CASSIUS VENTURES LTD.

Financial Statements

Years Ended October 31, 2018 and 2017

(Expressed in Canadian dollars)

SATURNA GROUP
CHARTERED PROFESSIONAL ACCOUNTANTS LLP
1066 West Hastings Street, Suite 1250
Vancouver, BC Canada V6E 3X1

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Shareholders of Cassius Ventures Ltd.

We have audited the financial statements of Cassius Ventures Ltd., which comprise the statements of financial position as at October 31, 2018 and 2017, and the statements of operations and comprehensive loss, changes in equity, and cash flows for the years then ended, and the related notes comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements
Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility
Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also involves evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion
In our opinion, these financial statements present fairly, in all material respects, the financial position of Cassius Ventures Ltd. as at October 31, 2018 and 2017, and its financial performance and its cash flows for the years then ended, in accordance with International Financial Reporting Standards.

Emphasis of Matter
Without qualifying our opinion, we draw attention to Note 1 of the financial statements which indicates the existence of a material uncertainty that may cast significant doubt on the ability of Cassius Ventures Ltd. to continue as a going concern.

Saturna Group LLP

Saturna Group Chartered Professional Accountants LLP

Vancouver, Canada

February 26, 2019

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

	October 31, 2018	October 31, 2017
Assets		
Current assets		
Cash	**$ 2,514**	$ 1,376
Amounts receivable	**708**	878
Prepaid expenses	**833**	833
TOTAL ASSETS	**$ 4,055**	$ 3,087
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	**$ 30,161**	$ 31,123
Due to related parties (Note 7)	**70,873**	66,144
Promissory notes payable (Notes 4 and 7)	**139,500**	114,600
TOTAL LIABILITIES	**240,534**	211,867
Shareholders' Deficit		
Share capital	**5,968,027**	5,968,027
Contributed surplus	**288,079**	288,079
Deficit	**(6,492,585)**	(6,464,886)
Total Shareholders' Deficit	**(236,479)**	(208,780)
TOTAL LIABILITIES AND SHAREHOLDERS' DEFICIT	**$ 4,055**	$ 3,087

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 financial statements)

CASSIUS VENTURES LTD.
Statements of Operations and Comprehensive Loss
(Expressed in Canadian Dollars)

		Year ended October 31, 2018		Year ended October 31, 2017
Operating Expenses				
Office and general		**1,232**		1,739
Professional fees		**7,089**		8,003
Share-based payments (Note 7)		**-**		6,526
Transfer agent and regulatory		**10,384**		13,365
Net loss from operations		**(18,705)**		(29,633)
Other Expense				
Interest expense (Notes 4 and 7)		**(8,994)**		(7,837)
Net loss and comprehensive loss for the period	**$**	**(27,699)**	$	(37,470)
Loss per common share - basic and diluted	**$**	**(0.00)**	$	(0.00)
Weighted average number of common shares outstanding		**10,217,248**		10,217,248

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

CASSIUS VENTURES LTD.
Statements of Changes in Equity
(Expressed in Canadian Dollars)

	Share capital								
	Number of shares		Amount		Contributed surplus		Deficit		Total equity
Balance - October 31, 2017	**10,217,248**	**$**	**5,968,027**	**$**	**288,079**	**$**	**(6,464,886)**	**$**	**(208,780)**
Net loss for the year	-		-		-		(27,699)		(27,699)
Balance - October 31, 2018	**10,217,248**	**$**	**5,968,027**	**$**	**288,079**	**$**	**(6,492,585)**	**$**	**(236,479)**

	Share capital								
	Number of shares		Amount		Contributed Surplus		Deficit		Total equity
Balance - October 31, 2016	**10,217,248**	**$**	**5,968,027**	**$**	**281,553**	**$**	**(6,427,416)**	**$**	**(177,836)**
Share-based payments	-		-		6,526		-		6,526
Net loss for the year	-		-		-		(37,470)		(37,470)
Balance - October 31, 2017	**10,217,248**	**$**	**5,968,027**	**$**	**288,079**	**$**	**(6,464,885)**	**$**	**(208,780)**

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

CASSIUS VENTURES LTD.
Statements of Cash Flows
(Expressed in Canadian Dollars)

		Year ended October 31, 2018		Year ended October 31, 2017
Operating activities				
Net loss for the year	$	**(27,699)**	$	(37,470)
Items not involving cash:				
Share-based payments		**-**		6,526
Net changes in non-cash working capital balances:				
Amounts receivable		**170**		(773)
Accounts payable and accrued liabilities		**(961)**		9,541
Due to related parties		**4,728**		4,893
Net cash used in operating activities		**(23,762)**		(17,283)
Financing activities				
Promissory notes, proceeds received		**24,900**		3,600
Net cash provided by financing activities		**24,900**		3,600
Change in cash during the year		**1,138**		(13,683)
Cash, beginning of year		**1,376**		15,059
Cash, end of year	$	**2,514**	$	1,376

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

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 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 October 31, 2018, had an accumulated deficit of $6,492,585 and a working capital deficit of $236,479. 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 operations that might be necessary if the Company was unable to continue as a going concern.

2. Basis of Presentation

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

These financial statements have been prepared on a historical cost basis. In addition, these financial statements have been prepared using the accrual basis of accounting, except for cash flow information. These financial statements are presented in Canadian dollars, which is the Company's functional currency.

The Board of Directors approved these financial statements on February 26, 2019.

3. Summary of Significant Accounting Policies

a) Cash and cash equivalents

The Company considers all highly liquid instruments with a maturity of three months or less at the time of issuance, are readily convertible to known amounts of cash, and which are subject to insignificant risk of changes in value to be cash equivalents.

3. Summary of Significant Accounting Policies (continued)

b) Earnings/Loss per share

Basic earnings/loss per share is calculated by dividing the earnings/loss attributable to common shareholders by the weighted average number of common shares outstanding during the period.

Diluted earnings/loss per share is calculated by the treasury stock method. Under the treasury stock method, the weighted average number of common shares outstanding for the calculation of diluted loss per share assumes that the proceeds to be received on the exercise of dilutive share options and warrants are used to repurchase common shares at the average market price during the period. Diluted loss per share has not been presented separately as the effect of common shares issuable on the exercise of stock options and share purchase warrants would be anti-dilutive. As at October 31, 2018 and 2017, the Company had 890,000 potentially dilutive shares from its issued and outstanding stock options.

c) Share-based payments

Share-based payments to employees are measured at the fair value of the instruments issued and amortized over the vesting periods. Share-based payments to non-employees are measured at the fair value of the goods or services received or the fair value of the equity instruments issued if it is determined the fair value of the goods or services cannot be reliably measured, and are recorded at the date the goods or services are received. The amount recognized as an expense is adjusted to reflect the number of awards expected to vest. The offset to the recorded cost is to contributed surplus.

Consideration received on the exercise of stock options is recorded as share capital and the related share-based payments reserve is transferred to share capital. Charges for options that are forfeited before vesting are reversed from contributed surplus.

d) Current and deferred income taxes

Income tax expense comprises current and deferred income tax. Income tax expense is recognized in the statement of operations and comprehensive loss except to the extent that it relates to items recognized either in other comprehensive income or directly in equity, in which case it is recognized in other comprehensive income or in equity respectively.

Current income tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred income tax is recognized, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects either accounting nor taxable income or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the statement of financial position date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

A deferred income tax asset is recognized to the extent that it is probable that future taxable income will be available against which the temporary difference can be utilized. Deferred income tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

3. Summary of Significant Accounting Policies (continued)

e) Use of estimates and judgments

The preparation of the financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual areas of estimates include assumptions used in the accounting for share-based payments, and recognition of unrecognized deferred income tax assets. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Information about critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements is included in the notes to the financial statements where applicable.

The Company's assessment of whether the going concern assumption is appropriate requires management to take into account all available information about the future, which is at least, but not limited to, 12 months from the end of the reporting period. The Company is aware that material uncertainties related to events or conditions may cast significant doubt upon the Company's ability to continue as a going concern

f) Financial instruments

Financial assets and liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument. Financial assets are derecognized when the rights to receive cash flows from the assets have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership.

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or realize the asset and settle the liability simultaneously.

At initial recognition, the Company classifies its financial instruments in the following categories depending on the purpose for which the instruments were acquired:

- Held-for-trading: A financial asset or liability is classified in this category if acquired principally for the purpose of selling or repurchasing in the short-term. The Company has designated its cash as held-for-trading and are measured at fair value at the end of each period with any resulting gains or losses recognized in the statement of operations and comprehensive loss.
- Loans and receivables: Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. The Company's loans and receivables are comprised of amounts receivable, and are included in current assets due to their short-term nature. Loans and receivables are initially recognized at the amount expected to be received less, when material, a discount to reduce the loans and receivables to fair value. Subsequently, loans and receivables are measured at amortized cost using the effective interest method less a provision for impairment.
- Financial liabilities at amortized cost: Financial liabilities at amortized cost include accounts payable and accrued liabilities, promissory notes payable and amounts due to related parties. Financial liabilities are initially recognized at the amount required to be paid less, when material, a discount to reduce the payables to fair value. Financial liabilities are classified as current liabilities as payment is due within twelve months.

3. Summary of Significant Accounting Policies (continued)

g) Comprehensive income (Loss)

Comprehensive income (loss) is the change in the Company's net assets that results from transactions, events and circumstances from sources other than the Company's shareholders and includes items that are not included in the statement of operations. As at October 31, 2018 and 2017, the Company had no items that represent comprehensive income (loss).

h) Accounting standards issued but not yet effective

Certain pronouncements have been issued by the IASB, or the IFRS Interpretations Committee that are mandatory for fiscal years beginning on or after January 1, 2018, or later years.

New standard IFRS 9, "Financial Instruments"

New standard IFRS 15, "Revenue from Contracts with Customers"

New standard IFRS 16, "Leases"

The Company has not early adopted these revised standards and does not believe the adoption of these standards will have a material impact on the Company's financial statements.

Other accounting standards or amendments to existing accounting standards that have been issued but have future effective dates are either not applicable or are not expected to have a significant impact on the Company's financial statements.

4. Promissory Notes Payable

As at October 31, 2018 the Company had outstanding promissory notes totalling $139,500 (2017 - $114,600). The promissory notes bear interest at 7%, are unsecured, and payable on demand. Refer to Note 7(c).

Interest expense incurred on the promissory notes for the year ended October 31, 2018 totalled $8,994 (2017 - $7,837) and have been recorded in accounts payable and accrued liabilities.

5. Share Capital

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

6. 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.

(Expressed in Canadian Dollars)

6. Stock Options (continued)

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 three month period.

As at October 31, 2018 and 2017, the Company had the following stock options outstanding and exercisable:

	Number of Options		Weighted average exercise price
Options outstanding - October 31, 2016	915,000	$	0.05
Expired	(25,000)		0.05
Options outstanding and exerciseable - October 31, 2017 and 2018	**890,000**	**$**	**0.05**

As at October 31, 2018, all outstanding stock options had an exercise price of $0.05 with a weighted average remaining contractual life of 2.33 years.

(Expressed in Canadian Dollars)

7. Related Party Transactions

a) Key Management Compensation

Key management includes the Company's directors, Chief Executive Officer, and Chief Financial Officer. During the year ended October 31, 2018, the Company incurred $nil (2017 - $6,088) of compensation awarded to key management for share-based payments.

b) Payments for services by related parties

As at October 31, 2018 and 2017, the Company owed $28,215 to Atlantic Gold Corporation, a company with an officer in common.

As at October 31, 2018 and 2017, the Company owed $25,812 to Oceanic Iron Ore Corp., a company with an officer in common.

As at October 31, 2018, the Company owed $5,964 (2017 - $5,312) to the Chief Financial Officer of the Company.

c) Promissory notes with related parties

As at October 31, 2018, the Company had $50,000 (2017 - $41,700) of outstanding promissory notes issued to a director and CEO of the Company, and $19,500 (2017 - $11.200) 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 year ended October 31, 2018 totalled $4,374 (2017 - $3,581).

The amounts due to related parties other than those described in this Note 7(c) above are non-interest bearing, unsecured, and due on demand.

8. Income Taxes

Income tax expense differs from the amount that would result from applying the Canadian federal and provincial income tax rates to earnings before income taxes. These differences result from the following items:

		October 31, 2018		**October 31, 2017**
Income (loss) before income taxes	$	(27,699)	$	(37,470)
Combined federal and provincial income tax rates		27.00%		26.00%
Expected income tax recovery		(7,479)		(9,742)
Increase (decrease) due to:				
Stock based compensation and other non-deductible expenses		-		1,696
Change in enacted tax rates		-		(38,425)
Permanent difference		(275)		-
Tax benefit of losses not recognized		7,754		46,471
Income tax expense	**$**	**-**	**$**	**-**

(Expressed in Canadian Dollars)

8. Income Taxes (continued)

The composition of the unrecognized deferred income tax asset is provided in the table below:

	October 31, 2018	October 31, 2017
Non-capital losses	$ 380,703	$ 373,110
Capital losses	$ 555,124	$ 554,968
Mineral Property, plant and equipment	109,310	109,310
Share issuance costs	-	275
Unrecognized deferred tax assets	(1,045,137)	(1,037,663)
	$ -	**$ -**

The Company has non-capital loss carry-forwards of $1,410,610 (2017 - $1,381,292) that may be available for income tax purposes. No deferred income tax asset has been recorded in respect of these losses as it is not probable that the Company will generate sufficient taxable income. The loss carry-forwards are all in respect of Canadian operations and expire as follows:

Expiry Date	Canada
October 31, 2027	26,008
October 31, 2028	25,989
October 31, 2029	68,734
October 31, 2030	127,873
October 31, 2031	359,908
October 31, 2032	310,312
October 31, 2033	218,794
October 31, 2034	96,546
October 31, 2035	83,584
October 31, 2036	32,179
October 31, 2037	31,964
October 31, 2038	28,719
	$ 1,410,610

9. Financial Risk Management

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's financial instruments consist of cash, amounts receivable, accounts payable and accrued liabilities, promissory notes payable, and amounts due to related parties.

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board approves and monitors the risk management processes.

Credit Risk

Credit risk arises from the potential for non-performance by counterparties of contractual financial obligations. The Company's exposure to credit risk is on its cash and amounts receivable. The Company's cash is being held with large financial institutions. Amounts receivable are comprised of GST receivable from the Government of Canada. The Company's credit risk is mitigated by maintaining its financial liquid assets with highly reputable counterparties. The maximum exposure to credit risk is equal to the fair value or carrying value of the financial assets noted above.

Foreign Exchange Rate Risk

The Company is not currently exposed to any significant foreign exchange rate risk.

(Expressed in Canadian Dollars)

9. Financial Risk Management *(continued)*

Liquidity Risk

The Company's cash is invested in business accounts which are available on demand. The Company manages liquidity risk by preparing and maintaining cash forecasts, which illustrate cash spent to date and cash needs over the short term. As at October 31, 2018, the Company had total current assets of $4,055 (2017: $3,087). Contractual undiscounted cash flow requirements for financial liabilities as at October 31, 2018 and 2017 are presented below.

October 31, 2018

	Less than 1 year	1 - 3 years	4 - 5 years	Total
Accounts payable and accrued liabilities	$ 30,161	$ -	$ -	$ 30,161
Due to related parties	70,873	-	-	70,873
Promissory notes payable	139,500	-	-	139,500

October 31, 2017

	Less than 1 year	1 - 3 years	4 - 5 years	Total
Accounts payable and accrued liabilities	$ 31,123	$ -	$ -	$ 31,123
Due to related parties	66,144	-	-	66,144
Promissory notes payable	114,600	-	-	114,600

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, which is uncertain. Further information relating to liquidity risk is disclosed in Note 1.

Interest Rate Risk

As the Company's promissory notes bear a fixed interest rate, the Company is not significantly impacted by interest rate risk.

Price Risk

The Company is not currently exposed to price risk with respect to commodity prices. The Company's ability to raise capital to fund exploration and development activities with a potential future project may be subject to risks associated with fluctuations in the market price of commodities.

Fair Value

A three-level hierarchy for fair value measurements exists based upon the significance of inputs used in making fair value measurements:

- Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities.
- Level 2 – inputs other than quoted prices that are observable for the asset or liability, either directly (i.e.: as prices) or indirectly (i.e.: derived from prices).
- Level 3 – inputs for the asset or liability that are not based on observable market data.

At October 31, 2018, cash was categorized as level 1. The fair values of other financial instruments, which include amounts receivable, accounts payable, and accrued liabilities, promissory notes payable, and amounts due to related parties, approximate their carrying values due to the relatively short-term maturity of these instruments.

10. Management of Capital

The Company considers its capital to be its share capital and contributed surplus. The Company's objectives when managing capital are to pursue the development of its mineral properties and to maintain a flexible capital structure which optimizes the cost of capital at an acceptable risk. In the management of capital, the Company includes the components of equity attributable to shareholders.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust its capital structure, the Company may attempt to issue new shares, issue debt, and acquire or dispose of assets.

In order to facilitate the management of its capital requirements, the Company prepares annual expenditure budgets that are updated as necessary depending on various factors, including successful capital deployment and general industry conditions and also taking into consideration externally imposed capital requirements. The annual and updated budgets are approved by the Board of Directors, as required.

The Company's investment policy is to limit investments to guaranteed investment certificates, banker's acceptance notes, investment savings accounts, or money market funds with high quality financial institutions in Canada and treasury bills, selected with regards to the expected timing of expenditures from continuing operations. The Company has no externally imposed capital requirements. The Company's capital management policies have not significantly changed from the year ended October 31, 2017.