

ACTIVITIES REPORT FOR THE QUARTER ENDED 31 DECEMBER 2016

QUARTER HIGHLIGHTS:

Corporate

- Farmin/Joint Venture Agreement with OZ Minerals Limited commences at the West Musgrave Project
- Successfully raised \$2.5 million through Share Purchase Plan

West Musgrave Project

- Advanced Scoping Study work program underway with the aim of building on previous study work to maximise project value
- Initial work program to include advanced metallurgy, resource extension drilling, mining optimisation and infrastructure studies
- Metallurgical test work underway following completion of drilling and sample selection
- Significant Cu-PGE-Ni mineralisation discovered at One Tree Hill Prospect

West Arunta Project

- New soil geochemistry and geophysics interpretation provides new targets

Cassini Resources Limited (“**Cassini**” or the “**Company**”) is pleased to report on the significant progress made at its development and exploration projects during the December Quarter.

West Musgrave Project (CZI 100%, OZL earning up to 70%)

Nebo – Babel Development

Further Scoping Study (FSS) work commenced during the Quarter. This initial earn-in stage is expected to run over 12 months, managed by Cassini’s technical team.

Metallurgical Test Work Program

The metallurgical diamond drill program has been completed with five large diameter (PQ) holes drilled for a total of 672.6m. The aim of the drill program was primarily to provide adequate sample material that meets certain Ni and Cu grade, mineralogical and lithological criteria through the development of a geometallurgical model, across both deposits for metallurgical test work in 2017.

The Company has contracted Bureau Veritas Minerals, Perth to undertake the test work and has engaged GR Engineering Services to manage the metallurgical test work program.

Some of the key objectives are to:

- improve scoping study Ni and Cu concentrate grades and recoveries;
- test samples at the appropriate Ni and Cu grades that are likely to be mined in 4mtp + size operation; and
- test samples that cover significant variations in silicate and sulphide mineralogy; and test chemical variations within and between the existing geological ore domains (if these variations are considered significant).

The test work program has commenced with petrographic samples collected and analysed to assist with geometallurgical domaining. The testwork program will follow a broadly similar flowsheet to the 2015 program but with a larger number of samples (approximately 20 whole ore and composite samples) to provide greater spatial representivity. The program will take approximately 6 months to complete and is a critical path item during the FSS.

Resource Definition Drilling

A number of targets at Nebo-Babel represent an opportunity to increase the size of the existing high-grade domains within the deposits, and thus increase the overall grade of the resources. Examples of these targets are: massive sulphide zones at Nebo, extensions to the Startmeup Shoot at Babel and definition of the roll-over zone at Babel (eg. CZC0129 18m @ 1.50% Ni & 1.52% Cu). All of these targets have significant potential to impact project economics if further high-grade mineralisation can be found.

A better understanding of these high-grade domains, in terms of the dip and strike extents, and variations in geometry and grade will enable better planning of the infill drilling that will be required during the PFS for the purposes of ore reserves. Furthermore, additional drilling and a better understanding of the grade variations may also reduce a number of metallurgical test samples that will be required during the PFS.

Planning of the RC program is well underway and will comprise approximately 2,000m, due to commence at the end of the March Quarter.

Other Studies

The FSS will continue to assess renewable energy opportunities considered during the Scoping Study. Current work demonstrated potential hybrid wind/diesel power savings in the order of 30% compared to conventional diesel power station options. The Company is evaluating the installation of a wind mast to capture baseline data to be evaluated during the early stages of the PFS.

A further logistics study will build on the Scoping Study and evaluate different concentrate transport options and routes in order to narrow down the alternatives to be considered in more detail during the PFS.

Scopes of work for these studies, along with some alternative processing options and mining studies, are well advanced are expected to commence in the March Quarter.

Exploration

One Tree Hill

Subsequent to the end of the Quarter, Cassini announced the discovery of significant Cu-PGE-Ni mineralisation at the One Tree Hill Prospect.

Drill hole CZD0017 returned 34m @ 1.05% Cu from 332m, including a massive sulphide zone of 3.2m @ 2.16% Cu, 0.58% Ni, 0.10% Co and 1.0 g/t PGE from 344.6m coinciding with the targeted down hole electro-magnetic (DHEM) plate (Figure 1).

The PGE and Ni concentrations confirm magmatic style of mineralisation, which is likely to be similar to Succoth and Nebo-Babel deposits. Furthermore, the apparent thickness of the gabbroic host intrusion being >120m, PGE concentrations (1.0 g/t) and multiple broad zones of strong PGE anomalism in almost every hole drilled to date at One Tree Hill are collectively all very strong indicators of a much larger mineralised system.

The prospect is yet to be adequately tested by drilling or geophysics. Although Ni concentrations in the massive sulphides at One Tree Hill are low, presence of higher grade Ni zones within a potentially much larger mineralised system are possible, as has previously been invoked for the Succoth deposit.

As stated above, the significant widths and particularly concentrations of PGEs which are associated with >30m Cu intersection are all considered hallmarks of a much larger magmatic mineralised system. Mineralisation appears open in all directions and further geological, geochemical and geophysical interpretations are underway and will assist with planning of the follow-up exploration aimed at discovering extensions of the existing mineralised zones.

CZD0017 has been cased with PVC for a DHEM survey at an appropriate time during the coming field season. The DHEM survey will assist with determining the orientation of potential mineralisation, which currently appears to be open in most directions, as well as expand the DHEM coverage which is currently limited to an approximate radius of 100m around CZD0008. Geophysical reviews suggest the mineralisation in CZD0017 could not be detected from existing surface EM surveys and may extend beyond the range of the CZD0008 DHEM survey.

This intersection at One Tree Hill confirms the Company's belief that there is over 40km of mineralised strike in the West Musgrave Project, most of which has not been adequately explored (Figure 2). The interpreted structural corridor is based on the detailed interpretations of geological, geochemical and geophysical data. Previous surface EM surveys conducted between 2009-2011 did not identify the target conductor at One Tree Hill, due to the prevalence of surficial cover, large loop sizes and the limitations of EM technology at the time. These surface programs did however identify some low-conductance near-surface plates, which may represent shallower hanging wall mineralisation. There is no drilling between One Tree Hill and Babel, 13km to the northeast. The latest program has demonstrated the prospectivity of the region and Company's belief in the economic potential of the West Musgrave Project.

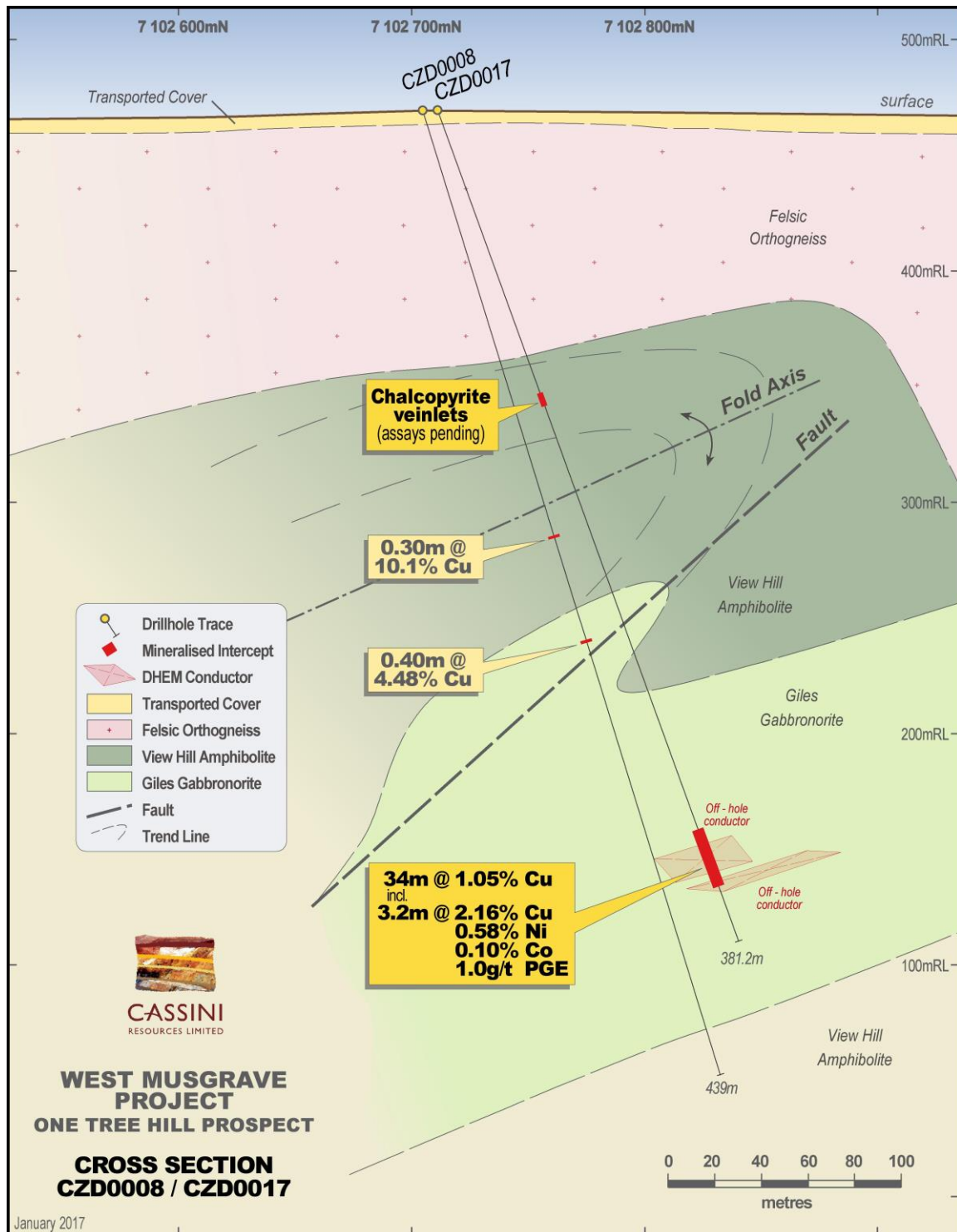


FIGURE 1. One Tree Hill section showing off-hole conductors from CZD0008, mineralised intersections in CZD0017 and current geology interpretation.

Succoth

A single diamond drill hole, CZD0011, was drilled to a depth of 791.9m at the Babylon Prospect, located at the western end of the Succoth Cu Deposit. Babylon has the potential to host massive sulphides and in particular, Ni sulphides. The drill hole targeted a wide intersection of the interpreted sub-vertical mineralized zone for a further 260m-350m below the current maximum depth of downhole electromagnetic investigation, and 230m-590m vertically below the mineralisation intersected in hole WMN4023 (1.96% Ni, 0.13%Cu, 1.2g/t Pt+Pd). This

mineralisation occurs as massive sulphide xenoliths that have been remobilised in a late-stage dolerite dyke. This observation implies the presence of Ni-rich massive sulphides at depth and given the much higher density of the massive sulphides compared to the mafic magma, thin doleritic intrusions would have not been able to carry those xenoliths for more than about 200 metres.

The existing mineralised zone at the shallower levels within this part of the deposit was not intersected at depth by CZD0011, indicating a possible plunging or flattening geometry of the host intrusion. Whilst no significant visible mineralisation was intersected, the primary reason for the drill hole, which was to test for a massive sulphide position at depth, remains unanswered. Furthermore, the complex geology encountered is perhaps more suitable for massive sulphide accumulations compared to the original conceptual targeting model, as change from sub-vertical to a sub-horizontal orientation of host intrusion is considered favourable setting for accumulation of massive sulphides. The interpretation of the geological data is still underway and will be complemented by a DHEM survey, likely to be completed early in the 2017 field season. The DHEM survey will be the first opportunity to gain geophysical information at this depth and will greatly assist future targeting.

Costs of the Babylon hole were offset by the WA Government EIS co-funded drilling scheme.

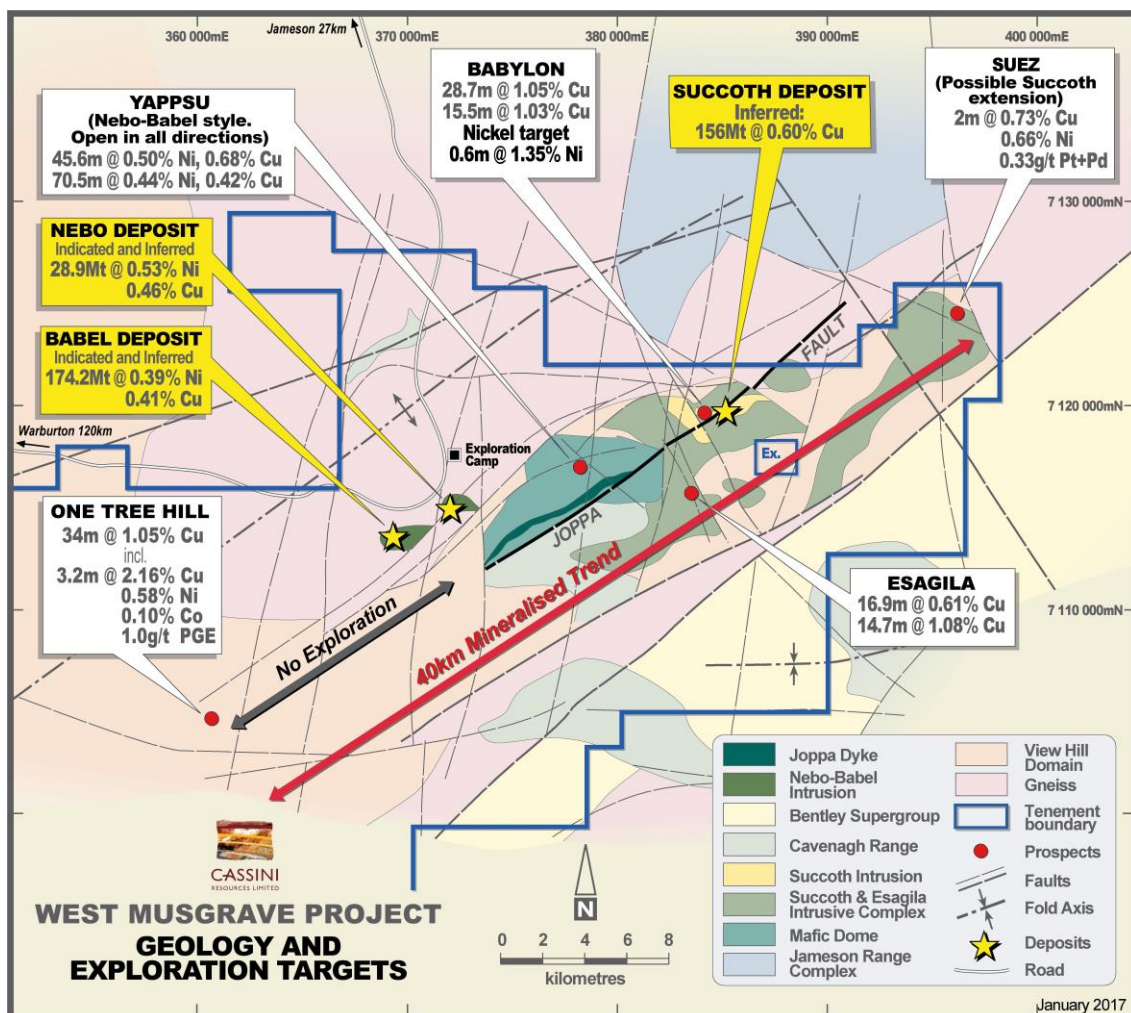


FIGURE 2. Regional geology, deposits and exploration targets.

Mount Squires Project (100% CZI)

Cassini has continued to progress land access permitting with the Ngaanyatjarra Land Council during the quarter and held a heritage negotiation meeting on-site during November. The Company has agreed to terms of a land access agreement and is now waiting for ratification of the agreement with the relevant government and heritage authorities, prior to commencing exploration activities.

Background

Gold prospectivity was first identified at Mount Squires by Western Mining Corporation (WMC) during geochemical surveying in the late 1990's. The Company's primary target was nickel and copper sulphide which returned poor results although several gold anomalies were identified. Despite this the tenements were later surrendered.

Cassini has been developing the Project over the past 12-18 months through the consolidation of tenements with a number of prospective gold targets, which includes a range of conceptual to advanced prospects. Previous RC by Beadell Resources Ltd in the mid 2000's identified a number of gold prospects with further soil geochemistry, rock chip sampling and mapping. Drilling of these anomalies led to the discovery of significant mineralisation at the Handpump Prospect with significant intercepts of 15m @ 2.3g/t from 31m including 5m @ 4.7g/t from 34m and 12m @ 1.3 g/t including 5m @ 2.0g/t from 25m (Figure 3). Mineralisation is described as flat-lying, hosted in rhyolite breccias and has epithermal style or intrusion-related mineralisation characteristics. Beadell's exploration after the initial discovery was limited due to a change in corporate strategy and the project was later surrendered. Only 26 RC holes have been drilled at this prospect and mineralisation remains open in most directions. Whilst at an early stage of exploration, the thickness and tenor of gold mineralisation demonstrates the economic potential of the Project.

New interpretation provides numerous targets

Recent geological interpretation has benefited from Cassini's growing knowledge base at the adjacent West Musgrave Project through identification of structures controlling mineralisation in the Mount Squires Project. This has highlighted a structural corridor striking over 50km. The previous fractured ownership has prevented the structural corridor from being explored thoroughly.

Handpump is associated with a subtle magnetic anomaly. This signature has been used to identify other magnetic features elsewhere along the structural corridor that may potentially host similar styles of mineralisation.

In addition to the Handpump Prospect, the Mount Squires Project contains a number of recognised gold and pathfinder element geochemical anomalies including the Centrifugal Prospect, 3km south east of Handpump which is part of the interpreted structural trend (Figure 4). Much of the structural corridor is obscured by a veneer of sand cover which has potentially inhibited prospecting and soil geochemistry, particularly in the south-eastern corner of the project area. The Company has also recognised fault intersections and magnetic anomalies in under-explored areas of the project which present prospective exploration targets.

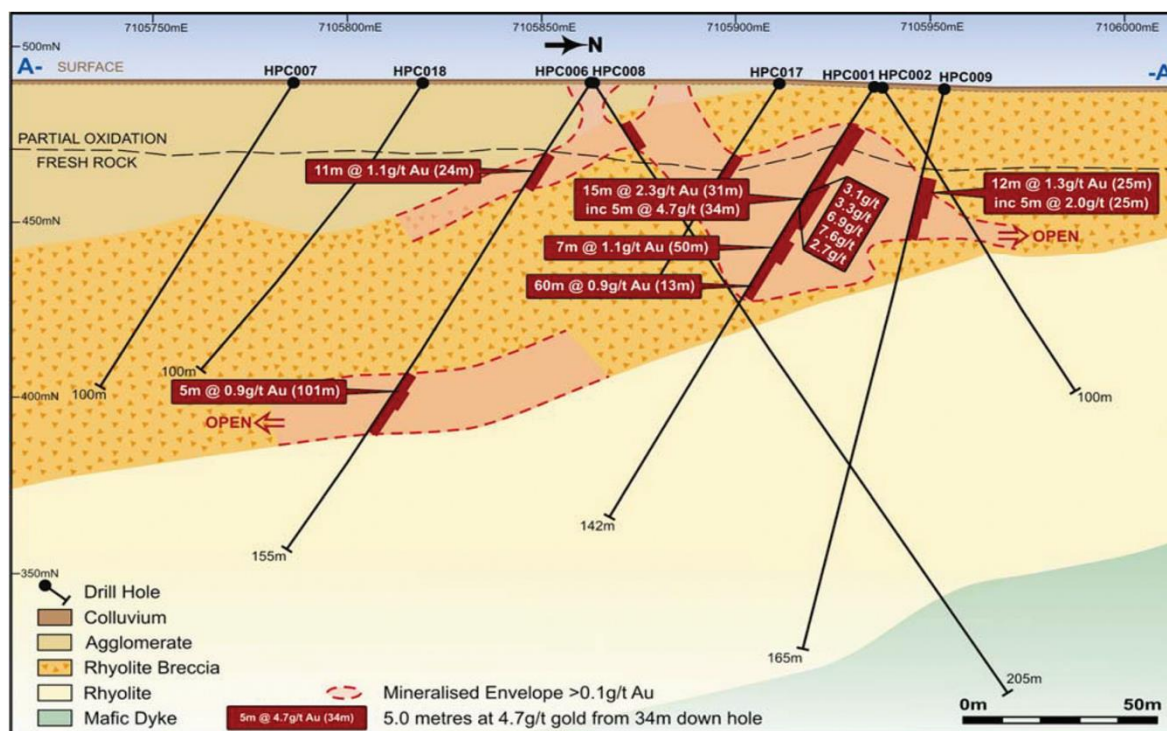


FIGURE 3. Handpump Prospect Section 332200E (Source: Beadell Resources Ltd ASX release 1 March 2010).

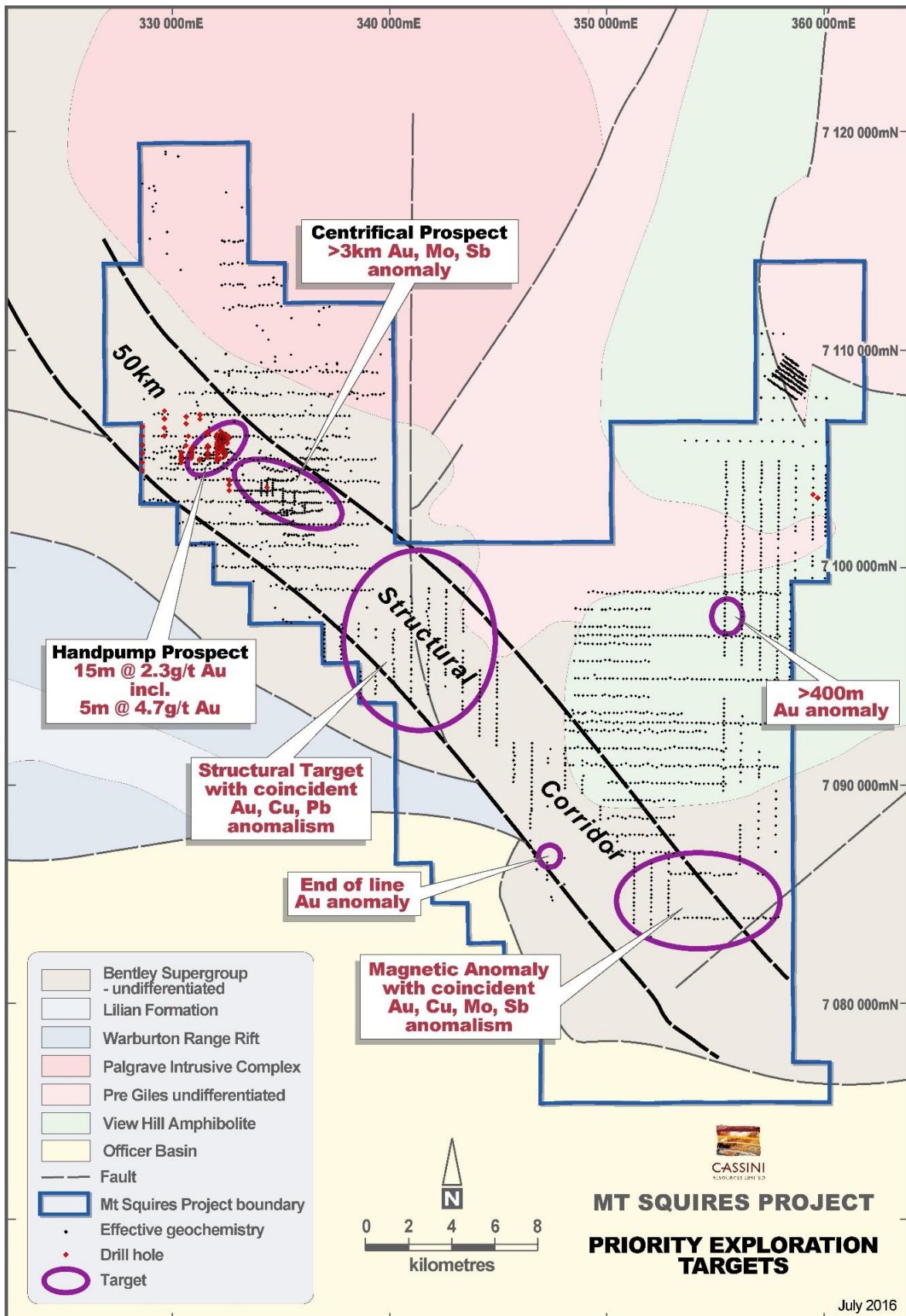


FIGURE 4. Mount Squires Project geology and exploration targets.

Next Steps

Cassini has compiled all previous exploration into a consolidated database and utilised public geological and geophysical datasets to assist with geological interpretation and targeting. The Company is finalising work programs involving targeted reverse circulation (RC), reconnaissance RAB drilling and soil geochemistry programs to be undertaken upon receipt of heritage and environmental approvals.

Step-out and infill RC drilling is warranted at the Handpump Prospect to determine the extent of mineralisation and controlling structures. Drilling is currently on 100m to 200m spaced sections. A second priority is drilling at the nearby Centrifugal Prospect which has very encouraging gold, molybdenum, antimony, lead and arsenic geochemical anomalies without any effective drill testing.

RAB drilling will target the NW-SE trending structural corridor, particularly in areas of cover and/or where soil geochemistry is considered to be ineffective.

A number of low order soil anomalies are recognised and require follow-up. These have primarily been sampled on a very broad spacing and require infill to assist drill targeting.

The adjacent West Musgrave Project provides a useful logistics base and the Company has demonstrated expertise in operating in the region (Figure 5). The Mount Squires Project complements the Company's diversified portfolio alongside the flagship West Musgrave nickel and copper assets and the early-stage West Arunta Zinc Project.

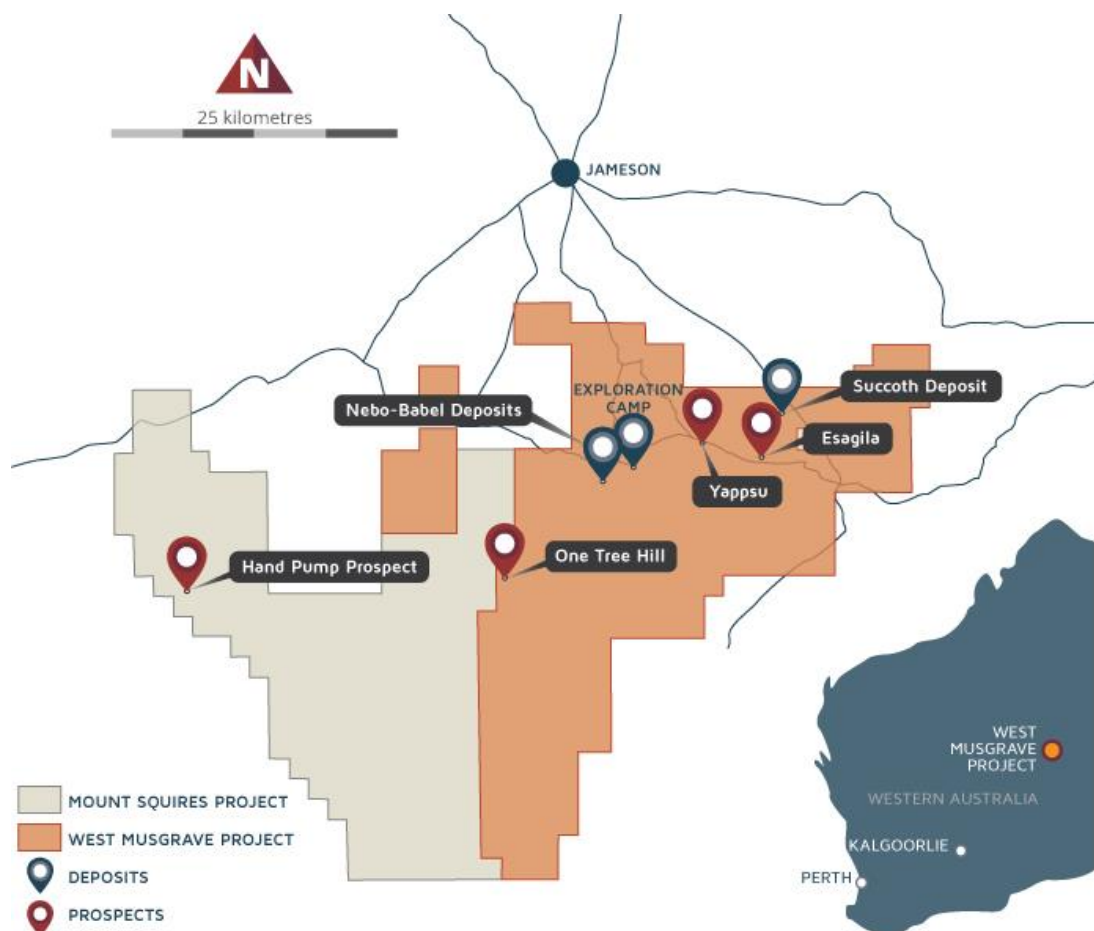


FIGURE 5. Mount Squires and West Musgrave Project location.

West Arunta Project (100% CZI)

The West Arunta Project is a highly prospective base and precious metals target in an underexplored region near Lake McKay in Western Australia. Cassini is targeting large-scale, sedimentary Zn-Pb mineralisation, similar to those deposits found in the Mt Isa region in Queensland.

Soil Geochemistry

During the Quarter the Company completed integration of the 2014 and 2016 soil surveys to enable a more comprehensive interpretation of the soil geochemistry. The 2016 infill survey focused on Zn-Pb anomalous areas defined from the 2014 survey on a nominal 500m x 250m grid.

Cassini engaged Reflex Geochemistry to merge both surveys, comprising 2,385 data points. The data was normalised against regolith mapping to identify anomalies and in order to mitigate the interpreted effects of sand dilution, regressions against Fe (iron oxides) and Al (clays) were also made for selected elements of interest.

Infill sampling has identified several new soil anomalies coincident with the interpreted Dione horizon, the preferential host for sedimentary zinc mineralisation (Figure 6). The Epimetheus Prospect is a large multi-point Pb-Zn-Ag anomaly near the interpreted fold closure of the Dione Horizon, possibly representing anomalism on each limb of the fold and possibly in the fold axis as well. The Hyperion Prospect is primarily a Zn anomaly with a large number of associated path-finder elements. Interestingly, the Hyperion anomaly occurs in favourable regolith just north of the Mimas conceptual target, which is masked by sand cover.

The third new target is a large coherent Cu-Zn anomaly (Phoebe Prospect) has also been identified in basement rocks. This anomaly probably represents a different style of mineralisation but nonetheless warrants further investigation.

Geophysical Interpretation

The Company has continued to evaluate magnetic and gravity data over the region. A large residual gravity anomaly to the west of Enceladus (Figures 6 & 9) is now considered the primary exploration target in the project (Janus Prospect). Like the Mimas Prospect, this area is primarily covered by wind-blown sand and is not expected to provide a geochemical signature at surface.

Residual gravity enhances anomalies in a localised area from shallow sources. Gravity is a useful exploration tool in sedimentary zinc provinces due to the contrast between high density sulphide minerals and low density sediments. The main axis of the gravity anomaly correlates very closely with the boundary between the oxidised Heavitree Quartzite unit and the overlying more reduced (target horizon) Bitter Springs formation. This first contact between an oxidised and a reduced sequence is the classic position for sediment-hosted base metal mineralisation. The Company is currently working on developing an exploration program likely to involve an infill gravity survey to assist with drill targeting.

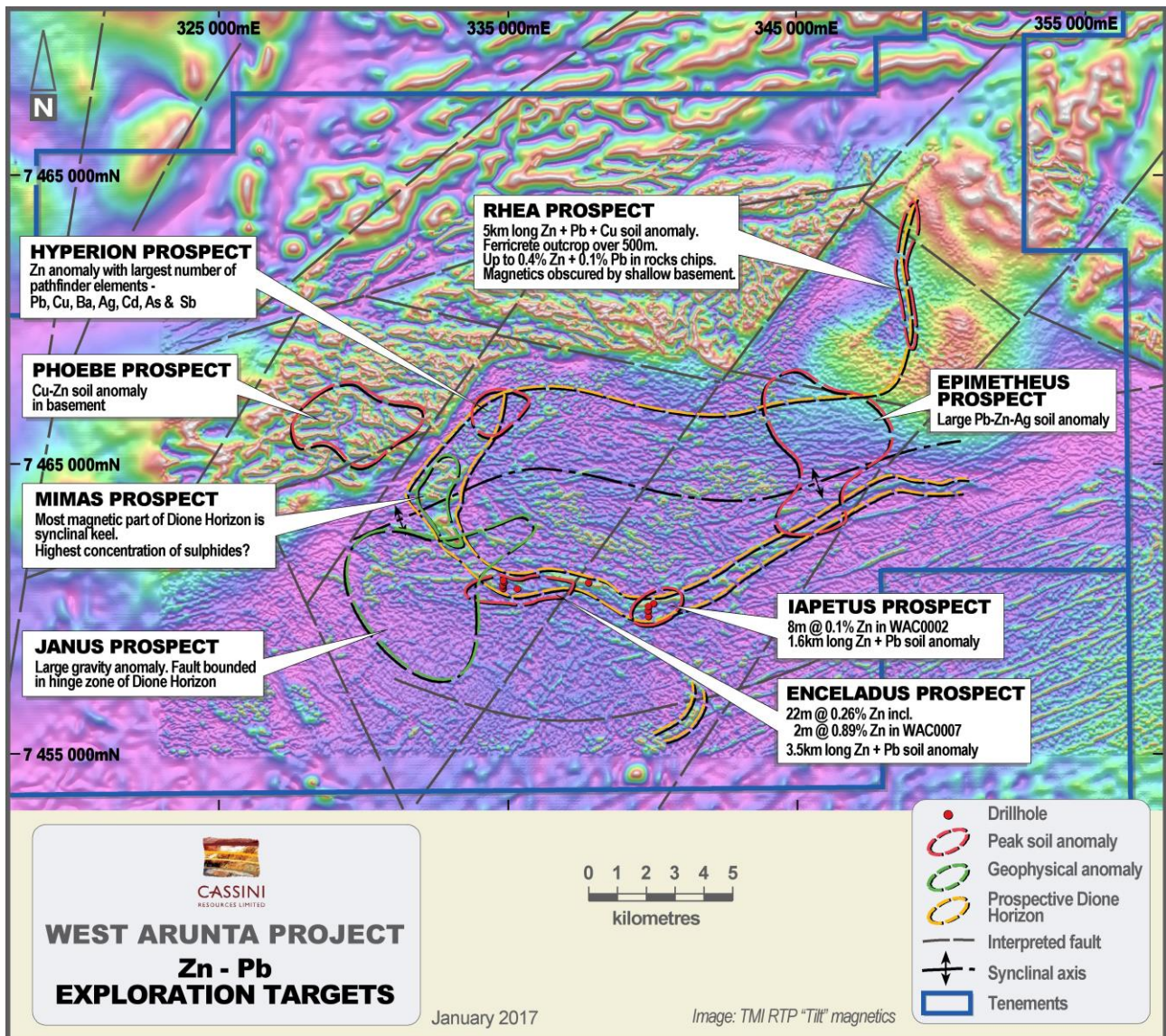


FIGURE 6. West Arunta Project exploration targets.

Background

Cassini is targeting large-scale, sedimentary Zn-Pb mineralisation, similar to those deposits found in the Mt Isa region in Queensland. A modern-day analogue is the Century Deposit mined by MMG, with a pre-production resource of 167mt @ 8.1% Zn, 1.2% Pb and 33g/t Ag. Century produced a prominent Zn-Pb soil anomaly centred on a siltstone outcrop. Rock chip samples from this outcrop returned only 1-2% Pb & Zn and was later recognised as part of the orebody, but due to strong leaching and a lack of iron oxides, produced a very subtle geochemical and visual expression of the mineralisation.

Drilling during May 2016 returned broad zones of sub-surface enrichment in zinc and associated elements within the weathered zone at both Iapetus and Enceladus Prospects. Best results include 22m @ 0.26% Zn from 13m including 2m @ 0.89% Zn from 22m in WAC0007 at the Enceladus Prospect (Figure 7). Anomalous zones of accessory metals were also intersected such as 21m @ 1.2g/t Ag from 9m in WAC0010. Individual samples of Pb & Cu peaked at 697ppm in WAC0010 and 178ppm in WAC0012 respectively.

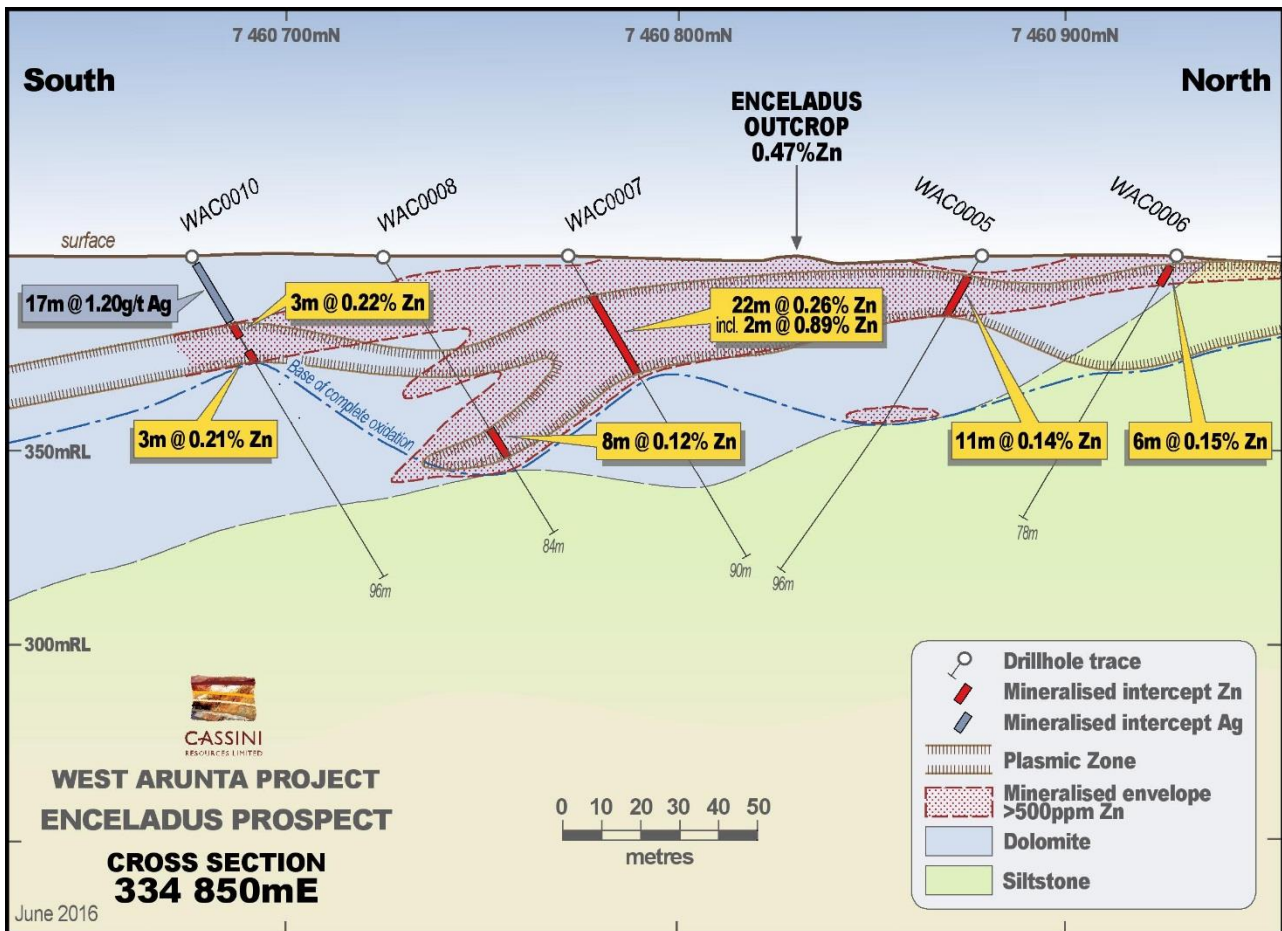


FIGURE 7. Enceladus cross section.

All zinc enrichment was intersected in the weathered zone within two main sub-horizontal layers. The zinc-anomalous ferruginous-zones, originally hypothesized as gossans, which were the target of drilling, are reinterpreted to represent hydromorphic ferricretes. These are iron-rich accumulations that have been deposited in the regolith through the lateral movement of groundwater. It is very likely that zinc-rich ferricretes are the result of dispersion plumes from a proximal primary zinc mineralisation source as most ferricretes in the area are not base-metal anomalous.

The quantum of zinc anomalism and the presence of accessory metals such as silver are very encouraging and point to a primary zinc sulphide source nearby.

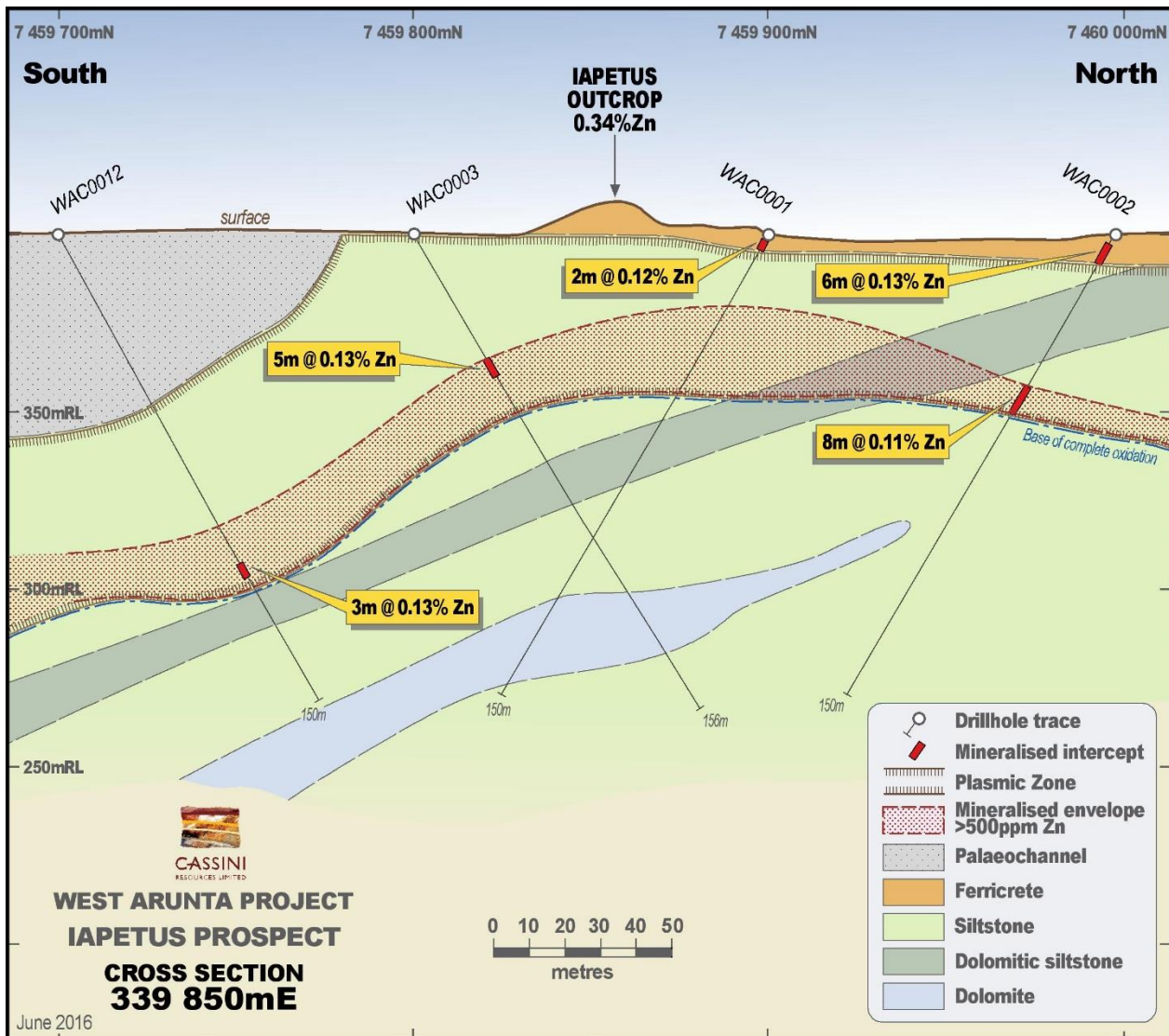


FIGURE 8. Iapetus cross section.

The geology is dominated by dolomites and siltstones with an apparent gentle southerly dip. The degree of weathering is much stronger and deeper than first interpreted. The regolith profile includes a plasmic zone with complete oxidation of primary minerals to clays and is generally associated with zinc enrichment. The geology is broadly similar at both prospects.

Zinc enrichment occurs as an upper enrichment zone at, or near, the surface as well as a deeper saprolitic enrichment at the base of complete weathering. The upper enrichment zones manifest as ferricretes, originally hypothesised as gossan outcrops. No primary zinc mineralisation was intersected.

The near-surface zinc-enriched ferricretes and the lower zinc enriched zones have been formed by hydromorphic dispersion, that is, zinc has been deposited in the regolith through the lateral movement of ground water and variations in the water table. It is very likely that such zinc-rich ferricretes relate to a nearby primary zinc mineralisation source. Most ferricretes in the area are simply not base-metal anomalous.

Additional evidence for a nearby primary source at the West Arunta includes the following points:

- Drilling did not intersect any zinc-enriched lithological units in the fresh rock that could plausibly produce zinc-anomalous regolith concentrations through land surface leaching and residual enrichment in the regolith
- Other ferricretes have been found in the project area with no zinc enrichment.

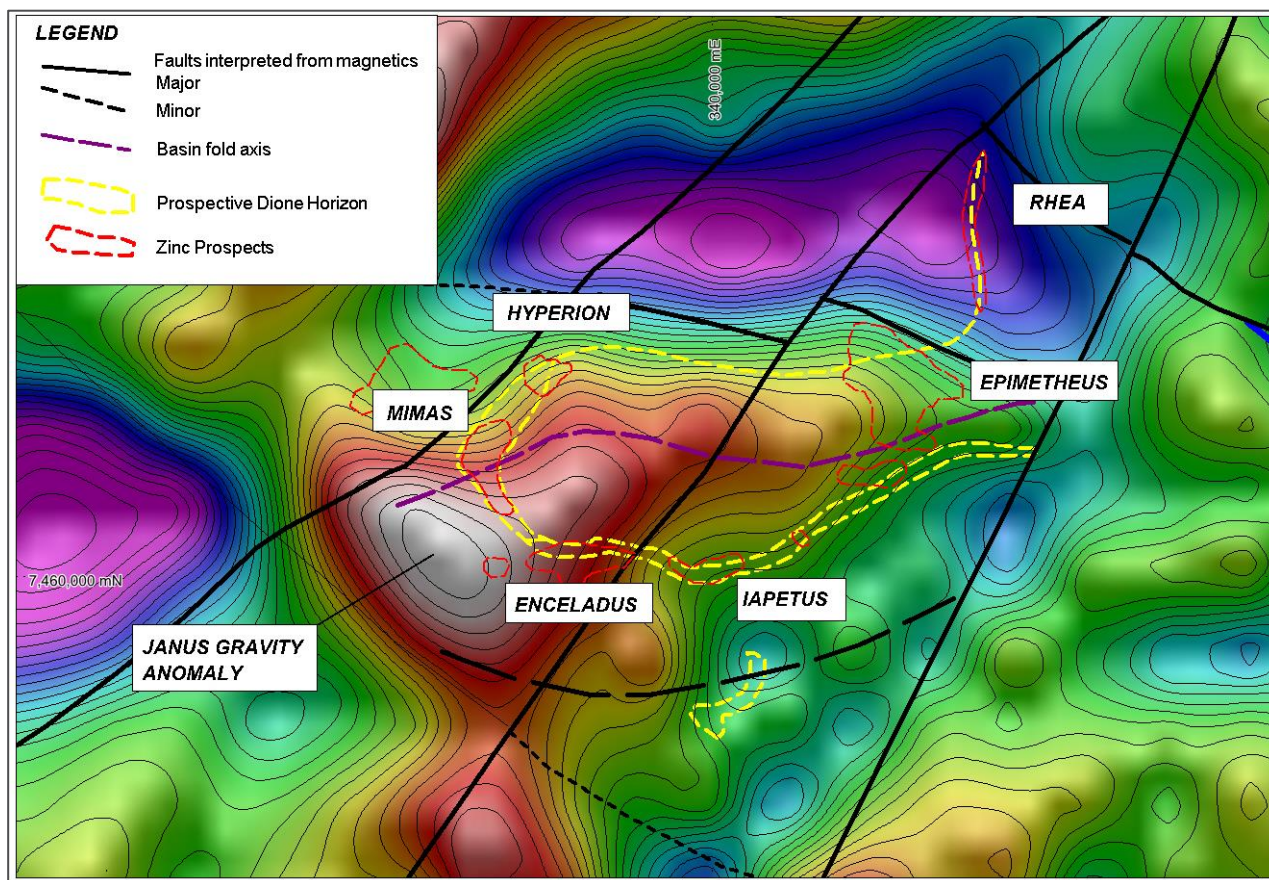


FIGURE 9. Residual gravity image of West Arunta Project showing zinc prospects.

Next Steps

The Company is encouraged that the results to date support the geological model which points to a primary source of zinc mineralisation within the project area. Recent soil geochemistry results have provided further evidence of an extensive sedimentary zinc system. Detailed field mapping over these new prospect areas is warranted.

The dispersion plume that has formed the zinc-enriched ferricretes at Iapetus and Enceladus can be tracked to its source, likely to be only up to a few kilometres away. Ground water flow is controlled by the topographic gradient, which can be modelled using modern geophysical techniques. Clay-rich, dispersion plume zones can be mapped by Airborne electromagnetics (AEM).

The Janus Prospect has been elevated up the target priorities due to the geophysical characteristics that may represent sedimentary sulphides. Infilling the regional gravity survey over the anomaly, combined with AEM, will assist with deeper drill targeting.

Cassini has also received a co-funded drilling grant to the value of \$150,000 to be used towards drilling the Rhea and Mimas Prospects.

Corporate

OZ Minerals Farmin/ Joint Venture

As reported in the September Quarterly, final detailed Farmin/JV Agreements were signed on 13th October 2016 and the Initial Stage funding commenced. Detailed activities are described under the West Musgrave Project section of this report.

The Company is pleased with the way the Earnin/JV is performing.

Share Purchase Plan

The Company received applications during the quarter for a total of 51,177,701 shares to raise a total of \$2.3million pursuant to a Share Purchase Plan (SPP). Under the SPP, eligible shareholders were invited to subscribe for ordinary shares in Cassini at an issue price of \$0.045 per share, up to a maximum of \$15,000 per Shareholder.

The Company subsequently placed the SPP shortfall amount of approximately \$200,000 to existing shareholders and sophisticated investors.

The total number of shares issued was 55,555,555, to raise \$2,500,000, with the funds expected to be utilised to progress the Company's exploration activities that do not form part of the OZ Minerals Earn In/Joint Venture, and for working capital.

As reported in the September 2015 Quarterly Report, Managing Director Richard Bevan's salary was reduced by 10% from 1 December 2015 in line with the Company's capital management strategies. Mr Bevan's remuneration has now been restored to its previous level.

For further information, please contact:

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Managing Director

Cassini Resources Limited

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Email: admin@cassiniresources.com.au

About the West Musgrave Project

The WMP is a large undeveloped nickel and copper asset located in the Musgrave region of Western Australia and includes the advanced stage Nebo-Babel deposits (Table 1) and highly prospective exploration ground, including but not limited to the large Succoth copper deposit (Table 2).

Table 1. West Musgrave Project Indicated and Inferred Mineral Resources
(estimates provided by independent resource consultants CSA Global Pty Ltd)

Prospect	Classification	Tonnes Mt	Ni %	Cu %	Co ppm	Au ppm	Pt ppm	Pd ppm
Nebo	Indicated	25.8	0.52	0.46	215	0.05	0.07	0.09
	Inferred	3.0	0.60	0.48	229	0.04	0.08	0.10
	Total:	28.9	0.53	0.46	217	0.05	0.07	0.09
Babel	Indicated	69.7	0.39	0.42	139	0.07	0.10	0.12
	Inferred	104.5	0.38	0.40	135	0.08	0.11	0.12
	Total:	174.2	0.39	0.41	137	0.08	0.11	0.12
Nebo + Babel	Total:	203.1	0.41	0.42	148	0.08	0.10	0.12
Succoth	Inferred	156	0.06	0.60	-	0.02	0.04	0.11

Nebo-Babel Indicated and Inferred Mineral Resource (0.3% Ni cut-off), February 2015.

Succoth Deposit Inferred Mineral Resource estimate (0.3% Cu cut-off), December 2015.

The Mineral Resource estimates have been completed in accordance with the guidelines of the JORC Code (2012 edition). Refer to the company website page: <http://www.cassiniresources.com.au/jorc-compliance>.

About Cassini

Cassini Resources Limited (ASX: CZI) is an Australian resource company that successfully listed on the ASX in January 2012. In April 2014, Cassini acquired the significant Nebo and Babel nickel and copper sulphide deposits in the Musgrave region of WA. The Company's primary focus is now on the development of these deposits and progression to successful mineral production as a matter of priority.

Cassini aims to progress its development projects, to explore and add value to its exploration stage projects with the aim to increase shareholder value.

Competent Persons Statement

The information in this report that relates to Exploration Results 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 not aware of any 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 25 of February 2015 (Nebo & Babel Deposits) and 7 December 2015 (Succoth Deposit) continue to apply and have not materially changed.

Additional information regarding exploration results can be found in ASX releases of 30 May 2016, 23 June 2016 & 23 January 2017.

APPENDIX 1 – TENEMENT SUMMARY – 31 December 2016

1. MINING TENEMENTS HELD				
Tenement Reference	Location	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
West Musgrave*				
E69/3163	WA	Granted	100%	100%
E69/3169	WA	Granted	100%	100%
E69/3137	WA	Granted	100%	100%
E69/3164	WA	Granted	100%	100%
E69/3165	WA	Granted	100%	100%
E69/3168	WA	Granted	100%	100%
E69/1505	WA	Granted	100%	100%
E69/1530	WA	Granted	100%	100%
E69/2201	WA	Granted	100%	100%
E69/2313	WA	Granted	100%	100%
M69/72	WA	Granted	100%	100%
M69/73	WA	Granted	100%	100%
M69/74	WA	Granted	100%	100%
M69/75	WA	Granted	100%	100%
P69/0064	WA	Granted	100%	100%
E69/3412	WA	Granted	0%	100%
Crossbow (West Arunta/X17)				
E80/4749	WA	Granted	100%	100%
E80/4796	WA	Granted	100%	100%
E80/4813	WA	Granted	100%	100%
E80/4982	WA	Granted	0	100%

*Note West Musgrave tenements subject to agreement whereby OZ Minerals has the right to farm-in to Cassini's wholly owned WMP via a three stage process. Refer ASX announcement 13 October 2016.

2. MINING TENEMENTS ACQUIRED/DISPOSED				
Tenement Reference	Location	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
<u>Acquired</u> E69/3412	WA	Granted	0	100%
<u>Disposed</u>				

3. BENEFICIAL PERCENTAGE INTERESTS HELD IN FARM-IN OR FARM-OUT AGREEMENTS				
Tenement Reference	Location	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
Nil				

4. BENEFICIAL PERCENTAGE INTERESTS HELD IN FARM-IN OR FARM-OUT AGREEMENTS ACQUIRED OR DISPOSED				
Tenement Reference	Location	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
<u>Acquired</u> Nil				
<u>Disposed</u> Nil				

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/13, 01/09/16

Name of entity

Cassini Resources Limited

ABN

50 149 789 337

Quarter ended ("current quarter")

31 December 2016

Consolidated statement of cash flows	Current quarter \$A'000	Year to date 6 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers		
1.2 Payments for		
(a) exploration & evaluation	(1,447)	(1,646)
(b) development	-	-
(c) production	-	-
(d) staff costs	(222)	(443)
(e) administration and corporate costs	(462)	(734)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	3	5
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Research and development refunds	-	-
1.8 Other (joint venture receipts & net GST)	1,403	1,396
1.9 Net cash from / (used in) operating activities	(725)	(1,422)

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	-	-
(b) tenements (see item 10)	-	-
(c) investments	-	-
(d) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date 6 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) property, plant and equipment	-	-
	(b) tenements (see item 10)	-	-
	(c) investments	-	-
	(d) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	-	-

3.	Cash flows from financing activities		
3.1	Proceeds from issues of shares	2,500	2,500
3.2	Proceeds from issue of convertible notes	-	-
3.3	Proceeds from exercise of share options	-	-
3.4	Transaction costs related to issues of shares, convertible notes or options	(39)	(39)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings		
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	2,461	2,461

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	689	1,386
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(725)	(1,422)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	-
4.4	Net cash from / (used in) financing activities (item 3.10 above)	2,461	2,461
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	2,425	2,425

5. Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1 Bank balances	1,833	611
5.2 Call deposits	78	78
5.3 Bank overdrafts	-	-
5.4 Other (JV receipts not yet incurred)	514	-
5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)	2,425	689

6. Payments to directors of the entity and their associates

- 6.1 Aggregate amount of payments to these parties included in item 1.2
- 6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

**Current quarter
\$A'000**

190

-

Director fees, geological consulting to a company associated with Dr Hronsky and company secretarial and financial management consulting services to a company associated with Mr Warren.

7. Payments to related entities of the entity and their associates

- 7.1 Aggregate amount of payments to these parties included in item 1.2
- 7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

**Current quarter
\$A'000**

-

-

N/A

8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1 Loan facilities	-	-
8.2 Credit standby arrangements	-	-
8.3 Other (please specify)	-	-
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		
N/A		

9. Estimated cash outflows for next quarter	\$A'000
9.1 Exploration and evaluation	(1,000)
9.2 Development	-
9.3 Production	-
9.4 Staff costs	(200)
9.5 Administration and corporate costs	(300)
9.6 Other (cash calls from JV Partner)	700
9.7 Total estimated cash outflows	(800)

10. Changes in tenements (items 2.1(b) and 2.2(b) above)	Tenement reference and location	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
10.1 Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced	-	-	-	-
10.2 Interests in mining tenements and petroleum tenements acquired or increased	E69/3412 Western Australia	Granted	-	100%

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

30 January 2017

Sign here: Date:
(Director/Company secretary)

Steven Wood

Print name:

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 6: Exploration for and Evaluation of Mineral Resources and AASB 107: Statement of Cash Flows apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.