

CASSIUS MINING LIMITED & CONTROLLED ENTITIES

ABN 13 115 027 033

ANNUAL REPORT 2020

CORPORATE INFORMATION

Cassius Mining Limited
ABN 13 115 027 033

DIRECTORS

J Arkoudis – Chief Executive Officer
A Karam – Managing Director
D Chidlow – Technical Director
W Kernaghan – Non Executive Director

COMPANY SECRETARY

W Kernaghan

REGISTERED OFFICE

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3 Spring Street
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SHARE REGISTER

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AUDITORS

A D Danieli Audit Pty Ltd
Level 1
261 George Street
Sydney NSW 2000
Australia

BANKERS

Westpac Banking Corporation
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Sydney NSW 2000
Australia

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CHAIRMAN'S LETTER

Dear Shareholders,

In early 2020 the Company was advised formally that the Government of Ghana refused to renew the Prospecting Licence for the Gbane project despite prior agreement and representations that it would do so.

As a consequence the Board sought legal advice from Pinsent Masons (London based international solicitors), who subsequently served notice on the Ghanaian President and the Government of Ghana in April this year of the Company's intention to commence International Arbitration, claiming full compensation (including damages and costs).

Currently the Company is well progressed in discussions to secure litigation funding on a no win no fee basis. In this way the Arbitration would be externally funded and have minimal impact on the Company's ability to progress the Madagascar project and/or take up beneficial new projects as they arise.

In Ghana, whilst the Company already had its next drilling phase ready for execution at Gbane in 2019, designed to progress its 300-400,000 oz gold Exploration Target towards a JORC resource, such operations, due to the tenure risks, could not be justifiably conducted until the licence renewal had been secured. Those operations are now necessarily stalled due to the actions of Ghana.

In Madagascar, requests for quotes have been issued for the staged drilling program on the Soalara Limestone project, targeted to quantify required funding and progress the asset to a JORC resource. However, operations are likely to be further delayed due to Covid 19 restrictions, including closed international borders. The intention of the Board is to conduct its planned operations once the requests for quotes are assessed as reasonable, funding is secured and Covid restrictions are lifted.

We look positively to expediting our claim for substantial compensation in Ghana on the basis that the actions of the government authorities in Ghana in failing to renew the licence were in breach of their legal obligations to Cassius, as well as advancing the Soalara project into 2021.

On behalf of the board and myself, I thank Shareholders for their ongoing support.

Yours truly,



James Arkoudis
Chairman

ACTIVITIES & PROJECT REVIEW

A summary of **Cassius Mining Limited's** exploration activities for the financial year to 30 June 2020 is set out below:

Gbane Project, Ghana - The Company's Forward Exploration Programme and Investment Protection

- ✓ The Gbane Gold Project is on-strike from Cardinal's neighbouring 5+ Moz Namdini resource, and directly adjacent to the Shaanxi (now renamed Earl) underground gold mine.
- ✓ The Company's forward exploration programme, targeted to confirm and quantify its maiden gold resource at Gbane¹, has been deferred through the year pending resolution of the dispute with the Ghana government ("Ghana").
- ✓ It has become clear through the year that the only recourse available to the Company is to take legal action against Ghana for failing to protect Cassius' investment.
- ✓ Consequently Cassius has engaged Pinsent Masons, a highly experienced and respected international law firm (based in London) with a successful track record in such cases. Pinsent served Notice on Ghana² on April 16th 2020 of the Company's intent to proceed to International Arbitration.
- ✓ Litigation funding options to prosecute the case remain under discussion (on a no win no fee basis). The Company will keep stakeholders informed of relevant progress on this.
- ✓ The Company's forward exploration programme remains current and valid, should the outcome of International Arbitration include the potential to do so. The Company remains ready to conduct that programme.

Cassius Mining Limited ("**Cassius**"³ or "**the Company**") (**ASX Code: CMD**) has taken all prudent and available actions to protect the Company's interest in the Gbane project.

In accordance with the relevant legislative regulations, the Company had submitted its application for an extension to its Prospecting Licence. Following this lodgment, the Company held formal discussions with senior representatives of both the Ministry of Lands and Natural Resources and the Minerals Commission. During that process the parties reached an agreement on 21 February 2019, relating to an extension of the Company's licence for a further period of three (3) years.

Cassius has at all times, both prior to and after the signing of the Prospecting Licence Agreement on 28 December 2016, conducted its business responsibly to ensure that the Gbane project would be of mutual benefit to Ghana, its economy and its people. However, Cassius' business has been damaged as a result of multiple breached obligations by Ghana.

Nevertheless, Cassius remains steadfast in protecting its investment and all its rights, whilst working through its legal counsel to secure full compensation. The Company will consider any other actions necessary to ensure its rights are preserved and fully compensated for, and will keep the market informed of material progress on this matter.

¹ refer ASX, September 27th 2019, "Annual Report - Activities"

² refer ASX, April 17th 2020

³ reference to Cassius includes, where relevant, both Cassius Mining Limited (Aust) and/or Cassius Mining Limited (Ghana)

ACTIVITIES & PROJECT REVIEW

Soalara Limestone Project, Madagascar

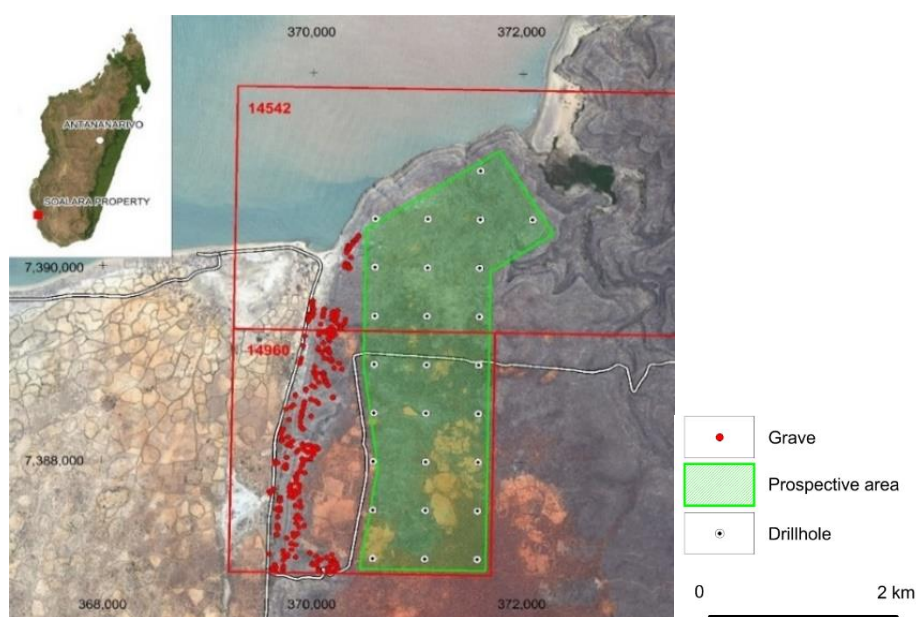
In relation to the Company's Soalara Limestone Project in Madagascar, the Company continues to work through a due diligence exercise with a large African based third party, however Covid delays continue to severely inhibit progress on this process, primarily due to both international and domestic travel restrictions.

Simultaneously, the Company has issued Requests For Quotes to selected contractors to evaluate cost and timing acceptability for its forward resource estimation drilling programme. This also remains subject to Covid restrictions permitting such a programme. The Company will keep the market informed of any material progress.

A staged drilling programme is planned to a maximum hole depth of 100m on a 500m grid (see below), up to a maximum of 26 holes across stages, with grid spacing based on SRK's observations that the limestone appeared reasonably consistent across the permits. Drilling progress to successive stages would require positive results from prior stages, to ensure expenditure remains efficient at all times.

An independent technical review conducted by SRK Exploration Services⁴ indicated a potential JORC-compliant inferred resource of greater than 750 Mt of high quality limestone.

The RSM Independent Expert's Report⁵ estimated the asset's market valuation to be in the range of A\$1.7-2.7m, with a preferred value of A\$2.1m.



Soalara Limestone Mining Licences with Drilling Programme

The Soalara property is not currently associated with a compliant mineral resource or reserve estimate. However, there is considered to be sufficient data to state a JORC-defined Exploration Target. SRK ES estimate an Exploration Target of between 491 and 818 Mt of limestone with a purity of high to very high⁶ with calculations based on a 5 km² area, a 60m thickness and an applied density of 2.4 t/m³.⁷

⁴ refer ASX, May 19th 2016

⁵ refer ASX, April 19th 2017

⁶ the potential quality and grade range is conceptual in nature. Its uncertain if further exploration will result in the estimation of a Minerals Resource.

⁷ the area used in the Exploration Target estimate is based on consideration of the geological, geomorphological and anthropogenic features that could impose constraints on the extent of an open-pit limestone deposit. An area of approximately 5km² is considered to be most prospective to exploitation.

ACTIVITIES & PROJECT REVIEW

SCHEDULE OF TENEMENTS AS AT 30 JUNE 2020

Location		Tenement / Mining Lease Number / Special Licence Number					
Madagascar		R14542 – 100% R14960 – 100%					
Permit	Company	Int (%)	Type	Expiry date	Grant date	Area (sq. km)	Commodity
14542	Soalara Calcaire SARLU	100	Exploitation (Mining)	03 Nov 2055	04 Nov 15	12.50	Limestone
14960	Soalara Calcaire SARLU	100	Exploitation (Mining)	03 Nov 2055	04 Nov 15	6.25	Limestone

Attributions: Competent Person Statement

Information in this report that relates to the Gbane Project is based on information compiled by Rob Seed, a direct consultant to Cassius and member of the Australian Institute of Geoscientists and a member of the Institute of Mining Metallurgy and Materials UK. Mr Seed 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 Seed consents to the inclusion in this report of the statements based on his information in the form and context in which it appears.

The information in this 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 Cassius Mining 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 defined 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.

CORPORATE GOVERNANCE STATEMENT

In recognising the need for the highest standards of corporate behaviour and accountability, the directors of Cassius Mining Limited (“the Company”) have adhered to the principles of corporate governance and this statement outlines the main corporate practices in place throughout the financial year. The ASX Corporate Governance Council has released revised Corporate Governance Principles and Recommendations – 3rd Edition. Having regard to the size of the Company and the nature of its enterprise, it is considered that the Company complies as far as possible with the spirit and intentions of the ASX Corporate Governance Council’s Corporate Governance Principles and Recommendations as set out below. Unless otherwise stated, the practices were in place for the entire year.

1. Board of Directors

The Board of Directors of the Company is responsible for the corporate governance of the Company. The Board guides and monitors the business and affairs of the Company on behalf of the shareholders by whom they are elected and to whom they are accountable.

As the Board acts on behalf of shareholders, it seeks to identify the expectations of shareholders, as well as other ethical expectations and obligations. In addition, the Board is responsible for identifying areas of significant business risk and ensuring arrangements are in place to adequately manage those risks.

The primary responsibilities of the Board include:

- formulation and approval of the strategic direction, objectives and goals of the Company;
- monitoring the financial performance of the Company, including approval of the Company’s financial statements;
- ensuring that adequate internal control systems and procedures exist and that compliance with these systems and procedures is maintained;
- the identification of significant business risks and ensuring that such risks are adequately managed;
- the review of performance and remuneration of executive directors; and
- the establishment and maintenance of appropriate ethical standards.

The responsibility for the operation and administration of the Company is carried out by the directors, who operate in an executive capacity, supported by senior professional staff. The Board ensures that this team is suitably qualified and experienced to discharge its responsibilities, and assesses on an ongoing basis the performance of the management team, to ensure that management’s objectives and activities are aligned with the expectations and risks identified by the board.

The names of directors in office at any time during or since the end of the year are:

Director	Appointed	Resigned
W Kernaghan	30 June 2005	-
A Karam	31 October 2014	-
J Arkoudis	31 October 2014	-
D Chidlow	8 June 2017	

For information in respect to each director refer to the directors’ report.

2. Independent Directors

ASX guidelines recommends that the majority of the board should be independent directors. The Company has been in compliance with this recommendation for the full year.

3. Board Composition

When the need for a new director is identified, selection is based on the skills and experience of prospective directors, having regard to the present and future needs of the Company. Any director so appointed must then stand for election at the next Annual General Meeting of the Company.

CORPORATE GOVERNANCE STATEMENT

4. Terms of Appointment as a Director

The constitution of the Company provides that a director other than the Managing Director may not retain office for more than three calendar years or beyond the third Annual General Meeting following his or her election, whichever is longer, without submitting for re-election. One third of the directors must retire each year and are eligible for re-election. The directors who retire by rotation at each Annual General Meeting are those with the longest length of time in office since their appointment or last election.

5. Board Committees

(5) The Remuneration Committee

The Company did not have a Remuneration Committee for the year ended 30 June 2020. This was because the Company had decided in prior years that the functions of the remuneration committee would be conducted by the full board.

(b) The Audit Committee

The Company did not have a Audit Committee for the year ended 30 June 2020. This was because the Company had decided in prior years that the functions of the audit committee would be conducted by the full board.

6. Remuneration

Remuneration and other terms of employment of executives, including executive directors, are reviewed periodically by the Board having regard to performance, relevant comparative information and, where necessary, independent expert advice. Remuneration packages are set at levels that are intended to attract and retain executives capable of managing the Company's operations.

The terms of engagement and remuneration of executive directors is reviewed periodically by the Board. Where the remuneration of a particular executive director is to be considered, the director concerned does not participate in the discussion or decision-making.

7. Conflict of Interest

The directors must keep the Company informed, on an ongoing basis, of any interest that could potentially conflict with those of the Company. Where the Board believes a significant conflict exists, the director concerned does not receive the relevant board papers and is not present at the meeting whilst the item is considered.

8. Independent Professional Advice

Directors have the right, in connection with their duties and responsibilities as directors, to seek independent professional advice at the Company's expense. Prior approval of the Chairman is required, which will not be unreasonably withheld.

9. Code of Conduct

In view of the size of the Company and the nature of its activities, the Board has considered and adopted a code of conduct which is appropriate to guide executives, management and employees in carrying out their duties and responsibilities.

10. Diversity Policy

The Company has not established a diversity policy. There are currently no women on the board of the Company or in senior management roles. This will be reviewed in accordance with the next review of the Board's skills and requirements.

11. Make Timely and Balanced Disclosures

The Board has in place written policies and procedures to ensure the Company complies with its obligations under the continuous disclosure rule 3.1 and other ASX Listing Rule disclosure requirements.

CORPORATE GOVERNANCE STATEMENT

12. Communication to Market & Shareholders

The Board of Directors aims to ensure that the shareholders, on behalf of whom they act, are informed of all information necessary to assess the performance of the directors and the Company. Information is communicated to shareholders and the market through:

- the Annual Report which is available to all shareholders;
- other periodic reports which are lodged with ASX and available for shareholder scrutiny;
- other announcements made in accordance with ASX Listing Rules;
- special purpose information memoranda issued to shareholders as appropriate;
- the Annual General Meeting and other meetings called to obtain approval for board action as appropriate; and
- the Company's website.

13. Share Trading

Dealings are not permitted at any time whilst in the possession of price sensitive information not already available to the market. In addition, the Corporations Act 2001 prohibits the purchase or sale of securities whilst a person is in possession of inside information.

14. External Auditors

The external auditor is A D Danieli Audit Pty Ltd. The external auditor is invited to attend the Annual General Meeting and is available to answer shareholder questions about the conduct of the audit and the preparation and content of the auditor's report.

Details of the Company's corporate governance practices can be viewed at www.cassiusmining.com

DIRECTORS' REPORT

Your Directors submit their report together with the financial statements of the Group, being the Company and its controlled entities, for the financial year ended 30 June 2020.

Directors

The names of directors in office at any time during or since the end of the year are:

Director	Appointed	Resigned
W Kernaghan	30 June 2005	-
A Karam	31 October 2014	-
J Arkoudis	31 October 2014	-
D Chidlow	8 June 2017	-

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

Information on Current Directors

James Arkoudis Independent Executive Director, Chief Executive Officer

Mr Arkoudis boasts over twenty years commercial experience as a solicitor until 2013. Most recently he has developed an expertise in the mining Law and administrative practice of the mining sector in the Republic of Ghana. Mr Arkoudis also has wide experience in litigation matters including matters involving mining companies. Mr Arkoudis has also previously been a director of an ASX Listed mining Company.

Anthony Karam Independent, Executive Director, Managing Director

Mr Karam has previously been a managing director of an ASX listed mining Company for over 5 years. Mr Karam is a solicitor of the Supreme Court of New South Wales and has worked as a lawyer in the corporate and commercial spheres for over 20 years. He has been instrumental in identifying, negotiating terms and documenting several significant commercial transactions. Anthony's services as a corporate management consultant have been utilised by a number of Public companies. Mr Karam has a LLB/B.Com (Fin) from the University of New South Wales. During the past three years Mr Karam has held and is currently a director of E3Sixty Limited from 7 February 2019.

David Chidlow Independent, Non-Executive Director, Technical Director

Mr Chidlow has an Honours degree in Geology from Southampton University, England, and over 35 years' experience in resource exploration and development. The focus of David's career has been providing specialised professional services for developing major resources projects globally. David has worked in some of the harshest conditions in the industry including the Southern Highlands of Papua New Guinea, the Libyan Desert, Kuwait, and North Sea oil rigs.

David's expertise in project management and ability to deliver major projects are extremely well regarded in the resources industry, having been head hunted on several occasions for significant projects. Most recently, David was engaged as an expert consult by ExxonMobil to oversee and deliver key components of ExxonMobil's LNG Hides Project in PNG.

Wayne John Kernaghan B.Bus, ACA, FAICD, FCIS Non-Executive Director and Company Secretary

Wayne Kernaghan is a member of the Institute of Chartered Accountants in Australia with over 30 years' experience in various areas of the mining industry. He is a Fellow of the Australian Institute of Company Directors and a Chartered Secretary. During the past three years Mr Kernaghan has held and is currently a director of Cullen Resources Limited from 11 November 1997.

DIRECTORS' REPORT

Directors' Interests

Directors' interests in the shares and options of the company were:

Director	Direct		Indirect	
	Shares	Various Options	Shares	Various Options
W Kernaghan	-	-	11,562,500	-
A Karam	-	-	8,543,750	-
J Arkoudis	-	-	11,240,375	-
D Chidlow	-	-	15,721,162	-

Principal Activities

The principal activities of the Group during the financial year were mining and mineral exploration and seeking mining exploration opportunities. There was no significant change in the nature of the Group's principal activities during the financial year.

Review & Results of Operations

Cassius Mining Limited ("Cassius") is involved in mining and mineral exploration. The net loss after providing for income tax amounted to \$10,628,147 (2019: \$419,848).

During the year limited work was conducted on the Gbane Project in Ghana, West Africa which is highly prospective for gold while waiting for the exploration licence to be renewed. The company was advised that the exploration licence was not renewed and has commenced legal action against Ghana. As a result of the licence not being renewed the company has written off its investment in the Gbane Project during the year.

Limited exploration work was carried out during the year on its Soalara Limestone Project in Madagascar due to Covid-19.

Dividends Paid or Recommended

The directors do not recommend the payment of a dividend for this financial year. No dividend has been declared or paid by the Company since the end of the previous financial year.

Financial Position

The net assets of the Group have decreased by \$10,472,147 to \$983,617 at 30 June 2020.

Future Developments, Prospects & Business Strategies

Cassius is committed to exploring and developing its existing exploration properties and looking for other opportunities.

COVID-19 management

The global economic outlook is facing uncertainty due to the current COVID-19 pandemic, which has been having, and is likely to continue to have, a significant impact on global capital markets.

To date, COVID-19 has not had any material impact on the Company's operations other than in Madagascar where this country is in lockdown and will limit our exploration activities.

Supply chain disruptions resulting from the COVID-19 pandemic and measures implemented by governmental authorities around the world to limit the transmission of the virus (such as travel bans and quarantining) may, in addition to the general level of economic uncertainty caused by the COVID-19 pandemic, also adversely impact the Company's operations, financial position and prospects.

The Company has implemented a COVID-19 management plan across its business in order to minimise the risk of infection for individuals. This includes personnel working remotely so as to reduce the frequency of travel.

The Company's COVID-19 management plan will be reviewed and updated based on the latest guidance from health professionals and the government as the situation develops.

DIRECTORS' REPORT

Environmental Issues

The exploration and mining activities of the Group in Ghana and Madagascar are subject to environmental regulation under the laws of Ghana and Madagascar. The environmental laws and regulations in Ghana and Madagascar address the impact of the consolidated entity's activities in the areas of water and air quality, noise, surface disturbance and impact on flora and fauna. The directors are not aware of any environmental matter which would have a materially adverse impact on the overall business of the Group.

Significant Changes in State of Affairs

In the opinion of the directors there were no significant changes in the state of affairs of the consolidated entity that occurred during the financial year, not otherwise disclosed in this report or the consolidated accounts.

After Balance Sheet Date Events

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors of Cassius Mining Limited, to affect the operations of the Group, the results of those operations or the state of affairs of the consolidated entity in the subsequent financial years other than litigation funding options to prosecute the Ghana Government remain under discussion.

Directors' Meetings

The number of Directors' Meetings of Cassius Mining Limited held during the financial year ended 30 June 2020 and the number of meetings attended by each director are as follows:

Name	Directors Meetings	
	Eligible to Attend	Attended
W Kernaghan	3	3
A Karam	3	3
J Arkoudis	3	3
D Chidlow	3	3

* There are no audit or remuneration committees as the full Board carried out the duties of these committees.

As well as formal directors' meetings, executive and non-executive directors are in frequent communication.

Options

At the date of this report the Company had 3,000,000 and at 30 June 2020 the Company had 3,000,000 (2019: 12,374,999) unlisted options on issue over unissued ordinary shares and the details are as follows:

Type	Grant Date	Number	Exercise Price	Expiry Date
Unlisted	1 May 2018	3,000,000	\$0.11	15 December 2020

During the year nil (2019: nil) fully paid ordinary shares were issued by virtue of the exercise of options. Since the end of the financial year nil (2019: nil) shares have been issued by virtue of the exercise of options.

During the year 9,374,999 (2019:9,375,000) unlisted options exercisable at \$0.24 expired.

During the year nil (2019:nil) unlisted options were issued as part consideration for consulting services.

Remuneration Report (Audited)

This report details the nature and amount of remuneration for each director of Cassius Mining Limited.

Remuneration Policy

The remuneration policy of Cassius Mining Limited has been designed to align director objectives with shareholder and business objectives by providing a fixed remuneration component and offering specific long-term incentives based on key performance areas affecting the consolidated group's financial results. The board of Cassius Mining Limited believes the remuneration policy to be appropriate and effective in its ability to attract and retain the best executives and directors to run and manage the consolidated group as well as create goal congruence between directors and shareholders.

DIRECTORS' REPORT

Company Performance, Shareholders' Wealth & Director Remuneration

The remuneration policy, setting the terms and conditions for the executive directors was developed by the board. All executives receive a base salary (which is based on factors such as length of service and experience), options and incentives. The board reviews executive packages annually by reference to comparable information from industry sectors and other listed companies in similar industries. The board policy is to remunerate non-executive directors at market rates for comparable companies for time, commitment and responsibilities. The board determines payments to the non-executive directors and reviews their remuneration annually, based on market practice, duties and accountability. Independent external advice is sought when required. The maximum aggregate amount of directors' fees that can be paid to non-executive directors is subject to approval by shareholders at the Annual General Meeting. Non-Executive Directors' fees are not linked to the performance of the Company.

During the year no remuneration was based on any performance conditions, including Company or personal performance.

To align directors' interests with shareholder interests, the directors are encouraged to hold shares in the Company.

Compensation Practices

The board's policy for determining the nature and amount of compensation of key management for the Company is:

The remuneration for executive officers, including executive directors is based on a number of factors, including length of service, particular experience of the individual concerned, and overall performance of the Company. There are no formal written contracts in place, and normal employment arrangements are adhered to. Upon retirement, specified directors and executives are paid employee benefit entitlements accrued to the date of retirement. Any options not exercised before or on the date of termination lapse.

Key Management Personnel Remuneration

The remuneration for each director received during the year was as follows:

Director 2020	Short Term Directors Fees	Short Term Consulting Fees/Salary	Termination Payment	Post Employment Superannuation	Share Based Payments	Total	Performance Related
	\$	\$	\$	\$	\$	\$	%
W Kernaghan	36,000	-	-	3,420	-	39,420	-
A Karam	36,000	-	-	3,420	-	39,420	-
J Arkoudis	36,000	-	-	3,420	-	39,240	-
D Chidlow	36,000	-*	-	3,420	-	39,420	-
	144,000	-	-	13,680	-	157,680	-

* Refer to Note 14

Director 2019	Short Term Directors Fees	Short Term Consulting Fees/Salary	Termination Payment	Post- Employment Superannuation	Share Based Payments	Total	Performance Related
	\$	\$	\$	\$	\$	\$	%
W Kernaghan	36,000	-	-	3,420	-	39,420	-
A Karam	36,000	-	-	3,420	-	39,420	-
J Arkoudis	36,000	-	-	3,420	-	39,240	-
D Chidlow	36,000	-*	-	3,420	-	39,420	-
	144,000	-	-	13,680	-	157,680	-

* Refer to Note 14

Options Granted as Part of Remuneration for the Year Ended 30 June 2020

There were no options granted as part of remuneration for the year ended 30 June 2020 (2019:nil).

DIRECTORS' REPORT

Corporate Governance

In recognising the need for the highest standard of corporate behaviour and accountability, the directors of Cassius Mining Limited support and adhere to the principles of good corporate governance. The Company's corporate governance statement can be found on pages 6 to 8.

Indemnification and Insurance of Directors and Officers

The Company has entered into deeds of indemnity with the Directors indemnifying them against certain liabilities and costs to the extent permitted by law. The Company has paid premiums totalling \$18,060 (2019: \$20,700) in respect of Directors and Officers Liability Insurance and Company reimbursement policies, which covers all Directors and Officers of the company. The policy conditions preclude the Company from any detailed disclosures.

Proceedings on Behalf of Company

No person has applied for leave of Court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

The Company was not a party to any such proceedings during the year.

Non-Audit Services

The Board of Directors is satisfied that the provision of non-audit services during the year is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. The directors are satisfied that the services disclosed did not compromise the external auditors' independence for the following reasons:

- all non-audit services are reviewed and approved by the board prior to commencement to ensure they do not adversely affect the integrity and objectivity of the auditor; and
- the nature of the services provided does not compromise the general principles relating to auditor independence in accordance with APES 110: Code of Ethics for Professional Accountants set by the Accounting Professional and Ethical Standards Board. Fees payable to A D Danieli Pty Ltd an associated entity of A D Danieli Audit Pty Ltd are disclosed in Note 12.

Auditor's Independence Declaration

The lead auditor's independence declaration for the year ended 30 June 2020 has been received and can be found on page 14.

The Directors' Report, incorporating the Remuneration Report is signed in accordance with a resolution of the Board of Directors:



W Kernaghan
Director
Sydney, 29 September 2020



A D Danieli Audit Pty Ltd

Authorised Audit Company
ASIC Registered Number 339233
Audit & Assurance Services

Level 1 261 George Street
Sydney NSW 2000

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Email: add3@addca.com.au
Website: www.addca.com.au

**Auditor's Independence Declaration
Under Section 307c of The Corporations Act 2001
To the Directors of Cassius Mining Limited
ABN 13 115 027 033
And Controlled Entities**

I declare that, to the best of our knowledge and belief, during the year ended 30 June 2020, there have been no contraventions of:

- i. the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- ii. any applicable code of professional conduct in relation to the review.

A D Danieli Audit Pty Ltd

Mark Schiliro

Sydney, 29 September 2020

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the year ended 30 June 2020

	Note	2020 \$	2019 \$
Continuing operations			
Revenue	2	74,252	4,077
Exploration expenditure		(25,458)	(76,517)
Impairment of investment		(10,417,595)	
Share based payments	11	-	-
Operating expenses		(259,346)	(347,408)
Profit/(Loss) before income tax		(10,628,147)	(419,848)
Income tax expense	3	-	-
Net Profit/(Loss) from continuing operations		(10,628,147)	(419,848)
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year attributable to members of parent entity		(10,628,147)	(419,848)
Earnings per share			
From continuing operations:			
Basic loss per share (cents per share)	16	(3.84)	(0.16)
Diluted loss per share (cents per share)	16	(3.84)	(0.16)

(The accompanying notes form part of these financial statements.)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

at 30 June 2020

	Note	2020 \$	2019 \$
CURRENT ASSETS			
Cash and cash equivalents	4	98,851	348,184
Trade and other receivables	5	2,321	589
TOTAL CURRENT ASSETS		<u>101,172</u>	<u>348,773</u>
NON-CURRENT ASSETS			
Exploration expenditure	6	917,456	917,456
Investments accounted for using the equity method	7	-	10,218,596
TOTAL NON-CURRENT ASSETS		<u>917,456</u>	<u>11,136,052</u>
TOTAL ASSETS		<u>1,018,628</u>	<u>11,484,825</u>
CURRENT LIABILITIES			
Trade and other payables	8	35,011	29,061
TOTAL CURRENT LIABILITIES		<u>35,011</u>	<u>29,061</u>
TOTAL LIABILITIES		<u>35,011</u>	<u>29,061</u>
NET ASSETS		<u>983,617</u>	<u>11,455,764</u>
EQUITY			
Issued capital	9	45,436,946	45,280,946
Reserves	10	568,200	568,200
Accumulated losses		<u>(45,021,529)</u>	<u>(34,393,382)</u>
TOTAL EQUITY		<u>983,617</u>	<u>11,455,764</u>

(The accompanying notes form part of these financial statements.)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 30 June 2020

	Issued Capital \$	Reserves (Note 10) \$	Accumulated Losses \$	Total Equity \$
Balance at 1 July 2018	45,280,946	568,200	(33,973,534)	11,875,612
<i>Comprehensive income for the period</i>				
Loss for the period	-	-	(419,848)	(419,848)
Balance at 30 June 2019	45,280,946	568,200	(34,393,382)	11,455,764
 Balance at 1 July 2019	 45,280,946	 568,200	 (34,393,382)	 11,455,764
<i>Comprehensive income for the period</i>				
Loss for the period	-	-	(10,628,147)	(10,628,147)
Issue of share capital	156,000	-	-	156,000
Balance at 30 June 2020	45,436,946	568,200	(45,021,529)	983,617

(The accompanying notes form part of these financial statements.)

CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended 30 June 2020

	Note	2020 \$	2019 \$
Cash flows from Operating Activities			
Interest received		252	4,077
Payments to suppliers and employees		(206,586)	(557,877)
Net Cash (used in) provided by Operating Activities	22	(206,334)	(553,800)
Cash flows from Investing Activities			
Investments accounted for using the equity method		(198,999)	(907,601)
Net Cash (used in) provided by Investing Activities		(198,999)	(907,601)
Cash flows from Financing Activities			
Proceeds from share and option issues (Net of expenses)		156,000	-
Net Cash provided by (used in) Financing Activities		156,000	-
Net increase/(decrease) in cash held		(249,333)	(1,461,401)
Cash at beginning of the year	4	348,184	1,809,585
Cash at end of the year	4	98,851	348,184

(The accompanying notes form part of these financial statements.)

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2020

1. Summary of Significant Accounting Policies

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards including Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001.

The financial statements include the consolidated entity consisting of Cassius Mining Limited and its subsidiaries. The parent entity Cassius Mining Limited is a public listed Company incorporated and domiciled in Australia.

The financial statements of the consolidated entity consisting of Cassius Mining Limited and its controlled entities comply with all International Financial Reporting Standards (IFRS) in their entirety.

The following is a summary of the material accounting policies adopted by the consolidated group in the preparation of the financial statements. The accounting policies have been consistently applied, unless otherwise stated.

Basis of Preparation

The accounting policies set out below have been consistently applied to all years presented.

Reporting Basis and Conventions

The financial statements have been prepared using the accrual basis of accounting and are based on historical cost modified where applicable by the measurement at fair value of selected non-current assets, financial assets and liabilities.

New and Revised Accounting Standards and Interpretations

Cassius Mining Limited and its subsidiaries have adopted all new and amended Accounting Standards and Interpretations which were applicable as of 1 July 2019.

Adoption of these new Standards and Interpretations did not have any effect on the financial position or performance of the consolidated entity.

Cassius Mining Limited and its controlled entities have not early adopted any other standards or amendments that are issued but not yet effective.

Going Concern

The accounts have been prepared on the going concern basis, which contemplates continuity of normal business activities and the realisation of assets and liabilities in the normal course of business.

The Consolidated Entity had cash and cash equivalents of \$98,851 at 30 June 2020. The directors acknowledge that continued exploration and development of the consolidated group's mineral exploration projects will necessitate further capital raisings.

The Consolidated Entity remains dependent on its ability to raise funding in volatile capital markets. However, the directors continue to believe that the going concern basis of accounting by the Consolidated Entity is appropriate as the Consolidated Entity has previously successfully completed a capital raising, notwithstanding the challenging conditions in equity markets.

In consideration of the above matters, the directors have determined that it is reasonably foreseeable that the Consolidated Entity will continue as a going concern and that it is appropriate that the going concern method of accounting be adopted in the preparation of the financial statements. In the event that the Consolidated Entity is unable to continue as a going concern (due to inability to raise future funding requirements), it may be required to realise its assets at amounts different to those currently recognised, settle liabilities other than in the ordinary course of business and make provisions for other costs which may arise as a result of cessation or curtailment of normal business operations.

Accordingly, the financial statements do not include adjustments relating to the recoverability and classification of assets amount or to the amounts and classification of liabilities that might be necessary if the Consolidated Entity does not continue a going concern.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2020

a. Principles of Consolidation

The consolidated financial statements incorporate the assets, liabilities and results of entities controlled by Cassius Mining Limited at the end of the reporting period.

A controlled entity is any entity controlled by the Company. Control exists where the Company has the capacity to dominate the decision-making in relation to the financial and operating policies of another entity so that the other entity operates with the Company to achieve the objectives of the Company.

A list of controlled entities is contained in Note 15 to the Financial Statements. All controlled entities have a June financial year end. All inter-company balances and transactions between entities in the consolidated group, including any unrealised profits or losses, have been eliminated on consolidation.

Where controlled entities have entered or left the consolidated group during the year, their financial performance has been included from the date control was obtained or until the date control ceased.

b. Mining Tenements & Deferred Exploration, Evaluation & Development Expenditure

Mining tenements are carried at cost, less accumulated impairment losses.

Mineral exploration, evaluation and development expenditure incurred is accumulated in respect of each identifiable area of interest. These costs are only carried forward to the extent that they are expected to be recouped through the successful development of the area of interest or sale of that area of interest, or exploration and evaluation activities have not reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves and active or significant operations in or in relation to, the area of interest are continuing.

Accumulated costs in relation to an abandoned area are written off in full against profit in the year in which the decision to abandon the area is made.

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

c. Goods & Services Tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Tax Office (ATO). In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the statement of financial position.

Cash flows are presented in the Statement of Cash Flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

d. Impairment of Assets

At each reporting date, the consolidated group reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the consolidated statement of profit or loss and comprehensive income.

Where it is not possible to estimate the recoverable amount of an individual asset, the Consolidated Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

e. Income Tax

The charge for current income tax expense is based on the profit for the year adjusted for any non-assessable or disallowed items. It is calculated using the tax rates and tax laws that have been enacted or are subsequently enacted by the reporting date.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2020

Current tax losses for current and prior periods are not recognised as an asset as the future income tax benefit can be carried forward only as an asset where realisation of the benefit can be regarded as being probable.

f. Cash & Cash Equivalents

For the purpose of the statement of cash flows, cash includes:

- cash on hand and at call deposits with banks or financial institutions, net of bank overdrafts; and
- investments in money market instruments with less than 14 days to maturity.

g. Revenue Recognition

Interest revenue is recognised using the effective interest rate method which for floating rate financial assets, is the rate inherent in the instrument.

Revenue from the rendering of a service is recognised upon the delivery of the service to the customers. All revenue is stated net of the amount of goods and services tax (GST).

h. Business Combinations

Business combinations occur where control over another business is obtained and results in the consolidation of its assets and liabilities. All business combinations, including those involving entities under common control, are accounted for by applying the purchase method.

The purchase method requires an acquirer of the business to be identified and for the cost of the acquisition and fair values of identifiable assets, liabilities and contingent liabilities to be determined as at acquisition date, being the date that control is obtained.

Cost is determined as the aggregate of fair values of assets given, equity issued and liabilities assumed in exchange for control together with costs directly attributable to the business combination. Any deferred consideration payable is discounted to present value using the entity's incremental borrowing rate.

Goodwill is recognised initially at the excess of cost over the acquirer's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised. If the fair value of the acquirer's interest is greater than cost, the surplus is immediately recognised in profit or loss.

i. Joint Venture Interests

An interest in a joint venture operation is brought to account by including in the respective financial statement categories:

- the consolidated entity's share in each of the individual assets employed in the joint venture;
- liabilities incurred by the consolidated entity in relation to the joint venture including the economic entity's share of any liabilities for which the consolidated entity is jointly and/or severally liable; and
- The consolidated entity's share of expenses of the joint venture.

j. Financial Instruments

Recognition & Initial Measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the Company commits itself to either the purchase or sale of the asset (ie trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transaction costs, except where the instrument is classified 'at fair value through profit or loss', in which case transaction costs are expensed to the statement of comprehensive income.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2020

Classification & Subsequent Measurement

Financial instruments are subsequently measured at either of fair value, amortised cost using the effective interest rate method, or cost. *Fair value* represents the amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Amortised cost is calculated as:

- a. the amount at which the financial asset or financial liability is measured at initial recognition;
- b. less principal repayments;
- c. plus or minus the cumulative amortisation of the difference, if any, between the amount initially recognised and the maturity amount calculated using the *effective interest method*; and
- d. less any reduction for impairment.

The *effective interest method* is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that exactly discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying value with a consequential recognition of an income or expense in the statement of comprehensive income.

The Group does not designate any interests in subsidiaries, associates or joint venture entities as being subject to the requirements of accounting standards specifically applicable to financial instruments.

- i. *Financial assets at fair value through the Statement of Comprehensive Income*
Financial assets are classified at 'fair value through profit or loss' when they are either held for trading for the purpose of short-term profit taking, derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in carrying value being included in the Statement of Comprehensive Income.
- ii. *Loans and receivables*
Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost.
- iii. *Held-to-maturity investments*
Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the Group's intention to hold these investments to maturity. They are subsequently measured at amortised cost.
- iv. *Available-for-sale financial assets*
Available-for-sale financial assets are non-derivative financial assets that are either not suitable to be classified into other categories of financial assets due to their nature, or they are designated as such by management. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.
- v. *Financial liabilities*
Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost.

Fair Value

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2020

Impairment

At each reporting date, the Group assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen. Impairment losses are recognised in the Statement of Comprehensive Income.

Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expires or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are either discharged, cancelled or expired. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in the Statement of Comprehensive Income.

k. Foreign Currency Transactions and Balances

Functional & Presentation Currency

The functional currency of each of the Group's entities is measured using the currency of the primary economic environment in which that entity operates. The consolidated financial statements are presented in Australian dollars which is the parent entity's functional and presentation currency.

Transaction & Balances

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the year-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items are recognised in the statement of comprehensive income, except where deferred in equity as a qualifying cash flow or net investment hedge.

Exchange differences arising on the translation of non-monetary items are recognised directly in equity to the extent that the gain or loss is directly recognised in equity, otherwise the exchange difference is recognised in the statement of comprehensive income.

Group Companies

The financial results and position of foreign operations whose functional currency is different from the Group's presentation currency are translated as follows:

- assets and liabilities are translated at year-end exchange rates prevailing at that reporting date;
- income and expenses are translated at average exchange rates for the period; and
- retained earnings are translated at the exchange rates prevailing at the date of the transaction.

Exchange differences arising on translation of foreign operations are transferred directly to the Group's foreign currency translation reserve in the statement of comprehensive income. These differences are recognised in the statement of comprehensive income in the period in which the operation is disposed.

I. Employee Benefits

Provision is made for the Company's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled within the year have been measured at the amounts expected to be paid when the liability is settled. Employee benefits payable later than one year are measured at the present value of the estimated future cash outflows to be made for those benefits. Those cashflows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cashflows.

Superannuation commitments: Each employee nominates their own superannuation fund to which Cassius Mining Limited contributes the compulsory superannuation amount.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2020

m. Critical Accounting Estimates & Judgments

The directors evaluate estimates and judgments incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Group.

Key estimates

(i) Impairment

The Group assesses impairment at each reporting date by evaluating conditions and events specific to the Group that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value-in-use calculations which incorporate various key assumptions.

Key judgements

(i) Exploration and Evaluation Expenditure

All exploration expenditure is reviewed by Directors to determine whether it is appropriate to capitalise any of these costs. All expenditure to date has been fully expensed.

n. Property, Plant & Equipment

Each class of property, plant and equipment is carried at cost or fair value as indicated less, where applicable, any accumulated depreciation and impairment losses.

Property & Leasehold Improvement

Freehold land and buildings and leasehold improvements are shown at their cost.

Increases in the carrying amount arising on revaluation of land and buildings are credited to a revaluation reserve in equity. Decreases that offset previous increases of the same asset are charged against fair value reserves directly in equity; all other decreases are charged to the statement of comprehensive income. Each year the difference between depreciation based on the revalued carrying amount of the asset charged to the statement of comprehensive income and depreciation based on the asset's original cost is transferred from the revaluation reserve to retained earnings.

Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

Plant & Equipment

Plant and equipment are measured on the cost basis.

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the asset's employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

The cost of fixed assets constructed within the consolidated group includes the cost of materials, direct labour, borrowing costs and an appropriate proportion of fixed and variable overheads.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the consolidated statement of profit or loss and comprehensive income during the financial period in which they are incurred.

Depreciation

The depreciable amount of all fixed assets including buildings and capitalised lease assets, but excluding freehold land, is depreciated on a straight-line basis over the asset's useful life to the consolidated group commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2020

The depreciation rates used for each class of depreciable assets are:

	Class of Fixed Asset	Depreciation Rate
The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.	Buildings	5% - 10%
	Leasehold improvements	10% - 33.33%
	Plant and equipment	20% - 33.33%
	Motor vehicles	33.33%

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the statement of comprehensive income. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

o. Provisions

Provisions are recognised when the Company has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

Provisions are measured using the best estimate of the amounts required to settle the obligation at the end of the reporting period.

Costs of site restoration are provided over the life of the project from when exploration commences and are included in the costs of that stage. Site restoration costs include the dismantling and removal of mining plant, equipment and building structures, waste removal and rehabilitation of the site in accordance with local laws and regulations and clauses of the permits. Such costs have been determined using estimates of future costs, current legal requirements and technology on an undiscounted basis.

Any changes in the estimates for the costs are accounted on a prospective basis. In determining the costs of site restoration, there is uncertainty regarding the nature and extent of the restoration due to community expectations and future legislation. Accordingly the costs have been determined on the basis that the restoration will be completed within one year of abandoning the site.

p. Trade and Other Receivables

Trade and other receivables include amounts due from customers for goods sold and services performed in the ordinary course of business. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

Trade and other receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment. Refer to Note 1(d) for further discussion on the determination of impairment losses.

q. Trade and Other Payables

Trade and other payables represent the liabilities for goods and services received by the entity that remain unpaid at the end of the reporting period. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

r. Comparative Figures

When required by accounting standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2020

s. New Accounting Standards and Interpretations

International Accounting Standards and Interpretations that have recently been issued or amended but are not yet effective have not been adopted by the Group for the annual reporting period ended 30 June 2020.

The adoption of these new and revised Standards and Interpretations will not have an impact on the financial position or performance of the Group.

	Consolidated Group	
	2020	2019
	\$	\$
2. Revenue and expenses for the year		
(a) Revenue from ordinary activities:		
Interest – other persons	252	4,077
ATO Cash Boost	50,000	-
ATO Job Keeper	24,000	-
	<u>74,252</u>	<u>4,077</u>
(b) Expenses from ordinary activities:		
Operating expenses		
Travel and airfares	<u>4,144</u>	<u>4,144</u>
3. Income Tax		
Operating (loss) before income tax	<u>(10,628,147)</u>	<u>(419,848)</u>
Prima facie income tax (benefit) calculated at 27.5% (2019:27.5%)	<u>(2,922,740)</u>	<u>(115,458)</u>
Non-deductible items		
Non-deductible expenses	-	-
Less income tax benefits not brought to account at balance date	<u>2,922,740</u>	<u>115,458</u>
Total income tax expense	<u>-</u>	<u>-</u>

Potential future income tax benefits estimated at \$14,194,392 (2019: \$11,271,652) attributable to Australian tax losses carried forward by the Company and future benefits to exploration expenditure and other timing differences allowable for deduction have not been brought to account in the consolidated accounts at 30 June 2020 because the Directors do not believe it is appropriate to regard full realisation of the future income tax benefits as probable. These benefits will only be obtained if:

- (a) the consolidated entity derives future assessable income of a nature and of sufficient amount to enable the benefit from the deductions to be realised; and
- (b) the consolidated entity continues to comply with the conditions for deductibility imposed by tax legislation; and
- (c) no changes in tax legislation adversely affect the Company in realising the benefit from the deduction in losses.

4. Cash & Cash Equivalents

Cash and cash equivalents at the end of the year as shown in the statement of cash flows is reconciled to the related items in the Statement of Financial Position as follows:

Cash on hand and at bank	<u>98,851</u>	<u>348,184</u>
	<u>98,851</u>	<u>348,184</u>

5. Trade & Other Receivables

Current		
Other debtors	<u>2,321</u>	<u>589</u>
	<u>2,321</u>	<u>589</u>

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2020

6. Exploration Expenditure

Costs carried forward in respect of areas of interest in the exploration and evaluation phase

Opening balance	917,456	917,456
Expenditure incurred during the year	-	-
	<u>917,456</u>	<u>917,456</u>
Less expenditure written off during the year	-	-
Closing balance	<u>917,456</u>	<u>917,456</u>

Refer to Note 17 for further details.

7. Investments accounted for using the equity method

a. Information about Principal Associates and Joint Ventures

Set out below are the material associates and joint ventures of the Group.

Name	Classification	Place of Business/ Incorporation	Proportion of Ordinary Share Interests/ Participating Share		Measurement Method	Carrying Amount	
			2020 %	2019 %		2020 \$	2019 \$
Gbane Project	Joint venture	Ghana	-	68.50	Equity method	-	10,218,596

Gbane Project is a joint venture between Cassius Mining Limited (Ghana) and Cassius Mining Limited. The primary purpose of the joint venture is to conduct gold exploration project in Bolgatanga, Ghana. Gbane project is classified by the Group as a joint venture. As at 30 June 2020, the Group has a nil% (2019:68.50%) economic interest in Gbane Project with additional earn in rights to acquire up to 100% of the joint venture. The Company announced on 23 November 2017 to acquire the balance of the Gbane Joint Venture and the remainder of the licence subject to shareholder approval.

b. Commitments and Contingent Liabilities in Respect of Joint Ventures

The Group has no capital commitments relating to its interest in Gbane Project.

c. Summarised Financial Information for Joint Ventures

Set out below is the summarised financial information for Gbane Project. Unless otherwise stated, the disclosed information reflects the amounts presented in the Australian-Accounting-Standards financial statements of Gbane Project. The following summarised financial information, however, reflects the adjustments made by the Group when applying the equity method, including adjustments for any differences in accounting policies between the Group and the joint venture.

	Gbane Project	
	2020 \$	2019 \$
Summarised Financial Position		
Cash and cash equivalents	-	-
Total current assets	-	-
Total non-current assets	-	14,917,658
Current financial liabilities (excluding trade and other payables, and provisions)	-	-
Total current liabilities	-	-
Non-current financial liabilities (excluding trade and other payables, and provisions)	-	-
Total non-current liabilities	-	-
NET ASSETS	<u>-</u>	<u>14,917,658</u>
Group's share (%)	Nil%	68.50%
Group's share of joint venture's net assets	Nil%	68.50%

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2020

		Gbane Project	
		2020	2019
		\$	\$
Reconciliation to Carrying Amounts			
Group's share of joint venture's opening net assets		10,218,596	9,310,995
Investments during the period		198,999	907,601
Group's share of joint venture's total comprehensive income		-	-
Group's share of dividends paid by joint venture		-	-
Provision for impairment of investment		(10,417,595)	-
Disposals during the period		-	-
Group's share of joint venture's closing net assets		-	10,218,596
		2020	2019
		\$	\$
8. Trade & Other Payables			
Current			
Trade Creditors		35,011	29,061
		<u>35,011</u>	<u>29,061</u>
9. Issued Capital			
287,246,390(2019:261,246,390) fully paid ordinary shares		45,436,946	45,280,946
		2020	2019
		Number of	Number of
		Shares	Shares
Movements during the year			
Beginning of the financial year	261,246,390	261,246,390	45,280,946
28/11/19 issued at 0.006 cents	26,000,000	-	156,000
Less share issue expenses	-	-	-
End of the financial year	<u>287,246,390</u>	<u>261,246,390</u>	<u>45,436,946</u>

Ordinary shares have the right to receive dividends as declared and, in the event of winding up the Company, to participate in the proceeds from the sale of all surplus assets in proportion to the number of and amounts paid upon shares held.

Ordinary shares entitle their holder to one vote, either in person or by proxy, at a meeting of the Company.

Capital Management

Management controls the capital of the group in order to maintain a good debt to equity ratio, provide the shareholders with adequate returns and ensure that the group can fund its operations and continue as a going concern.

The group's debt and capital includes ordinary share capital and financial liabilities, supported by financial assets. There are no externally imposed capital requirements.

Management effectively manages the group's capital by assessing the group's financial risks and adjusting its capital structure to include the management of debt levels, distributions to shareholders and share issues.

There have been no changes in the strategy adopted by management to control the capital of the group since the prior year.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2020

Options

At 30 June 2020 there were 3,000,000 (2019: 12,374,999) unissued shares in respect of which options were outstanding and the details of them are as follows:

Type	Grant Date	Number	Exercise Price	Expiry Date
Unlisted	1 May 2018	3,000,000	\$0.11	15 December 2020

During the year, nil (2019: nil) fully paid ordinary shares were issued by virtue of the exercise of options. Since the end of the financial year nil (2019: nil) shares have been issued by virtue of the exercise of options.

During the year 9,374,999 options exercisable at \$0.24 (2019:9,375,000) expired during the year.

During the year nil (2019:nil) unlisted options were issued during the year as part consideration for consulting services.

	Consolidated Group	
	2020	2019
	\$	\$
10. Reserves		
Share Option Reserve	568,200	568,200
	<u>568,200</u>	<u>568,200</u>
(i) Share Option Reserve		
This relates to the recognition on the issue of options.		
Beginning of the financial year	568,200	568,200
Options issued	-	-
Options exercised	-	-
End of the financial year	<u>568,200</u>	<u>568,200</u>
11. Share Based Payments		
Share Based Payments expense	-	-
	<u>-</u>	<u>-</u>
During the year nil (2019:nil) unlisted options were issued as part consideration for consulting services.		
The fair value of the equity settled share options are estimated as at the date of allocation using a Binomial Model taking into account the terms and conditions upon which they were granted.		
The following table lists the inputs to the models used at the date of allocation:		
Expected volatility	-	-
Risk free interest rate	-	-
Exercise price	-	-
Share price at measurement	<u>-</u>	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2020

Consolidated Group	
2020	2019
\$	\$
17,960	17,960
7,890	7,890
-	-
<u>25,850</u>	<u>25,850</u>

12. Auditors Remuneration

Remuneration of the auditor (and associated entities) of the parent entity for:

- | | | |
|--------------------------------------|---------------|---------------|
| a. Audit of the financial statements | 17,960 | 17,960 |
| b. Half year review | 7,890 | 7,890 |
| c. Other services | - | - |
| | <u>25,850</u> | <u>25,850</u> |

13. Key Management Personnel Compensation

- (a) Names and positions held of economic and parent entity key management personnel in office at any time during the financial year are:

Name	Appointed	Resigned	Position
W Kernaghan	30 June 2005	-	Non-Executive Director and Company Secretary
A Karam	31 October 2014	-	Managing Director
J Arkoudis	31 October 2014	-	Chief Executive Officer
D Chidlow	8 June 2017	-	Technical Director

Key management personnel remuneration has been included in the Remuneration Report section of the Directors Report.

- (b) Number of options over ordinary shares of the parent held by key management personnel and their related parties:

Company Director	Balance 1/7/2019	Options Issued	Options Exercised	Net Change Other	Option Lapsed	Balance 30/6/2020
W Kernaghan	-	-	-	-	-	-
A Karam	1,828,125	-	-	-	(1,828,125)	-
J Arkoudis	1,875,000	-	-	-	(1,875,000)	-
D Chidlow	-	-	-	-	-	-

Company Director	Balance 1/7/2018	Options Issued	Options Exercised	Net Change Other	Option Lapsed	Balance 30/6/2019
W Kernaghan	-	-	-	-	-	-
A Karam	3,153,125	-	-	-	(1,325,000)	1,828,125
J Arkoudis	3,715,625	-	-	-	(1,840,625)	1,875,000
D Chidlow	-	-	-	-	-	-

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2020

13. Key Management Personnel Compensation (continued)

(c) Number of shares held by key management personnel and their related parties

Company Director	Balance 1/7/2019	Options Exercised	Net Change Other	Balance 30/6/2020
W Kernaghan	11,562,500	-	-	11,562,500
A Karam	8,543,750	-	-	8,543,750
J Arkoudis	11,240,375	-	-	11,240,375
D Chidlow	15,721,162	-	-	15,721,162

Company Director	Balance 1/7/2018	Options Exercised	Net Change Other	Balance 30/6/2019
W Kernaghan	11,562,500	-	-	11,562,500
A Karam	8,543,750	-	-	8,543,750
J Arkoudis	8,543,750	-	2,696,625	11,240,375
D Chidlow	15,721,162	-	-	15,721,162

14. Related Party Transactions

a Payments to director related companies

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

The Company used the services of Austec MKII Pty Ltd ('Austec') as the lead Project Management consultancy service provider for the Gbane Project. Austec is associated with Mr David Chidlow (he is a director of Austec and is a key service provider) and is therefore deemed to be a related party for disclosure purposes. The services provided by Austec during the period included: Leading the set-up, HSE, planning, operations, budgets and exploration program management of Cassius's gold project in Ghana; regular attendance in Ghana on the Project site and to liaise with regulatory bodies as required; management of all senior operations and external geology specialists, including third party drillers employed/contracted by the Company; provision of environmental and technical support to the project; and providing reports and recommendations to the board. The amounts billed, which related to the management of the Company's exploration activities in Ghana and geological services, amounted to \$Nil (2019: \$120,000) and were based on normal market rates. At the reporting date \$Nil (2019: \$5,000) was outstanding.

b Transactions with partially and wholly owned controlled entities

During the financial year there have been transactions between Cassius Mining Limited, and its partially and wholly owned controlled entities which have been eliminated for consolidation purposes.

c Gbane Project

During the year the licence was not renewed by the Ghana Government so this investment was written off during the year. As a consequence the Board sought legal advice from Pinsent Masons (London based international solicitors), who subsequently served notice on the Ghanaian President and the Government of Ghana in April this year of the Company's intention to commence International Arbitration, claiming full compensation (including damages and costs).

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2020

15. Economic entity accounts include a consolidation of the following companies:

Company	Contribution to consolidated operating loss		Details of investment in shares Cost of parent entity's investment in subsidiaries	
	2020	2019	2020	2019
	\$	\$	\$	\$
Cassius Mining Limited	(10,628,147)	(419,848)	-	-
Austral Malagasy Resources Pty Ltd	-	-	-	-
Soalara Calcaire SARL	-	-	763,990	763,990
	<u>(10,628,147)</u>	<u>(419,848)</u>	<u>763,990</u>	<u>763,990</u>

Company	Place of Incorporation	Date of Acquisition	Class of Shares	2020	2019
Austral Malagasy Resources Pty Ltd	Australia	18.12.09	Ordinary	100%	100%
Soalara Calcaire SARL	Madagascar	18.08.10	Ordinary	100%	100%

16. Earnings per share

	2020	2019
(a) Net (loss) used in continuing and discontinued operations	<u>(10,628,147)</u>	<u>(419,848)</u>
Net profit/(loss) used in continuing operations	<u>(10,628,147)</u>	<u>(419,848)</u>
(b) Weighted average number of ordinary shares on issue used in the calculation of basic earnings per share	276,490,226	261,246,390
Weighted average number of options outstanding	<u>-</u>	<u>-</u>
Weighted average number of ordinary shares outstanding during the year used in calculation of dilutive EPS	<u>276,490,226</u>	<u>261,246,390</u>

There are no options considered dilutive as the Company has recorded a loss in the year.

Basic loss per share(cents per share)	<u>(3.84)</u>	<u>(0.16)</u>
Diluted loss per share(cents per share)	<u>(3.84)</u>	<u>(0.16)</u>

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2020

17. Business Combination

(a) Acquisition of Soalara Calcaire SARL

On 18 August 2010, the Company acquired 100% of Soalara Calcaire SARL, a Company holding the limestone deposit in Madagascar.

Consideration for the acquisition was \$1,070,000 of which \$420,000 was still outstanding at 30 June 2020. The \$420,000 is payable on the first commercial shipment of limestone together with a royalty averaging US\$0.28 per tonne.

	Acquiree's Carrying Amount \$	Fair Value \$
Purchase consideration:		
Cash		1,187,455
Less:		
Exploration expenditure	1,187,455	1,187,455
Identifiable assets acquired and liabilities assumed	1,187,455	1,187,455
 Purchase consideration settled in cash		 1,187,455
 Cash outflow on acquisition		 1,187,455

18. Capital Commitments

The consolidated entity has certain obligations to perform mining exploration work and expend minimum amounts of money on mineral exploration tenements. The consolidated entity has committed to expend a minimum of \$Nil (2019: Nil) over the next year to keep its current tenements in good standing.

19. Financial Risk Management

The group's financial instruments consist mainly of deposits with banks, accounts receivable and payable and loans to and from subsidiaries. The main risks the group is exposed to through its financial instruments are interest rate risk, foreign currency risk and liquidity risk. The Board of Directors is responsible for overseeing the establishment, implementation and ongoing monitoring and review of an effective risk management framework for the group. The group's risk management policies and objectives are designed to minimise the potential impacts of these risks on the results of the group where such impacts may be material.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2020

i) Interest Rate Risk

The economic exposure to interest rate risk and the effective weighted interest for classes of financial assets and financial liabilities are set out below:

FIXED MATURITY DATES							
	WEIGHTED AVERAGE EFFECTIVE INTEREST RATE	VARIABLE INTEREST RATE	LESS THAN 1 YEAR	1-2 YEARS	2-3 YEARS	NON INTEREST BEARING	TOTAL
2020	%	\$	\$	\$	\$	\$	\$
Financial assets							
Cash and cash equivalents	0.1%	98,851	-	-	-	-	98,851
Trade and other receivables		-	-	-	-	2,321	2,321
		98,851	-	-	-	2,321	101,172
Financial liabilities							
Trade and other payables		-	-	-	-	35,011	35,011
		-	-	-	-	35,011	35,011

FIXED MATURITY DATES							
	WEIGHTED AVERAGE EFFECTIVE INTEREST RATE	VARIABLE INTEREST RATE	LESS THAN 1 YEAR	1-2 YEARS	2-3 YEARS	NON INTEREST BEARING	TOTAL
2019	%	\$	\$	\$	\$	\$	\$
Financial assets							
Cash and cash equivalents	0.1%	348,184	-	-	-	-	348,184
Trade and other receivables		-	-	-	-	589	589
		348,184	-	-	-	589	348,773
Financial liabilities							
Trade and other payables		-	-	-	-	29,061	29,061
		-	-	-	-	29,061	29,061

ii) Net fair values

Monetary financial assets and financial liabilities not readily traded in an organised financial market have been valued at cost, which approximate fair value. The carrying amounts of bank deposits, accounts receivable and, accounts payable approximate net fair value.

iii) Foreign Currency Risk

The consolidated group is exposed to fluctuations in foreign currencies arising from the sale and purchase of goods and services in currencies other than the consolidated group's measurement currency.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2020

	Consolidated Group	
	2020	2019
	\$	\$
Currency Risk		
10% Weakening of Australian dollar		
- Profit/(Loss) impact	-	-
10% Strengthening of Australian Dollar		
- Profit/(Loss) impact	-	-

Currency risk exposure during the year was limited to inter-company transactions which eliminate on consolidation.

20. Fair Value Measurement

All financial instruments for which fair value is recognised or disclosed are categorised within the fair value hierarchy, described as follow, and based on the lowest level input that is significant to the fair value measurements as a whole:

Level 1 – Quoted market prices in an active market (that are unadjusted) for identical assets or liabilities.

Level 2 – Valuation techniques (for which the lowest level input that is significant to the fair value measurement is directly observable).

Level 3 – Valuation techniques (for which the lowest level input that is significant to the fair value measurement is unobservable).

The following table represents a comparison between the carrying amounts and fair values of assets and liabilities:

	Level	As at 30 June 2020		As at 30 June 2019	
		Carrying amount	Fair value	Carrying amount	Fair value
		\$	\$	\$	\$
Assets					
Cash & cash equivalents	1	98,851	98,851	348,184	348,184
Trade & other receivables	1	2,321	2,321	589	589
Exploration expenditure	3	917,456	917,456	917,456	917,456
Investments accounted for using equity method	3	-	-	10,218,596	10,218,596
Liabilities					
Trade & other payables	1	35,011	35,011	29,061	29,061

The assets and liabilities of the Company are recognised in the consolidated statement of financial position in accordance with the accounting policies set out in Note 1 of the Annual Report.

The Company considers that the carrying amount of assets and liabilities recognised in the consolidated financial statements approximate to their fair value

21. After Balance Sheet Date Events

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors of the parent entity, to affect the operations of the consolidated entity, the results of those operations or the state of affairs of the consolidated entity in the subsequent financial years other than litigation funding options to prosecute the Ghana Government remain under discussion.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2020

22. Cash Flow Information

	Note	Consolidated Group 2020 \$	2019 \$
Loss from ordinary activities after income tax		(10,628,147)	(419,848)
Non cash flows in loss:			
Impairment of investment		10,417,595	-
(Increase)/Decrease in Trade receivables	5	(1,732)	5,075
Increase/(Decrease) in Trade and other payables	8	5,950	(139,027)
Operating cash flow		<u>(206,334)</u>	<u>(553,800)</u>

23. Segment Information

The consolidated entity operates in two business segments being industrial minerals development and mining exploration, in two geographical locations, being Australia and Africa.

The operating segment analysis presented in these financial statements reflects operations analysis by business. It best describes the way the Company is managed and provides a meaningful insight into the business activities of the Company.

The following tables present details of revenue and operating profit by business segment. The information disclosed in the tables below is derived directly from the internal financial reporting system used by corporate management to monitor and evaluate the performance of our operating segments separately.

(a)	Mineral Exploration	Unallocated	TOTAL Consolidated Group
	\$	\$	\$
2020			
For the year ended 30 June 2020			
Revenue from external customers	-	-	-
Interest & other	-	74,252	74,252
Reportable segment profit/(loss) before income tax	-	(10,628,147)	(10,628,147)
Reportable segment assets as at 30 June 2020	917,456	101,172	1,018,628
2019			
For the year ended 30 June 2019			
Revenue from external customers	-	-	-
Interest & other	-	4,077	4,077
Reportable segment profit/(loss) before income tax	-	(419,848)	(419,848)
Reportable segment assets as at 30 June 2019	11,136,052	348,773	11,484,825

(b) Reconciliation of reportable segment profit and loss.

As at 30 June:

	2020 \$	2019 \$
Total profit or loss for reportable segment	(10,628,147)	(419,848)
Eliminating of inter-segment profit	-	-
Loss before tax from continuing operations	<u>(10,628,147)</u>	<u>(419,848)</u>

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2020

	2020 \$	2019 \$
(c) Reconciliation of reportable segment assets.		
As at 30 June:		
Reportable segment assets	1,018,628	11,484,825
Elimination of inter-segment assets	-	-
Total assets	<u>1,018,628</u>	<u>11,484,825</u>
(d) Assets by geographical region.		
As at 30 June:		
Australia	101,172	348,773
Africa	<u>917,456</u>	<u>11,136,052</u>
Total Assets	<u>1,018,628</u>	<u>11,484,825</u>

24. Parent Entity Information

Information relating to Cassius Mining Limited:

STATEMENT OF FINANCIAL POSITION

Current assets	101,172	348,773
Total assets	<u>1,018,628</u>	<u>11,484,825</u>
Current liabilities	35,010	29,061
Total liabilities	<u>35,010</u>	<u>29,061</u>
Issued capital	45,436,946	45,280,946
Accumulated losses	(45,021,528)	(34,393,382)
Reserves	568,200	568,200
Total shareholders' equity	<u>983,618</u>	<u>11,455,764</u>

STATEMENT OF COMPREHENSIVE INCOME

Profit/(Loss) of the parent entity	<u>(10,628,147)</u>	<u>(419,848)</u>
Total comprehensive income of the parent entity	<u>(10,628,147)</u>	<u>(419,848)</u>

Contingent Liabilities

There is \$420,000 outstanding in respect of the purchase of the Company that holds the limestone deposit in Madagascar. This amount is payable when the first commercial shipment of limestone from the project has occurred.

There are no other known contingent liabilities. There have been no changes in contingent liabilities or contingent assets since the last annual reporting date.

Contractual Commitments

At 30 June 2020 Cassius Mining Limited had not entered into any contractual commitments for the acquisition of property, plant or equipment.

DIRECTORS' DECLARATION

The directors of the Company declare that:

- (a) the financial statements and notes of the Consolidated Entity are in accordance with the Corporations Act 2001, and:
 - (i) give a true and fair view of the Consolidated Entity's financial position as at 30 June 2020 and of its performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001; and
- (b) the financial statements and notes also comply with International Financial Reporting Standards as disclosed in note 1.
- (c) there are reasonable grounds to believe that the Consolidated Entity will be able to pay its debts as and when they become due and payable.
- (d) this declaration has been made after receiving the declaration required to be made to the directors in accordance with section 295A of the Corporations Act 2001 for the financial year ending 30 June 2020.

This declaration is made in accordance with a resolution of the Board of Directors.

For and on behalf of the Board

A handwritten signature in black ink, appearing to be 'W Kernaghan', with a long horizontal line extending to the right.

W Kernaghan
Director
Sydney, 29 September 2020



A D Danieli Audit Pty Ltd

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**Independent Auditor's Report
To the Members of
Cassius Mining Limited
ABN 13 115 027 033
And Controlled Entities**

Report on the audit of the Financial Report

Opinion

We have audited the consolidated financial report of Cassius Mining Limited and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2020, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

- (i) giving a true and fair view of the Group's financial position as at 30 June 2020 and of its financial performance for the year then ended; and
- (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (the Code)* that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

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

Material Uncertainty Related to Going Concern

Without qualifying our opinion, we draw attention to Note 1 in the financial report, which indicates that the Group had cash and cash equivalents of \$98,851. In addition, we note the Group incurred a loss of \$10,628,147, cash outgoing of \$249,333 and total current net asset of \$66,161. This with the conditions noted by the directors as to how they expect the Group to continue as a going concern indicate the existence of a material uncertainty which may cast doubt on the Group's ability to continue as a going concern should they be unable to raise additional capital.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	How our Audit Addressed the Key Audit Matter
<i>Impairment of Assets</i>	
<p>The Group has Investments accounted for using the equity method at cost of \$0 (2019: \$10,218,596) in relation to the Gbane joint venture and capitalised exploration expenditure of \$917,456 (2019: \$917,456) in relation to limestone exploration.</p> <p>Determining impairment involves judgement on facts and circumstances that indicates if an entity needs to test for impairment.</p> <p>Management has assessed both projects individually determining there are indicators of impairment in respect to the Gbane project. There are no factors or circumstances that suggest the carrying amount of the limestone tenement exceeds its recoverable amount.</p>	<p>We have evaluated the appropriateness of management's assessment that there is no suggestion that the carrying amount of exploration expenditure may exceed its recoverable amount and therefore, determined there is no requirement to test for impairment in respect to the exploration expenditure.</p> <p>Our procedures included challenging management on the suitability and reasonableness of these assumptions, through performing the following:</p> <ul style="list-style-type: none">• Review of independent evaluation of geological data;• Review of geological data in respect to independent reports and ASX announcements;• Assessing the budgeted expenditure on further exploration and evaluation of the tenement; and• Assessing the various agreements entered on future production and sales. <p>Based on our procedures, we noted that the exploration expenditure is fairly stated.</p>



Subsequent Events

The Group has served notice of intent to take the Government of the Republic of Ghana to international arbitration over the Gbane gold project.

Management has assessed the impact and probability of the international arbitration and due to the uncertainty, no further disclosures were included in the financial report

We have evaluated the appropriateness of management's assessment regarding the arbitration over the Gbane gold project and due to the future uncertainty of the outcome of this arbitration we believe that at this stage no further disclosures are required in the financial report.

Going Concern

Following operating losses and cash flow deficits, there is a heightened degree of judgement as to the group's ability to continue as a going concern through the assessment period. Accordingly, we considered the appropriateness of the going concern assumption, the question as to whether there is a material uncertainty and the adequacy of management's disclosure to be a key risk.

We have challenged the key assumptions in management's forecast cash flows for the next 12 months (base case and downside possibilities) by:

- assessing the planned levels of operating and capital expenditure for consistency with our knowledge of the Group's future commitments and results, particularly in light of loss making operations, and our understanding of business, industry and economic conditions of the Group;
- reading Directors' minutes to understand the Groups ability to raise additional funds
- challenging management's plans for mitigating any identified exposures, obtain additional sources of financing; and
- considering whether the disclosures relating to going concern referred to in the basis of preparation section of the accounting policies are balanced, proportionate and clear.

We have determined that there are material uncertainties that may cast significant doubt on the group's ability to continue as a going concern. Our concerns and reference to managements responses and proposed actions in regard to Going Concern are included in the above 'Material Uncertainty Related to Going Concern'.



Cash and cash equivalents

Cash and cash equivalents totaling \$98,851 is a significant balance to the Group.

We do not consider cash and cash equivalents to be at a high risk of significant misstatement, or to be subject to significant level of judgement. However, due to the materiality in the context of the financial statements as a whole, they are considered to be an area of risk in our overall audit strategy.

We have evaluated disclosure and challenged management during our procedures to confirm existence of the asset including:

- Documenting and assessing the processes and controls in place to record cash transactions;
- Testing and sampling payments to determine they were bona fide payments, were properly authorised and recorded in the general ledger; and
- Agreeing 100% of cash holdings to independent third-party confirmations.

Based on our work, we noted no significant issues in respect to cash and cash equivalents.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2020, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.



Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion.
- Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.



We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included on pages 11 to 12 of the directors' report for the year ended 30 June 2020.

In our opinion, the Remuneration Report of Cassius Mining Limited, for the year ended 30 June 2020, Complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

A D Danieli Audit Pty Ltd



Mark Schiliro
Director

Sydney, 29 September 2020



AUSTRALIAN SECURITIES EXCHANGE INFORMATION

Shareholdings

(a)

Analysis of holdings as at 24 September 2020	Ordinary Shares
1-1,000	210
1,001-5,000	216
5,001-10,000	131
10,001-100,000	339
100,001 and over	<u>233</u>
	<u>1,129</u>
Less than marketable parcels	697

(b) Substantial shareholders as at 24 September 2020

Mr Dennis Lowe & Mrs Yvonne Lowe 5.11%

(c) Voting rights

No restrictions. On a show of hands every member present or by proxy shall have one vote and upon a poll each share shall have one vote.

(d) The names of the twenty largest shareholders of ordinary shares as at 24 September 2020.

Holder Name	Number of Shares	Percentage
1 Mr Dennis Lowe & Mrs Yvonne Lowe	14,665,583	5.11%
2 Mr James Lenehan & Miss Kerry Parker	13,506,250	4.70%
3 SPQR One Pty Ltd	12,605,676	4.39%
4 Axis Group Investments Pty Ltd	12,263,888	4.27%
5 WJK Investments Pty Ltd	11,562,500	4.03%
6 Robot Systems Pty Ltd	9,772,500	3.40%
7 Bestrawl Pty Ltd	8,734,375	3.04%
8 Jadison Pty Ltd	8,543,750	2.97%
9 Mrs Elizabeth Lenehan & Mr James Lenehan	7,343,750	2.56%
10 JSA & Associates Pty Ltd	6,668,750	2.32%
11 Fokas Corporation Pty Ltd	6,250,000	2.18%
12 David Milne	6,195,387	2.16%
13 Bill Savellis	5,683,958	1.98%
14 Dr Peter Theodore Bakaric	5,500,000	1.91%
15 Mr Simon Lenehan & Mrs Stephanie Lenehan	4,955,435	1.73%
16 Numoon Pty Ltd	4,930,400	1.72%
17 Elite Exercise Sydney Pty Ltd	4,693,229	1.63%
18 BNP Paribas Nominees Pty Ltd	4,166,589	1.45%
19 Radwin Elhassan Pty Ltd	3,783,037	1.32%
20 BPE Investments Pty Ltd	3,776,434	1.31%
TOTAL	155,601,491	54.17%

AUSTRALIAN SECURITIES EXCHANGE INFORMATION

- (e) As at 24 September 2020, the Company had 3,000,000 options listed and unlisted options on issue over unissued ordinary shares. Details are as follows:

Type	Grant Date	Number	Exercise Price	Expiry Date
Unlisted	1 May 2020	3,000,000	\$0.11	15 Dec 2020

- (f) The interests of each director and/or associate are listed in the Directors' Report.

- (g) Other Information

- i) The business and registered office address is
Suite 18
Level 4
3 Spring Street
Sydney NSW 2000
- ii) Cassius Mining Limited is listed on the Australian Securities Exchange.
ASX Code: CMD – Fully Paid Shares
- iii) Share registry is located at
Automic Pty Ltd
Level 5
126 Philip Street
Sydney NSW 2000
Telephone (02) 9698 5414
- iv) Schedule of Tenements (as at 30 June 2020)

Location	Tenement Details	Interest	Comments
Madagascar	R14542	100%	
	R14960	100%	