



CASSINI
RESOURCES LIMITED
ABN 50 149 789 337

ASX Announcement

30 April 2014

ACTIVITIES REPORT FOR QUARTER ENDED 31 MARCH 2014

Highlights:

- **Announcement of the acquisition of BHP Billiton's West Musgrave Project, under well-received transaction terms**
- **\$10m in funding secured from institutional and sophisticated investors**
- **Re-negotiation of the earn-in terms associated with the X17 Project**

Corporate

Acquisition of BHP Billiton's West Musgrave Project

During the quarter Cassini Resources limited ("Cassini" or the "Company") negotiated the acquisition of 100% of the West Musgrave Project in Western Australia (the "Project") from BHP Billiton Nickel West Pty Ltd and BHP Billiton Minerals Pty Ltd, two subsidiaries of BHP Billiton Limited ("BHP Billiton"); (the "Acquisition"). The deal was formally announced to the market on 3 April 2014. Detailed information in relation to the Acquisition is contained within this announcement.

Capital Raising

Subsequent to the end of the March 2014 Quarter and the announcement of the Acquisition, Cassini successfully raised \$10 million in strongly oversubscribed placement to domestic and international institutional and sophisticated investors ("Placement"). The Placement is subject to shareholder approval which will be sought at a general meeting of shareholder to be held on 16 May 2014. Upon completion of the Placement Cassini will be well funded to progress work at the newly acquired West Musgrave Project as a priority and to facilitate achieving significant project milestones over the next 6-12 months.

West Musgrave Project

The West Musgrave Project includes the Nebo-Babel nickel-copper sulphide deposits and the Succoth copper prospect. The discovery hole at Nebo-Babel drilled by Western Mining Corporation in May 2000 intercepted 26.55m @ 2.45% Ni, 1.78% Cu, 0.74g/t PGE+Au.

Nebo-Babel has an inferred resource 446Mt @ 0.33% Ni and 0.35% Cu (0.2% Ni cut-off) for 1.47Mt of contained nickel and 1.56Mt of contained copper.

The due diligence that Cassini has undertaken during the quarter indicates that Nebo-Babel has significant production potential as a smaller, higher-grade operation due to the following favourable characteristics of the deposits:

- Discrete higher-grade zones exist within the Nebo-Babel deposit which are yet to be fully delineated by drilling;
- Both Nebo and Babel deposits are amenable to open pit co-development as they are very close to the surface, with the Babel deposit outcropping;
- There is very limited supergene oxidation therefore fresh sulphide ore occurs close to surface; and
- Nebo-Babel has extremely favourable ore-body geometry. It is a flat dipping deposit which gives rise to potential for an open-pit operation with a very low stripping ratio.

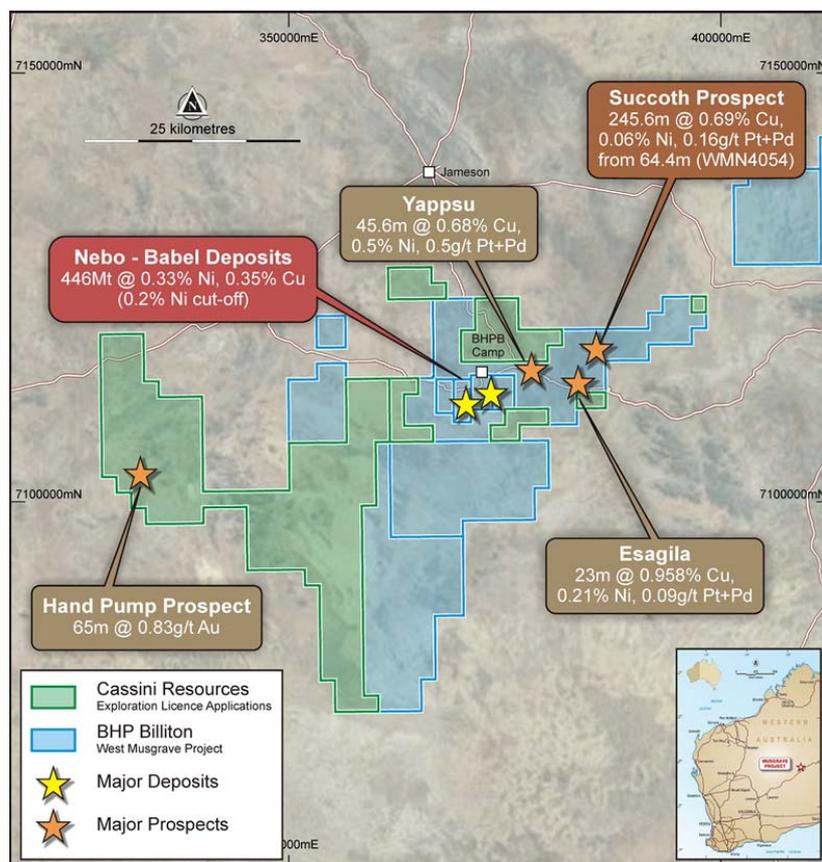


Figure 1: BHP Billiton's West Musgrave Project identifying major deposits and prospects.

Located only 13km to the north east of Nebo-Babel, the Succoth prospect was a significant copper discovery. Succoth is characterised by its significant size and the continuity of mineralisation, which provides large-scale mining potential. This potential is demonstrated by the limited drilling

(approximately 35 RC & diamond drill holes) undertaken to date, which includes results such as 245.6m @ 0.69% Cu, 0.06% Ni, 0.16g/t Pt+Pd from 64.4m (WMN4054). The system remains open at depth.

Mineralisation at Succoth starts near surface, and a development scenario is considered likely to include open pit mining in the first instance. The proximity of Succoth to Nebo-Babel offers potential operational synergies and cost savings.

The Acquisition includes an extensive drilling and geochemical database, which confirms strong regional prospectivity. The Project contains several early-stage exploration targets. Two of the more notable targets, Yappsu and Esagila, have been the subject of preliminary drilling, with promising results. Intersections include:

- Yappsu – 45.6m @ 0.5% Ni, 0.68% Cu, 0.5g/t Pt+Pd
- Esagila – 23m @ 0.95% Cu, 0.21% Ni, 0.09g/t Pt+Pd

Transaction Terms

The consideration payable for the Project involves minimal up-front cash requirement, with future consideration contingent upon successful mineral production from the Project. This significantly de-risks the acquisition for the Company and allows the Company to focus on assessing development options.

The consideration payable by Cassini for the Acquisition comprises the following:

- \$250,000 in cash, 10% of which has already been paid by Cassini as a deposit. The balance will be payable by Cassini upon Completion of the Acquisition;
- A 2% net smelter royalty (“NSR”) which applies to the net proceeds from future production from the tenements within the Project; and
- A production milestone payment due 12 months after production from the Project commences, amounting to \$10 million in cash (and escalated for CPI).

Completion of the Acquisition is scheduled to occur in early May, once conditions precedent relating to necessary third party consents and notifications have been satisfied.

West Arunta Project (X17)

Renegotiation of Consideration for Joint Venture Agreement with Crossbow Resources

On 9 December 2013 Cassini announced it had executed a Share Sale Agreement to earn up to 75% of Crossbow Resources Pty Ltd (“Crossbow”), which owns 100% of the West Arunta Project (“X17” or the “Project”) in Western Australia.

Following the acquisition of BHP Billiton’s West Musgrave Project, it was apparent that it was appropriate to restructure the acquisition terms for the West Arunta Project. Cassini is pleased to

report that it has successfully renegotiated the terms relating to the payment of the staged consideration.

Cassini has successfully fulfilled the Stage 1 work requirements which included the management and funding of a number of activities associated with Native Title and Land access to bring the project to the point that on ground exploration can commence. This triggers the Stage 2 Consideration payment where Cassini will earn a 75% interest in Crossbow.

The Company and Crossbow have agreed to defer the issue of 6 million share options in the Company from the Stage 2 consideration to the Stage 3 payment, due by 23 May 2015, if Cassini elects to progress with the X17 Project.

The consideration for the X17 Project is now structured as follows:

Revised Consideration Terms

Stage 2	By 23 May 2014 Cassini will earn a 75% equity interest (the "Interest") in Crossbow via the following payments to the Vendor: <ul style="list-style-type: none">• \$200,000 in cash; and• \$200,000 of Cassini Shares to be issued at the Placement price; and• 1.5 million Acquirer Options with an exercise price of 134% of the Placement price.
Stage 3	By 23 May 2015, Cassini at its election, can exercise the right to retain its Interest via making a Stage 3 payment to the Vendor being: <ul style="list-style-type: none">• \$250,000 to be settled in either cash or Cassini Shares or any combination thereof; and• 6 million Acquirer Options with an exercise price determined by the 5-day volume weight average price (VWAP) for the Cassini shares prior to Cassini electing to progress.

For more detail, please refer to Company ASX announcement of 9 December 2013

The X17 Project is a highly prospective Copper-Gold and Lead-Zinc target in an underexplored region of Western Australia.

Analysis of previous geochemical data indicates a very large (40km x 20km) geochemical anomaly. First-stage exploration will comprise a low-cost geochemical survey to identify potential drill targets.

Exploration Strategy

The primary target on X17 is located in an area that has had limited previous exploration. Cassini intend to undertake a more detailed geochemical survey to refine the existing, broadly-spaced GSWA geochemical sampling to a 1km x 0.5km grid, review the results, then proceed with more closely spaced follow-up where required.

The objective of this work would be to define a focused gold and/or base metal anomaly for detailed follow up including drilling.

Forecast Project Milestones

During the quarter the Company completed an initial heritage survey on the X17 Project area. The future work program and upcoming milestones is detailed in Table 1 below.

Table 1: X17 Project Milestones

Milestones	Date
Native Title and Land Access Agreement	Completed Nov 2013
Initial Heritage Survey	Completed Mar 2014
Cassini makes Stage 2 payment to earn 75%	Scheduled 23 May 2014
Commence Phase 1 – Soil Geochemical Program	Jun/Jul 2014
Complete Phase 1 (including assay results)	Aug 2014
Proposed Phase 2 Exploration	
Focused infill geochemistry + potential Drill Program	Oct/Nov 2014

For further detail on the X17 Project and the transaction details, please refer to the Company's ASX announcement dated 9 December 2013.

Nevada Projects, USA

Additional structural mapping was completed at Goldstar to identify controls on the plunge of mineralized shoots exploited by early miners, and to design a drilling program to test targets beneath the historic workings. This program is scheduled for commencement in May.

No other work was carried out during the quarter, due to winter snow cover. At the end of the quarter, all project areas are accessible.

ENDS

Further information:

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About Cassini

Cassini Resources Limited (ASX: CZI) is an Australian resource company that successfully listed on the ASX in January 2012. In April 2014, Cassini acquired the significant Nebo and Babel nickel and copper sulphide deposits in the Musgrave region of WA. The Company's primary focus is now on the development of these deposits and progressing them through to successfully mineral production as a matter of priority.

Cassini aims to progress its development projects, to explore and add value to its exploration stage projects with the aim to increase shareholder value.

Competent Persons Statement

The information in this report that relates to Exploration Results and Mineral Resource Estimates 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 3rd of April 2014 continue to apply and have not materially changed.

APPENDIX 1 – TENEMENT SUMMARY – 31 MARCH 2014

1. MINING TENEMENTS HELD				
Tenement Reference	Location	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
E77/1801	WA	Granted	100%	100%
E69/2907	WA	Granted	100%	100%
E69/2909	WA	Granted	100%	100%
E69/2911	WA	Granted	100%	100%
E69/2917	WA	Granted	100%	100%
E69/2918	WA	Granted	100%	100%
E69/3091	WA	Granted	100%	100%
E69/3137	WA	Granted	100%	100%
E69/3145	WA	Granted	100%	100%
Goldstar JV (61 claims)	Nevada	JV	70% (subject to spend commitments)	70% (subject to spend commitments)
White Flats Project (12 claims)	Nevada*	Leased	100% (leased)	100% (leased)
Cortez East (12 claims)	Nevada	Leased	100% (leased)	100% (leased)

*That portion of the southern 1/2 of Section 5, Township 32 North, Range 55 East lying southerly of the Humboldt River, containing 216.67 acres, more or less (Elko County, Parcel No. 006-07A-001).

2. MINING TENEMENTS ACQUIRED/DISPOSED				
Tenement Reference	Location	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
Acquired NIL				
Disposed				
Certificate no. 1677-2012 (Impala 1)	Peru	Expired	100%	0%
Certificate no. 1522-2012 (Impala 2)	Peru	Expired	100%	0%
Certificate no. 1725-2012 (Impala 3)	Peru	Expired	100%	0%
Certificate no. 2317-2012 (Impala 4)	Peru	Expired	100%	0%
Certificate no. 2305-2012 (Impala 5)	Peru	Expired	100%	0%
Certificate no. 2322-2012 (Impala 6)	Peru	Expired	100%	0%

3. BENEFICIAL PERCENTAGE INTERESTS HELD IN FARM-IN OR FARM-OUT AGREEMENTS				
Tenement Reference	Location	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
Goldstar (JV with RenGold to earn in 70%)	Nevada	JV	70% (subject to spend commitments)	70% (subject to spend commitments)

4. BENEFICIAL PERCENTAGE INTERESTS HELD IN FARM-IN OR FARM-OUT AGREEMENTS ACQUIRED OR DISPOSED				
Tenement Reference	Location	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
Acquired Nil				
Disposed Nil				

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/2013

Name of entity

Cassini Resources Limited

ABN

50 149 789 337

Quarter ended ("current quarter")

31 March 2014

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (9 months) \$A'000
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for (a) exploration & evaluation (b) development (c) production (d) administration	(187) - - (100)	(943) - - (494)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	2	13
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other (provide details if material)	-	-
Net Operating Cash Flows	(285)	(1,424)
Cash flows related to investing activities		
1.8 Payment for purchases of: (a) prospects (b) equity investments (c) other fixed assets	- - -	(100) - -
1.9 Proceeds from sale of: (a) prospects (b) equity investments (c) other fixed assets	- - -	- - -
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other (provide details if material)	-	-
Net investing cash flows	-	(100)
1.13 Total operating and investing cash flows (carried forward)	(285)	(1,524)

+ See chapter 19 for defined terms.

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(285)	(1,524)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	-	1,300
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other (share issue costs)	-	(36)
	Net financing cash flows	-	1,264
	Net increase (decrease) in cash held	(285)	(260)
1.20	Cash at beginning of quarter/year to date	485	460
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	200	200

Payments to directors of the entity, associates of the directors, related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	82
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

<p>Amount includes:</p> <ul style="list-style-type: none"> - executive remuneration (including superannuation) - non-executive remuneration - company secretarial and financial management fees and office rent to Grange Consulting, of which Mr Phil Warren is a director.

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

n/a

+ See chapter 19 for defined terms.

- 2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

n/a

Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	-	-
3.2 Credit standby arrangements	-	-

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	100
4.2 Development	-
4.3 Production	-
4.4 Administration	50
Total	150

Note: this estimated cash outflow is based on current cash position. Pending shareholder approval for a \$10m placement at a shareholder meeting to be held on 16 May 2014 this estimate will change significantly.

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	200	485
5.2 Deposits at call	-	-
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	200	485

+ See chapter 19 for defined terms.

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Changes in interests in mining tenements and petroleum tenements

	Tenement reference and location	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1 Interests in mining tenements and petroleum tenements relinquished, reduced or lapsed	Cerificate no. 1677-2012 (Impala 1) - Peru	Expired	100%	0%
	Cerificate no. 1522-2012 (Impala 2) - Peru	Expired	100%	0%
	Cerificate no. 1725-2012 (Impala 3) - Peru	Expired	100%	0%
	Cerificate no. 2317-2012 (Impala 4) - Peru	Expired	100%	0%
	Cerificate no. 2305-2012 (Impala 5) - Peru	Expired	100%	0%
	Cerificate no. 2322-2012 (Impala 6) - Peru	Expired	100%	0%
6.2 Interests in mining tenements and petroleum tenements acquired or increased	-	-	-	-

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 Preference securities (description)				
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 *Ordinary securities	56,587,501	56,587,501		Fully Paid Ordinary
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs				

+ See chapter 19 for defined terms.

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

7.5	+Convertible debt securities <i>(description)</i>				
7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7	Options <i>(description and conversion factor)</i>	12,000,000		<i>Exercise Price</i> 7,000,000 - 20 cents 2,000,000 - 25 cents 1,000,000 - 11.2 cents 1,000,000 - \$0.20 1,000,000 - \$0.30	<i>Expiry Date</i> 30 June 2015 30 June 2015 19 November 2017 9 April 2018 9 April 2018
7.8	Issued during quarter				
7.9	Exercised during quarter				
7.10	Expired during quarter				
7.11	Debentures <i>(totals only)</i>				
7.12	Unsecured notes <i>(totals only)</i>				

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 5).
- 2 This statement does ~~/does not*~~ *(delete one)* give a true and fair view of the matters disclosed.

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity and oil and gas exploration entity quarterly report

30 April 2014

Sign here: Date:
(Director/Company secretary)

Print name: Steven Wood
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Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements and petroleum tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement or petroleum tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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