

ASX ANNOUNCEMENT

31 JANUARY 2018

SECOND QUARTER ACTIVITIES REVIEW

Cassius Mining Limited (“**Cassius**” or “the **Company**”) (ASX Code: **CMD**), is pleased to provide shareholders with the Company’s Activities Review for the quarter ending 31 December 2017.

During the second quarter the Company:

- ✓ **Announced an increase in the Company’s interest from 18% to 100% in the Large Scale Licence along the Namdini Trend pursuant to a proposed acquisition under the terms of the Joint Venture**
- ✓ **Completed Phase 2 of the initial drilling program**
- ✓ **Attended the 121 Mining Conference in the United Kingdom**
- ✓ **Completed a series of corporate actions**

Each of the activities are addressed below.

ACQUISITION OF A 100% INTEREST IN THE LARGE SCALE LICENCE

- The Company has agreed to terms to acquire the whole Large-Scale Licence covering an area of 13.79km², encompassing the balance of the Gbane Project Area as well as the option areas in the Joint Venture (the “**Licence Area**”).
- The Licence Area to be acquired subject to shareholder approval, is located on the same regional shear zone as, and directly adjacent to, the Cardinal Resources Namdini deposit.
- The acquisition of the whole Licence Area effectively removes any further ‘earn-in’ expenditure requirements.

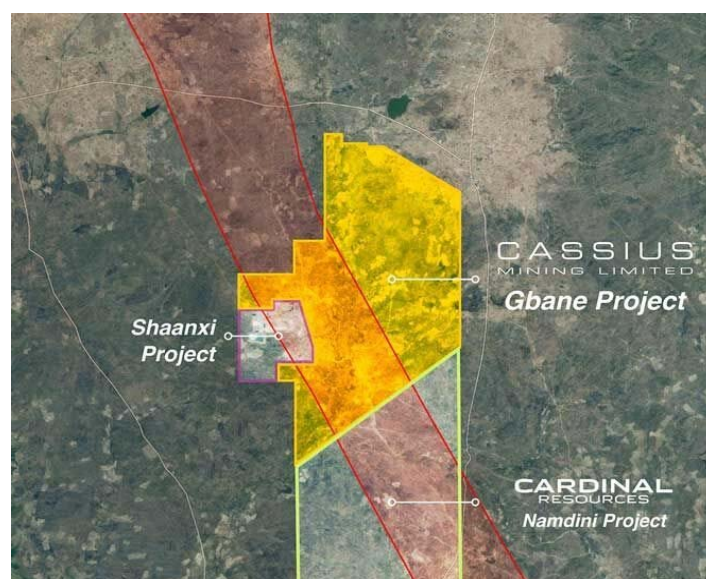


Fig 1: The Cassius Mining Large Scale Licence Area covering 13.79km², shares a licence boundary with Cardinal’s Namdini Project highlighting the Namdini shear zone.

The southern boundary of the Licence Area being acquired, joins (shares) the northern boundary of Cardinal Resources' Namdini Licence. The Cassius Licence sits on the Namdini shear zone that extends in a northerly direction from Namdini (see **Fig. 1** above).

The proposed acquisition encompasses the balance of the Gbane Project area and all the option areas included in the Company's Joint Venture agreement¹. This acquisition, which is conditional on shareholder approval, will conclude the Joint Venture by effectively transferring the balance of the Licence Area to the Company, who will then own 100% of the Licence Area.

Prior to the Proposed Acquisition the Gbane Joint Venture area covered 4.37km² (area within the **blue** boundary – **Fig. 2**).

As at 31 December 2017 the Company had earned a majority 60% interest in the Gbane Joint Venture (represented by the yellow shaded area within the blue).

The yellow shaded area effectively represented an 18% interest in the whole Cassius Licence Area.

Under the terms of the current Joint Venture, to increase its interest to 70% in the Gbane Project (blue area), the Company had to spend additional funds on exploration.

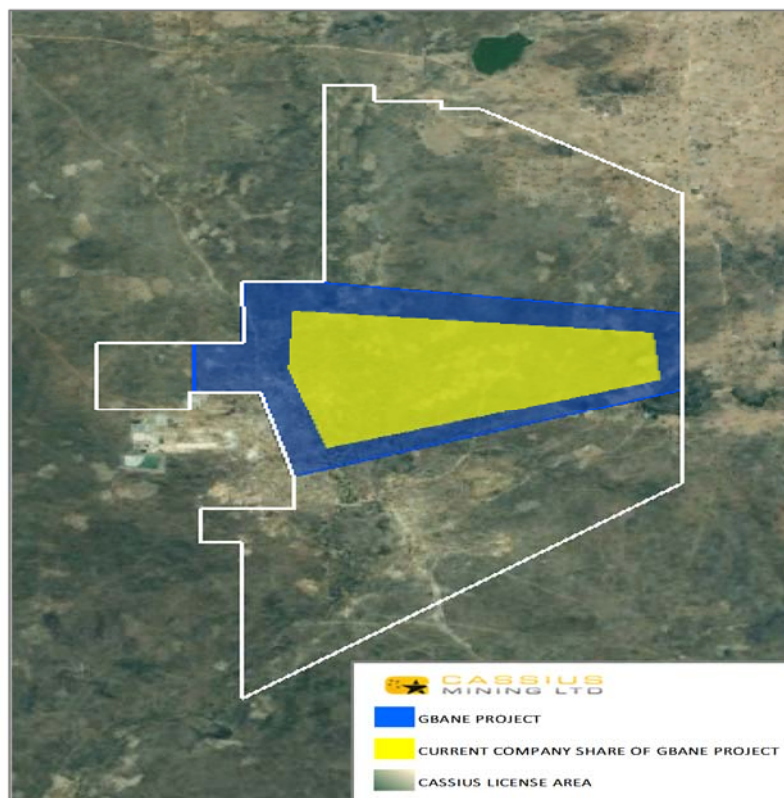


Fig 2: The interest in the Gbane Project and Licence area *prior* to the proposed acquisition.

¹ The Parties entered into a Joint Venture Agreement (the **Joint Venture**) following shareholder approval which was granted at a meeting of Company members on 26 May 2017 (**Shareholder Approval**).

Following the Proposed Acquisition, the Company's interest in the Licence Area will expand to include the balance of the Gbane Project Area as well as the balance of the Licence Area that were covered by the options in the Company's favour in the Joint Venture.

The proposed acquisition will increase the Company's interest in the Licence Area:

- from 18% (2.48km² /Fig. 2)
- to 100% (13.79km² /Fig. 3)

Significantly, the acquisition effectively removes any further 'earn-in' expenditure requirements that would have been applied for the Company to increase its interest in the Licence Area.

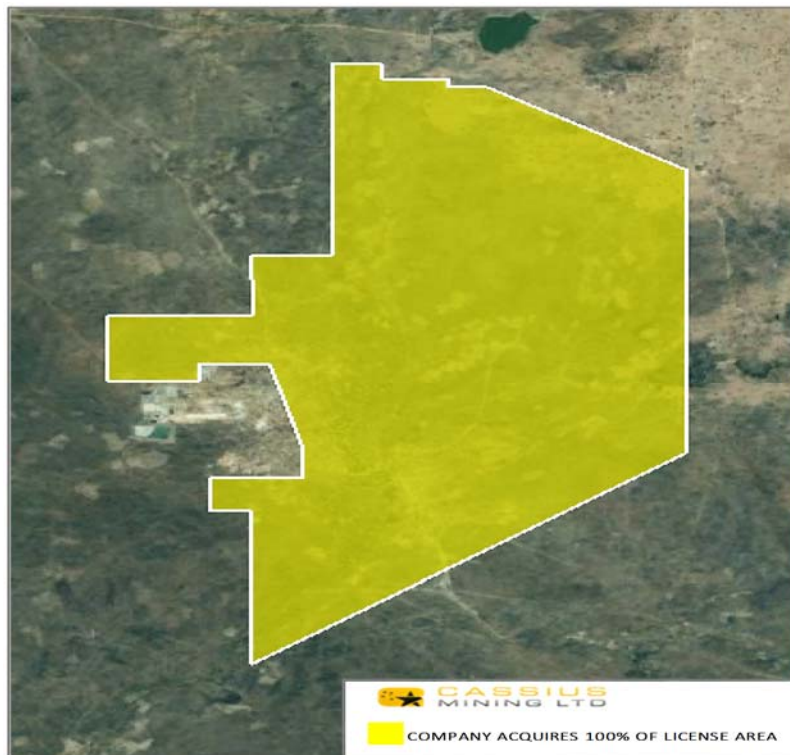


Fig 3: The shaded area represents the 100% interest in the Licence Area after the acquisition.

ACQUISITION TERMS

The existing Joint Venture Agreement provided the Company with options to firstly acquire the balance of the Gbane Project Area; and further, to acquire the balance of the areas making up the whole Large-Scale Licence Area.

The agreed terms set out below will achieve that objective, effectively bringing the Joint Venture to an end as the Company will have secured a 100% interest in the entire Licence Area.

The consideration to be received by the vendors of the Licence, in accordance with the Joint Venture, and subject to Company shareholder ratification shall consist of:

- (a) Payment of \$1,200,000²; and
- (b) Issue of ordinary securities to Licence vendors or their nominees in the aggregate amount of 56,250,000 shares; and
- (c) Issue of 500 Performance Shares linked directly to and conditional upon achieving a series of performance hurdles.

Settlement of the acquisition by the Company of the balance of the Licence and any payments, including the issue of securities (**Proposed Transaction**) are subject to a series of conditions precedent.

Capital Structure / Interest in Licence Area		
Security	Pre-Acquisition	Post-Acquisition
Fully Paid Ordinary Shares	261,246,388	317,496,388
Unlisted options expiring on 5 June 2019	9,375,000	9,375,000
Unlisted options expiring on 5 June 2020	9,374,999	9,374,999
Performance Shares	-	500
Interest in Gbane Project	60%	100%
Interest in whole Licence Area	18%	100%

The Notice of Meeting setting out the details and resolutions relating to the proposed transaction will be finalised and dispatched to the Company's shareholders shortly.

Gbane Project Initial Drill Program - Phase 1 and Phase 2:

Phases 1 and 2 of the Gbane Project have to date drilled a total of 8,637 metres RC (58 holes) and 6,286 metres DD core (32 holes). Only diamond core was drilled in Phase 2 to advance detailed geological understanding of the shear-vein system. All holes were oriented at a 70-90° azimuth, with an approximate 60° dip to optimise intersections orthogonal to the north-striking, westerly shallow-dipping target horizons.

Some highlights of the first exploration program included:

- ❖ Geological continuity confirmed along strike length
- ❖ Twenty-Six (26) altered and mineralised stacked shear-vein sheets identified over a strike length of 1.3km minimum, and to a vertical depth of at least 200m
- ❖ Significant gold intersections at shallow depth less than 100m in 14 of the 22 holes cored in Phase 2 (holes GDD 011-032).

² To be treated as a reimbursement of funds expended by the Licence vendors' in relation to the Cassius Licence.

The Phase 2 drilling programme has identified additional mineralisation zones, shearing and alteration to those already identified in Phase 1, also with variable gold grade and width. Multiple shallow significant intersections were encountered up dip to the East in the mineralised and altered shear zone along a 1.3 km North-South strike length (all depths are vertical), these results have been previously announced and highlights included:

- 10m @ 1.75 g/t (from 49m)
- 6m @ 1.48 g/t (from 45m)
- 4m @ 2.08 g/t (from 50m)
- 3m @ 2.13 g/t (from 20m)
- 2m @ 2.95 g/t (from 40m)
- 5m @ 2.89 g/t (from 68m)
- 1m @ 29.10 g/t (from 8m)
- 1m @ 17.27 g/t (from 22m)

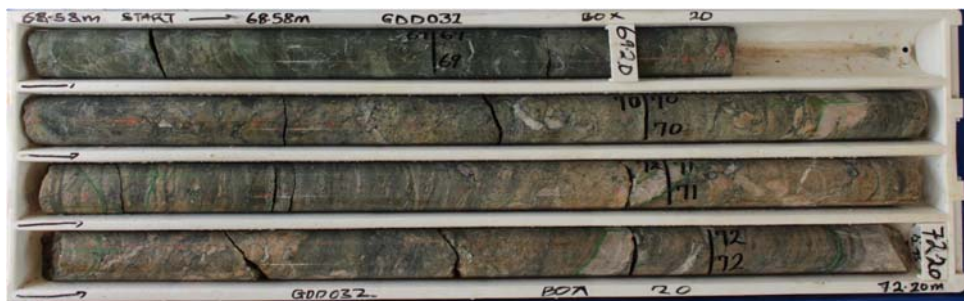


Fig 4: 68 – 73m (5 metres) at 2.89g/t Au.

To date 26 mineralised and altered shear zones have been identified across both drilling phases, and are being modelled to assist in advancing the Project towards a Resource (Figure 5).

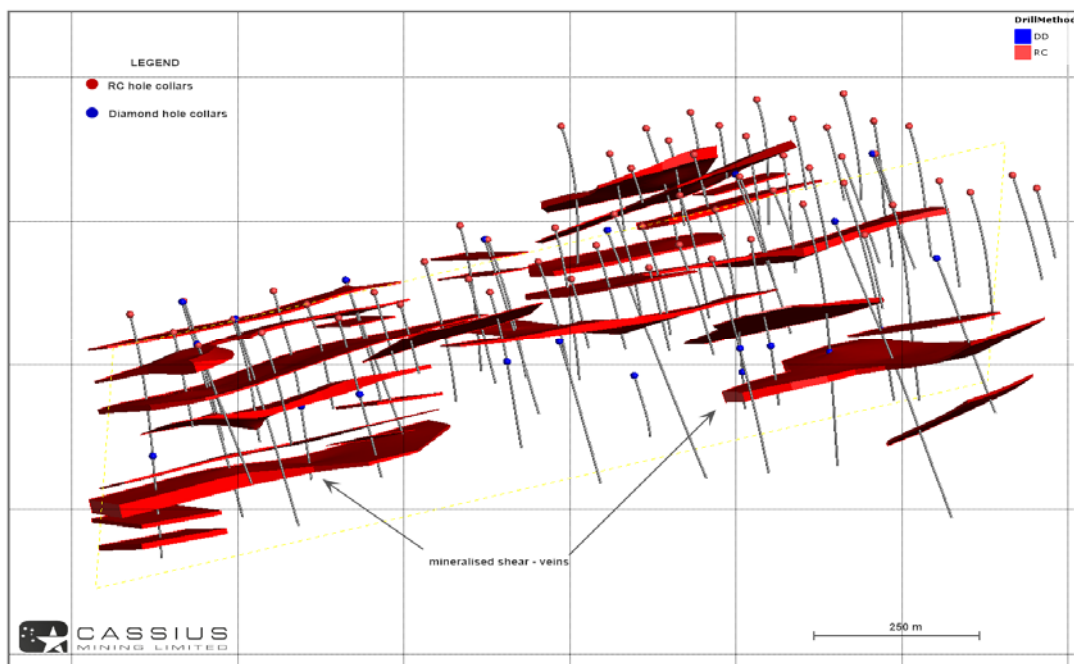


Figure 5: 3D view (looking NW) of the identified stacked mineralised shear-veins (both phases)

121 Conference Mining Conference in the United Kingdom

The Company was represented for the first time at the 121 Mining Conference in London late November 2017. The Project's senior consultant geologist, Mr Peter Gleeson of SRK Consulting, was also in attendance for the Company's presentations over the duration of the conference.

The conference provided an excellent opportunity for the Company to introduce the Company and the Gbane Project to many key industry participants. As those discussions continue, the Company is confident that several opportunities currently under consideration have the potential to increase shareholder value across the Company's portfolio.

The following are extracts from the presentation delivered at the 121 Mining Conference in London on 28 November 2017³

- ✓ Gold occurs in quartz carbonate veins hosted in highly altered and sheared meta-volcanics
- ✓ Controlling shears zone are not simple tabular sheets
- ✓ Best gold mineralisation is probably associated with plunging fold noses, to form discrete shoots
- ✓ These have a small foot print and are therefore difficult to locate, however a single shoot has the potential to contain significant gold
- ✓ Style of mineralisation identical to Namdini
 - Note the original Namdini discovery had a foot print of less than 100m²
- ✓ Current drilling at Gbane is approx. 200 x150m
- ✓ The mineralisation at Gbane is formed of shallow NE-SW plunging shoots
- ✓ It is certain that the adjacent Shaanxi Mine is exploiting these shoots
- ✓ Exploration priority is to identify these major, fold nose – shoot positions

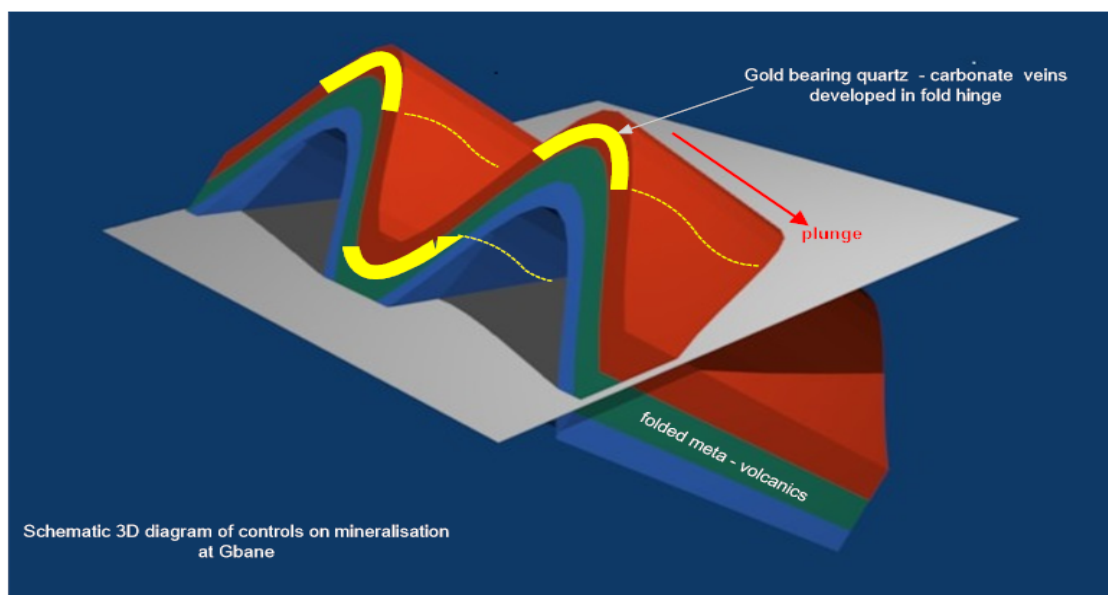


Fig 6: Schematic 3D diagram of carbonate veins developed in 'fold hinges'

³ Refer to full presentation as announced to the ASX on 28 November 2017.

Proposed Program scheduled to commence in Q1 2018 to include:

- Cover lease with ground or airborne geophysics (magnetics and radiometrics) on a 50m line spacing, to help with structural mapping of folds
- Shallow RAB drilling over structural areas of interest across the lease to identify new target areas
- Continued diamond drilling in the southern areas to follow up on wider high grade intersections seen in recent drilling

Soalara Limestone Project, Madagascar (GLF 100%)

The Soalara Project has completed all the requirements for issue of the Environmental Permit which is expected shortly.

Once the Environmental Permit is issued, we will then provide a timetable for the drilling program and then the feasibility study. The Company has undertaken extensive discussions with the regulatory authorities regarding the finalisation of a formal Operations Plan. As the Company already has a Mining Permit (held by its wholly owned subsidiary), we have successfully secured a number of dispensations, including a six month extension to formalise the Operations Plan.

Drilling is planned to start in the current quarter. The indicative timeframe to complete the drilling program is approximately four months.

Background

The Soalara property is located on the coast in southwest Madagascar and consists of two contiguous permits that encompass a total area of 18.75 sq. km. The permits are granted to Soalara Calcaire SARLU, a Malagasy company Gulf acquired 100 % share capital in through its Malagasy subsidiary Austral Malagasy Mining SARL. In 2015, the permits were granted for the exploitation of limestone, and are valid for a period of 40 years.

Permit	Company	Int (%)	Type	Expiry date	Grant date	Area (sq. km)	Commodity
14542	Soalara Calcaire SARLU	100	Exploitation (Mining)	03 Nov 2055	04 Nov 2015	12.50	Limestone
14960	Soalara Calcaire SARLU	100	Exploitation (Mining)	03 Nov 2055	04 Nov 2015	6.25	Limestone
					Total:	18.75	

Regionally - the Project is approximately 650km southwest of Madagascar's capital city Antananarivo. Locally – the Project is approximately 30km south of the town of Toliara and immediately south of St Augustin Bay.

SRK Exploration Services ("SRK ES") undertook an independent technical review of the Company's high-grade limestone project and concluded that within the Soalara Limestone Project area they estimated an Exploration Target⁴ of between 491 and 818 Million tonnes of limestone with a purity of high to very high⁵. This technical review was announced to the ASX on 19 May 2016.

SRK ES has based this calculation on a 5 km² area, a 60m thickness of limestone and by applying a density of 2.4t/m³.⁶

Based on the report and its due diligence, Gulf believes that, with a successful drilling programme and the development of a Pre-Feasibility study, the Project could achieve a potential JORC compliant resource which could lead to a substantial uplift in the value of the Project.

Based on a successful drilling programme a Typical Resource Classification value ranges for limestone are⁷:

- Measured: USD\$0.15/t – USD\$0.20/t
- Indicated: USD\$0.03t/ -- USD\$0.05/t
- Inferred: USD\$0.01/t – USD\$0.02/t

Marketing and Possible Customers

The Company believe that since the Soalara limestone deposit is situated near the Madagascan coast, the prospect of bulk exports is a strong possibility.

Additionally, assuming the limestone is suitable for manufacture of cement and lime, these will become two prime potential markets. A third potential market with reasonably large volume potential is the supply of limestone for glass-making.

⁴ An Exploration Target is defined as a statement or estimate of the exploration potential of a mineral deposit in a defined geological setting where the statement or estimate, quoted as a range of tonnes and a range of grade (or quality), relates to mineralization for which there has been insufficient exploration to estimate a Mineral Resource (JORC, 2012).

⁵ It should also be noted that the potential quality and grade range is conceptual in nature, and that it uncertain if further exploration will result in the estimation of a Minerals Resources.

⁶ The area used in the Exploration Target estimate was based upon a consideration of the geological, geomorphological and anthropogenic features within the property that could impose constraints on the extent of an open-pit limestone operation. The estimate also factored in a volume reduction on the basis of a pit slope angle of 75 degrees, a bench height of 15 m and a bench of 8m, which are typical parameters for many limestone quarries. It also included a volume reduction of 5% to allow for the presence of any voids within the limestone sequences.

⁷ These values are based on a database held by Ausrocks (Ausrocks, 2015) on Resource values for industrial minerals and quarry materials and are indicative only with an accuracy of +/-33%. The database has been generated from actual sales of projects. The range of values for each Resource Classification depend on:

- The quality of the limestone in the Resource.
- The size of the Resource.

The likely production rate which is linked to the Resource size and the potential market. For extremely large resources, a value is selected for the first 40 years production (a typical project life) and the remaining Resource is discounted at the minimum value. This assessment is based on an average production rate of 2 Mt/a for 40 years.

CORPORATE

Increase Interest in Gbane Joint Venture

Based on the terms of the Gbane Project Joint Venture, the Company's exploration expenditure has resulted in an increase of the Company's interest in the Gbane Joint Venture Project from an initial 40% to 60%, representing a majority interest.

The Company will seek shareholder approval to acquire a 100% interest in the Large Scale Licence.

Change of Name

At the Company's AGM on 15 November 2017, the Company's shareholders approved the resolution to change the name of the Company to "**Cassius Mining Limited**". The name change took effect late November 2017.

Share Consolidation & Buyback of unmarketable parcels

Additionally, shareholder's voted in favour of a consolidation of shares. The consolidation ratio was 16 to 1 and was effected during the quarter.

The Company will also be looking to undertake a buyback of unmarketable parcels of shares during 2018.

SCHEDULE OF TENEMENTS as at 31 December 2017

Location	Tenement / Special License Number
Ghana	60% interest in the Gbane project
Madagascar	R14542 - 100% R14960 – 100%

SCHEDULE OF TENEMENTS DISPOSED OF DURING THE QUARTER

Location	Tenement / Special License Number
-	-

Attribution: Competent Person Statement

The information in Report that relates to Exploration Targets and Exploration Results is based on information compiled by Peter Gleeson who is a Member of the Institute of Materials, Minerals and Mining, a 'Recognized Professional Organization' (RPO) including in the list promulgated by the ASX from time to time. Peter Gleeson is a consultant working for SRK Consulting (UK) Ltd and has been engaged by Gulf Industrials Ltd to prepare documentation for the Gbane Project. He has sufficient experience which is related to the style of mineralization and type of deposit under consideration and to the activity which has been undertaken, to qualify as Competent Person as defined by the 2012 edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves", Peter Gleeson consents to the report being issued in the form and context in which its appears.

The information in Report that relates to Exploration Targets and Exploration Results is based on information compiled by Dr David Jefferson who is a Member of the Institute of Materials, Minerals and Mining, a 'Recognized Professional Organization' (RPO) including in the list promulgated by the ASX from time to time. Dr Jefferson is a consultant working for SRK Exploration Services Ltd and has been engaged by Gulf Industrials Ltd to prepare documentation for the Soalara Limestone Property. He has sufficient experience which is related to the style of mineralization and type of deposit under consideration and to the activity which has been undertaken, to qualify as Competent Person as define by the 2012 edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves", Dr. Jefferson consents to the report being issued in the form and context in which its appears.

FURTHER INFORMATION:

James Arkoudis CEO / Director	t: +61 2 8321 7943 f: +61 2 8226 3304 e: james@cassiusmining.com
Anthony Karam Managing Director	t: +61 2 8321 7941 f: +61 2 8226 3304 e: anthony@cassiusmining.com
Wayne Kernaghan Director/Co. Secretary	t: +61 2 8226 3323 f: +61 2 8226 3304 e: wayne@cassiusmining.com