

ASX ANNOUNCEMENT

10 October 2018

FIRST QUARTER ACTIVITIES REPORT & COMPANY UPDATE ON THE GBANE PROJECT

Cassius Mining Limited [ASX Code: CMD] (the **Company** or **Cassius**) provides this update on the Gbane Project, Ghana and its near future advanced (Phase 4) exploration activities.

Historical Overview

The Company has completed several orderly components of its gold exploration programme in its Gbane license over the past 18 months, concentrating on the W and SW areas. These areas were targeted due to their highly prospective nature and immediate proximity to, and common border with, the operating underground Shaanxi mine.

The exploration programme to date has included:

- Geological mapping
- Geochemical analyses, including soils and shallow pitting
- Land Geophysics
- 3 drilling phases (RC, followed by DD Diamond Core)
- High resolution aerial Geophysics

As an integral part of the evaluation process of the Company's asset through the above operations, routine monitoring of Shaanxi's mining operations has been conducted. The Company has also routinely monitored Cardinal's exploration progress to its multi-million oz JORC resource and consequent Mining License to the immediate south.

Both neighbouring operations at Shaanxi and Cardinal Resources (Namdini) sit on the same NNW-SSE mineralised trend as Gbane.

The Company's results to date point to a closer match to the Shaanxi model of multiple quartz-carbonate stacked mineralised veins of variable thickness and gold grade (dipping to the WSW), than to the Cardinal model.

Figure 1 shows at least two primary NNW-SSE veins cross the Shaanxi mine area into the Cassius license to the immediate south. They are believed to be the core of Shaanxi's asset.

The "*Main Vein*" (**Fig 1**) is shown as connecting the line of Shaanxi's 3 shafts, whilst the "*Border Vein*" immediately east closely follows the common border with the Cassius License.

The Border Vein also continues into the Cassius License to the north, and along with adjacent

stacked veins was targeted in the Company's Phase 1 RC drilling programme, with multiple gold interceptions at >3 g/t gold¹ (as plotted in **Fig 1**).

As a function of the multiple stacked vein systems continuing easterly away from the Shaanxi mine into the Cassius License, the Company's additional RC/DD interceptions >3 g/t gold in drilling Phases 1-3 are also plotted.

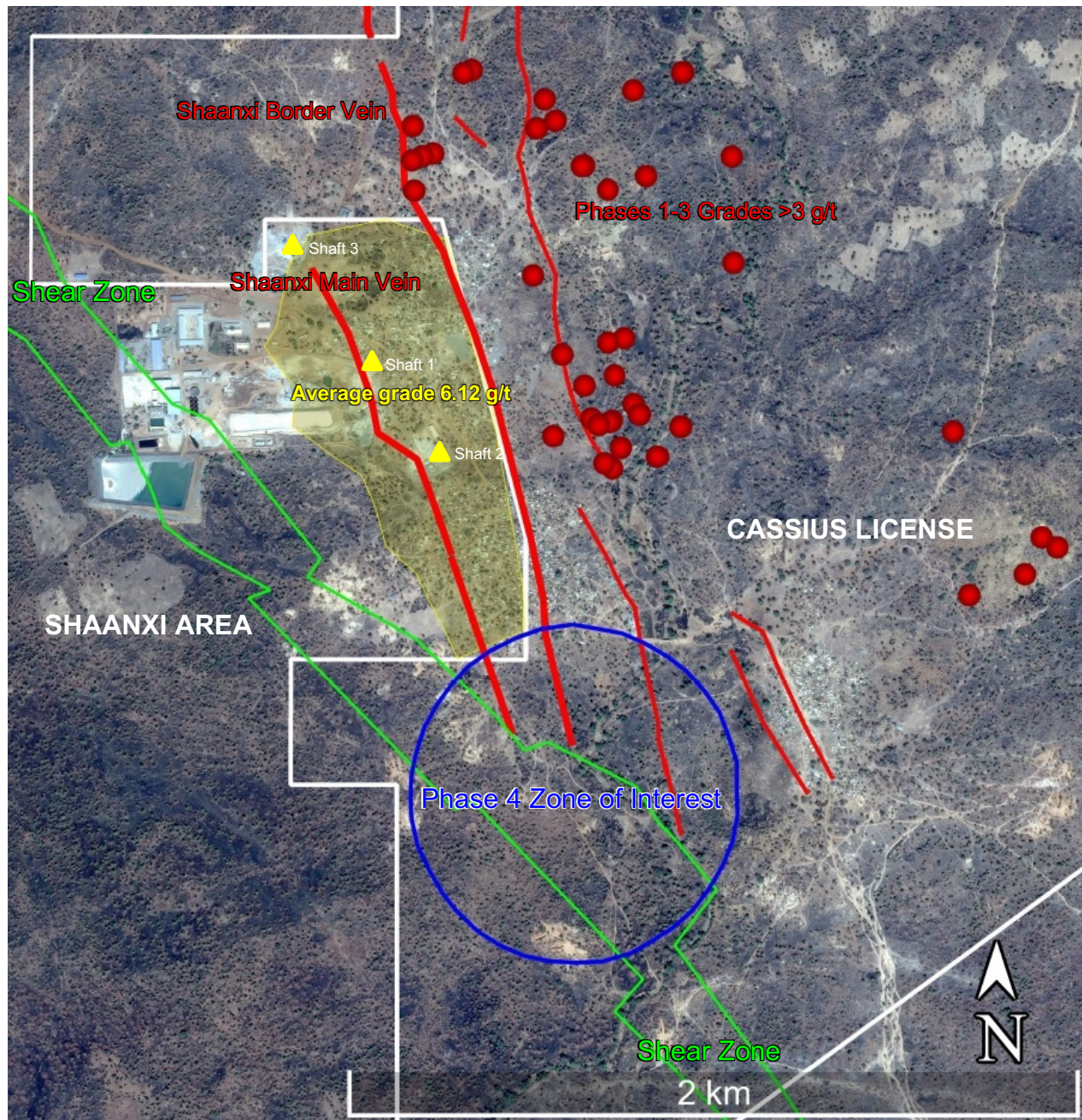


Figure 1: Phase 4 Exploration and adjacent Shaanxi Gold mine

¹ Refer to Company's ASX Announcement dated Sept 5th 2017.

Cassius's Asset Protection

As a consequence of the shared vein systems with Shaanxi's mine being situated close to the Cassius License, and the proximity of Shaanxi's headframes to the Cassius License border, the Company in addition to planning its Phase 4 exploration programme has taken all prudent and available actions to protect the Company's asset from any trespass potential by Shaanxi's operations into the Cassius License (refer RSM/SRK report – ASX, April 19th 2017).

Therefore, to protect the Company's asset, Cassius has taken pre-emptive injunctive action against Shaanxi as a precaution against any illegal sub-surface trespass and possible asset removal. The Company will keep stakeholders informed of all relevant progress on this matter.

A consequence of the above-mentioned process is that Cassius has recently been provided with geological and operational data prepared by independent experts² relating to the Shaanxi operation. The highlights of that data on the Shaanxi operation are set out below.

Shaanxi Gold Mine

Shaanxi entered the area in 2009 to conduct its exploration programme, and by c.2012 had established substantial infrastructure including head frames and shafts (**Fig 1**). At that time the independent data report estimated the following in the measured, indicated and inferred categories:

- nearly 5 million tonnes of ore
- an average grade of 6.12 g/t gold (over an approximate area shaded in yellow, **Fig 1**)
- an approximate 1 million ounce asset

Note: The independent report states that Shaanxi report under the People's Republic of China code for minerals (not JORC 2012), however its also understood that the 2 codes have in recent years become more aligned (though not directly aligned).

By c.2016/2017 the head frames had been enlarged, clearly implying deeper and more extensive sub-surface operations with probable higher tonnages being lifted. Multiple levels of tunnels are now understood to exist, from a shallow 55m sub-surface at 35m spacings to at least 200m (and believed deeper).

This and other information, not previously available or known, provides a significant insight into the structural geology and grade immediately adjacent to our western boundary. The Shaanxi mine has been successfully operating and producing for approximately 6 years.

² Minright Ghana - Shaanxi Work Programme Sept 18th 2017, referring to Xinjiang Tianbo Exploration Technology report

Phase 4 Exploration

Cassius's Phase 4 exploration planning immediately SSE of the Shaanxi mine can use this new data to assist the targeting of a more concentrated fracture/vein system with higher gold grade, particularly in the Phase 4 zone of interest (refer Company's announcement – ASX, Aug 29th 2018), where any interception with the shear thrust occurs, including:

- the Shaanxi "Main" and "Border" veins crossing the common border into the Cassius License, and
- adjacent related stacked vein splays

The Company's exploration programme will, at this stage and subject to on-going analysis of results, involve fewer and more targeted holes when compared to Phases 1-3 exploration drilling. Further details will be released soonest after completion of the current Phase 4 planning.

FURTHER INFORMATION

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COMPETENT PERSONS STATEMENT

Information in this report that relates to the Gbane Project is based on information compiled by Peter Gleeson, a full-time employee of SRK UK Ltd and member of the Australian Institute of Geoscientists and a member of the Institute of Mining Metallurgy and Materials UK. Mr Gleeson has sufficient experience which is relevant to the style of mineralisation under consideration and to the activity which he is undertaking to qualify as a Competent Person, as defined in the 2012 edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves.' Mr Gleeson consents to the inclusion in this report of the statements based on his information in the form and context in which it appears.

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By its very nature exploration for minerals is a high risk business and is not suitable for certain investors. Cassius securities are speculative. Potential investors should consult their stockbroker or financial advisor. There are a number of risks, both specific to Cassius and of a general nature which may affect the future operating and financial performance of Cassius and the value of an investment in Cassius including but not limited to economic conditions, stock market fluctuations, gold price movements, regional infrastructure, constraints, timing of approvals from relevant authorities, regulatory risks, operational risks and reliance on key personnel and foreign currency fluctuations.

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- Are necessarily based upon a number of estimates and assumptions that, while considered reasonable by Cassius, are inherently subject to significant technical, business, economic, competitive, political and social uncertainties and contingencies; and,
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No verification: Although all reasonable care has been undertaken to ensure that the facts and opinions given in this Announcement are accurate, the information provided in the Announcement has not been independently verified.

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