CASSIUS VENTURES LTD.

Unaudited Condensed Interim Consolidated Financial Statements

For the Three Months Ended January 31, 2014 and 2013

(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

		January 31, 2014		October 31, 2013
Assets				
Current assets				
Cash	$	**20,495**	$	65,685
Taxes receivable		**40,072**		38,645
Prepaid expenses		**11,722**		6,193
Total Current Assets		**72,289**		110,523
Restricted cash		**5,750**		5,750
Equipment		**21,185**		25,033
Mineral properties (Note 4)		**4,572,518**		4,480,341
TOTAL ASSETS	$	**4,671,742**	$	4,621,647
Liabilities				
Current Liabilities				
Accounts payable and accrued liabilities (Note 5)	$	**738,037**	$	598,714
Due to related parties (Note 9)		**230,674**		225,342
Total Current Liabilities		**968,711**		824,056
Deferred income tax payable		**244,124**		261,033
TOTAL LIABILITIES		**1,212,835**		1,085,089
Shareholders' Equity				
Share capital		**5,668,005**		5,668,005
Contributed surplus		**267,136**		267,136
Deficit		**(2,476,234)**		(2,398,583)
Total Shareholders' Equity		**3,458,907**		3,536,558
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	$	**4,671,742**	$	4,621,647

Nature of operations and continuation of business (Note 1)
Commitment (Note 10)

Approved by the Board:

"Steven Dean" Director

"Robert Atkinson" Director

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

CASSIUS VENTURES LTD.
Consolidated Statements of Loss and Comprehensive Loss
For the Three Months Ended January 31, 2014 and 2013 (Unaudited)
Expressed in Canadian Dollars

		January 31, 2014		January 31, 2013
Expenses				
Consulting (Note 9)	$	-	$	18,000
Exploration expenditures		51,272		-
Foreign exchange loss (gain)		27,899		(2,118)
Office and general (Note 9)		9,357		11,084
Professional fees (Note 9)		1,750		11,981
Share-based payments (Notes 7 and 9)		-		4,774
Transfer agent and regulatory		4,300		2,800
Net loss from operations		(94,578)		(46,521)
Other income				
Interest and other income		18		98
Net loss before income taxes		(94,560)		(46,423)
Income tax recovery		16,909		-
Net loss and comprehensive loss for the period	$	(77,651)	$	(46,423)
Loss per common share - basic and diluted	$	(0.002)	$	(0.001)
Weighted average number of common shares outstanding		41,148,480		41,148,480

CASSIUS VENTURES LTD.

Consolidated Statements of Changes in Equity
For the Three Months Ended January 31, 2014 and 2013 (Unaudited)
Expressed in Canadian Dollars

	Share capital								
	Number of shares		Amount		Contributed Surplus		Deficit		Total equity
Balance - October 31, 2013	**41,148,480**	**$**	**5,668,005**	**$**	**267,136**	**$**	**(2,398,583)**	**$**	**3,536,558**
Net loss for the period	-		-		-		(77,651)		(77,651)
Balance - January 31, 2014	**41,148,480**	**$**	**5,668,005**	**$**	**267,136**	**$**	**(2,476,234)**	**$**	**3,458,907**

	Share capital								
	Number of shares		Amount		Contributed Surplus		Deficit		Total equity
Balance - October 31, 2012	**41,148,480**	**$**	**5,668,005**	**$**	**260,349**	**$**	**(1,551,596)**	**$**	**4,376,758**
Share-based payments	-		-		4,774		-		4,774
Net loss for the period	-		-		-		(46,423)		(46,423)
Balance - January 31, 2013	**41,148,480**	**$**	**5,668,005**	**$**	**265,123**	**$**	**(1,598,019)**	**$**	**4,335,109**

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

CASSIUS VENTURES LTD.
Consolidated Statements of Cash Flows
For the Three Months Ended January 31, 2014 and 2013 (Unaudited)
Expressed in Canadian Dollars

		January 31, 2014		January 31, 2013
Operating activities				
Net loss for the period	$	(77,651)	$	(46,423)
Items not involving cash:				
Deferred income tax recovery		(16,909)		-
Share-based payments		-		4,774
Net changes in non-cash working capital balances:				
Prepaid expenses		(5,529)		(15,256)
Due from related parties		-		42,983
Taxes receivable		762		(3,678)
Accounts payable and accrued liabilities		52,195		(5,464)
Due to related parties		5,332		30,753
Net cash used in operating activities		(41,800)		7,689
Investing activities				
Purchase of equipment		-		(1,473)
Mineral property expenditures		(3,390)		(165,770)
Net cash used in investing activities		(3,390)		(167,243)
Change in cash during the period		(45,190)		(159,554)
Cash, beginning of period		65,685		340,023
Cash, end of period	$	20,495	$	180,469
Supplemental cash flow information				
Interest paid	$	-	$	-
Income taxes paid	$	-	$	-
Non-cash investing and financing activities				
Equipment amortization capitalized in mineral properties	$	3,848	$	3,203
Mineral property expenditures in accounts payable	$	710,644	$	254,717

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

1. Nature of Operations and Continuance of Business

Cassius Ventures Ltd. (the "Company") is an exploration stage company focused on mineral exploration in Nicaragua. 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 owns 100% of the issued and outstanding shares of 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.

These unaudited 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 January 31, 2014, had an accumulated deficit of $2,476,234 and a working capital deficit of $896,422, including $650,164 due and payable in respect of concession rents relating to the periods ending December 31, 2012, June 30, 2013, December 31, 2013, and June 30, 2014. These 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. In addition, the recoverability of the amounts shown for mineral properties are dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain necessary financing to complete the development of those reserves and upon future profitable production, all of which are uncertain.

Although management is of the opinion that sufficient working capital will be obtained from external financing to meet the Company's 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 condensed interim consolidated financial statements do not include any additional adjustments to the recoverability and classification of certain recorded asset amounts, and changes to statements 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, 2013. 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, 2013, except for the adoption of new standards as described in note 3.

The Board of Directors approved these condensed interim consolidated financial statements on March 31, 2014.

3. Changes in Accounting Policies and Accounting Standards Issued but Not Yet Applied

<u>New and revised International Financial Reporting Standards</u>

As of November 1, 2013, the Company adopted the new and amended IFRS pronouncements in accordance with the transitional provisions outlined in the respective standards as listed below.

a) Pronouncement affecting financial statement presentation or disclosures

IFRS 12, Disclosure of interests in other entities

The Company adopted IFRS 12 on November 1, 2013. IFRS 12 establishes disclosure requirements for interests in other entities, such as subsidiaries, joint arrangements, associates, and unconsolidated structured entities.

The requirements of IFRS 12 relate to disclosures only and are applicable for the first annual period after adoption. IFRS 12 does not require the disclosures to be included for any period that precedes the first annual period for which IFRS 12 is applied. The adoption of IFRS 12 will result in enhanced disclosures on the annual consolidated financial statements; however, it does not impact the Company's financial position or results.

IFRS 13, Fair value measurement

The Company adopted IFRS 13 with prospective application from November 1, 2013. IFRS 13 is a comprehensive standard for fair value measurement and disclosure for use across all IFRS standards. The new standard clarifies that fair value is the price that would be received to sell an asset, or paid to transfer a liability in an orderly transaction between market participants, at the measurement date.

The disclosure requirements of IFRS 13 are incorporated in note 12 of these condensed interim consolidated financial statements.

Amendment to IAS 1, Presentation of Financial Statements

The Company adopted the amendments to IAS 1 on November 1, 2013, with retrospective application. The amendments to IAS 1 require items to be grouped within other comprehensive income that may be reclassified to profit or loss and those that will not be reclassified.

The adoption of the IAS 1 amendments did not have an effect on the Company's financial statements for the current period or prior year, except for added disclosure.

Amendment to IAS 34, Interim financial reporting

The Company adopted the amendments to IAS 34 effective November 1, 2013. IAS 34 was amended to establish criteria for disclosing total segmented assets and require certain fair value disclosures. The fair value disclosures have been incorporated into these financial statements.

3. Changes in Accounting Policies and Accounting Standards Issued but Not Yet Applied (continued)

New and revised International Financial Reporting Standards (continued)

IFRS 10 - Consolidated financial statements

The Company adopted IFRS 10 on November 1, 2013 with retrospective application. IFRS 10 requires an entity to consolidate an investee when it has power over the investee, is exposed, or has rights to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. IFRS 10 supersedes IAS 27, Consolidated and Separate Financial Statements and SIC 12, Consolidation – Special Purpose Entities.

The Company has concluded that IFRS 10 did not have an effect on the financial statements for the current period or prior periods presented.

IFRS 11- Joint arrangements

The Company adopted IFRS 11 on November 1, 2013 with retrospective application. IFRS 11 requires a venturer to classify its interest in a joint agreement as a joint venture or joint operation. Joint ventures will be accounted for using the equity method of accounting whereas for a joint operation the venturer will recognize its share of the assets, liabilities, revenue and expenses of the joint operation.

The Company has concluded that IFRS 11 did not have an effect on the financial statements for the current period or prior periods presented as the Company does not have any joint arrangements.

Standards not yet effective

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.

Expressed in Canadian Dollars

4. Mineral Properties

	Nueva Segovia Mining S.A.	Fortress de Nicaragua S.A.	Total
Balance October 31, 2012	**104,704**	**4,697,306**	**4,802,010**
Deferred exploration expenditures			
Drilling and fieldwork costs	-	213,815	**213,815**
Assays	-	6,117	**6,117**
Claims/permitting	18,000	291,529	**309,529**
Other	-	36,319	**36,319**
Total additions in the period	**18,000**	**547,780**	**565,780**
Write down of mineral properties	(122,704)	(764,745)	**(887,449)**
Balance - October 31, 2013	**$ -**	**$ 4,480,341**	**$ 4,480,341**
Deferred exploration expenditures			
Drilling and fieldwork costs	-	13,580	**13,580**
Assays	-	-	**-**
Claims/permitting	-	74,378	**74,378**
Other	-	4,219	**4,219**
Total additions in the period	**-**	**92,177**	**92,177**
Balance - January 31, 2014	**$ -**	**$ 4,572,518**	**$ 4,572,518**

The Company is focused on the exploration and development of its Nicaraguan Gold Properties in two main project areas in Nicaragua: Nueva Segovia, and León.

In April 2013, the agreement between Nueva Segovia and the former landowner of the El Zúngano concession was terminated and Nueva Segovia provided notice to the Ministry of Energy and Mines that the concession should be returned to the former landowner. A total of $122,704 of costs that were originally capitalized to mineral properties were written off with $98,178 being allocated to the statement of loss and comprehensive loss and $24,555 being charged as a reduction to the deferred tax liability.

In June 2013, the Company provided notice to the Nicaraguan Ministry of Mines (“Ministry”) that it was reducing its landholdings by 66,093 hectares. Once the notice is accepted by the Ministry, the Company will hold 11 concessions over 71,689 hectares. As a result of the notice sent to the Ministry, the Company recorded a write-down of $764,745 on the consolidated statements of loss and comprehensive loss for the year ended October 31, 2013.

The Company has recorded amounts owing in respect of all 17 concessions as a liability on the Company’s Statement of Financial Position (see Note 5). Discussions between the Company and the Ministry are ongoing in regards to the extent of concession rents owing in respect of the Company’s retained and relinquished landholdings. However, should the concession rents in respect of either relinquished or retained landholdings continue to remain outstanding or a revised arrangement is not agreed, the Ministry may choose, at its discretion, to forfeit the concessions held by the Company or pursue other remedies including legal steps against the Company’s subsidiary, Fortress, for the amounts outstanding.

Expressed in Canadian Dollars

5. Accounts payable and accrued liabilities

		January 31, 2014		October 31, 2013
Payables and accrued liabilities related to concession rents	$	650,164	$	495,726
Other payables and accrued liabilities		87,873		102,988
	$	**738,037**	**$**	**598,714**

6. Share Capital

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

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.

Expressed in Canadian Dollars

7. Stock Options (continued)

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

	Options		Weighted average exercise price
Options outstanding - October 31, 2012	1,685,000	$	0.21
Forfeited	(50,000)		0.21
Options outstanding and exercisable - October 31, 2013 and January 31, 2014	**1,635,000**	**$**	**0.21**

There were no options granted for the three month periods ended January 31, 2014 and 2013.

The fair value of stock options vested during the three months ended January 31, 2014 was $Nil. The fair value of stock options vested during the three months ended January 31, 2013 was $4,774, which was recorded in contributed surplus with a corresponding charge to share-based payments.

The following table summarizes information about the stock options outstanding at January 31, 2014:

			Options Outstanding
	Exercise price	Number	Weighted average remaining life (years)
$	0.17	250,000	3.2
$	0.21	1,285,000	2.5
$	0.25	100,000	3.2
		1,635,000	**2.5**

8. Share Purchase Warrants

The following table summarizes the continuity of share purchase warrants:

	Number		Weighted average exercise price
Balance - October 31, 2012	8,625,000	$	0.30
Expired	(8,625,000)		0.30
Balance - October 31, 2013 and January 31, 2014	**-**	**$**	**-**

9. Related Party Transactions

a) Key Management Compensation

Key management includes the Company's directors, Chief Executive Officer, and Chief Financial Officer. No compensation was awarded to key management for the three months ended January 31, 2014. Compensation awarded to key management during the three month period ended January 31, 2013 comprised share-based payments to a director of the Company totalling $4,490.

Expressed in Canadian Dollars

9. Related Party Transactions (continued)

b) Payments for services by related parties

As disclosed in Note 10, the Company is charged shared lease and overhead, and service costs by Spur Ventures Inc. ("Spur"), a Company with a director and officer in common. For the three months ended January 31, 2014, the Company incurred $4,553 (2013: $3,634) in shared lease and overhead, and service costs. Refer to note 10 for a listing of future commitments in respect of lease costs. As at January 31, 2014, the Company owed $28,835 to Spur (October 31, 2013: $24,816).

During the three months ended January 31, 2014, the Company incurred corporate consulting fees of $Nil (2013: $6,000), to Sirocco Advisory Services Ltd. ("Sirocco"), a company controlled by a director and officer of the Company. As at January 31, 2014, the Company owed $41,580 to Sirocco (October 31, 2013: $41,580).

During the three months ended January 31, 2014, the Company incurred corporate consulting fees of $Nil (2013: $6,000), to Shariff Advisory Services Ltd. ("Shariff"), a company controlled by an officer of the Company. As at January 31, 2014, the Company owed $41,580 to Shariff (October 31, 2013: $41,580).

During the three months ended January 31, 2014, the Company incurred corporate consulting fees of $Nil (2013: $6,000), to JAT Metconsult Ltd. ("JAT"), a company controlled by a director and officer of the Company. As at January 31, 2014, the Company owed $45,154 to JAT (October 31, 2013: $45,154).

During the three months ended January 31, 2014, the Company incurred geological consulting fees of $Nil (2013: $15,200), to GeoConsul Canova Inc. ("Canova"), a company controlled by a director of the Company. As at January 31, 2014, the Company owed $48,120 to Canova (October 31, 2013: $48,120).

During the three months ended January 31, 2014, the Company incurred professional fees of $1,250 (2013: $4,483), to Oceanic Iron Ore Corp. ("Oceanic"), a company with a director and officer in common. As at January 31, 2014, the Company owed $26,250 to Oceanic (October 31, 2013: $24,937).

The amounts due to and from related parties are non-interest bearing, unsecured and due on demand.

10. Commitment

Effective July 1, 2011, the Company entered into an agreement with an affiliated company in respect of shared lease, overhead and service costs (amended on July 1, 2012). Under the agreement, the Company is billed quarterly for office rental and other services relating to its head office in Vancouver, Canada. The agreement expires on September 29, 2015, but either party may terminate the agreement provided 90 days' notice. The Company is committed to the following future payments:

2014	5,673
2015	6,932
	$ 12,605

Expressed in Canadian Dollars

11. Segmented Information

The Company operates in one business segment, being the acquisition, exploration and development of mineral properties. The Company's assets are located in Canada and Nicaragua.

A comparison of total assets and mineral properties at January 31, 2014 compared to October 31, 2013 by geographic location is shown below:

	January 31, 2014		
	Canada	**Nicaragua**	**Total**
Restricted cash	$ 5,750	$ -	**$ 5,750**
Equipment	-	21,185	**21,185**
Mineral Properties	-	4,572,518	**4,572,518**
Total non-current assets	5,750	4,593,703	**4,599,453**

	October 31, 2013		
	Canada	**Nicaragua**	**Total**
Restricted cash	$ 5,750	$ -	**$ 5,750**
Equipment	-	25,033	**25,033**
Mineral Properties	-	4,480,341	**4,480,341**
Total non-current assets	5,750	4,505,374	**4,511,124**

A comparison of net loss for the three months ended January 31, 2014 compared to January 31, 2013 by geographic location is shown below:

	Three months ended January 31, 2014	Three months ended January 31, 2013
Canada	$ 1,604	$ (46,366)
Nicaragua	(79,255)	(57)
	$ (77,651)	$ (46,423)

12. Fair Value of Financial Instruments

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