

5 February 2019

Clare Porta
Adviser, Listings Compliance (Sydney)
ASX Limited
20 Bridge Street
Sydney NSW 2000

By Email (ONLY): Clare.Porta@asx.com.au

Dear Clare,

Request for Information on Appendix 5B – 31 December 2018

I refer to your letter dated 1 February 2019.

In your letter, you have asked the Company to answer certain questions which have been copied below in our response. The Company responds as follows, adopting the same numbering in your letter for ease of reference:

1. *Does CMD expect that it will continue to have negative operating cash flows for the time being and, if not, why not?*

The Company does expect to have negative operating cash flows for the time being.

2. *Has CMD taken any steps, or does it propose to take any steps, to raise further cash funds to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?*

The Company will consider a capital raising in 2019 and believes, given its history of successful capital raisings, that it is highly likely it will be successful.

Additionally, the Company is in discussions around a potential trade sale of the Company's limestone asset in Madagascar.

3. *Does CMD expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?*

The Company does expect to be able to continue its operations and meet its objectives for the reasons outlined in the answer to question 2 which will provide funds for its operations.

As an exploration company, our principal business objective is to achieve exploration success which will lead to the development of a profitable mining operation.

4. *Please provide any other information that CMD considers may be relevant to ASX forming an opinion on whether CMD is in compliance with Listing Rule 12.2 (a listed entity's financial condition must, in ASX's opinion, be adequate to warrant the continued quotation of its securities and its continued listing).*

The Company believes that its financial condition is, at this point in time, adequate to warrant the continued quotation of its securities considering the proven ability of the Company to raise capital when required.

5. *Please confirm that CMD is in compliance with Listing Rule 3.1 and that there is no information about its financial condition that should be given to ASX in accordance with that Rule and that has not already been released to the market.*

The Company confirms that it is in compliance with the Listing Rules, including Listing Rule 3.1.

6. *Please confirm that CMD's responses to the questions above have been authorized and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of CMD with delegated authority from the board to respond to ASX on disclosure matters.*

The Company's responses to the above have been authorized and approved by the Board.

Yours sincerely



Wayne Kernaghan
Company Secretary
Cassius Mining Limited

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1 February 2019

Mr Wayne Kernaghan
Director and Company Secretary
Cassius Mining Limited
Level 7
99 Macquarie Street
Sydney NSW 2000

By email

Dear Mr Kernaghan

Cassius Mining Limited ("CMD"): Appendix 5B Query

I refer to CMD's Appendix 5B quarterly report for the period ended 31 December 2018 lodged with ASX Market Announcements Platform on 31 January 2019 (the "Appendix 5B").

ASX notes that CMD has reported:

- negative net operating cash flows for the quarter of \$461,000;
- cash at the end of the quarter of \$830,000; and
- estimated cash outflows for the next quarter of \$430,000.

It is possible to conclude, based on the information in the Appendix 5B that if CMD were to continue to expend cash at the rate indicated by the Appendix 5B, CMD may not have sufficient cash to continue funding its operations. In view of that, ASX asks CMD to respond separately to each of the following questions and requests for information:

1. Does CMD expect that it will continue to have negative operating cash flows for the time being and, if not, why not?
2. Has CMD taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?
3. Does CMD expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?
4. Please provide any other information that CMD considers may be relevant to ASX forming an opinion on whether CMD is in compliance with Listing Rule 12.2 (a listed entity's financial condition must, in ASX's opinion, be adequate to warrant the continued quotation of its securities and its continued listing).
5. Please confirm that CMD is in compliance with Listing Rule 3.1 and that there is no information about its financial condition that should be given to ASX in accordance with that Rule that has not already been released to the market.
6. Please confirm that CMD's responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of CMD with delegated authority from the board to respond to ASX on disclosure matters.

When and where to send your response

This request is made under, and in accordance with Listing Rule 18.7. Your response is required as soon as reasonably possible and, in any event, by not later than 9.30am AEDT on **Wednesday, 6 February 2019**. If we do not have your response by then, ASX will have no choice but to consider suspending trading in CMD's securities under Listing Rule 17.3.

You should note that if the information requested by this letter is information required to be given to ASX under Listing Rule 3.1 and it does not fall within the exceptions mentioned in Listing Rule 3.1A, CMD's obligation is to disclose the information "immediately". This may require the information to be disclosed before the deadline set out in the previous paragraph.

ASX reserves the right to release a copy of this letter and your response on the ASX Market Announcements Platform under Listing Rule 18.7A. Accordingly, your response should be in a form suitable for release to the market.

Your response should be sent to me by e-mail. It should not be sent directly to the ASX Market Announcements Office. This is to allow me to review your response to confirm that it is in a form appropriate for release to the market, before it is published on the ASX Market Announcements Platform.

Listing Rule 3.1

Listing Rule 3.1 requires a listed entity to give ASX immediately any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities. Exceptions to this requirement are set out in Listing Rule 3.1A.

In responding to this letter, you should have regard to CMD's obligations under Listing Rules 3.1 and 3.1A and also to Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B*.

It should be noted that CMD's obligation to disclose information under Listing Rule 3.1 is not confined to, nor is it necessarily satisfied by, answering the questions set out in this letter.

Trading halt

If you are unable to respond to this letter by the time specified above, you should discuss with us whether it is appropriate to request a trading halt in CMD's securities under Listing Rule 17.1.

If you wish to request a trading halt, you must tell us:

- the reasons for the trading halt;
- how long you want the trading halt to last;
- the event you expect to happen that will end the trading halt;
- that you are not aware of any reason why the trading halt should not be granted; and
- any other information necessary to inform the market about the trading halt, or that we ask for.

We may require the request for a trading halt to be in writing. The trading halt cannot extend past the commencement of normal trading on the second day after the day on which it is granted.

You can find further information about trading halts in Guidance Note 16 *Trading Halts & Voluntary Suspensions*.

If you have any queries or concerns about any of the above, please contact me immediately.

Yours sincerely,

[Sent electronically without signature]

Clare Porta

Adviser, Listings Compliance (Sydney)