CASSINI RESOURCES LIMITED

ABN 50 149 789 337

Annual Financial Statements
For the year ended 30 June 2020

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*
Philip (Phil) Warren	*Non-Executive Director*
Jonathan (Jon) Hronsky	*Non-Executive Director*
Sze Man (Simone) Suen	*Non-Executive Director*

Company Secretary

Steven Wood

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Subiaco WA 6008

Bankers

ANZ
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West Perth WA 6005

Solicitors

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16 Milligan Street
Perth WA 6000

Thomson Geer
Level 27, Exchange Tower
2 The Esplanade
Perth WA 6000

Stock Exchange

Australian Securities Exchange Limited
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Perth WA 6000
ASX Code: **CZI**

Frankfurt Stock Exchange
FWB Code: **ICR**

Chairman's Letter

An ASX listed junior mining company can achieve many outcomes, the majority of which involve a slow decline into obscurity or a pivot into the newest trend. A few make discoveries, become miners, or by aiming to become a miner, become a target for acquisition.

This is what has happened in 2020 to Cassini as its major project, the West Musgrave Project, demonstrated value and led to the company being acquired by our Joint Venture partner OZ Minerals Limited, in a transaction that has enjoyed the overwhelming support of our shareholders.

The bulk of the Cassini board and management has been in place since the listing of Cassini in January 2012. I joined Richard Bevan and Phil Warren on the Board prior to listing and we developed a plan to IPO on a package of quality exploration assets, one of which was located in the West Musgrave region of Western Australia. We recognised the need for high-quality geological expertise and so Greg Miles joined the team. The Board was rounded out by Dr Jon Hronsky, with Steven Wood as Company Secretary.

Post its IPO on the ASX, Cassini undertook early exploration work with some level of success, but in hindsight the biggest opportunity came from developing an operational capability to work in one of the remotest regions of Australia and the relationships that began to develop with the Ngaanyatjarra community that own and live in the Ngaanyatjarra Lands.

It was these attributes and the quality of our team that enabled us to acquire a large tenement package from BHP Billiton, which included the Nebo-Babel Ni-Cu deposit, and the Succoth Cu deposit, as well as a large package of early stage, underexplored tenements in the West Musgrave. Following several years of exceptionally good geological work at the West Musgrave Project, led by Greg Miles, Jon Hronsky, Zoran Seat and others, Cassini was able to expand the mineral resource at Nebo-Babel as well as crack the metallurgical puzzle.

Cassini became a victim of its own success as Nebo-Babel become too big for a junior company to develop, and an alternative path was chosen. After a thorough search for development partners, OZ Minerals came to the table in 2016 with a very good offer to acquire 70% of the West Musgrave Project by funding $36m of exploration and development and carrying Cassini through to completion of a DFS and decision to mine. I would like to take this opportunity to thank OZ Minerals and their team who have been great JV partners during the past four years. Eventually OZ Minerals believed that going alone on Nebo-Babel was a better commercial outcome for their shareholders and they launched a friendly bid to acquire Cassini.

And the rest, as they say is history.

The result has been an excellent outcome for Cassini shareholders, and I would like to thank all shareholders for your support over the journey. Some early shareholders included GR Engineering and MACA, who subscribed to a placement in a time of very low commodity prices because they believed in the project and our team. More recently Tinci (HK) Limited, a 100% subsidiary of Guangzhou Tinci Materials Technology Co. Ltd (002709.SHE) and a leading battery materials company in China, recognised the value of the West Musgrave Project and invested as a cornerstone.

Cassini, in some part, will live on through the demerger of Caspin Resources Limited, which will shortly apply to list on the ASX. Caspin starts its life with two high-quality exploration projects being Yarawindah Brook, located in the New Norcia Nickel Province where the recent Julimar discovery has been attracting significant interest; and the Mt Squires Gold and Nickel Project in the West Musgrave region.

It is however the people who have made Cassini what it is and particularly Richard Bevan's and Greg Miles' leadership of a great team that established Cassini as a focused, professional, and open-minded company. The whole teams' relationships with the leadership and project teams at OZ Minerals is certainly the reason for our success.

It is with great pride that I finish this last Chairman's Letter for Cassini and thank you one and all.

Mike Young
Chairman

Review of Operations

Cassini's principal activities during the financial year continued on progressing the West Musgrave Project Joint Venture with OZ Minerals Limited ("OZ Minerals") (ASX: OZL), whilst significantly advancing the Company's other projects. This year saw the first drill programs at the 100% owned Mount Squires Gold Project and the 80% owned Yarawindah Brook Project.

The Company's partner at the West Musgrave Project, OZ Minerals, satisfied the 70% earn-in hurdles in April 2019, having spent in excess of $36 million towards Nebo-Babel feasibility studies and exploration. Prior to the implementation of the Schemes of Arrangement announced 22 June 2020, OZ Minerals was to continue to sole fund the Nebo-Babel Studies until a Definitive Feasibility Study and decision to mine was delivered. In respect of any amount that was funded by OZ Minerals in excess of $36 million, Cassini was to be loan-carried for its 30% contribution, with principal and capitalised interest to be repaid 5 years after the commencement of production at the WMP.

West Musgrave Project

The West Musgrave Project reached a significant milestone during the year with OZ Minerals delivering positive results for a Pre-Feasibility Study (PFS) of the Nebo-Babel Deposits in February 2020.

Pre-Feasibility Study Results

The Pre-Feasibility Study (PFS) has demonstrated a long life ~26-year open pit nickel and copper sulphide mine. It is the first development opportunity within the broader West Musgrave province which includes a number of additional highly prospective opportunities including the nearby Succoth copper deposit. A Maiden Probable Ore Reserve of 220Mt at 0.36% Cu and 0.33% Ni was also declared, representing ~22 years of the ~26-year life of mine (LOM) demonstrated in the PFS (with the balance of the mine life underpinned by a combination of Indicated and Inferred Mineral Resource).

Table 1: Key Metrics for Cassini's 30% relevant interest in the WMP

Key Financial and Production Metrics	Unit	Cassini Interest[1]
Average Ni Production Yr 1 - 5	ktpa	~ 8.1
Average Ni Production Yr 6 - Life of Mine	ktpa	~ 6.6
Average Cu Production Yr 1 - 5	ktpa	~ 9.9
Average Cu Production Yr 6 – Life of Mine	ktpa	~ 8.1
Pre-production capital	A$m	~ 298
Average annual net cash flow (post tax)	A$mpa	~ 57

[1] Cassini's interest in the WMP is calculated in the above table by taking 30% of the WMP Financial and Production Metrics as set out in the PFS Announcement of 12 February 2020.

Review of Operations

Table 2: Production Metrics[1]

Mining	Resource	280Mt Ind and 63Mt Inf at 0.33% Ni and 0.36% Cu
	Ore Reserve	220Mt (100% Probable) at 0.33% Ni and 0.36% Cu
	Mining Rate	~ 31Mtpa (pre-strip & stockpiling), ~34Mtpa (Yr1-5), ~43Mtpa (Yr6-LOM)
	Strip Ratio	~3.3 LOM average
	Life of Mine	~26 Years
	Operations	Contractor Mining Yr1-5, Owner Operate Yr6-LOM
Processing	Flowsheet	Crushing, Vertical Roller Mill Flotation producing separate nickel and copper concentrates
	Nickel Grade	~0.42% (Yr1-5), ~0.31% (Yr6-LOM)
	Copper Grade	~0.45% (Yr1-5) ~0.34% (Yr6-LOM)
	Recoveries	~69% Ni and ~78% Cu LOM
	Concentrate Grades	~10-11% Ni in Ni Con, ~25-26% Cu in Cu Con
	Nickel Production	~27,000tpa (Yr1-5) ~22,000tpa (Yr6-LOM)
	Copper Production	~33,000tpa (Yr1-5) ~27,000tpa (Yr6-LOM)
	Tailings Storage Facility	Two cells with water recycled back to process Upstream raises with downstream buttressing with mine waste rock
Infrastructure	Roads	Upgrade of existing ~30km road from site to Jameson
	Village and Airstrip	400-person operations village and airstrip located at site
	Water	7GLpa. Northern borefield ~15km from site
	Power	50MW Power Purchase Agreement, Hybrid Renewables (Wind, Solar, Battery + Diesel or Gas)
	Logistics	Containerised road transport to Leonora, Rail to Esperance for bulk shipping to customers
	Customers	Nickel and copper smelters in Australia, Asia and Europe Potential to expand customer base to include battery manufacturers of nickel-cobalt mixed hydroxide product
Financials	Post Tax NPV	~A$800M
	Post Tax IRR	~20%
	Project payback from decision to mine	~6 years

1 The Pre-Feasibility Study was prepared at a ±25% level of accuracy; these production targets must be read in conjunction with the production targets cautionary statement on page 4 of ASX release dated 12 February 2020. All project values on a 100% project basis and in real terms as at 1 January 2020.

Review of Operations

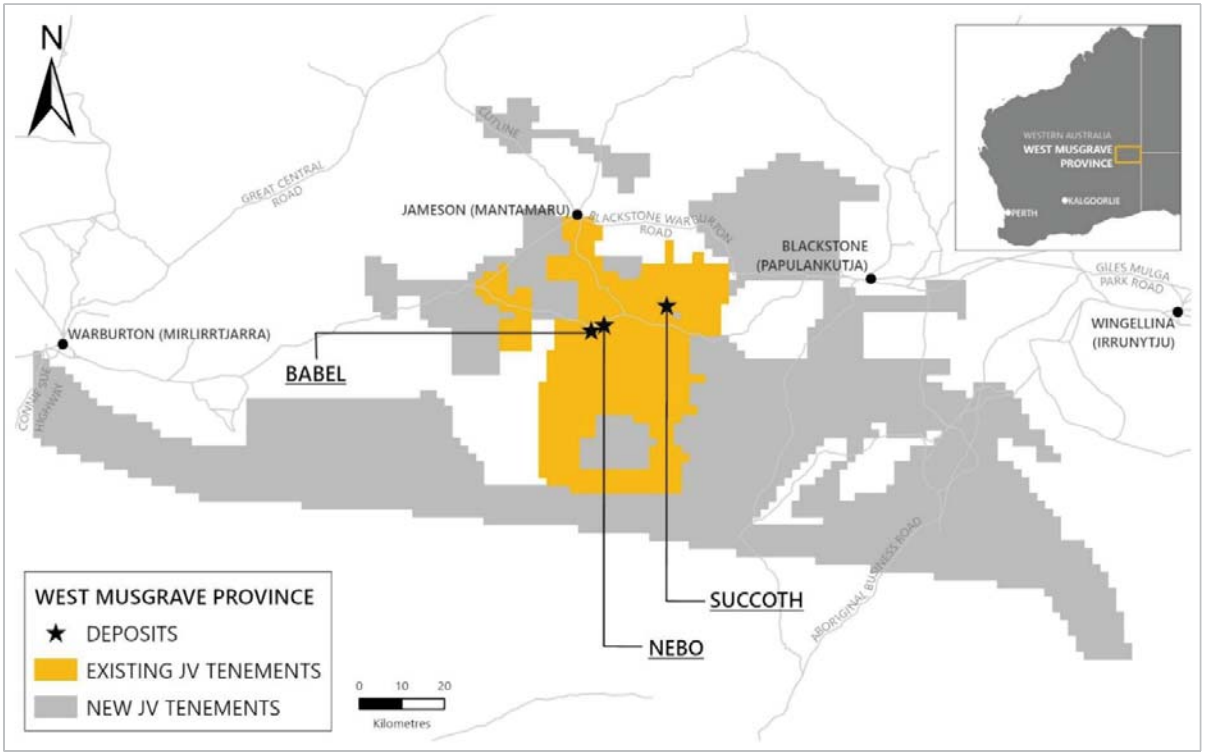

FIGURE 1: Project Location

Cost Estimate

The estimate was compiled by OZ Minerals using inputs from a range of engineering consultants, in particular Australian Mining Consultants (AMC) for mining costs and GR Engineering Services (GRES) for process plant and elements of the infrastructure costs. As this is a PFS estimate it has an accuracy of circa +/- 25%. The cost estimate has a base date of October 2019. Engineering has been completed on packages to an advanced PFS level of definition including sufficient drawings to allow material take off for bulk materials. All major equipment and bulk materials have been quoted directly for this project, while minor equipment costing, and labour rates have been sourced from the GRES database of recently executed projects. Contingencies have been determined through risk assessment, with an allowance of ~12% including ~A$60 million for inherent risks (uncertainties due to estimate immaturity) built into each package and a project contingency of A$50 million determined for contingent risks that may eventuate during construction.

Table 3: Capital Cost

Capital Cost Estimate*	A$M
Mining	~90
Process Plant	~400
Infrastructure	~150
Project Execution	~165
Owners Costs	~80
Contingency	~110
Total	**~995**

* Excludes FS costs

Table 4: LOM Average Operating Cost

Operating Cost Estimate	A$/t Ore
Mining	~12.70
Process Plant	~13.90
G&A	~0.80
Concentrate Logistics	~6.90
Total	**~34.30**

Review of Operations

Post-production growth capital of $72 million is assumed in Year 6 to purchase the mining contractor's mining fleet and transition to owner operate, realizing a lower mining cost. Life of mine sustaining capital of $370 million has been determined, covering tailings storage facility lifts, process plant and mining fleet.

The capital cost excludes inflation and sunk costs up to 31 December 2019. Given the current assumption that power is purchased over the fence under a Power Purchase Agreement arrangement, the capital cost excludes any capital associated with power generation (current estimate is circa A$275 million), but does include capital for power distribution on site.

The financial analysis includes an estimate of $99 million for closure costs and a $7 million per year corporate charge.

Financial Analysis

Table 5: Key Financial Metrics

Metric		
Nickel Price	US$/lb	7.60
Copper Price	US$/lb	2.91
Exchange Rate	A$: $US	0.67
Discount Rate		8.5%
Net Present Value	A$M	~800*
Internal Rate of Return		~20%*

* Assumes a third party power purchase agreement and therefore no upfront capital associated with the power supply.

Table 6: Sensitivities

Base Case NPV: ~$800M*		
	-25%	+25%
Nickel Price	~$200M	~$1,400M
Copper Price	~$500M	~$1,100M
Exchange Rate	~$1,900M	~$100M
Capital Cost	~$1,000M	~$600M
Operating Cost	~$1,300M	~$300M

* Assumes a third party power purchase agreement and therefore no upfront capital associated with the power supply.

Review of Operations

Mineral Resource

A detailed explanation of the Nebo-Babel geology can be found in the Mineral Resource and Ore Reserve Statements[1].

Since the previous Mineral Resource update provided on 12 April 2019, an additional 46,000m of drilling has been incorporated into the Nebo-Babel Mineral Resource estimate.

The Mineral Resource has been reported above a 1.2 times multiplier (revenue factor) Net Smelter Return (NSR) cut-off at A$23/t. The A$23/t value represents the 2020 Ore Reserve mill limited break-even cut-off of A$19.60/t ore plus an approximate mining cost of A$3.40/t material moved. The 1.2 revenue factor NSR is generated by multiplying assumed metal prices by 1.2 to allow for reasonable prospects for eventual economic extraction. All NSR assumptions including metal prices, recovery, concentrate payability, mining and processing costs are based on the PFS study as at October 2019 and align with 2020 Ore Reserve optimisation inputs. Mineral Resources were further constrained within "reasonable prospects" pit shells generated using a cut-off NSR of A$28/t and utilising a 1.2 times revenue factor. The A$28/t value represents the 2020 Ore Reserve optimised NSR cut-off. Further details of the NSR calculation can be found in the Mineral Resource and Ore Reserve Statements[2].

Table 7: Nebo-Babel Mineral Resource as at 11th February 2020

Category	Deposit	Tonnes (Mt)	Ni (%)	Cu (%)	Au ppm	Ag ppm	Co ppm	Pd ppm	Pt ppm	Ni Metal (kt)	Cu Metal (kt)
Indicated	Babel	240	0.31	0.35	0.06	1	120	0.10	0.08	760	850
	Nebo	38	0.40	0.35	0.04	0.8	150	0.08	0.06	150	130
	Sub-total	**280**	**0.32**	**0.35**	**0.06**	**1**	**120**	**0.10**	**0.08**	**910**	**990**
Inferred	Babel	62	0.34	0.38	0.07	1	120	0.11	0.09	210	230
	Nebo	1	0.38	0.44	0.05	0.6	140	0.09	0.07	3.6	4.1
	Sub-total	**63**	**0.34**	**0.38**	**0.07**	**1**	**120**	**0.11**	**0.09**	**210**	**240**
Ind + Inf	Babel	300	0.32	0.36	0.06	1	120	0.10	0.09	960	1,100
	Nebo	39	0.40	0.35	0.04	0.8	150	0.08	0.06	150	140
Total		**340**	**0.33**	**0.36**	**0.06**	**1**	**120**	**0.10**	**0.08**	**1,100**	**1,200**

Table is subject to rounding errors. Data is reported to significant figures to reflect appropriate precision in the estimate and this may cause some apparent discrepancies in totals.

The updated Resource utilises an NSR cut-off based on the concurrent PFS study. This NSR cut-off approximates to using a 0.18% Ni cut-off, however, using an NSR cut-off was determined to better reflect the variable metal recoveries of material types and the multi-metal revenue inputs.

There has also been a significant conversion of Inferred to Indicated Resource based on recent infill drilling with 82% of the reported Mineral Resource now Indicated.

Mining

The deposits are near-surface and easily accessible by open pit mining with a pre-strip and initial ore stockpile for process plant commissioning of approximately 31Mt, some of which will be free dig. Processing rates between 6Mtpa and 23Mtpa have been thoroughly examined and an optimised rate of 10Mtpa selected. Stockpile strategies and in-pit dumping of waste have all been optimised to minimise operating cost and optimise mill feed grade.

[1] See OZ Minerals announcements titled "West Musgrave Project Nebo-Babel Deposits Ore Reserve Statement and Explanatory Notes as at 11th Feb 2020" and "West Musgrave Project Nebo-Babel Deposits Mineral Resource Statement and Explanatory Notes as at 11th Feb 2020", released on 12 February 2020 and available at: www.ozminerals.com/operations/resources-reserves/

[2] See footnote 5 above

Review of Operations

Mining is modelled to be conventional drill, blast, load and haul and is assumed to be contractor operated during the first five years of operation, transitioning to owner operate in year six. The haulage fleet will comprise up to twenty-five 220t haul trucks and optionality is being maintained to allow for these trucks to be fully autonomous in the future.

Babel will be mined for the first two years to access higher grade, near-surface mineralisation, with Nebo then started in year 3. The Ore Reserve is shown in Table 8.

In addition to the Ore Reserves which are entirely based on Indicated Resources, the mine plan includes an additional 40Mt at 0.34% Ni and 0.36% Cu derived from Indicated and Inferred Resources which are predominantly towards the end of the current mine plan. Production targets and forecast financial information set out in the PFS are based on 84% Probable Ore Reserve, 5% Indicated Mineral Resource and 11% Inferred Mineral Resource. There is a low level of geological confidence associated with Inferred Mineral Resources and there is no certainty that further exploration work will result in the determination of Indicated Mineral Resources or that the Production Target itself will be realized. The quantity of Inferred material within the mine plan is minimal, will be mined at the back end of the mine life and is not considered material to the project.

Table 8: Nebo-Babel Ore Reserve as at 11th February 2020[3]

Deposit	Classification	Ore (Mt)	Ni (%)	Cu (%)	Au (ppm)	Ag (ppm)	Co (ppm)	Pd (ppm)	Pt (ppm)	Ni Metal (kt)	Cu Metal (kt)
Nebo	Probable	20	0.48	0.40	0.04	0.8	180	0.10	0.10	100	80
Babel	Probable	200	0.32	0.36	0.06	1	120	0.10	0.10	630	700
Total	Probable	**220**	**0.33**	**0.36**	**0.06**	**1**	**120**	**0.10**	**0.10**	**720**	**790**

Table is subject to rounding errors. Data is reported to significant figures to reflect appropriate precision in the estimate and this may cause some apparent discrepancies in totals.

Metallurgy and Processing

Significant improvements in metallurgical performance have been achieved through the PFS via the optimisation of reagent regimes and applying a mineralogical based approach to deliver optimum mineral liberation, concentrate grade and metal recovery. The process flowsheet design has been significantly de-risked through testing of three master composites, 37 variability samples, locked cycle tests and pilot planting. This work strongly supports the metallurgical assumptions used for financial modelling. Additional testing has covered comminution, regrinding, thickening, filtration, site water, ore ageing and tails property testing all in support of the process design criteria.

An innovative mineral processing plant will be built on site. The grinding circuit consists of two stages of crushing followed by two parallel vertical roller mills treating nominally 5Mtpa each. The second stage of crushing and vertical roller mills replace a traditional SAG Mill, Ball Mill and Pebble Crushing circuit. Vertical roller mills are widely used in the grinding of cement plant feeds and products, slag, coal and other industrial minerals, with thousands currently in operation worldwide. The mill has benefits in reducing power consumption by ~15%, no ball charge grinding media, higher flotation recovery and can be ramped up and down in response to the availability of low-cost renewable energy. The Vertical Roller Mill utilises compression style comminution principles taking 75mm rock to flotation feed size in the one machine. The application of the Vertical Roller Mill has reduced processing costs and provided a ~2% improvement in nickel recovery. The technology has been peer reviewed for West Musgrave by an independent expert and has been substantially de-risked through a series of pilot tests whereby 5 tonnes of West Musgrave ore has been tested.

[3] See OZ Minerals announcement titled "West Musgrave Project Nebo-Babel Deposits Ore Reserve Statement and Explanatory Notes as at 11th Feb 2020", released on 12 February 2020 and available at: www.ozminerals.com/operations/resources-reserves/

Review of Operations

A Bulk Separation flotation flowsheet producing separate copper and nickel concentrates will be used. The flowsheet has been developed to minimise primary grinding requirements with the primary separation size at 165 microns, saving significant grinding capital and operating expenditure in terms of grinding consumables and power draw. The flowsheet uses bulk rougher flotation, regrinding, 2 stages of bulk cleaning, then copper nickel separation at elevated pH. The nickel concentrate is a high-quality product with a low MgO content, is low in arsenic other impurities. The copper concentrate is also low in impurities and includes minor by-products of gold and silver.

With optimised mine scheduling, the first five years of operation will achieve higher production of circa 33ktpa of copper in concentrate and circa 27ktpa of nickel in concentrate. From year six onwards, production will average circa 27ktpa and circa 22ktpa for copper and nickel, respectively.

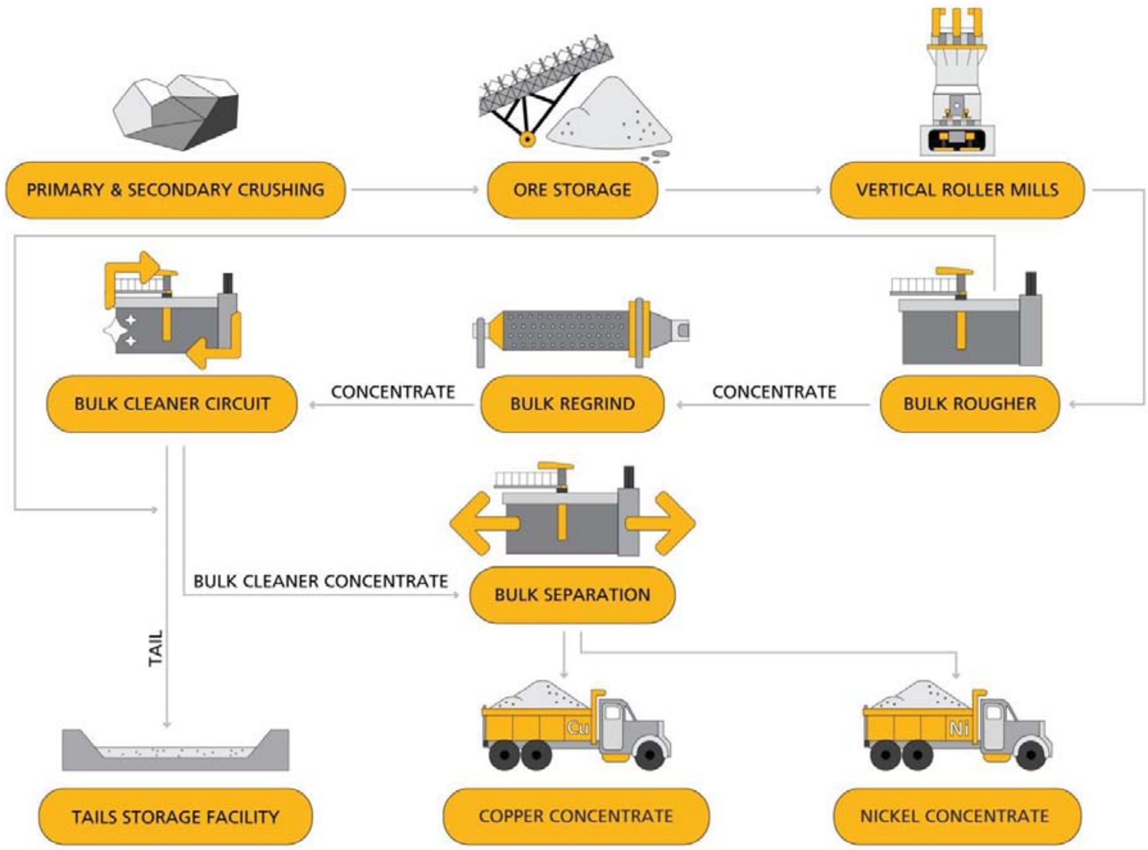

FIGURE 2: Flowsheet

Mine Waste Management

Tailings will be stored in a two-cell Tailings Storage Facility (TSF) built as a hybrid system which includes upstream raises and downstream buttressing using mine waste. The facility will be unlined with underdrainage designed to capture seepage for return to the process during operations. Both static and kinetic geochemical test work has confirmed that the tailings are unlikely to generate problematic leachate. Solute fate modelling is underway to demonstrate that there will be no offsite or enduring impacts as a result of seepage. The Nebo pit will be utilised for tailings disposal from year 20 onwards. Utilising the Nebo pit will have an added benefit in minimising long-term ground water drawdown by avoiding the development of a pit lake.

The final design of the TSF will depend on demonstrating to the Regulator that all risks are adequately managed and as such the design is subject to change. TSF design, environmental baseline studies and impact assessments are progressing with a view to submitting a referral under Part 4 of the WA Environment Protection Act early in Q2 2020.

Mine waste rock will be stored adjacent to each pit with potentially acid forming material fully encapsulated. In-pit dumping of waste will be utilised for Babel in years 8 to 10 to minimise haulage distances and improve environmental outcomes.

Review of Operations

Water Supply

The groundwater drilling program completed in 2018 and subsequent ground water modelling completed in 2019 demonstrated a sustainable, high quality water supply from local palaeochannels of 7 GLpa, sufficient to supply the 10Mtpa processing plant. The Nebo pit intersects one such palaeochannel and as such requires dewatering prior to mining. The borefield will be located approximately ~15km north east of the operation and be supplemented by water recovered during pit dewatering.

Alternate water supply has also been considered with paleochannels immediately south of the proposed development area having confirmed water supply, and the Officer Basin 40km south of the proposed development area presenting a number of geophysical anomalies which represent strong conceptual target.

Power Supply

A 50MW, circa A$275 million, base case power supply is proposed utilising a hybrid solar-wind-battery-diesel solution, although a gas pipeline remains a secondary option. Baseline data collected since 2018 has demonstrated a high quality, consistent solar and wind resource is available, with higher wind velocities at night offsetting the lack of solar. The current base case assumes that power is purchased over the fence under a Power Purchase Agreement arrangement which is included in operating costs and therefore not in the capital estimate. However, the final ownership structure for the power assets will be further considered during the next phase of project development.

Modelling has demonstrated that circa 70 – 80% renewables penetration can be achieved for the site, with the current mix modelled to be an optimised mix of wind, solar and diesel supported by a battery installation. There remains considerable upside in power cost through matching plant power demand with the availability of renewable supply (load scheduling), haulage electrification to maximise the proportion of renewable energy utilised and the continued improvement in the efficiency of renewable energy solutions.

Should the renewables option be implemented, this innovative power supply solution would make West Musgrave one of the largest fully off-grid, renewable powered mines in the world. The solution would result in the avoidance of in excess of 220,000tpa of carbon dioxide emission compared to a fully diesel-powered operation.

Operating Philosophy

The project will operate as a fly-in-fly-out operation. An airstrip and 400-person operations accommodation village will be constructed at the site. Approximately 60 staff are to be employed in operations monitoring, control and planning functions located in an offsite Integrated Operations Centre.

Logistics

The logistics route to market includes road transport along the Great Central Road to a central hub at Leonora, followed by rail transport to Esperance. Copper and nickel concentrates are expected to be sold to a mix of domestic and international customers. Super Quad road trains will be used to carry concentrate in half height containers, with empty concentrate trucks returning to site being utilised for backhaul of reagents, diesel and other consumables. The Great Central Road is a well formed, but unsealed road. Both the Federal and Western Australian State Governments have publicly committed to funding the sealing of this road during the timeframe of the West Musgrave Project; however, sealing is not essential for the project and would only have a minor, non-material impact on costs. The capital cost estimate includes an upgrade of the existing 30km access track from site to Jameson.

Work continued on the Nebo-Babel PFS throughout the year with a key focus on improving resource confidence, mine and plant optimisation and metallurgy. In conjunction, several environmental studies are underway to assist with the government and heritage approvals process.

Review of Operations

Community

The Traditional Owners are the Yarnangu People with a total population of circa 2,000 people living in twelve communities within the Ngaanyatjarraku Shire. The people who have the strongest connection with the land within the Project area live in Jameson (Mantamaru) followed by Blackstone (Papulankutja) and Warburton (Mirlirrtjarra). Jameson is located 30km north of the Project and has a population of circa 130 people. Warburton, which is the largest community within the Shire, is located 120km west of Jameson via the Blackstone-Warburton Road and has a population of circa 600 people. Blackstone is located 70km east of Jameson by road with a population of circa 150 people.

The focus during the PFS has been to secure land access and building relationships with the community. Four main heritage surveys occurred in 2018 to secure land access for the project. The surveys typically occurred in blocks of ten days with an average of 30 people engaged each day. The heritage surveys provided an opportunity to build a strong relationship between project members and the community.

Project infrastructure has been designed to avoid culturally sensitive areas identified during surveys. Flexibility has been provided such that infrastructure locations can change without the need for further specific heritage surveys, ongoing consultation and co-design of the site layout will occur. Further heritage surveys will be required outside the immediate project area for other infrastructure corridors such as roads and water pipelines as the level of engineering designs progress.

A Genealogy study was commissioned in 2019 by the Ngaanyatjarra Council (Aboriginal Corporation) who represent the interests of traditional owners. The study documents the Ngaanyatjarra People who are connected to the land within the project area who are eligible to be part of the future mining agreement process. The study identified circa 700 people with a connection to the land. A Steering Committee comprising 34 senior community members (60% women and 40% men) from Jameson, Blackstone and Warburton has been formed to become the main mechanism for communication and consultation. Meetings have been held with the Steering Committee every 2-3 months to provide project updates, seek feedback and co-develop a Partnering Statement which documents how the two parties will work together to achieve shared value.

The Partnering Statement is a prelude to the mining agreement-making process which will commence in 2020.

A series of separate community meetings were also held to provide an opportunity for the broader community to be informed about the project and provide feedback. A delegation of community members visited the OZ Minerals' Prominent Hill Operation in South Australia as well as a solar farm and wind farm near Port Augusta to better understand the scale of the infrastructure planned as part of the design for the West Musgrave Project.

Regulatory Approvals

Prior to May 2018 very little was known about the West Musgrave environment however, since this time an intensive environmental baseline program has been undertaken. The primary purpose of this program has been to identify constraints to inform responsible project layout / design and to acquire the necessary information to inform the project's regulatory approvals.

Since May 2018, some 40 studies have been completed, building a comprehensive understanding of the environment and the potential impacts associated with the project. Based on the extensive baseline dataset project environmental risks are considered manageable.

Review of Operations

Mount Squires Gold Project

The Mount Squires Gold Project (Mount Squires) lies adjacent to the West Musgrave Project Joint Venture and is 100% owned by Cassini. Mount Squires is a natural fit with activities at the West Musgrave Project. Our technical team has extensive geological knowledge, operational capability and established heritage relationships which provides a significant competitive advantage.

RC Drilling of Handpump Prospect

The Company completed its first drilling campaign at Mount Squires during the year, comprising 10 RC holes for 1, 134m at the Handpump Prospect. Best results from the program were 20m @ 1.27g/t Au, including 7m @ 2.54g/t Au from 23m in MSC0003, 27m @ 1.00g/t Au from 31m, including 3m @ 2.59g/t Au from 38m in MSC0004, and 19m @ 0.68g/t Au including 6m @ 1.26g/t Au from 38m in MSC0005 (Table 9). The results have confirmed the potential for economic mineralisation at surface and extending to shallow depths.

Mineralisation is hosted within a hydrothermal breccia at the stratiform contact of a rhyolite and overlying (predominantly barren) volcaniclastic unit. Mineralised lodes, defined by a 0.1g/t Au halo, strike E-W to ESE-WNW and are near vertical to steeply south dipping (Figure 3). Mineralisation is potentially controlled by the intersection of NW-SE and SW-NE trending structures.

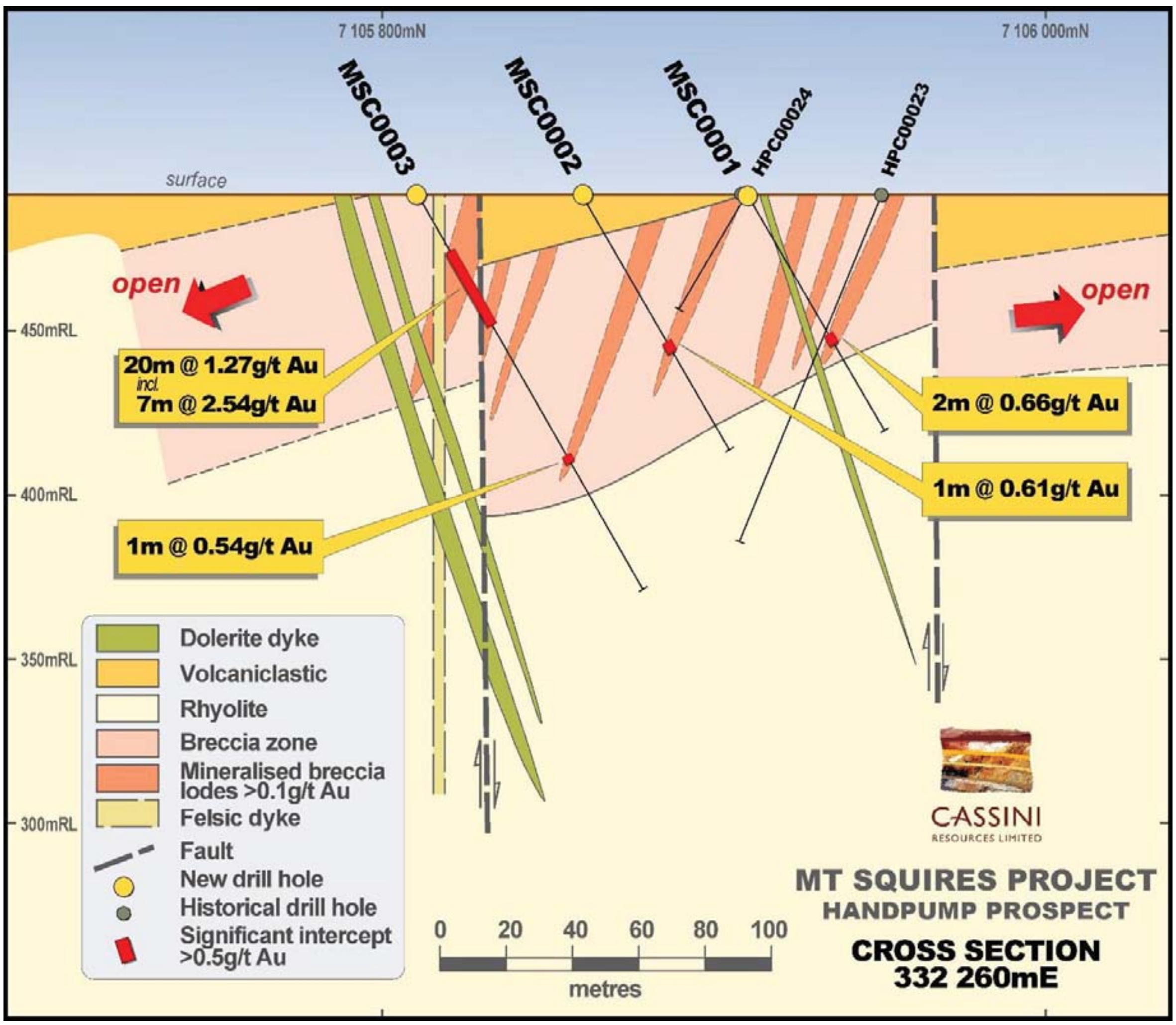

FIGURE 3. Cross section 332260E showing orientation of mineralised lodes and highlighting significant intersections >0.5g/t Au.

The hydrothermal breccia and mineralised veins are also largely obscured by the overlying volcaniclastic, however it is exposed at surface in some localities which has been confirmed by concurrent surface rock chip sampling by Cassini, with maximum values of up to 0.59g/t Au. Historical rock chip sampling has also recorded values up to 1.73g/t Au at the prospect (Figure 4). The hydrothermal breccia host plunges beneath the volcaniclastic unit to the west (and potentially north west) and thickening sand cover. Extrapolation of recent and historical drill results and surface rock chips samples indicates a potential mineralised strike of at least 600m which remains open down plunge.

The Handpump program has recognised that a large portion of previous drilling has been ineffective due to either the drilling angle being sub-parallel to mineralisation or it not penetrating the prospective Rhyolite unit beneath the volcaniclastic (usually the case with shallow aircore drilling).

The Company has completed a hyperspectral analysis of drill chips to assist with recognising potential alteration patterns associated with mineralisation. Results are yet to be interpreted.

An orientation geochemical survey was also completed over Handpump, including a trial of Ultra Fine Fraction sampling, to determine the most effective sampling technique in the Mount Squires environment. These results will inform decisions about geochemical sampling over the broader project area.

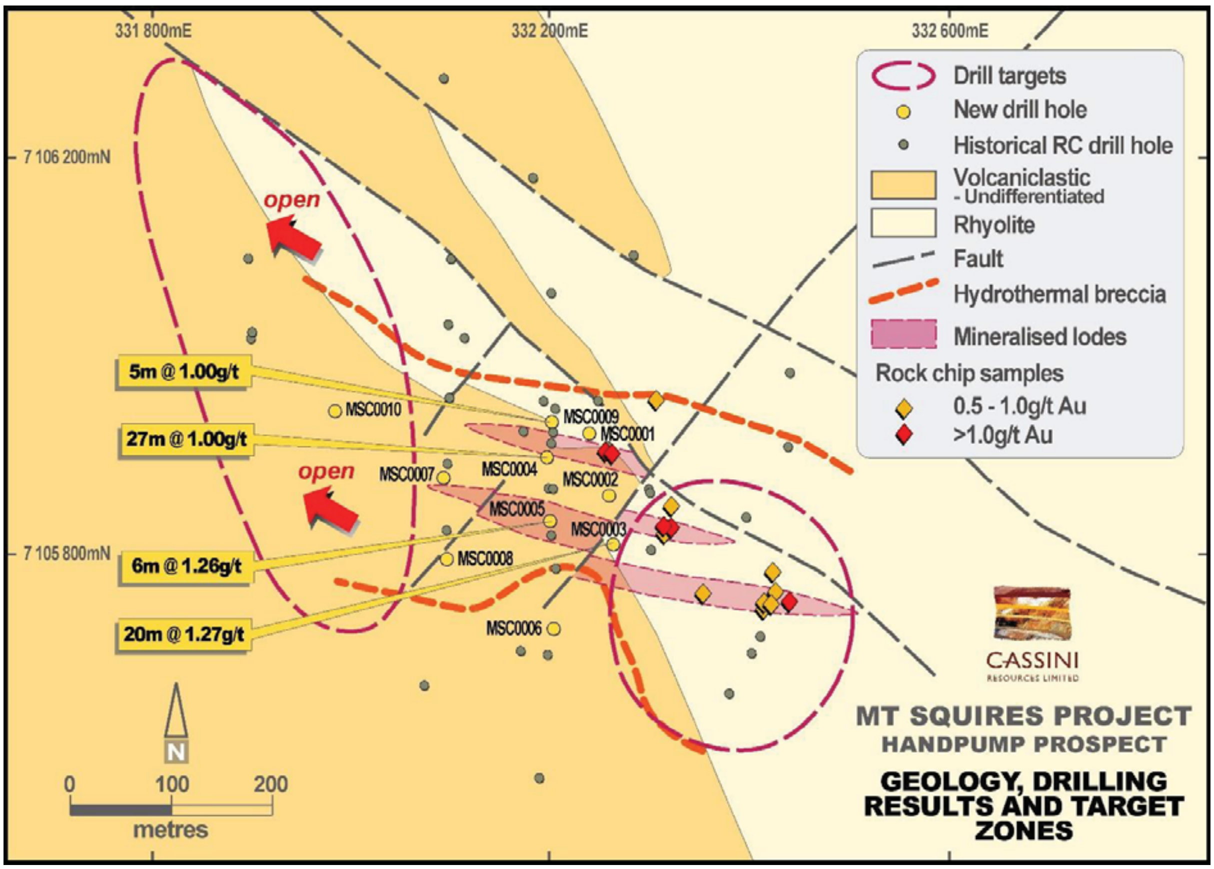

FIGURE 4. Drill hole plan showing geology, drilling and significant results >1.0g/t.

Gold Trend Emerging

The initial discovery of gold at Handpump occurred because mineralised bedrock is exposed at surface, a relatively rare occurrence in a landscape dominated by desert sands. The transported cover has likely inhibited exploration in other parts of the project and this is why the Company is re-processing the legacy geochemistry results to remove the biases of the regolith (in simple terms, bedrock vs transported sampling mediums). In some instances, the previous geochemical sampling has probably been completely ineffective.

Review of Operations

Key learning outcomes of the program can thus be summarised:

- The initial Handpump discovery was enabled by locally favourable regolith (outcropping mineralisation) and does not necessarily represent the best mineralisation in the project.
- Exploration post-discovery has been hampered by drilling that has failed to test the most prospective rocks at an appropriate orientation.

The recently completed high-resolution aeromagnetic survey has assisted the geological interpretation of Handpump as well as the surrounding region. The Company has now refined target areas along the prospective trend. Only 3 RC holes have been drilled outside the immediate Handpump Prospect area to test for additional mineralised bodies and therefore the prospective trend is largely unexplored (Figure 5).

Permitting to clear these targets with a reconnaissance-style drill program is underway. Access to the Project has been hampered in 2020 by travel restrictions due to the COVID-19 pandemic.

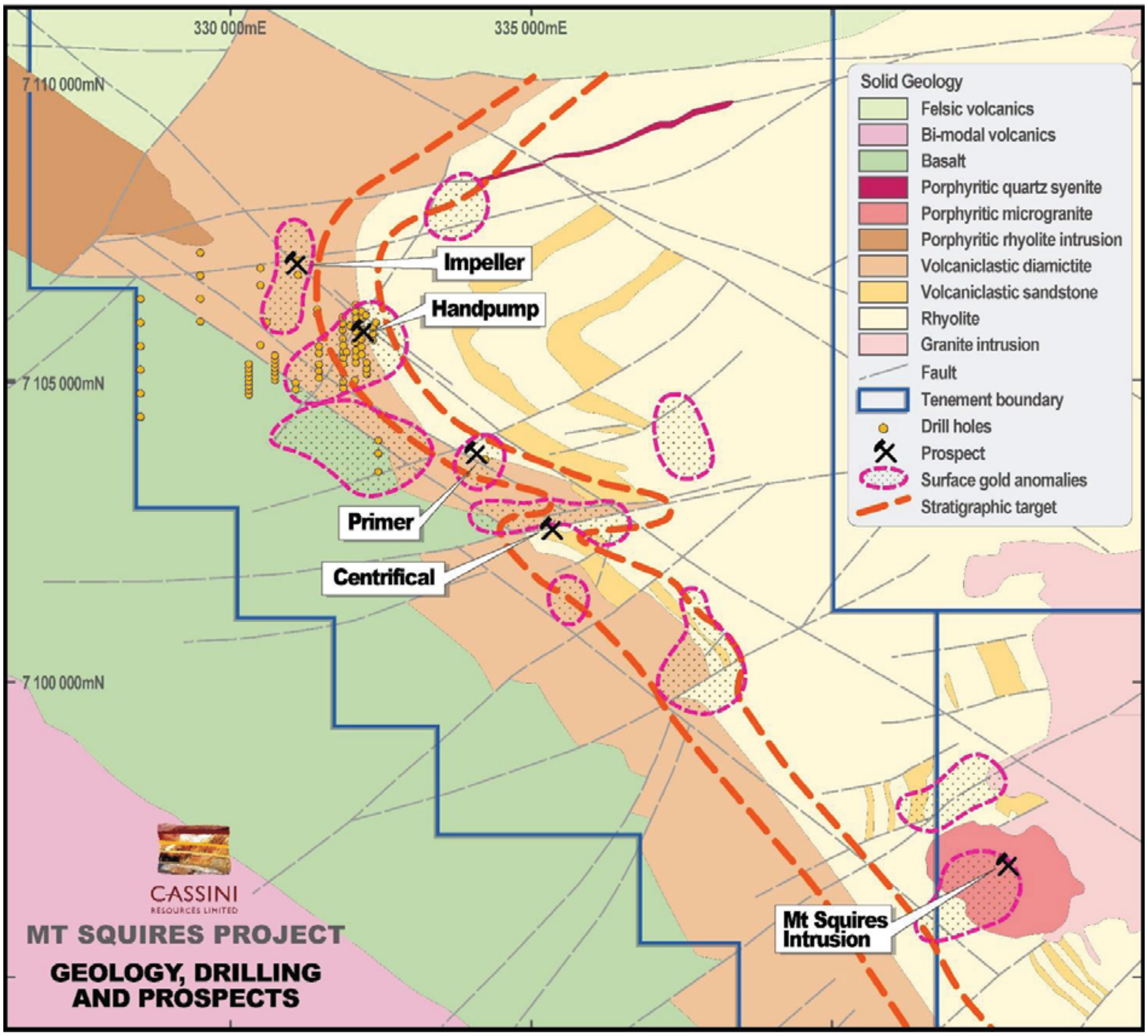

FIGURE 5. The Prospective gold trend showing the stratigraphic target horizon, surface geochemical anomalies and lack of drilling in these areas.

Review of Operations

Nickel and Copper Potential to be Evaluated

Whilst the Mount Squires is primarily prospective for gold, recent surveying and mapping by Cassini has recognised the potential extension of the magmatic nickel-copper mineralised trend from the West Musgrave Project (WMP) into the eastern half of Mount Squires (Figure 6). This is supported by:

- The emergence of the One Tree Hill Prospect within the WMP, but only 200m outside the Mount Squires tenement boundary (See ASX release of 18 June 2019).
- New aeromagnetic data confirms the continuity of broad geological domains and structures into the Mount Squires Project.
- Field mapping identifying gabbro intrusions along strike of the mineralised trend which had been previously mapped as granites and gneisses.

This area has been lightly explored for magmatic nickel-copper sulphides by previous explorers, primarily by broad-spaced soil geochemistry and large fixed loop electromagnetic surveys (FLEM). The Company has reviewed these surveys and identified a number of areas that would benefit from new electromagnetic surveys, given the significant advancement in technology over the past 10-20 years. The re-processed geochemistry data will also support the targeting of these surveys.

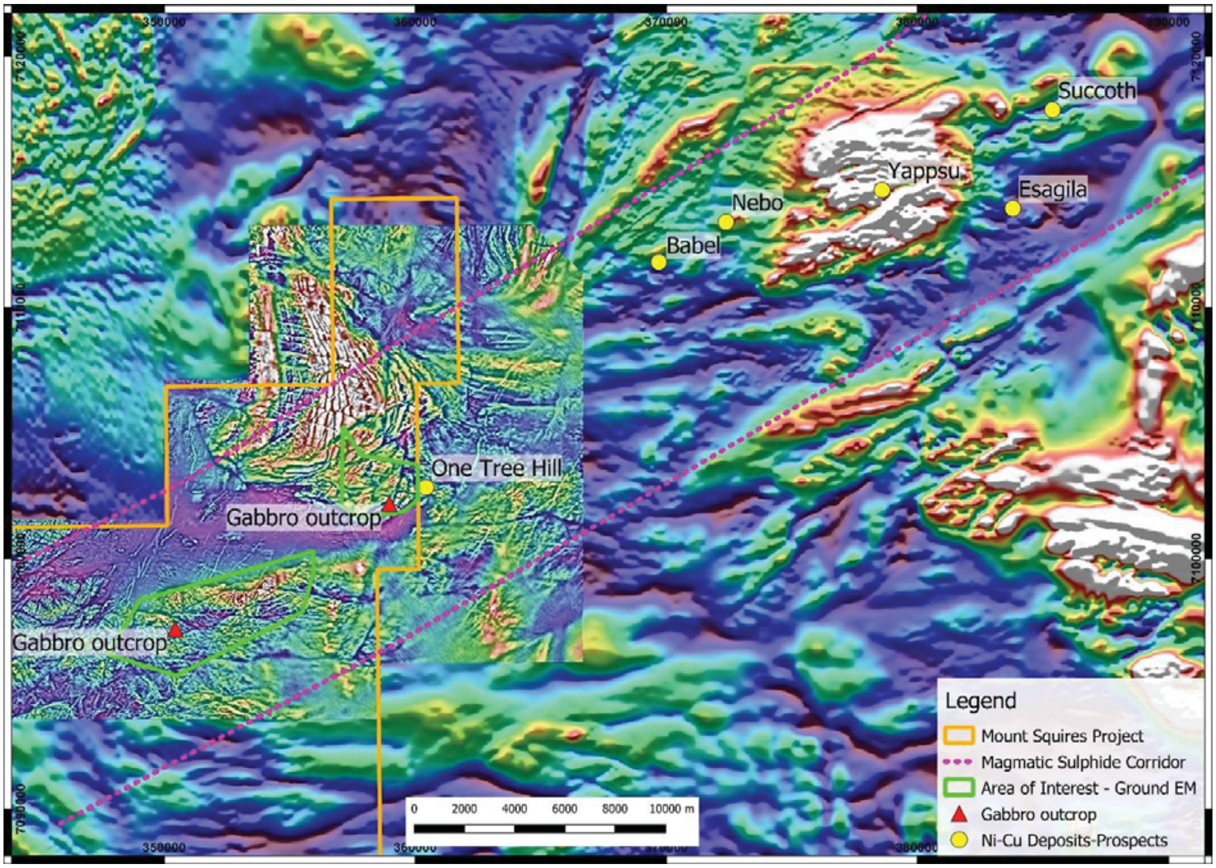

Figure 6. Potential extension of magmatic nickel-copper mineralisation trend into the eastern half of Mount Squires (1VD aeromagnetics as background).

Review of Operations

Table 9. Significant Drill Intersections (>0.5g/t Au) at the Handpump Prospect.

							INTERSECTION		
Hole ID	**East**	**North**	**RL**	**Dip**	**Azi**	**EOH (m)**	**From (m)**	**Width (m)**	**Au g/t**
MSC0001	332240	7105919	498	-60	0	84	57	2	0.66
MSC0002	332260	7105860	496	-60	0	90	51	1	0.61
MSC0003	332265	7105811	490	-60	0	138	**23**	**20**	**1.27**
						Incl	**23**	**7**	**2.54**
						And	40	3	1.67
							96	1	0.54
MSC0004	332197	7105899	494	-60	0	**78**	**31**	**27**	**1.00**
						Incl	**33**	**1**	**3.22**
						And	**38**	**3**	**2.59**
							68	1	0.73
							71	1	0.69
MSC0005	332202	7105833	491	-70	0	120	38	19	0.68
						Incl	38	6	1.26
MSC0006	332206	7105726	495	-70	0	132			NSI
MSC0007	332095	7105876	490	-60	0	150	83	1	0.53
MSC0008	332098	7105796	487	-60	0	150			NSI
MSC0009	332202	7105930	491	-60	189	72	13	2	0.57
							21	2	0.75
							35	1	0.88
							41	12	0.69
						Incl	41	5	1.00
MSC0010	331985	7105944	485	-60	20	120			NSI

NSI = No Significant Intersection.

Review of Operations

Yarawindah Brook Ni-Cu-Co-PGE Project (CZI 80%)

Yarawindah Brook is located 100km northeast of Perth, in agricultural land near the township of New Norcia. The Project is prospective for nickel, copper, cobalt and platinum group elements (namely palladium and platinum). The potential of the region has been demonstrated by Chalice Gold Mines recent high-grade discovery at the Julimar Prospect, approximately 40km south of Yarawindah, within the same mafic/ultramafic intrusive complex. This prospective complex is considered to have the potential characteristics of a major Ni-Cu-PGE province and is referred to by the company as the "New Norcia Province".

Three New Ni-Cu-PGE Prospects

During the year, Cassini has completed two diamond drilling campaigns for a total of 13 holes for 1,627m, targeting new Fixed Loop Electromagnetic (FLEM) anomalies and extensions of mineralisation in previous drilling. The programs have identified three distinct prospects known as Brassica, Ovis and Avena (Figure 7). The Avena and Ovis Prospects are located at the southern end of the Yarawindah Intrusion which has been the focus of historical exploration within the Project (Figure 8).

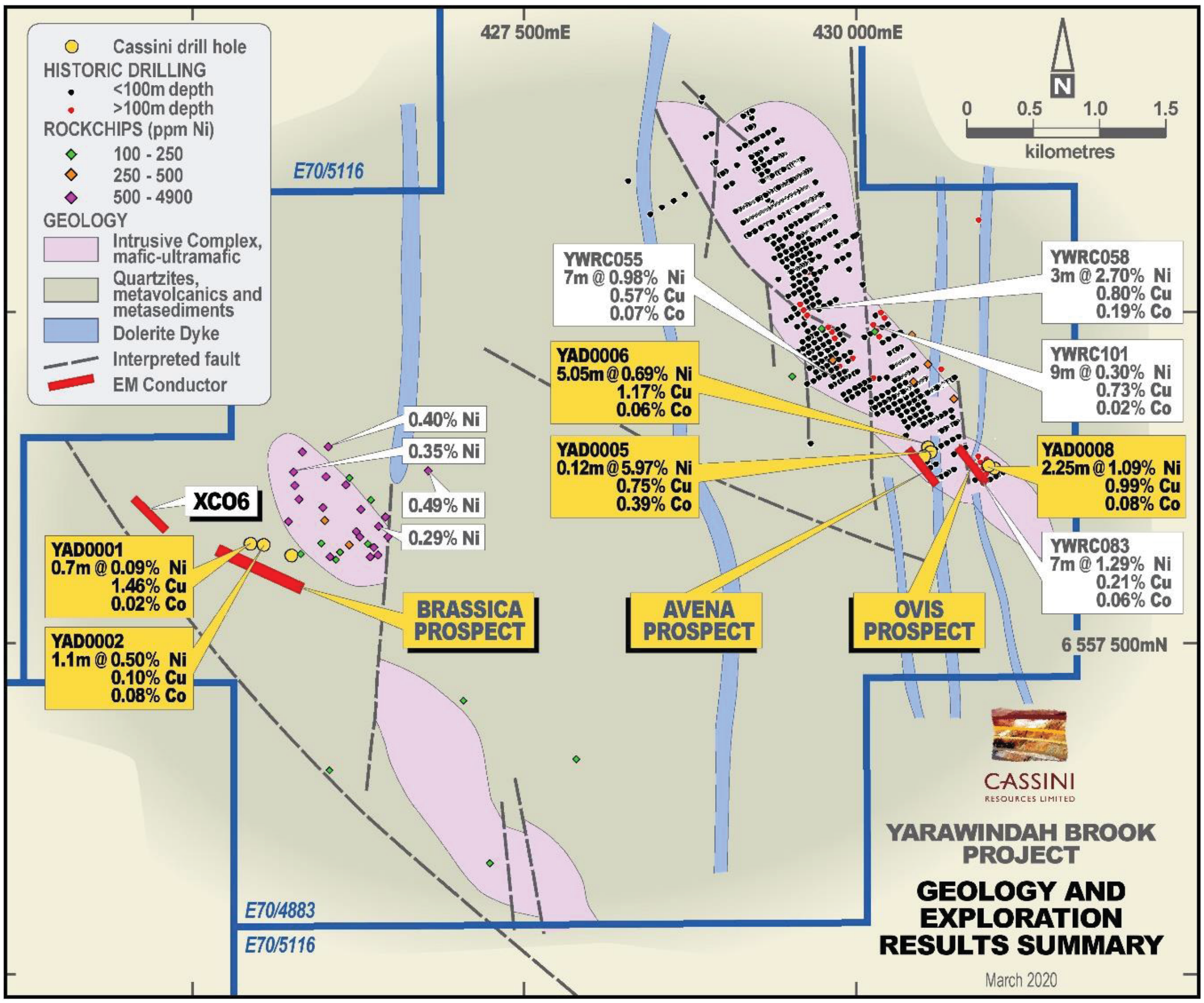

FIGURE 7. Yarawindah exploration target summary.

At the Avena Prospect, drill holes have predominantly intersected broad zones of shallow, disseminated Ni and Cu sulphides, and locally contain high-grade, massive nickel sulphides. The Company is particularly encouraged by a massive sulphide intercept of **0.12m @ 5.97% Ni, 0.75% Cu, 0.39% Co & 2.66g/t PGE** from 84.3m in YAD0005. Nickel tenor of this intercept is representative of the historical massive sulphide intersections at Yarawindah, which are the Company's primary targets. Although thin, this interval is interpreted to represent a structurally remobilised massive sulphide from a proximal source. Further encouragement was returned from YAD0006, which intersected **5.05m @ 0.69% Ni, 1.17% Cu & 0.06% Co** from 57.95m. These intercepts range from 50m to 72m vertically below surface, well within open-pit mining depths.

Review of Operations

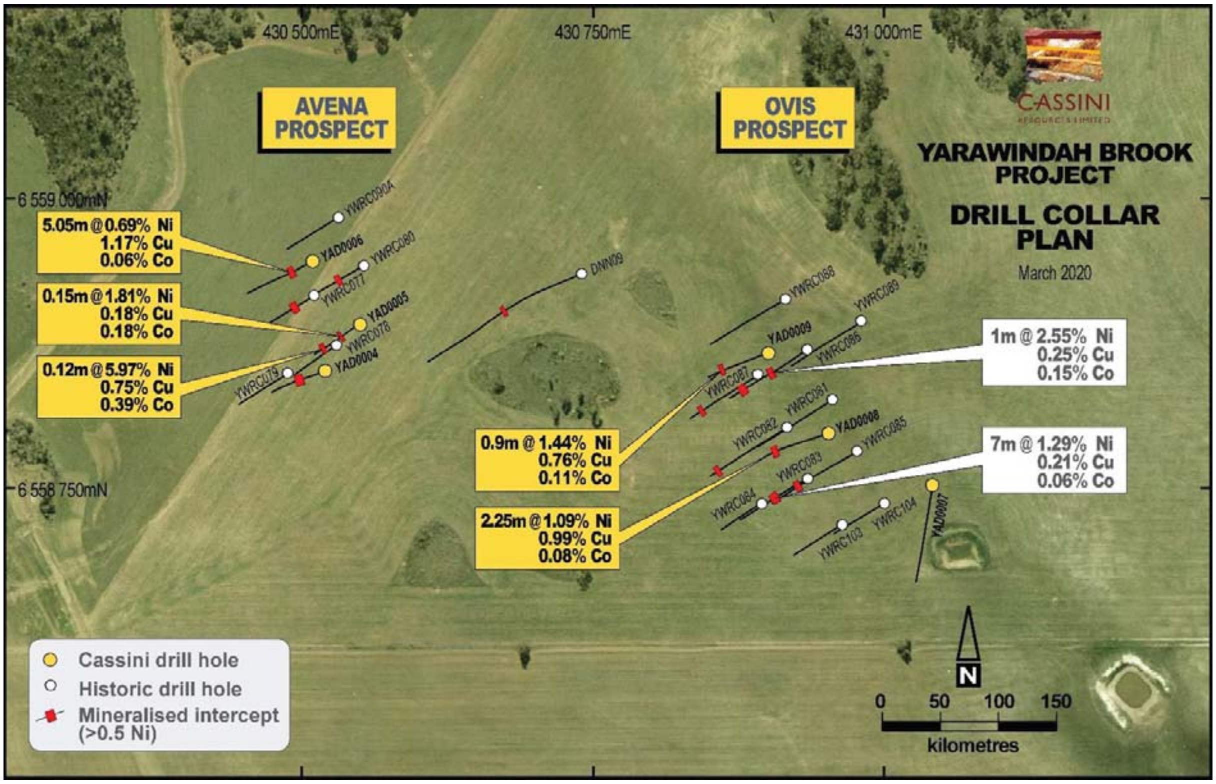

FIGURE 8. Location plan of drilling with significant intercepts at the Ovis Prospect and neighboring Avena Prospect.

At Ovis, all drill holes targeted electromagnetic conductors and intersected nickel-copper sulphide mineralisation at shallow depths. Best results include **2.25m @ 1.09% Ni, 0.99% Cu, 0.08% Co & 0.24g/t PGE** from 84.8m in YAD0008 and **0.9m @ 1.44% Ni, 0.76% Cu, 0.11% Co & 0.19g/t PGE** from 86.5m in YAD0009. Mineralisation is hosted in metagabbro and metapyroxenite intrusive sequences, consistent with the exploration model targeting mafic-hosted, orthomagmatic massive sulphides.

The mineralised portion of the host sequence at Avena and Ovis is over 50m thick and anomalous in Ni-Cu throughout, which is important as massive Ni sulphide accumulations are generally associated with large volumes of sulphide-bearing magma. These metagabbro sequences are over 100m in thickness and are generally anomalous in Ni and Cu throughout. For example, the metagabbro intrusion in YAD0006 returned a zone of 77m @ 0.17% Ni & 0.24 Cu, which demonstrates the potential overall scale of the mineralised system.

Mineralisation remains open along strike and down plunge to the north at both Avena and Ovis. Follow-up targeting work will integrate results from the geological interpretation and modelling, soil geochemistry and down-hole and surface EM surveys data.

At the Brassica Prospect, the metagabbro sequence has returned promising intercepts of 1.1m @ 0.50% Ni, 0.10% Cu & 0.08% Co from 92.9m in YAD0002 and 0.7m @ 0.09% Ni, 1.46% Cu & 0.02% Co from 71.4m in YAD0001. See Table 10 for full assay results.

A Growing Regional Nickel Sulphide Province

The Company has progressed geological and structural interpretation over the broader Project area, which has identified additional targets and Ni-Cu sulphide prospects over an area of 3km x 4km within the central part of the Project. In addition, a number of new tenements have been added to the Project taking the total land holding to almost 400km^2. These new tenements extend over the prospective mafic-ultramafic geology and key mineralisation controlling structures. The Company now has a significant ground position in an emerging nickel sulphide province.

Review of Operations

The New Norcia region is deeply weathered, with little fresh rock outcrop and extensively covered by cultivated farmland, which has impeded previous exploration. Despite the presence of known Ni-Cu occurrences, discovered in the 1970s, most historical exploration has focused on surficial bauxite deposits. As a result, there is a paucity of deeper, bedrock drilling and the geology is poorly understood. Cassini has now demonstrated that there is a significant opportunity in the region to apply modern exploration concepts and techniques to identify near-surface, Ni-Cu-PGE sulphide mineralisation.

Such prospective mafic/ultramafic intrusive complexes are commonly associated with major regional gravity highs, which represent deeper-level accumulations of mafic material in the crust. This is the case for the New Norcia Province. Importantly, Cassini's Yarawindah Project overlies the central part of the gravity anomaly near the intersection of two terrane-bounding structures (Figure 9).

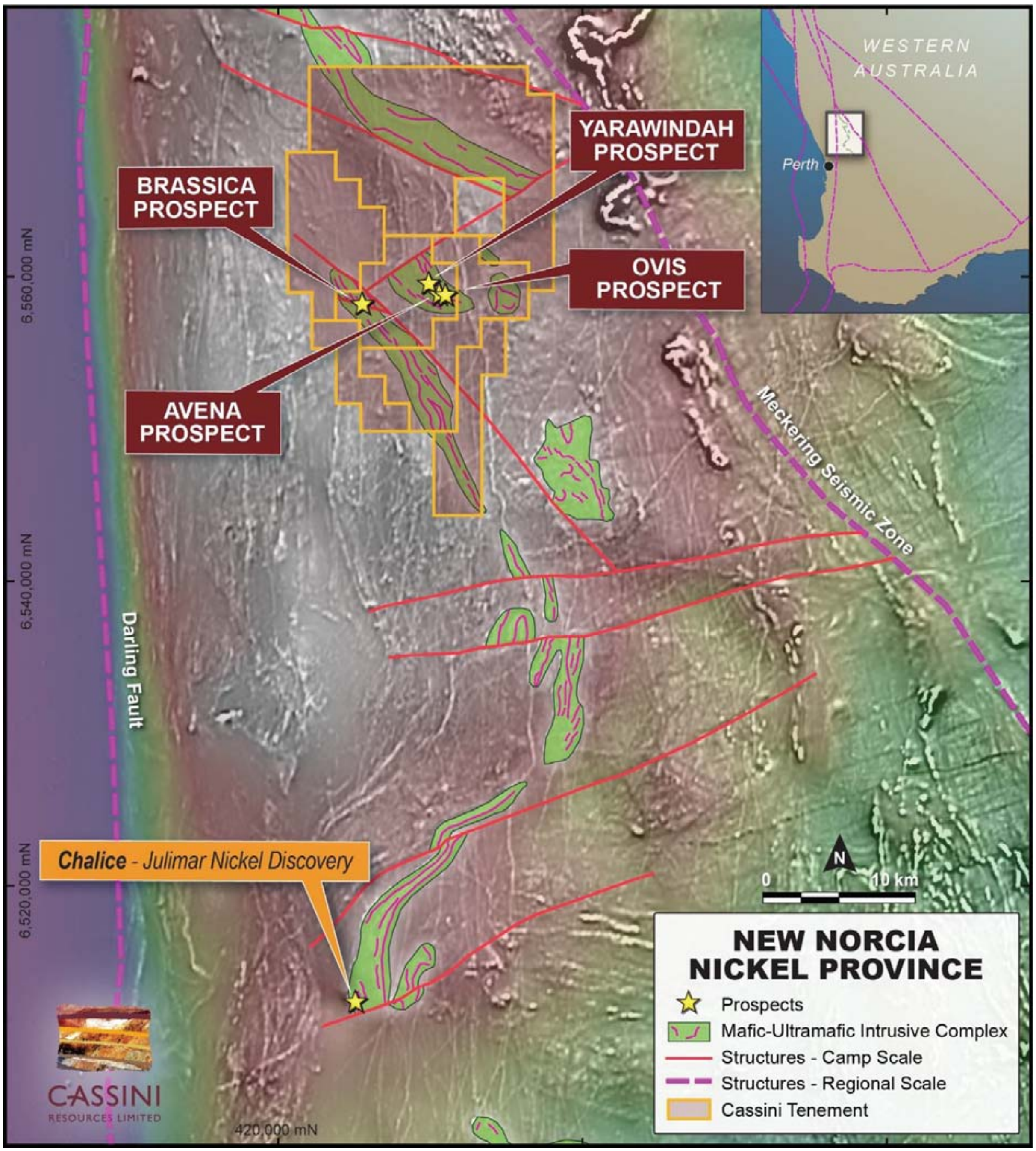

FIGURE 9. Regional map of the New Norcia Nickel Province with known Ni-Cu-PGE prospects, interpreted mafic/ultramafic intrusions and key structures. Background is magnetics (greyscale) draped over gravity (hot colours representing highs) to demonstrate the potential source of mafic/ultramafic intrusions.

Review of Operations

Table 10. Significant Yarawindah drilling results.

HOLE ID	East	North	RL	Dip	Azi	EOH (m)	INTERSECTIONS					
							From (m)	Width (m)	Ni %	Cu %	Co %	PGE g/t
YAD0001	425450	6558210	307	-60	215	131.7	71.4	2.3	0.05	0.59	0.01	0.02
						Incl	73.0	0.7	0.09	1.46	0.02	0.02
YAD0002	425520	6558210	305	-60	195	135.8	92.9	5.95	0.21	0.15	0.03	0.06
						Incl	95.7	1.1	0.50	0.10	0.08	0.09
YAD0003	425670	6558180	300	-60	215	150.4	103.15	3.85	0.32	0.23	0.05	0.04
YAD0004	430520	6558850	311	-60	249	97	43.5	16.5	0.36	0.38	0.03	0.09
YAD0005	430550	6558890	309	-60	245	99.9	36.6	0.15	1.81	0.18	0.18	0.76
							83	4	0.36	0.39	0.03	0.18
						Incl	84.3	0.12	5.97	0.75	0.39	2.66
YAD0006	430510	6558945	308	-68	249	155.1	45	5	0.14	0.27	0.01	0.11
							56	19	0.29	0.52	0.03	0.08
						Incl	57.95	5.05	0.69	1.17	0.06	0.03
							93.3	2.2	0.39	0.55	0.03	0.02
YAD0007	431040	6558750	310	-60	185	159.6	63	10	0.28	0.15	0.02	0.10
							148	2	0.33	0.29	0.02	0.10
YAD0008	430950	6558795	309	-60	248	109.4	60	2	0.30	0.25	0.03	0.07
							74	14	0.49	0.40	0.04	0.15
						Incl	**84.8**	**2.25**	**1.09**	**0.99**	**0.08**	**0.24**
YAD0009	430900	6558865	306	-60	249	108.7	59.3	2.9	0.10	0.54	0.01	0.21
							80.5	10.1	0.50	0.38	0.04	0.10
						Incl	**86.5**	**0.9**	**1.44**	**0.76**	**0.11**	**0.19**
							98.9	**0.3**	**1.44**	**0.11**	**0.11**	**0.40**
YAD0010	430938	6558762	309	-60	240	110.1	51.0	35.0	0.29	0.19	0.02	0.18
						Incl	54.0	0.3	0.97	**1.28**	0.07	0.06
						And	56.4	0.2	**1.50**	0.29	0.11	0.19
						And	59.7	0.3	**1.80**	0.20	0.13	0.18
						And	60.9	0.25	**1.24**	0.74	0.09	0.11
						And	67.95	0.25	**1.96**	0.22	0.12	0.73
						And	71.8	0.2	0.69	0.19	0.04	**1.81**
						And	75.9	0.2	**1.76**	0.23	0.09	**1.38**
YAD0011	430750	6559045	303	-60	240	188.4	92.0	2.0	0.12	0.19	0.01	0.92
							133.0	2.0	0.56	0.34	0.04	0.15
							153.0	8.0	0.32	0.33	0.02	0.17
						Incl	156.0	2.0	0.69	0.51	0.04	0.21
							171.0	4.1	0.28	0.42	0.02	0.08
YAD0012	430253	6559945	295	-60	240	78.3		ABD				
YAD0013	424515	6558707	340	-60	260	102.5	39.0	1.0	0.11	0.26	0.02	0.16
							57.0	6.0	0.18	0.22	0.03	0.04
						Incl	60.0	2.0	0.37	0.23	0.04	0.04

Nb. Widths shown are downhole width. There is insufficient drilling to determine true widths of the host intrusions or the higher-grade massive sulphides.

Review of Operations

New Search Space Untested by Previous Exploration

A significant recent development is the latest interpretation and greater understanding of the geology and mineralisation at both prospect and regional scales.

A review of company and historical drilling, as well as magnetic and electromagnetic data, has found that the Yarabrook Hill area represents only a small portion of a much larger mafic-ultramafic intrusion. Yarabrook Hill has been the main focus of exploration as this is where the intrusion outcrops and weathering processes have enriched PGE mineralisation. Contrary to historical narrow, folded geological model, the intrusion appears to be a flat sheet, at least 330m thick, which dips gently easterly from Yarabrook Hill under shallow country rock sequences. In detail however, the intrusion shows very complex variations in rock types and chemistry over short distances. The eastern part of the intrusion remains untested by drilling and airborne EM and is likely to be a more prospective part of the system, given that Ni-Cu tenors increase from west to east i.e. Brassica to Ovis. The Company has identified a circular magnetic anomaly, known as “Yenart”, some 4km to the east of Ovis, which may represent a near surface exposure of the same intrusive system.

The upper-most part of the intrusion is a thick sulphide-bearing unit, indicated by Cu values >500ppm (and mostly > 1000 ppm), that ranges in thickness from 70m to 190m. Mineralisation intensity varies considerably over short intervals, which has been observed at the Ovis and Avena Prospects, but is generally stronger near the hanging wall contact, although this is not clear if it is due to primary mineralisation processes or secondary metamorphic and structural overprints.

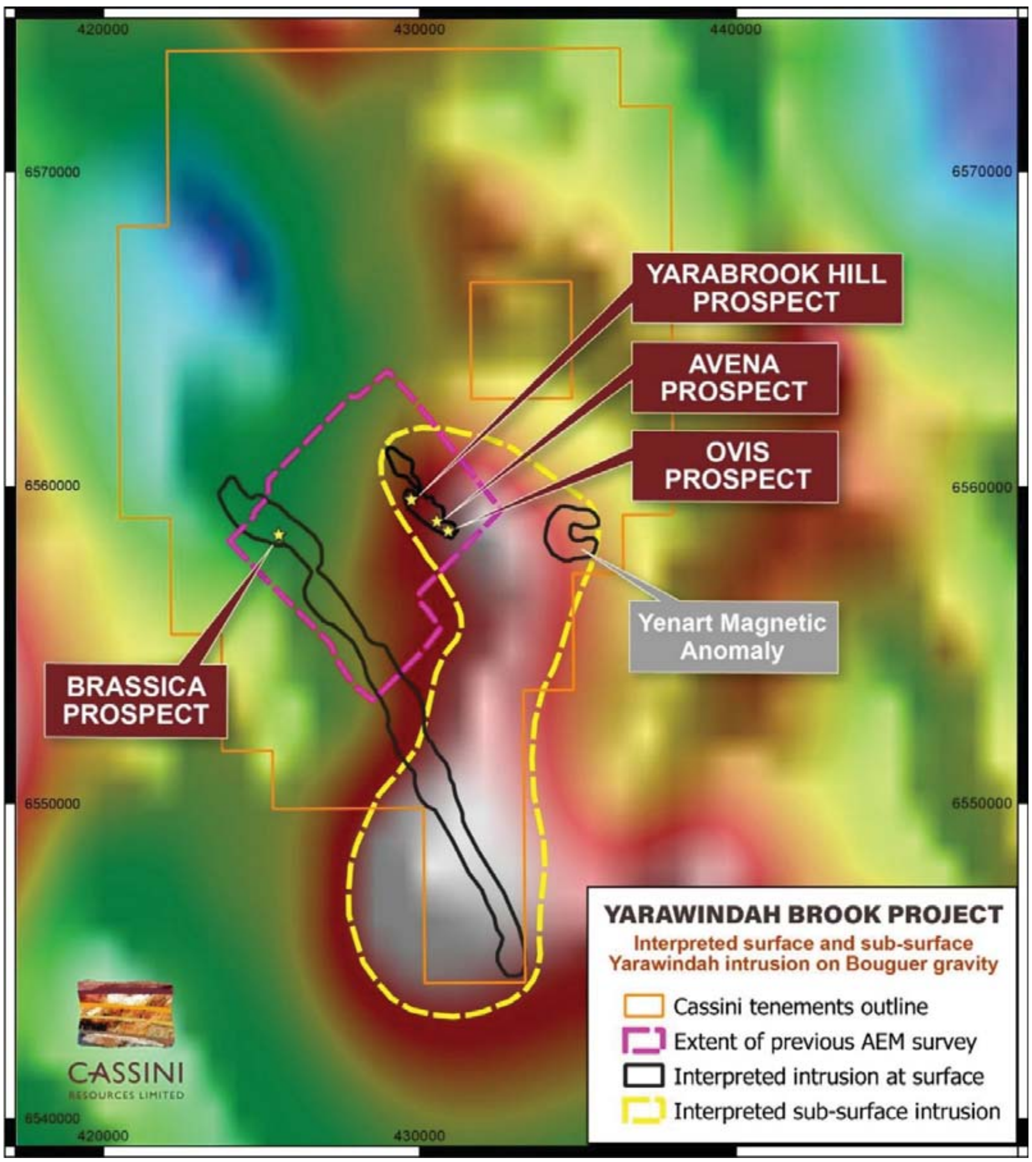

FIGURE 10. Gravity image showing potential extent of Yarawindah intrusion and exploration coverage.

Review of Operations

The core of the intrusive complex can be mapped as a gravity anomaly and appears to have approximate dimensions of 18km x 5km (Figure 10). The exposed portion of the intrusion at Yarabrook Hill represents only 2% of the potential full intrusion area defined by the gravity anomaly. Cassini's AEM survey covered only 11% of the aerial extent of this anomaly. Most bedrock drilling in the project has only occurred at Yarabrook Hill with very little bedrock drilling beyond this area. Therefore, the majority of this highly prospective intrusion has not been subjected to any form of exploration.

The Brassica Prospect is now interpreted as a distal and less dynamic part of the intrusive system, albeit with a significant volume of low-tenor sulphide deposition. Brassica is approximately 4km west of the exposed portion of the main intrusion and does provide insight to the scale of the intrusive complex.

Step-Out Exploration to Identify New Targets

While testing the immediate "drill-ready" targets during the recent program, the Company has also started a systematic, grass-roots exploration campaign, stepping out from the Brassica, Avena & Ovis Prospects.

A soil geochemistry program comprising 1,041 samples has been completed over accessible farmland. Reconnaissance mapping has found that surface disturbance in cultivated paddocks is limited to the top 20cm of soil, which can be easily overcome utilising a hand auger to sample the residual regolith profile. Large areas of the project remain as native bushland. The Company expects the entire project area to be amenable to modern soil geochemistry techniques and will prioritise coverage of the coincident gravity and magnetic features east of Yarabrook Hill.

FIGURE 11. Soil Sampling at Yarawindah.

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 2020.

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 (appointed on 10 March 2011)
Mr Richard Bevan	Managing Director (appointed on 10 March 2011)
Mr Greg Miles	Executive Director (appointed on 18 August 2011, resigned on 12 December 2019, and appointed as Chief Operating Officer on 12 December 2019)
Mr Phil Warren	Non-Executive Director (appointed on 10 March 2011)
Dr Jon Hronsky	Non-Executive Director (appointed 3 April 2014)
Ms Simone Suen	Non-Executive Director (appointed 12 December 2019)

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

The Consolidated Statement of Profit or Loss and other Comprehensive Income shows a net loss from continuing operations attributable to owners of $2,264,254 for the financial year ended 30 June 2020 (2019: $3,798,046).

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

DATE	DETAILS
21 July 2020	**New Target at Yarawindah Project** Two diamond drill holes were completed at Ovis Prospect with further encouraging results that support new project-scale geological interpretation. In addition, new target areas were also identified with little to no previous exploration.
12 August 2020	**Court Orders Convening of Scheme Meetings** Supreme Court of Western Australia approved the despatch of the Acquisition Scheme Booklet and Demerger Scheme Booklet. The independent expert concluded the Acquisition Scheme and Demerger Scheme are fair and reasonable and in the best interest of Cassini shareholders. The Directors unanimously recommend that shareholders vote in favour of the Acquisition Scheme and the Demerge Scheme.
13 August 2020	**Registration of Acquisition Scheme Booklet and Demerger Scheme Booklet** Acquisition Scheme Booklet and Demerger Scheme Booklet now registered with the Australian Securities and Investments Commission (ASIC). The Scheme Booklets are also available online, and the Scheme meetings to be held in person and online on 21 September 2020.
13 August 2020	**Option Exercise and Cleansing Notice** The Company advises that 2.5 million shares have been issued following the exercise of 2.5 million options ($0.015, 12/04/2022) raising $375,000.
17 August 2020	**Dispatch of Scheme Booklets** Acquisition Scheme Booklet and Demerger Scheme Booklet have been dispatched to shareholders, and also available online. The Scheme meetings to be held in person and online on 21 September 2020.
8 September 2020	**Correction to Scheme Implementation Deed** Cassini and OZ Minerals have agreed to vary the Scheme Implementation Deed dated 21 June 2020 (SID) to correct a typographical error, being that the reference to "Cassini", instead of "OZ Minerals".
15 September 2020	**Option Exercise and Cleansing Notice** The Company advises that 8,572,302 shares have been issued following the exercise of 2.5 million CZIOP4 unlisted options ($0.15 with an expiry date 12 April 2022), and 6,072,302 CZIOP6 unlisted options ($0.1235 with and an expiry date 10 June 2022), raising a total of $1,124,929.
18 September 2020	**Notification of Cash Return of Capital** The Company announced cash return of capital amount of AUD 0.01 per security, based security number on a record date on 28 September 2020, and cash payment to be made on 2 October 2020. The cash return of capital is subject to shareholder approval on 21 September 2020.
18 September 2020	**Appendix 3A.5 – Notification of return of capital by way of in specie distribution of securities in another entity.** The Company notified the return of capital by way of distribution of securities in Caspin Resources Limited subject to shareholder approval on the demerger scheme of arrangement on 21 September 2020.
21 September 2020	**Outcome of Scheme Meeting and General Meeting** The Company announced that the Acquisition Scheme and Demerger Scheme were approved by shareholders pursuant to which it is proposed that: • OZ Minerals will acquire 100% of the shares in Cassini (**Acquisition Scheme**); and

DATE	DETAILS
	• Caspin Resources Limited (**Caspin**), a wholly owned subsidiary of Cassini, will be demerged from Cassini by way of a capital reduction which will result in 100% of the shares in Caspin being distributed to Cassini shareholders (**Demerger Scheme**). In addition, the Company also announced that following shareholder approval, Cassini's share capital will be reduced on the implementation date for the Demerger Scheme and returned to Cassini shareholders (**Capital Reduction**). The Acquisition Scheme and the Demerger Scheme are conditional on the Capital Reduction being approved by shareholders. Although Cassini shareholder approval has been obtained, the Scheme remain subject to a number of conditions as set out in the Acquisition Scheme Implementation Deed and Demerger Implementation Deed, including: • The Supreme Court of Western Australia approving the Scheme (**Second Court Hearing**); • The independent expert continuing to conclude that the Schemes are in the best interests of shareholders; and • The satisfaction or waiver of any remaining conditions prior to the Second Court Hearing. Subject to these remaining conditions being satisfied or waived, implementation of the Schemes are expected to occur in early October 2020.
22 September 2020	**Proxy Results for scheme Meetings and General Meeting** All resolutions were carried.
23 September 2020	**Court Approved Schemes** The Company announced that the Supreme Court of Western Australia (**Court**) has today approving the proposed schemes of arrangement pursuant to which it is proposed that: • OZ Minerals will acquire 100% of the shares in Cassini (**Acquisition Scheme**); and • Caspin Resources Limited (**Caspin**), a wholly owned subsidiary of Cassini, will be demerged from Cassini by way of a capital reduction which will result in 100% of the shares in Caspin being distributed to Cassini shareholders (**Demerger Scheme**). The Schemes will become legally effective upon lodgment of the Court Orders with the Australian Securities and Investment Commission (**ASIC**) which is expected to be lodged on 24 September 2020.
24 September 2020	**Schemes of Arrangement become Effective** The Company announced that the Court Orders were lodged with ASIC and the Acquisition Scheme and Demerger scheme became legally effective.

The Company entered into a Scheme Implementation Deed with OZ Minerals on 22 June 2020 in respect of a scheme of arrangement pursuant to which OZ Minerals will acquire 100% of the shares in Cassini (**Acquisition Scheme**). The Company also entered into a Scheme Implementation Deed with Caspin Resources Limited in respect of a scheme of arrangement pursuant to which Caspin Resources Limited (**Caspin**), a wholly owned subsidiary of Cassini, will be demerged from Cassini by way of a capital reduction which will result in 100% of the shares in Caspin being distributed to Cassini shareholders (**Demerger Scheme**). The schemes of arrangement were subject to various conditions, including First Court approval which was received in mid-August 2020, and shareholder approval which was received at the Scheme Meetings and General Meeting held on 21 September 2020. The Acquisition Scheme and Demerger Scheme were approved by the Court on 23 September 2020 and became effective on 24 September 2020. Implementation of the Demerger Scheme and Acquisition Scheme are expected to occur on 2 October 2020 and 5 October 2020 (respectively).

The impact of the Coronavirus (COVID-19) pandemic is ongoing and while it has not had a significant impact on the consolidated entity up to 30 June 2020, it is not practicable to estimate the potential impact, positive or negative, after the reporting date. The situation is rapidly developing and is dependent on measures imposed by the Australian Government and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

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.

Directors' Report

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 year.

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 information in this report that relates to the Nebo-Babel Mineral Resources estimate is extracted from the report entitled "West Musgrave Project Nebo-Babel Deposits Mineral Resource Statement and Explanatory Notes" released on 12 February 2020 available to be viewed at ozminerals.com/operations/resources-reserves.html. 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 11 February 2020 (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 12 February 2020, 29 May 2020, 22 June 2020 and 21 July 2020.

Directors' Report

INFORMATION ON DIRECTORS

Michael (Mike) 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. Member of the Audit & Risk Committee Member of the Nomination & Remuneration Committee
Experience	Mr Young is a geologist and graduate of Queens University, Canada. His experience as a resource geologist included base metals, iron ore, uranium and gold projects, with 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 Ltd (ASX: VMY), a Western Australian uranium development company.
Interest in Shares and Options	6,294,024 ordinary shares Nil Options.
Current directorships	Managing Director, CEO: Vimy Resources Limited (ASX: VMY)
Former directorships held in past three years	Non-Executive Director: Ascot Resources Limited (ASX: AZQ) *resigned on 7 August 2017* Non-Executive Director: Cycliq Group Limited (ASX: CYQ) *resigned on 23 January 2019*

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 and is currently a Non-Executive Director of Empired Ltd (ASX: EPD).
Interest in Shares and Options	8,988,633 ordinary fully paid shares Nil Options.
Current directorships	Non-Executive Director: Empired Ltd (ASX: EPD)
Former directorships held in past three years	None

Directors' Report

INFORMATION ON DIRECTORS

Gregory (Greg) Miles	Executive Director
Qualifications	BSc, Grad Dip (Geol)
Appointed	18 August 2011
Resigned	12 December 2019 (appointed as Chief Operating Officer from 12 December 2019).
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	6,373,612 ordinary fully paid shares Nil Options
Current directorships	None
Former directorships held in past three years	Non-Executive Director: Blackham Resources Limited (ASX: BLK) *(resigned 1 August 2018)*

Philip (Phil) Warren	Non-Executive Director, Independent
Qualifications	B. Com., CA
Appointed	10 March 2011 Chairman of the Nomination and Remuneration Committee Chairman of the Audit and Risk Committee
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	2,343,561 ordinary fully paid shares Nil Options
Current directorships	Non-Executive Director: Rent.com.au Limited (ASX: RNT) Non-Executive Director Family Zone Cyber Safety Limited (ASX: FZO) Non-Executive Director Jupiter Energy (ASX: JPR)
Former directorships held in past three years	None

Directors' Report

INFORMATION ON DIRECTORS

Jon Hronsky	Non-Executive Director, Independent
Qualifications	BAppSci, PhD, MAIG, FSEG
Appointed	3 April 2014 Member of the Audit and Risk Committee Member of the Nomination & Remuneration Committee
Experience	Dr 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 is one of the Principals at geological consultancy Western Mining Services and also Chairman of the Board of Management of the Centre for Exploration Targeting at UWA. Prior to that he was Manager-Strategy & Generative Services for BHP Billiton Mineral Exploration and was Global Geoscience Leader for WMC Resources Ltd. Dr Hronsky is also a Director of Encounter Resources.
Interest in Shares and Options	1,781,033 ordinary fully paid shares Nil Options
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

Sze Man (Simone) Suen	Non-Executive Director
Qualifications	BBus
Appointed	12 December 2019
Experience	Simone is a highly credentialed company director with a Bachelor of Business and over 20 years' experience predominantly in the resources industry in Australia and internationally. Simone held the position of Executive Director between 2010 and 2018 at Alliance Mineral Assets Limited ("Alliance") where she procured, mobilised and organised staff and resources for the development, commissioning and operations of the Bald Hill Tantalum/Lithium Project in Western Australia. Alliance successfully listed the project onto the Singapore Exchange Securities Trading Limited in 2014. Simone brings to the Company a wealth of experience in financing, business development and marketing of early stage mining projects, particularly in Asian markets.
Interest in Shares and Options	31,283,466 ordinary fully paid shares 2,500,000 Unlisted Options ($0.20, 12 April 2022)
Current directorships	None
Former directorships held in past three years	Executive Director: Alliance Mineral Assets Ltd.

Directors' Report

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 Director Meetings Eligible to Attend	Number of Director Meetings Directors' Attended
Director		
Mr Mike Young	6	6
Mr Richard Bevan	6	6
Mr Philip Warren	6	6
Dr Jon Hronsky	6	6
Ms Simone Suen	4	4
Mr Greg Miles (retired)	6	6

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 to $16,796,927 (2019: $18,186,135) as at 30 June 2020. The Group's working capital, being current asset less current liabilities was $5,181,284 at 30 June 2020 (2019: $7,712,163).

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
12 April 2019	12 April 2022	$0.20	5,000,000
Total			**5,000,000**

[1]A total of 11,072,302 unlisted options were exercised on 13 August 2020 and 15 September 2020. The remaining options are subject to Option Cancellation Deeds.

Directors' Report

Securities granted during the year

Performance rights granted during the year as share based payments are as follows:

Tranche	Class of Securities	Grant Date	Number of Securities	Exercise Price	Expiry Date	Vesting Date	Disposal Restriction
A	Director performance rights	26 Nov 2019	1,807,382	Nil – convert to ordinary shares on achievement of performance conditions[1]	30 Nov 2022	30 Nov 2021	Non- transferable
B	Employee performance rights	26 Nov 2019	631,579	Nil – convert to ordinary shares on achievement of performance conditions[1]	30 Nov 2022	30 Nov 2021	Non- transferable
C	Employee performance rights	18 June 2020	312,796	Nil – convert to ordinary shares on achievement of performance conditions[1]	18 June 2022	30 June 2021	Non- transferable

[1]Refer to Note 21 for details of these performance rights.

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.

During the year there were no fees paid or payable for non-audit services provided by the auditor of the Group (2019: nil).

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.

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 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 REPORT - Audited (continued)

A Principles used to determine the nature and amount of remuneration (continued)

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. The Company paid cash bonuses to executives during the year $108,180 (2019: $103,800), and demonstrates remuneration being linked to the financial performance of the Group in the current reporting period.

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 2020:

	30 June 2020	30 June 2019	30 June 2018	30 June 2017	30 June 2016
	$	$	$	$	$
Revenue	208,230	431,983	1,982,583	213,264	45,499
Net profit/(loss) before tax	(2,264,254)	(3,798,046)	548,585	(1,871,201)	(2,605,775)
Net profit/(loss) after tax	(2,264,254)	(3,798,046)	548,585	(1,871,201)	(2,605,775)

No dividends have been paid for the five (5) years to 30 June 2020.

	30 June 2020	30 June 2019	30 June 2018	30 June 2017	30 June 2016
	$	$	$	$	$
Share price at start of year	0.096	0.073	0.051	0.034	0.062
Share price at end of year	0.170	0.096	0.073	0.051	0.034
Basic earnings/(loss) per share (cents)	(0.54)	(1.08)	0.20	(0.73)	(1.18)
Diluted earnings/(loss) per share (cents)	(0.54)	(1.08)	0.19	(0.73)	(1.18)

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. The Company notes that a bonus pool was recommended by the Company's remuneration committee in the year ended 30 June 2020 following the achievements of the Company up to the date of the bonus, particularly the completion of Stage-2 of the Earn-in/Joint Venture with OZ Minerals. OZ Minerals has satisfied the 70% earn-in milestone by contributing $36 million towards the Nebo-Babel Pre-Feasibility Study (PFS) and regional exploration, as announced on ASX on 12 April 2019.

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 previous financial years as they had no vesting or service conditions attached.

During the year, the Company issued Performance rights to Executive Directors. The performance rights have nil exercise prices and expiry date of 30 November 2022 and will convert to ordinary shares on achievement of performance conditions as detailed in note 21.

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.

Directors' Report

REMUNERATION REPORT - Audited (continued)

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 Chairman
Richard Bevan	Managing Director
Greg Miles	Executive Director (*resigned as Executive Director on 12 December 2019, and appointed as Chief Operating Officer on 12 December 2019*)
Philip Warren	Non-executive Director
Jon Hronsky	Non-executive Director
Sze Man Suen (Simone)	Non-executive Director (appointed on 12 December 2019)

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 2020	**Cash salary & fees**	**Other[3]**	**Annual Leave**	**Long Service Leave**	**Superannuation Pensions**	**Retirement benefits**	**Options/performance rights**		
Directors	**$**	**$**	**$**	**$**	**$**	**$**	**$**	**$**	**%**
Non-executive directors									
Mike Young[2]	47,917	-	-	-	-	-	-	47,917	-
Philip Warren	38,333	-	-	-	-	-	-	38,333	-
Jon Hronsky	35,008	-	-	-	3,326	-	-	38,334	-
Sze Man Suen (Simone)[4]	18,707	-	-	-	1,777	-	-	20,484	-
Sub-total Non-executive directors	139,965	-	-	-	5,103	-	-	145,068	-
Executive directors									
Richard Bevan	266,497	60,000	76,417	47,217	21,003	-	36,313	507,446	7.16%
Greg Miles[1]	235,065	48,180	23,307	-	4,931	-	22,182	333,665	6.65%
Total key management personnel compensation (Group)	**641,527**	**108,180**	**99,724**	**47,217**	**31,036**	**-**	**58,495**	**986,179**	

1. This amount is invoiced to the Company by Hidden Asset Pty Ltd in relation to Mr Miles Executive role with the Company. Mr Miles resigned from his position as Executive Director and appointed as Chief Operating Officer on 12 December 2019.
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.
3. Cash bonuses paid to staff in December 2019.
4. Mrs Suen was appointed as Non-Executive Director on 12 December 2019.

Directors’ Report

REMUNERATION REPORT - Audited (continued)

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

Name	Fixed remuneration 2020	Performance based remuneration 2020
Executive Directors		
Richard Bevan	81%	19%
Greg Miles	83%	17%

	Short-term employee benefits			Long-term employee benefits	Post-employment benefits		Share-based payments	Total	Total remuneration represented by Options
30 June 2019	**Cash salary & fees**	**Other[3]**	**Non monetary benefits**	**Annual Leave**	**Super-annuation Pensions**	**Retire-ment benefits**	**Options**		
Directors	**$**	**$**	**$**	**$**	**$**	**$**	**$**	**$**	**%**
Non-executive directors									
Mike Young[2]	50,000	-	-	-	-	-	-	50,000	-
Philip Warren	40,000	-	-	-	-	-	-	40,000	-
Jon Hronsky	36,530	-	-	-	3,470	-	-	40,000	-
Sub-total Non-executive directors	126,530	-	-	-	3,470	-	-	130,000	-
Executive directors									
Richard Bevan	280,384	60,000[3]	-	10,022	20,531	-	10,807	381,744	19%
Greg Miles[1]	240,900	43,800[3]	-	-	-	-	6,538	291,238	19%
Total key management personnel compensation (Group)	**647,814**	**103,800**	**-**	**10,022**	**24,001**	**-**	**17,345**	**802,983**	

1. This amount is invoiced to the Company by Hidden Asset Pty Ltd in relation to Mr Miles Executive role with the Company.
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.
3. Cash bonuses paid to staff in December 2018

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

Name	Fixed remuneration 2019	Performance based remuneration 2019
Executive Directors		
Richard Bevan	81%	19%
Greg Miles	81%	19%

A bonus pool was recommended by the Company’s remuneration committee in the year ended 30 June 2020 following the achievements of the Company up to the date of the bonus, particularly the completion of Stage-2 of the Earn-in/Joint Venture with OZ Minerals. OZ Minerals has satisfied the 70% earn-in milestone by contributing $36 million towards the Nebo-Babel Pre-Feasibility Study (PFS) and regional exploration, as announced on ASX on 12 April 2019.

The Committee noted this performance-based remuneration is reasonable given the size of the Company and its achievements to date.

The bonus pool was allocated to executive directors and other personnel, and the allocation was determined by the remuneration committee.

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	Relevant notice periods apply, being 1 months' notice with reason or 3 months without reason.
Greg Miles[1]	Open	AUD$240,900	1 months' notice.

[1]Mr Miles resigned as Executive Director on 12 December 2019 and was appointed as Chief Operating Officer on 12 December 2019. The details of agreement mentioned in the table above reflect Mr Miles' position as Executive Director up to his resignation.

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 2019 - 30 June 2020 $	1 July 2018 - 30 June 2019 $
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.

No options were granted during the financial year.

Directors' Report

REMUNERATION REPORT - Audited (continued)

Performance Rights

Performance rights granted during the year as share based payments are as follows:

Tranche	Class of Securities	Grant Date	Number of Securities	Exercise Price	Expiry Date	Vesting Date	Disposal Restriction
A	Director performance rights	26 Nov 2019	1,807,382	Nil – convert to ordinary shares on achievement of performance conditions[1]	30 Nov 2022	30 Nov 2021	Non-transferable

[1]Refer to Note 21 for details of these performance rights.

The performance rights shall vest on the later to occur of:

a) the date on which the milestones shown in the table below are met. The Rights will vest to the extent the volume weighted average price of Shares during the period between 1 December 2019 and 30 November 2020 meet the following hurdles:

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

* The 20-day volume weighted average price of Shares up to 12 December 2019 (date prior to the allotment of the Performance Rights) was $0.0823.

b) the holder completing continuous service with the Company for two (2) years from the date of allotment of the Performance Rights; and

c) the date that the holder gives a notice to the Company confirming that the holder would like the Performance Rights to vest.

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

Tranche	Dividend Yield	Valuation Date	Expected Volatility	Risk-Free Interest Rate	Expiry	Underlying Share Price	Value per Right ($)	Total Fair Value ($)	Total Recognised as SBP ($)
A	-	26 Nov 2019	50%	0.73%	30 Nov 2022	$0.082	0.019	34,340	23,381

Directors' Report

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.

2020 Name	Balance at the start of the year	Capital Raising shares subscribed for	Exercised of options	Balance at appointment/ (resignation date)	Balance at the end of the year
Directors					
Mike Young	4,294,024	-	2,000,000	-	6,294,024
Richard Bevan	4,372,830	-	3,500,000	-	7,872,830
Phil Warren	1,343,561	-	1,000,000	-	2,343,561
Greg Miles[1]	2,382,033	-	3,300,000	(5,682,033)	-
Jon Hronsky	781,033	-	1,000,000	-	1,781,033
Sze Man Suen (Simone)[2]	-	-	-	31,283,466	31,283,466
Total	**13,173,481**	-	**10,800,000**	**25,601,433**	**49,574,914**

[1]Mr Miles resigned as Executive Director on 12 December 2019, and appointed as Chief Operating Officer on 12 December 2019.
[2]Mrs Suen was appointed as Non-Executive Director on 12 December 2019.

There were no shares subject to escrow at 30 June 2020.

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.

2020 Name	Balance at the start of the year	Granted as compensation	Exercised/ Expired	Balance at appointment/ (resignation date)	Balance at end of the year	Vested and exercisable	Un-vested
Directors							
Michael Young	2,000,000	-	(2,000,000)	-	-	-	-
Richard Bevan	3,500,000	-	(3,500,000)	-	-	-	-
Phil Warren	1,000,000	-	(1,000,000)	-	-	-	-
Greg Miles[1]	3,300,000	-	(3,300,000)	-	-	-	-
Jon Hronsky	1,000,000	-	(1,000,000)	-	-	-	-
Sze Man Suen (Simone)[2]	-	-	-	5,000,000	5,000,000	5,000,000	-
Total	**10,800,000**	**-**	**(10,800,000)**	**5,000,000**	**5,000,000**	**5,000,000**	**-**

[1]Mr Miles resigned as Executive Director on 12 December 2019, and appointed as Chief Operating Officer on 12 December 2019.
[2]Mrs Suen was appointed as Non-Executive Director on 12 December 2019.

Directors' Report

REMUNERATION REPORT - Audited (continued)

Performance Rights

The number of performance rights 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.

2020 Name	Balance at the start of the year	Granted as compensation	Exercised/ Expired	Balance at appointment/ (resignation date)	Balance at end of the year	Vested and exercisable	Un-vested
Directors							
Michael Young	-	-	-	-	-	-	-
Richard Bevan	1,285,848	1,115,803	(1,285,848)	-	1,115,803	759,723	1,641,928
Phil Warren	-	-	-	-	-	-	-
Greg Miles[1]	777,890	691,579	(777,890)	-	691,579	470,880	998,589
Jon Hronsky	-	-	-	-	-	-	-
Sze Man Suen (Simone)[2]	-	-	-	-	-	-	-
Total	**2,063,738**	**1,807,382**	**(2,063,738)**	**-**	**1,807,382**	**1,230,603**	**2,640,517**

[1]Mr Miles resigned as Executive Director on 12 December 2019, and appointed as Chief Operating Officer on 12 December 2019.

[2]Mrs Suen was appointed as Non-Executive Director on 12 December 2019.

F Loans with key management personnel

Key Management Personnel Loans

There were no loans to or from key management personnel during the year ended 30 June 2020 (2019: nil).

G Other transactions with key management personnel

Grange Consulting Group Pty Ltd, of which Philip Warren is a Director, received $201,008 excluding GST (2019: $136,920) during the year for financial services, company secretarial work and corporate advisory services. These services are provided on normal commercial terms and at arm's length. As at 30 June 2020, $36,233 (2019: $13,768) remained outstanding.

Western Mining Services Pty Ltd, a company associated with Dr Jon Hronsky, received $49,300 excluding GST (2019: $20,790) in fees during the period for geological consulting services provided to the Company, with $nil payable as at 30 June 2020 (2019: $nil).

H Additional information

Voting and comments made at the Company's 2019 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 2019, was unanimously passed on a show of hands:

Resolution 1: Adoption of Remuneration Report (Received 88% of "yes" votes)
Resolution 2: Re-election of Director – Mr Phil Warren
Resolution 3: Re-election of Director – Dr Jon Hronsky
Resolution 4: Ratification of prior issue shares
Resolution 5: Ratification of prior issue shares
Resolution 6: Ratification of prior issue shares
Resolution 7: Ratification of prior issue shares
Resolution 8: Ratification of prior issue shares
Resolution 9: Issue of Performance Rights to Director – Mr Richard Bevan
Resolution 10: Issue of Performance Rights to Director – Mr Gregory Miles
Resolution 11: Approval of 10% Placement Capacity
Resolution 12: Replacement of Constitution

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
29 September 2020

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Australia

DECLARATION OF INDEPENDENCE BY JARRAD PRUE TO THE DIRECTORS OF CASSINI RESOURCES LIMITED

As lead auditor of Cassini Resources Limited for the year ended 30 June 2020, 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.

Jarrad Prue

Director

BDO Audit (WA) Pty Ltd

Perth, 29 September 2020

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INDEPENDENT AUDITOR'S REPORT

To the members of Cassini Resources Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Cassini Resources Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2020, 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, and notes to the financial report, including a summary of significant accounting policies and the directors' declaration.

In our opinion the accompanying financial report of the Group, is in accordance with the *Corporations Act 2001*, including:

(i) Giving a true and fair view of the Group's financial position as at 30 June 2020 and of its financial performance for the year ended on that date; and

(ii) Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report. We are independent of the Group in accordance with the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

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

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Carrying value of exploration and evaluation assets

Key audit matter	***How the matter was addressed in our audit***
As disclosed in Note 11 to the financial report, the carrying value of capitalised exploration and evaluation expenditure represents a significant asset of the Group. Refer to Note 11 of the financial report for a description of the accounting policy and significant judgements applied to capitalised exploration and evaluation expenditure. In accordance with AASB 6 *Exploration for and Evaluation of Mineral Resources* (AASB 6), the recoverability of exploration and evaluation expenditure requires significant judgment by management in determining whether there are any facts or circumstances that exist to suggest that the carrying amount of this asset may exceed its recoverable amount. As a result, this is considered a key audit matter.	Our procedures included, but were not limited to the following: • Obtaining a schedule of the areas of interest held by the Group and assessing whether the rights to tenure of those areas of interest remained current at balance date; • Considering the status of the ongoing exploration programmes in the respective areas of interest by holding discussions with management, and reviewing the Group's exploration budgets, ASX announcements and directors' minutes; • Considering whether any such areas of interest had reached a stage where a reasonable assessment of economically recoverable reserves existed; • Considering whether any facts or circumstances existed to suggest impairment testing was required; and • Assessing the adequacy of the related disclosures in Note 11 to the financial report.

Other information

The directors are responsible for the other information. The other information comprises the information in the Group's annual report for the year ended 30 June 2020, but does not include the financial report and the auditor's report thereon, which we obtained prior to the date of this auditor's report, and the annual report, which is expected to be made available to us after that date.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors 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 preparing the financial report, the directors are responsible for assessing the ability of the group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website (http://www.auasb.gov.au/Home.aspx) at:

https://www.auasb.gov.au/admin/file/content102/c3/ar1_2020.pdf

This description forms part of our auditor's report.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included on pages 33 to 41 of the directors' report for the year ended 30 June 2020.

In our opinion, the Remuneration Report of Cassini Resources Limited, for the year ended 30 June 2020, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

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.

BDO Audit (WA) Pty Ltd

BDO

Jarrad Prue

Director

Perth, 29 September 2020

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 30 June 2020

	Note	2020 $	2019 $
Revenue from continuing operations			
Revenue	2	-	-
Interest received & other income	2	208,230	431,983
Employee and director benefits expense	3(a)	(956,483)	(819,709)
Accounting, audit & legal fees		(447,315)	(273,007)
ASX, compliance, and share registry fees		(69,828)	(88,689)
Share based payment expense	21	(76,796)	(22,876)
Consultants and corporate advisory		(341,572)	(581,702)
Exploration expenditure not capitalised		-	(55,547)
Impairment expense	11	-	(1,717,646)
Depreciation and amortisation expense		(107,013)	(11,008)
Administration costs	3(b)	(473,477)	(659,845)
Profit/(Loss) before income tax		**(2,264,254)**	**(3,798,046)**
Income tax expense	4	-	-
Net Loss after income tax		**(2,264,254)**	**(3,798,046)**
Other comprehensive income			
Items that may be reclassified to profit or loss			
Exchange differences on translation of foreign operations		-	-
Other comprehensive loss for the year, net of tax		**-**	**-**
Total comprehensive loss for the year		**(2,264,254)**	**(3,798,046)**
Total comprehensive income/(loss) is attributable to:			
Owners of Cassini Resources Limited		(2,264,254)	(3,798,046)
Non-controlling interests		-	-
		(2,264,254)	**(3,798,046)**
Loss per share attributable to ordinary equity holders Basic & diluted profit/(loss) per share from continuing operations (cents per share)	5	(0.54)	(1.08)

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 2020

	Note	2020 $	2019 $
ASSETS			
Current assets			
Cash and cash equivalents	7	6,014,142	8,131,090
Trade and other receivables	8	45,528	1,634,726
Total current assets		6,059,670	9,765,816
Non-current assets			
Property, plant and equipment	9	74,062	91,585
Right to use assets	10	486,602	-
Exploration and evaluation expenditure	11	21,825,004	13,493,270
Total non-current assets		22,385,668	13,584,855
TOTAL ASSETS		28,445,338	23,350,670
LIABILITIES			
Current liabilities			
Trade payables	12	408,488	1,612,488
Provisions	13	197,693	157,216
Other payables	14	197,484	283,949
Lease liabilities	10	74,721	-
Total current liabilities		878,386	2,053,653
Non-current liabilities			
Borrowings	15	10,258,649	3,110,883
Provisions	13	79,056	-
Lease liabilities	10	432,320	-
Total non-current liabilities		10,770,025	3,110,883
TOTAL LIABILITIES		11,648,411	5,164,536
NET ASSETS		**16,796,927**	**18,186,135**
EQUITY			
Issued capital	16	37,266,848	36,468,598
Options reserve	17	1,693,372	1,693,372
Performance right reserve	17	99,673	22,876
Accumulated losses		(22,387,427)	(20,123,173)
Capital and reserves attributable to owners of the company		16,672,465	18,061,673
Non-controlling interest	26	124,462	124,462
TOTAL EQUITY		**16,796,927**	**18,186,135**

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 2020

	Note	**2020** **$**	2019 $
Cash flows from operating activities			
Payments to suppliers and employees		(2,236,465)	(2,551,588)
Receipts from customers		-	419,308
Interest and fuel tax credits received		127,168	31,982
Government grant received		61,921	-
Net cash flows used in operating activities	18	**(2,047,376)**	**(2,100,298)**
Cash flows from investing activities			
Exploration and evaluation expenditure		(8,300,985)	(14,642,109)
Payments for property, plant and equipment		(3,683)	-
Joint venture receipts		7,502,214	12,061,654
Net cash flows used in investing activities		**(802,454)**	**(2,580,455)**
Cash flows from financing activities			
Proceeds from issue of shares and options		820,750	11,213,400
Capital raising costs		(22,500)	(672,000)
Proceeds from borrowings		-	912,164
Lease payment		(65,368)	-
Net cash flows from financing activities		**732,882**	**11,453,564**
Net increase/(decrease) in cash and cash equivalents		(2,116,948)	6,772,811
Cash and cash equivalents at beginning of the year		8,131,090	1,358,279
Cash and cash equivalents at end of the year	7	**6,014,142**	**8,131,090**

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 year ended 30 June 2020

	Issued capital $	Accumulated losses $	Option & Performance Rights reserve $	Non-Controlling Interest $	Total $
Balance at 1 July 2018	26,185,123	(16,325,127)	1,237,600	-	11,097,596
Loss for the year	-	(3,798,046)	-	-	(3,798,046)
Total comprehensive income	-	(3,798,046)	-	-	(3,798,046)
Transactions with owners, directly recorded in equity:					
Issue of shares, net off costs	10,270,075	-	-	-	10,270,075
Issue/vesting of options	13,400	-	455,772	-	469,172
Issue of performance rights	-	-	22,876	-	22,876
Non-controlling interests on acquisition of subsidiary	-	-	-	124,462	124,462
Balance at 30 June 2019	**36,468,598**	**(20,123,173)**	**1,716,248**	**124,462**	**18,186,135**

	Issued capital $	Accumulated losses $	Option & performance rights reserve $	Non-Controlling Interest $	Total $
Balance at 1 July 2019	36,468,598	(20,123,173)	1,716,248	124,462	18,186,135
Loss for the year	-	(2,264,254)	-	-	(2,264,254)
Total comprehensive income	-	(2,264,254)	-	-	(2,264,254)
Transactions with owners, directly recorded in equity:					
Issue of shares, net off costs	798,250	-	-	-	798,250
Issue of performance rights	-	-	76,796	-	76,796
Balance at 30 June 2020	**37,266,848**	**(22,387,427)**	**1,793,044**	**124,462**	**16,796,927**

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 27.

(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 2020 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.

(c) Coronavirus (COVID-19) pandemic

Judgement has been exercised in considering the impacts that the Coronavirus (COVID-19) pandemic has had, or may have, on the consolidated entity based on known information. This consideration extends to the nature of the products and services offered, customers, supply chain, staffing and geographic regions in which the consolidated entity operates. Other than as addressed in specific notes, there does not currently appear to be either any significant impact upon the financial statements or any significant uncertainties with respect to events or conditions which may impact the consolidated entity unfavourably as at the reporting date or subsequently as a result of the Coronavirus (COVID-19) pandemic.

Notes to the Consolidated Financial Statements

1. Summary of significant accounting policies (continued)

(d) 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.

(e) 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).

(f) Parent entity information

The financial information for the parent entity, Cassini Resources Limited, disclosed in Note 27 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.

(g) 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.

(h) Employee benefits

(i) Share-based payments

Share-based compensation benefits are provided to employees via the Cassini Resources Limited Employee Share Plan.

The fair value of performance rights granted under the Cassini Resources Limited Employee Share 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 performance rights.

Notes to the Consolidated Financial Statements

1. Summary of significant accounting policies (continued)

The fair value at grant date is independently determined using a Multiple Share Price Barrier 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 performance rights.

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 performance rights that are expected to become exercisable. At each reporting date, the entity revises its estimate of the number of performance rights 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.

(i) Asset acquisition accounting

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.

(j) 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.

(k) 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 & judgements will, by definitions, seldom equal the related actual results.

(i) Taxation & deferred tax balances

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.

(ii) 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 and performance rights are determined by an internal valuation using Black-Scholes option pricing model and Multiple Share Price Barrier model.

(iii) 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.

Notes to the Consolidated Financial Statements

1. Summary of significant accounting policies (continued)

(l) 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 one main geographical segment, being Australia during the financial year. Refer to Note 20 or details.

(m) New and amended standards adopted by the entity

These consolidated financial statements have been prepared using the same accounting policies as used in the annual financial statements for the year ended 30 June 2020, with the exception of the impact of new and amended standards and interpretations issued by the AASB as follows:

<u>AASB 16 Leases</u>

The Group has adopted AASB 16 using the modified retrospective approach from 1 July 2019 but has not restated comparatives for the 2019 reporting period, as permitted under the specific transitional provision in the standard.

On adoption of AASB 16, the Group recognised lease liabilities in relation to leases which has previously been classified as "operating leases" under the principles of AASB 17 Leases. These liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate of 7.92% as of 1 July 2019. The reclassification and the adjustments from the new leasing standard were material to the Group with an adjustment recognised to the financial statements.

AASB 16 'Leases' had a significant impact on the current period. The current profit before income tax expense was reduced by $13,067. This included an increased depreciation and amortisation expense of $85,808 and increased finance costs of $42,294. As at 30 June 2020, net current assets were reduced by $74,721 (attributable to current lease liabilities) and net assets were reduced by $20,439 (attributable to right-of-use assets and lease liabilities).

Right-of-use assets

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the consolidated entity expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any re-measurement of lease liabilities.

The consolidated entity has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

Lease liabilities

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the consolidated entity's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under -residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Notes to the Consolidated Financial Statements

1. Summary of significant accounting policies (continued)

m) New and amended standards adopted by the entity (continued)

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

Practical expedients applied

In applying AASB16 for the first time, the Group has used the following practical expedients permitted by the standard:

- Reliance on previous assessment on whether leases are onerous;
- The accounting for operating leases with a remaining term of less than 12 months as at 1 July 2019 as short-term leases;
- The exclusion of initial direct costs for the measurement of the right-of-use asset at the date of initial application; and
- The use of hindsight in determining the leases term where the contract contains options to extend or terminate the lease.

The Group has also elected not to reassess whether a contract is, or contains a lease at the date of initial application. Instead, for contracts entered into before the transition date the Group relied on its assessment made applying AASB117 and IFRIC4 Determining whether an Arrangement contains a Lease.

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

(n) New Accounting Standards and Interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the consolidated entity for the annual reporting period ended 30 June 2020. The consolidated entity's assessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant to the consolidated entity, are set out below

Conceptual Framework for Financial Reporting (Conceptual Framework)

The revised Conceptual Framework is applicable to annual reporting periods beginning on or after 1 January 2020 and early adoption is permitted. The Conceptual Framework contains new definition and recognition criteria as well as new guidance on measurement that affects several Accounting Standards. Where the consolidated entity has relied on the existing framework in determining its accounting policies for transactions, events or conditions that are not otherwise dealt with under the Australian Accounting Standards, the consolidated entity may need to review such policies under the revised framework. At this time, the application of the Conceptual Framework is not expected to have a material impact on the consolidated entity's financial statements.

Notes to the Consolidated Financial Statements

2. Revenues & other income

	2020 $	2019 $
Revenue		
Management Fee and other charges	16,891	400,000
Bank interest	127,168	31,528
Other income[(i)]	64,171	455
	208,230	**431,983**

*(i)*This related to government grants from "Boosting cash flow for employers" COVID-19 stimulus package.

Significant accounting policy

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.

All revenue is stated net of the amount of goods and services tax (GST).

3. Material Profit/(Loss) for the year

Profit/(Loss) for the year includes the following items:

	2020 $	2019 $
(a) Employee benefit expenses:		
Employee wages and directors fees	717,424	512,160
Other employee expenses (including superannuation)	239,059	307,550
Total employee benefits expense	**956,483**	**819,709**
(b) Administration expenses:		
Marketing & investor relations	108,922	118,177
Conferences	38,138	74,537
Travel and entertainment	88,996	125,098
Insurance	25,790	27,548
Rent expense	3,390	122,158
Other expenses	208,241	192,327
Total administration expenses	**473,477**	**659,845**

Notes to the Consolidated Financial Statements

4. Income tax

		2020 $	2019 $
(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	(2,264,254)	(3,798,048)
	Prima facie income tax at 27.5% (2018: 27.5%)	(622,670)	(1,044,463)
	Tax effect of amounts not deductible in calculating taxable income	10,413	-
	Tax losses not recognised	612,256	1,044,463
	Income tax expense/(benefit)	-	-
(c)	Unrecognised deferred tax assets arising on timing difference and losses		
	Losses – Revenue	7,505,315	4,720,319
	Other	949,905	811,721
	Exploration asset	(5,556,672)	(3,245,748)
		2,898,548	**2,286,292**

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 2020, 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.

Significant accounting policy

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.

Notes to the Consolidated Financial Statements

4. Income tax (continued)

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.

5. Earnings per share

Basic earnings per share amounts are calculated by dividing net profit/(loss) for the year attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year.

The following reflects the income and share data used in the total operations basic and diluted earnings per share computations:

Basic and diluted profit/(loss) per share	**2020 Cents**	2019 Cents
Basic profit/(loss) per share (cents per share)	(0.54)	(1.08)
Basic profit/(loss) per share from continuing operations (cents per share)	(0.54)	(1.08)
Diluted profit/(loss) per share (cents per share)	(0.54)	(1.08)
Diluted profit/(loss) per share from continuing operations (cents per share)	(0.54)	(1.08)

Profit/(Loss)	**2020 $**	2019 $
Profit/(loss) used in the calculation of basic and diluted earnings per share is as follows:		
Profit/(loss)	(2,264,254)	(3,798,046)
Loss from continuing operations	(2,264,254)	(3,798,046)

Weighted average number of ordinary shares	**2020 No.**	2019 No.
Weighted average number of ordinary shares outstanding during the period used in calculating basic EPS	422,252,983	350,645,059
Weighted average number of ordinary shares outstanding during the period used in calculating diluted EPS	422,252,983	290,104,634

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.

Notes to the Consolidated Financial Statements

7. Cash and cash equivalents

	2020 $	2019 $
Current		
Cash at bank and in hand	1,295,929	995,343
Restricted cash	95,059	135,747
Short-term term deposit	4,623,154	7,000,000
	6,014,142	**8,131,090**

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 $87,323 (included in the Cash at bank and in hand amount) is held as an indemnity guarantee with the ANZ Bank subject to the Company's lease agreement at its premises at 16 Ord Street, West Perth WA 6005.

As at 30 June 2020 the Company had restricted cash received from its JV partner of $95,059 (2019: $135,747) which will be spent and used in respect of the approved JV expenditure.

Refer to Note 19 on financial instruments for details on the Company's exposure to risk in respect of its cash balance.

Significant accounting policy

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.

8. Trade and other receivables

	2020 $	2019 $
Current		
Trade debtors	-	1,163,150
Other receivable	-	405,166
GST receivable	45,528	66,410
	45,528	1,634,726

Significant accounting policy

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.

Past due but not impaired

The Group did not have any receivables that were past due as at 30 June 2020 (30 June 2019: Nil). The Group did not consider a credit risk on the aggregate balances as at 30 June 2020. For more information, please refer to Note 18 Financial Instruments, Risk Management Objectives and Policies.

Notes to the Consolidated Financial Statements

9. Property, plant and equipment

	Field equipment $	Total $
As at 1 July 2018	**102,593**	**102,593**
Additions	-	-
Depreciation	(11,008)	(11,008)
Write off	-	-
At 30 June 2019	**91,585**	**91,585**
As at 1 July 2019	**91,585**	**91,585**
Additions	3,686	3,686
Depreciation	(21,209)	(21,206)
Write off	-	-
At 30 June 2020	**74,062**	**74,062**

Significant accounting policy

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.

10. Right to Use Assets and Lease Liabilities

	30 June 2020 $
Right of use assets	
Right to use assets – building	572,410
Accumulated amortisation of right to use assets	(85,808)
Total right to use assets	**486,602**
Lease liabilities	
Current	74,721
Non-Current	432,320
Total lease liabilities	**507,041**

Notes to the Consolidated Financial Statements

11. Exploration and evaluation expenditure

	2020 $	2019 $
Non-Current		
Exploration and evaluation at cost	21,825,004	13,493,270
Movement		
Opening balance	13,493,270	10,585,996
Exploration expenditure capitalised during the year	8,331,734	4,624,920
Impairment expense	-	(1,717,646)
	21,825,004	**13,493,270**

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.

Significant accounting policy

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.

Notes to the Consolidated Financial Statements

12. Trade payables

	2020 $	2019 $
Current		
Trade payables	408,488	1,612,488
	408,488	**1,612,488**

Significant accounting policy

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 2 months from the reporting date. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

Trade payables are non-interest bearing and are normally settled on 30-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 18 on Financial Instruments for further discussion on risk management.

13. Provisions

	2020 $	2019 $
Current		
Annual leave provision[1]	197,693	157,216
Total	197,693	157,216
Non-Current		
Long service leave provision	79,056	-
Total	79,056	-

[1]All amounts are expected to be settled within 12 months.

Significant accounting policy

(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.

Notes to the Consolidated Financial Statements

14. Other payables

	2020 $	2019 $
Current		
Accrued expenses and other payables	151,489	211,585
PAYG	30,411	57,190
Superannuation payable	15,585	15,174
	197,484	283,949

Refer to Note 12 for significant accounting policy. All amounts are expected to be settled within 12 months.

15. Borrowing

On 12 April 2019, OZ Minerals Limited satisfied the 70% earn-in requirement at the West Musgrave Project (WMP) by contributing a total of $36m towards the Nebo-Babel project development including a Pre-Feasibility Study (PFS) and regional exploration. Under the JV agreement, OZ Minerals will continue to sole fund the Nebo-Babel Studies until a Definitive Feasibility Study and decision to mine is delivered. In respect of any amount funded by OZ Minerals in excess of $36m, Cassini will be loan-carried for its 30% contribution, with principal and capitalised interest of 5.32% (LIBOR + 3%) to be repaid 5 years after the commencement of production at the WMP, being the loan maturity date. Set out in the table below is the amount of loan carried including the interest payable as at 30 June 2020.

	2020 $	2019 $
Borrowing	9,943,895[1]	3,095,033[1]
Interest payable	314,754	15,850
Balance 30 June	10,258,649	3,110,883

[1] The company received $7,502,214 (2019: $912,164) through cash-calls from the total loan carry of $9,943,895 (2019: $3,095,033) during the year.

Significant accounting policy

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds and the redemption amount is recognised in the statement of profit or loss and other comprehensive income over the period of the borrowings using the effective interest rate method. Borrowings are removed from the statement of financial position when the obligation specified in the contract is discharged, cancelled or expired. Borrowings are classified as non-current liabilities as the settlement of the liability is more than 12 months after the reporting date.

16. Issued capital

Date	Details	No. of Shares	$
1 July 2018	Opening balance	276,454,634	26,185,123
23 Aug 2018	Exercise of options	200,000	13,400
23 Aug 2018	Placement	68,852,459	4,200,000
12 Apr 2019	Placement	70,000,000	7,000,000
	Share issue costs	-	(929,925)
30 June 2019		**415,507,093**	**36,468,598**
13 Dec 2019	Exercise of options	12,250,000	820,750
	Share issue costs	-	(22,500)
30 June 2020		**427,757,093**	**$37,266,848**

Notes to the Consolidated Financial Statements

16. Issued capital (continued)

a) The share capital of the Group as at 30 June 2020 was 427,757,093 ordinary shares.

No shares of the Company were subject to escrow at 30 June 2020.

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.

Unissued ordinary shares of Cassini Resources Limited under option at 30 June 2020 are as follows:

Date Options Granted	Expiry Date	Exercise Price	Number Under Option
12 April 2019	12 April 2022	$0.15	5,000,000
12 April 2019	12 April 2022	$0.20	5,000,000
10 June 2019	10 June 2022	$0.12	6,072,302
Total			**16,072,302**

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 2020 was $5,181,284 and the net decrease in cash held during the year was $2,116,948.

The Group had at 30 June 2020 $6,014,142 of cash and cash equivalents and $10,258,649 loan payable to OZ Minerals Limited.

Notes to the Consolidated Financial Statements

17. Reserves

	2020 $	2019 $
Reserves		
Options reserve (i)	1,693,372	1,693,372
Performance rights reserve (ii)	99,673	22,876
	1,793,045	**1,716,248**

(i) Options reserve

The share-based payment reserve recognises options and performance rights issued as share based payments. The following options were issued during the prior year:

Options	Number	Reserve
Opening balance	15,350,000	1,237,600
Exercise of options	(200,000)	-
Expiry of unlisted options	(1,500,000)	-
Options issued as part of the consideration paid for Souwest acquisition	6,072,302	197,847
Options issued to advisors	10,000,000	257,925
30 June 2019	**29,722,302**	**1,693,372**

	Number	Reserve
Opening balance	29,722,302	1,693,372
Director & employee options exercised	(12,250,000)	-
Expiry of unlisted options	(1,400,000)	-
Vesting of options	-	-
30 June 2020	**16,072,302**	**1,693,372**

(ii) Performance rights reserve

The share-based payment reserve recognises performance rights issued as share based payments. The following performance rights were issued during the prior year:

Performance rights	Number	Reserve
Opening balance	-	-
Performance Rights issued to directors and employees	2,806,354	22,876
30 June 2019	2,806,354	22,876

Performance rights	Number	Reserve
Opening balance	2,806,354	22,876
Performance Rights issued to directors and employees	2,751,757	32,996
Performance Rights lapsed during the year	(2,806,354)	-
Vesting expense – performance rights from prior period	-	43,801
30 June 2020	2,751,757	99,673

Notes to the Consolidated Financial Statements

18. Operating cash flow reconciliation

	2020 $	2019 $
Reconciliation of operating cash flows to net profit/(loss)		
Profit/(loss) for the year	(2,264,254)	(3,798,046)
Share based payments	76,796	22,876
Depreciation expense	107,013	11,008
Exploration expenditure written off	-	1,717,646
Increase in trade and other payables	(169,277)	(306,169)
Increase in provision	119,533	45,006
Increase in accruals	82,811	132,526
Increase in trade and other receivables	-	19,308
Increase in exploration expenditure asset	-	55,547
Cash flow from operations	**(2,047,376)**	**(2,100,298)**

Non-cash financing and investing activities

As a result of adopting AASB 16 effective from 1 July 2019, right of use assets additions for the year amounted to $572,409. No other non-cash financing and investing activities noted during the year ended 30 June 2020.

19. Financial instruments

Financial risk management

The Group's 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 and borrowings. Term deposits and current accounts and borrowings 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 or 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) $
2020	
Increase in interest rate by 100 basis points	(97,963)
Decrease in interest rate by 100 basis points	97,963
2019	
Increase in interest rate by 100 basis points	(6,606)
Decrease in interest rate by 100 basis points	(84,705)

Notes to the Consolidated Financial Statements

19. Financial instruments (continued)

(b) Market risk

(ii) Interest Rate Risk

The Group's only interest rate risk arises from cash and cash equivalents and borrowings. Term deposits and current accounts and borrowings 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 or 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) $
2020	
Increase in interest rate by 100 basis points	(97,963)
Decrease in interest rate by 100 basis points	97,963
2019	
Increase in interest rate by 100 basis points	(6,606)
Decrease in interest rate by 100 basis points	(84,705)

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

(iii) Foreign exchange risk

The Group operated pre-dominantly in Australia in the year ended 30 June 2020 and had minimal exposure to foreign exchange risk.

The previous activities of Search Resources and its US subsidiary Lynx Resources (US), Inc. exposed the Group to foreign exchange risk as a result of the expenditure requirements on the Joint Venture Projects acquired. Lynx Resources (US), Inc. was dissolved in the prior year, thus the Group is no longer exposed to foreign exchange risk.

(c) 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:

	2020 $	2019 $
Cash and cash equivalents AA-	6,014,142	8,131,090
Total	6,014,142	8,131,090

Notes to the Consolidated Financial Statements

19. Financial instruments (continued)

(c) Maturity analysis of financial assets and 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.

2020 Contractual maturities of financial liabilities	Less than 6 months	1 year or less	Over 1 to 5 years	More than 5 years	Over 5 years	Total contractual cash flows	Carrying amount of liabilities
Financial liabilities							
Trade payables	408,488	-	-	-	-	408,488	408,488
Other payables	212,658	-	-	-	-	212,658	212,658
Lease liabilities	-	74,721	432,320	-	-	507,041	507,041
Borrowing	-	-	-	-	10,258,649	10,258,649	10,258,649
Total financial liabilities	**621,146**	**74,721**	**432,320**	**-**	**10,258,649**	**10,879,795**	**10,879,795**

2019 Contractual maturities of financial liabilities	Less than 6 months	1 year or less	Over 1 to 5 years	More than 5 years	Over 5 years	Total contractual cash flows	Carrying amount of liabilities
Financial liabilities							
Trade payables	1,612,488	-	-	-	-	1,612,488	1,612,488
Other payables	283,949	-	-	-	-	283,949	283,949
Borrowing	-	-	-	-	3,110,883	3,110,883	3,110,883
Total financial liabilities	**1,896,37**	**-**	**-**	**-**	**3,110,883**	**5,007,320**	**5,007,320**

Notes to the Consolidated Financial Statements

20. 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 operated one segment in the financial year 2020 which was mineral exploration within Australia, and one segment in the financial year 2019 which was mineral exploration within Australia. 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.

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.

	Continuing operations		
30 June 2020 **Segment performance**	**Exploration Australia** **$**	**Unallocated** **$**	**Total** **$**
Profit/(loss) before income tax	**(21,192)**	**(2,243,062)**	**(2,264,254)**
Segment assets			
Cash	102,885	5,911,257	6,014,142
Exploration and evaluation	21,825,004	-	21,825,004
Other	93,153	513,039	606,192
Total segment assets	**22,021,042**	**6,424,296**	**28,445,338**
Segment liabilities			
Trade payables	(81)	(408,407)	(408,488)
Other	(10,281,365)	(958,558)	(11,239,923)
Total segment liabilities	**(10,281,445)**	**(1,366,965)**	**(11,648,411)**

Notes to the Consolidated Financial Statements

20. Operating segments (continued)

	Continuing operations		
30 June 2019 Segment performance	**Exploration Australia $**	**Unallocated $**	**Total $**
Profit/(loss) before income tax	**(1,743,178)**	**(2,054,868)**	**(3,798,046)**
Segment assets			
Cash	143,693	7,987,397	8,131,090
Exploration and evaluation	13,493,270	-	13,493,270
Other	1,514,219	212,092	1,726,311
Total segment assets	**15,151,182**	**8,199,488**	**23,350,670**
Segment liabilities			
Trade payables	(1,612,488)	-	(1,612,488)
Other	(3,110,883)	(441,165)	(3,552,048)
Total segment liabilities	**(4,723,371)**	**(441,165)**	**(5,164,536)**

21. Share based payments

(a) Employee share option scheme

The establishment of the Employee Share Option Scheme was approved by the board of directors on 26 November 2015. 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.

(b) Options in existence during the year

The following share-based payment arrangements to Directors and employees existed at 30 June 2020. 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.

Tranche	Number	Grant Date	Expiry Date	Fair Value at Grant Date	Vesting Date
C	5,000,000	12 Apr 2019	12 Apr 2022	$147,800	-
D	5,000,000	12 Apr 2019	12 Apr 2022	$110,125	-
E	6,072,302	10 Jun 2019	10 Jun 2022	$197,847	-
	16,072,302			**$455,772**	

There has been no alterations of the terms and conditions of the above share-based payment arrangement since grant date.

Notes to the Consolidated Financial Statements

21. Share based payments (continued)

The following table illustrates the number and weighted average exercise prices of and movements in share options issued during the year:

	2020		2019	
	Number	**Weighted Average Exercise Price $**	**Number**	**Weighted Average Exercise Price $**
Outstanding at the beginning of the year	29,922,302	0.14	15,350,000	0.08
Granted to Advisors during the year (Tranche C & D)	-	-	10,000,000	0.16
Granted as part of consideration paid for the acquisition of Souwest (Tranche E)	-	-	6,072,302	
Forfeited during the year	-	-	-	-
Exercised during the year	(12,250,000)	-	-	-
Expired during the year	(1,400,000)	-	(1,500,000)	0.24
Outstanding at the end of year	16,072,302	(0.16)	29,922,302	0.14
Exercisable at the end of year	16,072,302	(0.16)	29,922,302	0.14

The fair value of the equity settled share options granted under the option plan is estimated as at the date of the grant using the Black-Scholes model taking into account the terms and conditions upon which the options were granted.

	Tranche C	**Tranche D**	**Tranche E**
Dividend yield (%)	-	-	-
Expected volatility (%)	60%	60%	60%
Risk-free interest rate (%)	1.95%	1.95%	1.95%
Expected lift of option (years)	3	3	3
Exercise price (cents)	$0.150	$0.200	$0.124
Fair value per option	$0.0296	$0.022	$0.0326

The expected life of the options is based on historical data and is not necessarily indicative of exercise patters that may occur. The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may also not necessarily be the actual outcome. No other features of options granted were incorporated into the measurement of fair value.

Performance Rights

Performance rights granted during the year as share based payments are as follows:

Tranche	**Class of Securities**	**Grant Date**	**Number of Securities**	**Exercise Price**	**Expiry Date**	**Vesting Date**	**Disposal Restriction**
A	Director performance rights	26 Nov 2019	1,807,382	Nil – convert to ordinary shares on achievement of performance conditions	30 Nov 2022	30 Nov 2021	Non-transferable
B	Employee performance rights	26 Nov 2019	631,579	Nil – convert to ordinary shares on achievement of performance conditions	30 Nov 2022	30 Nov 2021	Non-transferable
C	Employee performance rights	18 June 2020	312,796	Nil – convert to ordinary shares on achievement of performance conditions	18 June 2022	30 June 2021	Non-transferable

Notes to the Consolidated Financial Statements

21. Share based payments (continued)

The Rights shall vest on the later to occur of:

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

The Rights will vest to the extent the volume weighted average price of Shares during the period between 1 December 2019 and 30 November 2020 meet the following hurdles:

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

* The 20-day volume weighted average price of Shares up to 26 November 2019 (date prior to the allotment of the Performance Rights) was $0.082.

(b) the holder completing continuous service with the Company for two (2) years from the date of allotment of the Performance Rights; and

(c) the date that the holder gives a notice to the Company confirming that the holder would like the Performance Rights to vest.

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

Tranche	Dividend Yield	Valuation Date	Expected Volatility	Risk-Free Interest Rate	Expiry	Underlying Share Price	Value per Right ($)	Total Fair Value ($)
A	-	26 Nov 2019	50%	0.73%	30 Nov 2022	$0.082	0.019	34,340
B	-	26 Nov 2019	50%	0.73%	30 Nov 2022	$0.082	0.019	12,000
C	-	18 June 2020	60%	0.25%	18 June 2022	$0.12	$0.04	12,512

Expenses arising from share-based payment transactions

Total expenses arising from share-based payment transactions recognised during the year as part of share-based expense were as follows:

	2020 $	2019 $
Performance rights issued to directors and employees	76,796	22,876
	76,796	**22,876**

Notes to the Consolidated Financial Statements

22. 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.

	Wirraway 2020 $	Yarawindah 2020 $	Opis 2020 $	Wirraway 2019 $	Yarawindah 2019 $	Opis 2019 $
Exploration expenditure commitments						
Payable:						
Not later than 12 months	1,867,984	78,408	413,644	1,811,944	68,230	293,454
Between 12 months and 5 years	3,409,841	125,947	230,054	3,716,013	188,425	457,467
Greater than 5 years	1,129,221	-	-	1,278,520	-	-
	6,407,046	**204,355**	**643,698**	**6,806,477**	**256,655**	**750,921**

The Company exercised the option to earn an 80% interest in the Yarawindah Project (via acquiring Souwest Metals Pty Ltd) in the prior year.

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.

(b) Other commitments and contingencies

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). This amount payable has not been recognised as a liability in the Statement of Financial Position as production has yet to commence and the Company is currently completing a Further Scoping Study in respect of the West Musgrave Project.

The Group has the following contingent liabilities in respect of the acquisition of its Yarawindah Project:

- A 2% net smelter royalty is payable by the Group on the net proceeds from future production from the tenements within the Yarawindah project.

Scheme of Arrangement between OZ Minerals and Cassini

On 22 June 2020, the Group announced it had entered into a scheme implementation deed ("**Acquisition SID**") pursuant to which OZ Minerals ("**OZL**") proposed to acquire Cassini via a scheme of arrangement, consolidating OZ Minerals' ownership of the West Musgrave project to 100%. This was subject to a number of conditions including Court approval for the convening of the shareholder meeting bv the end of July 2020, shareholder approval of the scheme of arrangement by the end of September, and Court approval of the scheme of arrangement by the end of September.

Acquisition Scheme

Under the scheme of arrangement, OZ Minerals will, subject to the satisfaction of various conditions, acquire all of the issued and to be issued share capital of Cassini ("**Acquisition Scheme**").

Cassini shareholders will receive consideration with an implied value of A$0.15 per share comprised of one new OZL share for every 68.5 CZI shares held.

22. Commitments and contingent liabilities (continued)

The Acquisition Scheme will result in OZ Minerals consolidating 100% ownership of West Musgrave and surrounding tenements including One Tree Hill and Succoth, enhancing optionality regarding the optimal development approach, timing and funding for the West Musgrave Project.

The Acquisition SID sets out the detailed provisions relating to the implementation of the Acquisition Scheme, including the break fee of A$760,000 payable to Cassini to OZ Minerals in certain circumstances, including where the board of Cassini alters or modifies its recommendation to vote in favour of all resolutions required to the effect of the transaction. Further details to the Acquisition Scheme is set out in the Acquisition Scheme booklet which was released in late August 2020, subsequent to the financial year-end.

Demerger Scheme

In connection with the Acquisition Scheme, Cassini would also undertake an inter-conditional demerger scheme of arrangement ("**Demerger Scheme**") to demerge its Yarawindah Brook and Mount Squires assets into a new company, Caspin Resources Limited ("**Caspin**") which intends to apply to list on the ASX.

Cassini and Caspin have entered into a separate scheme of implementation deed ("**Demerger SID**") under which Cassini will, subject to various conditions, demerge its Yarawindah Brook and Mount Squires assets via a pro rata distribution of Caspin shares, allowing Cassini shareholders to retain full exposure to the value and upside of these assets in a new vehicle which intends to apply for listing on the Australian Securities Exchange ("**ASX**"). Under the Demerger Scheme, Cassini shareholders are currently anticipate to receive one 1 share in Caspin for every 22 Cassini shares they hold and a A$0.01 per share cash capital return. The capital reduction to effect the demerger required Cassini's shareholder approval, and certain other items necessary to prepare Caspin for its application for listing on the ASX may also be put to Cassini shareholders for approval.

The key details of Caspin are summarised below:

- A new exploration focused company;
- Owns 100% of the Mount Squires project which holds a number of prospective gold targets, and 80% of the Yarawindah Brook project which is an exciting nickel-copper-PGE opportunity;
- Owns the right to the Contingent Consideration (set out below); and
- A$0.5 million in cash on implementation of the Demerger Scheme.

More information in relation to the Demerger Scheme, the Demerger SID, the capital reduction, Caspin and any other resolutions in relation to Caspin is set out in the Demerger Scheme booklet which was released in late August 2020, subsequent to the financial year-end. The Acquisition Scheme and Demerger Scheme will be inter-conditional and completed in conjunction with a capital reduction to effect the demerger (the "**Transaction**").

Contingent Consideration

In addition, OZ Minerals and Caspin have entered into a deed ("**Contingent Payment Deed**") which provides for the potential payment by OZ Minerals to Caspin of additional consideration in two potential scenarios ("**Contingent Consideration**").

1. ***The First Scenario*** – if OZ Minerals disposes of 30% or more of its interest in the West Musgrave project within 10 years following the Acquisition Scheme becoming effective and the sale price implies a value for 30% of West Musgrave equal to or greater than A$76 million ("**Implied Value**"), OZ Minerals will pay Caspin Contingent Consideration of A$10 million, plus up to a further A$10 million payable at a rate of A$0.20 for each dollar of value exceeding the Implied Value. If OZ Minerals sells less than a 30% interest, the Contingent Consideration shall be calculated on a pro-rate basis (ie. If 15% is sold, the Contingent Consideration will be 50% of the amount payable for a sale of 30% or more).
2. ***The Second Scenario*** – if OZ Minerals sells 30% or more of the contained nickel at West Musgrave to a strategic party, it will pay an amount of A$10 million to Caspin. If OZ Minerals sells less than 30 % of the contained nickel, the Contingent Consideration shall be calculated based on a pro-rate basis (i.e. if 15% is sold, the Contingent Consideration will be 50% of the A$10 million).

The Contingent Consideration is capped at A$20 million. This will mean the payment will be limited to A$10 million if there is a disposal of 30% or more of the contained nickel (and nil disposal of interest in the project), or a payment of up to A$20 million in any other case (i.e. disposal of an interest in the project or a combination of both scenarios).

Notes to the Consolidated Financial Statements

22. Commitments and contingent liabilities (continued)

Indicative Timetable

The Acquisition Scheme and the Demerger Scheme were subject to shareholder approval, which were obtained at meetings held on 21 September 2020.

Advisors

Cassini has appointed Sternship Advisers and ICA Partners as financial advisers and Thomson Geer as legal adviser in relation to the scheme of arrangement transaction with OZ Minerals.

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

23. 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.

	2020		2019		
	Country of Incorporation	% Equity Interest	Country of Incorporation	% Equity Interest	Principal Activity
Search Resources Limited	Australia	100	Australia	100	Holding Co.
Wirraway Metals & Mining Pty Ltd	Australia	100	Australia	100	Operating subsidiary
Crossbow Resources Pty Ltd	Australia	100	Australia	100	Operating subsidiary
Opis Resources Pty Ltd	Australia	100	Australia	100	Operating subsidiary
Salvado Resources Pty Ltd	Australia	100	Australia	100	Operating subsidiary
Souwest Metals Pty Ltd	Australia	80	Australia	80	Operating subsidiary
Caspin Resources Limited	Australia	100	-	-	Subsidiary

(c) Key management personnel compensation

	2020 **$**	2019 $
Short-term employee benefits	749,707	751,614
Post-employment long term benefits	31,036	24,001
Long term benefits (annual leave and long service leave)	146,940	10,022
Share based payments	58,495	17,345
Total	**986,179**	**802,983**

(d) Other transactions to/from related parties

Grange Consulting Group Pty Ltd, of which Philip Warren is a Director, received $201,008 excluding GST (2019: $136,920) during the year for financial services, company secretarial work and corporate advisory services. These services are provided on normal commercial terms and at arm's length. As at 30 June 2020, $36,233 excluding GST (2019: $13,768) remained outstanding. Western Mining Services Pty Ltd, a company associated with Dr Jon Hronsky, received $49,300 excluding GST (2019: $21,000) in fees during the period for geological consulting services provided to the Company, with $nil payable as at 30 June 2020 (2019: $nil).

There were no other related party payments during the year.

These amounts above are disclosed fully in the director remuneration table in the directors' report.

Notes to the Consolidated Financial Statements

24. Events after the reporting date

Date	Details
21 July 2020	**New Target at Yarawindah Project** Two diamond drill holes were completed at Ovis Prospect with further encouraging results that support new project-scale geological interpretation. In addition, new target areas were also identified with little to no previous exploration.
12 August 2020	**Court Orders Convening of Scheme Meetings** Supreme Court of Western Australia approved the despatch of the Acquisition Scheme Booklet and Demerger Scheme Booklet. The independent expert concluded the Acquisition Scheme and Demerger Scheme are fair and reasonable and in the best interest of Cassini shareholders. The Directors unanimously recommend that shareholders vote in favour of the Acquisition Scheme and the Demerge Scheme.
13 August 2020	**Registration of Acquisition Scheme Booklet and Demerger Scheme Booklet** Acquisition Scheme Booklet and Demerger Scheme Booklet now registered with the Australian Securities and Investments Commission (ASIC). The Scheme Booklets are also available online, and the Scheme meetings to be held in person and online on 21 September 2020.
13 August 2020	**Option Exercise and Cleansing Notice** The Company advises that 2.5 million shares have been issued following the exercise of 2.5 million options ($0.015, 12/04/2022) raising $375,000.
17 August 2020	**Dispatch of Scheme Booklets** Acquisition Scheme Booklet and Demerger Scheme Booklet have been dispatched to shareholders, and also available online. The Scheme meetings to be held in person and online on 21 September 2020.
8 September 2020	**Correction to Scheme Implementation Deed** Cassini and OZ Minerals have agreed to vary the Scheme Implementation Deed dated 21 June 2020 (SID) to correct a typographical error, being that the reference to “Cassini”, instead of “OZ Minerals”.
15 September 2020	**Option Exercise and Cleansing Notice** The Company advises that 8,572,302 shares have been issued following the exercise of 2.5 million CZIOP4 unlisted options ($0.15 with an expiry date 12 April 2022), and 6,072,302 CZIOP6 unlisted options ($0.1235 with and an expiry date 10 June 2022), raising a total of $1,124,929.
18 September 2020	**Notification of Cash Return of Capital** The Company announced cash return of capital amount of AUD 0.01 per security, based security number on a record date on 28 September 2020, and cash payment to be made on 2 October 2020. The cash return of capital is subject to shareholder approval on 21 September 2020.
18 September 2020	**Appendix 3A.5 – Notification of return of capital by way of in specie distribution of securities in another entity.** The Company notified the return of capital by way of distribution of securities in Caspin Resources Limited subject to shareholder approval on the demerger scheme of arrangement on 21 September 2020.
21 September 2020	**Outcome of Scheme Meeting and General Meeting** The Company announced that the Acquisition Scheme and Demerger Scheme were approved by shareholders pursuant to which it is proposed that: • OZ Minerals will acquire 100% of the shares in Cassini (Acquisition Scheme); and • Caspin Resources Limited (Caspin), a wholly owned subsidiary of Cassini, will be demerged from Cassini by way of a capital reduction which will result in 100% of the shares in Caspin being distributed to Cassini shareholders (Demerger Scheme). In addition, the Company also announced that following shareholder approval, Cassini’s share capital will be reduced on the implementation date for the Demerger Scheme and returned to

Date	Details
	Cassini shareholders (Capital Reduction). The Acquisition Scheme and the Demerger Scheme are conditional on the Capital Reduction being approved by shareholders. Although Cassini shareholder approval has been obtained, the Scheme remain subject to a number of conditions as set out in the Acquisition Scheme Implementation Deed and Demerger Implementation Deed, including: • The Supreme Court of Western Australia approving the Scheme (Second Court Hearing); • The independent expert continuing to conclude that the Schemes are in the best interests of shareholders; and • The satisfaction or waiver of any remaining conditions prior to the Second Court Hearing. Subject to these remaining conditions being satisfied or waived, implementation of the Schemes is expected to occur in early October 2020.
22 September 2020	**Proxy Results for scheme Meetings and General Meeting** All resolutions were carried.
23 September 2020	**Court Approved Schemes** The Company announced that the Supreme Court of Western Australia (Court) has today approving the proposed schemes of arrangement pursuant to which it is proposed that: • OZ Minerals will acquire 100% of the shares in Cassini (Acquisition Scheme); and • Caspin Resources Limited (Caspin), a wholly owned subsidiary of Cassini, will be demerged from Cassini by way of a capital reduction which will result in 100% of the shares in Caspin being distributed to Cassini shareholders (Demerger Scheme). The Schemes will become legally effective upon lodgment of the Court Orders with the Australian Securities and Investment Commission (ASIC) which is expected to be lodged on 24 September 2020.
24 September 2020	**Schemes of Arrangement become Effective** The Company announced that the Court Orders were lodged with ASIC and the Acquisition Scheme and Demerger scheme became legally effective.

The Company entered into a Scheme Implementation Deed with OZ Minerals on 22 June 2020 in respect of a scheme of arrangement pursuant to which OZ Minerals will acquire 100% of the shares in Cassini (**Acquisition Scheme**). The Company also entered into a Scheme Implementation Deed with Caspin Resources Limited in respect of a scheme of arrangement pursuant to which Caspin Resources Limited (**Caspin**), a wholly owned subsidiary of Cassini, will be demerged from Cassini by way of a capital reduction which will result in 100% of the shares in Caspin being distributed to Cassini shareholders (**Demerger Scheme**). The schemes of arrangement were subject to various conditions, including First Court approval which was received in mid-August 2020, and shareholder approval which was received at the Scheme Meetings and General Meeting held on 21 September 2020. The Acquisition Scheme and Demerger Scheme were approved by the Court on 23 September 2020 and became effective on 24 September 2020. Implementation of the Demerger Scheme and Acquisition Scheme are expected to occur on 2 October 2020 and 5 October 2020 (respectively).

The impact of the Coronavirus (COVID-19) pandemic is ongoing and while it has not had a significant impact on the consolidated entity up to 30 June 2020, it is not practicable to estimate the potential impact, positive or negative, after the reporting date. The situation is rapidly developing and is dependent on measures imposed by the Australian Government and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

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

Notes to the Consolidated Financial Statements

25. Auditor's remuneration

	2020 $	2019 $
Audit Services		
Amounts received or due and receivable by BDO Audit (WA) Pty Ltd		
- An audit and review of the financial reports of the Group (including subsidiaries)	**42,328**	**46,831**
Non-Audit Services	-	-
Total remuneration for non-audit services	-	-

26. Non-Controlling Interest

Set out below is summarised of financial information of each subsidiary that has non-controlling interests that are material to the group. The amounts disclosed for each subsidiary are before inter-company eliminations.

Cassini completed the acquisition of an 80% interest in the Yarawindah Brook Project in Western Australia by acquiring 80% of the issued capital of Souwest Metals Pty Ltd ("Souwest") on 7 June 2019.

	Souwest Metals Pty Ltd	
Summarised of financial position	**2020 $**	2019 $
Current assets	102	102
Non-current assets	622,411	622,411
Total assets	622,513	622,513
Current liabilities		
Non-current liabilities	204	204
Total liabilities	204	204
Net assets	**622,309**	**622,309**
Accumulated NCI	124,462	124,462

Summarised of statement of comprehensive income	**2020 $**	2019 $
Revenue	-	-
Profit for the period	-	-
Other comprehensive income	-	-
Total other comprehensive income	-	-
Profit allocated to NCI	-	-
Dividend paid to NCI	-	-

Summarised cash flows	**2020 $**	2019 $
Cash flows from operating activities	-	-
Cash flows from investing activities	(204)	(204)
Cash flows from financing activities	204	204
Net increase/(decrease) in cash and cash equivalent	-	-

Notes to the Consolidated Financial Statements

27. Parent entity information

The following details information related to the parent entity, Cassini Resources Limited, as at 30 June 2020. The information presented here has been prepared using consistent accounting policies as presented in Note 1.

	2020 **$**	2019 $
Current assets	5,933,201	8,198,543
Non-current assets	12,230,692	6,992,104
Total assets	18,163,893	15,190,648
Current liabilities	934,950	2,053,572
Non-current liabilities	432,015	-
Total liabilities	1,366,965	2,053,572
Contributed equity	39,552,259	38,731,611
Accumulated losses	(22,262,965)	(25,047,873)
Share issue costs	(2,285,411)	(2,262,911)
Option reserve	1,793,045	1,716,248
Total equity	16,796,927	13,137,075
Loss after income tax	(7,445,519)	(2,054,868)
Other comprehensive income/ (loss) for the period	-	-
Total comprehensive loss for the period	(7,445,519)	(2,054,868)

Guarantees

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

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 2020 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 C*orporations 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
29 September 2020