upside.

Details of the purchase consideration and the fair value of the assets and liabilities acquired through the acquisition are as follows:

Total purchase consideration comprises:

- A cash payment of \$250,000;
- A 2% net smelter royalty, which applies to the net proceeds from future production from the tenements within the Project; and
- A production milestone payment due 12 months after production from the Project commences, amounting to \$10 million in cash (and escalated for CPI).

Purchase consideration paid during the year is as follows:

	2014 \$
Cash paid	250,000
Total	250,000

Net assets acquired are as follows:

	2014 \$
Plant & equipment	200,000
Exploration and evaluation assets	50,000
Total	250,000

b) Crossbow Resources Pty Ltd

On 9 December 2013 the Group announced the acquisition of up to 75% of the West Arunta Project (X17) through the acquisition of 75% of the equity of Crossbow Resources Pty Ltd. The X17 Project is located in the Gibson Desert region of north-eastern Australia and is considered prospective for two major geological targets:

- Mt Isa-age, intrusion hosted, Cu-Au deposits in the northern part of the Project; and
- Nifty-age, sediment hosted, base-metal deposits (either Cu or Pb-Zn) in the south.

The acquisition was completed on 23 May 2014.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

24. Asset Acquisitions (cont'd)

b) Crossbow Resources Pty Ltd (cont'd)

Total purchase price consideration is payable in stages as follows:

Stage(s)	Value of Consideration	Nature of Consideration	Details of Consideration
1	\$100,000	Vendor payments	Cash
2	\$652,450	Vendor payments	\$200K cash, \$200K shares, and 1.5M options exercisable at \$0.20 on or before 9 April 2018 having a total Black-Sholes value of \$252,450
3 ⁽¹⁾	\$250,000	Vendor payments	\$125K cash, \$125K cash or shares at the election of the Company or the vendor, and 6M options. If the consideration is settled in shares, the shares will be issued based on a 5-day VWAP. No value has been assigned to the Options at 30 June 2014 as they have not yet been issued.
3A ⁽²⁾	\$500,000	Vendor payments	Cash
4 ⁽³⁾	\$2,500,000	Vendor payments	\$1.25M cash and \$1.25M shares or cash at the election of the Company or the vendor. If the consideration is settled in shares, the shares will be issued based on a 5-day VWAP.
1-3 ⁽¹⁾	\$3,000,000	Exploration expenditure	Cash – to earn its 75% interest, the Company is required to incur not less than \$3M in exploration expenditure on the Project during stages 1-3. In addition, the Company must fund any pre-feasibility studies that may be undertaken on the Project. No value has been attributed to these pre-feasibility studies at 30 June 2014 as Project X17 is a greenfields exploration project and appropriate exploration programmes have not yet been undertaken to assess the necessity of any future pre-feasibility studies.

(1) Stage 3- begins on the first day after the end of Stage 2 and finishes the earlier of:

- The date Cassini has satisfied Stage 3 consideration and either:
- Sole funded Stage 3 JV Expenditure; or
- Defined a JORC compliant resource
- Cassini's withdrawal from the agreement; or
- 23 May 2017 (being 3 years from the transfer date)

(2) Cassini must pay the Stage 3A payment to the vendors by the earlier of:

- The date a Stage 4 consideration payment obligation arises;
- 10 business days after the date the Commonwealth Commissioner of Taxation requires the Thornbill Trust Return to be lodged for assessment; and
- 30 April 2015.

(3) Stage 4 – begins the first day after the end of Stage 3 and finishes the earlier of:

- The date Cassini has completed the Stage 4 milestone (Cassini must sole fund a pre-feasibility study).
- The date which is 2 years after the start of the Stage 4 period; or
- Cassini's withdrawal from the agreement.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

24. Asset Acquisitions (cont'd)

b) Crossbow Resources Pty Ltd (cont'd)

The Group holds a 75% equity interest in Crossbow Resources Pty Ltd at 30 June 2014. Maintaining this interest is subject to the payment of the consideration detailed above. Should the group not meet either of the stage 3 commitments above, Cassini must transfer two-thirds of the shares it holds in Crossbow back to the Vendors for total consideration of \$1.00, following which Cassini's shareholding will be 25%.

If Cassini does not meet the stage 3A payment:

- If the stage 3 period has not ended, Cassini must transfer a total of 50% of the company's issued share capital. Cassini's shareholder interest will be 25%.
- If the stage 3 period has ended, Cassini must transfer a total of 26% of the company's issued share capital. Cassini's shareholder interest will be 49%.

If Cassini does not satisfy stage 4 consideration, or complete a pre-feasibility study during the Stage 4 period, then within 5 days of non-compliance:

- Cassini must transfer a total of 26% of Crossbow's share capital back to the vendors for total consideration of \$1.00, following which Cassini will continue to hold the remaining 49% of Crossbow's issued capital;
- Vendors must repay Stage 3A consideration to Cassini; and
- Shareholders will contribute to the Joint venture expenditure in proportion to their revised shareholdings.

Purchase consideration paid during the year is as follows:

	2014 \$
Vendor payments:	
Stages 1 & 2 - Cash	300,000
Stage 2 – 1,111,111 fully paid ordinary shares	200,000
Stage 2 – 1.5M options exercisable at \$0.20 on or before 9 April 2018	252,450
Exploration expenditure:	
Stage 1 – Cash	300,648
Total	1,053,098

Details of the fair value of the assets and liabilities acquired on 23 May 2014 through the acquisition of Crossbow Resources Pty Ltd are as follows:

	2014 \$
Net assets	81,323
Exploration and evaluation assets	1,322,808
Net assets acquired	1,404,131
Less: non-controlling interests	(351,033)
Net assets acquired	1,053,098

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS continued

25. Non-controlling interests

The consolidated financial statements include the assets, liabilities and results of the principal subsidiaries listed in note 20(b), in accordance with the accounting policy described in note 1(j).

The table below sets out the summarised financial information for each subsidiary that has a non-controlling interest that is material to the Group. The amounts disclosed are before any intercompany eliminations.

	Crossbow Resources Pty Ltd 2014 \$
Summarised statement of financial position	
Current assets	2
Non-current assets	1,412,699
Total assets	1,412,699
Current liabilities	8,570
Non-current liabilities	-
Total liabilities	8,570
Net assets	1,404,131
Accumulated NCI	351,033
Summarised statement of profit or loss and other comprehensive income	
Loss for the period	-
Other comprehensive loss	-
Total comprehensive loss	-
Losses allocated to NCI	-
Summarised cash flows	
Cash flows from operating activities	-
Cash flows from investing activities	-
Cash flows from financing activities	-
Net increase in cash and cash equivalents	-
Transactions with non-controlling interests	
Carrying amount of non-controlling interest acquired	351,033

DIRECTORS' DECLARATION

In the Directors' opinion:

- (a) the financial statements and notes are in accordance with the *Corporations Act 2001*, and:
 - (i) complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
 - (ii) give a true and fair view of the financial position as at 30 June 2014 and of the performance for the period ended on that date of the Group.
 - (iii) are in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board, as stated in note 1 to the financial statements; and
- (b) In the Directors' opinion, there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable; and
- (c) The Directors have been given the declarations by the Managing Director as required by section 295A, of the *Corporations Act 2001*.

This declaration is made in accordance with a resolution of the Board of Directors and is signed for and on behalf of the directors by;



Richard Bevan
Managing Director

Perth, Western Australia
26 September 2014

CORPORATE GOVERNANCE STATEMENT

Corporate Governance Statement

In fulfilling its obligations and responsibilities to its various stakeholders, the Board is a strong advocate of corporate governance. This statement outlines the principal corporate governance procedures of Cassini Resources Limited (“**Company**” or “**Group**”). The Board of Directors (“**Board**”) supports a system of corporate governance to ensure that the management of Cassini Resources Limited is conducted to maximise shareholder wealth in a proper and ethical manner.

ASX Corporate Governance Council Recommendations

The Board has adopted corporate governance policies and practices consistent with the ASX Corporate Governance Council's *Principles of Good Corporate Governance and Best Practice Recommendations* ("ASX Principles and Recommendations 2nd Edition") where considered appropriate for Group of Cassini Resources Limited size and nature. Such policies include, but are not limited to the Board Charter, Board Committee Charters, Code of Conduct, Trading in Securities, Continuous Disclosure, Shareholder Communication and Risk Management Policies. Further details in respect to the Group's corporate governance practises are summarised below and copies of Group's corporate governance policies are available of the Group's web site www.cassiniresources.com.au

The Board sets out below its “if not why not” approach where the Group's practice departs from the Recommendations. All Recommendations have been applied for the period ended 30 June 2014 unless set out below:

Principle 2 Recommendation 2.4:

Notification of Departure: A separate nomination committee has not been formed.

Explanation of Departure: Requires listed entities to establish a nomination committee. Given the current size of the Board and the Group, the Board considers that this function is efficiently achieved with full Board support, in accordance with the guidelines set out in the Board's Charter.

Principle 4 Recommendation 4.1 and 4.2

Notification of Departure: A separate audit committee has not been formed.

Explanation for Departure: Requires listed entities to establish as separate audit committee. Given the current size of the Group, the Board considers that this function is efficiently achieved by the full board in accordance with the guidelines set out in the Board's Charter and the Audit Committee Charter. The full Board conducts a review of the Group's financial statements at each financial reporting date and liaises with the Group's auditors as necessary. It is advised that since 1 July 2014 the Company has formed a separate audit committee.

Principle 8 Recommendation 8.1

Notification of Departure: There was no separate remuneration committee.

CORPORATE GOVERNANCE STATEMENT continued

Explanation for Departure: Requires listed entities to establish a remuneration committee. Given the current size of the Board and the Group, the Board considers that this function is efficiently achieved with full Board support, in accordance with the guidelines set out in the Board's Charter.

In addition, all matters of remuneration will continue to be determined in accordance with *Corporations Act* requirements, especially in respect of related party transactions. That is, no directors participate in any deliberations regarding their own remuneration or related issues. It is noted that since 1 July 2014 the Company has formed a separate remuneration committee.

Roles of the Board and Management

The Board considers that the essential responsibilities of the Directors are to oversee Cassini Resources Limited activities for the benefit of its shareholders, employees and other stakeholders and to protect and enhance shareholder value.

The Board has a Charter, which clearly establishes the relationship between the Board and management and describes their functions and responsibilities.

The key responsibilities of the Board include:

- contributing to the development of and approving corporate strategy;
- appoint and review the performance of the Executive Director/ chief executive officer;
- reviewing and approving business plans, the annual budget and financial plans including available resources and major capital expenditure initiatives;
- arrange for effective budgeting and financial supervision;
- ensure that effective and appropriate reporting systems in place will, in particular, assure the Board that financial, operational, compliance and risk management controls function adequately;
- ensure that appropriate audit arrangements are in place; and
- reporting to shareholders.

Board Structure

The composition of the Board shall be determined in accordance with the following principles and guidelines:

- the Board shall comprise at least 3 Directors, increasing where additional expertise is considered desirable in certain areas;
- the Chairman should be non-executive;
- the Board should not comprise a majority of Executive Directors and
- Directors should bring characteristics which allow a mix of qualifications, skills and experience.

The terms and conditions of the appointment and retirement of Directors are set out in a letter of appointment which covers remuneration, expectations, terms, the procedures for dealing with conflicts of interest and the availability of independent professional advice.

Meetings of the Board

The Board meets as and when required to consider the business of Cassini Resources Limited, its financial performance and other operational issues.

CORPORATE GOVERNANCE STATEMENT continued

Nomination and Appointment of New Directors

Recommendations of candidates for new Directors are made by the Board as a whole.

Review of Performance

The Board reviews its performance and composition on an annual basis to ensure that it has the appropriate mix of expertise and experience. Given the size and nature of the Group's activities the Board reviews the performance of Directors and the composition of the Board, at regular intervals during the period, or as deemed necessary.

Directors' Remuneration

The remuneration of non-executive Directors is different to that of executives. Executive Directors receive a salary and may receive other benefits.

Non-executive Directors receive a set fee per annum, the maximum as set by the Company's Constitution, in addition to their statutory superannuation entitlements, and are fully reimbursed for any out of pocket expenses necessarily incurred in carrying out their duties. When reviewing Director's fees the Board takes into account any changes in the size and scope of the Company's activities. Currently the Non-executive Directors and the Non-executive Chairman's fees are \$40,000 and \$50,000 respectively, by way of their letters of appointment and a circular resolution of the Board.

The Board will review the remuneration and policies applicable to all Directors on an annual basis.

Remuneration levels will be competitively set to attract the most qualified and experienced Directors and senior Executives. Where necessary the Board will obtain independent advice on the appropriateness of remuneration packages.

The structure and disclosure of the Group's remuneration policies for Directors are set out in the Directors Report.

Board Access to Information

All Directors have unrestricted access to all employees of the Group and, subject to the law, access to all Group records and information held by an employees and/or external advisers. The Board receives regular detailed financial and operational reports to enable it to carry out its duties.

Each Director may, with the prior written approval of the Chairman, obtain independent professional advice to assist the Director in the proper exercise of powers and discharge of duties as a Director or as a member of a Board Committee. The Group will reimburse the Director for the reasonable expense of obtaining that advice.

Board Committees

The Board, where appropriate, may establish a number of committees to assist in carrying out its responsibilities in an effective and efficient manner. Up to 30 June 2014, the Board has not established an Audit Committee.

CORPORATE GOVERNANCE STATEMENT continued

1. Nomination Committee

The full Board carries out the role of the nomination committee. The full Board did not officially convene as a nomination committee during the Reporting Period, however nomination related discussions occurred from time to time during the period as required.

2. Audit Committee

The full Board carries out the role of an audit committee. The full Board did not officially convene as an audit committee during the Reporting Period, however audit related discussions occurred from time to time during the period as required. Details of each of the director's qualifications are set out in the Director's Report.

All of the directors consider themselves to be financially literate and have industry experience.

2.1. Audit Process

As part of the Group's commitment to safeguarding integrity in financial reporting, Cassini Resources Limited accounts are subject to annual audit by an independent, professional auditor, who also reviews the half-yearly accounts. The Auditor attends and is available to answer questions at the Group's annual general meetings.

2.2. Auditor's Independence

The Group has implemented procedures to monitor the independence and competence of the Group's external auditors. Details of the amounts paid for both audit work and non-audit services are set out in this annual report.

The Board requires that adequate hand-over occurs in the year prior to rotation of an audit partner to ensure an efficient and effective audit under the new partner.

3. Remuneration Committee

Details of remuneration, including the Group's policy on remuneration, are contained in the "Remuneration Report" which forms of part of the Directors' Report.

The full Board did not officially convene as a remuneration committee during the Reporting Period, however remuneration related discussions occurred from time to time during the period as required.

Share Trading

Under the Group's Share Trading Policy, all employees and Directors of the Group and its related companies are prohibited from trading in the Group's shares or other securities if they are in possession of "inside information". Subject to this condition and in light of the ASX's continuous disclosure requirements, trading can occur at any time but subject to conditions surrounding periods prior to the publication of financial results and disclosure documents.

CORPORATE GOVERNANCE STATEMENT continued

Share Trading (cont'd)

The Group understands and respects that timely disclosure of price sensitive information is central to the efficient operation of the ASX's securities market and has adopted a comprehensive policy covering announcements to the Australian Securities Exchange, prevention of selective or inadvertent disclosure, conduct of investor and analysts briefings, media communications, commenting on expected earnings, communications black-out periods and review of briefings and communications. The policy is reviewed periodically and updated as required.

The Group Secretary has responsibility for overseeing and coordinating disclosure of information to the Australian Securities Exchange. The Group Secretary also liaises with the Executive Director in relation to continuous disclosure matters. The Executive Director is responsible for overseeing and coordinating disclosure of information to analysts, brokers and shareholders.

Ethical Standards

All Directors, executives and employees are charged with the responsibility to act with the utmost integrity and objectivity, striving at all times to enhance the reputation and performance of the Group.

It is the Board's responsibility to ensure that all staff are aware of the Group's Code of Conduct and to ensure that any individual who does not adhere to these ideals is dealt with appropriately by executive management. Appropriate action may be counselling, disciplinary action or termination of employment.

The Board is responsible for setting the tone of legal, ethical and moral conduct to ensure that the Group is considered reputable by the industry and other outside entities. This involves considering the impact of the Group's decisions on the industry, colleagues and the general community.

Communications with Shareholders

The Board aims to ensure that shareholders are kept informed of all major developments affecting Cassini Resources Limited. Information is communicated to shareholders through the distribution of annual reports; and by presentation to shareholders at the Annual General Meeting, which they are encouraged to attend.

In addition, all reports, including quarterly reports and releases made by Cassini Resources Limited throughout the period with respect to its activities are distributed widely via the Australian Securities Exchange and posted on the Group's website located at www.cassiniresources.com.au

CORPORATE GOVERNANCE STATEMENT continued

ASX Best Practice Recommendations

Principles of Good Corporate Governance and Best Practice Recommendations
("ASX Principles and Recommendations 2nd Edition")

The table below identifies the ASX Corporate Governance Principles and Recommendations (Principles) and whether or not the Company has complied with the recommendations during the reporting period:

	Recommendation	Complied	Note
1.1	Establish the functions reserved to the board and those delegated to senior executives and disclose those functions	✓	
1.2	Disclose the process for evaluating the performance of senior executives	✓	
1.3	Provide the information indicated in the Guide to reporting on Principle 1	✓	
2.1	A majority of the board should be independent directors	✓	
2.2	The chair should be an independent director	✓	
2.3	The roles of chair and chief executive officer should not be exercised by the same individual	✓	
2.4	The board should establish a nomination committee	✗	Note 1
2.5	Disclose the process for evaluating the performance of the board, its committees and individual directors	✓	
2.6	Provide information indicated in the Guide to reporting on Principle 2	✓	
3.1	Establish a code of conduct and disclose the code or a summary of the code as to: <ul style="list-style-type: none"> - the practices necessary to maintain confidence in the company's integrity - the practices necessary to take into account their legal obligations and the reasonable expectations of their stakeholders - the responsibility and accountability of individuals for reporting and investigating reports of unethical practices 	✓	
3.2	Establish a policy concerning diversity and disclose the policy or a summary of that policy. The policy should include requirements for the board to establish measurable objectives for achieving gender diversity and for the board to assess annually both the objectives and progress in achieving them.	✗	Note 2
3.3	Companies should disclose in each annual report the measurable objectives for achieving gender diversity set by the board in accordance with the diversity policy and progress in achieving them.	✗	Note 2
3.4	Companies should disclose in each annual report the proportion of women employees in the whole organisation, women in senior executive positions and women on the board.	✗	Note 2
3.3	Provide information indicated in the Guide to reporting on Principle 3	✓	
4.1	Establish an audit committee	✗	Note 3
4.2	Structure the audit committee so that it: <ul style="list-style-type: none"> - consist only of non-executive directors - consists of a majority of independent directors - is chaired by an independent chair, who is not chair of the board - has at least three members 	✗	Note 3
4.3	The audit committee to have a formal charter	✗	Note 3
4.4	Provide the information indicated in the Guide to reporting on Principle 4	✗	Note 3
5.1	Establish written policies designed to ensure compliance with ASX Listing Rule disclosure requirements and to ensure accountability at senior executive level for that compliance and disclose those policies or a summary of those policies	✓	
5.2	Provide the information indicated in the Guide to reporting on Principle 5	✓	
6.1	Design communications policy for promoting effective communication with shareholders and encouraging their participation at general meetings and	✓	

	Recommendation	Complied	Note
	disclose their policy or a summary of that policy		
6.2	Provide the information indicated in the Guide to reporting on Principle 6	✓	
7.1	Establish policies for oversight and management of material business risks and disclose a summary of those policies	✓	
7.2	Require management to design and implement the risk management and internal control system to manage the company's material business risks and report to it on whether those risks are being managed effectively. Disclose that management has reported to it as to the effectiveness of the company's management of its material business risks.	✓	
7.3	Disclose whether assurance has been received from the chief executive officer (or equivalent) and the chief financial officer (or equivalent) that the declaration provided in accordance with section 295A of the Corporations Act is founded on a sound system of risk management and internal control and that the system is operating effectively in all material respects in relation to financial reporting risks.	✓	
7.4	Provide information indicated in the Guide to reporting on Principle 7	✓	
8.1	Establish a remuneration committee	✗	Note 1
8.2	Clearly distinguish the structure of non-executive directors' remuneration from that of executive directors and senior executives	✓	
8.3	Provide the information indicated in the Guide to reporting on Principle 8	✓	

Note 1:

The Principles recommend that companies should have a board of an effective composition, size and commitment to adequately discharge its responsibilities and duties and that companies should have a structure to ensure that the level and composition of remuneration is sufficient and reasonable and that its relationship to performance is clear.

(a) Recommendation 2.4 – Nomination Committee

Recommendation 2.4 of the Principles states that the board should establish a nomination committee that should be structured so that it:

- consists of a majority of independent directors;
- is chaired by an independent director; and
- has at least three members.

The Board does not have a separate nomination committee. The Board, as a whole, serves as a nomination committee and acts in accordance with the Nomination and Remuneration Committee Charter. The Board does not believe any efficiency or other benefits would currently be gained by establishing a separate nomination committee.

The responsibility for the selection of potential directors lies with the full Board of the Company. A separate nomination committee has not been constituted because the Board considers that the size of the current full Board permits it to act as the nomination committee and to regularly review membership. This includes an assessment of the necessary and desirable competencies of Board members, Board succession plans and an evaluation of the Board's performance and consideration of appointments and approvals.

When a Board vacancy occurs, the Board acting as the nomination committee, identifies the particular skills, experience and expertise that will best complement Board effectiveness, and then undertakes a process to identify candidates who can meet those criteria.

CORPORATE GOVERNANCE STATEMENT continued

Directors are not appointed for specific terms, as their periods in office are regularly reviewed as part of annual performance evaluation processes and they are subject to re-election every three (3) years.

(b) Recommendation 8.1 – Remuneration Committee

Recommendation 8.1 of the Principles states that the board should establish a remuneration committee that should be structured so that it:

- consists of a majority of independent directors;
- is chaired by an independent director; and
- has at least three members.

The Board does not have a separate remuneration committee. The Board, as a whole, serves as a remuneration committee and acts in accordance with the Nomination and Remuneration Committee Charter. The Board does not believe any efficiency or other benefits would currently be gained by establishing a separate remuneration committee.

The responsibility for remuneration of directors and senior management lies with the full Board of the Company. A separate remuneration committee has not been constituted because the Board considers that the size of the current full Board permits it to act as the remuneration committee and will review remuneration issues at regular Board meetings.

Given the size of the Board and the Company, the Board considers that this function is efficiently achieved by the full Board. In circumstances where the size of the Board is expanded as a result of the growth or complexity of the Company, the Board will reconsider the establishment of a remuneration committee to ensure compliance with the Principles where possible.

Note 2:

The Principles recommends that companies should actively promote ethical and responsible decision-making.

(a) Recommendation 3.2 – Diversity Policy

Recommendation 3.2 states that companies should establish a policy concerning diversity and disclose the policy or a summary of that policy. The policy should include requirements for the board to establish measureable objectives for achieving gender diversity and for the board to assess annually both the objectives and progress in achieving them.

The Company recognises that a talented and diverse workforce is a key competitive advantage and that an important contributor to the Company's success is the quality, diversity and skills of its people.

Under the Company's Code of Conduct, employees must not harass, discriminate or support others who harass and discriminate against colleagues or members of the public on the grounds of sex, pregnancy, marital status, age, race (including their colour, nationality, descent, ethnic or religious background), physical or intellectual impairment, homosexuality or transgender. Such harassment or discrimination may constitute an offence under legislation.

CORPORATE GOVERNANCE STATEMENT continued

Due to the small scale of the Company's operations and the limited number of employees, the Company has not yet established a Diversity Policy. However, as the Company develops the Board will consider adopting such a policy.

(b) Recommendation 3.3 – Measurable Objectives for Achieving Gender Diversity

Recommendation 3.3 of the Principles states that the board should disclose in each annual report the measurable objective for achieving gender diversity set by the board in accordance with the diversity policy and progress towards achieving them.

Given the size of the Company, the Company has not yet set measurable objectives for achieving gender diversity. In addition, the Board will review progress against any objectives identified on an annual basis.

(c) Recommendation 3.4 – Annual Report Disclosure

Recommendation 3.4 of the Principles states that the board should disclose in each annual report:

- the proportion of women employees in the whole organisation;
- women in senior executive positions; and
- women on the board.

The Company does not currently have any employees, there are no women in senior executive positions and there are no women on the board.

Note 3:

The Principles recommend that companies should have a structure to independently verify and safeguard the integrity of their financial reporting. Recommendation 4.1 of the Principles states that the board should establish an audit committee.

Recommendation 4.2 of the Principles states that the audit committee should be structured so that it:

- consists only of non-executive directors
- consists of a majority of independent directors
- is chaired by an independent chair, who is not chair of the board
- has at least three members.

The Board does not have a separate audit committee. The Board, as a whole, serves as an audit committee. The Board does not believe any efficiency or other benefits would currently be gained by establishing a separate audit committee. The responsibility for preparation of financial statements and their audit lies with the full Board of the Company. A separate audit committee has not been constituted because the Board considers that the size of the current full Board permits it to act as the audit committee and will review audit issues at regular Board meetings.

Given the size of the Board and the Company, the Board considers that this function is efficiently achieved by the full Board. In circumstances where the size of the Board is expanded as a result of the growth or complexity of the Company, the Board will reconsider the establishment of an audit committee to ensure compliance with the Principles where possible.

ASX ADDITIONAL INFORMATION

Additional information required by the ASX Limited Listing Rules not disclosed elsewhere in this Annual Report is set out below.

1. Shareholdings

The issued capital of the Company as at 22 September 2014 is 114,436,390 ordinary fully paid shares and 15,600,000 unlisted options (details below). All issued ordinary fully paid shares carry one vote per share.

Ordinary Shares

Shares Range	Holders	Units	%
1-1,000	18	1,347	0.00
1,001-5,000	75	269,761	0.24
5,001-10,000	134	1,233,507	1.08
10,001-100,000	466	21,666,110	18.93
100,001-9,999,999	195	91,265,665	79.75
Total	888	114,436,390	100

Unmarketable parcels

There were 17 holders of less than a marketable parcel of ordinary shares.

2. Top 20 Shareholders as at 22 September 2014

	Name	Number of Shares	%
1	BT PORTFOLIO SERVICES LIMITED <WARRELL HOLDINGS S/F A/C>	5,500,000	4.81
2	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED-GSCO ECA	5,193,613	4.54
3	CITICORP NOMINEES PTY LIMITED	4,925,011	4.30
4	NATIONAL NOMINEES LIMITED	3,292,110	2.88
5	J P MORGAN NOMINEES AUSTRALIA LIMITED	2,865,000	2.50
6	MR RICHARD GWYNN BEVAN <THE BEVAN INVESTMENT A/C>	2,861,711	2.50
7	CORNELA PTY LTD <THE MACLIVER FAMILY A/C>	2,066,667	1.81
8	UBS NOMINEES PTY LTD	1,810,000	1.58
9	MR BRIAN HENRY MCCUBBING & MRS ADRIANA MARIA MCCUBBING <B	1,800,000	1.57
10	CAMPBELL KITCHENER HUME & ASSOCIATES PTY LTD <C K H SUPERFUND	1,766,743	1.54
11	MR MICHAEL CHARLES YOUNG <THE MJE YOUNG A/C>	1,741,667	1.52
12	BNP PARIBAS NOMS PTY LTD <DRP>	1,237,890	1.08
13	CYPRESS SECURITIES PTY LTD <CYPRESS SUPER FUND A/C>	1,220,000	1.07
14	ELEMENT NOMINEES PTY LTD	1,000,000	0.87
15	CRESCENT NOMINEES LIMITED	1,000,000	0.87
16	GURRAVEMBI INVESTMENTS PTY LTD	1,000,000	0.87
17	MR ADRIAN KEITH CROOK & MRS SAMANTHA JANE CROOK <PACIFIC GRP	902,778	0.79
18	ROCHAS RESOURCES	869,845	0.76
19	PHILUCHNA PTY LTD <PM & NA WARREN FAMILY A/C>	855,982	0.75
20	CANNARD PTY LTD <THE DARLOW SUPER FUND A/C>	850,000	0.74
	Total	42,759,017	37.36
	Total Remaining Holders Balance	71,677,373	62.64

ASX ADDITIONAL INFORMATION continued

3. Unquoted securities

There are 15,600,000 unlisted options over shares in the Company as at 22 September 2014 as follows:

Grant Date	Expiry Date	Exercise Price	Number of options
6 May 2011	30 June 2015	\$0.20	5,000,000
12 August 2011	30 June 2015	\$0.20	1,000,000
15 December 2011	30 June 2015	\$0.20	1,000,000
31 May 2012	30 June 2015	\$0.25	1,000,000
19 November 2012	19 November	\$0.112	100,000
9 April 2013	9 April 2018	\$0.20	1,000,000
22 May 2014	9 April 2018	\$0.20	3,000,000
9 April 2013	9 April 2018	\$0.30	1,000,000
26 July 2013	30 June 2015	\$0.25	1,000,000
22 May 2014	23 May 2019	\$0.241	1,500,000
		Total	15,600,000

The names of the security holders holding more than 20% of an unlisted class of security are listed below:

Holder	Unlisted Options \$0.112 19 November 2017	Unlisted Options \$0.20 9 April 2018	Unlisted Options \$0.30 9 April 2018	Unlisted Options \$0.25 30 June 2015	Unlisted Options \$0.20 30 June 2015	Unlisted Options \$0.241 23 May 2019
Freelight Nominees Pty Ltd	-	900,000	900,000	-	-	1,350,000
David Michael Johnson	-	-	-	1,000,000	-	-
Jonathon Hronsky	-	-	-	500,000	-	-
Michael Charles Young	-	-	-	-	1,666,667	-
Mr Richard Gwynn Bevan	-	-	-	-	1,666,666	-
Darya Pty Ltd	100,000	-	-	-	-	-
Zenix Nominees Pty Ltd	-	3,000,000	-	-	-	-
Total number of holders	1	3	2	4	12	2
Total holdings over 20%	100,000	3,900,000	900,000	1,500,000	3,333,333	1,350,000
Other holders	-	100,000	100,000	500,000	3,666,667	150,000
Total	100,000	4,000,000	1,000,000	2,000,000	7,000,000	1,500,000

ASX ADDITIONAL INFORMATION continued

4. Voting Rights

See note 18 of the financial statements.

5. Substantial Shareholders as at 22 September 2014

There were no substantial shareholders in the Company as at 22 September 2014

6. Restricted Securities subject to escrow period

There are currently no securities on issue subject to escrow.

7. On-market Buy Back

There is currently no on-market buyback program for any of Cassini Resources Limited's listed securities.

8. Group cash and assets

In accordance with Listing Rule 4.10.19, the Group confirms that it has been using the cash and assets it had acquired at the time of admission and for the period ended 30 June 2014 in a way that is consistent with its business objective and strategy.

The Company has an interest in the following projects in Western Australia:

1. MINING TENEMENTS HELD			
Tenement Reference	Location	Nature of interest	Percentage interest
Existing West Musgrave			
E77/1801	WA	Granted	100%
E69/2907	WA	Granted	100%
E69/2909	WA	Granted	100%
E69/2911	WA	Granted	100%
E69/2917	WA	Granted	100%
E69/2918	WA	Granted	100%
E69/3091	WA	Granted	100%
E69/3137	WA	Granted	100%
E69/3145	WA	Granted	100%
E69/3164	WA	Granted	100%
E69/3165	WA	Granted	100%
E69/3168	WA	Granted	100%
Acquired West Musgrave			
E69/1505	WA	Granted	100%
E69/1530	WA	Granted	100%
E69/2069	WA	Granted	100%
E69/2070	WA	Granted	100%
E69/2201	WA	Granted	100%
E69/2313	WA	Granted	100%
E69/2338	WA	Granted	100%
M69/72	WA	Granted	100%
M69/73	WA	Granted	100%
M69/74	WA	Granted	100%
M69/75	WA	Granted	100%
Crossbow (X17)			
E80/4749	WA	Granted	75%
E80/4835	WA	Granted	75%
E80/4836	WA	Granted	75%
Nevada			
White Flats Project (12 claims)	Nevada	Leased	100% (leased)
Cortez East (40 claims)	Nevada	Leased	100% (leased)
Quinn Canyon (12 claims)	Nevada	Leased	100% (leased)
Agate Pass (12 claims)	Nevada	Leased	100% (leased)

ASX ADDITIONAL INFORMATION continued

The Company has an interest in the following projects in Nevada, USA

Project	Current number of claims	Percentage interest	Lease and option agreement	Status
White Flats Project	12	100% subject to Lease and option agreement	Signed with Genesis Gold Corp and other third parties	Valid
Cortez East	40	100% subject to Lease and option agreement	Signed with Genesis Gold Corp and other third parties	Valid
Quinn Canyon	12	100% subject to Lease and option agreement	Signed with Genesis Gold Corp and other third parties	Valid
Agate Pass	12	100% subject to Lease and option agreement	Signed with Genesis Gold Corp and other third parties	Valid

Exploration Spend Project	Year 1 (US\$)	Year 2 (US\$)	Year 3 (US\$)	Year 4 (US\$)	Year 5 (US\$)	Year 6 (US\$)	Year 7 (US\$)	Year 8 onwards (US\$)
White Flats Project	25,000	35,000	50,000	75,000	100,000	150,000	150,000	150,000
Cortez East	25,000	35,000	50,000	75,000	100,000	150,000	150,000	150,000
Quinn Canyon	25,000	35,000	50,000	75,000	100,000	150,000	150,000	150,000
Agate Pass	12,500	15,000	17,500	20,000	22,500	25,000	27,500	30,000

ASX ADDITIONAL INFORMATION continued

9. Annual JORC 2012 reporting requirements under Listing Rules 5.12 and 5.13

The Company has publicly reported the following estimates of mineralisation under Listing Rules 5.12 and 5.13 based on data available when it acquired the West Musgrave Project.

Nebo – Babel Inferred Mineral Resource Estimate

Prospect	Cut-off Ni%	Mt	Ni%	Cu%	As ppm	Co ppm	Fe %	MgO %	S %
Nebo	0.2	84	0.39	0.31	3	153	9.48	5.86	2.47
Babel	0.2	356	0.32	0.36	3	118	9.94	7.79	2.08
Total	0.2	446	0.33	0.35	3	125	9.85	7.42	2.15
Nebo	0.5	15.9	0.82	0.48	3	323	14.2	3.73	5.63
Babel	0.5	17.3	0.64	0.70	3	196	12.9	6.00	4.38
Total	0.5	33.2	0.73	0.59	3	257	13.5	4.91	4.98

Figures in the above table have been rounded to reflect the relative uncertainty of the estimate.

Competent Persons Statement

The information in this report that relates to Exploration Results and Mineral Resource Estimates is based on information compiled or reviewed by Mr Greg Miles, who is an employee of the company. Mr Miles is a Member of the Australian Institute of Geoscientists and has sufficient experience of relevance to the styles of mineralisation and the types of deposits under consideration, and to the activities undertaken, to qualify as a Competent Person as defined in the 2012 Edition of the Joint Ore Reserves Committee (JORC) Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Miles consents to the inclusion in this report of the matters based on information in the form and context in which it appears.

The Company is currently conducting a drilling campaign at both the Nebo and Babel deposits in order to upgrade the current Inferred Resource Estimate. The Company is not aware of any additional new information or data, other than that disclosed in this report, that materially affects the information included in this report and that all material assumptions and parameters underpinning Mineral Resource Estimates as reported in the market announcement dated 14th of April 2014 continue to apply and have not materially changed.