



CASSINI
RESOURCES LIMITED
ABN 50 149 789 337

**CASSINI RESOURCES LIMITED
AND ITS CONTROLLED ENTITIES**
ABN 50 149 789 337

Interim Financial Report

For the period ended 31 December 2012

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These half-yearly financial statements do not include all the notes of the type normally included in the annual financial statements. Accordingly, these half-yearly financial statements are to be read in conjunction with the 2012 annual report and any public announcements made by Cassini Resources Limited during the period from 1 July 2012 to the date of this report in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

Directors' Report

Your Directors present their half-early report on the consolidated entity consisting of Cassini Resources Limited ("Cassini" or "the Company") and the entities it controlled at the end of, or during, the period 01 July 2012 to 31 December 2012.

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)
Mr David Johnson	(Executive Director – Exploration)	(Appointed 8 June 2012)

Review of Operations

The group's operating loss for the period of 01 July 2012 to 31 December 2012 was \$784,787 (2011: \$304,199).

During the half year the Company undertook significant exploration activity on its three Nevada projects. Much of the results of these were reported in the company update released to the ASX on 21 September 2012. In summary:

- Encouraging soil and rock sampling results from Leonid Project progress Carlin-style model. Further geochemical surveys will define priority drill targets;
- Initial trenching and drilling program imminent to test known mineralised zones at Goldstar Project; and
- Pasco Canyon Project drilling results were reviewed and a decision was made to cease further exploration activity on the project.

In addition, the Company significantly upgraded the prospectivity of its 100% owned West Musgrave Project. Geophysical interpretation undertaken by widely recognised expert, Dr Jon Hronsky, has given context to several discrete anomalies, identifying them as high priority, potentially large scale NiS targets.

In December 2012 the Company successfully completed a placement of 7,637,500 ordinary shares to sophisticated investors to raise \$611,000. The Company received shareholder approval on 31 January 2013 to allow the Directors to participate on the same terms to raise an additional \$112,000. The results of this meeting have been announced to the market. The funds will allow the company to progress its West Musgrave Project to the point of identifying potential mineralisation.

Auditor's Independence Declaration

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

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



Richard Bevan
Managing Director

Perth, Western Australia, 15 March 2013

15 March 2013

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 half-year ended 31 December 2012, 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 entities it controlled during the period.



Peter Toll
Director

BDO Audit (WA) Pty Ltd
Perth, Western Australia

Consolidated Statement of Profit or Loss and other Comprehensive Income For the half-year ended 31 December 2012

	Notes	Half-Year	
		Consolidated 2012 \$	Consolidated 2011 \$
Revenue from continuing operations		-	-
Other income		-	-
Interest income	3	20,738	12,832
Financial and company secretarial expenses		(57,000)	-
Exploration expenditure write off		(351,128)	-
Legal fees		(14,992)	-
Insurance		(13,609)	-
Audit fees		(22,791)	-
ASX and share registry fees		(33,240)	-
Directors fees		(144,167)	-
Wages and salaries		(73,594)	-
Other employee expenses		(27,722)	-
Other expenses		(67,282)	(268,565)
Share based payment	14	-	(48,466)
Loss before income tax expense		(784,787)	(304,199)
Income tax expense		-	-
Loss for the period attributable to owners of Cassini Resources Limited		(784,787)	(304,199)
<i>Items that may be classified to profit or loss</i>			
Exchange difference on translation of foreign operations		(75,343)	-
Other comprehensive loss for the period, net of tax		(75,343)	-
Total comprehensive loss for the period attributable to owners of Cassini Resources Limited		(860,130)	(304,199)
Loss per share from continuing operations attributable to the ordinary equity holders of Cassini Resources Limited:			
Basic loss per share (cents)		(2.17)	(3.34)
Diluted loss per share (cents)		n/a	n/a

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

Consolidated Statement of Financial Position As at 31 December 2012

	Notes	Consolidated 31 December 2012 \$	Consolidated 30 June 2012 \$
ASSETS			
Current Assets			
Cash and cash equivalents		1,114,901	1,886,916
Trade and other receivables	8	41,490	44,539
Total Current Assets		<u>1,156,391</u>	<u>1,931,455</u>
Non Current Assets			
Plant and equipment		60,709	56,302
Exploration and evaluation costs	6	3,524,173	3,009,204
Formation expenses		650	-
Total Non Current Assets		<u>3,585,532</u>	<u>3,065,506</u>
TOTAL ASSETS		<u>4,741,923</u>	<u>4,996,961</u>
LIABILITIES			
Current Liabilities			
Trade payables		61,150	73,915
Other payables	7	141,793	153,936
Total Current Liabilities		<u>202,943</u>	<u>227,851</u>
TOTAL LIABILITIES		<u>202,943</u>	<u>227,851</u>
NET ASSETS		<u>4,538,980</u>	<u>4,769,110</u>
EQUITY			
Issued Capital	5(a)	5,946,948	5,336,948
Reserves	5(b), 5(c)	127,411	182,754
Accumulated Losses		(1,535,379)	(750,592)
TOTAL EQUITY		<u>4,538,980</u>	<u>4,769,110</u>

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

Consolidated Statement of Changes in Equity For the half year ended 31 December 2012

Consolidated	Note	Contributed Equity	Option Reserve	Foreign Currency Translation 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
Total transactions with owners		750,501	178,036	-	-	928,537
Balance at 31 December 2011		750,501	178,036	-	(304,199)	624,338

Consolidated	Note	Contributed Equity	Option Reserve	Foreign Currency Translation Reserve	Accumulated Losses	Total
		\$		\$	\$	\$
Balance at 1 July 2012		5,336,948	182,754	-	(750,592)	4,769,110
Total comprehensive income for the period						
Loss for the period ended 31 December 2012		-	-	-	(784,787)	(784,787)
Other comprehensive income				(75,343)		(75,343)
Total comprehensive income for the period		-	-	(75,343)	(784,787)	(860,130)
Transactions with owners, recorded directly in equity						
Issue of ordinary shares	5(a)	611,000	-	-	-	611,000
Options issued	5(b)	-	20,000	-	-	20,000
Share Issue Costs	5(a)	(1,000)	-	-	-	(1,000)
Total transactions with owners		610,000	20,000	-	-	630,000
Balance at 31 December 2012		5,946,948	202,754	(75,343)	(1,535,379)	4,538,980

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

Consolidated Statement of Cash Flows For the half year ended 31 December 2012

	31 December 2012 \$	31 December 2011 \$
Cash flows from operating activities		
Payments to suppliers and employees	(427,374)	(160,790)
Interest received	20,738	11,102
Net cash outflow from operating activities	<u>(406,636)</u>	<u>(149,688)</u>
Cash flows from investing activities		
Loans from other entities	-	30,000
Payments for Property, Plant & Equipment	(8,577)	(982)
Exploration and Evaluation Expenditure	(891,459)	-
Payments for acquisition of Wirraway Metals & Mining net of cash acquired	-	(262,831)
Net cash outflow from investing activities	<u>(900,036)</u>	<u>(233,813)</u>
Cash flows from financing activities		
Proceeds from share issue	611,000	400,501
Capital raising cost	(1,000)	-
Proceeds from share applications	-	3,000,000
Net cash inflow from financing activities	<u>610,000</u>	<u>3,400,501</u>
Net increase/decrease in cash and cash equivalents	(696,672)	3,017,000
Cash and cash equivalents at beginning of the financial period	1,886,916	-
Effect of exchange rate fluctuations on cash held	(75,343)	-
Cash and cash equivalents at end of the period	<u>1,114,901</u>	<u>3,017,000</u>

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

Notes to the Consolidated Financial Statements

Note 1 – Basis of preparation

These general purpose interim financial statements for the half-year reporting period ended 31 December 2012 has been prepared in accordance with Australian Accounting Standard AASB 134: Interim Financial Reporting and the Corporations Act 2001. The consolidated entity is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

This interim financial report does not include full disclosures of the type normally included in an annual report. It is recommended that this financial report to be read in conjunction with the annual financial report for the year ended 30 June 2012 and any public announcements made by Cassini Resources Limited during the half-year reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The accounting policies have been consistently applied with those of the previous financial year and corresponding interim reporting period, except in relation to the matters disclosed below.

The consolidated entity has adopted all of the new and revised Accounting Standards and Interpretations issued by the Australian Accounting Standards Board that are mandatory for the current reporting period. The adoption of these new and revised Accounting Standards and Interpretations has not resulted in a significant or material change to the consolidated entity's accounting policies.

Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted by the consolidated entity.

The directors have also reviewed all new Standards and Interpretations that have been issued but are not yet effective for the half-year ended 31 December 2012. As a result of this review the directors have determined that there is no impact, material or otherwise, of the new and revised Standards and Interpretations on the company and, therefore, no change is necessary to Group accounting policies.

Note 2 – Going Concern

The interim financial statements have been prepared on the basis of a going concern. The interim financial statements have been on a going concern basis, which contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the normal course of business.

The Group incurred a net loss of \$784,787 for the half year ended 31 December 2012 and had net cash outflow from operations of \$406,636 for the period. Notwithstanding this, the financial report has been prepared on a going concern basis.

The Directors believe that the consolidated entity will continue as a going concern. As a result the financial report has been prepared on a going concern basis. However, should the consolidated entity be unsuccessful in undertaking additional raisings, the consolidated entity may not be able to continue as a going concern. No adjustments have been made relating to the recoverability and classification of liabilities that might be necessary should the consolidated entity not continue as a going concern.

Notes to the Consolidated Financial Statements (Cont)

Note 3 – Other Income

	Period ended 31 December 2012 \$	Period ended 31 December 2011 \$
Interest income	20,738	12,832
Total other income	20,738	12,832

Note 4 – Segment Information

Operating Segments

The Group has 2 operating segments, as described below, which are the Group's strategic divisions. The strategic divisions are based on geographic locations, and are operated separately because of the different jurisdictions in which they operate. For each of these divisions the Group's managing director is responsible for overseeing the operations of the division. The following summary describes the operations in each of the Group's reportable segments:

- Exploration Australia. Includes all Australian exploration licences and related activities; and
- Exploration United States. Includes all US based exploration licences and related activities.

Information regarding the results of each reportable segment is included below. This is the first reporting period in which disclosing AASB 8: Operating Segments has been adopted since incorporation and thus no comparative information is available.

Segment Performance 31 December 2012	Exploration Australia \$	Exploration United States \$	Corporate \$	Total \$
Revenue from external customers	-	-	-	-
Reportable segment (loss)	(116,707)	(392,009)	(276,071)	(784,787)
<hr/>				
Segment Assets 31 December 2012	Exploration Australia \$	Exploration United States \$	Corporate \$	Total \$
Segment assets				
Cash	1	17,490	1,097,410	1,114,901
Exploration and evaluation	1,178,798	2,345,375	-	3,524,173
Other	1,165	60,199	41,485	102,849
Total segment assets	1,179,964	2,423,064	1,138,895	4,741,923
<hr/>				
Segment Liabilities 31 December 2012	Exploration Australia \$	Exploration United States \$	Corporate \$	Total \$
Segment liabilities				
Creditors	-	37,634	23,516	61,150
Other	-	14,088	127,705	141,793
Total segment liabilities	-	51,722	151,221	202,943

Notes to the Consolidated Financial Statements (Cont)

Note 5 – Contributed Equity

(a) Movements in share capital from 01 July 2012 to 31 December 2012 were as follows:

	No of Shares	Issue Price	
		\$	\$
Opening Balance	34,550,001		5,510,501
Issue of Placement Shares	7,637,500	0.08	611,000
Less: share issue costs			(174,553)
Closing Balance	42,187,501	-	5,946,948

(b) Movements in the option reserve from 01 July 2012 to 31 December 2012 were as follows:

	Note	No of Options	Option Reserve
			\$
Opening Balance		8,000,000	182,754
Issue of Options to Archer X Pty Ltd	14	1,000,000	20,000
Closing Balance		9,000,000¹	202,754

1. Breakdown of options:

- 7,000,000 (20 cents, 30/6/2015)

- 1,000,000 (25 cents, 30/6/2015)

- 1,000,000 (11.2 cents, 19/11/2017)

(c) Movements in the foreign currency translation reserve from 01 July 2012 to 31 December 2012 were as follows:

	Foreign Currency Translation Reserve
	\$
Opening Balance	-
Movements in Foreign Currency	(75,343)
Closing Balance	(75,343)

Note 6 – Exploration & Evaluation Expenditure

	31 December	30 June
	2012	2012
	\$	\$
Opening Balance	3,009,204	-
EE&E attributable to acquisitions	-	2,476,194
Expenditure Capitalised during Period - Wirraway	416,627	533,010
Expenditure Capitalised during Period - Search	544,787	-
Less: Exploration written off during period ¹	(446,445)	-
Total Exploration & Evaluation Expenditure	3,524,173	3,009,204

¹Exploration write off of \$446,445 includes \$116,119 is in relation to the Leonid project in Nevada and \$330,326 to fully impair the capitalised expenditure relating to the Pasco Canyon project in Nevada.

Note 7 – Other Payables

	31 December	30 June
	2012	2012
	\$	\$
Accrued expenses and other payables	46,500	118,261
Payroll and PAYG Payable	63,676	4,059
Stamp Duty Payable	31,617	31,617
Total other payables	141,793	153,937

Notes to the Consolidated Financial Statements (Cont)

Note 8 – Other Receivables

	31 December 2012 \$	30 June 2012 \$
Withholding tax paid	-	1,730
GST receivable	38,672	42,809
Deferred capital raising costs	-	-
Other Receivables	2,818	-
Total other receivables	41,490	44,539

Note 9 – Dividends

No dividend has been declared or paid during the period ended 31 December 2012.

Note 10 – Events subsequent to Reporting Date

The Company received shareholder approval on 31 January 2013 to allow the Directors to participate on the same terms as the December 2012 placement to raise an additional \$112,000 before costs.

Except for the matters discussed above, no matters or circumstances have arisen since the end of the financial period which significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

Note 11 – Commitments

No significant changes to commitments since 30 June 2012.

Note 12 –Contingent Assets and Liabilities

There are no identified contingent assets or liabilities as at reporting date.

Note 13 – Related Party Disclosures

Transactions with the related parties are consistent with those disclosed in the 30 June 2012 financial report.

Notes to the Consolidated Financial Statements (Cont)

Note 14 – Share Based Payment

(a) Asset Acquisition

The options issued in 2012 were valued using a fair value assessment as defined by AASB 2. The options were issued in relation to services provided by Archer X Pty Ltd, including the provision of intellectual property and data used for evaluation of the Company's Musgrave Project.

The fair value of the services being \$100,000 was determined using market rates applicable to the acquisition of similar intellectual property and data, based on current market conditions. This was satisfied by way of cash and options (1,000,000, \$0.112, 19 November 2017). This amount was capitalised against the exploration expenditure asset per the requirement of the accounting standards. There is \$30,000 yet to be settled which has been included as a liability in "other payables".

(b) Employee Options

Previously in 2011 the fair value at grant date was 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. Total expense of \$48,466 was recognised as a share based payment expensed in the profit or loss for the corresponding period in 2011.

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 2012 and of its performance, as represented by the results of its operations, changes in equity and its cash flows for the period from 1 July 2012 to 31 December 2012.
- 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.



Mr Richard Bevan
Managing Director

Perth, Western Australia, 15 March 2013



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

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

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

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Cassini Resources Limited, which comprises the consolidated statement of financial position as at 31 December 2012, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, notes comprising a statement of accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the disclosing entity and the entities it controlled at the half-year's end or from time to time during the half-year.

Directors' Responsibility for the Half-Year Financial Report

The directors of the disclosing entity are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2012 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of 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 half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

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 review 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 half-year 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 2012 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.

Emphasis of Matter

Without modifying our conclusion, we draw attention to Note 2 in the half-year financial report which indicates that the consolidated entity incurred a net loss of \$784,787 and had net operating cash outflows of \$406,636 during the half-year ended 31 December 2012. These conditions, along with other matters as set forth in Note 2, indicate the existence of a material uncertainty which may cast significant doubt about the consolidated entity's ability to continue as a going concern and therefore, the consolidated entity may be unable to realise its assets and discharge its liabilities in the normal course of business.

BDO Audit (WA) Pty Ltd

A handwritten signature in blue ink, appearing to read 'Peter Toll', with the letters 'BDO' written above it in a smaller, blue, sans-serif font.

Peter Toll
Director

Perth, Western Australia
Dated this 15th day of March 2013