



CASSINI
RESOURCES LIMITED

**CASSINI RESOURCES LIMITED
AND ITS CONTROLLED ENTITIES**

ABN 50 149 789 337

**Interim Financial Report
For the half year ended 31 December 2018**

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DIRECTORS' REPORT

Your Directors present their half-yearly report on the consolidated entity consisting of Cassini Resources Limited ("Cassini" or "the Company") and the entities it controlled at the end of, or during, the period 1 July 2018 to 31 December 2018 ("the Group").

Directors

The persons who were Directors of Cassini Resources Limited during the interim reporting period and up to the date of this report are:

Mr Michael (Mike) Young	Non-Executive Chairman (appointed on 10 March 2011)
Mr Richard Bevan	Managing Director (appointed on 10 March 2011)
Mr Greg Miles	Non-Executive Director (appointed on 18 August 2011)
Mr Philip Warren	Non-Executive Director (appointed on 10 March 2011)
Dr Jon Hronsky	Non-Executive Director (appointed 3 April 2014)

Review of Operations

Cassini's principal activities during the period were focused on progressing the \$36m Earn-in/Joint Venture Agreement with OZ Minerals Limited ("OZ Minerals") (ASX: OZL) at the West Musgrave Project, whilst advancing the Company's other 100% owned projects.

The West Musgrave Project is one of Australia's largest undeveloped nickel/copper deposits, with the Company's partner OZ Minerals continuing to earn-in through a 3-stage Joint Venture Agreement. Stage 1 of the earn-in was reached in November 2017 with the completion of a Further Scoping Study (FSS) on the development of the Nebo-Babel Deposits. OZ Minerals immediately elected to commence a Pre-Feasibility Study (PFS) and satisfied the Stage 2 51% earn-in milestone by contributing the initial spend of \$3 million, followed by a further \$19 million on the PFS at the Nebo-Babel deposits and regional exploration in the current period.

OZ Minerals can earn up to 70 per cent of the West Musgrave Project by investing an additional \$14 million towards Nebo-Babel studies and regional exploration.

The Company retained 100% of the West Arunta Zinc and Mount Squires Gold Projects during the period providing leverage to early stage gold and base metal exploration success. The Company also has an option to earn 80% of the Yarawindah Brook Project, located 130km northeast of Perth. Refer to ASX announcement on 19 February 2019 for further details on the Company's exploration activities. Subsequent to period end, the Company made the decision to surrender the West Arunta Zinc Project.

The Group's operating loss for the period ended 31 December 2018 was \$2,444,549 (31 December 2017: operating profit \$955,605).

Significant Change in State of Affairs

There were no significant changes in the state of affairs of the Company during the period.

Matters Subsequent to Reporting Date

Date	Details
18 Feb 2019	New Drilling Results Confirm Succoth Potential The Company was pleased to announce results from recent diamond drilling at the Succoth Deposit within the West Musgrave Project supports favourable new geological interpretation with positive implications for potential resource growth.
19 Feb 2019	Exploration Update The Company provided an update on its exploration projects across its portfolio including West Musgrave, Yarawindah, Mount Squires and West Arunta.

Following a drill program at the West Arunta Zinc Project and consideration by the Board and Management as outlined in the 19 February 2019 ASX announcement, the Company has elected to surrender the West Arunta tenements post-period end. Accordingly, the total amount of capitalised expenditure attributed to the West Arunta Zinc Project has been accounted for as an adjusting subsequent event as at reporting date with a \$1.7 million impairment expense being recognised in the Statement of Profit or Loss and Other Comprehensive Income for the period ended 31 December 2018.

No other matters or circumstances have arisen since the end of the financial period which significantly affected or may significantly affect the operations of the Group or the results of those operations of the Group in future financial years.

Auditor's Independence Declaration

The Auditor's Independence Declaration under section 307C of the Corporation Act 2001 is included within this financial report.

This report is signed in accordance with a resolution of the Board of Directors.



Richard Bevan
Managing Director

Perth, Western Australia, 13 March 2019

AUDITOR'S INDEPENDENCE DECLARATION



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

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

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

As lead auditor for the review of Cassini Resources Limited for the half-year ended 31 December 2018, 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 review; and
2. No contraventions of any applicable code of professional conduct in relation to the review.

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

A handwritten signature in black ink, appearing to read 'P. Murdoch', with a long horizontal flourish extending to the right.

Phillip Murdoch
Director

BDO Audit (WA) Pty Ltd
Perth, 13 March 2019

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CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the half year ended 31 December 2018

	Note	Half Year 2018 \$	2017 \$
Revenue from continuing operations		-	60,340
Other income	3	402,574	1,908,513
Advisory and company secretarial expenses		(125,428)	(94,360)
Acquisition costs		-	(60,487)
Legal Fees		(7,617)	(15,831)
Insurance		(27,548)	(26,656)
Audit Fees		(21,365)	(20,084)
ASX and share registry fees		(53,218)	(43,814)
Director fees		(408,641)	(331,769)
Wages and salaries		(115,516)	(154,876)
Other employee expenses		(8,801)	(8,147)
Exploration expenditure not capitalised		(21,873)	-
Exploration expenditure written off	8	(1,717,646)	-
Other expenses		(338,230)	(257,224)
Share based payment expense	6	(1,240)	-
Profit/(Loss) before income tax expense		(2,444,549)	955,605
Income tax expense		-	-
Profit/(Loss) after income tax for the period		(2,444,549)	955,605
Other Comprehensive Income			
<i>Items that may be reclassified to profit or loss</i>			
Exchange difference on translation of foreign operations		-	(3,515)
Other comprehensive loss for the period, net of tax		-	(3,515)
Total comprehensive profit/(loss) for the period		(2,444,549)	952,090
Total comprehensive profit/(loss) is attributable to:			
Owners of Cassini Resources Limited		(2,444,549)	952,090
		(2,444,549)	952,090
Profit/(Loss) per share from continuing operations attributable to the ordinary equity holders of Cassini Resources Limited:			
Basic and diluted profit/(loss) per share (cents)		(0.75)	0.35

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2018

	Note	31 December 2018 \$	30 June 2018 \$
ASSETS			
Current assets			
Cash and cash equivalents	7	4,318,592	1,358,279
Trade and other receivables		199,419	1,248,868
Total current assets		4,518,011	2,607,147
Non-current assets			
Property, plant and equipment		91,585	102,593
Exploration and evaluation expenditure	8	9,306,499	10,585,996
Total non-current assets		9,398,084	10,688,589
TOTAL ASSETS		13,916,095	13,295,736
LIABILITIES			
Current liabilities			
Trade payables		924,919	1,918,657
Provisions		139,870	112,210
Other payables	9	235,619	167,273
Total current liabilities		1,300,408	2,198,140
TOTAL LIABILITIES		1,300,408	2,198,140
NET ASSETS		12,615,687	11,097,596
EQUITY			
Issued capital	4	30,146,523	26,185,123
Options reserve	5	1,238,840	1,237,600
Accumulated losses		(18,769,676)	(16,325,127)
TOTAL EQUITY		12,615,687	11,097,596

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the half year ended 31 December 2018

	Contributed Equity	Share Based Payment Reserve	Foreign Currency Translation Reserve	Accumulated Losses	Total
	\$	\$	\$	\$	\$
Balance at 1 July 2018	26,185,123	1,237,600	-	(16,325,127)	11,097,596
Total comprehensive income for the period					
Profit/(loss) for the period ended 31 December 2018	-	-	-	(2,444,549)	(2,444,549)
Other comprehensive income/(loss)	-	-	-	-	-
Total comprehensive income/(loss) for the period	-	-	-	(2,444,549)	(2,444,549)
Transactions with owners, recorded directly in equity					
Issue of shares, net of costs	3,961,400	-	-	-	3,961,400
Share based payments	-	1,240	-	-	1,240
Balance at 31 December 2018	30,146,523	1,238,840	-	(18,769,676)	12,615,687

	Contributed Equity	Share Based Payment Reserve	Foreign Currency Translation Reserve	Accumulated Losses	Total
	\$	\$	\$	\$	\$
Balance at 1 July 2017	26,185,123	1,237,600	638,650	(16,873,692)	11,187,681
Total comprehensive income for the period					
Profit for the period ended 31 December 2017	-	-	-	955,605	955,605
Other comprehensive income/(loss)	-	-	(3,515)	-	(3,515)
Total comprehensive income/(loss) for the period	-	-	(3,515)	955,605	952,090
Transactions with owners, recorded directly in equity					
Issue of shares, net of costs	-	-	-	-	-
Balance at 31 December 2017	26,185,123	1,237,600	635,135	(15,918,087)	12,139,771

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the half year ended 31 December 2018

	31 December 2018 \$	31 December 2017 \$
Cash flows from operating activities		
Cash receipts from customer	407,621	1,911,715
Payments to suppliers and employees	(973,133)	(1,357,925)
Interest received	2,574	7,428
Net cash inflow/(outflow) from operating activities	(562,938)	561,218
Cash flows from investing activities		
Joint venture cash call receipts, net of GST	8,427,438	865,091
Exploration and evaluation expenditure	(8,865,587)	(1,000,758)
Net cash outflow from investing activities	(438,149)	(135,667)
Cash flows from financing activities		
Proceeds from share issue, net of share issue costs	3,961,400	-
Net cash inflow from financing activities	3,961,400	-
Net increase/(decrease) in cash and cash equivalents	2,960,313	425,551
Effect of movement in exchange rates on cash held	-	(84)
Cash and cash equivalents at beginning of the financial period	1,358,279	2,099,001
Cash and cash equivalents at end of the period	4,318,592	2,524,468

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the half year ended 31 December 2018

1. Summary of significant accounting policies

Basis of preparation

These general purpose interim financial statements for the half year reporting period ended 31 December 2018 has been prepared in accordance with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 *Interim Financial Reporting*. The consolidated entity is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

This interim financial report does not include full disclosures of the type normally included in an annual report. It is recommended that this financial report to be read in conjunction with the annual financial report for the year ended 30 June 2018 and any public announcements made by Cassini Resources Limited during the half year reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

New and amended standards adopted by the entity

These consolidated financial statements have been prepared using the same accounting policies as used in the annual financial statements for the year ended 30 June 2018, with the exception of the impact of new and amended standards and interpretations issued by the AASB as follows:

AASB 9 Financial Instruments

AASB 9 supersedes AASB 139 'Financial Instruments: Recognition and Measurement' and was adopted by the Group from 1 July 2018. This, and the related amendments to other accounting standards, introduced three significant areas of change from AASB 139 Financial Instruments: Classification and Measurement:

- A new model for classification and measurement of financial assets and liabilities
- A new expected loss impairment model for determining impairment allowances; and
- A redesigned approach to hedge accounting.

The standard has been applied as at 1 July 2018 without adjustment to comparatives.

Classification and Measurement:

For financial liabilities, the existing classification and measurement requirements of AASB 139 are largely retained.

For financial assets, under the new standard these are classified as measured at amortised cost, fair value through profit or loss, or fair value through other comprehensive income. The classification is based on two criteria: the Group's business model for managing the assets; and whether the instruments' contractual cash flows represent 'solely payments of principal and interest' on the principal amount outstanding.

The assessment of the Group's business model was made as of the date of initial application, 1 July 2018, and then applied retrospectively to those financial assets that were not derecognised before 1 July 2018. The assessment of whether contractual cash flows on debt instruments are solely comprised of principal and interest was made based on the facts and circumstances as at the initial recognition of the assets.

The classification and measurement requirements of AASB 9 did not have a significant impact on the Group.

Trade receivables are held to collect contractual cash flows and are expected to give rise to cash flows representing solely payments of principal and interest. Thus, the Group has continued to measure these at amortised cost under AASB 9.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the half year ended 31 December 2018

1. Summary of significant accounting policies (continued)

Under AASB 9, impairments of financial assets classified as measured at amortised cost are recognised on an expected loss basis which incorporates forward-looking information when assessing credit risk. Movements in the expected loss reserve are recognised in profit or loss. Due to the short-term nature and high quality of the financial assets, the Group has not recognised any impacts on the adoption of AASB 9.

Taxation receivables are considered statutory in nature and therefore not accounted for as financial assets under AASB 9. Taxation receivables are initially recognised at fair value and subsequently measured at amortised cost.

Listed equity investments previously classified as available for sale financial assets are now classified and measured as financial assets at fair value through profit or loss.

The Group has not designated any financial liabilities as at fair value through profit or loss. There are no changes in classification and measurement for the Group's financial liabilities.

Impairment:

The adoption of AASB 9 has required changes to the Group's accounting for impairment losses for financial assets by replacing AASB 139's incurred loss approach with a forward-looking expected credit loss (ECL) approach.

AASB 9 requires the Group to recognise an allowance for ECLs for all debt instruments not held at fair value through profit or loss and contract assets. The expected credit losses on these financial assets are estimated based on the Group's historic credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current, as well as forecast, conditions at the reporting date.

For all other receivables measured at amortised cost, the Group recognises lifetime expected credit losses when there has been a significant increase in credit risk since initial recognition. If the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for the financial instrument at an amount equal to expected credit losses within the next 12 months.

Due to the short-term nature and high quality of the Group's financial assets, the adoption of AASB 9 has not resulted in the recognition of additional impairment.

Hedge Accounting:

The hedge accounting requirements of AASB 9 are not applicable to the Group as the Group has not entered in to any hedging arrangements.

AASB 15 Revenue from contracts with Customers

AASB 15 was adopted by the Group from 1 July 2018. AASB 15 supersedes AASB 111 Construction Contracts, AASB 118 Revenue and related interpretations, and it applies with limited exceptions, to all revenue arising from contracts with its customers.

The core principle of AASB 15 is that an entity should 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. Specifically, the Standard introduces a 5-step approach to revenue recognition:

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the half year ended 31 December 2018

1. Summary of significant accounting policies (continued)

Under AASB 15, a Group recognises revenue when (or as) a performance obligation is satisfied, i.e. when 'control' of the goods or services underlying the particular performance obligation is transferred to the customer.

The standard requires the Group to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. The standard also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract.

The Group adopted AASB 15 in accordance with the transition requirements in AASB 15, which permits Groups to transition to AASB 15 by applying the Standard:

- retrospectively to each prior reporting period presented; or
- retrospectively with the cumulative effect of initially applying the Standard recognised as at the date of initial application (i.e., at the beginning of the annual reporting period in which the entity first applies the Standard).

The Group adopted AASB 15 using the full retrospective method of adoption.

At the initial date of application, the effect of adopting AASB 15 did not have a material impact on the transactions and balances recognised in the financial statements, including comparatives.

Standards and Interpretations in use not yet adopted

The Directors have also reviewed all of the new and revised Standards and Interpretations in issue not yet adopted for the half year ended 31 December 2018.

As a result of this review the Directors have determined that AASB 16 Leases is not expected to have a material effect on the application in future periods.

AASB 16 replaces AASB 117 Leases and related interpretations.

AASB 16 removes the classification of leases as either operating leases or finance leases – for the lessee – effectively treating all leases as finance leases. Most leases will be capitalised on the statement of financial position by recognising a lease liability for the present value obligation and a 'right of use' asset. The right of use asset is calculated based on the lease liability plus initial direct costs, prepaid lease payments and estimated restoration costs less lease incentives received. This will result in an increase in the recognised assets and liabilities in the statement of financial position as well as a change in the expense recognition with interest and depreciation replacing operating lease expense. There are exemptions for short-term leases and leases of low-value items.

Lessor accounting remains similar to current practice, i.e. lessors continue to classify leases as finance and operating leases.

AASB 16 is effective from annual reporting periods beginning on or after 1 January 2019. A lessee can choose to apply the Standard using a full retrospective or modified retrospective approach.

Other than the above, there is no material impact of the new and revised Standards and Interpretations on the Company and therefore, no material change is necessary to Group accounting policies.

Statement of Compliance

The interim financial statements were authorised for issue on 13 March 2019.

The interim financial statements comply with Australian Accounting Standards, which include Australian equivalents to International Financial Reporting Standards (AIFRS). Compliance with AIFRS ensures that the financial report, comprising the interim financial statements and notes thereto, complies with International Financial Reporting Standards (IFRS).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the half year ended 31 December 2018

2. Segment Information

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 within on segment which is mineral exploration within Australia. In the prior reporting period, the Group operated within two segments, being mineral exploration within Australia and the United States. The Group is domiciled in Australia.

Information regarding the results of each reportable segment is included below.

	Exploration Australia \$	Exploration United States \$	Unallocated \$	Total \$
31 December 2018				
Segment performance				
Profit/ (Loss) before income tax	(1,728,242)	-	(716,307)	(2,444,549)
Segment assets				
Cash	710,418	-	3,608,174	4,318,592
Exploration and evaluation	9,306,499	-	-	9,306,499
Other	201,458	-	89,546	291,004
Total segment assets	10,218,375	-	3,697,720	13,916,095
Segment liabilities				
Creditors	(81)	-	(924,838)	(924,919)
Other	(96,034)	-	(279,455)	(375,489)
Total segment liabilities	(96,115)	-	(1,204,293)	(1,300,408)
	Exploration Australia \$	Exploration United States \$	Unallocated \$	Total \$
31 December 2017				
Segment performance				
Profit/ (Loss) before income tax	(10,596)	(9,523)	975,724	955,605
30 June 2018				
Segment assets				
Cash	190,743	-	1,167,536	1,358,279
Exploration and evaluation	10,585,996	-	-	10,585,996
Other	1,020,546	-	330,915	1,351,461
Total segment assets	11,797,285	-	1,498,451	13,295,736
Segment liabilities				
Creditors	(1,608,023)	-	(310,634)	(1,918,657)
Other	(78,733)	-	(200,750)	(279,483)
Total segment liabilities	(1,686,756)	-	(511,384)	(2,198,140)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the half year ended 31 December 2018

3. Other Income

	31 December 2018	31 December 2017
	\$	\$
West Musgrave management fee	400,000	1,900,000
Interest received	2,574	7,428
Other Income	-	1,085
Total Other Income	402,574	1,908,513

4. Contributed Equity

(a) Issued and fully paid

	31 December 2018		30 June 2018	
	\$	No.	\$	No.
Ordinary shares	30,146,523	345,507,093	26,185,123	276,454,634
	30,146,523	345,507,093	26,185,123	276,454,634

(b) Movement reconciliation

Ordinary Shares	No. of Shares		\$
Opening Balance at 1 July 2018	276,454,634		26,185,123
Exercise of options	200,000		13,400
Placement – December	68,852,459		4,200,000
Share issue costs	-		(252,000)
Closing Balance at 31 December 2018	345,507,093		30,146,523

5. Share Based Payment Reserve

(a) Equity settled share-based payments

	31 December 2018		30 June 2018	
	\$	No.	\$	No.
Share based payment reserve	1,238,840	17,956,354	1,237,600	15,350,000
	1,238,840	17,956,354	1,237,600	15,350,000

(b) Movement reconciliation

	31 December 2018	30 June 2018
	\$	\$
Balance at the beginning of the period	1,237,600	1,237,600
Vesting expense – performance rights (i)	1,240	-
Balance at the end of the period	1,238,840	1,237,600

	31 December 2018	30 June 2018
	No.	No.
Balance at the beginning of the period	15,350,000	21,950,000
Expiry of unlisted options	-	(6,600,000)
Exercise of options	(200,000)	-
Issue of performance rights	2,806,354	-
Balance at the end of the period	17,956,354	15,350,000

(i) Refer to note 6 for further details on performance rights issued during the period

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the half year ended 31 December 2018

6. Share Based Payments

Share based payments during the half year ended 31 December 2018 are summarised below.

(a) Recognised share based payment expense

	31 December 2018	31 December 2017
	\$	\$
Expense arriving from equity settled share based payment transactions	1,240	-

(b) Securities granted during the half year

Performance rights granted during the half year to 31 December 2018 as share based payments are as follows:

Tranche	Class of Securities	Grant Date	Number of Securities	Exercise Price	Expiry Date	Vesting Date	Disposal Restriction
A	Director performance rights	20 Dec 2018	2,063,738	Nil – convert to ordinary shares on achievement of performance conditions ¹	20 Dec 2021	20 Dec 2020	Nil
B	Employee performance rights	20 Dec 2018	742,616	Nil – convert to ordinary shares on achievement of performance conditions ¹	20 Dec 2021	20 Dec 2020	Nil

1. The Rights shall vest on the later to occur of:

a) the date on which the milestones shown in the table below are met.

The Rights will vest to the extent the volume weighted average price of Shares during the period between 1 December 2018 and 30 November 2019 meet the following hurdles:

Share Price Performance	Extent to which Performance Rights vest
20-day volume weighted average price of Shares is more than 100% of the volume weighted average price of Shares for the 20 days on which Shares traded prior to the date of allotment of the Performance Rights*.	100%
20-day volume weighted average price of Shares is more than 50% and less than 100% of the volume weighted average price of Shares for the 20 days on which Shares traded prior to the date of allotment of the Performance Rights*.	66%
20-day volume weighted average price of Shares is less than 50% of the volume weighted average price of Shares for the 20 days on which Shares traded prior to the date of allotment of the Performance Rights*.	Nil

* The 20-day volume weighted average price of Shares up to 20 December 2018 (date prior to the allotment of the Performance Rights) was \$0.0907.

- b) the holder completing continuous service with the Company for two (2) years from the date of allotment of the Performance Rights; and
- c) the date that the holder gives a notice to the Company confirming that the holder would like the Performance Rights to vest.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the half year ended 31 December 2018

6. Share Based Payments (continued)

The Performance Rights were valued using a Multiple Share Price Barrier Model with the following inputs:

Tranche	Dividend Yield	Valuation Date	Expected Volatility	Risk-Free Interest Rate	Expiry	Underlying Share Price	Value per Right (\$)	Total Fair Value (\$)
A	-	29 Nov 2018	60%	2.07%	20 Dec 2021	\$0.095	0.032	66,040
B	-	20 Dec 2018	60%	1.87%	20 Dec 2021	\$0.085	0.022	16,338

7. Cash and Cash Equivalents

	31 December 2018 \$	30 June 2018 \$
Cash at bank and in hand	1,616,078	1,175,500
Restricted cash	702,514	182,779
Short-term term deposits	2,000,000	-
Total Cash and Cash Equivalents	4,318,592	1,358,279

As at 31 December 2018, the Company had restricted cash received from its JV partner of \$702,514 which will be spent and used in respect of the approved JV expenditure.

8. Exploration & Evaluation Expenditure

	31 December 2018 \$	30 June 2018 \$
Opening Balance	10,585,996	10,017,776
Expenditure capitalised during the period	438,149	568,220
Less: Exploration written off during the period (i)	(1,717,646)	-
Total Exploration & Evaluation Expenditure	9,306,499	10,585,996

(i) Exploration expenditure written off during the period relates to the impairment of all capitalised expenditure against the West Arunta Zinc Project as at 31 December 2018 following the decision by the Company subsequent to period end to surrender all tenements at this project.

9. Other Payables

	31 December 2018 \$	30 June 2018 \$
Accrued expenses and other payables	106,809	109,927
Payroll and PAYG payable	103,724	50,667
Superannuation payable	25,086	6,679
Total Other Payables	235,619	167,273

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the half year ended 31 December 2018

10. Related Parties

Other than as presented below, there were no material changes to the Group's related party transactions to those disclosed in the 30 June 2018 Annual Report.

Other transactions with Key Management Personnel

Issue of Performance Rights

During the half year to 31 December 2018, the following securities were issued to key management personnel:

Tranche	Class of Securities	Recipient	Grant Date	Number of Securities	Exercise Price	Expiry Date	Total Fair Value (\$)
A	Director performance rights	Mr Richard Bevan	20 Dec 2018	1,285,848	Nil – convert to ordinary shares on achievement of performance conditions ¹	20 Dec 2021	41,147
A	Director performance rights	Mr Gregory Miles	20 Dec 2018	777,890	Nil – convert to ordinary shares on achievement of performance conditions ¹	20 Dec 2021	24,893

¹ Refer to Note 6 for further details in regards to performance rights issued during the period

11. Dividends

No dividends have been paid or declared since the start of the financial period, and none are recommended.

12. Joint Venture with OZ Minerals

On 13 October 2016, the Company executed a joint venture agreement with OZ Minerals Limited (ASX: OZL) to develop the Company's West Musgrave project located in Western Australia.

The agreement covers OZ Minerals' staged earn-in and joint venture of the West Musgrave project by funding up to \$28m continued studies on Nebo-Babel to progress it to a "Decision to Mine", as well as regional exploration spend of up to \$8 million to assist in identifying additional value adding opportunities.

Work in respect of the JV commenced in November 2016.

During the period the Company announced OZ Minerals had met the Stage 2 earn-in expenditure milestone to earn 51 per cent of the West Musgrave Project. OZ Minerals can earn up to 70 per cent of the West Musgrave Project by investing an additional \$14 million towards Nebo-Babel studies and regional exploration.

As at 31 December 2018, the Company had restricted cash received from its JV partner of \$702,514 which will be spent and used in respect of the approved JV expenditure.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the half year ended 31 December 2018

13. Fair value measurement of financial instruments

AASB 13 requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:

- quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1)
- inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly (level 2), and
- inputs for the asset or liability that are not based on observable market data (unobservable inputs) (level 3).

Recurring fair value measurements

The Group does not have any financial instruments that are subject to recurring or non-recurring fair value measurements.

Fair values of financial instruments not measured at fair value

Due to their short-term nature, the carrying amount of current receivables, current trade and other payables and current interest bearing liabilities is assumed to approximate their fair value.

14. Commitments

There are no new commitments, other than the commitments that existed as at 30 June 2018 that the Group has entered into during the period under review.

15. Contingent Assets and Liabilities

There have been no material changes in contingent liabilities or contingent assets since the last annual reporting date.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the half year ended 31 December 2018

16. Events Subsequent to Reporting Date

Date	Details
18 Feb 2019	New Drilling Results Confirm Succoth Potential The Company was pleased to announce results from recent diamond drilling at the Succoth Deposit within the West Musgrave Project supports favourable new geological interpretation with positive implications for potential resource growth.
19 Feb 2019	Exploration Update The Company provided an update on its exploration projects across its portfolio including West Musgrave, Yarawindah, Mount Squires and West Arunta.

Following a drill program at the West Arunta Zinc Project and consideration by the Board and Management as outlined in the 19 February 2019 ASX announcement, the Company has elected to surrender the West Arunta tenements post-period end. Accordingly, the total amount of capitalised expenditure attributed to the West Arunta Zinc Project has been accounted for as an adjusting subsequent event as at reporting date with a \$1.7m impairment expense being recognised in the Statement of Profit or Loss and Other Comprehensive Income for the period ended 31 December 2018.

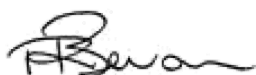
No other matters or circumstances have arisen since the end of the financial period which significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

DIRECTOR'S DECLARATION

The directors of the Company declare that:

- (a) The financial statements and notes are in accordance with the *Corporations Act 2001*, including:
 - (i) complying with the Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001* and other mandatory professional reporting requirements.
 - (ii) giving a true and fair view of the financial position as at 31 December 2018 and the performance for the half year ended 31 December 2018.
- (b) At the date of this statement there are reasonable grounds to believe that Cassini Resources Limited will be able to pay its debts when they become due and payable.

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



Mr Richard Bevan
Managing Director

Perth, 13 March 2019

INDEPENDENT AUDITOR'S REVIEW REPORT



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

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

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Cassini Resources Limited

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of Cassini Resources Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2018, 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 half-year then ended, notes comprising a statement of accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of the Group is not in accordance with the *Corporations Act 2001* including:

- (i) Giving a true and fair view of the Group's financial position as at 31 December 2018 and of its financial performance for the half-year ended on that date; and
- (ii) Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.

Directors' responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation of the half-year 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 half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2018 and its financial performance for the half-year ended on that date and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of the Group, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

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INDEPENDENT AUDITOR'S REVIEW REPORT (Continued)



Independence

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

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, 13 March 2019