



Cassini Resources (ASX: CZI)

Cassini Resources to Advance Exploration Portfolio

Attracting a senior Joint Venture partner to participate in development of a project is always a good sign that said project has potential.

KEEPING THAT SENIOR JV PARTNER interested, invariably means the project is living up to its expectations.

Cassini Resources (ASX: CZI) and its JV partner, OZ Minerals (ASX: OZL), recently completed a Further Scoping Study (FSS) on the West Musgrave Joint Venture Project (WMJV) in Western Australia.

Completion of the FSS moved to the commencement of a Pre-Feasibility Study of the development of the project's Nebo Babel deposits as well as exploration work in the broader project area.

The FSS increased the scale of the project, delivering a range of possibilities beyond what had been originally contemplated.

The study delivered an initial eight years of mine life with a view to increasing this to beyond 15 years.

A subsequent regional exploration program at the West Musgrave is charged with expanding the current understanding of the mineralisation at One Tree Hill and the Succoth copper deposit, with the goal of establishing a multi-decade mining operation.

Cassini is playing its part by electing OZ Minerals to manage the PFS.

Under the terms of the current Earn-in Agreement, OZ Minerals has the right to earn up to a 70 per cent interest in the West Musgrave project by funding a minimum expenditure of \$36 million over a maximum period of 3.5 years to complete the study work required to reach a decision to mine.

This occurs through three milestones, the initial milestone having already been met through the successful completion of the Further Scoping Study.

The next milestone of the Earn-in is a contribution of \$19 million to a PFS within an 18-month period to earn a 51 per cent interest.

When this is completed, OZ Minerals may elect to progress to the final Joint Venture stage of the agreement where it can earn an additional 19 per cent interest (taking its total to 70%) by contributing a further \$14 million to complete a Definitive Feasibility Study.

Cassini has a free carry interest of 30 per cent up to the completion of the minimum spend requirements (\$36M) and then a loan carry to production cash flow if the amount required to complete a DFS exceeds the minimum spend.

"This year our goal is to continue to add value to the West Musgrave—and the way that will be done is through our regional exploration program," Cassini Resources managing director Richard Bevan told *The Resources Roadhouse*.

"That is more likely to add value to the project in the short term."

The OZ Minerals Joint Venture provides Cassini with up to \$8 million in funded exploration over the

next two years, with field programs commencing around March this year.

The company realises that as a minority partner in a developing asset, it needs to avoid falling into the trap of being seen to be sitting on its hands instead of breaking new ground and making new discoveries.

"We want to compliment the work being carried out at the West Musgrave JV with an aggressive exploration strategy," Bevan explained.

"One that will add value to the project and will also provide Cassini-focused news flow and allow us to progress some of these other projects we have in the pipeline."

Cassini has been developing the 100 per cent-owned Mount Squires project over the past 12 to 18 months, where it has consolidated tenements with several prospective gold targets that include a range of conceptual to advanced prospects.

Heritage surveys completed at Mount Squires have cleared priority targets for reconnaissance drilling and regional geochemistry sampling.

Cassini has all necessary approvals to commence exploration and is currently finalising programs.





Previous owners carried out limited drilling of identified gold prospects, which led to the discovery of mineralisation at the Handpump prospect, producing intercepts of:

15 metres at 2.3 grams per tonne gold from 31m, including 5m at 4.7g/t gold from 34m and 12m at 1.3g/t gold, including 5m at 2g/t gold from 25m.

Only 26 RC holes were drilled, and mineralisation remains open in most directions, however, Cassini considers the thickness and tenor of gold mineralisation demonstrates the economic potential of the project.

At the 100 per cent-owned West Arunta project, Cassini is targeting large-scale, sedimentary zinc-lead mineralisation, like that found in Mt Isa deposits.

West Arunta is a base and precious metals target, located in an underexplored region near Lake McKay in Western Australia.

Cassini will be conducting an aerial EM survey during its 2018 field season over the prospective Dione Horizon and Janus gravity anomaly to assist with mapping the regolith profile and to identify base metal mineralisation.

The company will utilise funding through the WA Government Exploration Incentive Scheme to co-fund drilling at the Janus gravity anomaly, which it plans to complete by the end of June 2018.

“We haven’t been talking about these projects in the past 12 months, because we have been so focused on the West Musgrave JV,” Bevan said.

“Now that we are not managing the WMJV, we are in the position of managing our exploration programs and can start to progress our other projects.

“Because they are early-stage projects, we can quickly progress them along to the next technical milestones to determine whether there is something there worth following up or not.

“At this stage they all look very interesting and are all in good commodities, including gold and zinc, so it will be good to get out and do some work on them.”

Cassini showed just how serious it is about actively identifying and reviewing new exploration and development opportunities to complement its existing portfolio by entering an option agreement to earn into the Yarawindah Brook nickel-copper-cobalt project in WA.

The deal was done through private company Souwest Metals Pty Ltd, a company associated with Kalgoorlie prospector Scott Wilson.

Yarawindah Brook is located 130 kilometres northeast of Perth, near the township of New Norcia.

The project has been subjected

to limited nickel, copper and cobalt exploration despite being in a favourable regional setting, prospective geology and near-surface occurrences of nickel and copper.

Historic exploration has focussed primarily on a small platinum and palladium (PGEs) resource, which Cassini views as a ‘path-finder’ anomaly for massive nickel-copper-cobalt sulphides.

The most recent drilling was completed in 2007 and targeted surface EM anomalies.

This returned encouraging results from hole YWRC0083, including:

7m at 1.3 per cent nickel, 0.22 per cent copper, 0.06 per cent cobalt and 432ppb palladium from 74m.

No further follow-up drilling was conducted due to budget limitations of the previous operator during the exploration downturn post-GFC.

Importantly, the Yarawindah Brook project is located adjacent to roads and power, providing development advantages if exploration proves successful.

“We have learned a lot about nickel-copper systems from the work we have carried out on the West Musgrave project,” Bevan said.

“That makes Yarawindah Brook an excellent opportunity for us to apply that geological expertise we have developed to an apparently similar mineralised system that has undergone only limited modern exploration.

“The project gives us further exposure to nickel, copper and cobalt, three critical components of the burgeoning advanced battery technology minerals sector.”

The Short Story

CASSINI RESOURCES LIMITED (ASX: CZI)

HEAD OFFICE

10 Richardson Street
West Perth WA 6005

Phone: +61 8 6164 8900

Email: admin@cassiniresources.com.au

Web: www.cassiniresources.com.au

DIRECTORS

Mike Young, Richard Bevan,
Dr Jon Hronsky, Phil Warren, Greg Miles