

**CASSIUS VENTURES LTD.**

Unaudited Condensed Interim Consolidated Financial Statements

For the Nine Months Ended July 31, 2015 and 2014

(Expressed in Canadian dollars)

**NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS**

The accompanying unaudited condensed interim financial statements of Cassius Ventures Ltd. (“the Company”) have been prepared by and are the responsibility of the Company’s management.

The Company’s independent auditor has not performed a review of these condensed interim financial statements in accordance with the standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity’s auditor.

**CASSIUS VENTURES LTD.**Consolidated Statements of Financial Position (Unaudited)  
(Expressed in Canadian Dollars)

	July 31, 2015	October 31, 2014
<b>Assets</b>		
Current assets		
Cash	\$ 2,608	\$ 60,995
Amounts Receivable	91	1,730
Prepaid expenses	4,917	5,685
<b>TOTAL ASSETS</b>	<b>\$ 7,616</b>	<b>\$ 68,410</b>
<b>Liabilities</b>		
Current Liabilities		
Accounts payable and accrued liabilities	\$ 25,848	\$ 1,125,034
Due to related parties (Note 8)	59,278	61,176
Promissory Notes (Note 5)	57,000	-
<b>TOTAL LIABILITIES</b>	<b>142,126</b>	<b>1,186,210</b>
<b>Shareholders' Deficit</b>		
Share capital	5,968,027	5,968,027
Contributed surplus	268,467	267,136
Deficit	(6,371,004)	(7,352,963)
Total Shareholders' Deficit	(134,510)	(1,117,800)
<b>TOTAL LIABILITIES AND SHAREHOLDERS' DEFICIT</b>	<b>\$ 7,616</b>	<b>\$ 68,410</b>

Nature of operations and continuation of business (Note 1)

Approved for Issuance by the Board of Directors:

<i>"John A. Thomas"</i>	Director
<i>"Robert Atkinson"</i>	Director

(The accompanying notes are an integral part of these unaudited consolidated financial statements)

**CASSIUS VENTURES LTD.**

Consolidated Statements of Loss and Comprehensive Loss (Unaudited)  
For the Three and Nine months ended July 31, 2015 and 2014  
(Expressed in Canadian Dollars)

	<b>Three months ended July 31, 2015</b>	Three months ended July 31, 2014	<b>Nine months ended July 31, 2015</b>	Nine months ended July 31, 2014
<b>Operating Expense</b>				
Exploration expenditures	-	42,139	<b>359,248</b>	187,485
Foreign exchange loss (gain)	-	(4,150)	<b>125,042</b>	(3,597)
Office and general (Note 8)	<b>3,463</b>	7,714	<b>11,505</b>	19,228
Professional fees	-	834	<b>8,605</b>	6,527
Share-based payments (Notes 7 and 8)	<b>1,088</b>	-	<b>1,331</b>	-
Transfer agent and regulatory	<b>3,172</b>	5,379	<b>17,009</b>	15,064
<b>Net loss from operations</b>	<b>(7,723)</b>	(51,916)	<b>(522,740)</b>	(224,707)
Interest income (expense)	<b>(1,006)</b>	-	<b>(1,746)</b>	54
Gain on sale of Nueva Segovia Mining S.A. (Note 4)	-	76,317	-	76,317
Gain on sale of Fortress de Nicaragua S.A. (Note 4)	-	-	<b>1,506,445</b>	-
<b>Net income (loss) before income taxes</b>	<b>(8,729)</b>	24,401	<b>981,959</b>	(148,336)
Deferred Income tax expense	-	(8,014)	-	(8,512)
<b>Net income (loss) and comprehensive income (loss) for the period</b>	<b>\$ (8,729)</b>	\$ 16,387	<b>\$ 981,959</b>	\$ (156,848)
<b>Earnings (Loss) per common share - basic and diluted</b>	<b>\$ (0.00)</b>	\$ 0.00	<b>\$ 0.10</b>	\$ (0.03)
<b>Weighted average number of common shares outstanding</b>	<b>10,217,248</b>	6,687,865	<b>10,217,248</b>	4,981,945

(The accompanying notes are an integral part of these unaudited consolidated financial statements)

**CASSIUS VENTURES LTD.**

Consolidated Statements of Changes in Equity (Unaudited)  
For the Nine Months Ended July 31, 2015 and 2014  
(Expressed in Canadian Dollars)

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	Share capital		Contributed Surplus	Deficit	Total equity
	Number of shares	Amount			
<b>Balance - October 31, 2014</b>	<b>10,217,248</b>	<b>\$ 5,968,027</b>	<b>\$ 267,136</b>	<b>\$ (7,352,963)</b>	<b>\$ (1,117,800)</b>
Share based payments	-	-	1,331	-	1,331
Net income for the period	-	-	-	981,959	981,959
<b>Balance - July 31, 2015</b>	<b>10,217,248</b>	<b>\$ 5,968,027</b>	<b>\$ 268,467</b>	<b>\$ (6,371,004)</b>	<b>\$ (134,510)</b>

	Share capital		Contributed Surplus	Deficit	Total equity
	Number of shares	Amount			
<b>Balance - October 31, 2013</b>	<b>4,114,848</b>	<b>\$ 5,668,005</b>	<b>\$ 267,136</b>	<b>\$ (2,398,583)</b>	<b>\$ 3,536,558</b>
Net loss for the period	-	-	-	(156,848)	(156,848)
Private placement	5,202,400	260,120	-	-	260,120
Share issue costs	-	(4,920)	-	-	(4,920)
<b>Balance - July 31, 2014</b>	<b>9,317,248</b>	<b>\$ 5,923,205</b>	<b>\$ 267,136</b>	<b>\$ (2,555,431)</b>	<b>\$ 3,634,910</b>

(The accompanying notes are an integral part of these unaudited consolidated financial statements)

## CASSIUS VENTURES LTD.

Consolidated Statements of Cash Flows (Unaudited)  
For the Three and Nine Months Ended July 31, 2015 and 2014  
(Expressed in Canadian Dollars)

	Three months ended July 31, 2015	Three months ended July 31, 2014	Nine months ended July 31, 2015	Nine months ended July 31, 2014
<b>Operating activities</b>				
Net income (loss) for the period	\$ (8,729)	\$ 16,387	\$ 981,959	\$ (156,848)
Items not involving cash:				
Deferred income tax expense	-	8,014	-	8,512
Share-based payments	1,088	-	1,331	-
Gain from sale of Nueva Segovia Mining S.A.	-	(76,317)	-	(76,317)
Gain from sale of Fortress de Nicaragua S.A.	-	-	(1,506,445)	-
Net changes in non-cash working capital balances:				
Prepaid expenses	4,051	3,736	768	(3,143)
Amounts receivable	1,140	(688)	1,639	(772)
Accounts payable and accrued liabilities	(1,022)	93,936	407,259	223,365
Due to related parties	653	(124,291)	(1,898)	(117,476)
Net cash used in operating activities	(2,819)	(79,223)	(115,387)	(122,679)
<b>Investing activities</b>				
Redemption of GIC	-	-	-	5,750
Mineral property expenditures	-	(79,268)	-	(101,854)
Net cash used in investing activities	-	(79,268)	-	(96,104)
<b>Financing activities</b>				
Private placement, net of share issuance costs	-	255,200	-	255,200
Promissory notes, gross proceeds received	-	-	57,000	-
Net cash provided in financing activities	-	255,200	57,000	255,200
Change in cash during the period	(2,819)	96,709	(58,387)	36,417
Cash, beginning of period	5,427	5,393	60,995	65,685
<b>Cash, end of period</b>	<b>\$ 2,608</b>	<b>\$ 102,102</b>	<b>\$ 2,608</b>	<b>\$ 102,102</b>
<b>Non-cash investing and financing activities</b>				
Equipment amortization capitalized in mineral properties	\$ -	\$ 6,405	\$ -	\$ 10,253
Mineral property expenditures in accounts payable	\$ -	\$ 816,646	\$ -	\$ 816,646
<b>Supplemental cash flow information</b>				
Interest paid	\$ -	\$ -	\$ -	\$ -
Income taxes paid	\$ -	\$ -	\$ -	\$ -

(The accompanying notes are an integral part of these unaudited consolidated financial statements)

# **CASSIUS VENTURES LTD.**

Notes to the consolidated financial statements  
For the Nine Months Ended July 31, 2015 and 2014  
(Expressed in Canadian Dollars)

## **1. Nature of Operations and Continuance of Business**

Cassius Ventures Ltd. (the "Company") is an exploration stage company focused on acquiring exploration and/or development stage mineral properties for the purposes of further exploration and development. The Company was incorporated under the Business Corporations Act (British Columbia) on February 23, 2007. The Company maintains its head office at 595 Burrard Street, Suite 3083, Vancouver, British Columbia. The Company's registered and records office is located at 595 Burrard Street, Suite 2900, Vancouver, British Columbia. Its common shares are traded on the TSX Venture exchange under the symbol "CZ".

The Company was previously focused on mineral exploration of its Nicaraguan Gold properties as held by Fortress de Nicaragua S.A. ("Fortress"), a private Nicaraguan company, which is the legal and beneficial owner of sixteen exploration concessions with a total area of approximately 137,000 hectares in Nicaragua. In April, 2015, the Company disposed of Fortress to an arm's length Nicaraguan party.

These condensed interim consolidated financial statements have been prepared on a going concern basis, which assumes that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of business.

The Company has yet to generate any revenues from operations and as at July 31, 2015, had an accumulated deficit of \$6,371,004 and a working capital deficit of \$134,510. The above conditions, along with other factors indicate the existence of material uncertainties that may cast significant doubt upon the Company's ability to continue as a going concern. The Company's ability to continue operations in the normal course of business is dependent on several factors, including the ability to secure additional financing.

Although management is of the opinion that sufficient working capital will be obtained from external financing to meet the Company's remaining current liabilities as well as future liabilities and commitments as they become due, there is a risk that additional financing will not be available on a timely basis or on terms acceptable to the Company. The consolidated financial statements do not include any additional adjustments to the recoverability and classification of certain recorded asset amounts, and changes to the statement of comprehensive loss that might be necessary if the Company was unable to continue as a going concern.

## **2. Basis of Presentation**

These condensed interim consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") applicable to the preparation of interim financial statements, including International Auditing Standard 34, Interim Financial Reporting ("IAS 34") as issued by the International Accounting Standards Board. These condensed interim consolidated financial statements do not include all disclosures required for annual audited financial statements. Accordingly, they should be read in conjunction with the notes to the Company's audited annual financial statements for the year ended October 31, 2014. The accounting policies followed in these condensed interim financial statements are the same as those applied in note 3 of the Company's audited annual consolidated financial statements for the year ended October 31, 2014.

The Board of Directors approved these condensed interim consolidated financial statements on August 28, 2015.

## CASSIUS VENTURES LTD.

Notes to the consolidated financial statements  
For the Nine Months Ended July 31, 2015 and 2014  
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### 3. Accounting Standards Issued but Not Yet Applied

#### *IFRS 9 – Financial instruments*

In November 2009, the IASB issued IFRS 9 Financial Instruments as the first step in its project to replace IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 retains but simplifies the mixed measurement model and establishes two primary measurement categories for financial assets: amortized cost and fair value. The basis of classification depends on an entity's business model and the contractual cash flows of the financial asset. Classification is made at the time the financial asset is initially recognized, namely when the entity becomes a party to the contractual provisions of the instrument. IFRS 9 amends some of the requirements of IFRS 7 Financial Instruments: Disclosures, including added disclosures about investments in equity instruments measured at fair value in OCI, and guidance on the measurement of financial liabilities and derecognition of financial instruments. The IASB has suspended the originally planned effective date of January 1, 2015 for IFRS 9. The Company will commence assessing the impact of this new standard upon the announcement of its new effective date.

### 4. Mineral Properties

	<b>Fortress de Nicaragua S.A.</b>
<b>Balance October 31, 2013</b>	<b>\$ 4,480,341</b>
<b>Deferred exploration expenditures</b>	
Office and fieldwork costs	75,502
Claims/permitting	272,620
Other	42,733
<b>Total additions</b>	<b>390,855</b>
Write down of mineral properties	(4,871,196)
<b>Balance - October 31, 2014 and July 31, 2015</b>	<b>\$ -</b>

#### Nueva Segovia Mining S.A. ("Nueva Segovia")

In June 2014, Fortress entered into a share sale agreement to dispose of the issued and outstanding shares of Nueva Segovia to Avaluce S.A. ("Avaluce"), a private Nicaraguan company for a nominal amount of consideration. Under the terms of the share sale agreement, Avaluce have assumed all liabilities of Nueva Segovia totaling \$71,267, resulting in a gain on the sale of Nueva Segovia of \$71,267 in the statement of loss for the year ended October 31, 2014. All costs previously capitalized in relation to the Nueva Segovia properties were written off during the year ended October 31, 2013.

#### Fortress de Nicaragua S.A.

On February 12, 2015, the Company executed a share sale agreement with an arm's length Nicaraguan party in respect of the sale of Fortress, subject to regulatory and shareholder approval. During the year ended October 31, 2014, the Company recorded an impairment charge of \$4,871,196. On April 8, 2015, the sale of Fortress was completed. Although no consideration was received for the sale of Fortress, the Company relinquished obligations totalling \$1,506,445 which had been previously recorded as a liability on the consolidated statement of financial position, and have now been recorded as a gain on the sale of Fortress for the nine months ended July 31, 2015.



## **CASSIUS VENTURES LTD.**

Notes to the consolidated financial statements  
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### **5. Promissory Notes**

In February 2015, the Company issued promissory notes totalling \$57,000 (October 31, 2014 – \$Nil) bearing interest at 7% per annum. The promissory notes are unsecured and payable on demand. Interest incurred on the promissory notes for the three and nine months ended July 31, 2015 totalled \$1,006 and \$1,746, respectively (three and nine months ended July 31, 2014 - \$Nil). Refer to Note 8(c).

### **6. Share Capital**

The Company has an unlimited number of common shares without par value authorized.

On April 23, 2014, the Company's common shares were consolidated on the basis of one post-consolidated share for every ten pre-consolidated shares. All common share, stock option, and share purchase warrant figures in these consolidated financial statements have been retrospectively restated to present common share balances on a post-consolidated basis.

On September 19, 2014, the Company issued 6,102,400 common shares at \$0.05 per share for gross proceeds of \$305,120. As part of the private placement, the Company incurred \$5,098 of share issuance costs.

### **7. Stock Options**

The Company has established a stock option plan (the "Plan") for its directors, executive officers, employees and consultants under which the Company may grant options to acquire a maximum number of common shares equal to 10% of the total issued and outstanding common shares of the Company exercisable for a period of up to 5 years from the date of grant.

Within any 12 month period, the maximum number of common shares reserved for issuance to any individual cannot exceed 5% of the issued common shares, and the maximum number of common shares reserved for issuance to any insider cannot exceed 10% of the issued common shares. The aggregate number of common shares reserved for issuance to insiders cannot exceed 10% of the issued common shares. Within any 12 month period, the maximum number of options granted to any one consultant cannot exceed 2% of the issued common shares and the maximum number of options granted to all employees and consultants conducting investor relations activities cannot exceed 2% of the issued common shares.

The exercise price of an option granted under this plan shall not be less than the discounted market price provided that:

- (i) if options are granted within 90 days of a distribution by a prospectus, the minimum exercise price of those options will be the greater of the discounted market price and the per share price paid by the public investors for shares acquired under the distribution;
- (ii) the 90 day period begins on the date a final receipt is issued for the prospectus;
- (iii) for unit offerings, the minimum option exercise price will be the 'base' (or imputed) price of the shares included in the unit; and
- (iv) for all other financings, the minimum exercise price will be the average price paid by the public investors.

Subject to the discretion of the Board, the options granted to an optionee under this Plan shall fully vest on the date of grant of such options. In accordance with the policies of the TSXV, and subject to their approval to the contrary, options issued to consultants providing investor relations services must vest (and not otherwise be exercisable) in stages over a minimum of 12 months with no more than 25% of the options vesting in any 3 month period.

## CASSIUS VENTURES LTD.

Notes to the consolidated financial statements  
For the Nine Months Ended July 31, 2015 and 2014  
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### 7. Stock Options (continued)

As at July 31, 2015 and October 31, 2014 and 2013, the Company had the following stock options outstanding and exercisable:

	Options	Weighted average exercise price
October 31, 2013	163,500	\$ 2.10
Forfeited	(17,500)	2.10
October 31, 2014	146,000	2.05
Granted	250,000	0.05
Forfeited	(50,000)	2.21
<b>July 31, 2015</b>	<b>346,000</b>	<b>\$ 0.05</b>
<b>Options exercisable - July 31, 2015</b>	<b>96,000</b>	<b>\$ 0.05</b>

On April 7, 2015, the Company re-priced a total of 96,000 stock options, with original exercise prices ranging from \$1.65 to \$2.10 and expiry dates ranging from July 18, 2016 to April 30, 2017, to \$0.05 per option. The incremental fair value granted as a result of the modification was \$243 and was expensed during the nine months ended July 31, 2015. The incremental fair value is the difference between the value of the options at the modification date calculated using the original exercise prices and the modified exercise price. On May 29, 2015, the Company granted a total of 250,000 stock options to an officer of the Company with an exercise price of \$0.05, expiring on May 29, 2020.

As at July 31, 2015, all outstanding stock options had an exercise price of \$0.05 with a weighted average remaining life of 3.8 years.

### 8. Related Party Transactions

#### a) Key Management Compensation

Key management includes the Company's directors, Chief Executive Officer, and Chief Financial Officer. Compensation awarded to key management for the three months ended July 31, 2015 comprised share based payments of \$1,088 (2014 - \$Nil) relating to the continued vesting of options granted to an officer of the Company in May, 2015. Compensation awarded to key management for the nine months ended July 31, 2015 comprised share based payments of \$243 (2014 - \$Nil) relating to the incremental fair value attributed to the re-pricing of stock options held by directors and officers as well as share based payments of \$1,088 (2014 - \$Nil) relating to the continued vesting of options granted to an officer of the Company in May, 2015.

#### b) Payments for services by related parties

Up until December 31, 2014, the Company was charged shared lease and overhead, and service costs by Atlantic Gold Corporation ("Atlantic"), a Company with a director and officer in common. For the three and nine months ended July 31, 2015, the Company incurred \$1,528 (2014: \$2,091 and \$8,345, respectively) in shared lease and overhead, and service costs. As at July 31, 2015, the Company owed \$28,215 to Atlantic (October 31, 2014: \$31,363).

For the three and nine months ended July 31, 2015 and 2014, the Company incurred professional fees of \$Nil, to Oceanic Iron Ore Corp. ("Oceanic"), a company with a director and officer in common. As at July 31, 2015, the Company owed \$25,813 to Oceanic (October 31, 2014: \$25,813).

## CASSIUS VENTURES LTD.

Notes to the consolidated financial statements  
For the Nine Months Ended July 31, 2015 and 2014  
(Expressed in Canadian Dollars)

### 8. Related Party Transactions (continued)

#### b) Payments for services by related parties (continued)

For the three and nine months ended July 31, 2015, the Company incurred accounting fees of \$nil (2014: \$1,600) to the Chief Financial Officer of the Company. As at July 31, 2015, the Company owed \$4,000 to the Chief Financial Officer of the Company (October 31, 2014: \$4,000).

The amounts due to and from related parties other than those described in Note 8(c) below are non-interest bearing, unsecured and due on demand.

#### c) Promissory notes with related parties

In February 2015, the Company issued promissory notes totalling \$37,000, \$18,500 to each of 2 directors of the Company, bearing interest at 7% per annum. The promissory notes are unsecured and payable on demand. Interest incurred on the promissory notes for the three and nine months ended July 31, 2015 totalled \$653 and \$1,251, respectively (three and nine months ended July 31, 2014 - \$Nil).

### 9. Segmented Information

The Company operates in one business segment, being the acquisition, exploration and development of mineral properties. After the disposition of Fortress in April 2015, all of the Company's assets are located in Canada. As at July 31, 2015 and October 31, 2014, the Company had no non-current assets.

A comparison of net loss for the three and nine months ended July 31, 2015 compared to the three and nine months ended July 31, 2014 by geographic location is shown below:

	<b>Three months ended July 31, 2015</b>	Three months ended July 31, 2014	<b>Nine months ended July 31, 2015</b>	Nine months ended July 31, 2014
Canada	\$ (8,729)	\$ (21,872)	\$ (40,137)	\$ (49,058)
Nicaragua	-	38,259	1,022,096	(107,790)
	\$ (8,729)	\$ 16,387	\$ 981,959	\$ (156,848)

### 10. Fair Value of Financial Instruments

The carrying amount of cash and cash equivalents, amounts receivable, accounts payable and accrued liabilities, due from related parties, and promissory notes approximates fair value due to their short term nature.