CASSINI
RESOURCES LIMITED
ABN 50 149 789 337

CASSINI RESOURCES LIMITED
AND ITS CONTROLLED ENTITY

ABN 50 149 789 337

Interim Financial Report

For the period ended 31 December 2011

Contents

These interim financial statements do not include all the notes of the type normally included in the annual financial statements. Accordingly, these interim financial statements are to be read in conjunction with any public announcements made by Cassini Resources Limited during the period from the date of incorporation on 10 March 2011 to the date of this report in accordance with the continuous disclosure requirements of the *Corporations Act 2001.*

Directors' Report

Your Directors present their first report on the consolidated entity consisting of Cassini Resources Limited and the entity it controlled at the end of, or during, the period from the date of incorporation on 10 March 2011 to 31 December 2011.

Directors

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

Mr Michael (Mike) Young	(Non-Executive Chairman)	(Appointed on 10 March 2011)
Mr Richard Bevan	(Managing Director)	(Appointed on 10 March 2011)
Mr Philip Warren	(Non- Executive Director)	(Appointed on 10 March 2011)
Mr Greg Miles	(Non-Executive Director)	(Appointed on 18 August 2011)

Review of Operations

The group's operating loss for the period from the date of incorporation on 10 March 2011 to 31 December 2011 was $304,199.

Cassini Resources Limited ("Cassini" or "the Company") was incorporated on 10 March 2011. On 12 August 2011, the Company entered into a share sale agreement to acquire 100% of the issued capital in Wirraway Metals & Mining Pty Ltd ("Wirraway"). The acquisition was settled on 15 December 2011. The asset base of Wirraway includes fourteen (14) tenements in Western Australia with either granted or applications pending grant for exploration licences.

During the half year the Company undertook a capital raising exercise by way of an initial public offering at $0.20 per share to issue 15,000,000 ordinary fully paid shares raising $3,000,000 before costs. All funds under the capital raising and the related share settlement were completed subsequent to the reporting date. The Company listed on the Australian Securities Exchange on 5 January 2012. The Company commenced trading on the ASX on 9 January 2012.

Auditor's Independence Declaration

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

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

Mr Richard Bevan
Managing Director

Perth, Western Australia, 14 March 2011

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

14 March 2012

The Directors
Cassini Resources Limited
945 Wellington Street
WEST PERTH WA 6005

Dear Sirs,

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

As lead auditor for the review of Cassini Resources Limited for the period ended 31 December 2011, I declare that to the best of my knowledge and belief, there have been:

- no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- no contraventions of any applicable code of professional conduct in relation to the review.

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

Peter Toll
Director

BDO Audit (WA) Pty Ltd
Perth, Western Australia

Consolidated Statement of Comprehensive Income
For the period from the date of incorporation on 10 March 2011 to 31 December 2011

	Notes	Consolidated 2011 $
Revenue from continuing operations		-
Other income	3	12,832
Other expenses		(268,565)
Share based payment	13	(48,466)
Loss before income tax expense		(304,199)
Income tax expense		-
Loss for the period is attributable to owners of Cassini Resources Limited		(304,199)
Other comprehensive income for the period		-
Total comprehensive loss for the period is attributable to owners of Cassini Resources Limited		**(304,199)**
Basic loss per share (cents)		(3.34)
Diluted loss per share (cents)		n/a

The above consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

Consolidated Statement of Financial Position
As at 31 December 2011

	Notes	Consolidated 31 December 2011 $
ASSETS		
Current Assets		
Cash and cash equivalents		3,017,000
Trade and other receivables	8	91,138
Total Current Assets		3,108,138
Non Current Assets		
Plant and equipment		982
Exploration and evaluation costs	6	724,315
Formation expenses		650
Total Non Current Assets		725,947
TOTAL ASSETS		3,834,085
LIABILITIES		
Current Liabilities		
Trade and other payables		118,028
Other payables	7	3,091,719
Total Current Liabilities		3,209,748
TOTAL LIABILITIES		3,209,748
NET ASSETS		624,338
EQUITY		
Contributed equity	5(a)	750,501
Option reserve	5(b)	178,036
Accumulated losses		(304,199)
TOTAL EQUITY		624,338

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

Consolidated Statement of Changes in Equity

For the period from the date of incorporation on 10 March 2011 to 31 December 2011

Consolidated	**Note**	**Contributed Equity $**	**Option Reserve**	**Accumulated Losses $**	**Total $**
Balance at 10 March 2011		-	-	-	-
Total comprehensive income for the period					
Loss for the period ended 31 December 2011		-	-	(304,199)	(304,199)
Total comprehensive income for the period		**-**	**-**	**(304,199)**	**(304,199)**
Transactions with owners, recorded directly in equity					
Issue of ordinary shares	5(a)	750,501	-	-	750,501
Options issued	5(b)	-	178,036	-	178,036
Share Issue Costs	5(a)	-	-	-	-
Total transactions with owners		750,501	178,036	-	928,537
Balance at 31 December 2011		**750,501**	**178,036**	**(304,199)**	**624,338**

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

Condensed Statement of Cash Flows
For the period from the date of incorporation on 10 March 2011 to 31 December 2011

	Notes	Consolidated 2011 $
Cash flows from operating activities		
Payments to suppliers and employees		(160,790)
Interest received		11,102
Net cash outflow from operating activities		(149,688)
Cash flows from investing activities		
Loans from other entities	7	30,000
Payments for Property, Plant & Equipment		(982)
Payments for acquisition of Wirraway Metals & Mining net of cash acquired		(262,831)
Net cash outflow from investing activities		(233,813)
Cash flows from financing activities		
Proceeds from share issue		400,501
Proceeds from share applications	7	3,000,000
Net cash inflow from financing activities		3,400,501
Net increase in cash and cash equivalents		3,017,000
Cash and cash equivalents at beginning of the financial period		-
Cash and cash equivalents at end of the period		**3,017,000**

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

Notes to the Consolidated Financial Statements

Note 1 – Basis of preparation

These interim financial statements are general purpose financial statements prepared in accordance with the requirements of the *Corporations Act 2001* and Accounting Standards AASB 134: Interim Financial Reporting. Compliance with AASB 134 ensures that the financial report and notes also comply with International Financial Reporting Standards IAS 34: Interim Financial Reporting. There are no comparatives as the Company was only incorporated on 10 March 2011.

These financial statements are to be read in conjunction with any publications made by Cassini Resources Limited during the period from the date of incorporation on the 10 March 2011 to the date of this report in accordance with continuous disclosure requirements arising under the *Corporations Act 2001.*

The interim financial statements do not include full disclosures of the type normally included in annual financial statements.

The interim financial statements have been prepared on an accruals basis and are based on historical costs.

Note 2 – Accounting policies

a) Principles of consolidation

Subsidiaries

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Cassini Resources Limited (''company'' or ''parent entity'') as at 31 December 2011 and the results of all subsidiaries for the year 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 those entities (including special purpose entities) over which the Group has the power to govern the financial and operating policies, generally accompanying a shareholding of more than one-half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated 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, balances 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.

Subsidiaries are accounted for in the parent entity financial statements at cost.

b) Revenue Recognition

Interest revenue is recognised on a time proportionate basis that takes into account the interest rates applicable to the financial assets.

Notes to the Consolidated Financial Statements (Cont)

Note 2 – Accounting policies (Cont)

c) Income Tax

The income tax expense for the period is the tax payable on the current period's taxable income based on the national income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences between the tax base of assets and liabilities and their carrying amounts in the financial statements, and to unused tax losses.

Deferred tax assets and liabilities are recognised for all temporary differences, between carrying amounts of assets and liabilities for financial reporting purposes and their respective tax bases, at the tax rates expected to apply when the assets are recovered or liabilities settled, based on those tax rates which are enacted or substantively enacted for each jurisdiction. Exceptions are made for certain temporary differences arising on initial recognition of an asset or a liability if they arose in a transaction, other than a business combination, that at the time of the transaction did not affect either accounting profit or taxable profit.

Deferred tax assets are only recognised for deductible temporary differences and unused tax losses if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiaries, associates and interests in joint ventures where the parent entity is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Current and deferred tax balances relating to amounts recognised directly in equity are also recognised directly in equity.

d) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand and bank balances.

e) Trade and Other Receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost, less provision for impairment. Trade receivables are due for settlement within 30 days from the date of recognition. Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off.

An allowance account for doubtful receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is the difference between the asset’s carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. Cash flows relating to short-term receivables are not discounted if the effect of discounting is immaterial. The amount of the provision is recognised in the statement of comprehensive income. When a trade receivable for which an impairment allowance has been recognised becomes uncollectable in a subsequent period, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against other expenses in the statement of comprehensive income.

f) Trade and Other Payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of the period which are unpaid. They are recognised initially at fair value and subsequently at amortised cost. The amounts are unsecured and are usually paid within 30 days of recognition.

Notes to the Consolidated Financial Statements (Cont)

Note 2 – Accounting policies (Cont)

g) Exploration and evaluation assets

Exploration and evaluation costs are accumulated in respect of each separate 'area of interest' or geographical segment. Costs are either expensed as incurred or capitalised as an exploration and evaluation asset provided exploration titles are current and at least one of the following conditions are satisfied:

- the expenditure is expected to be recouped through successful development and exploitation of the area of interest; or
- activities in the area of interest have not, at the reporting date, reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves and active and significant operations in, or in relation to, the area of interest are continuing.

Exploration and evaluation assets are assessed for impairment if (i) sufficient data exists to determine technical feasibility and commercial viability, and (ii) facts and circumstances suggest that the carrying amounts exceeds the recoverable amount. For the purposes of impairment testing, exploration and evaluation assets are allocated to cash-generating units to which the exploration activity relates. Impairment losses are recognised in the statement of comprehensive income.

h) Contributed Equity

Ordinary shares are classified as equity.

Costs directly attributable to the issue of new shares or options are shown as a deduction from the equity proceeds, net of any income tax benefit.

i) Earnings Per Share

(i) Basic earnings per share

Basic earnings per share is calculated as a net profit attributable to members, adjusted to exclude any costs of servicing equity (other than dividends) and preference share dividends, divided by the weighted average number of ordinary shares, adjusted for any bonus element.

(ii) Diluted earnings per share

Diluted earnings per share is calculated as net profit attributable to members, adjusted for:

- costs of servicing equity (other than dividends) and preference share dividends;
- the after tax effect of dividends and interest associated with dilutive potential ordinary shares that have been recognised as expenses; and
- other non-discretionary changes in revenues or expenses during the period that would result from the dilution of potential ordinary shares; divided by the weighted average number of ordinary shares and dilutive potential ordinary shares, adjusted for any bonus element.

j) Goods and Services Tax

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense. Receivables and payables are stated exclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the statement of financial position. Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the taxation authority, are presented as operating cash flow.

Notes to the Consolidated Financial Statements (Cont)

Note 2 – Accounting policies (Cont)

k) Impairment of Assets

At each reporting date, the company 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 assets carrying value. Any excess of the assets carrying value over its recoverable amount is expensed to the statement of comprehensive income.

Impairment testing is performed annually for goodwill and intangible assets with indefinite lives. Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

l) Financial Instruments

Recognition

Financial instruments are initially measured at cost on trade date, which includes transaction costs, when the related contractual rights or obligations exist. Subsequent to initial recognition these instruments are measured as set out below.

Fair value

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

Impairment

At each reporting date, the Company assesses whether there is objective evidence that a financial instrument has been impaired. Impairment losses are recognised in the statement of comprehensive income.

m) Critical Accounting Judgments, Estimates and Assumptions

In the process of applying the accounting policies, management has made certain judgements or estimations which have an effect on the amounts recognised in the financial statements.

The carrying amounts of certain assets and liabilities are often determined based on estimates and assumptions of future events. The key estimates and assumptions that have a significant risk causing a material adjustment to the carrying amounts of certain assets and liabilities within the next annual reporting period are:

Share based payment transactions

The Company 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 is determined by an internal valuation using a Black-Scholes option pricing model.

Recoverability of capitalised exploration and evaluation expenditure

The future recoverability of capitalised exploration and evaluation expenditure is dependent on a number of factors, including whether the company decides to exploit the related tenement itself, or, if not, whether it successfully recovers the related exploration and evaluation asset through sale.

Factors that could impact the future recoverability include the level of reserves and resources, future technological changes, costs of drilling and production, production rates, future legal changes (including changes to environmental restoration obligations) and changes to commodity prices.

Notes to the Consolidated Financial Statements (Cont)

Note 2 – Accounting policies (Cont)

n) Acquisition Accounting

The acquisition method of accounting is used to account for all business combinations. Consideration is measured at the fair value of the assets transferred, liabilities incurred and equity interests issued by the group on acquisition date. Consideration also includes the acquisition date fair values of any contingent consideration arrangements, any pre-existing equity interests in the acquiree and share-based payment awards of the acquiree that are required to be replaced in a business combination. The acquisition date is the date on which the group obtains control of the acquiree.

Where equity instruments are issued as part of the consideration, the value of the equity instruments is their published market price at the acquisition date unless, in rare circumstances it can be demonstrated that the published price at acquisition date is not fair value and that other evidence and valuation methods provide a more reasonable measure of fair value.

Identifiable assets acquired and liabilities and contingent liabilities assumed in business combinations are, with limited exceptions, initially measured at their fair values at acquisition date. Goodwill represents the excess of the consideration transferred and the amount of the non-controlling interest in the acquiree over fair value of the identifiable net assets acquired. If the consideration and non-controlling interest of the acquiree is less than the fair value of the net identifiable assets acquired, the difference is recognised in profit or loss as a bargain purchase price, but only after a reassessment of the identification and measurement of the net assets acquired.

For each business combination, the group measures non-controlling interests at either fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed when incurred. Transaction costs arising on the issue of equity instruments are recognised directly in equity.

Where the group obtains control of a subsidiary that was previously accounted for as an equity accounted investment in associate or jointly controlled entity, the group remeasures its previously held equity interest in the acquiree at its acquisition date fair value and the resulting gain or loss is recognised in profit or loss. Where the group obtains control of a subsidiary that was previously accounted for as an available-for-sale investment, any balance on the available-for-sale reserve related to that investment is recognised in profit or loss as if the group had disposed directly of the previously held interest.

Where settlement of any part of the cash consideration is deferred, the amounts payable in future are discounted to present value at the date of exchange using the entity's incremental borrowing rate as the discount rate.

Assets and liabilities from business combinations involving entities or businesses under common control are accounted for at the carrying amounts recognised in the group's controlling shareholder's consolidated financial statements.

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

Notes to the Consolidated Financial Statements (Cont)

Note 3 – Other Income

	Period ended 31 December 2011 $
Interest income	12,832
Total other income	**12,832**

Note 4 – Segment Information

Management has determined the operating segments based on the reports reviewed by the board of directors that are used to make strategic decisions. The entity does not have any operating segments with discrete financial information. The Company does not have any customers, and all the Company's assets and liabilities are located within Australia.

The Board of Directors review internal management reports on a monthly basis that is consistent with the information provided in the statement of comprehensive income, statement of financial position and statement of cash flows. As a result, no reconciliation is required because the information as presented is what is used by the Board to make strategic decisions.

The Company operates in the mineral exploration industry.

Note 5 – Contributed Equity

(a) Movements in share capital from 10 March 2011 to 31 December 2011 were as follows:

	No of Shares	Issue Price $	$
Opening Balance	-	-	-
Issue of incorporating Share	1	1.00	1
Issue of founder Shares	5,000,000	0.0001	500
Issue of seed Shares	4,000,000	0.10	400,000
Issue of vendor Shares	1,750,000	0.20	350,000
Closing Balance	**10,750,001**	**-**	**750,501**

On 5 January 2012 the Company issued a further 15,000,000 shares at $0.20 to raise $3,000,000 before costs as part of an initial public offering.

(b) Movements in options on issue from 10 March 2011 to 31 December 2011 were as follows:

	No of Options	Option Reserve $
Opening Balance	-	-
Issue of Options to promoters	5,000,000	-
Issue of Options to Director	1,000,000	48,466
Issue of Options as Facilitation fee	500,000	63,720
Issue of Options to Vendor	500,000	65,850
Closing Balance	**7,000,000[1]**	**178,036**

[1] Unlisted Options (exercisable at $0.20; 30 June 2015)

Notes to the Consolidated Financial Statements (Cont)

Note 6 – Exploration & Evaluation Expenditure

	Period ended 31 December 2011 $
Opening Balance	-
Acquired on acquisition of Wirraway	732,070
Additions during the period	1,787
Less: Exploration write off	(9,542)
Total Exploration & Evaluation Expenditure	**724,315**

Note 7 – Other Payables

	Period ended 31 December 2011 $
Director Loan	30,000
Accrued expenses	61,719
IPO funds received shares not yet issued	3,000,000
Total other payables	**3,091,719**

The liability of $3,000,000 has subsequently been settled with the issue of 15,000,000 shares at $0.20 on 5 January 2012.

Note 8 – Other Receivables

	Period ended 31 December 2011 $
Withholding tax paid	1,730
GST receivable	26,088
Deferred capital raising costs	63,320
Total other payables	**91,138**

Note 9 – Dividends

No dividend has been declared or paid during the period ended 31 December 2011.

Note 10 – Events subsequent to Reporting Date

(1) The Company was successfully listed on the Australian Stock Exchange on 5 January 2012 after issuing 15,000,000 shares and raising proceeds of $3,000,000 before costs, all of which was received as at the reporting date.

Except for the above items, there are no other matters or circumstances that have arisen since 31 December 2011 that have or may significantly affect the operations, results, or state of affairs of the Company in future financial periods.

Note 11 – Commitments and Contingent Liabilities

The Company has budgeted approximately $920,000 for exploration and development within 12 months of successful listing on the ASX, and this will be the same amount for the 12 months from the date of this report.

Notes to the Consolidated Financial Statements (Cont)

Note 12 – Related Party Disclosures

Payments to related parties

The following payments were made to Grange Consulting Group Pty Ltd during the period of which Philip Warren is an employee;

	2011 $
Payments to Grange Consulting	58,748
	58,748

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

	Country of Incorporation	% Equity Interest 2011
Wirraway Metals & Mining Pty Ld	Australia	100%

Parent entities

Cassini Resources Limited is the ultimate Australian parent entity.

Subsidiaries

Interests in subsidiaries are set out above.

Loans to/ from related parties

	2011 $
Loans from Directors	
Richard Bevan	30,000
As at 31 December 2011	30,000

There was no interest applicable to the loan and it was repaid in full on 10 January 2012.

Details of Remuneration

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

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

- make specific recommendations to the board on remuneration of directors and senior officers;
- recommend the terms and conditions of employment for the Executive Director;

Notes to the Consolidated Financial Statements (Cont)

Note 12 – Related Party Disclosures (Cont)

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

Directors' Fees

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. Director's fees for the period ended 31 December 2011 were as follows;

Base fees	**2011**
Executive director	$50,000
Non-executive directors	$40,000

Amounts of remuneration

Details of the remuneration of the directors and the key management personnel (as defined in AASB 124 *Related Party Disclosures)* of the Group are found below.

Key management personnel and other executives of the Company and the Group

	Short- term employee benefits			**Post-employment benefits**		**Share-based pay-ments**	**Total**	**Total Remun-eration Represen-ted by Options**
31 December 2011	**Cash salary & Fees**	**Other**	**Non Monetary Benefits**	**Super-annuation Pensions**	**Retire-ment Benefits**	**Options**		**Options**
Directors	**$**	**$**	**$**	**$**	**$**	**$**	**$**	**%**
Non-executive directors								
Mike Young	-	-	-	-	-	-	-	-
Greg Miles	-	-	-	-	-	48,466	48,466	100.00%
Philip Warren	-	-	-	-	-	31,860	31,860	100.00%
Sub-total Non-executive directors	**-**	-	-	-	-	80,326	80,326	100.00
Executive directors								
Richard Bevan	-	-	-	-	-	-	-	-
Total key management personnel compensation (Group and Company)	**-**	**-**	**-**	**-**	**-**	**80,326**	**80,326**	**100.00%**

Notes to the Consolidated Financial Statements (Cont)

Note 12 – Related Party Disclosures (Cont)

Service agreements

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 policies and terms, including compensation, relevant to the office of director.

The Company has a service agreement with Mr Richard Bevan as executive director. The key terms are summarised as follows:

- Employment commenced 15 August 2011;
- Payment of salary of $50,000 per year from commencement of employment to 5 January 2012;
- Payment of a salary of $175,000 per year on a Total Employment Cost basis effective from 5 January 2012;
- The Company may terminate the employment by giving 3 months written notice if Mr Bevan becomes incapacitated by illness or injury or becomes of unsound mind;
- The Company may terminate the employment by giving 1 month written notice if Mr Bevan commits any serious or persistent breach of any of the provisions in the agreement and the breach is not remedied within 14 days of the receipt of written notice from the Company to do so; and
- The Company may terminate the employment without reason by making a payment of 6 months' salary.

Additional fees

An Executive or Non-executive Director may also be paid fees or other amounts as the Directors determines 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.

Options

Details of options over ordinary shares in the Group issued to each Director of Cassini Resources, and each of the key management personnel of the Group at the date of this interim report are set out below.

Director	Number
Mike Young	1,666,667[1]
Richard Bevan	1,666,666[1]
Philip Warren	700,000[1]
Greg Miles	1,000,000[1]
Total	5,033,333[1]

[1] Unlisted Options (exercisable at $0.20; 30 June 2015)

When exercisable, each option is convertible into one ordinary share of Cassini Resources Limited. Further information on options is set out in note 5(b).

Options over shares in Cassini Resources Limited are granted at the Directors discretion.

Options granted under the plan carry no dividend or voting rights.

Notes to the Consolidated Financial Statements (Cont)

Note 12 – Related Party Disclosures (Cont)

The assessed fair value at grant date of options granted to the individuals is allocated equally over the period from grant date to vesting date, and the amount is included in the remuneration tables above. Fair values at grant date are 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.

Note 13 – Share Based Payment

Fair value of options granted

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 the expected volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option.

Expenses arising from share-based payment transactions

	2011 $
1,000,000 Director options issued to Greg Miles	48,466
	48,466

The model inputs for the options granted include:

Dividend yield (%)	-
Expected volatility (%)	90
Risk-free interest rate (%)	5.39
Expected life of options (years)	3.4
Underlying share price ($)	0.10
Exercise price ($)	0.20
Value of option ($)	0.05

Note 14 – Asset Acquisition

Summary of acquisition

On 15 December 2011 Cassini Resources Limited, acquired 100% of the issued capital of Wirraway Metals & Mining Pty Ltd. The assets of Wirraway include fourteen (14) tenements located in Western Australia consisting of either granted or pending applications for Exploration Licences.

Details of the fair value of the assets and liabilities acquired as at 15 December 2011 are as follows;

Notes to the Consolidated Financial Statements (Cont)

Note 14 – Asset Acquisition (Cont)

Purchase consideration comprises:

	Number	Price	$
Cash paid [1]			252,500
Shares issued to vendor	1,750,000	0.20	350,000
Options issued as facilitation fee			63,720
Options issued to vendor	500,000	0.13	65,850
			732,070

[1] Represents payment of an exclusivity fee and reimbursement of tenement costs

Net assets acquired:

	$
Cash and cash equivalents	1
Trade and other receivables	1,165
Exploration and evaluation assets	213,187
Trade and other payables	(1,165)
Net assets of Wirraway	213,187
Fair Value of Exploration and Evaluation Expenditure	518,883
Net assets acquired	**732,070**

Director's Declaration

The directors of the company declare that:

1) The financial statements and notes are in accordance with the *Corporations Act 2001* and:

(a) comply with the Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*;

(b) give a true and fair view of the consolidated entity's financial position as at 31 December 2011 and of its performance, as represented by the results of its operations, changes in equity and its cash flows for the period from the date of incorporation on 10 March 2011 to 31 December 2011.

2) At the date of this statement there are reasonable grounds to believe that Cassini Resources Limited will be able to pay its debts when they become due and payable.

This statement is made in accordance with a resolution of the Board of Directors.

RBevan

Mr Richard Bevan
Managing Director

Perth, Western Australia, 14 March 2011

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INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF CASSINI RESOURCES LIMITED

Report on the Interim Financial Report

We have reviewed the accompanying financial report of Cassini Resources Limited, which comprises the statement of financial position as at 31 December 2011, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the period ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the disclosing entity and the entity it controlled at the period's end or from time to time during the period.

Directors' Responsibility for the Interim Financial Report

The directors of the disclosing entity 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 is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2011 and its performance for the period ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Cassini Resources Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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

Independence

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

Conclusion

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

(a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2011 and of its performance for the period ended on that date; and

(b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.

BDO Audit (WA) Pty Ltd

BDO

Peter Toll
Director

Perth, Western Australia
Dated this 14th day of March 2012