

CASSINI
RESOURCES LIMITED



2017 ANNUAL REPORT

Cassini Resources Limited
ABN: 50 149 789 337
www.cassiniresources.com.au

CONTENTS

CORPORATE INFORMATION	3
CHAIRMAN'S LETTER	4
DIRECTORS' REPORT.....	5
AUDITOR'S INDEPENDENCE DECLARATION	36
INDEPENDENT AUDITOR'S REPORT	37
CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME	41
CONSOLIDATED STATEMENT OF FINANCIAL POSITION	42
CONSOLIDATED STATEMENT OF CASH FLOWS	43
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY	44
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS	45
DIRECTORS' DECLARATION	69
CORPORATE GOVERNANCE STATEMENT.....	70
ASX ADDITIONAL INFORMATION.....	71

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 Directors' report. The Directors' report is not part of the financial report.





CORPORATE INFORMATION

Directors

Michael (Mike) Young	Non-Executive Chairman
Richard Bevan	Managing Director
Greg Miles	Executive Director
Philip Warren	Non-Executive Director
Jon Hronsky	Non-Executive Director

Company Secretary Steven Wood

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Perth WA 6000
Telephone: +1300 288 664

Auditors

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Subiaco WA 6008

Bankers

ANZ
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West Perth WA 6005

Solicitors

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16 Milligan Street
Perth WA 6000

Stock Exchange

Australian Securities Exchange Limited
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152-158 St Georges Terrace
Perth WA 6000

ASX Code: CZI



“We strongly believe that being a producer will allow us to leverage off the incredibly large and prospective land position we have in the West Musgrave.”

CHAIRMAN’S LETTER

Dear Shareholders,

Given the scale of the task we set ourselves, our mission was enabled by a ‘booster rocket’ in the form of OZ Minerals who have an option to earn up to 70% of the project by completing a Definitive Feasibility Study on Nebo-Babel. OZ Minerals is a world class outfit with operating and developing copper mines in South Australia. We have thoroughly enjoyed working with Andrew Cole and his team at OZ Minerals, and look forward to developing the West Musgrave Project together.

A mission like this needs a good team to ensure success. I would like to acknowledge the superb efforts of Richard Bevan and his team this year. They have set the company on the path to being a Ni Cu producer, which as I outlined last year, is the best way to bring sustainable value to you, the shareholders.

We strongly believe that being a producer will allow us to leverage off the incredibly large and prospective land position we have in the West Musgrave.

The base metal space, particularly copper and nickel, has been rejuvenated and one only needs to read the paper, or listen to the news, to understand why. Clean energy, particularly the electric vehicle market is driving demand for key battery minerals.

Arnoud Balhuizen is the chief commercial officer at global miner BHP, and he declared that “copper is the metal of the future” and far from being rhetorical, BHP is committing capital to expansions at their major copper projects including Olympic Dam and Escondida.

Copper has had a mini-surge recently, and the lack of significant copper discoveries in recent years, and the inevitable decline at operating mines means that demand outstrips supply, pushing prices up further.

Lithium batteries need nickel, and the head of BHP’s nickel division, Eddy Haegel, said recently that demand from the battery market could account for 90 percent of BHP’s nickel output in the next six years, up from 10 percent now. Importantly, the feedstock for battery manufacturing needs raw nickel feedstock in the form of nickel sulphide, which precludes the nickel pig-iron, and nickel laterite projects.

The success of the Cassini space mission can be put down to excellent planning, determination, and vision. We take stock in those traits. I am proud to say that we ignored the tug of gravity that was poor base metal sentiment and stayed on course to our ultimate goal. And while we did not see the clean energy-driven base metal demand coming, we strongly maintain our view that moving the West Musgrave project towards production is the true and proper course

Upon re-reading my letter to you, I note that the Cassini metaphor does have a fiery end, however I believe that even this is a good portent: the fiery end will be reflected by having fireworks at the Mine Opening!

Mike Young
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 2017.

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 Greg Miles	Executive Director
Mr Philip Warren	Non-Executive Director
Dr Jon Hronsky	Non-Executive Director

Principal Activities

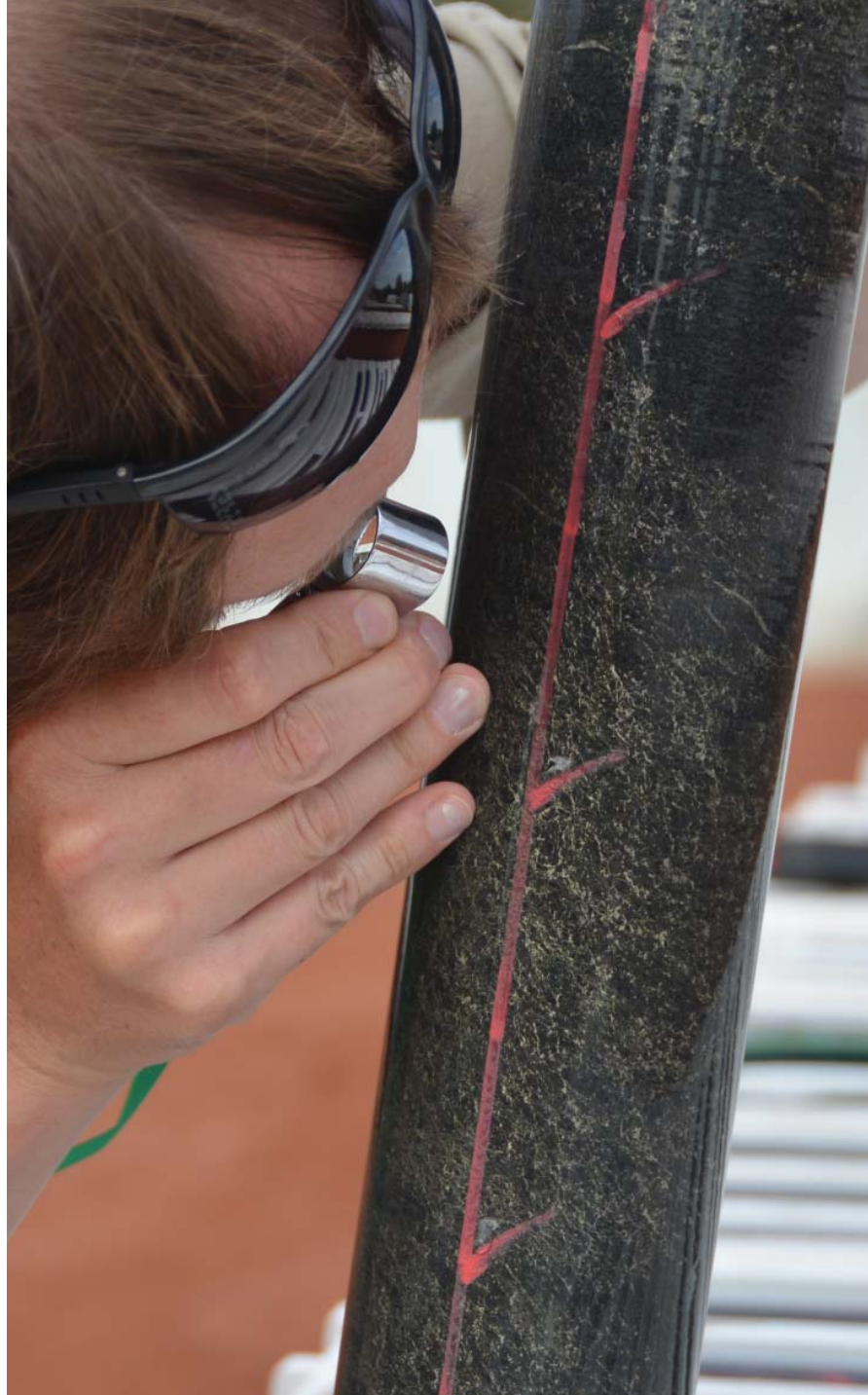
During the year the principal activities of the Group consisted of:

- Identification and assessment of commercially attractive resource exploration projects;
- Acquisition of commercially attractive resource exploration projects; and
- Exploration and development 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

REVIEW OF OPERATIONS

The Company has focussed on the West Musgrave Project during 2017 after it announced a transformational deal with OZ Minerals Limited ("OZ Minerals", ASX: OZL) on 1 August 2016. The farm-in and Joint Venture Agreement entitles OZ Minerals to earn up to 70% of the West Musgrave Project by spending \$36m towards feasibility studies and exploration. The first stage of the Farm-in will involve a number of further scoping study activities including metallurgy, mining optimisation and alternative power solutions, which is due for completion during Q4 2017 calendar year.

The Company retains 100% of the West Arunta Zinc and Mount Squires Gold Projects providing leverage to early stage gold and base metal exploration success.

West Musgrave Project

Highlights of the West Musgrave farm-in and Joint Venture Agreement with OZ Minerals include:

- OZ Minerals can earn up to a 70% interest in the West Musgrave Project by sole funding a minimum of \$36 million on development and exploration via a 3-stage agreement
- Cassini free carried through to "Decision to mine"
- Farm-in/JV includes a minimum of \$8 million expenditure on regional exploration in Stages 2 & 3
- Provides a clear and defined development pathway to cashflow
- Cassini to manage Nebo-Babel PFS (end of Stage 2) and regional exploration work

DEVELOPMENT

Stage 1 of the Farm-in/JV is to complete a Further Scoping Study (FSS) on the development options for the Nebo-Babel deposits. The key aspect of this work is to "right size" the development, building on the findings from the 2015 Scoping Study.

The FSS is due for completion in Quarter 4, 2017. Key bodies of work for this study follow.



Cassini and OZ Minerals technical team site visit to West Musgrave Project.

Metallurgical Testwork Program

The testwork program has confirmed the successful production of separate, saleable nickel and copper concentrates from all mineralised domains, including the weathered ore-domains. The metal concentrates are expected to be highly marketable with low impurities and a high Fe:MgO ratio.

Testwork in Cassini's 2015 scoping study was focused on the relatively high head grade ore domains, which would be processed through a 1.5Mtpa treatment plant. The scope of the FSS testwork program was designed to cover whole ore composites and variability samples which are representative of the ore domains and average head grades aligned with the increased project size development options.

This current program has increased the level of understanding and confidence in the metallurgical performances across a complete range of mineralisation types within the Nebo-Babel deposits. It focused on lower head grade samples across the primary and weathered ore domains, some of which were not previously tested. No oxide material is being considered for treatment. A significant component of the testwork included optimisation of the process flow sheet, and testing of alternative reagent regimes, all of which were aimed at further improving nickel and copper recoveries and concentrate grades.

Testwork was conducted at Bureau Veritas Laboratories in Perth under the supervision of GR Engineering Services and is the most thorough metallurgical program undertaken to date. It comprised 200 flotation tests and covered 17 variability composites (different mineralised domains covering a range of nickel and copper grades). Two locked cycle tests on master composites, each representing typical run of mine material, of the early and later years of a likely mine schedule, have also been tested. Locked cycle tests are used to simulate continuous flotation circuit conditions, such as those in an actual process plant, during which various streams are recycled until the test achieves stability.

The program has successfully produced separate, saleable nickel and copper concentrates from all mineralised domains including the weathered ore-domains (transition zone and pyrite-violarite zones, but not oxide). The Company expects to receive by-product credits for cobalt, platinum, palladium and gold. Importantly both concentrates have no penalty elements such as arsenic and have high Fe:MgO (≥ 10), both of which are desired by smelters.

These results will be used to update the mining and processing studies in order to determine the optimum size of the operation.

DIRECTORS' REPORT

TABLE 1: Results of the final cycle for the two master composites are shown below:

Mineralisation Type	Nickel Concentrate		Copper Concentrate	
	Recovery (%)	Grade (%)	Recovery (%)	Grade (%)
Master Composite A	45	10	78	21
Master Composite B	70	10	78	25

Master Composite A comprises 10% Nebo primary massive and breccia mineralisation, 30% Nebo weathered massive and breccia mineralisation and 60% Babel weathered disseminated mineralisation. This composite approximates one of the potential processing streams during the first two years of operation.

Note: Master Composite A includes 90% of the shallow weathered mineralisation which would be mined first. With only 10% primary ore, it is likely to represent a near worst-case processing scenario. An objective of future study phases is to find the optimum blend of the weathered and primary ore before the operation returns to steady-state production on 100% primary ore in later years.

Master Composite B comprises 50% Nebo primary massive and breccia mineralisation, 48% Babel primary disseminated mineralisation and 2% Babel disseminated transition zone. This master composite approximates potential processing streams in the latter years of operation.

Note: Based on the results of Master Composite B, Cassini could reasonably target a final nickel concentrate grade of 10-12% with recoveries in the range of 60-70%.

This program has significantly de-risked the metallurgical component of the project by testing weathered mineralised domains, which usually result in lower nickel recoveries, but these are important in the early stages of the project. Copper recovery appears to be only marginally lower in the weathered zones compared to primary zones. Lower nickel recoveries in the weathered domains are primarily due to the effect on altered sulphide minerals, pyrite and violarite being the most dominant ones at Nebo-Babel. Mining operations usually address this by blending the weathered domains with the better performing primary domains.

Furthermore, a parallel program of independent umpire testwork has been completed by ALS Laboratories in Perth. This program successfully reproduced the initial results.

Further work on the optimisation of concentrate grades and recoveries is planned to be tested by completing additional locked cycle tests on multiple master composites, representing run of mine material across different

ore domains and nickel and copper grades at various stages through the mine plan. Evaluation of different ore blending options, particularly with the weathered zones, will also be a priority.

The Company has also completed a trial magnetic separation test on Nebo massive sulphide mineralisation as an alternative processing method aimed at improving nickel concentrate grade in the final step in the process flow sheet. This test gave encouraging results and produced a 11.7% nickel concentrate with >80% recovery. This is a successful proof of concept that now needs to be applied to the disseminated styles of mineralisation, which if proven successful could potentially lead to lower capital and operating costs.

The completion of the metallurgical testwork is a significant milestone of the FSS, the results of which now feed into the Metallurgical model, mine optimisation and financial modelling. FSS activities are progressing on schedule towards delivery in Q4 2017.



DIRECTORS' REPORT

Water Supply Study

Water supply for the WMP was previously identified as one of the critical development aspects of the project.

Independent consultants, CDM Smith, have been engaged to review the water supply options for the project. The study included a detailed desktop assessment of all potential groundwater sources and incorporated the results from three groundwater exploration holes that were drilled in April this year to test paleochannel aquifers approximately 20km from Nebo-Babel. Water supply infrastructure concepts for multiple water demand scenarios and different groundwater sources were also developed and evaluated.

This study has shown that there are a number of water supply options for the WMP all of which could potentially be developed. In the 2015 scoping study, Cobb Depression, located over 130km from Nebo-Babel, was identified as a primary source of water for the project. The work in the current study has identified that nearby (<25km) paleochannel aquifers are highly likely to have the potential to support water requirements for the project. This option is expected to provide a more cost effective solution with lower risks with respect to tenure and access.

Final water study results will be published in the Further Scoping Study report.

Energy Study

WSP were engaged to undertake a study of power generation options for the project. Energy source options considered for conventional generation comprised diesel, gas and LNG. Renewable energy sources considered comprised wind, solar and a number of hybrid options using wind, solar, battery and diesel backup options.

In addition to updating diesel power generation assumptions, the study included high-level assessment of gas power generation, a first for the project. Gas power is generally a very cost effective power solution for projects with long mine life, which is required to offset high gas pipeline capital costs.

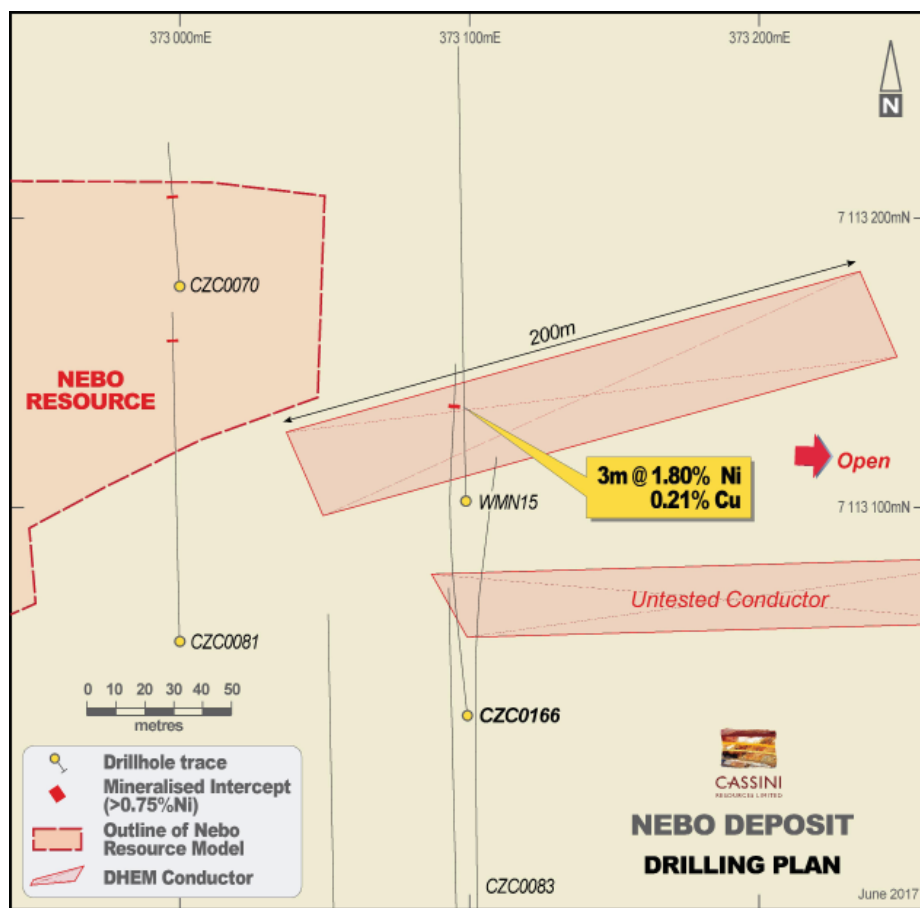


FIGURE 1. Nebo Deposit plan showing target conductors and hole CZC0166.

Renewable energy options included a more detailed assessment of the WMP area in order to identify areas that may provide improved wind resource for potentially siting a large wind farm. A new site has been identified within the project which has a theoretical 35% greater wind energy compared to the site that was previously contemplated. A wind mast is planned to be erected early in the PFS to collect base line data and confirm wind energy estimates that were used in the power generation assumptions.

The preferred power generation solution will depend on the scale of processing throughput and is not expected to be finalised until later stages of study.

Transport Logistics Study

Qube Bulk were engaged to undertake Transport Logistics Study, which has resulted in significantly lower concentrate transport costs compared to those used in the 2015 Scoping Study.

The Study has confirmed that the previous transport option of exporting concentrates through Esperance or Geraldton ports is still the preferred route. This option includes road transport along the Great Central Road to a central hub at Leonora, followed by rail transport to Esperance or road to Geraldton.

Qube has also provided transport costs for inbound mine consumables and evaluated back-loading options, which may have a potential to further reduce overall transport costs.

Resource Extension Drilling Program

The resource extension drill program at Nebo and Babel targeted a number of modelled down-hole electromagnetic conductors (DHEM), primarily outside the existing resource. There are a number of zones where mineralisation remains open, and these could provide future resource extensions.

DIRECTORS' REPORT

The program has successfully demonstrated the potential for additional resource extensions with a number of significant intercepts (Table 2) requiring further follow-up. These include:

- **Nebo Eastern Extension.** Hole CZC0166 intersected a massive sulphide zone containing 3m @ 1.80% Ni, 0.21% Cu, 0.06% Co and 0.21g/t PGE coinciding with a EM conductor within the host gabbro-norite. This hole demonstrates that the Nebo-Babel host intrusion has not been closed-off to the east and may extend well beyond the current drilling, particularly considering the coincident EM conductor extends for a further 150m east of CZC0166, with no historical drilling in the area (Figure 1).
- **Further extensions to the Sugar Lode at Nebo.** Hole CZC0163A returned a best result of 7m @ 1.00% Ni, 1.45% Cu, 0.02% Co and 0.93g/t PGE, including 3m @ 1.87% Ni, 1.87% Cu, 0.03% Co and 1.76g/t PGE. The PGE grades in this intersection are particularly promising and some of the highest recorded in the deposit (Figure 2).
- **Continuity of Nebo Massive Sulphide.** A single hole was drilled to test the continuity of high-grade mineralisation between 100m spaced sections in the main Nebo orebody. CZC0164 has confirmed the high-grade continuity by returning 7m @ 1.29% Ni, 0.41% Cu, 0.04% Co and 0.30g/t PGE. This result will allow more accurate modelling of the high-grade core of the deposit.
- **Northern Roll-over contact and fault off-set of Startmeup Shoot at Babel.** The program has had some success in demonstrating this potential with a best result of 8m @ 0.50% Ni, 0.40% Cu, 0.01% Co and 0.28g/t PGE including 2m @ 1.21% Ni, 0.22% Cu, 0.03% Co and 0.41g/t PGE in CZC0160, complementing numerous high-grade results in previous drilling. Along strike, the down-plunge extension of the Startmeup Shoot was tested by holes CZC0156-158 but these holes have missed the host intrusion, most likely due to apparent down-faulting (Figure 3). This confirms the Company's interpretation of a fault that displaces Babel and the Startmeup Shoot mineralisation downwards on the western margin of the deposit. Therefore the Startmeup Shoot probably does extend at depth and may be represented by a series of high-conductance plates at approximately 280m depth.

Geological interpretation and modelling of Nebo and Babel is completed and a resource update is underway.

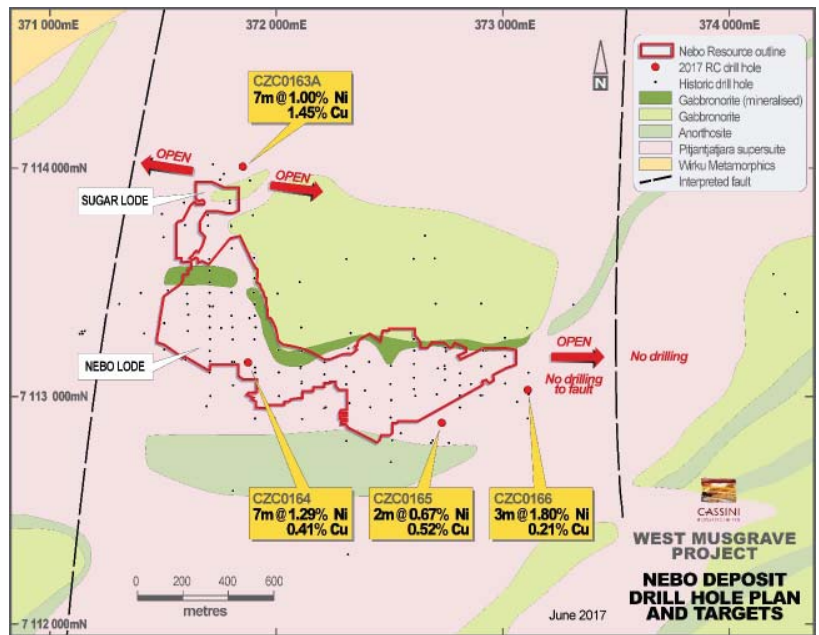


FIGURE 2. Nebo Deposit plan showing all recent drill results and remaining targeting opportunities.

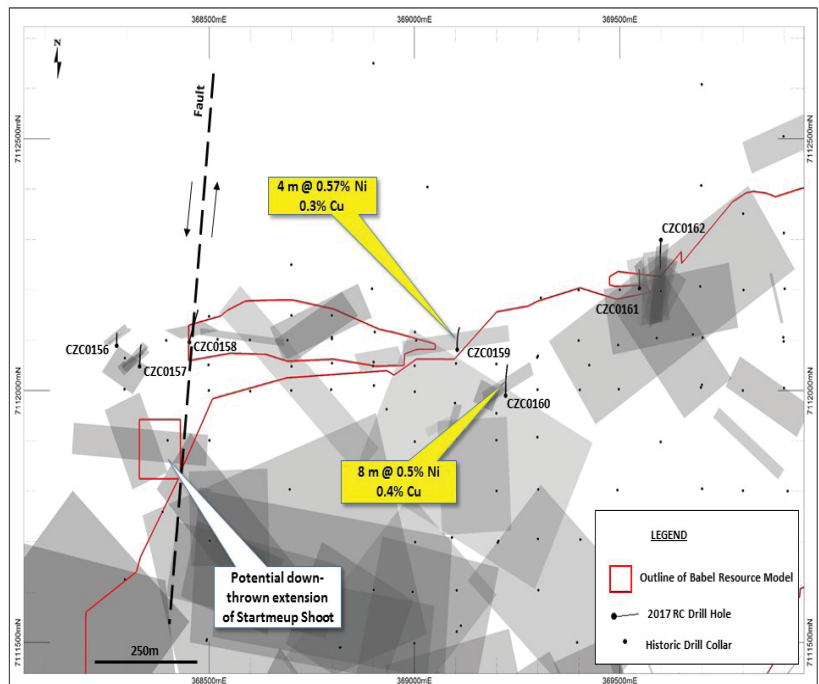


FIGURE 3. Babel Deposit plan showing target conductors and drill holes.

DIRECTORS' REPORT

TABLE 2. Nebo-Babel Significant drill intercepts.

Hole ID	East	North	RL	Dip	Azi	EOH (m)	Intersection					
							From (m)	Width (m)	Ni %	Cu %	Co %	PGE g/t
CZC0156	368275	7112089	468	-70	360	70			NSI			
CZC0157	368331	7112048	468	-70	360	110			NSI			
CZC0158	368452	7112096	467	-75	10	120			NSI			
CZC0159	369104	7112081	467	-70	360	150	12	4	0.57	0.30	0.01	0.10
CZC0160	369222	7111990	467	-70	360	180	56	2	0.62	0.41	0.02	0.24
							84	2	0.26	0.45	0.01	0.11
							118	8	0.50	0.40	0.01	0.28
						including	118	2	1.21	0.22	0.03	0.41
CZC0161	369548	7112203	469	-70	360	125			NSI			
CZC0162	369600	7112299	468	-65	180	135			NSI			
CZC0163A	371851	7114006	476	-60	185	330	100	7	0.55	1.03	0.01	0.26
						Including	101	1	1.57	2.22	0.03	0.24
							146	2	0.29	0.82	0.01	0.20
							151	6	0.62	0.68	0.02	0.33
						Including	152	1	2.25	0.13	0.05	0.71
							198	7	1.00	1.45	0.02	0.93
						Including	201	3	1.87	1.87	0.03	1.76
							224	2	0.91	0.18	0.03	0.19
							257	2	0.30	0.51	0.01	0.31
CZC0164	371868	7113149	469	-60	360	204	115	7	1.29	0.41	0.04	0.30
						Including	116	3	2.20	0.55	0.06	0.31
							133	7	0.42	0.33	0.01	0.17
CZC0165	372713	7112885	473	-60	360	312	220	2	0.67	0.52	0.02	0.10
							247	2	0.39	0.47	0.01	0.28
							283	2	0.36	0.43	0.01	0.30
CZC0166	373099	7113028	469	-60	360	250	215	3	1.80	0.21	0.06	0.21

NSI – No Significant Intersection

DIRECTORS' REPORT

EXPLORATION

A small portion of the Stage 2 exploration program was able to be brought forward allowing single drill holes to be drilled at One Tree Hill and Succoth.

One Tree Hill

During the Report Year, 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. The upper or hangingwall zone also returned an intercept of 13.4m @ 0.85% Cu from 129.6m, including 1.6m @ 2.76% Cu from 134.9m (Figure 4). Almost the entire hole is copper anomalous (>250ppm) with numerous spikes of PGE's (~0.1 g/t).

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 hangingwall mineralisation occurs as veins and is likely to be hydrothermal in nature, remobilised from the primary magmatic sulphide body at depth. This zone is possibly significant enough to contribute to the economic viability of the prospect, being considerably closer to surface and may also assist in vectoring towards the deeper primary magmatic sulphide body.

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.

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 5). 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, that 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.



DIRECTORS' REPORT

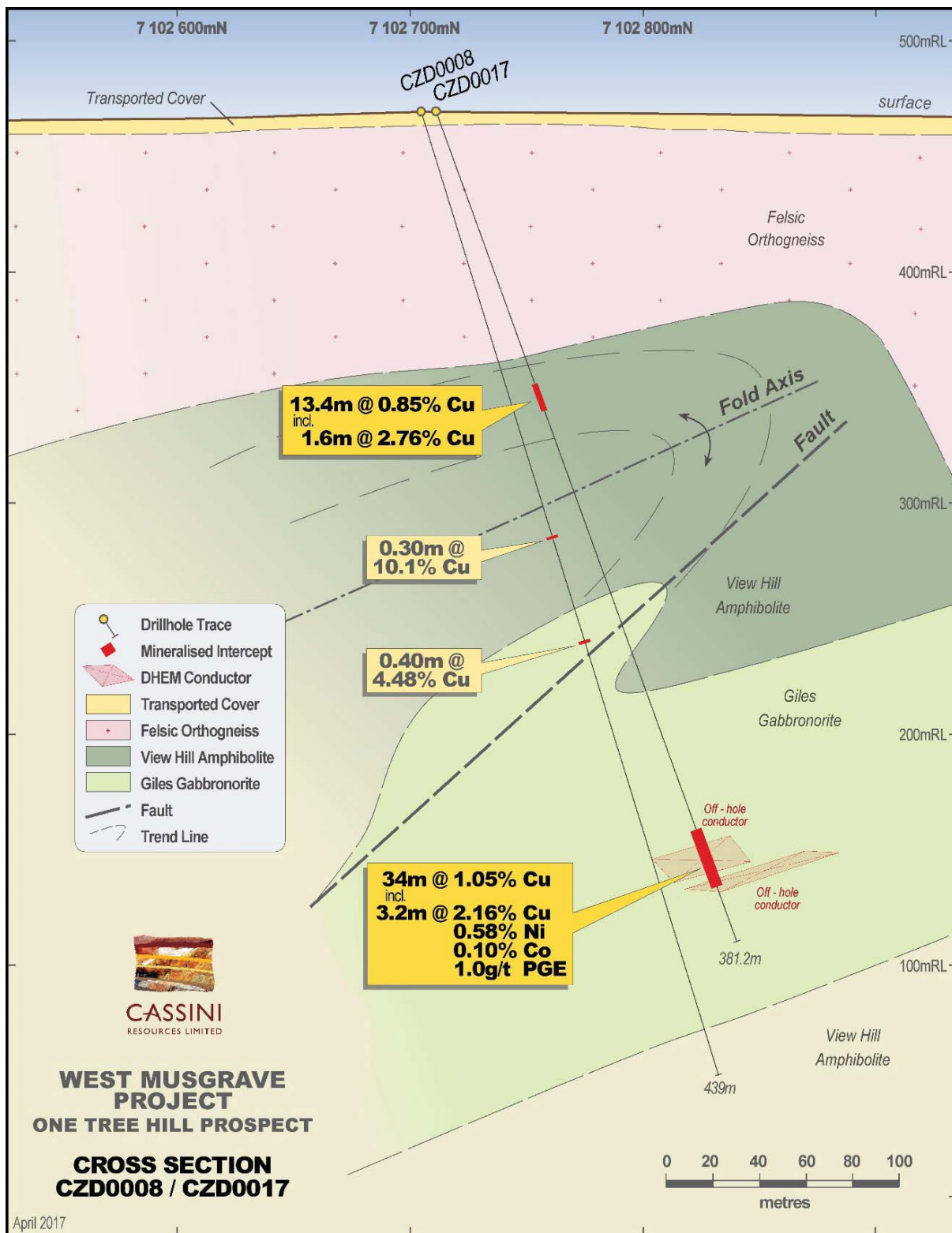


FIGURE 4. One Tree Hill section showing off-hole conductors from CZD0008, mineralised intersections in CZD0017 and current geology interpretation.

DIRECTORS' REPORT

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.

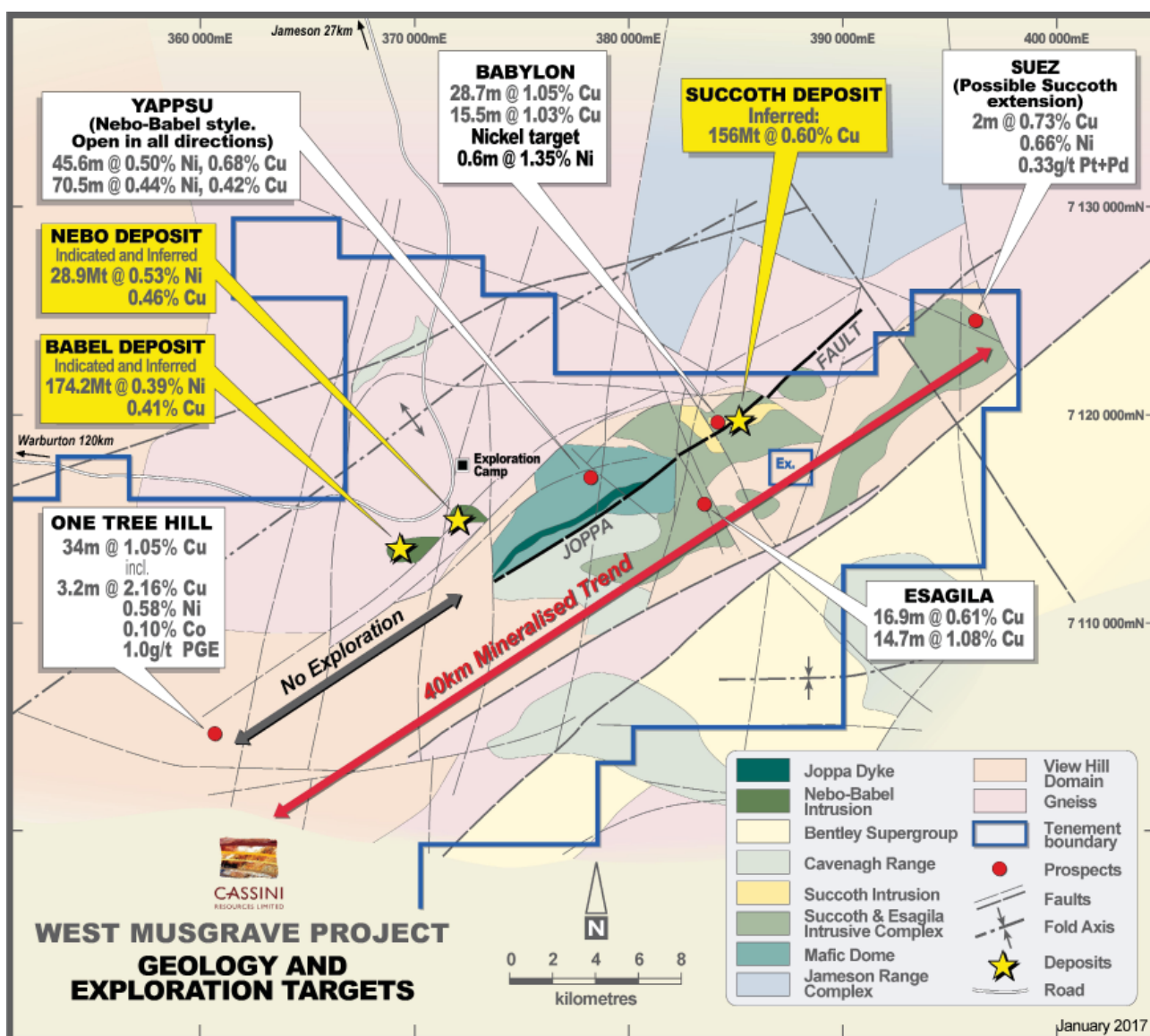


FIGURE 5. Regional geology, deposits and exploration targets.

DIRECTORS' REPORT

Cobalt exploration opportunities

The new discovery at the One Tree Hill Prospect is notable for having cobalt grades significantly higher (3.2m @ 0.1% Co) than the Nebo-Babel resource. This prospect highlights the potential for additional high-grade cobalt resources to be discovered in the Project.

A review of the regional drill database is underway to evaluate potential

cobalt opportunities that have not been previously recognised. The database comprises 1678 Aircore holes for over 75,000m providing broad coverage over the project. Analysis has identified a number of significant cobalt anomalies in the historical drilling including 5m @ 0.24% Co, 4m @ 0.25% Co and 1m @ 0.45% Co at bottom of hole. (Table 3).

The majority of intercepts occur in the laterite profile, largely due to the weight of drill metres from surficial reconnaissance drilling in the weathered zone. Several distinct anomalies have been recognised, the largest of these strikes over 3,000m (Figure 6). These laterite anomalies may represent significant resource opportunities in their own right or indicate primary cobalt mineralisation beneath the surficial drilling.

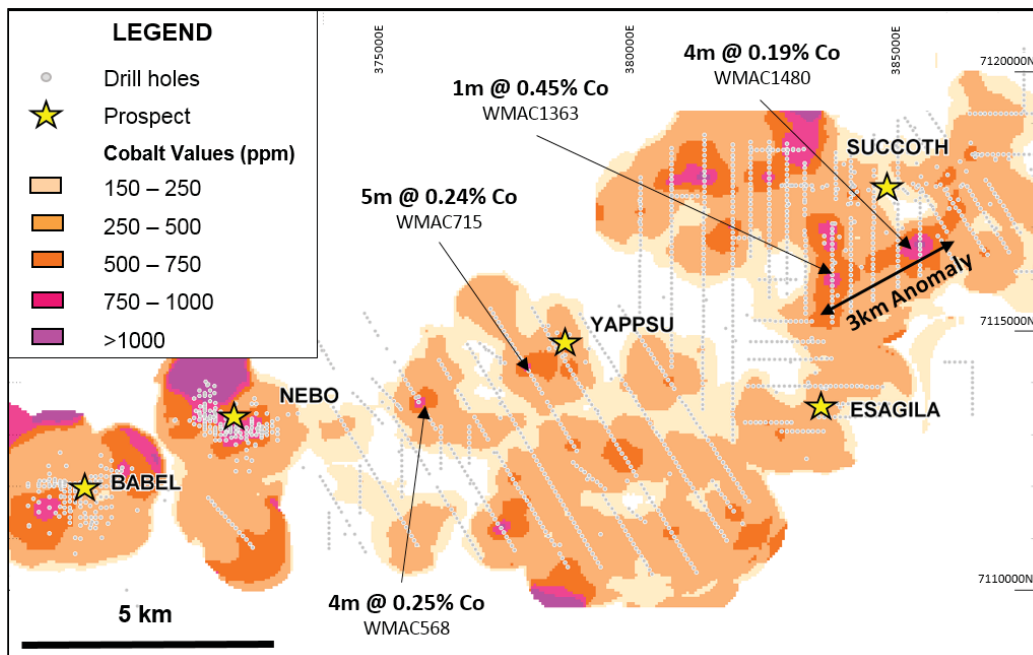


FIGURE 6. Cobalt anomalism in regional drilling

TABLE 3. Selected Significant intercepts in aircore drilling (Co>0.1%).

H ID	East	North	RL	Dip	Azi	EOH (m)	From (m)	Intersection	Co %	Ni %	Cu %
WMAC0283	384500	7120100	484	-90	0	99	96	2	0.34	0.18	0.20
WMAC0568	375830	7113634	479	-90	0	41	36	4	0.25	0.30	0.15
WMAC0594	377407	7111200	469	-90	0	36	27	1	0.58	0.13	0.03
WMAC0650	378700	7110451	470	-90	0	55	54	1	0.16	0.02	0.04
WMAC0715	377887	7114320	474	-90	0	41	27	5	0.24	0.54	0.03
WMAC0768	378747	7114254	474	-90	0	35	30	1	0.28	0.07	0.07
WMAC0790	379908	7112386	481	-90	0	36	30	1	0.26	0.22	0.12
WMAC0897	380693	7113973	479	-90	0	72	56	2	0.14	0.05	0.03
WMAC0959	380703	7117922	481	-90	0	48	45	2	0.19	0.11	0.07
WMAC0960	380703	7117822	480	-90	0	60	57	3	0.23	0.14	0.06
WMAC1004	381330	7117988	480	-90	0	78	74	2	0.31	0.16	0.05
WMAC1066	381883	7116996	481	-90	0	50	24	3	0.18	0.03	0.07
WMAC1138	382579	7117948	486	-90	0	66	61	4	0.15	0.11	0.05
WMAC1163	382928	7118518	483	-90	0	72	49	3	0.16	0.14	0.04
WMAC1353	383792	7116976	481	-90	0	39	23	3	0.19	0.09	0.05
WMAC1357	383792	7116576	484	-90	0	70	69	1	0.29	0.05	0.05
WMAC1363	383792	7115976	479	-90	0	78	77	1	0.45	0.01	0.02
WMAC1480	385491	7116774	481	-90	0	97	92	4	0.19	0.20	0.34
WMAC1481	385492	7116674	482	-90	0	114	109	2	0.16	0.09	0.11

DIRECTORS' REPORT

West Arunta Project, Western Australia

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. Work during the report year has been focussed on further interpretation of results from the previous year's drilling and subsequent targeting.

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.

Recent infill geochemistry sampling has identified several new soil anomalies coincident with the interpreted Dione horizon, the preferential host for sedimentary zinc mineralisation (Figure 7). 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.

RC 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 8). 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.

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.



DIRECTORS' REPORT

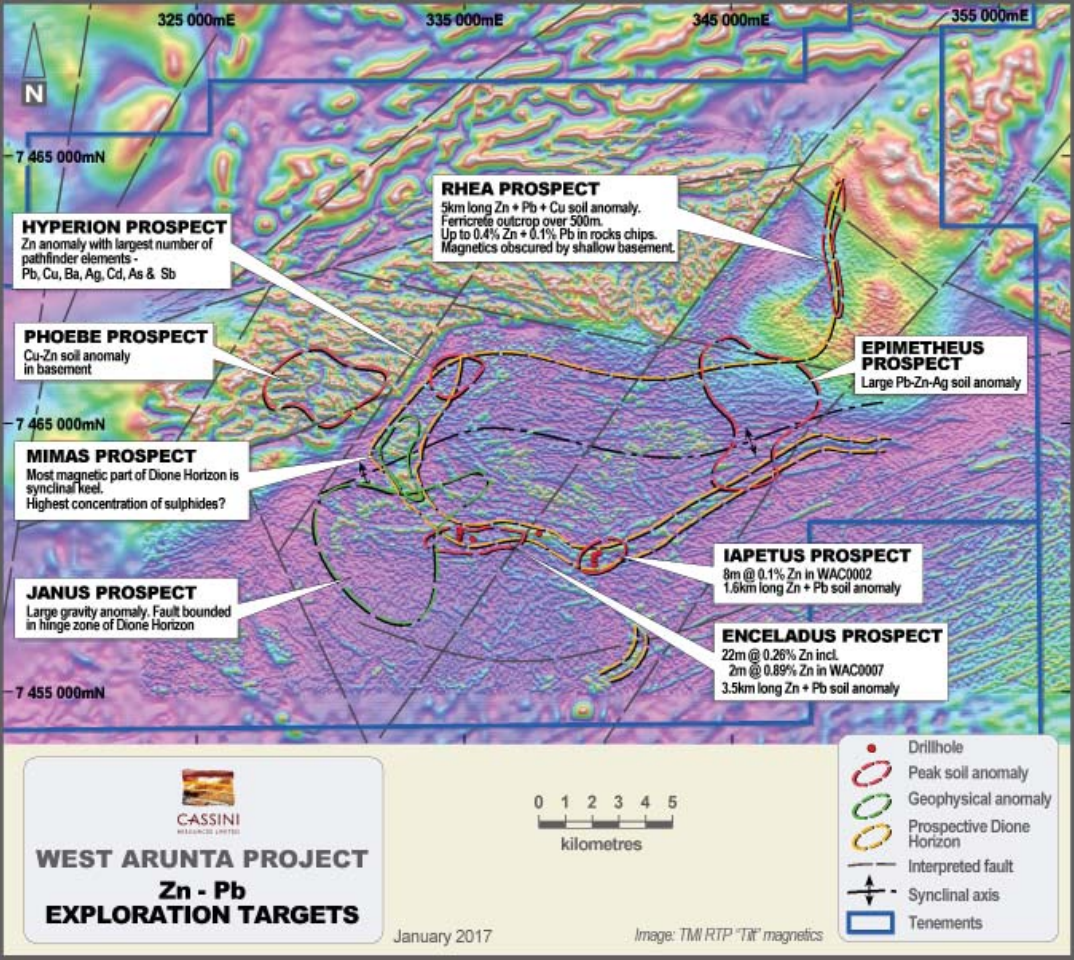


FIGURE 7. West Arunta Project exploration targets.

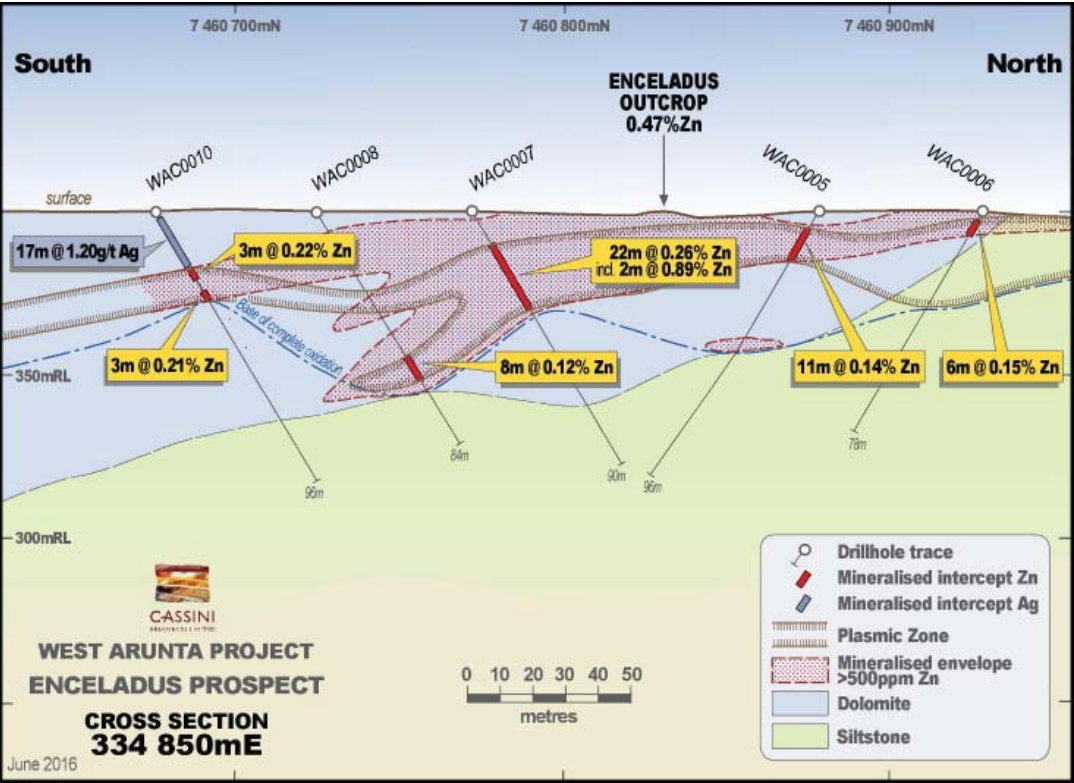


FIGURE 8. Enceladus cross section.

DIRECTORS' REPORT

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.

A large residual gravity anomaly to the west of Enceladus (Figures 7 & 10) 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.

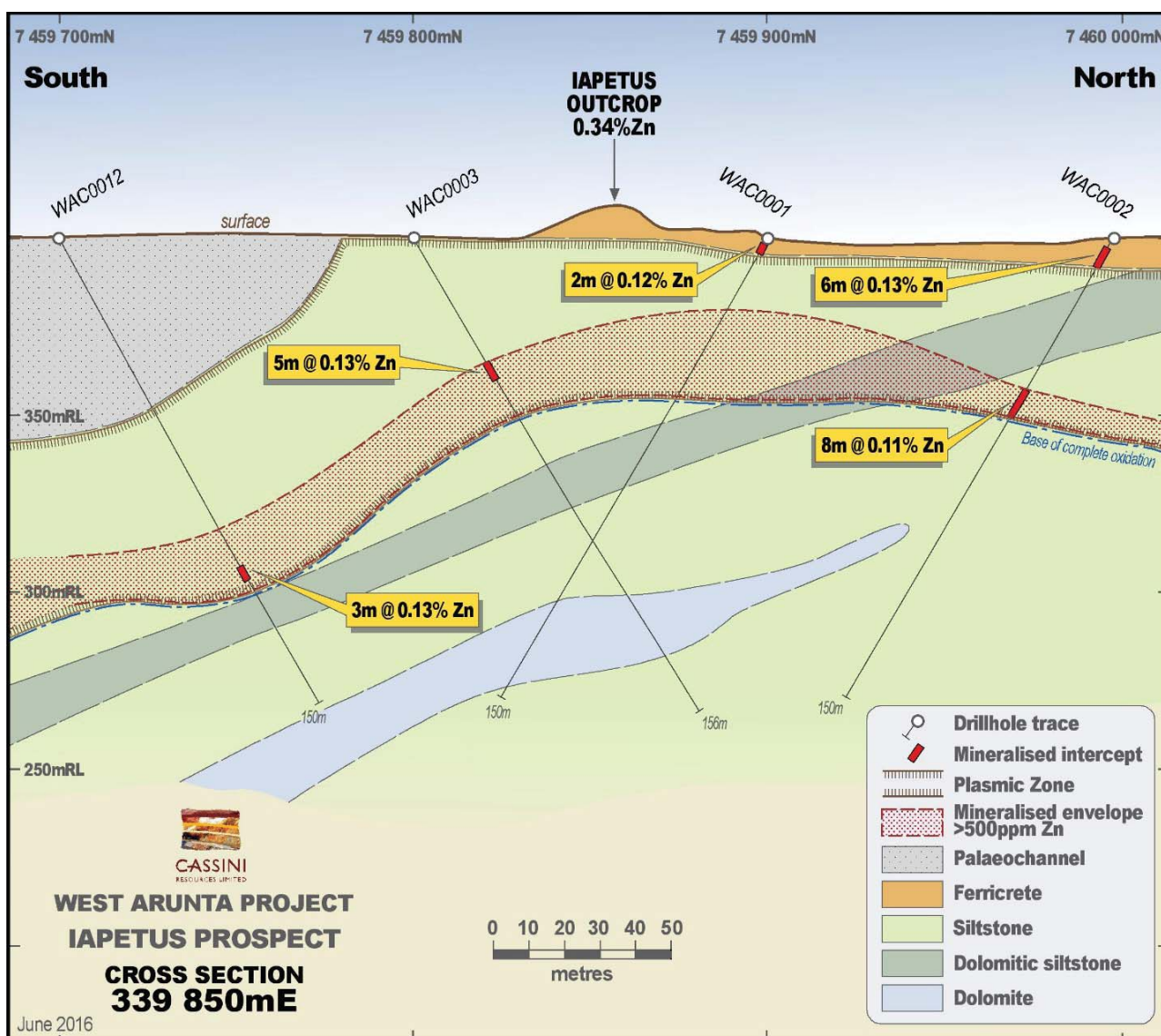


FIGURE 9. Iapetus cross section.

DIRECTORS' REPORT

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.

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. These programs are now most likely to occur in the second half of 2017.

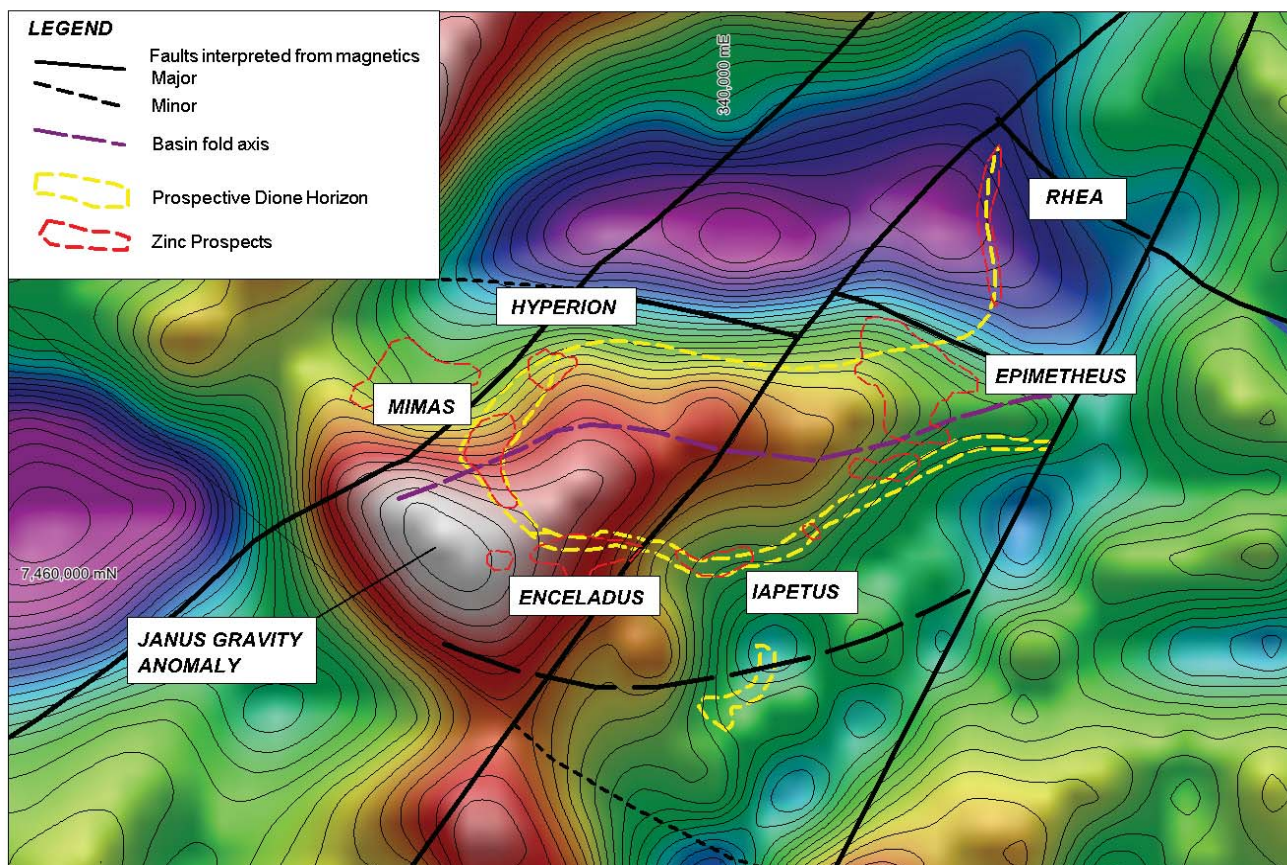


FIGURE 10. Residual gravity image of West Arunta Project showing zinc prospects.

DIRECTORS' REPORT

Mount Squires Project

Cassini has spent most of the year compiling previous exploration and identifying targets for further exploration. In the meantime, the Company is continuing to progress land access permitting with the Ngaanyatjarra Land Council and environmental clearances with relevant government departments, 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 11). 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 12). 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.

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. Further details of work programs will be announced once all clearances are received.

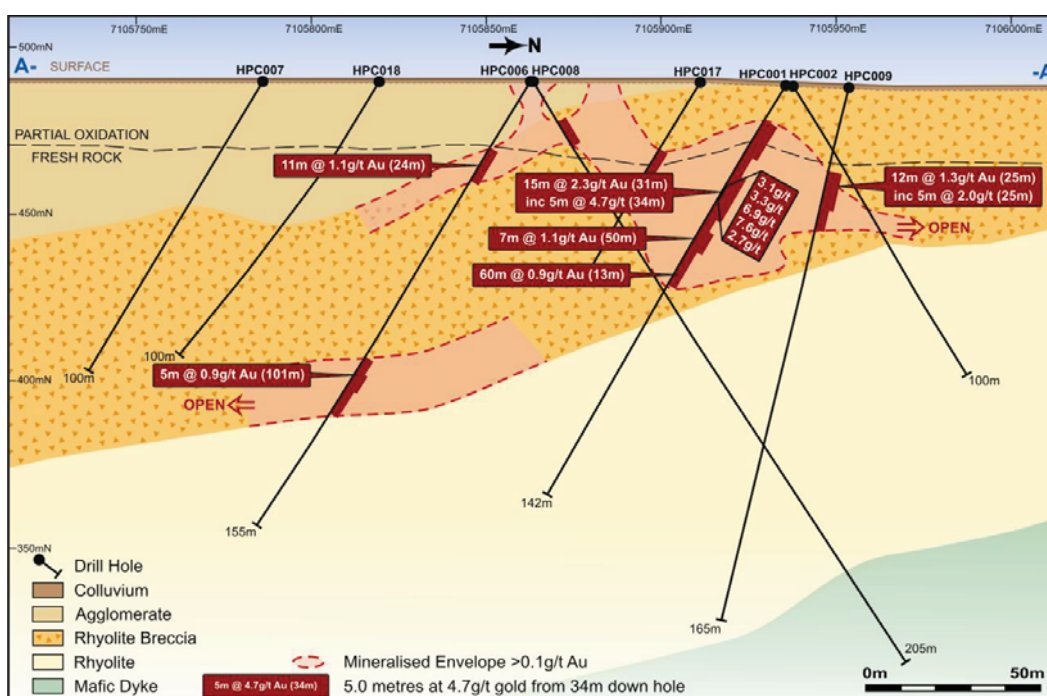


FIGURE 11. Handpump Prospect Section 332200E (Source: Beadell Resources Ltd ASX release 1 March 2010).

DIRECTORS' REPORT

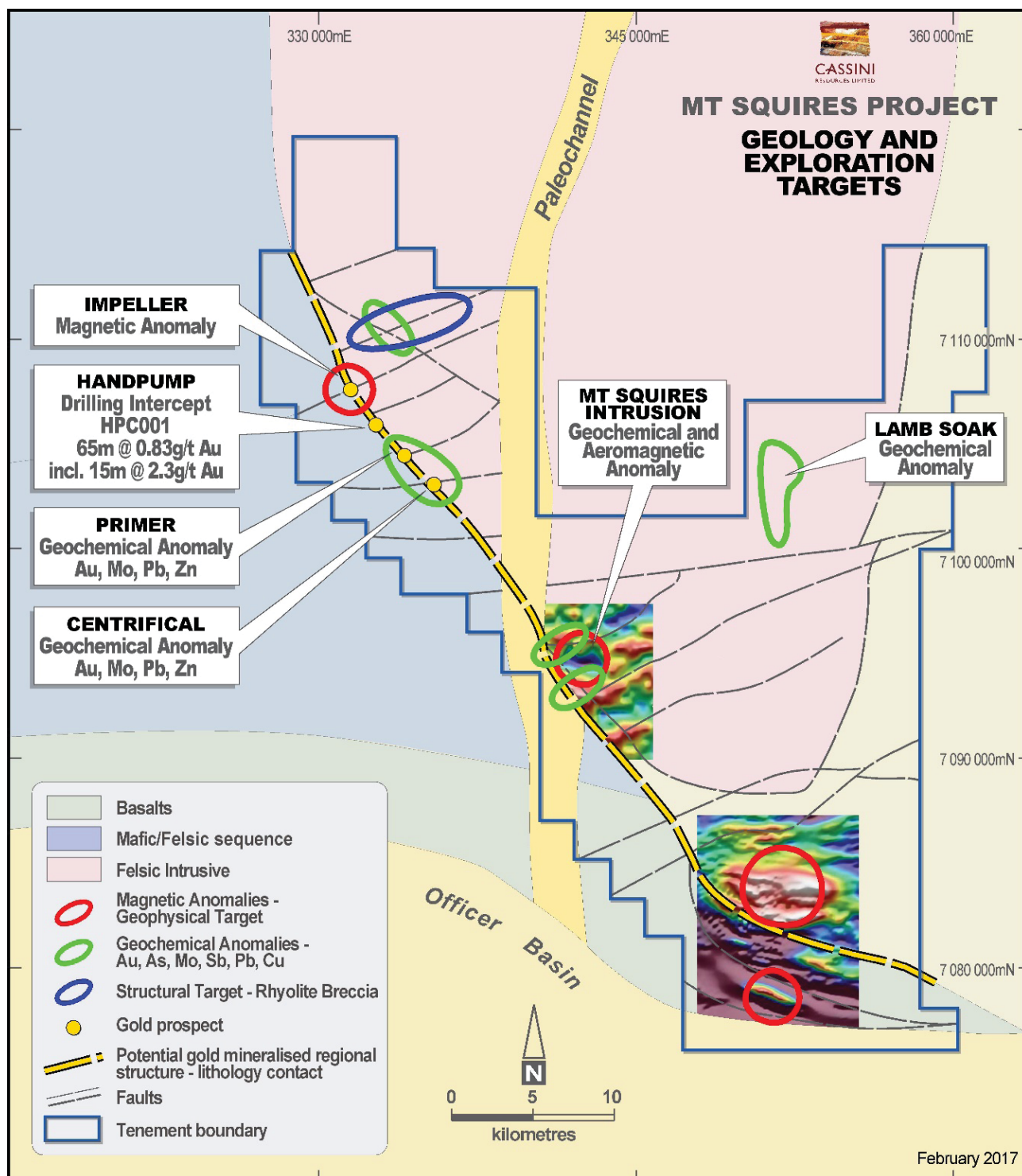


FIGURE 12. Mount Squires Project geology and exploration targets.

DIRECTORS' REPORT

The Consolidated Statement of Profit & Loss and other Comprehensive Income shows a net loss attributable to owners of \$1,866,064 for the financial year ended 30 June 2017 (2016: \$2,453,456).

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

There are no 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

INFORMATION ON DIRECTORS

Michael Young	Non-Executive Chairman, Independent
<i>Qualifications</i>	BSc (Hon), MAIG
<i>Appointed</i>	Non-Executive Director since Incorporation on 10 March 2011 Non-Executive Chairman since ASX IPO listing on 9 January 2012 Member of the Audit & Risk Committee Member of the Nomination & Remuneration Committee
<i>Experience</i>	Mr Young is a geologist and graduate of Queens University, Canada. His experience as a resource geologist included base metals, iron ore, uranium and gold projects, and a strong focus on mine-camp exploration, resource definition, and mine development. Mike became the Managing Director of ASX-listed BC Iron Ltd in 2006. During his tenure, BC Iron successfully made the transition from an exploration company to its current position as a significant iron ore producer. Mr Young is currently the Managing Director and CEO of Vimy Resources (ASX: VMY), a Western Australian uranium development company.
<i>Interest in Shares and Options</i>	4,294,024 ordinary shares 2,000,000 unlisted options (\$0.067, 14/12/2019)
<i>Current directorships</i>	Managing Director, CEO: Vimy Resources Limited (ASX: VMY)
<i>Former directorships held in past three years</i>	Non-Executive Director: BC Iron Limited (ASX: BCI) Non-Executive Director: Ascot Resources Limited (ASX: AZQ)
<hr/>	
Richard Bevan	Managing Director
<i>Qualifications</i>	BAppSc
<i>Appointed</i>	Non-Executive Director since incorporation on 10 March 2011 Managing Director since ASX IPO listing on 9 January 2012
<i>Experience</i>	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 and is currently the Non-Executive Chairman of Empired Ltd (ASX: EDP).
<i>Interest in Shares and Options</i>	4,372,830 ordinary fully paid shares 3,500,000 unlisted options (\$0.067, 14/12/2019)
<i>Current directorships</i>	Non-Executive Chairman: Empired Ltd (ASX: EPD)
<i>Former directorships held in past three years</i>	Nil
<hr/>	
Greg Miles	Executive Director
<i>Qualifications</i>	BSc, Grad Dip (Geol)
<i>Appointed</i>	18 August 2011
<i>Experience</i>	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.
<i>Interest in Shares and Options</i>	2,052,033 ordinary fully paid shares 3,500,000 unlisted options (\$0.067, 14/12/2019)
<i>Current directorships</i>	Non-Executive Director: Blackham Resources Limited (ASX: BLK)
<i>Former directorships held in past three years</i>	Non-Executive Director: Cove Resources Limited (ASX: CVE)

DIRECTORS' REPORT

INFORMATION ON DIRECTORS (Continued)

Phil Warren	Non-Executive Director, Independent
<i>Qualifications</i>	B. Com., CA
<i>Appointed</i>	10 March 2011 Nomination and Remuneration Committee Chair Audit and Risk Committee Chair
<i>Experience</i>	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.
<i>Interest in Shares and Options</i>	1,343,561 ordinary fully paid shares 1,000,000 unlisted options (\$0.067, 14/12/2019)
<i>Current directorships</i>	Non-Executive Director: Rent.com.au Limited (ASX: RNT) Non-Executive Director: Family Zone Cyber Safety Limited (ASX: FZO)
<i>Former directorships held in past three years</i>	None
Jon Hronsky	Non-Executive Director, Independent
<i>Qualifications</i>	BAppSci, PhD, MAIG, FSEG
<i>Appointed</i>	3 April 2014 Nomination and Remuneration Committee Member Audit and Risk Committee Member
<i>Experience</i>	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. Jon is one of the Principals at geological consultancy Western Mining Services and also Chairman of the Board of Management of the Centre for Exploration Targeting at UWA. Prior to that he was Manager-Strategy & Generative Services for BHP Billiton Mineral Exploration and was Global Geoscience Leader for WMC Resources Ltd. Jon is also a Director of Encounter Resources.
<i>Interest in Shares and Options</i>	781,033 ordinary fully paid shares 1,000,000 unlisted options (\$0.067, 14/12/2019)
<i>Current directorships</i>	Non-Executive Director: Encounter Resources Limited (ASX: ENR) Chairman: Chairman of the Board of Management of the Centre for Exploration Targeting at UWA
<i>Former directorships held in past three years</i>	None



Board of Directors (left to right) - Greg Miles, Philip Warren, Richard Bevan, Mike Young, Jon Hronsky and Company Secretary - Steven Wood.

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 Director Meetings Eligible to Attend	Number of Director Meetings Directors' Attended	Number of Audit Committee Meetings Eligible to Attend	Number of Audit Committee Meetings Directors' Attended	Number of Remuneration Committee Meetings Eligible to Attend	Number of Remuneration Committee Meetings Directors' Attended
Director						
Mr Mike Young	5	5	2	2	2	2
Mr Richard Bevan	5	5	-	-	-	-
Mr Philip Warren	5	5	2	2	2	2
Mr Greg Miles	5	5	-	-	-	-
Dr Jon Hronsky	5	5	2	2	2	2

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.

DIRECTORS' REPORT

FINANCIAL POSITION

The net assets of the consolidated Group have increased from \$10,553,720 at 30 June 2016 to \$11,187,681 at 30 June 2017. The Group's working capital, being current asset less current liabilities, has remained consistent at \$1,042,691 at 30 June 2017 (2016: \$1,104,647)

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
19 November 2012	19 November 2017	\$0.112	100,000
9 April 2013	9 April 2018	\$0.200	1,000,000
22 May 2014	9 April 2018	\$0.200	3,000,000
9 April 2013	9 April 2018	\$0.300	1,000,000
22 May 2014	23 May 2019	\$0.241	1,500,000
26 November 2015	14 December 2019	\$0.067	13,850,000
Total			20,450,000

Shares issued on the exercise of options

No ordinary shares of Cassini Resources Limited were issued during the year ended 30 June 2017 on the exercise of options. No shares have been issued since that date. No amounts are unpaid on any of the shares.

Insurance of Officers

During the year, Cassini Resources Limited paid a premium 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.

During the period there were no fees paid or payable for services provided by the auditor of the Group (2016: nil).

Auditor's Independence Declaration

A copy of the auditors' independence declaration as required under section 307C of the *Corporations Act 2001* is set out on the page following this Directors' Report.

DIRECTORS' REPORT

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 to establish a remuneration committee. The remuneration committee met twice during the period, and has three non-executive independent directors of the Company on the committee.

The following items have been considered and discussed as deemed necessary at the remuneration committee meetings:

- make specific recommendations to the board on remuneration of directors and senior officers;
- recommend the terms and conditions of employment for the Executive Directors;
- undertake a review of the Executive Directors performance, at least annually, including setting with the Executive Directors goals for the coming year and reviewing progress in achieving those goals;
- consider and report to the Board on the recommendations of the Executive Directors 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 at the most recent remuneration committee meeting. 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.

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. There were no cash bonuses paid to executives during the year. As such, remuneration is not linked to the financial performance of the Group in the current or previous reporting periods.

DIRECTORS' REPORT

REMUNERATION REPORT - Audited (continued)

A Principles used to determine the nature and amount of remuneration (continued)

The tables below set out summary information about the Group's earnings and movement in shareholder wealth for the five (5) years to 30 June 2017:

	30 June 2017 \$	30 June 2016 \$	30 June 2015 \$	30 June 2014 \$	30 June 2013 \$
Revenue	213,264	45,499	220,714	38,120	32,871
Net loss before tax	(1,871,201)	(2,605,646)	(5,215,435)	(5,081,848)	(1,348,841)
Net loss after tax	(1,871,201)	(2,605,646)	(5,215,435)	(5,081,848)	(1,348,841)

No dividends have been paid for the five (5) years to 30 June 2017.

	30 June 2017 \$	30 June 2016 \$	30 June 2015 \$	30 June 2014 \$	30 June 2013 \$
Share price at start of year	0.034	0.062	0.17	0.105	0.13
Share price at end of year	0.051	0.034	0.062	0.17	0.105
Basic earnings/(loss) per share (cents)	(0.73)	(1.18)	(4.23)	(8.25)	(3.40)
Diluted earnings/(loss) per share (cents)	(0.73)	(1.18)	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.

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.

DIRECTORS' REPORT

REMUNERATION REPORT - Audited (continued)

A Principles used to determine the nature and amount of remuneration (continued)

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 remuneration disclosed in the remuneration report 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 issued were expensed in full during the previous financial year as they had no vesting or service conditions attached.

Remuneration consultants

The Company did not engage any remuneration consultants during the period.

The Company will engage independent remuneration consultants should it look to make any changes to director fee levels to ensure they are in line with market conditions and any decisions are made free from undue influence from members of the Company's KMP's.

DIRECTORS' REPORT

REMUNERATION REPORT - Audited (continued)

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:

Director	Role
Mike Young	Non-Executive Chair
Richard Bevan	Managing Director
Greg Miles	Executive Director
Philip Warren	Non-Executive Director
Jon Hronsky	Non-Executive Director

Key management personnel of the Group

	Short-term employee benefits			Long-term employee benefits	Post-employment benefits		Share-based payments	Total	Total remuneration represented by Options
	Cash salary & fees	Other	Non monetary benefits	Annual Leave	Superannuation Pensions	Retirement benefits	Options		
30 June 2017	\$	\$	\$	\$	\$	\$	\$	\$	%
Directors									
<i>Non-executive directors</i>									
Mike Young	50,000 ²	-	-	-	-	-	-	50,000	-
Philip Warren	40,000	-	-	-	-	-	-	40,000	-
Jon Hronsky	36,530	-	-	-	3,470	-	-	40,000	-
Sub-total Non-executive directors	126,530	-	-	-	3,470	-	-	130,000	-
<i>Executive directors</i>									
Richard Bevan	297,884	-	-	21,563	19,616	-	-	339,063	-
Greg Miles	220,000 ¹	-	-	-	-	-	-	220,000	-
Total key management personnel compensation (Group)	644,414	-	-	21,563	23,086	-	-	689,063	-

1. This amount is invoiced to the Company by Hidden Asset Pty Ltd in relation to Mr Miles's Executive role with the Company. \$20,166 was accrued and remained payable as at 30 June 2017.

2. This amount is in relation to Mr Young's Executive role with the Company and invoiced to the Company by Jocelyn Young Management Consulting. \$13,750 was accrued and remained payable as at 30 June 2017.

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

Name	Fixed remuneration 2017	Performance based remuneration 2017
<i>Executive Directors</i>		
Richard Bevan	100%	nil%
Greg Miles	100%	nil%

DIRECTORS' REPORT

REMUNERATION REPORT - Audited (continued)

B Details of remuneration (continued)

	Short-term employee benefits			Long-term employee benefits	Post-employment benefits		Share-based payments	Total	Total remuneration represented by Options
30 June 2016	Cash salary & fees	Other	Non monetary benefits	Annual Leave	Superannuation Pensions	Retirement benefits	Options		
Directors	\$	\$	\$	\$	\$	\$	\$	\$	%
<i>Non-executive directors</i>									
Mike Young	50,000 ²	-	-	-	-	-	31,220	81,220	38%
Philip Warren	40,000	-	-	-	-	-	15,610	55,610	28%
Jon Hronsky	36,530	-	-	-	3,470	-	15,610	55,610	28%
Sub-total Non-executive directors	126,530	-	-	-	3,470	-	62,440	192,440	32%
<i>Executive directors</i>					-	-			
Richard Bevan	263,411 ³	-	-	11,520	19,089	-	54,635	348,655	16%
Greg Miles	221,833 ¹	-	-	-	-	-	54,635	276,468	20%
Total key management personnel compensation (Group)	611,774	-	-	11,520	22,559	-	171,710	817,563	21%

1. This amount is invoiced to the Company by Hidden Asset Pty Ltd in relation to Mr Miles's Executive role with the Company. \$20,166 was accrued and remained payable as at 30 June 2016.
2. This amount is in relation to Mr Young's Executive role with the Company and invoiced to the Company by Jocelyn Young Management Consulting. \$13,750 was accrued and remained payable as at 30 June 2016.
3. Mr Bevan took a 10% voluntary pay cut in November 2015 as part of ongoing Company-wide expenditure reviews, to be reinstated upon completion of a successful debt or equity raising by the Company.

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

Name	Fixed remuneration 2016	Performance based remuneration 2016
<i>Executive Directors</i>		
Richard Bevan	100%	nil%
Greg Miles	100%	nil%

DIRECTORS' REPORT

REMUNERATION REPORT - Audited (continued)

C Service agreements

Executive directors

Name	Term of agreement	Base salary including superannuation	Termination benefit
<i>Executive</i>			
Richard Bevan	Open	AUD\$300,000 ¹	Relevant notice periods apply, being 1 months' notice with reason or 3 months without reason.
Greg Miles	Open	AUD\$220,000	1 months' notice.

1. Mr Bevan took a 10% voluntary pay cut in November 2015 as part of ongoing Company-wide expenditure reviews, to be reinstated upon completion of a successful debt or equity raising by the Company.

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 period:

Base Fees	1 July 2016 - 30 June 2017 \$	1 July 2015 - 30 June 2016 \$
Non-executive Chair	50,000	50,000
Non-executive Directors	40,000	40,000

D Share-based compensation

Options

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

No options were granted during the financial year.

The Company granted the following unlisted options as share based payments last financial year. These options are not dependent upon satisfaction of performance conditions and have been issued to increase goal congruence between Shareholders & Directors. The options issued were expensed in full during the previous financial year as they had no vesting or service conditions attached.

Date options granted	Date options vest	Number granted	Expiry date	Exercise price	Value per option at grant date	% vested
26 Nov 2015	14 Dec 2015	11,000,000	14 Dec 2019	\$0.067	\$0.015	100%

Options granted carry no dividend or voting rights.

DIRECTORS' REPORT

REMUNERATION REPORT - Audited (continued)

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.

2017 Name	Balance at the start of the year	Capital Raising shares subscribed for	On Market Purchases	Balance at appointment/ (resignation date)	Balance at the end of the year
<i>Directors</i>					
Michael Young	4,294,024	-	-	-	4,294,024
Richard Bevan	4,039,497	333,333	-	-	4,372,830
Phil Warren	1,121,339	222,222	-	-	1,343,561
Greg Miles	1,498,700	333,333	220,000	-	2,052,033
Jon Hronsky	447,700	333,333	-	-	781,033
Total	11,401,260	1,222,221	220,000	-	12,843,481

There were no shares subject to escrow at 30 June 2017.

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.

2017 Name	Balance at the start of the period	Granted as compensation	Exercised/ Expired	Balance at appointment/ (resignation date)	Balance at end of the period	Vested and exercisable	Un-vested
<i>Directors</i>							
Michael Young	2,000,000	-	-	-	2,000,000	2,000,000	-
Richard Bevan	3,500,000	-	-	-	3,500,000	3,500,000	-
Phil Warren	1,000,000	-	-	-	1,000,000	1,000,000	-
Greg Miles	3,500,000	-	-	-	3,500,000	3,500,000	-
Jon Hronsky	1,000,000	-	-	-	1,000,000	1,000,000	-
Total	11,000,000	-	-	-	11,000,000	11,000,000	-

F Loans with key management personnel

Key Management Personnel Loans

There were loans to or from key management personnel during the year ended 30 June 2017 (2016: nil).

DIRECTORS' REPORT

REMUNERATION REPORT - Audited (continued)

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: These services are provided on normal commercial terms and at arm's length.

	2017 \$	2016 \$
Payments to Grange Consulting Group Pty Ltd	137,500	137,510
Amounts payable to Grange Consulting Group Pty Ltd	27,500	27,500
	165,000	165,010

Western Mining Services Pty Ltd, a company associated with Dr Jon Hronsky, received \$26,620 (2016: \$49,500) in fees during the period for geological consulting services provided to the Company.

Joce Young Consulting, a company associated with Mr Mike Young, received \$11,704 (2016: Nil) in fees during the period for consulting services provided to the Company.

H Additional information

Voting and comments made at the Company's 2016 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 21 November 2016, was unanimously passed on a show of hands:

Resolution 1:	Adoption of Remuneration Report
Resolution 2:	Re-election of Director – Phil Warren
Resolution 3:	Placement of Shortfall to share Purchase Plan - withdrawn
Resolution 4:	Approval of 10% Placement Capacity

This is the end of the Remuneration Report.

DIRECTORS' REPORT

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 'Bevan', with a stylized flourish extending to the right.

Richard Bevan
Managing Director

Perth, Western Australia
28 September 2017

DECLARATION OF INDEPENDENCE BY PHILLIP MURDOCH TO THE DIRECTORS OF CASSINI RESOURCES LIMITED

As lead auditor of Cassini Resources Limited for the year ended 30 June 2017, 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.



Phillip Murdoch

Director

BDO Audit (WA) Pty Ltd

Perth, 28 September 2017

INDEPENDENT AUDITOR'S REPORT

To the members of Cassini Resources Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Cassini Resources Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2017, 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, and notes to the financial report, including a summary of significant accounting policies and the directors' declaration.

In our opinion the accompanying financial report of the Group, is in accordance with the *Corporations Act 2001*, including:

- (i) Giving a true and fair view of the Group's financial position as at 30 June 2017 and of its financial performance for the year ended on that date; and
- (ii) Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

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

Material uncertainty related to going concern

We draw attention to Note 1(a) in the financial report which describes the events and/or conditions which give rise to the existence of a material uncertainty that may cast significant doubt about the group's ability to continue as a going concern and therefore the Group may be unable to realise its assets and discharge its liabilities in the normal course of business. Our opinion is not modified in respect of this matter.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the *Material Uncertainty Related to Going Concern* section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Carrying Value of Exploration and Evaluation Assets

Key audit matter	How the matter was addressed in our audit
<p>As at 30 June 2017, the carrying value of exploration and evaluation assets amounted to \$10,017,776 (2016: \$9,281,472) as disclosed in Note 10. The Group's accounting policy with respect to exploration and evaluation assets as disclosed in Note 1(l).</p> <p>As the carrying value of the Exploration and Evaluation Asset represents a significant asset of the Group, we considered it necessary to assess whether any facts or circumstances exist to suggest that the carrying amount of this asset may exceed its recoverable amount.</p> <p>Judgement is applied in determining the treatment of exploration expenditure in accordance with Australian Accounting Standard AASB 6 Exploration for and Evaluation of Mineral Resources. In particular:</p> <ul style="list-style-type: none"> • Whether the conditions for capitalisation are satisfied; • Which elements of exploration and evaluation expenditures qualify for recognition; and <p>Whether facts and circumstances indicate that the exploration and expenditure assets should be tested for impairment.</p>	<p>Our procedures included, but were not limited to:</p> <ul style="list-style-type: none"> • Obtaining a schedule of the areas of interest held by the Group and assessing whether the rights to tenure of those areas of interest remained current at balance date; • Considering the status of the ongoing exploration programmes in the respective areas of interest by holding discussions with management, and reviewing the Group's exploration budgets, ASX announcements and director's minutes; • Considering whether any such areas of interest had reached a stage where a reasonable assessment of economically recoverable reserves existed; • Verifying, on a sample basis, evaluation expenditure capitalised during the year for compliance with the recognition and measurement criteria of AASB 6; • Considering whether any facts or circumstances existed to suggest impairment testing was required; and • We also assessed the adequacy of the related disclosures in Note 10 to the Financial Statements.



Other information

The directors are responsible for the other information. The other information comprises the information in the Group's annual report for the year ended 30 June 2017, but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors 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 preparing the financial report, the directors are responsible for assessing the ability of the group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at:

http://www.auasb.gov.au/auditors_files/ar2.pdf

This description forms part of our auditor's report.



Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 27 to 34 of the directors' report for the year ended 30 June 2017.

In our opinion, the Remuneration Report of Cassini Resources Limited, for the year ended 30 June 2017, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

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.

BDO Audit (WA) Pty Ltd

BDO

A handwritten signature in black ink, appearing to read 'P. Murdoch', is written over a horizontal line.

Phillip Murdoch

Director

Perth, 28 September 2017

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2017

	Note	2017 \$	2016 \$
Revenue from continuing operations			
Revenue	2	184,109	-
Interest received	2	13,180	35,801
Fuel tax credits	2	15,975	-
Other income		-	9,698
Employee and director benefits expense	3	(690,769)	(1,072,273)
Financial and company secretarial expenses		(150,000)	(150,139)
Audit fees		(38,711)	(39,898)
Legal fees		(71,619)	(33,979)
Insurance		(24,316)	(41,310)
ASX and share registry fees		(63,960)	(45,229)
Share based payments expense		-	(239,614)
Consultants and corporate advisory		(476,278)	(157,261)
Other employee expenses	3	(21,391)	(36,530)
Exploration write-off	10	-	(134,957)
Travel and entertainment		(45,302)	(44,014)
Rent expense		(137,016)	(133,538)
Marketing and public relations expense		(70,473)	(48,822)
Depreciation expense		(40,410)	(37,889)
Payroll Tax		(13,394)	(60,439)
Accounting Fees		(31,275)	(65,250)
Other expenses		(209,551)	(310,132)
Loss before income tax		(1,871,201)	(2,605,775)
Income tax expense	4	-	-
Loss after income tax		(1,871,201)	(2,605,775)
Other comprehensive income			
Items that may be reclassified to profit or loss		-	-
Exchange differences on translation of foreign operations		5,137	152,319
Other comprehensive loss for the year, net of tax		(1,866,064)	(2,453,456)
Total comprehensive loss for the year		(1,866,064)	(2,453,456)
Loss from continuing operations is attributable to:			
Members of the parent entity		(1,871,201)	(2,605,646)
Total comprehensive loss is attributable to:			
Owners of Cassini Resources Limited		(1,866,064)	(2,453,456)
Loss per share attributable to ordinary equity holders			
Basic and diluted loss per share (cents per share)	5	(0.73)	(1.18)

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 2017

	Note	2017 \$	2016 \$
ASSETS			
Current assets			
Cash and cash equivalents	7	2,099,001	1,385,688
Trade and other receivables	8	65,665	47,273
Total current assets		2,164,666	1,432,961
Non-current assets			
Property, plant and equipment	9	127,213	167,623
Exploration and evaluation expenditure	10	10,017,776	9,281,472
Total non-current assets		10,144,990	9,449,095
TOTAL ASSETS		12,309,656	10,882,056
LIABILITIES			
Current liabilities			
Trade payables	11	110,552	190,836
Provisions	12	42,864	49,532
Other payables	13	968,559	87,946
Total current liabilities		1,121,975	328,314
TOTAL LIABILITIES		1,121,975	328,314
NET ASSETS		11,187,681	10,553,742
EQUITY			
Issued capital	14	26,185,123	23,685,120
Options reserve	15	1,237,600	1,237,600
Foreign currency translation reserve	15	638,650	633,513
Accumulated losses		(16,873,692)	(15,002,491)
Capital and reserves attributable to owners of the company		11,187,681	10,553,742
TOTAL EQUITY		11,187,681	10,553,742

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 2017

	Notes	2017 \$	2016 \$
Cash flows from operating activities			
Payments to suppliers and employees		(1,176,036)	(2,048,016)
Receipts from customers		113,217	45,499
Interest and fuel tax credits received		13,180	-
Net cash flows used in operating activities	16	(1,049,639)	(2,002,517)
Cash flows from investing activities			
Exploration and evaluation expenditure		(2,566,994)	(2,811,250)
Government grants received		52,471	574,858
Payments for acquisition of non-controlled subsidiary		-	(75,000)
Joint venture receipts		1,778,219	-
Net cash flows used in investing activities		(736,304)	(2,311,392)
Cash flows from financing activities			
Proceeds from issue of shares and options		2,500,003	-
Capital raising costs		-	-
Net cash flows from financing activities		2,500,003	-
Net increase/(decrease) in cash and cash equivalents		714,060	(4,313,909)
Effect of movement in exchange rates on cash held		(747)	-
Cash and cash equivalents at beginning of the year		1,385,688	5,699,597
Cash and cash equivalents at end of the year	7	2,099,001	1,385,688

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 2017

	Issued capital \$	Accumulated losses \$	Option reserve \$	Foreign currency translation reserve \$	Total \$
Balance at 1 July 2015	23,685,120	(12,396,716)	997,986	481,194	12,767,584
Loss for the year	-	(2,605,775)	-	-	(2,605,775)
Other comprehensive income	-	-	-	152,319	152,319
Total comprehensive income	-	(2,605,775)	-	152,319	2,453,456
Transactions with owners, directly recorded in equity:					
Issue of shares, net of costs	-	-	-	-	-
Issue/vesting of options	-	-	239,614	-	239,614
Balance at 30 June 2016	23,685,120	(15,002,491)	1,237,600	633,513	10,553,742

	Issued capital \$	Accumulated losses \$	Option reserve \$	Foreign currency translation reserve \$	Total \$
Balance at 1 July 2016	23,685,120	(15,002,491)	1,237,600	633,513	10,553,742
Loss for the year	-	(1,871,201)	-	-	(1,871,201)
Other comprehensive income	-	-	-	5,137	5,137
Total comprehensive income	-	(1,871,201)	-	5,137	(1,866,064)
Transactions with owners, directly recorded in equity:					
Issue of shares, net off costs	2,500,003	-	-	-	2,500,003
Issue/vesting of options	-	-	-	-	-
Balance at 30 June 2017	26,185,123	(16,873,692)	1,237,600	638,650	11,187,681

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 24.

Going Concern

For the year ended 30 June 2017 the Group recorded a net loss of \$1,871,201, net cash outflows from operating activities of \$1,049,639 and net working capital of \$1,042,691. Furthermore, the Company has prepared a cash flow forecast which indicates that the Group would be required to raise funds to provide additional working capital to support the development of the West Musgrave Project, the West Arunta Project and the Mount Squires Gold Project.

The ability of the Group to continue as a going concern and fund its ongoing exploration and development commitments and working capital will be dependent on securing additional funding from capital raisings. These conditions indicate a material uncertainty that may cast doubt about the Group's ability to continue as a going concern, and therefore, that it may be unable to realise its assets and discharge its liabilities in the normal course of business.

The Directors believe there are sufficient funds to meet the Group's working capital requirements as at the date of this financial report.

These financial statements have been prepared on the basis that the Group is a going concern, which contemplates the continuity of normal course of business activity, realisation of assets and settlement of liabilities in the normal course of business. The basis of this reasoning is the Directors confidence in the Group's ability to raise further capital, in light of recent improved market conditions particularly in the gold sector, the Group securing a \$36m Farm-in and Joint Venture with OZ Minerals Limited (ASX: OZL) in relation to the West Musgrave Project during the period (refer ASX announcement 1 August 2016), the Group's ability to raise equity capital on multiple occasions since listing on the ASX in 2012 and the Group's ability to manage discretionary spending to ensure that working capital is available to meet debts as and when they fall due.

Should the Group not be able to continue as a going concern, it may be required to realise its assets and discharge its liabilities other than in the ordinary course of business, and at amounts that differ from those stated in the financial statements. The financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or liabilities that might be necessary should the group not continue as a going concern.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. Summary of significant accounting policies (continued)

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 2017 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.

Associates

Associates are entities over which the Group has significant influence but not control or joint control. Associates are accounted for in the parent entity financial statements at cost and the consolidated financial statements using the equity method of accounting. Under the equity method of accounting, the group's share of post-acquisition profits or losses of associates is recognised in consolidated profit or loss and the group's share of post-acquisition other comprehensive income of associates is recognised in consolidated other comprehensive income. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. Dividends received from associates are recognised in the parent entity's profit or loss, while they reduce the carrying amount of the investment in the consolidated financial statements.

Deconsolidation of subsidiary

Where the group loses control of a subsidiary but retains significant influence, the retained interest is re-measured to fair value at the date that control is lost and the difference between fair value and the carrying amount is recognised in profit or loss. This fair value is the initial carrying amount for the retained investment in associate. To the extent that the group retains significant influence balances of other comprehensive income relating to the associate will only be reclassified from other comprehensive income to profit or loss to the extent of the reduced ownership interest so that the balance of other comprehensive represents the group's proportionate share of other comprehensive income of the associate.

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.

d) Leases

The Group currently has no leases.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. Summary of significant accounting policies (continued)

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).

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.

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.

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. Summary of significant accounting policies (continued)

j) 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 and associates 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.

k) 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 as 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.

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. Summary of significant accounting policies (continued)

l) 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.

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.

m) 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 statement of profit or loss and other comprehensive income.

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.

n) 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. Summary of significant accounting policies (continued)

n) Employee benefits (continued)

(iii) Share-based payments

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

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 statement of profit or loss and other comprehensive income with a corresponding adjustment to equity.

o) 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.

p) 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.

q) Revenue recognition

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.

Grant income is recognised when cash is received.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. Summary of significant accounting policies (continued)

q) Revenue recognition (continued)

Fuel tax credits are recognised when they become due in the period.

r) Asset acquisition accounting

In financial year 2015, Cassini Resources Limited acquired 75% of the issued shares of Crossbow Resources Pty Ltd ("Crossbow"). Crossbow shareholders received cash, shares and options in Cassini. In 2016, Cassini Resources acquired 100% of the shares on issue for the payment of \$75,000.

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.

s) 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.

t) 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 & judgements will, by definitions, seldom equal the related actual results.

(iv) *Taxation & deferred tax balances*

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 reporting date.

(v) *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.

(vi) *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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. Summary of significant accounting policies (continued)

u) 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 18 for details.

v) New accounting standards and interpretations

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2017 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.	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. 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.	Must be applied for financial years commencing on or after 1 January 2018. Therefore application date for the company will be 30 June 2019. The company does not currently have any hedging arrangements in place.
AASB 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 2018. Therefore application date for the company will be 30 June 2019.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. Summary of significant accounting policies (continued)

v) New accounting standards and interpretations (continued)

AASB 16 Leases	<p>AASB 16 requires lessees to account for all leases under a single on-balance sheet model in a similar way to finance leases under AASB 117 Leases. The standard includes two recognition exemptions for lessees – leases of 'low-value' assets (e.g., personal computers) and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset).</p> <p>Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset.</p> <p>Lessees will be required to remeasure the lease liability upon the occurrence of certain events (e.g., a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee will generally recognise the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset.</p> <p>Lessor accounting is substantially unchanged from today's accounting under AASB 117. Lessors will continue to classify all leases using the same classification principle as in AASB 117 and distinguish between two types of leases: operating and finance leases.</p>	As the Company does not have any leases, there will be no impact to the Company.	1 January 2019
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The Group has not elected to early adopt any new Standards or Interpretations.

w) Changes in accounting policies and disclosures

In the year ended 30 June 2017, 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.

The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the consolidated entity.

The financial report was authorised for issue on 28 September 2017 by the Board of Directors.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2. Revenues & other income

	2017 \$	2016 \$
Revenue		
Management Fee and other charges	184,109	-
Bank interest	13,180	35,801
Fuel tax credits	15,975	-
	<u>213,264</u>	<u>35,801</u>

3. Loss for the period

Loss for the period includes the following items:

	2017 \$	2016 \$
Employee benefits expense	-	689
Employee wages and directors fees	648,076	987,284
Superannuation and other employee expenses	64,084	120,830
Total employee benefits expense	<u>712,160</u>	<u>1,108,803</u>

4. Income tax

	2017 \$	2016 \$
(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	(1,871,201)	(2,605,775)
Prima facie income tax at 30%	(561,360)	(781,733)
Tax effect of amounts not deductible in calculating taxable income	59,096	161,725
Difference in overseas tax rates	(190)	(13,783)
Tax losses not recognised	502,454	633,791
Income tax expense/(benefit)	<u>-</u>	<u>-</u>
(c) Unrecognised deferred tax assets arising on timing difference and losses		
Losses – Revenue	3,463,917	3,231,590
Other	272,834	328,880
FX translation	-	7,167
Exploration asset	(2,631,800)	(2,378,128)
	<u>1,104,951</u>	<u>1,189,509</u>

The benefit for tax losses will only be obtained if:

- (i) 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;
- (ii) the Group continues to comply with the conditions for deductibility imposed by tax legislation in Australia; and
- (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 2017, 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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:

	2017 Cents	2016 Cents
Loss after income tax	(1,871,201)	(2,605,775)
Basic loss per share attributable to equity holders	(0.73)	(1.18)
	No.	No.
Weighted average number of ordinary shares outstanding during the period used in calculating basic EPS	255,532,656	220,899,079

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

	2017 \$	2016 \$
Current		
Cash at bank and in hand	678,571	1,385,688
Restricted cash	920,430	-
Short-term term deposit	500,000	-
	2,099,001	1,385,688

Cash at bank and in hand earns interest at both floating rates based on daily bank rates and fixed rate term deposits. The Company notes that \$79,325 (included in the Cash at bank and in hand amount) is held as an indemnity guarantee with the ANZ Bank expiring 21 November 2017 subject to the Company's lease agreement at its premises at 10 Richardson Street, West Perth, Western Australia.

The Company holds \$500,000 in a 3 month high interest earning term deposit account with ANZ. The account earns interest at a rate of 2.35% per annum and matured on 24 August 2017.

As at 30 June 2017, the Company had restricted cash received from its JV partner of \$920,430 which will be spent and used in respect of the approved JV expenditure.

Refer to Note 17 on financial instruments for details on the Company's exposure to risk in respect of its cash balance.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

8. Trade and other receivables

	2017 \$	2016 \$
Current		
Trade debtors	81,560	-
Pre-paid expense	-	(728)
Other receivable	2,674	10,668
GST Receivable/(payable)	(18,569)	37,333
	65,665	47,273

Past due but not impaired

The group did not have any receivables that were past due as at 30 June 2017 (30 June 2016: Nil). The Group did not consider a credit risk on the aggregate balances as at 30 June 2017. For more information, please refer to Note 17 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 2015	10,708	42,663	38,639	195,873	287,883
Additions	-	-	-	-	-
Depreciation	-	(50)	(11,085)	(26,754)	(37,889)
Write off	(10,708)	(42,613)	(27,554)	-	(80,775)
Exchange differences	-	-	-	(1,596)	(1,596)
At 30 June 2016	-	-	-	167,623	167,623
As at 1 July 2016	-	-	-	167,623	167,623
Additions	-	-	-	-	-
Depreciation	-	-	-	(40,410)	(40,410)
Write off	-	-	-	-	-
Exchange differences	-	-	-	-	-
At 30 June 2017	-	-	-	127,213	127,213

10. Exploration and evaluation expenditure

	2017 \$	2016 \$
Non-Current		
Exploration and Evaluation at cost	10,017,776	9,281,472
Movement		
Opening balance	9,281,472	6,945,080
Exploration asset obtained through purchase of subsidiary (Note 25)	-	99,998
Exploration Expenditure capitalised during the year	788,775	2,946,209
Stamp duty capitalised during the year	-	-
Exploration Expenditure written off during the year	-	(134,957)
EE&E attributable to disposals	-	-
R&D refund	(52,471)	(574,858)
	10,017,776	9,281,472

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

10. Exploration and evaluation expenditure (continued)

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

	2017 \$	2016 \$
Current		
Trade payables	110,552	190,836
	<u>110,552</u>	<u>190,836</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 17 on Financial Instruments for further discussion on risk management.

12. Provisions

	2017 \$	2016 \$
Current		
Annual leave provision	42,864	49,532
	<u>42,864</u>	<u>49,532</u>

All amounts are expected to be settled within 12 months.

13. Other payables

	2017 \$	2016 \$
Current		
Accrued expenses and other payables	945,095	63,742
PAYG	19,152	20,075
Superannuation payable	4,312	4,129
	<u>968,559</u>	<u>87,946</u>

All amounts are expected to be settled within 12 months.

Included in accrued expenses and other payables is \$920,430 of restricted cash the Company has received from its JV Partner, Oz Minerals, which will be spent and used in respect of approved JV expenditure in FY18.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

14. Issued capital

Date	Details	No. of Shares	Issue Price	\$
30 June 2015		220,899,079		23,685,120
30 June 2016		220,899,079		23,685,120
16 Nov 2016	Issue of shares	51,066,590	\$0.045	2,297,996
17 Nov 2016	Issue of shares	4,488,965	\$0.045	202,007
30 June 2017		276,454,634		26,185,123

(a) The share capital of the Group as at 30 June 2017 was 276,454,634 ordinary shares.

No shares of the Company were subject to escrow at 30 June 2017.

(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
19 November 2012	19 November 2017	\$0.112	100,000
9 April 2013	9 April 2018	\$0.200	1,000,000
22 May 2014	9 April 2018	\$0.200	3,000,000
9 April 2013	9 April 2018	\$0.300	1,000,000
22 May 2014	23 May 2019	\$0.241	1,500,000
26 November 2015	14 December 2019	\$0.067	13,850,000
Total			20,450,000

(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 2017 was \$1,042,691 and the net increase in cash held during the period was \$714,060.

The Group had at 30 June 2017 \$2,099,001 of cash and cash equivalents and no debt.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

15. Reserves

	2017 \$	2016 \$
a) Reserves		
Option Reserve	1,237,600	1,237,600
Foreign Currency Translation Reserve	638,650	633,513
	1,866,250	1,873,113

Options reserve

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

Options	Date	Number	Reserve
Opening balance		6,600,000	997,986
Director & employee options	15 December 2015	15,350,000	239,614
Expiry of unlisted options		-	-
30 June 2016		21,950,000	1,237,600

Options	Number	Reserve
Opening balance	21,950,000	1,237,600
Director & employee options	-	-
Cancellation of unlisted options	(1,500,000)	-
30 June 2017	20,450,000	1,237,600

Foreign currency translation reserve

Exchange differences arising on translation of foreign controlled entities are taken to the foreign currency translation reserve, as described in Note 1(c). The reserve is recognised in profit and loss when the net investment is disposed of.

	2017 \$	2016 \$
Balance 1 July	633,513	481,194
Currency translation differences arising during the year	5,137	152,319
Balance 30 June	638,650	633,513

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

16. Operating cash flow reconciliation

	2017 \$	2016 \$
Reconciliation of operating cash flows to net loss		
Loss for the year	(1,871,201)	(2,605,775)
Movement in foreign currency	5,884	152,319
Share based payments	-	239,614
Depreciation expense	40,410	37,889
Exploration expenditure written off	-	80,775
Loss on disposal of controlling interest	-	-
Increase/(Decrease) in trade and other payables	800,329	(91,279)
Increase in provision for income tax	-	51,128
Increase in accruals	(6,668)	51,472
Decrease/(Increase) in trade and other receivables	(18,393)	81,340
Cash flow from operations	(1,049,639)	(2,002,517)

Non-cash financing and investing activities

There has been no non-cash financing and investing activities during the period.

17. Financial instruments

Financial risk management

The Group's 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.

(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.

	Change in profit/(loss) \$
2017	
Increase in interest rate by 100 basis points	20,990
Decrease in interest rate by 100 basis points	(20,990)
2016	
Increase in interest rate by 100 basis points	26,057
Decrease in interest rate by 100 basis points	(26,057)

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

17. Financial instruments (continued)

(ii) Foreign exchange risk

The Group operated pre-dominantly in Australia in the period ended 30 June 2017 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.

(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:

	2017 \$	2016 \$
Cash and cash equivalents AA-	2,099,001	1,385,688
Total	2,099,001	1,385,688

(c) Maturity analysis of liabilities

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

17. Financial instruments (continued)

2017 Financial Instrument	Floating interest rate	Fixed interest rate maturing in			Non-interest Bearing	Total	Weighted average effective interest rate
		1 year or less	Over 1 to 5 years	More than 5 years			
Financial assets							
Cash	1,599,001	500,000	-	-	-	2,099,001	0.9%
Receivables – other	-	-	-	-	65,665	65,665	-
Total financial assets	1,599,001	500,000	-	-	65,665	2,164,666	
Financial liabilities							
Trade payables	-	-	-	-	110,552	110,552	-
Other payables	-	-	-	-	1,011,423	1,011,423	-
Total financial liabilities	-	-	-	-	1,121,975	1,121,975	-

2016 Financial Instrument	Floating interest rate	Fixed interest rate maturing in			Non-interest Bearing	Total	Weighted average effective interest rate
		1 year or less	Over 1 to 5 years	More than 5 years			
Financial assets							
Cash	1,385,688	-	-	-	-	1,385,688	2%
Receivables – other	-	-	-	-	47,273	47,273	-
Total financial assets	1,385,688	-	-	-	47,273	1,432,961	-
Financial liabilities							
Trade payables	-	-	-	-	190,836	190,836	-
Other payables	-	-	-	-	137,516	137,516	-
Total financial liabilities	-	-	-	-	328,352	328,352	-

18. 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 in 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

18. Operating segments (continued)

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.

30 June 2017	Exploration Australia	Exploration United States	Unallocated	Total
Segment performance	\$	\$	\$	\$
Profit/(loss) before income tax	(47,045)	(10,318)	(1,739,705)	(1,871,201)
Segment assets				
Cash	920,433	14,210	1,164,358	2,099,001
Exploration and evaluation	10,017,776	-	-	10,017,776
Other	130,947	5,139	56,793	192,879
Total segment assets	11,069,156	19,349	1,221,151	12,309,656
Segment liabilities				
Creditors	-	(578)	(110,472)	(111,050)
Other	(920,429)	-	(90,496)	(1,010,925)
Total segment liabilities	(920,429)	(578)	(200,967)	(1,121,975)
30 June 2016	Exploration Australia	Exploration United States	Unallocated	Total
Segment performance	\$	\$	\$	\$
Profit/(loss) before income tax	(231)	(275,666)	(2,329,878)	(2,605,775)
Segment assets				
Cash	8,202	37,906	1,339,580	1,385,688
Exploration and evaluation	9,281,472	-	-	9,281,472
Other	156,105	4,598	54,193	214,896
Total segment assets	9,445,779	42,504	1,393,773	10,882,056
Segment liabilities				
Creditors	(80)	-	(190,756)	(190,836)
Other	(498)	(5,225)	(131,755)	(131,478)
Total segment liabilities	(578)	(5,225)	(322,511)	(328,314)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

19. 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 2016. No share based payments were made during the year ended 30 June 2017. 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.

11 million options were issued on 15 December 2015 to related parties and 4.35 million options were issued to employees or consultants to the company. The sum total fair value of these two options was calculated to be \$239,614 using a Black-Scholes option valuation model with the following inputs:

Share Price at Grant Date	\$0.028
Exercise Price	\$0.067
Grant Date	26/11/2015
Expiration date	14/12/2019
Life of the Options	4
Volatility	100%
Risk Free Rate	3.41%

Grant date	Expiry date	Exercise price	Balance at start of year number	Granted during the year number	Exercised during the year number	Forfeited during the year number	Balance at end of the year number	Vested & exercisable at end of the year number
2017								
			15,350,000	-	-	-	15,350,000	15,350,000
			15,350,000				15,350,000	15,350,000
2016								
26 Nov 2015	14 Dec 2019	\$0.067	-	15,350,000	-	-	15,350,000	15,350,000
				15,350,000	-	-	15,350,000	15,350,000
Weighted average exercise price \$0.067								
Weighted average remaining contractual life of options outstanding at end of period 3.46 years								

The options issued to directors in the year ended 30 June 2016 were under the Employee Share Option Scheme.

b) Other share based payments

Other than those disclosed above, there were no other share based payment arrangements issued during the financial year (2016: Nil)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

19. Share based payments (continued)

c) 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:

	2017 \$	2016 \$
Options issued to employees & directors (expensed to Statement of Profit or Loss and Other Comprehensive Income)	-	239,614
	-	239,614

20. 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.

	Wirraway 2017 \$	Crossbow 2017 \$	Opis 2017 \$	Wirraway 2016 \$	Crossbow 2016 \$	Opis 2016 \$
Exploration expenditure commitments						
Payable:						
Not later than 12 months	1,427,429	486,780	269,892	1,351,673	342,413	-
Between 12 months and 5 years	-	-	-	-	-	-
Greater than 5 years	-	-	-	-	-	-
	1,427,429	486,780	269,892	1,351,673	342,413	-

The Company withdrew from its Nevada projects at the start of the financial year and as such has no further obligations in regards to those Projects. The Company acquired 100% of Crossbow Resources Pty Ltd during the prior period and is committed to meet the prescribed conditions under which the Crossbow tenements were granted.

The Company only discloses tenement expenditure and rent commitments for the next 12 months, as it is not committed to any amounts subsequent to the next 12 months and is continually reviewing its tenement holdings.

b) Other commitments and contingencies

The Group has operating lease commitments for 1 year amounting to \$103,653 being the current lease at its premises. This lease is set to increase at a rate of 3% over the following year. The commitment for this lease over the next 1 to 5 years is \$36,505 as this lease is due to expire on 31 October 2018.

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). This amount payable has not been recognised as a liability in the Statement of Financial Position as production has yet to commence and the Company is currently completing a Further Scoping Study in respect of the West Musgrave Project.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

21. 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.

	2017		2016		
	Country of Incorporation	% Equity Interest	Country of Incorporation	% 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
Crossbow Resources Pty Ltd	Australia	100	Australia	100	Operating subsidiary
Opis Resources Pty Ltd	Australia	100	Australia	100	Operating subsidiary

c) Key management personnel compensation

	2017 \$	2016 \$
Short-term employee benefits	644,414	611,774
Post-employment long term benefits	23,086	22,559
Long term benefits (annual leave)	21,563	11,520
Share based payments	-	171,710
Total	689,063	817,563

d) Loans to/from related parties

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, on an arm's length basis:

	2017 \$	2016 \$
Payments to Grange Consulting Group Pty Ltd	137,500	137,510
Amounts payable to Grange Consulting Group Pty Ltd	27,500	27,500
	165,000	165,010

Western Mining Services Pty Ltd (previously named Vertex Exploration Services Pty Ltd), a company associated with Dr Jon Hronsky, received \$26,620 (2016: \$49,500) in fees during the period for geological consulting services provided to the Company. These consulting fees are in addition to the annual non-executive director fee Dr Hronsky receives.

Joce Young Consulting, a company associated with Mr Mike Young, received \$11,704 (2016: Nil) in fees during the period for consulting services provided to the Company.

There were no other related party payments during the period.

These amounts above are disclosed fully in the director remuneration table in the directors' report.

22. Events after the reporting date

No matters or circumstances have arisen since the end of the year which significantly affected or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial years.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

23. Auditor's remuneration

	2017 \$	2016 \$
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)	38,711	39,898
Non-Audit Services		
Amounts received by BDO Corporate Tax (WA) Pty Ltd for non-audit services		
- Income tax return and BAS review	-	-
Total remuneration for non-audit services	-	-

24. Parent entity information

The following details information related to the parent entity, Cassini Resources Limited, as at 30 June 2017. The information presented here has been prepared using consistent accounting policies as presented in Note 1.

	2017 \$	2016 \$
Current assets	1,221,151	1,378,705
Non-current assets	3,464,733	3,923,447
Total assets	4,685,884	5,302,152
Current liabilities	200,967	322,548
Non-current liabilities	-	-
Total liabilities	200,967	322,548
Contributed equity	27,518,109	25,018,106
Accumulated losses	(22,937,806)	(19,943,116)
Share issue costs	(1,332,986)	(1,332,986)
Option reserve	1,237,600	1,237,600
Total equity	4,484,917	4,979,604
Loss after income tax	(1,739,705)	(1,291,917)
Other comprehensive income/ (loss) for the period	-	-
Total comprehensive loss for the period	(1,739,705)	(1,291,917)

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

25. Asset acquisitions

2017

There were no asset acquisitions in 2017.

2016

Summary of acquisition

On 22nd July 2015 Cassini Resources Limited, acquired 100% of the issued capital of Crossbow Pty Ltd (Crossbow).

Details of the fair value of the assets and liabilities acquired as at 22 July 2015 are as follows:

Purchase consideration comprises:

	\$
Cash issued to vendor	75,000
	<u>75,000</u>

Net assets acquired:


	\$
Cash and cash equivalents	2
Trade and other receivables	8,358
Exploration and evaluation assets	99,998
Trade and other payables	<u>(1,772)</u>
Net identifiable assets acquired	<u>106,586</u>

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 2017 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
28 September 2017

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 3rd 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 and copies of Group's corporate governance policies and the 2017 Corporate Governance Statement, approved by the Board and applicable as at 30 June 2017 are available of the Group's website:

<http://www.cassiniresources.com.au/company/corporate-governance>

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 21 September 2017 is 276,454,634 ordinary fully paid shares and 21,950,000 unlisted options (details below). All issued ordinary fully paid shares carry one vote per share.

Ordinary Shares

Shares Range	Holders	Units	%
1-1,000	43	5,951	0.00
1,001-5,000	46	169,635	0.06
5,001-10,000	123	1,124,447	0.41
10,001-100,000	494	23,635,204	8.55
100,001 and above	404	251,519,397	90.98
Total	1,110	276,454,634	100.00

Unmarketable parcels

There were 98 holders of less than a marketable parcel of ordinary shares.

2. Top 20 Shareholders as at 21 September 2017

	Name	Number of shares	%
1	MACA LIMITED	29,850,750	10.80
2	GR ENGINEERING SERVICES LIMITED	15,258,713	5.52
3	BT PORTFOLIO SERVICES LIMITED <WARRELL HOLDINGS S/F A/C>	8,247,003	2.98
4	J P MORGAN NOMINEES AUSTRALIA LIMITED	7,618,700	2.76
5	MR WILLIAM LAMBERT & MRS ROSARIA LAMBERT	4,689,746	1.70
6	MR ROBERT FOWLER & MS MARIE ANNE FOWLER	4,502,047	1.63
7	MR ARNOLD GETZ & MRS RUTH GETZ	3,724,122	1.35
8	KINGARTH PTY LTD	3,207,302	1.16
9	PAKSIAN PTY LTD	2,985,080	1.08
10	MR RICHARD GWYNN BEVAN <THE BEVAN INVESTMENT A/C>	2,514,019	0.91
11	MR GERALD FRANCIS PAULEY & MR MICHAEL JAMES PAULEY <PAULEY SUPER FUND A/C>	2,421,577	0.88
12	MR ARNOLD GETZ & MRS RUTH GETZ <SUPER FUND A/C>	2,415,455	0.87
13	CORNELA PTY LTD <THE MACLIVER FAMILY A/C>	2,400,000	0.87
14	CRESCENT NOMINEES LIMITED	2,333,333	0.84
15	MR MICHAEL CHARLES YOUNG <THE MJE YOUNG A/C>	2,290,080	0.83
16	SAPS FORD FINANCIAL SERVICES PTY LTD <SAPS FORD INVESTMENT A/C>	2,200,000	0.80
17	LMTD SUPER MANAGERS PTY LTD <LMTD SUPER FUND A/C>	2,145,423	0.78
18	MR GREGORY JAMES MILES & MRS LOUISE ANNE MILES <THE GLAMRO A/C>	2,052,033	0.74
19	MR ROBERT JEFFREY MATHEWS	2,029,368	0.73
20	MISS DESIREE FRANCIS KEMPTON	1,976,517	0.72
	Total	104,861,268	37.93
	Total remaining holders balance	171,593,366	62.07

ASX ADDITIONAL INFORMATION

3. Unquoted securities

There are 20,450,000 unlisted options over shares in the Company as at 21 September 2017 as follows:

Grant date	Expiry date	Exercise price	Number of Options
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
22 May 2014	23 May 2019	\$0.241	1,500,000
14 December 2015	14 December 2019	\$0.067	13,850,000
		Total	20,450,000

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 Nov 2017	Unlisted Options \$0.20 9 Apr 2018	Unlisted Options \$0.30 9 Apr 2018	Unlisted Options \$0.241 23 May 2019	Unlisted Options \$0.067 14 Dec 2019
Freelight Nominees Pty Ltd	-	900,000	900,000	1,350,000	-
Darya Pty Ltd	100,000	-	-	-	-
Zenix Nominees Pty Ltd	-	3,000,000	-	-	-
Mr Richard Bevan	-	-	-	-	3,500,000
Mr Greg Miles	-	-	-	-	3,500,000
Total number of holders	1	3	2	2	8
Total holdings over 20%	100,000	3,900,000	900,000	1,350,000	7,000,000
Other holders	-	100,000	100,000	150,000	6,850,000
Total	100,000	4,000,000	1,000,000	1,500,000	13,850,000

4. Voting rights

See Note 14 of the financial statements.

5. Substantial shareholders as at 21 September 2017

Holder	Number of shares held	% of issued capital held
MACA Limited	29,850,750	10.80
GR Engineering Services Limited	15,258,713	5.52

6. Restricted securities subject to escrow period

There are currently no securities on issue subject to escrow.

7. On-market buyback

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 2017 in a way that is consistent with its business objective and strategy.

ASX ADDITIONAL INFORMATION

9. Mineral Resources and Ore Reserves Statement – 2017 Annual Report

The Company had an interest in the following projects in Western Australia as at 30 June 2017:

MINING TENEMENTS HELD			
Tenement reference	Location	Nature of interest	Interest at end of quarter
Wirraway Metals & Mining Pty Ltd (West Musgrave Project Area)			
E69/3163	WA	Granted	100%
E69/3169	WA	Granted	100%
E69/3137	WA	Granted	100%
E69/3164	WA	Granted	100%
E69/3165	WA	Granted	100%
E69/3168	WA	Granted	100%
E69/1505	WA	Granted	100%
E69/1530	WA	Granted	100%
E69/2201	WA	Granted	100%
E69/2313	WA	Granted	100%
M69/72	WA	Granted	100%
M69/73	WA	Granted	100%
M69/74	WA	Granted	100%
M69/75	WA	Granted	100%
P69/0064	WA	Granted	100%
Crossbow Resources Pty Ltd (West Arunta Project Area)			
E80/4749	WA	Granted	100%
E80/4796	WA	Granted	100%
E80/4813	WA	Granted	100%

There were no material changes or revisions to the Nebo-Babel and Succoth Mineral Resource estimates during the reporting year therefore no comparison to the prior year as required per ASX Listing Rule 5.21.4 is included in the below Table 1 and 2.

The Company provides the following Mineral Resources and Ore Reserves Statement in accordance with the annual JORC 2012 reporting requirements under ASX Listing Rule 5.21.

The Company reviewed the Nebo-Babel and Succoth Mineral Resource estimates within the West Musgrave Project, on 31 March 2017. The last Nebo – Babel estimate was completed by CSA Global and released to the ASX on 25 February 2015 using a 0.45% lower Ni cut off and then later re-stated utilising a more appropriate 0.3% lower Ni cut-off in conjunction with the Nebo Babel Scoping Study on 13 April 2015 (Table 1). Full details of the resource estimate technique can be found in these ASX releases. The maiden Succoth Deposit Mineral Resource estimate was also completed by CSA Global and released to the ASX on 7 December 2015.

Table 1. Nebo-Babel Indicated and Inferred Mineral Resource (0.3% Ni cut off) - February 2015

Prospect	Classification	Tonnes Mt	Ni %	Cu %	Co ppm	Fe2O3 %	MgO %	As ppm	S %
Nebo	Indicated	25.8	0.52	0.46	215	15.9	4.7	2.0	2.8
	Inferred	3.0	0.60	0.48	229	16.4	4.9	2.5	4.0
	Total	28.9	0.53	0.46	217	16.0	4.7	2.0	3.0
Babel	Indicated	69.7	0.39	0.42	139	14.8	7.7	1.9	2.4
	Inferred	104.5	0.38	0.40	135	14.8	7.8	2.3	2.3
	Total:	174.2	0.39	0.41	137	14.8	7.7	2.2	2.4
Combined	Total:	203.1	0.41	0.42	148	15.0	7.3	2.1	2.4

ASX ADDITIONAL INFORMATION

Table 2. Succoth Deposit Inferred Mineral Resource estimate (0.3% Cu cut-off) – December 2015

Type	Tonnes (Mt)	Cu (%)	Cu Metal (t)	Pt (ppm)	Pd (ppm)
Oxide	5	0.59	31,000	0.04	0.11
Fresh	151	0.60	912,000	0.04	0.11
Total	156	0.60	943,000	0.04	0.11

Post the end of the reporting period, the Company has initiated a resource update of the Nebo-Babel Resource estimate but was not complete at the report date.

There are no other mineral resources or ore reserves in the Company's project portfolio.

The Company annually reviews its Mineral Resource Estimates on, or around, 31 March 2016 following receipt of all drilling information gathered during the previous field season and using both internal and external reviews as deemed necessary.

All Mineral Resource Estimates are subject to appropriate levels of governance and are aligned with industry best practice. The Company ensures that highly qualified people are engaged to conduct the estimates or reviews and have an appropriate level of competence to satisfy the requirements of the JORC Code 2012. The Company is satisfied that current governance standards are acceptable but will continue to evaluate these standards as the business continues to grow.

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, 22 March 2017 & 9 April 2017, 1 May 2017, 8 June 2017, 14 June 2017 and 19 July 2017.



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