CASSINI
RESOURCES LIMITED

2016
ANNUAL REPORT

CONTENTS

CORPORATE INFORMATION

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

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

Directors
Michael (Mike) Young
Non-Executive Chairman

Richard Bevan
Managing Director

Greg Miles
Executive Director

Philip Warren
Non-Executive Director

Jon Hronsky
Non-Executive Director

Company Secretary
Steven Wood

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CHAIRMAN'S REPORT

MIKE YOUNG
Non-Executive Chairman

Dear Shareholder,

Sustainable Growth.

A term much used, some might say over-used, but what does it mean? Our job, as Directors, is to provide shareholder return through sustainable capital growth and dividend yields.

As the recent market activity, and my days in iron ore, show, it is easy to jump aboard the metal-du-jour and make quick money. This is not sustainable for long, for when the smoke clears, very few of the wannabes become mining projects with long term profits. And even fewer end up returning some of those profits to their shareholders.

My experience since the early 90s has been in mine development and during the 2000s I ran an iron ore junior which went from a concept to a mine in just over four years.

What became evident from this experience was that developing a profitable mine is the best way to provide sustainable growth and value to shareholders.

This was my view then, and it is my view now.

But of course a profitable mine needs unit costs that are lower than the metal price, and it belabours the point to highlight that nickel reached a four-year low of US$3.44/lb in February of this year, the lowest since May 2003. Since then it has increased by 43% to US$4.90/lb in August, a great result that has gone largely unheralded. And the medium term outlook is for prices to return to around US$5.50/lb.

And when you consider the fact that our West Musgrave Project's (WMP) Ni-Cu prospect, Nebo Babel, has C1 cash costs of around US$3.40/lb, you can see that we have a robust project in almost any market.

Cassini has continued to conduct high value-add work at Nebo Babel through optimisation studies focusing on the reduction of upfront capital expenditure and lowering operating costs. We have also released a maiden resource at Succoth, which we believe will add mine life and value to Nebo-Babel.

But the market, being the beast that it is, has not rewarded our Team's excellent work to progress the project.

So the choice for the Company was, do we wait and hope for a higher nickel price, or do we move towards development?

For us, the choice was clear, for hope is not a strategy.

The challenge became then, how to fund the development and construction of the project in a way that provides the least amount of dilution to existing shareholders, while providing certainty in bringing the project into development.

The recently announced Farm-in and Joint Venture (JV) deal with OZ Minerals provides this certainty and more. OZ is an S&P: ASX 200 company with proven mining capabilities and significant balance sheet strength. They have recently re-oriented their focus back towards Australia and amongst the Joint Ventures they've entered into, they see the West Musgrave Project as their "next mine".

"Cassini have done some great work already and I am confident that the OZ Minerals team can help forge a pathway towards commercialisation," *said Mr Cole, Managing Director, OZ Minerals Limited*

The funding deal allows project development during the low point in the metal price cycle which intuitively is exactly the time to be doing so. The JV provides a certain and achievable timeline to production and potential cash flow and includes significant exploration expenditure. The latter point should not be glossed over for it is our very strong belief that the West Musgrave is not a one-trick pony, but a true "Mining Camp", with Nebo Babel forming the foundation. We believe there is more value to be unlocked within the Project area.

Importantly, Cassini remains as the project manager and we're pleased to say that OZ Minerals will be providing expertise to augment our JV management team.

Aside from WMP, the Company is progressing base metal exploration in the West Arunta region and assessing the potential for gold at Mt Squires.

Thus we are able to expose our shareholders to upside opportunities from grassroots exploration while reducing development risk at WMP.

I would like to thank Richard Bevan and his team for their hard work and commitment under trying circumstances. To have negotiated the OZ JV in his first foray into the resource space is a tribute to his skills and dedication.

I would also like to thank the shareholders, both old and new for their support and belief in our strategy for sustainable growth.

And lastly I thank the Board for their continued support of our vision and strategy and look forward to opening day at Nebo Babel!!

Mike Young

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 2016.

Directors

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

Mr Mike Young	Non-Executive Chairman
Mr Richard Bevan	Managing Director
Mr Philip Warren	Non-Executive Director
Mr Greg Miles	Executive Director
Dr Jon Hronsky	Non-Executive Director

Principal Activities

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

a) Identification and assessment of commercially attractive resource exploration projects;
b) Acquisition of commercially attractive resource exploration projects; and
c) Exploration 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 made steady progress on the West Musgrave and West Arunta Projects during the year as well as establishing the Mount Squires Gold Project, maintaining a strategic focus on base and precious metals across three key projects. The Company relinquished its rights to the Nevada Gold Projects subsequent to the end of the financial year.

West Musgrave Project

In April 2015, the Company produced a land mark Scoping Study proving the economic viability of the Nebo-Babel Deposits ("The Project"). Since then the Company has continued to progress development studies as well as explore the surrounding West Musgrave project-area for additional resources.

DEVELOPMENT

A summary of the key development activities undertaken during the report year is described below:

Economic Evaluation

Multiple Whittle optimisations were carried out to evaluate the impact of changes in commodity prices and different metallurgical recoveries on the scale and profitability of the Project. This work was augmented by incorporating differing mining and processing costs to reflect different possible project scales.

High level pit scheduling has been undertaken to sequence pit staging for improved payback via high value ore early in the mine schedule, while deferring waste stripping where possible.

Review of Pre-Production Capital and Non-Processing Infrastructure Costs

Reviewing pre-production capital to identify reductions where possible has been a focus. The review has led to overall capital expenditure savings of 24%. A summary of capital expenditure reductions is detailed in Table 1. As a result of the updated study work, the Company has gained greater certainty in the following areas:

- Road construction and upgrade costs have been reduced after a review of the existing road access route yielded substantial reductions in the amount of upgrade work required on the Great Central Road and the Warburton – Jameson Road;
- EPCM costs have been adjusted in line with the current contracting environment;
- The village size has been increased, however the additional cost has been more than offset by a reduction in construction cost;
- Water supply costs have increased to allow for a "worst case" scenario where water supply is only available from aquifers located a substantial distance away from the Project; and
- In the Scoping Study, it was proposed to upgrade the Jameson airstrip, 35km north of the Project. The Company has since elected to consider the construction of an on-site all weather airstrip for certainty of uninterrupted operations.

Table 1. Comparison of Scoping Study vs Updated Study capital expenditure forecast (includes contingency).

Scenario	Pre- Production Capital (A$m)	Expansion Capital (A$m)	Total Construction (A$m)
Scoping Study (1.5mtpa expanding to 4.0mtpa)	319	202	521
Study Update (1.0mtpa expanding to 4.0mtpa)	244	236	480
Capital expenditure difference	-75	+34	-41

REVIEW OF OPERATIONS (continued)

Review of Operating Costs

The company has updated Scoping Study operating costs to reflect;

- Adoption of a hybrid wind-diesel power generation solution, taking advantage of the relatively high, year round, wind energy available in the West Musgrave region. Energetics Pty Ltd were engaged to carry out a Renewables Energy Options Study to investigate the potential use of wind, solar, compressed natural gas and liquid natural gas. The outcomes of this work identified a hybrid wind-diesel power supply system as being highly favourable in delivering a significantly lower levelised cost of energy (LCOE) to the project in the order of 30% less than the original Scoping Study;
- Unit mining contractor rates were reviewed and modified upwards slightly;
- Concentrate logistics costs were confirmed and included the review of an alternative transport route via Geraldton Port (see Figure 1); and
- Road maintenance costs for site access were reviewed and revised upwards.

OZ Minerals Farm-in

Subsequent to the end of the reporting period, Cassini entered into a farm-in and Joint Venture Agreement with OZ Minerals Limited (OZL) over the West Musgrave Project. OZ Minerals can earn up to 70% of the 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, over a period of 12 months. Refer ASX announcement dated 1 August 2016 for further details.

EXPLORATION

During the report year the Company completed an exploration drilling program targeting several prospects. A total of four diamond drill holes for 1,751m were drilled at the Succoth, One Tree Hill and Esagila Prospects. A maiden inferred mineral resource estimate was also completed at the Succoth Prospect.

FIGURE 1. West Musgrave Project concentrate transport options.

REVIEW OF OPERATIONS (continued)

Succoth Prospect

Succoth is an advanced copper exploration prospect located only 13km from the Nebo-Babel Deposits. Recent re-interpretation of historical drill core from over 30 holes, and the remodelling of surface and down hole geophysics (DHEM), has identified a potential controlling structure which hosts numerous EM conductors. This work has resulted in the delineation of a significant new DHEM anomaly, with a modelled plate conductance consistent with a sulphide source (>2000 S).

Drill hole CZD0007 was drilled to test the DHEM conductor which intersected a thick mineralised zone represented by stringer sulphides within a strongly foliated taxitic rock (Figure 2). Taxites are variably textured rocks that are typically closely associated with mafic-intrusion hosted Ni-Cu-PGE sulphide mineralisation. The mineralised zone returned 59.6m @ 0.73% Cu from 555.5m, extending the continuous body of mineralisation over 1,000 m down plunge. The Company is also encouraged by a narrow veinlet of massive chalcopyrite (Figure 3) which returned 0.07m @ 14.1% Cu with 1.8g/t of Au + Pt + Pd. This result provides evidence that massive sulphides are present within the Succoth mineralised system.

The Company has significantly improved its geological understanding of the Succoth Prospect based on the results from this drill hole.

Importantly, three distinct styles of mineralisation are now recognised:

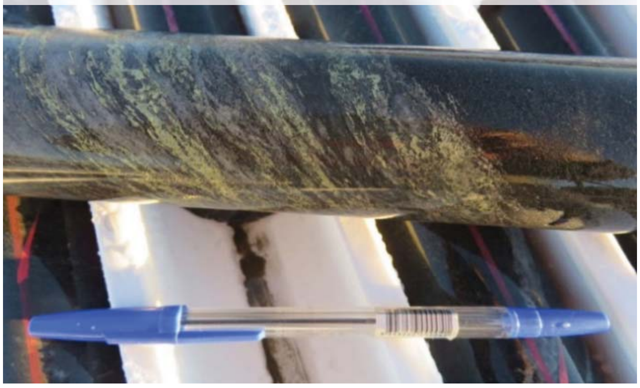
1. Broad zones of taxite-hosted disseminated chalcopyrite-pyrrhotite mineralisation;
2. Stringer chalcopyrite-rich mineralisation, mostly associated with the Joppa Fault; and
3. A "massive" style of high-grade Cu-PGE mineralisation.

This third style of mineralisation remains the highest-value exploration target at Succoth and will be the focus of future exploration at Succoth.

Cassini engaged independent resource consultants CSA Global Pty Ltd (CSA Global) to provide a Mineral Resource estimate for the Succoth Deposit which incorporates the results of historical drilling and data from Cassini's 2014 and 2015 field programs. The Company has also undertaken extensive geological interpretation after re-logging of more than 16,000 metres of diamond core which has provided an enormous improvement in geological information leading to increased Cassini's confidence in the nature and continuity of mineralisation within the deposit.

FIGURE 2. Stringer chalcopyrite (2.02% Cu) at 614m.

FIGURE 3. High grade veinlet of chalcopyrite (14.1% Cu) at 599m.



The maiden Inferred Mineral Resource totals 156Mt @ 0.60% Cu at a 0.3% Cu cut-off grade for 943 kt Cu metal (Table 2). The Mineral Resource estimate has been completed in accordance with the guidelines of the JORC Code (2012 edition).

The weathering profile at Succoth is very shallow and fresh mineralisation occurs approximately 30 metres below the surface. Combined with multiple, wide mineralised zones, this makes the deposit an attractive open pit mining opportunity. The grades at Succoth compare favourably to operating open pit copper mines and projects globally and there is also potential for PGE by-product credits, particularly for palladium which has a grade of 0.11g/t.

The Company will evaluate development options for Succoth, including integration with Nebo-Babel in a co-development scenario or a sequential development to extend the overall project mine life. Both scenarios provide Succoth with the significant development advantage of lowering the required capital intensity by utilising existing infrastructure.

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

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**

REVIEW OF OPERATIONS (continued)

Esagila Prospect

The Esagila Prospect is located only 4 km from the Succoth Prospect and is interpreted as part of the same mineralised intrusive complex that covers an area of approximately 65km2. Esagila was discovered in 2009 following surface electromagnetic (EM) surveys, but remains under-explored. CZD0010 targeted an untested EM conductor approximately 200m from historical hole WMN4001 which returned 14.7m @ 1.08% Cu (Figure 4).

The Company is excited by a thick zone of mineralisation that was intersected in CZD0010, representing the best massive nickel sulphide intersection outside of the Nebo-Babel deposits since acquiring the Project in April 2014. CZD0010 returned 15.7m @ 0.61% Cu and 0.12% Ni from 346.0m including 1.1m @ 0.70% Ni and 0.95% Cu from 360.3m within the massive sulphide zone (Figure 5).

The style of mineralisation found in CZD0010 is representative of what sulphide liquid fractionation process may produce, albeit massive sulphides with a low Ni tenor. However, the Company believes that these intercepts can be used as a vector towards higher grade, nickel-rich, massive sulphide mineralisation along strike or at depth.

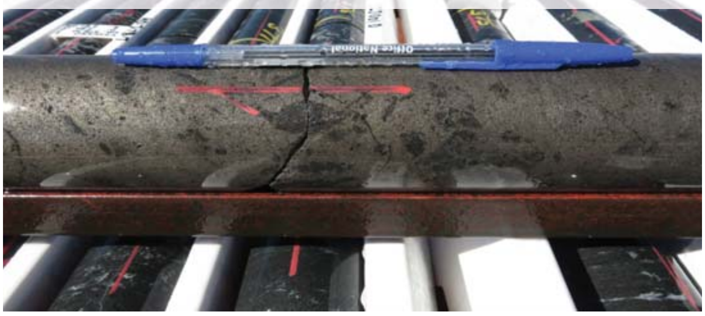


FIGURE 4. Long section of CZD0010 and adjacent drill holes.

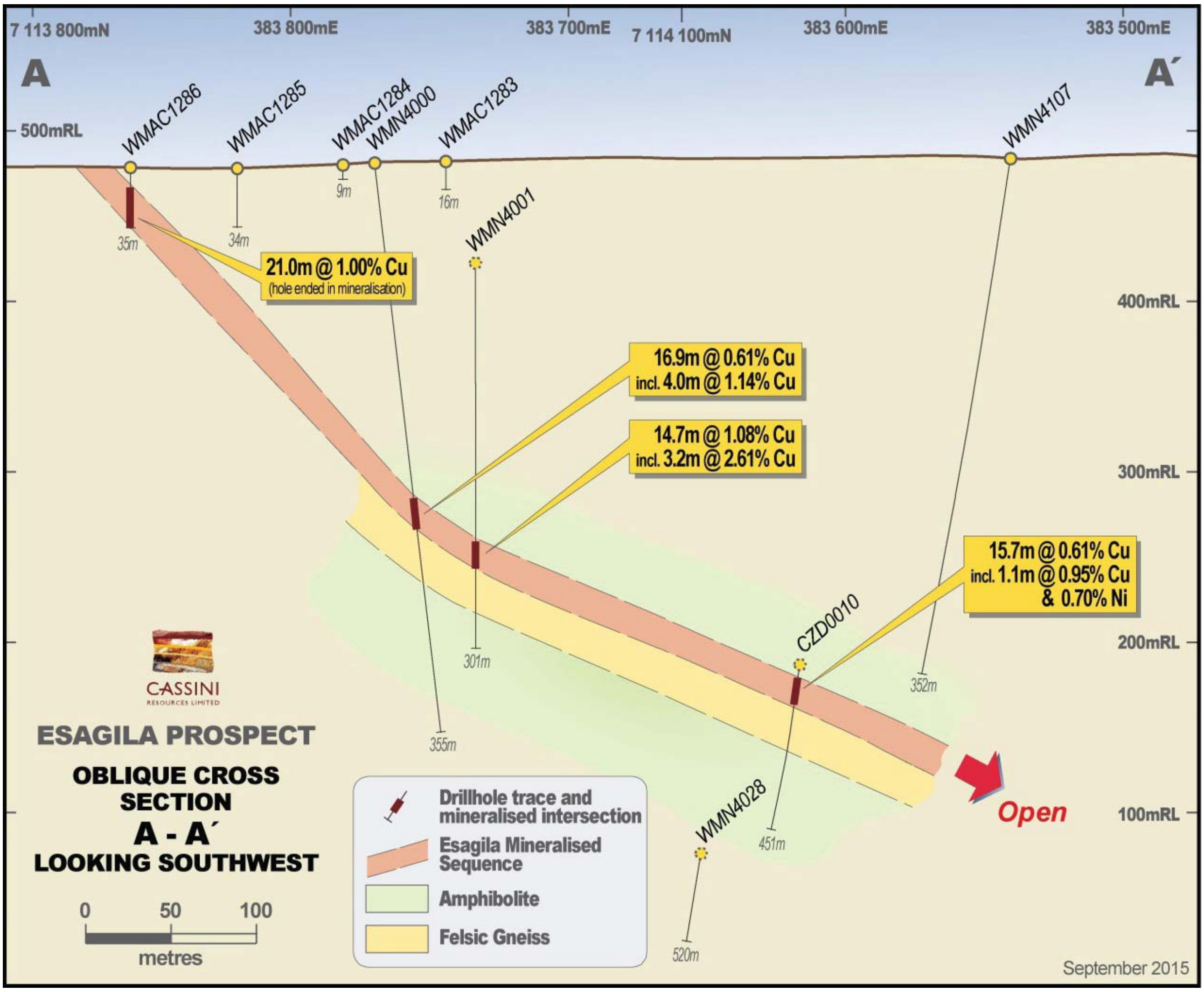


FIGURE 5. Nickel-bearing massive sulphides at 361.2m.

REVIEW OF OPERATIONS (continued)

One Tree Hill Prospect

The One Tree Hill prospect is located at the south western end of the West Musgrave project, about 13 km SW of Babel, and is associated with a major regional structural intersection. Only two historic holes had tested a surface EM anomaly identified by previous explorers with encouraging results of 0.4m @ 2.62% Cu from 152.6m. Importantly, significant PGE anomalism of 35m @ 0.11g/t Pt+Pd (including values up to 0.81 g/t Pt+Pd) were also intersected.

Cassini completed its first hole, CZD0008, at the One Tree Hill Prospect and intersected significant copper mineralisation over short intervals within a broad alteration zone. The hole targeted a number of poorly constrained surface and down hole EM anomalies that had not been fully tested by previous drilling.

Chalcopyrite veins in the upper parts of CZD0008 returned significant intercepts of 0.3m @ 10.1% Cu from 193.8m (Figure 6) and 0.4m @ 4.48% Cu from 250.9m. These veins also host traces of zinc sulphide (sphalerite) mineralisation.

Follow-up DHEM surveying of CZD0008 identified two very significant off-hole EM conductors with modelled conductance of around 100,000 Siemens. The conductors are interpreted to have complex 3-dimensional geometries and were narrowly missed by hole CZD0008 (Figure 7).

A second hole (CZD0009) has been completed at One Tree Hill targeting a shallow, near surface EM conductor approximately 350m along strike from CZD0008. The conductor appears to be associated with pyrite-pyrrhotite and trace chalcopyrite zone identical to the PGE anomalous zone in CZD0008. No significant results were returned however the hole will assist with interpretation and follow-up targeting of CZD0008.

Hole details and significant results for all exploration drilling are listed in Table 3.

Table 3. Exploration Drilling Significant Intercepts.

Hole ID	East	North	RL	Dip	Azi	EOH (m)	Intersection				
							From (m)	Width (m)	Cu %	Ni %	PGE g/t
CZC0007	386280	7117790	487	-70	287	726.5	555.5	59.6	0.73	0.07	0.12
						Including	566.0	14.0	1.02	0.10	0.21
						And	597.6	2.1	1.63	0.08	0.22
						And	607.6	3.4	1.36	0.12	0.07
CZC0008	360370	7102705	481	-70	022	438.8	193.8	0.3	10.1	0.02	<0.01
						And	250.9	0.4	4.48	0.08	<0.01
CZC0009	360710	7102600	481	-58	031	135.1	No Significant Intercept				
CZC0010	383345	7114000	479	-60	070	450.7	346.0	15.7	0.61	0.12	0.09
						Including	360.3	1.1	0.95	0.70	0.15

FIGURE 6. Massive chalcopyrite and pyrrhotite vein (10.1% Cu) cross cutting View Hill Amphibolite at 194m.

REVIEW OF OPERATIONS (continued)

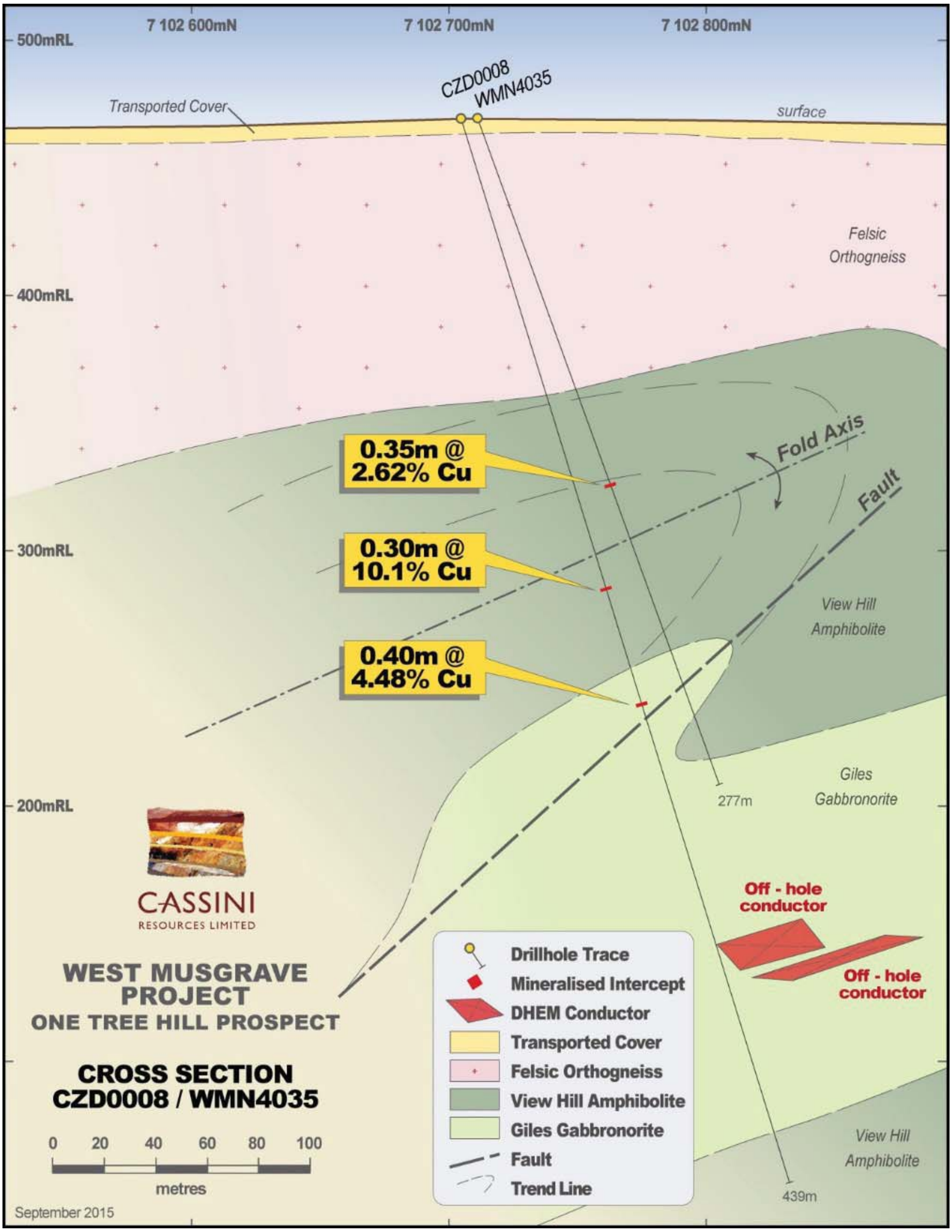


FIGURE 7. Cross section of CZD0008 with WMN4035 showing DHEM conductors and drill results.

REVIEW OF OPERATIONS (continued)

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. The Project is now 100% owned by Cassini, following the completion of a share sale agreement for the outstanding balance of Crossbow Resources Pty Ltd in July 2015.

The Company has completed two field programs commencing with reconnaissance at the Project in late October to investigate Zn-Pb anomalous soil and lag geochemical results from the 2014 field program.

During field reconnaissance to investigate the source of the anomalies, three anomalous gossans were discovered associated with the soil and lag anomalies. Portable XRF (pXRF) was initially used to identify zinc anomalism in lag and gossan at each prospect and later confirmed by assay methods with samples returning concentrations of up 0.5% Zn and 0.1% Pb. The assays have also returned anomalous levels of pathfinder elements such as cadmium, barium, nickel, cobalt and thallium.

This is considered to be very encouraging support for the hypothesis that these gossans represent the weathered products of sulphide Zn-Pb mineralisation hosted in shale or fine-grained sedimentary rocks. Zinc is readily leached in weathered near surface zones and therefore gossan outcrops usually contain low Zn concentrations compared to the primary mineralised zones below. The Zn concentrations from gossans at X17 are highly anomalous when compared to background concentrations in the project area. The rock chip results mimic those found in gossan outcrops of large zinc deposits in the Mt Isa District, QLD as shown in Table 4.

Table 4. Average composition of gossans from X17 compared to gossans from mines in the Mt Isa District (major elements in wt%, traces in ppm). Mt Isa gossan data sourced from Taylor & Scott (1982): Evaluation of gossans in relation to lead-zinc mineralisation in the Mt Isa Inlier, Qld.

	X17			Mount Isa		Hilton		Lady Loretta		Dugald River	
	Iapetus	Enceladus	Rhea	Black Star	Bernbor-ough	13 Mile Hill	Tombstone Hill	Small Syncline	Big Syncline	I3935N	Hanging Wall
Fe_2O_3	68.3	27.0	65.4	63.8	43.5	25.7	64.1	23.9	27.4	35.3	50.6
K_2O	0.12	0.09	0.12	0.01	2.85	0.05	0.01	0.02	0.11	0.81	0.69
P_2O_5	0.82	0.19	0.11	0.17	0.43	<0.01	0.08	0.06	0.11	0.65	0.47
MnO	0.11	0.18	2.17	0.05	0.05	0.03	0.12	0.04	0.06	0.6	0.05
SO_3	0.18	0.11	0.27	0.42	0.65	0.2	0.29	0.15	0.42	6.32	-
Ag	<0.5	<0.5	<0.5	5	4	4	1	26	40	80	80
As	26	107	13	1010	910	240	450	280	470	1340	1950
Ba	20	215	1220	35	490	180	110	850	2470	1.46%	2.32%
Bi	<1	<1	<1	<1	<1	<1	1	<1	<1	<1	<1
Cd	<1	2	1	13	<3	<3	<3	<1	<1	10	3
Co	39	111	182	19	10	<10	10	<10	<10	19	13
Cr	<10	<10	<10	36	60	29	10	<10	<10	-	-
Cu	**110**	**140**	**75**	1260	940	120	800	9	26	415	540
Ga	3	3	8	4	8	6	<1	5	7	20	10
Ge	-	-	-	8	9	33	7	30	44	10	10
In	<1	<1	<1	<1	<1	<1	<1	<1	<1	<1	<1
Mo	1.5	2.9	<1	33	11	7	27	3	6	33	20
Ni	100	112	176	30	80	4	27	<5	<5	16	40
Pb	**97**	**260**	**610**	5200	480	880	3500	890	2140	5.00%	1.45%
Sb	0.4	1	0.4	140	40	30	<30	530	95	110	160
Sn	<1	<1	<1	<1	<1	2	<1	2	2	<4	20
Sr	14	18	45	5	210	35	6	370	290	-	-
Tl	<1	<1	4	<1	<1	4	<1	<1	<1	2	13
Zn	**2020**	**3340**	**1870**	2890	2650	300	3680	123	60	2.35%	510

All rock chip sample results and locations can be found in Table 5.

REVIEW OF OPERATIONS (continued)

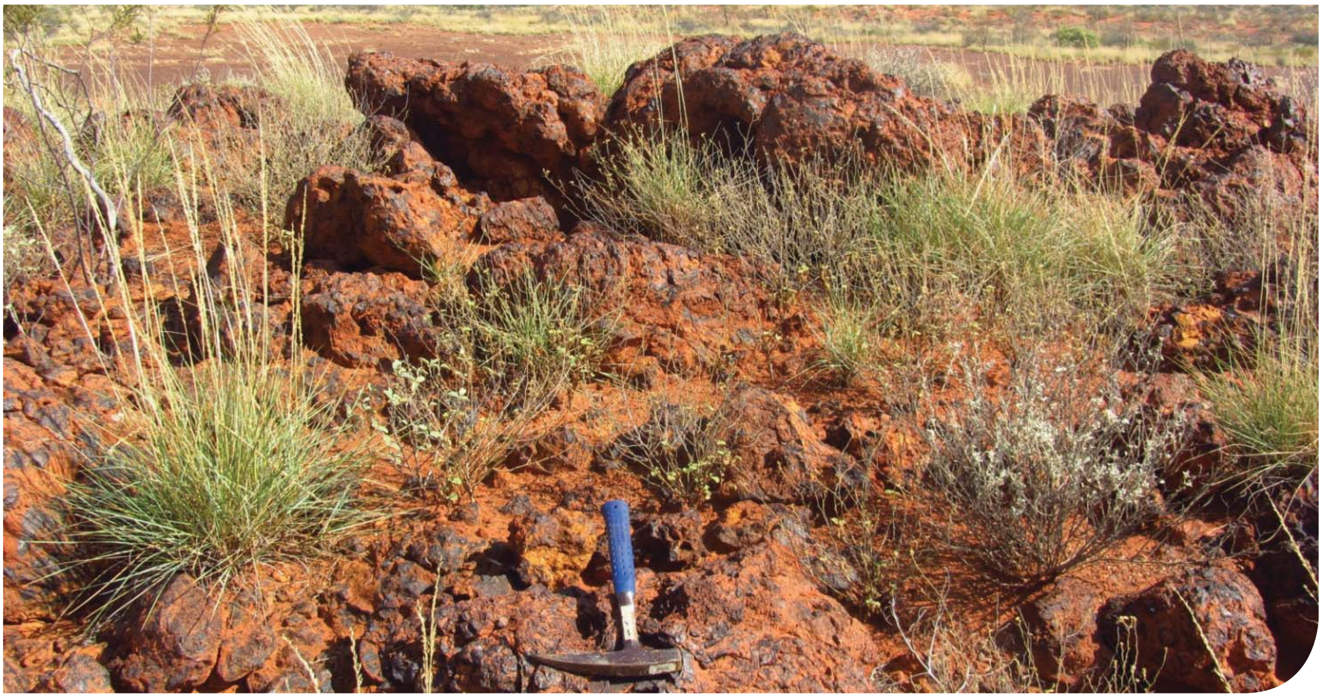


FIGURE 8. Gossan outcrop at the Iapetus Prospect.

Supporting evidence for a new zinc province

These rock chip results provide further support to the Company's belief that it is has discovered a new zinc province in the West Arunta.

Evidence for a large Zn-Pb mineral system initially presented in both soil and lag geochemical results from a regional scale geochemical survey (1,000m x 500m sample spacing). This program was modelled on the same geochemical survey approach that successfully resulted in the discovery of the Nebo-Babel Ni-Cu deposits in the West Musgrave region in 2000. Three lag samples highly anomalous in Zn have been identified (2210 ppm or 0.2%, 671 ppm and 222 ppm) which are clearly differentiated from the rest of the lag samples (Figure 9) and led directly to the discovery of gossans at Enceladus, Iapetus and Rhea.

Importantly, the three lag samples are also the most anomalous in cadmium (Cd), with the rank order of Cd enrichment exactly the same as the rank order of Zn enrichment. The significance is that Cd is typically concentrated in sphalerite, the primary ore mineral for Zn and therefore these three Zn-Cd enriched lag samples are considered to have the direct geochemical signature of sphalerite.

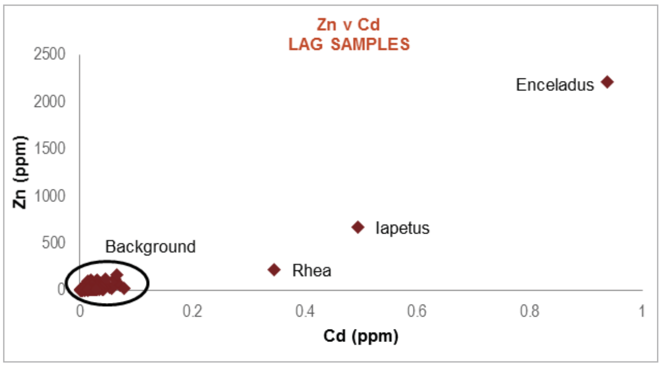


FIGURE 9. Zinc vs cadmium showing anomalous samples from Enceladus, Iapetus and Rhea Prospects.

REVIEW OF OPERATIONS (continued)

The three geochemical anomalies and all of the gossans are interpreted to lie within a single continuous stratigraphic horizon, referred to as the Dione Horizon (Figure 10). Due to the very broad sample spacing of the regional soil survey and variable thickness of the sand cover, subtle expressions of mineralisation may have potentially been missed.

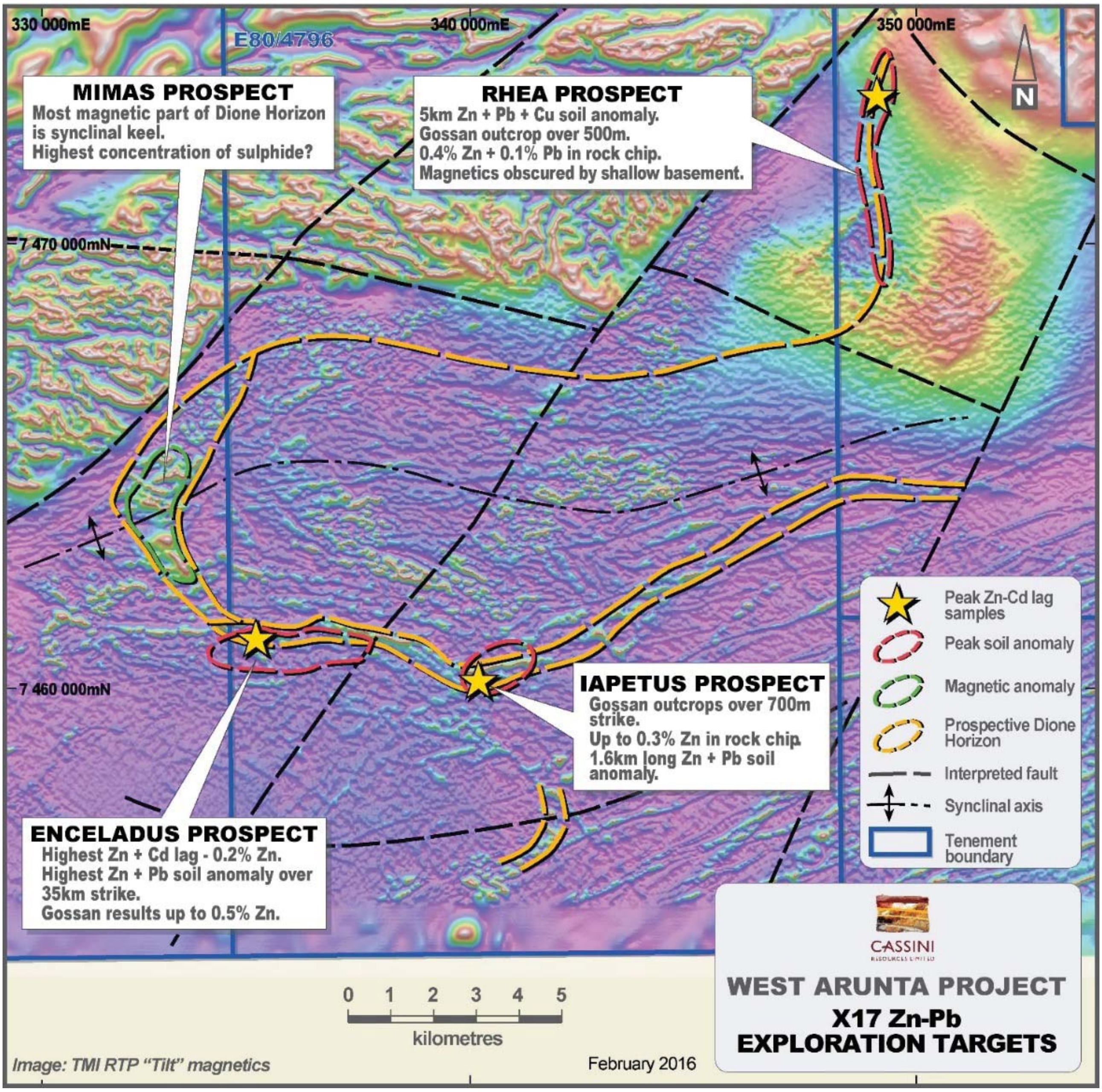


FIGURE 10. Summary of soil, lag and rock chip geochemistry and geological interpretation.

FIGURE 11. Iapetus gossan forming a prominent ridge.

REVIEW OF OPERATIONS (continued)

Table 5. Assay results of selected elements

Prospect	East	North	Zn (ppm)	Cd (ppm)	Pb (ppm)	Ni (ppm)	Cu (ppm)	As (ppm)
Iapetus	339450	7459985	1820	<0.5	20	144	68	43
Iapetus	339450	7459985	2240	<0.5	22	158	108	32
Iapetus	339450	7459985	1420	<0.5	94	98	68	17
Iapetus	339803	7459862	432	<0.5	27	56	66	80
Iapetus	339866	7459856	3470	1	173	134	150	22
Iapetus	339980	7459860	1120	<0.5	35	114	44	31
Iapetus	339995	7459869	924	<0.5	48	28	28	13
Iapetus	340053	7460061	3190	1.5	78	92	242	31
Iapetus	340053	7460061	1960	<0.5	305	34	170	20
Enceladus	335333	7460746	4720	1	453	118	290	295
Enceladus	334885	7460841	3140	2.5	197	136	146	14
Enceladus	334863	7460829	3770	3	206	158	106	14
Enceladus	336129	7460249	1740	<0.5	182	38	18	106
Rhea	348781	7473004	822	1.5	113	170	54	16
Rhea	349184	7472820	1010	<0.5	133	168	38	19
Rhea	349184	7472820	1300	<0.5	574	146	126	16
Rhea	349180	7472874	588	1.5	616	86	28	7
Rhea	349184	7472893	1200	3	1190	366	60	17
Rhea	349183	7472904	606	1	49	110	14	5
Rhea	349181	7472921	1270	2.5	29	364	34	12
Rhea	349181	7472921	1650	4	154	168	32	11

REVIEW OF OPERATIONS (continued)

Drilling intersects broad zinc zones

Cassini has completed the first ever drill program for sedimentary zinc drilling 12 RC holes for 1,398m targeting ferruginous outcrops at Iapetus and Enceladus Prospects. The aim of the program was to test for enriched zinc mineralisation in fresh bedrock beneath these outcrops.

Drilling returned broad zones of sub-surface enrichment in zinc and associated elements within the weathered zone at both Iapetus and Enceladus. Best results include 22m @ 0.26% Zn from 13m including 2m @ 0.89% Zn from 22m in WAC0007 at the Enceladus Prospect (Figure 12). 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 (Table 6).

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

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

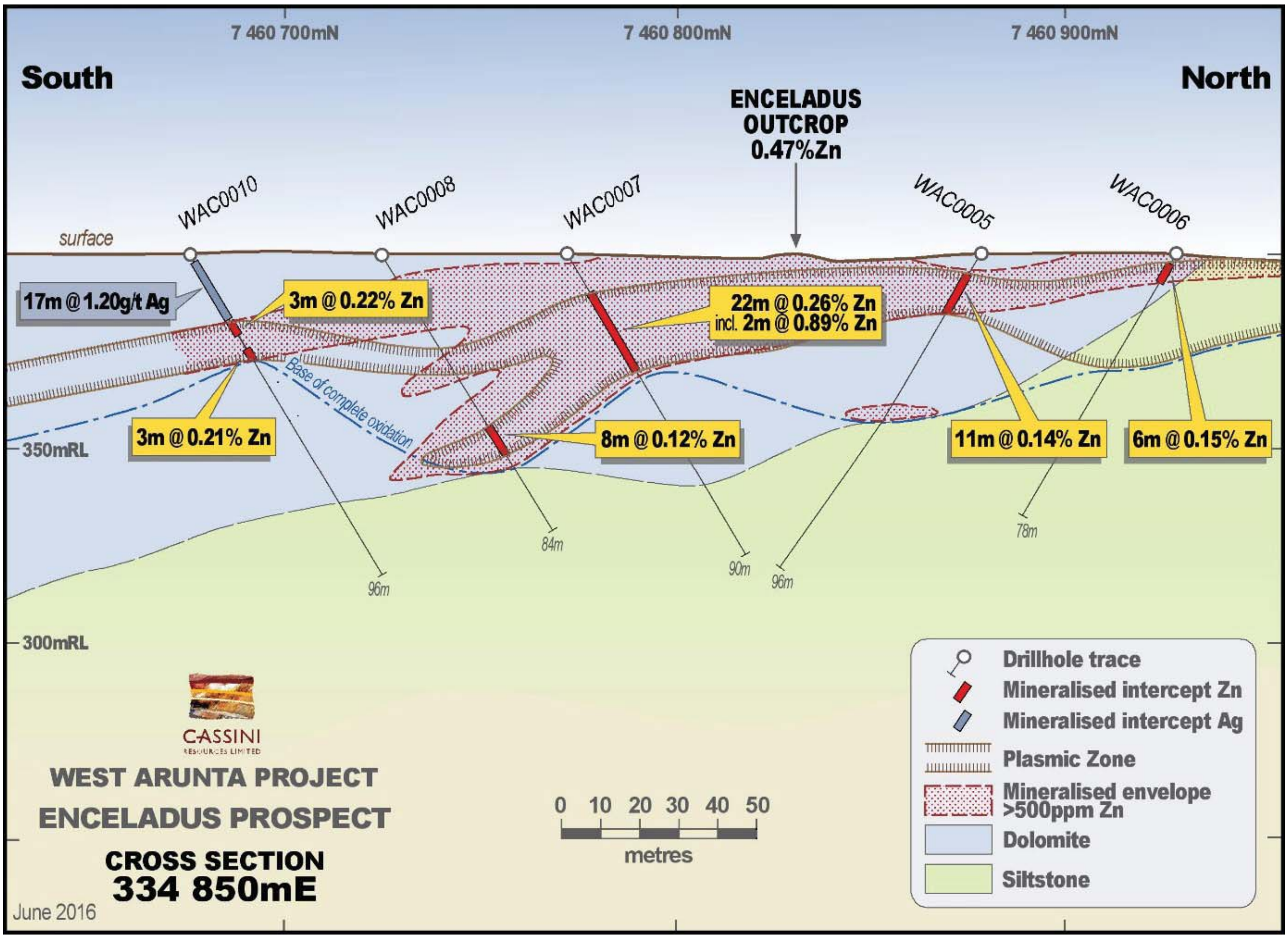


FIGURE 12. Enceladus cross section.

REVIEW OF OPERATIONS (continued)

Table 6. Significant intercepts Zn>0.1%, Pb>0.01%, Cu>0.01%, Ag>0.05g/t, minimum 2m width.

Hole ID	Prospect	East	North	RL	Dip	Azi	EOH (m)	From (m)	Width (m)	Intersection Zn %	Pb %	Cu %	Ag g/t
WAC0001	Iapetus	339850	7459900	400	-60	180	150	0	2	0.12	<0.01	<0.01	0.25
WAC0002	Iapetus	339848	7459998	400	-60	180	150	1	6	0.13	<0.01	<0.01	0.23
								50	8	0.11	<0.01	<0.01	0.14
WAC0003	Iapetus	339853	7459800	400	-60	360	156	9	21	<0.1	0.02	<0.01	0.28
								41	5	0.13	<0.01	<0.01	0.10
WAC0004	Iapetus	340051	7460148	400	-60	180	84	No Significant Intercept					
WAC0005	Enceladus	334854	7460878	400	-60	180	96	6	11	0.14	0.02	<0.01	0.30
WAC0006	Enceladus	334853	7460928	400	-60	180	78	1	6	0.15	0.02	<0.01	0.30
WAC0007	Enceladus	334852	7460772	400	-60	360	90	13	22	0.26	<0.01	<0.01	0.30
							Incl.	18	2	0.36	0.03	<0.01	0.33
							Incl.	22	2	0.89	<0.01	<0.01	0.20
WAC0008	Enceladus	334847	7460724	400	-60	360	84	8	3	0.12	<0.01	<0.01	<0.05
								52	8	0.12	<0.01	<0.01	0.34
WAC0009	Dione	337801	7460874	400	-60	180	144	No Significant Intercept					
WAC0010	Enceladus	334845	7460675	400	-60	360	96	3	17	<0.1	0.02	<0.01	1.20
								20	3	0.22	0.05	<0.01	0.33
								28	3	0.21	0.05	0.01	0.38
WAC0011	Enceladus	335331	7460644	400	-60	360	120	2	3	0.11	<0.01	<0.01	0.30
WAC0012	Iapetus	339850	7459700	400	-60	360	150	106	3	0.13	<0.01	<0.01	0.07

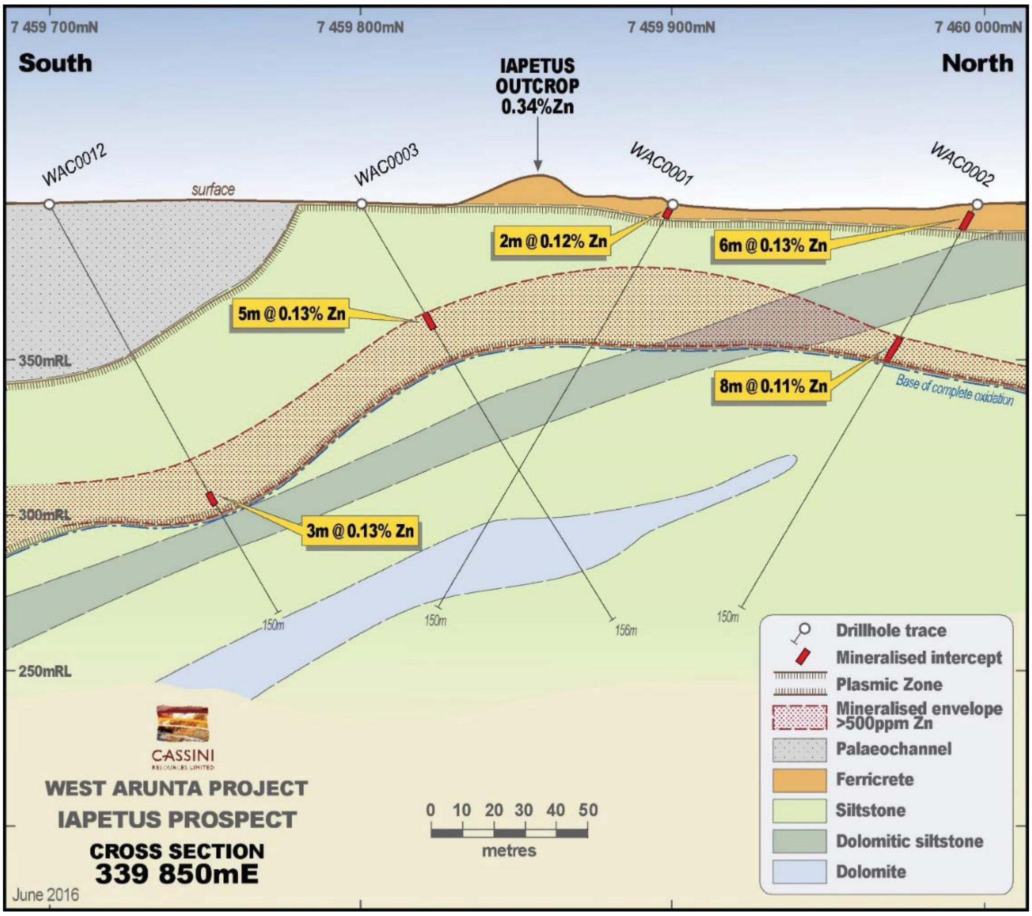


FIGURE 13. Iapetus cross section.

DIRECTORS' REPORT

REVIEW OF OPERATIONS (continued)

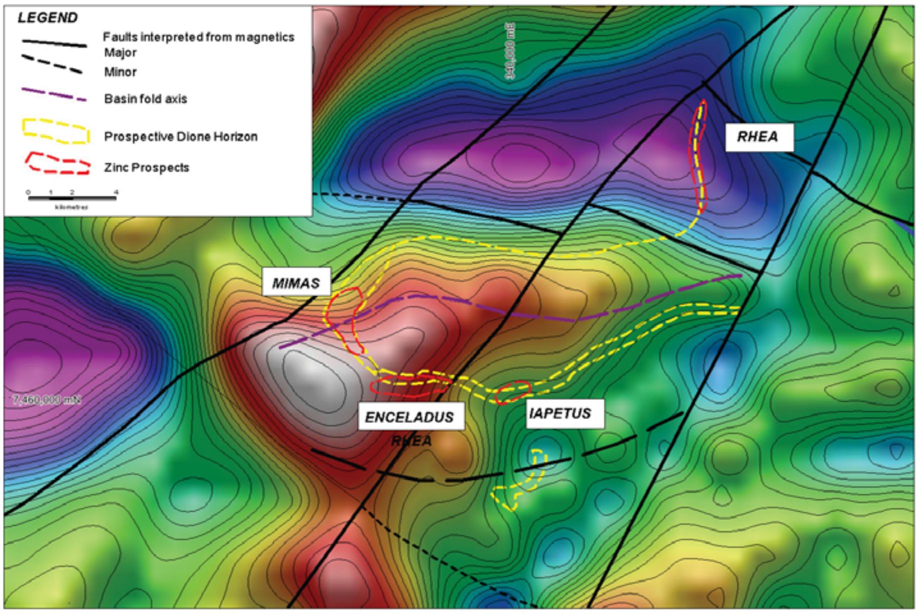


FIGURE 14. Residual gravity image of West Arunta Project showing zinc prospects.

Advancing the West Arunta Project

The Company has taken enormous strides in understanding the geology of the West Arunta Project through this drilling program.

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.

The Company has also re-interpreted public gravity data over the region and has discovered a large residual gravity anomaly to the west of Enceladus (Figure 14). 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. This is a very positive development and requires follow-up.

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.

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). Infilling the regional gravity survey over the anomaly west of Enceladus is also being considered.

Cassini has also received a co-funded drilling grant to the value of $150,000 to be used to towards drilling the Rhea and Mimas Prospects during the 2017 financial year.

The Mimas and Rhea Prospects both cover large areas along the prospective Dione horizon which strikes over 35km within the Project. Rhea is a geochemical anomaly striking over 5km with zinc in rock chips up to 0.4% Zn. The Mimas Prospect has no surface expression due to extensive sand cover but manifests as the strongest magnetic anomaly and interpreted to represent a sulphide accumulation in the synclinal position of the Dione Horizon; an ideal setting for thick packages of sedimentary zinc mineralisation. Mimas also lies alongside the gravity anomaly mentioned above.

DIRECTORS' REPORT

REVIEW OF OPERATIONS (continued)

Mount Squires Project

Significant gold mineralisation at Mount Squires

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 drilling discovered gold at the Handpump Prospect which returned numerous shallow intercepts such as 15m @ 2.3g/t Au from 31m (Figure 15). 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 Centrifical Prospect, 3km south east of Handpump which is part of the interpreted structural trend (Figure 16). Much of the structural corridor is obscured by a veneer of sand cover which has potentially inhibited prospecting and soil geochemistry, particularly in the south-eastern corner of the project area. The Company has also recognised fault intersections and magnetic anomalies in under-explored areas of the project which present prospective exploration targets.

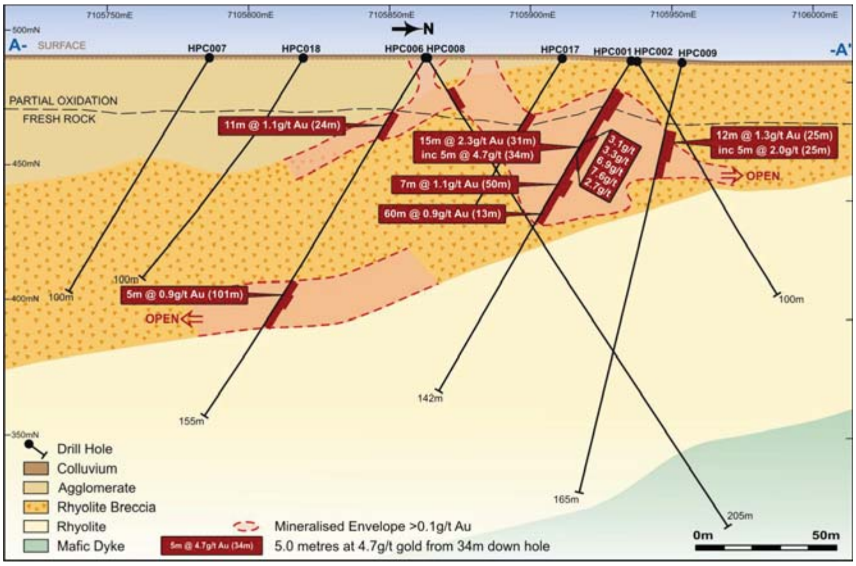


FIGURE 15. Handpump Prospect Section 332200E (Source: Beadell Resources Ltd ASX release 1 March 2010).

Next Steps

The Company is finalising work programs involving targeted reverse circulation (RC), reconnaissance RAB drilling and soil geochemistry programs to be undertaken upon receipt of heritage and environmental approvals.

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

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

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

Project 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.

Later exploration 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. 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.

Anglo American PLC has also explored the region, primarily for nickel and copper sulphide but their soil geochemistry included a large multi-element analytical suite suitable for gold exploration. Anglo American surrendered their tenements following a decision to reduce global exploration expenditure.

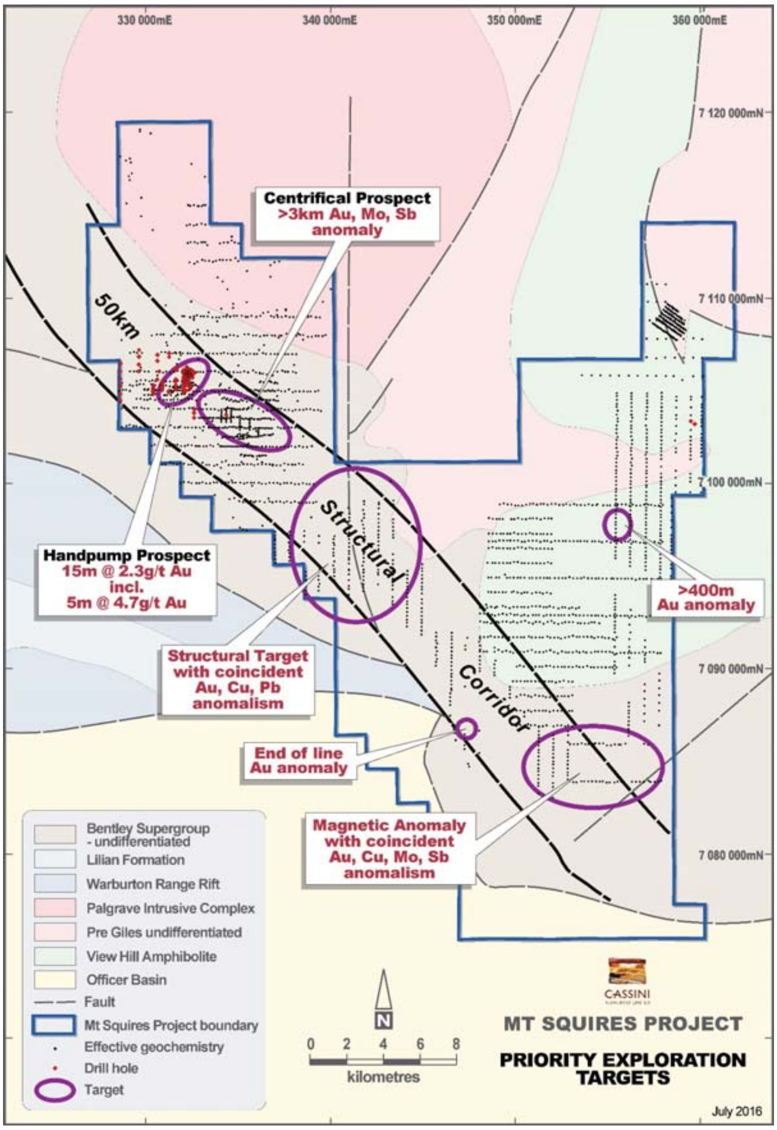


FIGURE 16. Mount Squires Project geology and exploration targets.

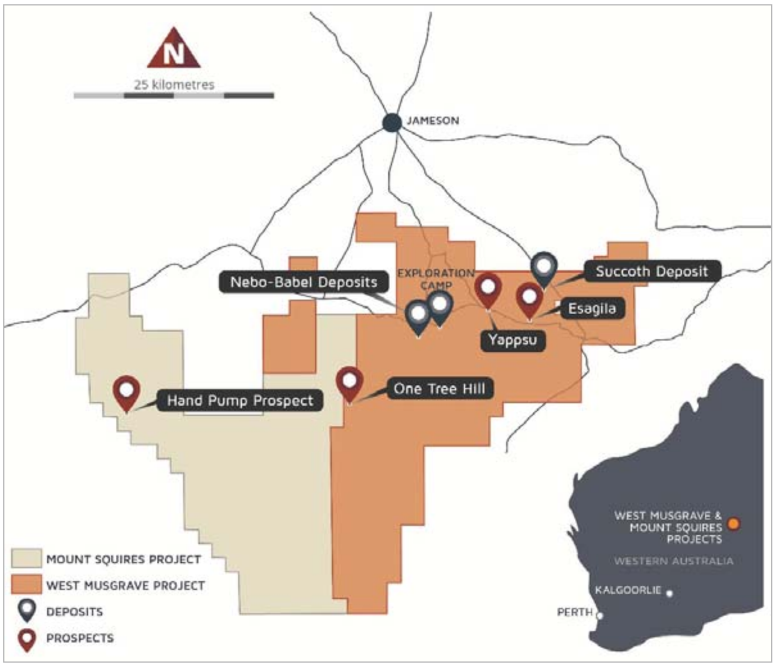


FIGURE 17. Mount Squires and West Musgrave Project location.

REVIEW OF OPERATIONS (continued)

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 adjacent West Musgrave Project provides a useful logistics base and the Company has demonstrated expertise in operating in the region (Figure 17). The Mount Squires Project complements the Company's diversified portfolio alongside the flagship West Musgrave nickel and copper assets and the early-stage West Arunta Zinc Project.

Nevada Gold Projects, USA

Subsequent to the end of the reporting period, Cassini withdrew from its remaining Nevada Projects to concentrate funds on the emerging Mount Squires Gold Project.

DIRECTORS' REPORT

REVIEW OF OPERATIONS (continued)

The Consolidated Statement of Profit & Loss and other Comprehensive Income shows a net loss attributable to members of $2,453,456 for the financial year ended 30 June 2016 (2015: $5,104,810).

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

Subsequent to the end of the reporting period, Cassini entered into a farm-in and Joint Venture Agreement with OZ Minerals Limited (ASX: OZL) over the West Musgrave Project. OZ Minerals can earn up to 70% of the 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, over a period of 12 months

Cassini also withdrew from its remaining Nevada Projects to concentrate funds on the emerging Mount Squires Gold Project.

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

Likely developments and expected results of operations

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

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

Environmental Regulation

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

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

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

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

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

DIRECTORS' REPORT

INFORMATION ON DIRECTORS

Michael Young	Non-Executive Chairman, Independent
Qualifications	BSc (Hon), MAIG
Appointed	Non-Executive director since Incorporation on 10 March 2011. Non-executive Chairman since ASX IPO listing on 9 January 2012
Experience	Mike 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. Mike is currently the Managing Director and CEO of Vimy Resources (ASX: VMY), a Western Australian uranium development company.
Interest in Shares and Options	4,294,024 ordinary shares 2,000,000 unlisted options ($0.067, 14/12/2019)
Current directorships	Managing Director, CEO: Vimy Resources Limited (ASX: VMY) Non-Executive Director: Ascot Resources Limited (unlisted)
Former directorships held in past three years	Non-Executive Director: BC Iron Limited (ASX: BCI)

Richard Bevan	Managing Director
Qualifications	BAppSc
Appointed	Non-Executive director since incorporation on 10 March 2011, Managing Director since ASX IPO listing on 9 January 2012
Experience	Mr Bevan has experience as a Managing Director/Chief Executive Officer and Non-Executive Director for listed and unlisted companies. He is a member of the Australian Institute of Company Directors.
Interest in Shares and Options	4,039,497 ordinary fully paid shares 3,500,000 unlisted options ($0.067, 14/12/2019)
Current directorships	Non-Executive Director: Empired Ltd (ASX: EPD)
Former directorships held in past three years	Executive Director: Metals of Africa Limited (ASX: MTA)

DIRECTORS' REPORT

INFORMATION ON DIRECTORS (continued)

Greg Miles	Executive Director	
Qualifications	BSc, Grad Dip (Geol)	
Appointed	18 August 2011	
Experience	Mr Miles graduated from the Australian National University in Canberra as a geologist and has since worked in a number of different commodities and mineral provinces across a broad portfolio of grass-roots to development projects. More recently Mr Miles has been involved as a director of a number of junior mining companies including IPO's, providing technical expertise in exploration, project management and acquisitions. Mr Miles's professional highlights include involvement in the discovery of the 2.3Moz Centenary Deposit at the Darlot Gold Mine in the Eastern Goldfields, WA and the 40Mt Mount Caudan Iron Ore Deposit in the southern Yilgarn, WA.	
Interest in Shares and Options	1,498,700 ordinary fully paid shares (note Mr Miles has purchased 110,000 shares since 30 June 2016) 3,500,000 unlisted options ($0.067, 14/12/2019)	
Current directorships	Non-Executive Director:	Blackham Resources Limited (ASX: BLK)
Former directorships held in past three years	Non-Executive Director:	Cove Resources Limited (ASX: CVE)
Phil Warren	Non-Executive Director, Independent	
Qualifications	B. Com., CA	
Appointed	10 March 2011	
Experience	Mr Warren is a chartered accountant and a Director of corporate advisory firm Grange Consulting Group, and has over 15 years of experience in finance, accounting and corporate roles in Australia and Europe. He has been responsible for a number of private and seed capital raisings as well as successful ASX listings and has acted as a Director and Company Secretary of a number of ASX listed companies.	
Interest in Shares and Options	1,121,339 ordinary fully paid shares 1,000,000 unlisted options ($0.067, 14/12/2019)	
Current directorships	Non-Executive Director: Non-Executive Director	Rent.com.au Limited (ASX: RNT) Family Zone Cyber Safety Limited (ASX: FZO)
Former directorships held in past three years	None	

INFORMATION ON DIRECTORS (continued)

Jon Hronsky	Non-Executive Director, Independent
Qualifications	BAppSci, PhD, MAIG, FSEG
Appointed	3 April 2014
Experience	Dr Jon Hronsky has 30 years of experience in the mineral exploration industry, primarily focused on project generation, technical innovation and exploration strategy development. Dr Hronsky has particular experience in nickel sulphide deposits, but has worked across a diverse range of commodities. He was responsible for conceptually targeting the West Musgrave nickel sulphide province. Dr Hronsky was most recently Manager - Strategy & Generative Services for BHP Billiton Mineral Exploration. Prior to that, Jon was Global Geoscience Leader for WMC Resources Ltd. Jon is also a Director of Encounter Resources and Chairman of the Board of Management of the Centre for Exploration Targeting at UWA.
Interest in Shares and Options	447,700 ordinary fully paid shares 1,000,000 unlisted options ($0.067, 14/12/2019)
Current directorships	Non-Executive Director: Encounter Resources Limited (ASX: ENR) Chairman: Chairman of the Board of Management of the Centre for Exploration Targeting at UWA
Former directorships held in past three years	None

DIRECTOR MEETINGS

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

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

COMPANY SECRETARY

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

FINANCIAL POSITION

The net assets of the consolidated Group have decreased from $12,767,584 at 30 June 2015 to $10,553,742 at 30 June 2016. The Group's working capital, being current asset less current liabilities, has decreased from $5,509,621 at 30 June 2015 to $1,104,515 at 30 June 2016.

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	$0.20	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
26 November 2015	14 December 2019	$0.067	11,000,000
Total			**17,600,000**

Shares issued on the exercise of options

No ordinary shares of Cassini Resources Limited were issued during the year ended 30 June 2016 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.

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

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

During the period there were no fees paid or payable for services provided by the auditor of the Group.

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.

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 during the year and again subsequent to the end of the financial period, and has 3 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. As such, remuneration is not linked to the financial performance of the Group in the current or previous reporting periods.

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 2016:

	30 June 2016 $	30 June 2015 $	30 June 2014 $	30 June 2013 $	30 June 2012 $
Revenue	**45,499**	220,714	38,120	32,871	78,882
Net loss before tax	**(2,605,775)**	(5,215,435)	(5,081,848)	(1,348,841)	(750,592)
Net loss after tax	**(2,605,775)**	(5,215,435)	(5,081,848)	(1,348,841)	(750,592)

No dividends have been paid for the five (5) years to 30 June 2016.

	30 June 2016 $	30 June 2015 $	30 June 2014 $	30 June 2013 $	30 June 2012 $
Share price at start of year	**0.062**	0.17	0.105	0.13	0.20
Share price at end of year	**0.034**	0.062	0.17	0.105	0.13
Basic earnings/(loss) per share (cents)	**(1.18)**	(4.23)	(8.25)	(3.40)	(6.26)
Diluted earnings/(loss) per share (cents)	**(1.18)**	n/a	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.

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 current 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.

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
30 June 2016	Cash salary & fees	Other	Non monetary benefits	Annual Leave	Super-anuation Pensions	Retire-ment benefits	Options		
Directors	$	$	$	$	$	$	$	$	%
Non-executive directors									
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%
Executive directors									
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 Non-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 reduction to his TEC in November 2015.

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
Executive Directors		
Richard Bevan	100%	nil%
Greg Miles	100%	nil%

REMUNERATION REPORT - Audited (continued)

B Details of remuneration (continued)

30 June 2015 Directors	Short-term employee benefits Cash salary & fees $	Other $	Non monetary benefits $	Long-term employee benefits Annual Leave $	Post-employment benefits Super-anuation Pensions $	Retire-ment benefits $	Share-based payments Options $	Total $	Total remuneration represented by Options %
Non-executive directors									
Mike Young	50,000[4]	4,500[3]	-	-	-	-	-	54,500	-
Philip Warren	40,000	-	-	-	-	-	-	40,000	-
Jon Hronsky	36,530	60,800[2]	-	-	3,470	-	-	100,800	-
Sub-total Non-executive directors	126,530	65,300	-	-	3,470	-	-	195,300	-
Executive directors									
Richard Bevan	274,737	-	-	6,480	18,783	-	-	300,000	-
Greg Miles	220,000[1]	-	-	-	-	-	-	220,000	-
Total key management personnel compensation (Group)	621,267	65,300	-	6,480	22,253	-	-	715,300	-

1. This amount is invoiced to the Company by Hidden Asset Pty Ltd in relation to Mr Miles's Executive role with the Company. $18,333 was accrued and remained payable as at 30 June 2015.
2. This amount is in relation to additional geological consulting work conducted by Mr Hronsky and invoiced to the Company by Vertex Exploration Services Pty Ltd.
3. This amount is in relation to additional consulting work conducted by Mr Young and invoiced to the Company by Jocelyn Young Management Consulting. $3,750 was accrued and remained payable as at 30 June 2015.
4. Of this amount, $39,167 was accrued and remained payable as at 30 June 2015.

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

Name	Fixed remuneration 2015	Performance based remuneration 2015
Executive Directors		
Richard Bevan	100%	nil%
Greg Miles	100%	nil%

REMUNERATION REPORT - Audited (continued)

C Service agreements

Executive directors

Name	Term of agreement	Base salary including superannuation	Termination benefit
Executive			
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 reduction to his TEC 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. Mr Bevan's TEC remains at $270,000 per annum as at the date of this report.

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 2015 - 30 June 2016 $**	1 July 2014 - 30 June 2015 $
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.

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

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.

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.

2016 Name	Balance at the start of the year	Placement shares subscribed for	On Market Purchases	Balance at appointment/ (resignation date)	Balance at the end of the year
Directors					
Michael Young	4,294,024	-	-	-	4,294,024
Richard Bevan	3,587,189	-	452,308	-	4,039,497
Phil Warren	1,121,339	-	-	-	1,121,339
Greg Miles	772,700	-	726,000	-	1,498,700
Jon Hronsky	447,700	-	-	-	447,700
Total	**10,222,952**	**-**	**1,178,308**	**-**	**11,401,260**

There were no shares subject to escrow at 30 June 2016.

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.

2016 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
Directors							
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**	**-**

Key Management Personnel Loans

There were loans to or from key management personnel during the year ended 30 June 2016.

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.

	2016 $	2015 $
Payments to Grange Consulting Group Pty Ltd	**137,510**	156,777
Amounts payable to Grange Consulting Group Pty Ltd	**27,500**	-
	165,010	156,777

Western Mining Services Pty Ltd (previously named Vertex Exploration Services Pty Ltd), a company associated with Dr Jon Hronsky, received $49,500 in fees during the period for geological consulting services provided to the Company.

H Additional information

Voting and comments made at the Company's 2015 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 26 November 2015, was unanimously passed on a show of hands:

Resolution 1: Adoption of Remuneration Report

Resolution 2: Re-election of Director – Michael Young

Resolution 3: Re-election of Director – Greg Miles

Resolution 4: Issue of Options to Richard Bevan

Resolution 5: Issue of Options to Greg Miles

Resolution 6: Issue of Options to Michael Young

Resolution 7: Issue of Options to Jon Hronsky

Resolution 8: Issue of Options to Phil Warren

Resolution 9: Adoption of Incentive Option Plan

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.

Richard Bevan
Managing Director

Perth, Western Australia
30 September 2016

AUDITOR'S INDEPENDENCE DECLARATION

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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 2016, 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, 30 September 2016

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Australia

INDEPENDENT AUDITOR'S REPORT

To the members of Cassini Resources Limited

Report on the Financial Report

We have audited the accompanying financial report of Cassini Resources Limited, which comprises the consolidated statement of financial position as at 30 June 2016, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' Responsibility for the Financial Report

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

Auditor's Responsibility

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

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

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

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*.

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

INDEPENDENT AUDITOR'S REPORT

Opinion

In our opinion:

(a) the financial report of Cassini Resources Limited is in accordance with the *Corporations Act 2001*, including:

(i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2016 and of its performance for the year ended on that date; and

(ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and

(b) the financial report also complies with *International Financial Reporting Standards* as disclosed in Note 1.

Emphasis of matter

Without modifying our opinion, we draw attention to Note 1(a) in the financial report which indicates that the ability of the Group to continue as a going concern is dependent on securing additional funding through capital raisings in order to fund its ongoing exploration commitments and working capital. This condition, along with other matters as set forth in Note 1(a), indicate 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.

Report on the Remuneration Report

We have audited the Remuneration Report included in the directors' report page 26 and 33 for the year ended 30 June 2016. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Opinion

In our opinion, the Remuneration Report of Cassini Resources Limited for the year ended 30 June 2016 complies with section 300A of the *Corporations Act 2001*.

BDO Audit (WA) Pty Ltd

BDO

Phillip Murdoch

Director

Perth, 30 September 2016

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2016

	Note	**2016** **$**	2015 $
Revenue from continuing operations			
Interest received	2	35,801	106,553
Fuel tax credits	2	-	114,161
Other income		9,698	-
Employee and director benefits expense	3	(1,072,273)	(1,202,102)
Financial and company secretarial expenses		(150,139)	(150,000)
Audit fees		(39,898)	(34,907)
Legal fees		(33,979)	(176,684)
Insurance		(41,310)	(30,052)
ASX and share registry fees		(45,229)	(80,705)
Share based payments expense		(239,614)	(29,313)
Consultants and corporate advisory		(157,261)	(127,156)
Other employee expenses	3	(36,530)	(83,615)
Exploration write-off	10	(134,957)	(1,586,268)
Loss on disposal of controlling interest	24	-	(1,283,759)
Travel and entertainment		(44,014)	(120,126)
Rent expense		(133,538)	(86,966)
Marketing and public relations expense		(48,822)	(206,943)
Depreciation expense		(37,889)	(13,598)
Payroll Tax		(60,439)	-
Accounting Fees		(65,250)	-
Other expenses		(310,132)	(223,955)
Loss before income tax		(2,605,775)	(5,215,435)
Income tax expense	4	-	-
Loss after income tax		(2,605,775)	(5,215,435)
Other comprehensive income			
Items that may be reclassified to profit or loss			
Exchange differences on translation of foreign operations		152,319	110,625
Other comprehensive loss for the year, net of tax		(2,453,456)	(5,104,810)
Total comprehensive loss for the year		**(2,453,456)**	(5,104,810)
Loss from continuing operations is attributable to:			
Members of the parent entity		(2,605,646)	(5,215,435)
Total comprehensive loss is attributable to:			
Owners of Cassini Resources Limited		(2,453,456)	(5,104,810)
Loss per share attributable to ordinary equity holders			
Basic and diluted loss per share (cents per share)	5	(1.18)	(4.23)

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 2016

	Note	2016 $	2015 $
ASSETS			
Current assets			
Cash and cash equivalents	7	**1,385,688**	5,699,597
Other receivables	8	**47,273**	128,613
Total current assets		**1,432,961**	5,828,210
Non-current assets			
Investments accounted for using the equity method	24	**-**	25,000
Property, plant and equipment	9	**167,623**	287,883
Exploration and evaluation expenditure	10	**9,281,472**	6,945,080
Total non-current assets		**9,449,095**	7,257,963
TOTAL ASSETS		**10,882,056**	13,086,173
LIABILITIES			
Current liabilities			
Trade payables	11	**190,836**	282,115
Provisions		**49,532**	-
Other payables	12	**87,946**	36,474
Total current liabilities		**328,314**	318,589
TOTAL LIABILITIES		**328,314**	318,589
NET ASSETS		**10,553,742**	12,767,584
EQUITY			
Issued capital	13	**23,685,120**	23,685,120
Options reserve	14	**1,237,600**	997,986
Foreign currency translation reserve		**633,513**	481,194
Accumulated losses		**(15,002,491)**	(12,396,716)
Capital and reserves attributable to owners of the company		**10,553,742**	12,767,584
TOTAL EQUITY		**10,553,742**	12,767,584

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 2016

	Note	2016 $	2015 $
Cash flows from operating activities			
Payments to suppliers and employees		**(2,048,016)**	(2,919,279)
Receipts from customers		**45,499**	-
Interest and fuel tax credits received		**-**	220,714
Net cash flows used in operating activities	15	**(2,002,517)**	(2,698,565)
Cash flows from investing activities			
Exploration and evaluation expenditure		**(2,811,250)**	(6,228,101)
Government grants received		**574,858**	-
Payments for acquisition of non-controlled subsidiary		**(75,000)**	-
Property plant and equipment		**-**	(34,928)
Net cash flows used in investing activities		**(2,311,392)**	(6,263,029)
Cash flows from financing activities			
Proceeds from issue of shares and options		**-**	7,133,000
Capital raising costs		**-**	(415,236)
Net cash flows from financing activities		**-**	6,717,764
Net increase/(decrease) in cash and cash equivalents		**(4,313,909)**	(2,243,830)
Cash and cash equivalents at beginning of the year		**5,699,597**	7,943,427
Cash and cash equivalents at end of the year	7	**1,385,688**	5,699,597

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 2016

	Issued capital $	Accumulated losses $	Option reserve $	Foreign currency translation reserve $	Non-controlling interests $	Total $
Balance at 1 July 2014	16,967,355	(7,181,281)	968,673	370,569	351,033	11,476,349
Loss for the year	-	(5,215,435)	-	-	-	(5,215,435)
Other comprehensive income	-	-	-	110,625	-	110,625
Total comprehensive income	-	(5,215,435)	-	110,625	-	(5,104,810)
Transactions with owners, directly recorded in equity:						
Issue of shares	7,133,000	-	-	-	-	7,133,000
Issue/vesting of options	-	-	29,313	-	-	29,313
Loss of control of subsidiary	-	-	-	-	(351,033)	(351,033)
Share issue costs	(415,235)	-	-	-	-	(415,235)
Balance at 30 June 2015	**23,685,120**	**(12,396,716)**	**997,986**	**481,194**	**-**	**12,767,584**

	Issued capital $	Accumulated losses $	Option reserve $	Foreign currency translation reserve $	Non-controlling interests $	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	-	-	-	-	-	-
Issue/vesting of options	-	-	239,614	-	-	239,614
Loss of control of subsidiary	-	-	-	-	-	-
Share issue costs	-	-	-	-	-	-
Balance at 30 June 2016	**23,685,120**	**(15,002,491)**	**1,237,600**	**633,513**	**-**	**10,553,742**

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 23.

Going Concern

For the year ended 30 June 2016 the Group recorded a net loss of $2,605,775, net cash outflows from operating activities of $2,002,517 and net working capital of $1,104,647. 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 subsequent to the end of the financial 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 2016 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 remeasured 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.

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. Summary of significant accounting policies (continued)

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.

1. Summary of significant accounting policies (continued)

j) Parent entity information

The financial information for the parent entity, Cassini Resources Limited, disclosed in note 23 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 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. Summary of significant accounting policies (continued)

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.

(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 of 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 die 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. Summary of significant accounting policies (continued)

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).

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. Summary of significant accounting policies (continued)

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 will, by definitions, seldom equal the related actual results.

(iv) Key estimate – Taxation

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

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 17 for details.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. Summary of significant accounting policies (continued)

v) New accounting standards and interpretations

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2016 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 2015-2 Disclosure Initiative	The objective of this change is to make amendments to: (a) AASB 7 Financial Instruments: Disclosures; (b) AASB 101 Presentation of Financial Statements; (c) AASB 134 Interim Financial Reporting; and (d) AASB 1049 Whole of Government and General Government Sector Financial Reporting;	There will be no material impact to the 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.

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 2016, 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 30 September 2016 by the board of directors.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2. Revenues & other income

	2016 $	2015 $
Revenue		
Bank interest	35,801	106,553
Fuel tax credits	-	114,161
	35,801	220,714

3. Loss for the period

Loss for the period includes the following items:

	2016 $	2015$
Employee benefits expense	689	-
Employee wages and directors fees	987,284	1,202,102
Superannuation and other employee expenses	120,830	83,615
Total employee benefits expense	1,108,803	1,285,717

4. Income tax

		2016 $	2015 $
(a)	Income tax expense		
	Current tax expense	-	-
	Deferred tax expense	-	-
		-	-
(b)	Reconciliation of income tax expense to prima facie tax payable:		
	Loss before income tax	(2,605,775)	(5,215,435)
	Prima facie income tax at 30%	(781,733)	(1,564,631)
	Tax effect of amounts not deductible in calculating taxable income	161,725	36,306
	Difference in overseas tax rates	(13,783)	(28,570)
	Tax losses not recognised	633,791	1,556,895
	Income tax expense/(benefit)	-	-
(c)	Unrecognised deferred tax assets arising on timing difference and losses		
	Losses – Revenue	3,231,590	2,350,634
	Other	328,880	257,378
	FX translation	7,167	-
	Exploration asset	(2,378,128)	(409,301)
		1,189,509	2,198,711

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 2016, 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:

	2016 Cents	2015 Cents
Loss after income tax	(2,605,775)	(5,215,435)
Basic loss per share attributable to equity holders	(1.18)	(4.23)
	No.	No.
Weighted average number of ordinary shares outstanding during the period used in calculating basic EPS	220,899,079	123,154,462

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

	2016 $	2015 $
Current		
Cash at bank and in hand	1,385,688	5,699,597
	1,385,688	5,699,597

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 $77,631 (included in the Cash at bank and in hand amount) is held as an indemnity guarantee with the ANZ Bank expiring 31 December 2099 subject to the Company's lease agreement at its premises at 10 Richardson Street, West Perth, Western Australia.

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

8. Other receivables

	2016 $	2015 $
Current		
Pre-paid expense	(728)	11,598
Accrued interest	10,668	-
GST Receivable	37,333	117,015
	47,273	128,613

Past due but not impaired

The group did not have any receivables that were past due as at 30 June 2016 (30 June 2015: Nil). The Group did not consider a credit risk on the aggregate balances as at 30 June 2016. For more information, please refer to note 16 Financial Instruments, Risk Management Objectives and Policies.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

9. Property, plant and equipment

	Office equipment $	Computer equipment $	Motor vehicle $	Field equipment $	Total $
As at 1 July 2014	8,687	19,066	33,961	204,839	266,553
Additions	2,021	23,738	-	(6,464)	19,295
Depreciation	-	(141)	(10,955)	(2,502)	(13,598)
Exchange differences	-	-	15,633		15,633
At 30 June 2015	**10,708**	**42,663**	**38,639**	**195,873**	**287,883**
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**

10. Exploration and evaluation expenditure

	2016 $	2015 $
Non-Current		
Exploration and Evaluation at cost	**9,281,472**	6,945,080
Movement		
Opening balance	**6,945,080**	3,841,828
Exploration asset obtained through purchase of subsidiary (note 25)	**99,998**	-
Exploration Expenditure capitalised during the year	**2,946,209**	6,232,414
Stamp duty capitalised during the year	**-**	106,312
Exploration Expenditure written off during the year	**(134,957)**	(1,586,268)
EE&E attributable to disposals	**-**	(1,649,206)
R&D refund	**(574,858)**	-
	9,281,472	6,945,080

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. Refer to note 24 loss on disposal subsidiary for further detail.

11. Trade payables

	2016 $	2015 $
Current		
Trade payables	190,836	282,115
	190,836	282,115

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

12. Other payables

	2016 $	2015 $
Current		
Accruals	63,374	5,093
PAYG	20,075	29,203
Superannuation payable	4,129	-
Stamp duty payable	368	-
GST collected	-	2,178
	87,946	36,474

All amounts are expected to be settled within 12 months.

13. Issued capital

Date	Details	No. of Shares	Issue Price	$
30 June 2014		114,436,390		16,967,355
4 May 2015	Placement – Tranche 1	14,068,000	$0.067	942,556
3 June 2015	Placement - Tranche 2	82,947,000	$0.067	5,557,449
3 June 2015	Share Purchase Plan	9,447,689	$0.067	632,995
	Less: Share Issue Costs			(415,235)
30 June 2015		220,899,079		23,685,120
30 June 2016		220,899,079		23,685,120

(a) The share capital of the Group as at 30 June 2016 was 220,899,079 ordinary shares.
No shares of the Company were subject to escrow at 30 June 2016.

(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	$0.20	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
26 November 2015	14 December 2019	$0.067	15,350,000
Total			21,950,000

13. Issued capital (continued)

(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 2016 was $1,104,645 and the net decrease in cash held during the period was $4,313,909.

The Group had at 30 June 2016 $1,385,688 of cash and cash equivalents and no debt.

14. Reserves

	2016 **$**	2015 $
a) Reserves		
Option Reserve	1,237,600	997,986
Foreign Currency Translation Reserve	635,513	-
	1,873,113	997,986

Options reserve

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

Options	Date	Number	Reserve
Opening balance		15,600,000	968,673
D Johnson Options – 1/3 vested	31 May 2015	-	29,313
Expiry of unlisted options	30 June 2015	(9,000,000)	-
30 June 2015		6,600,000	997,986

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

Foreign Currency Translation Reserves	**2016** **$**	2015 $
Balance 1 July	481,194	370,569
Currency translation differences arising during the year	152,319	110,625
Balance 30 June	633,513	481,194

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

15. Operating cash flow reconciliation

	2016 $	2015 $
Reconciliation of operating cash flows to net loss		
Loss for the year	(2,605,775)	(5,215,435)
Movement in foreign currency	152,319	-
Share based payments	239,614	29,313
Depreciation expense	37,889	13,598
Exploration expenditure written off	80,775	1,586,268
Loss on disposal of controlling interest	-	1,283,759
Increase/(Decrease) in trade and other payables	(91,279)	(411,214)
Increase in provision for income tax	51,128	-
Increase in accruals	51,472	-
Decrease/(Increase) in trade and other receivables	81,340	15,146
Cash flow from operations	(2,002,517)	(2,698,565)

Non-cash financing and investing activities

There has been no event not already disclosed elsewhere in the Annual Report. Refer to note 25 Asset Acquisitions for additional detail on non-cash investing activities.

16. Financial instruments

Financial risk management

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

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

(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) $
2016	
Increase in interest rate by 100 basis points	26,057
Decrease in interest rate by 100 basis points	(26,057)
2015	
Increase in interest rate by 100 basis points	52,154
Decrease in interest rate by 100 basis points	(52,154)

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

16. Financial instruments (continued)

(ii) Foreign exchange risk

The Group operated pre-dominantly in Australia in the period ended 30 June 2016 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:

	2016 **$**	2015 $
Cash and cash equivalents AA-	1,385,688	5,699,597
Total	1,385,688	5,699,597

(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 profits 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

16. Financial instruments (continued)

2016 Financial Instrument	Floating interest rate	Fixed interest rate maturing in 1 year or less	Over 1 to 5 years	More than 5 years	Non-interest Bearing	Total	Weighted average effective interest rate
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	-

2015 Financial Instrument	Floating interest rate	Fixed interest rate maturing in 1 year or less	Over 1 to 5 years	More than 5 years	Non-interest Bearing	Total	Weighted average effective interest rate
Financial assets							
Cash	5,699,597	-	-	-	-	5,699,597	1.87%
Receivables – other	-	-	-	-	128,613	128,613	-
Total financial assets	5,699,597	-	-	-	128,613	5,828,210	
Financial liabilities							
Trade payables	-	-	-	-	282,115	282,115	-
Other payables	-	-	-	-	36,473	36,473	-
Total financial liabilities	-	-	-	-	318,588	318,588	-

17. Operating segments

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

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

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

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

Basis of accounting for purposes of reporting by operating segments

Accounting policies adopted

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

Segment assets

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

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

17. 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 2016 Segment performance	Exploration Australia $	Exploration United States $	Reconciling $	Total $
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**

30 June 2015 Segment performance	Exploration Australia $	Exploration United States $	Reconciling $	Total $
Profit/(loss) before income tax	**(1,136,755)**	**(648,949)**	**(3,429,731)**	**(5,215,435)**
Segment assets				
Cash	4	2,890	5,696,703	5,699,597
Exploration and evaluation	6,945,080	-		6,945,080
Other	196,398	83,675	161,424	441,497
Total segment assets	**7,141,482**	**86,565**	**5,858,127**	**13,086,174**
Segment liabilities				
Creditors	-	-	(282,115)	(282,115)
Other	(10)	(9,559)	(26,904)	(36,473)
Total segment liabilities	**(10)**	**(9,559)**	**(309,019)**	**(318,588)**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

18. Share based payments

a) Employee share option scheme

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

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

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

The following share-based payment arrangements to Directors and employees existed at 30 June 2016. 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
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					

a) Employee share option scheme (continued)

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
2015								
6 May 2011	30 Jun 2015	$0.20	3,783,333	-	-	3,783,333	-	-
6 Oct 2011	30 Jun 2015	$0.20	1,000,000	-	-	1,000,000	-	-
15 Dec 2011	30 Jun 2015	$0.20	250,000	-	-	250,000	-	-
31 May 2012	30 Jun 2015	$0.20	1,000,000	-	-	1,000,000	-	-
			6,033,333	-	-	6,033,333	-	-
Weighted average exercise price			$0.20					
Weighted average remaining contractual life of options outstanding at end of period			2.02 years					

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

b) Other share based payments

2016

Other than those disclosed above, there were no options issued during the financial year.

2015

The options issued on 31 May 2012 to David Johnson partially vested to the value of $29,313 during the 12 months ended 30 June 2015. The options vest on each anniversary on Mr Johnson's employment, and are conditional upon continuous employment with the Group.

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:

	2016	2015
	$	$
Options issued to employees & directors (expensed to Statement of Profit or Loss and Other Comprehensive Income	239,614	-
Options issued to David Johnson (previously executive director) (expensed to Statement of Profit or Loss and Other Comprehensive Income)	-	29,313
	239,614	29,313

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

19. Commitments and contingent liabilities

a) Exploration expenditure

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

	Nevada 2016 $	**Wirraway 2016 $**	**Crossbow 2016 $**	Nevada 2015 $	Wirraway 2015 $
Exploration expenditure commitments					
Payable:					
Not later than 12 months	-	1,351,673	342,413	53,618	1,444,000
Between 12 months and 5 years	-	-	-	667,807	-
Greater than 5 years	-	-	-	-	-
		1,351,673	342,413	721,425	1,444,000

The Company withdraw from its Nevada projects subsequent to the year end and as such has no further obligations in regards to those Projects. The Company acquired 100% of Crossbow Resources Pty Ltd during the 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.

Other commitments and contingencies

The Group has operating lease commitments for 1 year amounting to $84,478 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 $122,989.

As disclosed at Note 25a, the Group has the following contingent liabilities in respect of the acquisition of its West Musgrave Project:

- A 2% net smelter royalty is payable by the Group on the net proceeds from future production from the tenements within the West Musgrave Project; and

- A production milestone payment is payable by the Group 12 months after production from the Project commences, amounting to $10 million in cash (and escalated for CPI).

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

20. Related party disclosure

a) Parent entities

Cassini Resources Limited is the ultimate Australian parent entity.

b) Subsidiaries

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

	2016		2015		
	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	25	Operating subsidiary

20. Related party disclosure (continued)

c) Key management personnel compensation

	2016 $	2015 $
Short-term employee benefits	611,774	686,567
Post-employment long term benefits	22,559	22,253
Long term benefits (annual leave)	11,520	6,480
Share based payments	171,710	-
Total	**817,563**	**715,300**

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:

	2016 $	2015 $
Payments to Grange Consulting Group Pty Ltd	137,510	156,777
Amounts payable to Grange Consulting Group Pty Ltd	27,500	-
	165,010	156,777

Western Mining Services Pty Ltd (previously named Vertex Exploration Services Pty Ltd), a company associated with Dr Jon Hronsky, received $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.

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.

21. Events after the reporting date

Subsequent to the end of the reporting period, Cassini entered into a farm-in and Joint Venture Agreement with OZ Minerals Limited (ASX: OZL) over the West Musgrave Project. OZ Minerals can earn up to 70% of the 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, over a period of 12 months. Formal documentation in respect of the farm-in and Joint Venture is currently being completed.

Cassini also withdrew from its remaining Nevada Projects to concentrate funds on the emerging Mount Squires Gold Project.

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

22. Auditor's remuneration

	2016 $	2015 $
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)	39,898	34,907
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	-	-

23. Parent entity information

The following details information related to the parent entity, Cassini Resources Limited, as at 30 June 2016. The information presented here has been prepared using consistent accounting policies as presented in Note 1.

	2016 **$**	2015 $
Current assets	1,378,705	5,805,362
Non-current assets	3,923,447	582,965
Total assets	5,302,152	6,388,327
Current liabilities	322,548	308,939
Non-current liabilities	-	-
Total liabilities	322,548	308,939
Contributed equity	25,018,106	25,018,106
Accumulated losses	(19,943,116)	(18,603,718)
Share issue costs	(1,332,986)	(1,332,986)
Option reserve	1,237,599	997,986
Total equity	4,979,604	6,079,388
Loss after income tax	(1,291,917)	(9,537,544)
Other comprehensive income/ (loss) for the period	-	-
Total comprehensive loss for the period	(1,291,917)	(9,537,544)

Guarantees

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

24. Loss of control of subsidiary

2016

There were no loss of control of subsidiary in 2016.

2015

The Company was focussed on its existing assets during the period and did not acquire any assets during 2015.

During the period the Company did not make the necessary progression payment required under its joint venture Joint Venture with Crossbow Resources Pty Ltd(Crossbow), and as such Cassini was required to transfer a total of 50% of Crossbow's issued share capital back to the original vendors. Cassini's shareholder interest reverted to 25%. As a result of this, the following amounts were recognised in the accounts at 30 June 2015:

	Dr	Cr
Consideration	-	-
Investment in Crossbow	25,000	-
Carrying value – Non-controlling interest	351,033	-
Exploration Expenditure – Crossbow	-	1,649,206
Net Assets – Crossbow	-	10,586
Loss on sale	1,283,759	-
Total	**1,659,792**	**1,659,792**

The loss on sale on the 50% interest sold and the retained non-controlling investment in Crossbow is recognised in the statement of profit or loss and other comprehensive income and calculated as follows:

	2015 $
Fair Value Consideration	-
Fair Value – Retained Investment	25,000
Carrying value – Non-controlling interest	351,033
Less:	
Carrying value – net assets formerly recognised	(1,659,792)
Total	**(1,283,759)**

The fair value of the investment was determined based on an agreed (market) price that the Company acquired the balance of 75% subsequent to the end of the financial year. As per note 25, Cassini acquired the balance of Crossbow, being 75% of the issued capital, in July 2015 for $75,000 and a 1.5% Net Smelter Royalty (NSR). Due to the early stage nature of exploration at the tenements held within Crossbow, the value of the NSR was not included (nor calculated) for the purposes of the above accounting treatment.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

25. Asset acquisitions

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
	75,000

Net assets acquired:

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

2015

There were no asset acquisitions in 2015.

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 2016 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
30 September 2016

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 2016 Corporate Governance Statement, approved by the Board and applicable as at 30 June 2016 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 27 September 2016 is 220,899,079 ordinary fully paid shares and 20,450,000 unlisted options (details below). All issued ordinary fully paid shares carry one vote per share.

Ordinary Shares

Shares Range	Holders	Units	%
1-1,000	30	3,491	0.00%
1,001-5,000	56	199,503	0.09%
5,001-10,000	123	1,145,101	0.52%
10,001-100,000	453	21,325,432	9.65%
100,001 and above	296	198,225,552	89.74%
Total	**958**	**220,899,079**	**100.00**

Unmarketable parcels

There were 268 holders of less than a marketable parcel of ordinary shares.

2. Top 20 Shareholders as at 27 September 2016

	Name	Number of shares	%
1	MACA LIMITED	29,850,750	13.51
2	GR ENGINEERING SERVICES LIMITED	14,925,380	6.76
3	BT PORTFOLIO SERVICES LIMITED<WARRELL HOLDINGS S/F A/C>	12,000,000	5.43
4	J P MORGAN NOMINEES AUSTRALIA LIMITED	6,830,300	3.29
5	PAKSIAN PTY LTD	2,985,080	1.35
6	KINGARTH PTY LTD	2,985,080	1.35
7	MR ARNOLD GETZ & MRS RUTH GETZ	2,921,360	1.32
8	MR RICHARD GWYNN BEVAN<THE BEVAN INVESTMENT A/C>	2,514,019	1.14
9	MR MICHAEL CHARLES YOUNG <MJE YOUNG A/C>	2,290,080	1.04
10	MR ARNOLD GETZ & MRS RUTH GETZ <SUPER FUND A/C>	2,265,455	1.03
11	MR WILLIAM LAMBERT & MRS ROSARIA LAMBERT	2,247,215	1.02
12	CORNELA PTY LTD <THE MACLIVER FAMILY A/C>	2,066,667	0.94
13	SPECTRAL INVESTMENTS PTY LTD<LITHGOW FAMILY A/C>	2,060,000	0.93
14	CRESCENT NOMINEES LIMITED	2,000,000	0.91
15	CAMPBELL KITCHENER HUME & ASSOCIATES PTY LTD	1,826,743	0.83
16	MR MICHAEL CHARLES YOUNG MRS JOCELYN THERESE YOUNG <M & J YOUNG SUPER FUND A/C>	1,698,500	0.77
17	DARYA PTY LTD <PLATEL SUPER FUND A/C>	1,667,790	0.76
18	MR GREGORY JAMES MILES & MRS LOUISE ANNE MILES <THE GLAMRO A/C>	1,608,700	0.73
19	MR RICHARD BEVAN & MRS SARA BEVAN <THE SLUSH FUND S/PLAN A/C>	1,525,478	0.69
20	LOMACOTT PTY LTD <THE KEOGH SUPER FUND A/C>	1,500,000	0.68
	Total	**100,718,597**	**45.60**
	Total remaining holders balance	**120,180,482**	**54.40**

ASX ADDITIONAL INFORMATION

3. Unquoted securities

There are 20,450,000 unlisted options over shares in the Company as at 27 September 2016 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 13 of the financial statements.

5. Substantial shareholders as at 27 September 2016

Holder	Number of shares held	% of issued capital held
MACA Limited	29,850,750	13.51
Gr Engineering Services Limited	14,925,380	6.76
BT Portfolio Services Limited <Warrell Holdings S/F A/C>	12,000,000	5.43

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.

ASX ADDITIONAL INFORMATION

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 2016 in a way that is consistent with its business objective and strategy.

9. Mineral Resources and Ore Reserves Statement – 2016 Annual Report

The Company had an interest in the following projects in Western Australia as at 30 June 2016:

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%

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.

During the reporting year, Cassini engaged independent resource consultants CSA Global Pty Ltd (CSA Global) to provide a Mineral Resource estimate for the Succoth Deposit which incorporates the results of historical drilling and data from Cassini's 2014 and 2015 field programs. The Company has also undertaken extensive geological interpretation after re-logging of more than 16,000 metres of diamond core which has provided an enormous improvement in geological information leading to increased Cassini's confidence in the nature and continuity of mineralisation within the deposit.

The maiden Inferred Mineral Resource totals 156Mt @ 0.60% Cu at a 0.3% Cu cut-off grade for 943 kt Cu metal (Table 1. The Mineral Resource estimate has been completed in accordance with the guidelines of the JORC Code (2012 edition) and released to the ASX on 7 December 2015. There is no comparison to the prior year as this was the maiden resource at Succoth.

ASX ADDITIONAL INFORMATION

Table 1. 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**

The weathering profile at Succoth is very shallow and fresh mineralisation occurs approximately 30 metres below the surface. Combined with multiple, wide mineralised zones, this makes the deposit an attractive open pit mining opportunity. The grades at Succoth compare favourably to operating open pit copper mines and projects globally and there is also potential for PGE by-product credits, particularly for palladium which has a grade of 0.11g/t.

The Company will evaluate development options for Succoth, including integration with Nebo-Babel in a co-development scenario or a sequential development to extend the overall project mine life. Both scenarios provide Succoth with the significant development advantage of lowering the required capital intensity by utilising existing infrastructure.

The Succoth Mineral Resource estimate was reviewed on 31 March 2016. There were no further material changes or revisions to the estimate.

The Company reviewed the Nebo-Babel Mineral Resource estimate, also within the West Musgrave Project, on 31 March 2016. The last 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 2). Full details of the resource estimate technique can be found in these ASX releases.

There were no material changes or revisions to the Nebo-Babel Mineral Resource estimate 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 2.

Table 2. 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

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 28th August 2015, 14th September 2015 and 29th September 2015; 4 November 2015, 23 November 2015 and 23rd June 2016 (West Arunta); 14th July 2016 (Mt Squires Project).

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