

**CASSIUS VENTURES LTD.**

Unaudited Condensed Interim Financial Statements

For the Three and Six Months Ended April 30, 2017 and 2016

(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 Chartered Professional Accountants of Canada for a review of interim financial statements by an entity's auditor.

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

	April 30, 2017	October 31, 2016
<b>Assets</b>		
Current assets		
Cash	\$ 582	\$ 15,059
Amounts receivable	367	105
Prepaid expenses	833	833
<b>TOTAL ASSETS</b>	<b>\$ 1,782</b>	<b>\$ 15,997</b>
<b>Liabilities</b>		
Current liabilities		
Accounts payable and accrued liabilities	\$ 14,841	\$ 21,582
Due to related parties (Note 6)	63,004	61,251
Promissory notes payable (Note 3)	111,000	111,000
<b>TOTAL LIABILITIES</b>	<b>188,845</b>	<b>193,833</b>
<b>Shareholders' Deficit</b>		
Share capital (Note 4)	5,968,027	5,968,027
Contributed surplus (Note 5)	287,379	281,553
Deficit	(6,442,469)	(6,427,416)
Total Shareholders' Deficit	(187,063)	(177,836)
<b>TOTAL LIABILITIES AND SHAREHOLDERS' DEFICIT</b>	<b>\$ 1,782</b>	<b>\$ 15,997</b>

Nature of operations and continuation of business (Note 1)

Approved for Issuance by the Board of Directors:

"John A. Thomas"	Director
"Robert Atkinson"	Director

(The accompanying notes are an integral part of these condensed interim financial statements)

**CASSIUS VENTURES LTD.**

Condensed Interim Statements of Loss and Comprehensive Loss (Unaudited)

For the three and six months ended April 30, 2017 and 2016

(Expressed in Canadian Dollars)

---

	<b>Three months ended</b>		Three months ended		<b>Six months ended</b>		Six months ended
	<b>April 30,</b>		April 30,		<b>April 30,</b>		April 30,
	<b>2017</b>		2016		<b>2017</b>		2016
<b>Operating Expenses</b>							
Office and general	\$ 277	\$	377	\$	820	\$	723
Professional fees	378		1,646		378		1,646
Share-based payments (Note 5)	1,924		831		5,826		1,136
Transfer agent and regulatory	1,946		2,017		4,177		5,143
<b>Net loss from operations</b>	<b>(4,525)</b>		<b>(4,871)</b>		<b>(11,201)</b>		<b>(8,648)</b>
<b>Other Expense</b>							
Interest expense	(1,894)		(1,342)		(3,852)		(2,404)
<b>Net loss and comprehensive loss for the period</b>	<b>\$ (6,419)</b>	\$	<b>(6,213)</b>	\$	<b>(15,053)</b>	\$	<b>(11,052)</b>
<b>Loss per common share - basic and diluted</b>	<b>\$ (0.00)</b>	\$	<b>(0.00)</b>	\$	<b>(0.00)</b>	\$	<b>(0.00)</b>
<b>Weighted average number of common shares outstanding</b>	<b>10,217,248</b>		<b>10,217,248</b>		<b>10,217,248</b>		<b>10,217,248</b>

---

(The accompanying notes are an integral part of these condensed interim financial statements)

**CASSIUS VENTURES LTD.**

Condensed Interim Statements of Changes in Equity (Unaudited)

For the six months ended April 30, 2017 and 2016

(Expressed in Canadian Dollars)

---

	Share capital		Contributed surplus	Deficit	Total equity
	Number of shares	Amount			
<b>Balance - October 31, 2016</b>	<b>10,217,248</b>	<b>\$ 5,968,027</b>	<b>\$ 281,553</b>	<b>\$ (6,427,416)</b>	<b>\$ (177,836)</b>
Share-based payments	-	-	5,826	-	5,826
Net loss for the period	-	-	-	(15,053)	(15,053)
<b>Balance - April 30, 2017</b>	<b>10,217,248</b>	<b>\$ 5,968,027</b>	<b>\$ 287,379</b>	<b>\$ (6,442,469)</b>	<b>\$ (187,063)</b>

---

	Share capital		Contributed Surplus	Deficit	Total equity
	Number of shares	Amount			
<b>Balance - October 31, 2015</b>	<b>10,217,248</b>	<b>\$ 5,968,027</b>	<b>\$ 269,534</b>	<b>\$ (6,386,595)</b>	<b>\$ (149,034)</b>
Share-based payments	-	-	1,136	-	1,136
Net loss for the period	-	-	-	(11,052)	(11,052)
<b>Balance - April 30, 2016</b>	<b>10,217,248</b>	<b>\$ 5,968,027</b>	<b>\$ 270,670</b>	<b>\$ (6,397,647)</b>	<b>\$ (158,950)</b>

(The accompanying notes are an integral part of these condensed interim financial statements)

**CASSIUS VENTURES LTD.**

Condensed Interim Statements of Cash Flows (Unaudited)  
For the three and six months ended April 30, 2017 and 2016  
(Expressed in Canadian Dollars)

	Three months ended April 30, 2017	Three months ended April 30, 2016	Six months ended April 30, 2017	Six months ended April 30, 2016
<b>Operating activities</b>				
Net income (loss) for the period	\$ (6,419)	\$ (6,213)	\$ (15,053)	\$ (11,052)
Items not involving cash:				
Share-based payments	1,924	831	5,826	1,136
Net changes in non-cash working capital balances:				
Prepaid expenses	-	-	-	867
Amounts receivable	(239)	(366)	(262)	(470)
Accounts payable and accrued liabilities	(8,549)	(16,159)	(6,741)	(20,280)
Due to related parties	862	3,089	1,753	4,997
Net cash used in operating activities	(12,421)	(18,818)	(14,477)	(24,802)
<b>Financing activities</b>				
Promissory notes, proceeds received	-	12,000	-	24,000
Net cash provided in financing activities	-	12,000	-	24,000
Change in cash during the period	(12,421)	(6,818)	(14,477)	(802)
Cash, beginning of period	13,003	6,885	15,059	869
<b>Cash, end of period</b>	<b>\$ 582</b>	<b>\$ 67</b>	<b>\$ 582</b>	<b>\$ 67</b>
<b>Supplemental cash flow information</b>				
Interest paid	\$ -	\$ -	\$ -	\$ -
Income taxes paid	\$ -	\$ -	\$ -	\$ -

(The accompanying notes are an integral part of these condensed interim financial statements)

# **CASSIUS VENTURES LTD.**

Notes to the condensed interim financial statements  
For the three and six months ended April 30, 2017 and 2016  
(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 NEX Board of the TSX Venture exchange under the symbol "CZ.H".

These condensed interim 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 April 30, 2017, had an accumulated deficit of \$6,442,469 and a working capital deficit of \$187,063. 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 a source of 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 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 income /loss that might be necessary if the Company was unable to continue as a going concern.

## **2. Basis of Presentation**

These condensed interim 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 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, 2016. 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 financial statements for the year ended October 31, 2016.

The Board of Directors approved these condensed interim financial statements on June 23, 2017.

## **3. Promissory Notes Payable**

As at April 30, 2017 and October 31, 2016 the Company had outstanding promissory notes totalling \$111,000. The promissory notes bear interest at 7%, are unsecured, and payable on demand. Refer to Note 6(c).

Interest incurred on the promissory notes for the three month period ended April 30, 2017 totaled \$1,894 (2016 - \$1,342). Interest incurred on the promissory notes for the six month period ended April 30, 2017 totaled \$3,852 (2016 - \$2,404).

## CASSIUS VENTURES LTD.

Notes to the condensed interim financial statements  
For the three and six months ended April 30, 2017 and 2016  
(Expressed in Canadian Dollars)

### 4. Share Capital

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

### 5. 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.

As at April 30, 2017 and October 31, 2016, the Company had the following stock options outstanding and exercisable:

	Number of Options	Weighted average exercise price
Options outstanding - October 31, 2015	346,000	\$ 0.05
Granted	640,000	0.05
Expired	(71,000)	0.05
Options outstanding - October 31, 2016	915,000	0.05
Expired	(25,000)	0.05
<b>Options outstanding - April 30, 2017</b>	<b>890,000</b>	<b>\$ 0.05</b>
<b>Options exercisable - April 30, 2017</b>	<b>755,000</b>	<b>\$ 0.05</b>



## **CASSIUS VENTURES LTD.**

Notes to the condensed interim financial statements  
For the three and six months ended April 30, 2017 and 2016  
(Expressed in Canadian Dollars)

### **5. Stock Options (continued)**

On March 17, 2016, the Company granted a total of 100,000 stock options with a fair value of \$1,921 to an employee of the Company with an exercise price of \$0.05, expiring on March 17, 2021.

On July 4, 2016, the Company granted a total of 540,000 stock options with a fair value of \$15,728 to directors and an employee of the Company with an exercise price of \$0.05, expiring on July 4, 2021.

On April 30, 2017, a total of 25,000 stock options with an exercise price of \$0.05 expired.

As at April 30, 2017, all outstanding stock options had an exercise price of \$0.05 with a weighted average remaining life of 3.8 years.

### **6. 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 and six months ended April 30, 2017 comprised share based payments of \$1,811 and \$5,408, respectively (2016 - \$267 and \$833) relating to the continued vesting of options granted to the directors and officers of the Company in May and July of 2016.

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

As at April 30, 2017 and October 31, 2016, the Company owed \$28,215 to Atlantic Gold Corporation, a company with an officer in common in respect of previously shared lease and overhead, and service costs.

As at April 30, 2017 and October 31, 2016, the Company owed \$25,812 to Oceanic Iron Ore Corp., a company with an officer in common in respect of previously shared lease and overhead, and service costs.

As at April 30, 2017 and October 31, 2016, the Company owed \$4,000 to the Chief Financial Officer of the Company.

#### c) Promissory notes with related parties

As at April 30, 2017 and October 31, 2016, the Company had \$40,500 of outstanding promissory notes issued to a director and CEO of the Company, and \$10,000 of outstanding promissory notes issued to a director and CFO of the Company. The promissory notes are unsecured, bear interest at 7% per annum and are payable on demand. Interest incurred on the promissory notes due to related parties for the three and six months ended April 30, 2017 totalled \$862 and \$1,753, respectively (April 30, 2016 - \$997 and \$1,705).

The amounts due to and from related parties other than those described in this Note 6(c) above are non-interest bearing, unsecured, and due on demand.

### **7. Fair Value of Financial Instruments**

Fair value is based on available public market information or, when such information is not available, estimated using present value techniques and assumptions concerning the amount and timing of future cash flows and discount rates which factor in the appropriate credit risk. The carrying values of cash and cash equivalents, receivables, accounts payable, promissory notes, and due to related parties approximate their fair values due to their short term nature.