



Annual Report
2019



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PORTUGAL

● Madrid

SPAIN

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● Gibraltar

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● Rabat

● Casablanca

● Meknes

● Marrakech

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**Achmmach & Bou El Jaj
Tin Projects**

**Kasbah Resources
Limited is an
Australian listed
mineral exploration
and development
company advancing
the Achmmach
Tin Project in the
Kingdom of Morocco
towards becoming a
world class tin mine.**

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Chairman's Letter



John Gooding
Chairman

It is my pleasure to present Kasbah Resources Limited's 2019 Annual Report.

Dear Shareholders

We started the year by releasing a very positive Achmmach Tin Project 2018 Definitive Feasibility Study on 16 July 2018 (2018 DFS). Since the release of the 2018 DFS, we have made steady progress advancing the project development and financing activities.

Over the last twelve months, we have worked closely with project financiers and completed key project financing milestones, including the Front-End Engineering and Design as well as the Independent Technical Specialist Report. These key milestones have significantly advanced the Company's project financing prospects. In addition to project financing activities, throughout the year the Company has continued advancing a number of operational optimisation initiatives, which indicate positive opportunities for the Company to pursue when it advances the development of the Achmmach Tin Project. We have also concluded a drilling program of the Sidi Addi Trend, which has proven the geological continuity of the mineralised structure along strike. We have long held the view that the Sidi Addi Trend could host similar mineralisation to the Meknes trend, which would truly secure the Achmmach Project as one of the best tin assets in the world. The results to date indicate that the Sidi Addi trend could be a parallel potential resource that could improve productivity and extend mine life further than currently envisaged in the 2018 DFS, although further drilling will be required. All in all, we continue to strengthen the foundations and along the way further de-risk the project.

In recent months however, the tin price has declined significantly to below the price used in the 2018 DFS. We believe that the current spot price is driven by the uncertain macroeconomic conditions, arising from ongoing trade tensions impacting global demand. However, these issues are expected to be temporary and our longer-term outlook on the tin market, as well as that of our joint venture partners, remains unchanged. Unfortunately, the current depressed tin price makes the financing process along with the ability to secure interim funding challenging.

Whilst progress was made and informal discussions are ongoing with prospective lenders, the Group has decided not to rapidly advance the project financing discussions as previously planned and to limit the level of expenditure on undertaking further project financing activities in the short term to preserve cash and facilitate better outcomes when the tin market recovers. Our joint venture partners, Toyota Tsusho Corporation and Nittetsu Mining Co Ltd continue to progress a Japanese debt package which includes the provision of credit support from Japanese government agencies. Regardless of the financing pathway, Kasbah's ability to secure a project debt finance package is dependent on the ability to raise additional interim funding to complete the required due diligence processes and then to raise equity to supplement debt funding for project construction when it recommences the process.

Whilst we have continued to quietly achieve the objectives of the Company, we have been disappointed with our share price performance as well as the underwhelming support for the Share Purchase Plan and Entitlement Offer undertaken during the year. Interim funding challenges have constrained resources, which would otherwise have been dedicated to preparations for project development and slowed progress but we have persisted nevertheless as we firmly believe in the potential of this project.



The Achmmach Tin Project is the most advanced greenfield tin project in the world located in a safe, secure, conflict free and mining friendly jurisdiction. I urge our shareholders to continue their support to help us achieve the best outcome for the Company.

Consistent with many other companies in the junior end of town, Kasbah has been required to evaluate its cost structure and immediate objectives to navigate the current uncertain economic environment. If tin prices remain low and global uncertainty continues to affect demand, then your Board will have to consider what is best for our shareholders, which may include restructuring the company with a minimalist Board and management team so that funds can be utilised to continue to maintain the good standing of the project in Morocco. We may also need to evaluate our strategic options in the near and medium term as we assess the best way to protect shareholder value.

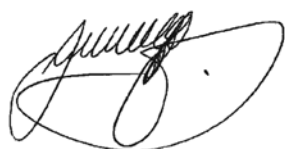
Whilst we all will view this as disappointing, it unfortunately happens from time to time in the resources industry where market influence outside of our control can mean delays. On a brighter note the market always comes back as shown by nickel's remarkable recovery in price recently. That is a common occurrence in commodities and the secret is to be positioned to take the best advantage of good prices when they happen, and Kasbah is certainly ready to do that now that all the hard preliminary work has been done.

In March this year, we saw Graham Freestone retire from the Board of Kasbah. Graham has been instrumental in supporting the Board as we embarked on this transformational journey in 2017. We also saw the resignation of Russell Clark, who decided to pursue other opportunities, after unforeseen delays that we experienced at the end of 2018. On behalf of the Board, management and shareholders, I thank them both for their service and wish them well. Whilst disappointed to see Graham and Russell depart the Company, we were fortunate to welcome Phil Baker to the board and promote Evan Spencer, who stepped up to replace Russell as CEO.

Following the release of the DFS, the Company was able to extend and increase the loan from Pala Investments Ltd into a convertible note. The process, which was voted for by a majority of shareholders, removed a near-term payment event and provided an additional \$1.5 million in funding. As a result of feedback received from a select group of minority shareholders, the Company launched a Share Purchase Plan at terms better than the convertible loan. The SPP take up was underwhelming and raised only \$130,000. We also completed an entitlement offer sub-underwritten by Pala Investments in February 2019 and raised \$2.5 million, which was fundamental in being able to continue achieving the milestones since then. Kasbah will need to secure additional interim funding ahead of the larger project equity raise to ensure that we are financially resourced to undertake our immediate objectives.

I am pleased that the long outstanding legal proceedings against BDO Corporate Finance WA Pty Ltd were settled out of court. This was a distraction for the Company, and it is great to put this behind us and move forward.

Finally, I would like to extend my appreciation and gratitude to my fellow directors who have supported me in what has been a challenging year. I would also like to thank our management team and all our employees, who continue to tirelessly work within our resource constraints. Last but not least, our shareholders – I understand it has been a frustrating journey for many of you, and we share that with you, however we continue to make progress and I firmly believe in the potential of the Achmmach Tin Project.



John Gooding
Chairman



Corporate Strategy

Kasbah Resources Limited is an Australian listed mineral exploration and development company.

Our prime commodity is tin.

Kasbah's corporate strategy is to:

- Grow the Company into a new generation producer of high quality tin concentrates;
- Leverage our exploration and development expertise into new tin production opportunities; and
- Target high-quality and high-margin tin assets with growth potential.

Kasbah's project assets include:

- The Achmmach Tin Project (Morocco – Kasbah Resources Limited 75%, Toyota Tsusho Corporation 20%, Nittetsu Mining Co. Ltd 5%); and
- The Bou El Jaj Tin Project (Morocco – Kasbah Resources Limited 100%).





Highlights

Kasbah Resources Limited (“Kasbah” or the “Company”) and its subsidiaries (collectively the “Group”) achieved the following corporate and technical milestones during the financial year:



Produced the very positive 2018 Achmmach Tin Project Definitive Feasibility Study:

- Post tax Net Present Value of US\$98.1 million, with a 23% Internal Rate of Return (ungeared) using a tin price of US\$21,000 per tonne and an 8% real discount rate;
- Capital costs of US\$96.4 million;
- C1 cash cost of US\$9,176/tonne and AISC of US\$11,435/tonne, making the Achmmach Tin Project a first quartile cost producer;
- Overall tin recovery of 77%, with annual tin production of approximately 4,500 tonnes of tin in concentrate, averaging 60% tin;
- Introduction of ore sorting and high pressure grinding rolls (HPGR) technology to increase tin recovery, lower environmental footprint and improve investor returns; and
- Significantly de-risked the project by addressing key areas of concerns identified in the independent technical review completed by AMC Consultants on the 2016 Small Start Option Definitive Feasibility Study.



Upgraded Ore Reserve Estimate with a 7% increase in total ore tonnes and a 4% increase in total contained tin. The upgraded Ore Reserve Estimate is 7.0 million tonnes @ 0.82% Sn for 58,000 tonnes of contained tin;



Subsequent to the end of the financial year, **concluded an exploration drilling program**, which proved the continuity of the mineralised structure along the ~1.2 km Sidi Addi strike, a parallel structure to the main Meknes Trend;



Front-End Engineering and Design completed by Ausenco Services Pty Ltd, confirming the capital costs estimates of the 2018 DFS;



Secured additional funding and removed a near term payment event through the refinancing of the existing shareholder loan into a shareholder-approved \$5 million convertible loan;



Independent Technical Specialist Report (ITSR) completed by AMC Consultants, confirming the technical viability of the 2019 DFS;



Successful completion of an underwritten non-renounceable rights issue raising \$2.5 million; and



Following completion of the ITSR, advanced parallel project debt financing processes, providing the Company with **excellent debt funding alternatives**;



Settlement of legal proceedings against BDO Corporate Finance (WA) Pty Ltd.

Operations Review

1. ACHMMACH TIN PROJECT

“The most advanced greenfield tin project in the world”

1.1 Achmmach Tin Project 2018 Definitive Feasibility Study

In July 2018, the Group announced the very positive results from the 2018 Definitive Feasibility Study of the Achmmach Tin Project. Key highlights from the 2018 DFS include:

- Post tax NPV of US\$98.1 million, with a 23% IRR using a tin price of US\$21,000 per tonne and an 8% real discount rate
- Every additional US\$1,000 increase in tin price increases Project NPV and ungeared returns by approximately US\$20 million and 3% respectively
- Capital cost of US\$96.4 million
- C1 cash cost of US\$9,176/tonne of tin, and a payback period of 4 years
- All In Sustaining Cost (AISC) of US\$11,435/tonne of tin
- 7% increase in Ore Reserve Estimate to 7 million tonnes at a grade of 0.82% and a 4% increase in contained tin to 58,000 tonnes
- Initial 10-year mine life via underground mining operation - orebody open along strike and at depth providing excellent near mine exploration potential
- Ore Sorting and high pressure grinding rolls (HPGR) technology increase tin recovery, lower environmental footprint and result in better investor returns
- Overall tin recovery of 77%, with annual tin production of approximately 4,500 tonnes of tin in concentrate, averaging 60% tin

Project Capital Costs

The initial project capital costs have been estimated as US\$96.4M (real 2018 \$) as summarised below:

2018 DFS Project Capital Costs	US\$ Millions
Mining development	12.1
Tailings Storage Facility and Water Storage Facility	3.5
Process plant	44.5
Infrastructure	12.0
Engineering, Procurement and Construction (EPC)	7.2
Construction indirect costs	5.4
Sub-total Project Construction Capital	84.7
First fill & spares	1.2
Contingency	10.5
Total Project Capital Costs	96.4

Operating Costs

The total operating costs are summarised below:

Category	US\$ Millions	US\$/t Sn
Mining	216.6	4,866
Processing	109.8	2,466
Administration	36.7	823
Concentrate transport & treatment	45.4	1,021
C1 cash costs	408.5	9,176
Depreciation & amortisation	165.4	3,815
C2 costs	573.9	12,991
Royalties	25.2	566
Corporate costs	6.1	138
C3 costs	605.2	13,695
Sustaining capital	69.2	1,555
All in sustaining cash costs (AISC)	509.0	11,435

Mineral Resources

Two separate resource estimates have been compiled, for the Meknès Trend and for the Western Zone of the Sidi Addi Trend. The reportable cut-off grade is 0.5% Sn for both the Meknès Trend and Sidi Addi Trend.

Classification	Mtonnes	% Sn	kt Sn
Measured	1.6	1.0	16.1
Indicated	13.3	0.8	111.2
Inferred	—	—	—
Total	14.9	0.85	127.3

Ore Reserve Estimate

The Ore Reserve that supports the 2018 DFS was announced on 16 July 2018 and has been estimated by Entech Mining Consultants of Perth, Western Australia and uses Measured and Indicated Resources reported to the market on 10 September 2013 (for Meknes Trend) and 25 November 2014 (for the Western Zone).

The Ore Reserve determined as a result of the 2018 DFS is presented below. The reserve is based on a 0.55% Sn cut-off grade for design.

Zone	Proved			Probable			Total		
	Ore (kt)	% Sn	Tin Metal (t)	Ore (kt)	% Sn	Tin Metal (t)	Ore (kt)	% Sn	Tin Metal (t)
Meknès Trend	1,100	0.99	11,000	5,600	0.78	44,000	6,700	0.82	55,000
Sidi Addi Trend	—	—	—	300	0.86	3,000	300	0.86	3,000
Total	1,100	0.99	11,000	5,900	0.79	47,000	7,000	0.82	58,000

1.2 Front End Engineering and Design

During FY2019, as a precursor to entering into an Engineering, Procurement and Construction (EPC) contract with reputable, credit worth engineering firms, the Group undertook a Request for Proposal for the Front End Engineering and Design (FEED) scope. Following a competitive process, Ausenco Services Pty Ltd (Ausenco) was awarded the FEED contract on a fixed price basis. The FEED aimed at enhancing and improving the design and efficiencies in the processing plant, thereby reducing risk and targeting an improved EPC price for the construction of the processing plant.

The scope of the FEED included:

- Optimisation of the process plant layout and design;
- Increase in equipment sizing to reduce the risk of bottlenecking in the processing plant; and
- Reduction of project schedule through effective planning and optimisation of construction strategies.

The FEED resulted in a number of proposed improvements to the Achmmach Tin Project, including:

- Optimisation of the process flowsheet with addition of best practice tin process equipment in the spirals and tin flotation;
- Reduction in the overall project costs through efficient design and effective sourcing of materials, including from the Mediterranean region; and
- Relocation of the crushing plant and processing plant and introduction of overland conveyors to minimise earthworks and concrete quantities, reducing geotechnical risk.

The improvements and higher level of engineering design and cost detail provided further confidence in the project and confirms that capital costs of the project are within range included in the 2018 DFS. The FEED provided a well-defined scope of work for competitively tendering the EPC contract when the project progresses to implementation, along with further engineering design and project optimisation in a lead up to a project construction decision.

1.3 Independent Technical Specialists Report

Following completion of the FEED, the Company engaged AMC Consultants as the Independent Technical Expert (ITE) to complete an Independent Technical Specialists Report (ITSR) for the Achmmach Tin Project which can be relied on by potential financiers.

The ITSR was performed based on the 2018 DFS, the FEED completed by Ausenco as well as other supplementary information from work performed since the release of the 2018 DFS, including additional ventilation and geotechnical reviews.

The ITSR confirmed the technical viability of the 2018 DFS and provided certain recommendations around additional optimisation opportunities for consideration as the project is advanced towards development.

1.4 Project Financing

Following completion of the 2018 DFS, the Group commenced project financing and offtake initiatives during the September 2018 quarter. An expression of interest (EOI) process was undertaken to determine commercial financial institutions interest in providing project debt finance for the Achmmach Tin Project. The EOI process confirmed that there was significant interest from financiers to provide project funding.

The Group subsequently undertook and completed the FEED and ITSR which were critical elements for progressing project debt financing. In light of the current depressed tin market environment, whilst the Group continues to engage with potential financiers, the level of expenditure on the financing workstreams, including the environmental and social, market, insurance, etc has been limited until market conditions improve.

Kasbah's joint venture partners (Toyota Tsusho Corporation (TTC) and Nittetsu Mining Co Ltd (NMC)) continue to support discussions with Japanese government agencies regarding potential credit support for the project. A Japanese funding package, if secured, will be multi-faceted and involve amongst other elements debt and offtake for potentially all of Achmmach's tin concentrate.

1.5 Investment Agreement

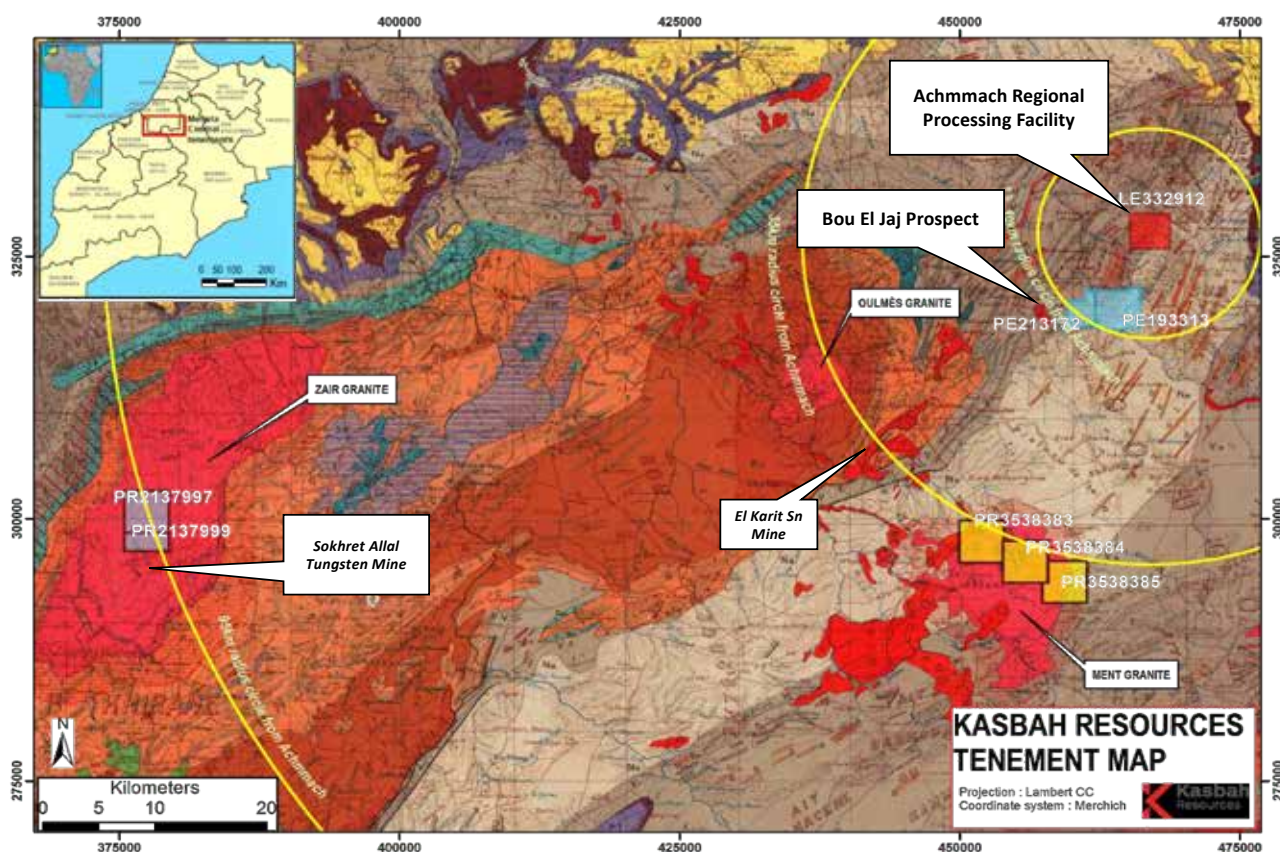
The Investment Agreement is an overarching agreement with the Moroccan Government that consolidates the various infrastructure incentives and imbeds the overall fiscal regime for the Project. The Centre for Regional Investments (CRI) of the Meknès-Tafilalet region and Agence Marocaine de Développement des Investissements et des exportations (AMDIE) have reviewed and approved Kasbah's submission. Kasbah is well progressed with the process and expects to execute the Investment Agreement prior to commencement of construction.

1.6 Permits and Licenses

The Environmental and Social Impact Assessment (ESIA) for the Achmmach Tin Project was completed in 2014. The ESIA is valid until December 2019 unless construction on the Project commences prior to that. During the year, the Company commenced the process to renew the ESIA in accordance with Moroccan environmental laws and regulations. Subsequent to the end of the financial year, the Achmmach Tin Project's ESIA was renewed for a further five years. The renewal of the ESIA was an important step in ensuring the continuity of the mining license.

2. EXPLORATION

In addition to the Achmmach Tin project tenements, the Group owns 100% of a strategic package of regional tin exploration tenements. The Achmmach Project combined with Kasbah's strategic regional tin exploration prospects offers Kasbah the opportunity to develop a major tin mining 'hub' in a highly prospective and historical tin field in Morocco.

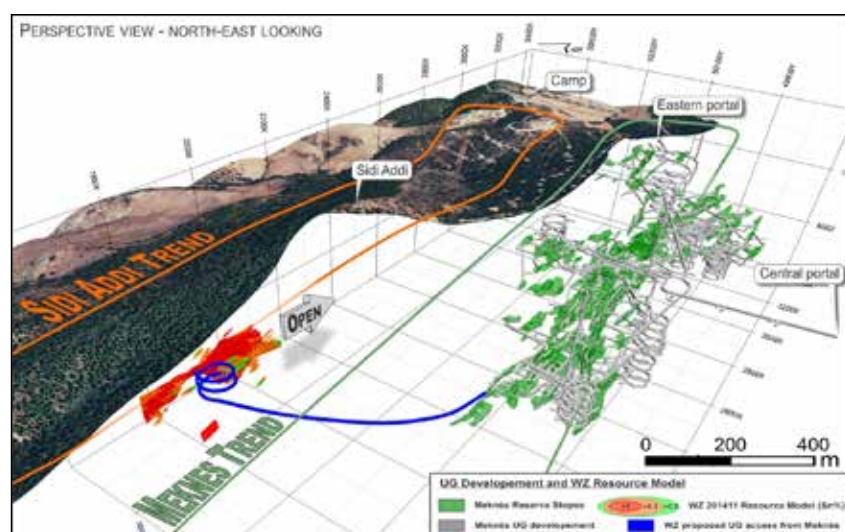


During the year, the Group undertook a strategic evaluation of its tin prospects with the aim of assessing the geological prospectivity with the best near-term development potential. The evaluation re-affirmed that the best near-term development potential remains the untested length of the Sidi Addi strike (a parallel structure to the main Meknes trend) and the Bou El Jaj prospect, located 13 km from the Achmmach processing facility. Consequently, a drilling program to test the continuity of mineralisation at the Sidi Addi strike was planned and commenced subsequent to the end of the year. As a result of the evaluation, a number of non-core tenements with low prospectivity were relinquished to comply with the new "use it or lose it" requirements under Morocco's new law on mining.

The Group also successfully converted the Tamlalt tenements (gold prospect in north eastern Morocco) from Exploitation Permits (PE) to Exploitation Licenses (LE) under the new law on mining. The Environmental and Social Impact Assessment (ESIA) for Bou El Jaj also has been approved and the permits are being converted to LE. All the Group's prospective tenements remain in their normal cycle of approval.

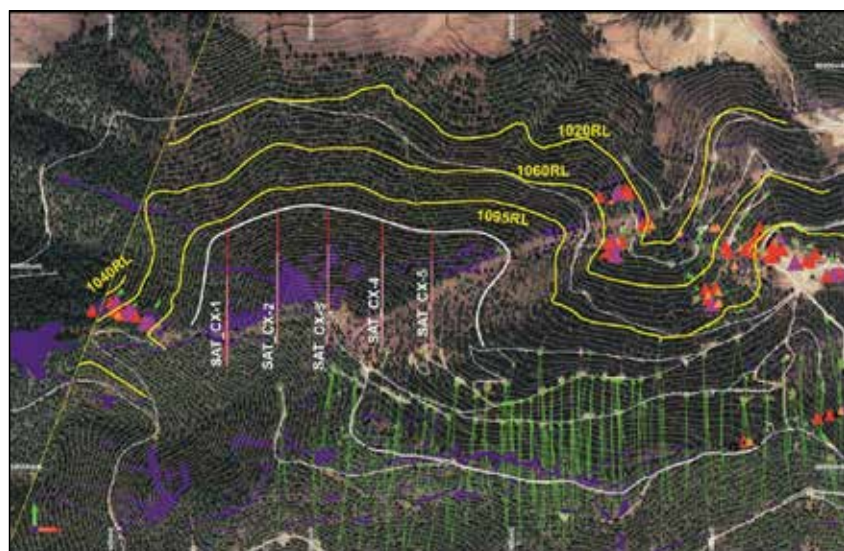
Sidi Addi Exploration

A drilling program was designed to test the continuity of tin mineralisation on the ~1.2 km of untested Sidi Addi strike, which runs parallel to the main Meknes Trend. At present, the Achmmach Tin Project has measured and indicated resource of 14.9 million tonnes at 0.85% Sn of which 14.6 million tonnes at 0.85% Sn is hosted on the Meknes Trend and 0.34 million tonnes at 1.25% is hosted on the Sidi Addi Trend.



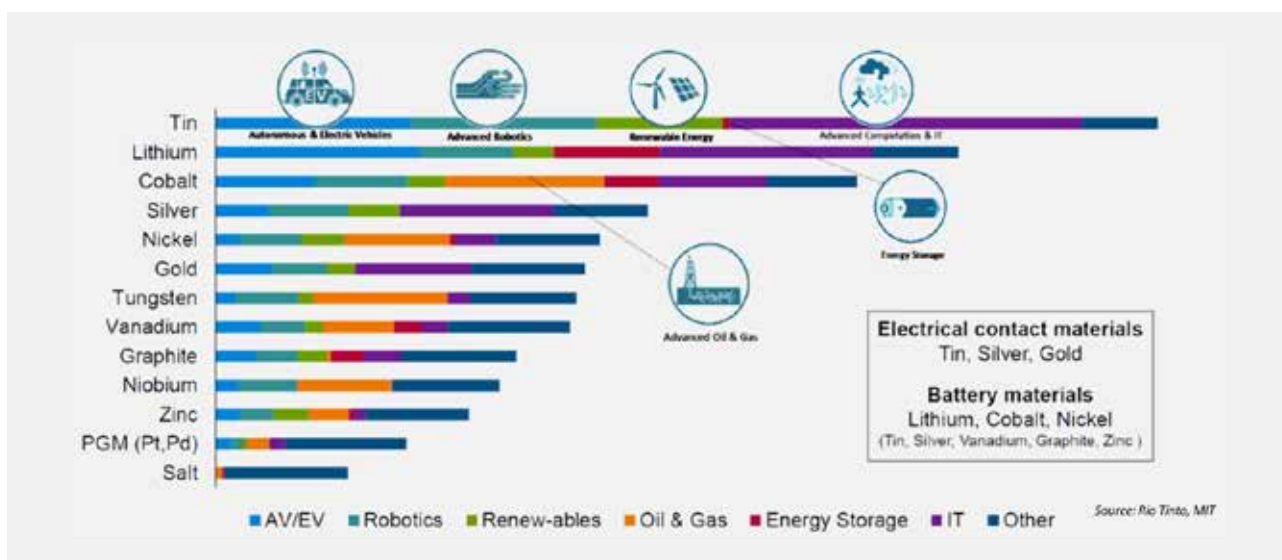
At this stage, there are no material changes to the development plan detailed in the 2018 Definitive Feasibility Study, however, if additional tin mineral resources are proven on the Sidi Addi Trend this has the potential to extend the currently estimated 10-year life of mine for the Achmmach Tin Project.

The initial drilling program took approximately two months and consisted of a 10-hole, 2,100 metre diamond drilling program. The program successfully proved the continuity of the tin bearing structure and increased our understanding of the Sidi Addi trend. The Group will continue to work on interpretation of the Sidi Addi trend with a view of developing a further phase of diamond drilling in the future. The program was not targeting to define a resource at this time as additional drilling would be required for a mineral resource to be defined.



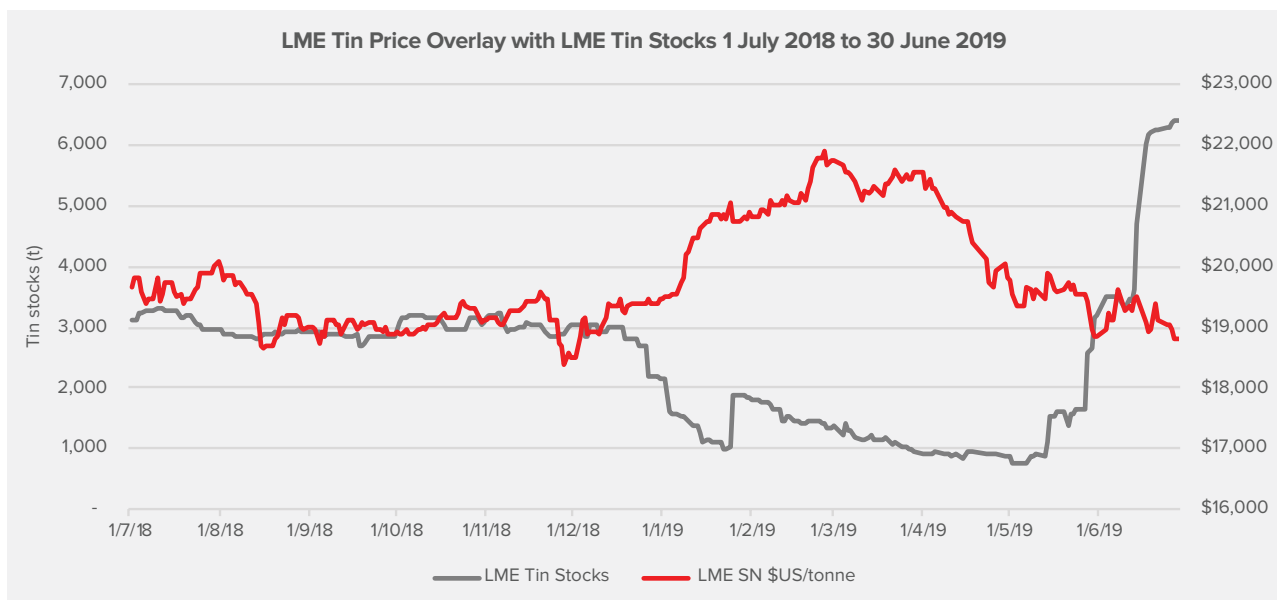
3. TIN MARKET

Tin is predicted to be the metal most impacted by the development of future technologies. Tin's extensive use in solders makes it the metal that glues the technology revolution, and new applications such as in emerging lithium ion batteries tend to grow as technology advances and diversifies. Research by the Massachusetts Institute of Technology identified tin to be the metal most impacted by new age technology including autonomous and electric vehicles, advanced robotics, renewable energy, and advanced computing and IT. Furthermore, there continues to be ongoing research on capitalising tin's electrochemical properties for use in lithium ion and other batteries, which could have a significant impact on tin demand in the medium-term horizon (2025 – 2035).



3.1 Global Tin Price

“Volatile year for LME tin price as a result of supply disruptions and ongoing trade tensions”



The tin price was stable during the first half of the year, trading in a relatively narrow range of \$18,400/t to \$20,100/t. Between January and March, the tin price rose significantly reaching a high of \$21,900/t primarily due to export restrictions in Indonesia, the world's second largest global exporter. The Indonesian export restrictions and broader market supply constraints lead to LME tin inventory levels reaching a record low of 740 tonnes in early May. Since April, the tin price has been on a downward trend due to a combination of lifting of export restrictions in Indonesia as well as the United States-China and Japan-Korea trade tensions.

The combination of the influx of Indonesian tin following the end of the export restriction and weakening Chinese demand, partly due to the trade tensions, have resulted in an increase in tin stock to 6,500 tonnes, levels which have not been seen since 2016. PT Timah, the world's largest tin producer, has also stated that it will double current year output following permission to purchase raw materials from independent/artisanal miners operating in its concessions despite plans to reduce output amid the sluggish market.

Subsequent to the end of the year, the tin price continued to be weak and reached a low of \$15,700/t on the back of escalating trade tensions and import tariffs imposed by the United States as well as the export restrictions introduced by Japan on Korea following dispute over World War II reparations. The current tin price levels were last seen in 2016.

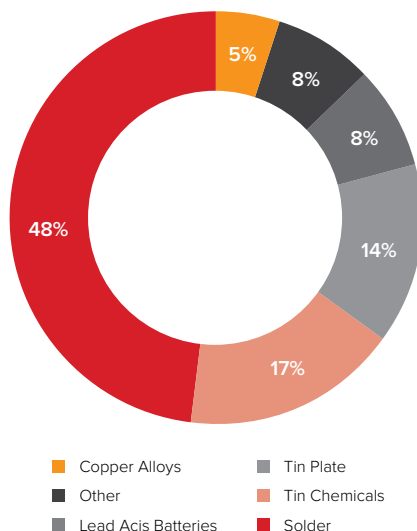
In the short term, although there has been a minor recovery, with the ongoing trade tensions, the tin price is expected to remain at its current levels as demand continues to be weak and stock levels high. A resolution to the current market uncertainties will be fundamental to the tin price stabilising at the expected equilibrium price.

Tin price outlook

The medium- and longer-term price forecasts remain unchanged as the longer-term demand is not expected to be sufficiently met by new mine supply. The supply deficit coupled with the expected increase in demand from the growth in the electronics market as well as the potential increase in demand from the new age and battery technology indicate that in the medium term, the tin price will increase to attract investment in new supply. The anticipated increase in the price of tin could facilitate development of the Achmmach Tin Project.

3.2 Tin Consumption

Solder continues to be the largest consumer of tin with an estimated 48% of global tin usage. Tin chemicals and tin plate follow with 17% and 14% respectively.



Source: ITA

Solder

Solder, representing broadly half of global consumption, is the largest consumer of tin as tin is the primary component of both leaded and lead-free varieties used in electronics. There has been a growing trend in recent years to move towards lead-free solder, where tin forms approximately 97% of the product. In the short term, the ongoing trade tensions has resulted in reduced demand with global semiconductor sales reportedly falling 14.5% in the first half of 2019. The long-term outlook for solder usage remains balanced, with growth in electronics and further conversion to lead-free solders in high reliability applications, such as advanced computing, robotics, aerospace and military, offset by smaller unit volumes as a result of miniaturisation in consumer electronics.

Chemicals

Tin use in chemicals is the second largest tin application and looks likely to retain this position for the foreseeable future. Important tin chemical applications include PVC stabilisers, polyurethane foam manufacture and glass coatings.

Tin Plate

Tin plate, primarily used in food and beverage cans, is a very traditional market for tin which functions as a corrosion protector in the material. Until recently, tin use in the sector has remained largely stable, with little change over the last decade. Continued competition from aluminium beverage cans and other alternative competitive packaging materials are making inroads into this traditional market. In the United States, tin coating weights increased due to the introduction of BPA-free lacquers in food cans.

Lead Acid Batteries

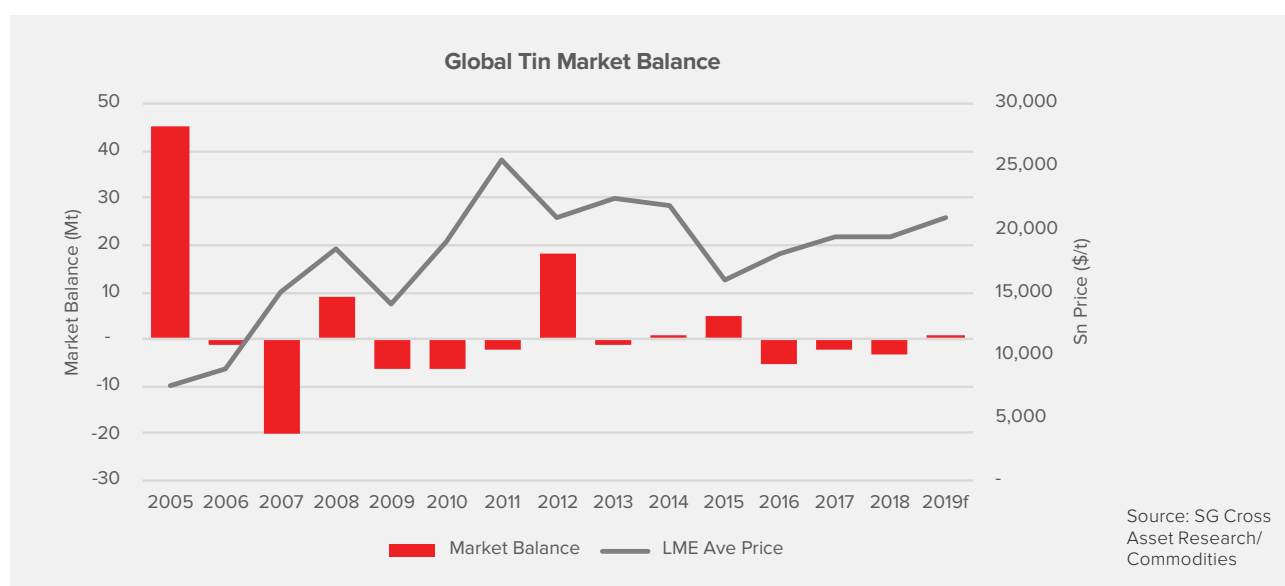
Tin is added to lead acid battery grids to improve casting and performance. It is also used in posts and straps connecting the grids as well as in solder joining components. Lead acid batteries primary use is in internal combustion engines (cars, trucks, boats, ships etc.), where the battery is used to turn the engine over at ignition, and then to operate the various electrical components in the vehicle – air conditioning, electric windows, wind-screen wipers etc. The tin content in lead acid batteries has been increasing and the demand for tin in lead acid batteries is predicted to grow at 2-4% per annum from 28,200 tonnes in 2016 to 36,000 tonnes by 2025, after which there is a risk of substitution by lithium-ion and other technologies. Lead acid batteries remain the lowest cost and most widely used solution for energy storage in rechargeable batteries, a sector expected to grow with the increased reliance on renewable energy source.

Others

There are a number of future uses of tin which currently sits within the 8% Others category and has exponentially huge potential for tin demand over the next 20 years. These include the use of tin in lithium ion batteries due to its properties facilitating absorption of lithium ions in lattice as well as tin perovskite products which are replacement for expensive and rare elements currently used in photovoltaic cells.

3.3 Tin Supply

Maintaining world tin production over the next five to ten years will continue to require a strong market environment and the development of new mines. Declining or static mine production from existing operations in Indonesia, Myanmar and Peru are forecast in the medium term primarily as a result of depleting resources and falling grades. Chinese mine output has remained quite stable and this is expected to increase in the medium-term as a result of tin discoveries and investment in operations in Inner Mongolia. The increase in African production is largely from the Bisie Tin Project in DRC, which is currently undergoing commissioning and the Uis Mine in Namibia. These new production sources offset the depletion of supply from Nigeria.



In the medium term, it is expected that the circa 350 ktpa tin market will grow to 390 ktpa. Existing mine supply and secondary refined tin production is expected to provide approximately 335 ktpa, with the balance requiring new mine supply. The tin market deficit is expected to continue in the medium term with increasing demand not adequately addressed by the new supply which would inevitably result in a rising tin price.

4. CORPORATE

4.1 Board changes during the year

The following changes to the Kasbah Board took place during the year:

Mr Hedley Widdup resigned as non-executive director on 31 July 2018.

Mr Stephen Gill resigned as alternate non-executive director to Mr Martyn Buttenshaw on 13 August 2018.

Mr Graham Freestone resigned as non-executive director on 7 March 2019.

Mr Phil Baker was appointed as non-executive director on 1 May 2019.

4.2 New Senior Management Changes during the year

The following changes to the Kasbah senior management took place during the year:

Mr Russell Clark resigned as Chief Executive Officer on 31 March 2019.

Mr Evan Spencer, previously Chief Operating Officer of the Company was appointed Chief Executive Officer effective from 1 April 2019.

5. STATEMENT OF GOVERNANCE ARRANGEMENTS AND INTERNAL CONTROLS

Governance of Kasbah Resources Limited's mineral resources development and management activities is a key responsibility of the Executive Management of the Company.

The Chief Operating Officer of Kasbah Resources Limited oversees and reviews all technical evaluations of the estimates and evaluates these with reference to actual physical, cost and performance measures. The evaluation process also draws upon internal skill sets in operational and project management, ore processing and commercial/financial areas of the business. In the absence of a Chief Operating Officer, the Chief Executive Officer or a suitably qualified director of the Company oversees and reviews all technical evaluations.

The Chief Operating Officer is responsible for monitoring the planning, prioritisation and progress of exploratory and resource definition drilling programs across the company with the estimation and reporting of resources and reserves done by Quantitative Group Pty Ltd and Entech Pty Ltd respectively. These definition activities are conducted within a framework of quality assurance and quality control protocols covering aspects including drill hole siting, sample collection, sample preparation and analysis as well as sample and data security.

A three-level compliance process guides the control and assurance activities:

1. Provision of internal policies, standards, procedures and guidelines;
2. Resources and reserves reporting based on well-founded assumptions and compliance with external standards such as the Australasian Joint Ore Reserves Committee (JORC) Codes; and
3. Internal assessment of compliance and data veracity.

The objectives of the estimation process are to promote the maximum conversion of identified mineralisation into JORC compliant Mineral Resources and Ore Reserves.

Kasbah Resources reports its mineral resources and ore reserves on an annual basis, in accordance with the Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (The JORC Code 2012 Edition).

Kasbah Resources' Corporate Governance Statement is available on the company's website.

Reserve & Resource Estimates and Competent Persons

The information in this report that relates to Kasbah Resources Limited's Mineral Resource estimates for the Achmmach Tin Project, is based on and fairly represents information and supporting documentation compiled by Michael Job, who was a full-time employee of QG Australia Pty Ltd and a Fellow of the Australasian Institute of Mining and Metallurgy. Michael Job has sufficient experience which is relevant to the style of mineralisation and type of deposit 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" (JORC Code). Michael Job consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

The information contained in this report that relates to Ore Reserves at the Achmmach Tin Project, is based on information and supporting documentation compiled or reviewed by Matthew Keenan. He is a Competent Person as defined by the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code 2012 JORC Edition), having five years' experience which is relevant to the style of mineralisation and type of deposit described in the report and to the activity for which he is accepting responsibility. He is a member of The Australasian Institute of Mining and Metallurgy and has reviewed the report to which this consent statement applies and is an employee working for Entech Pty Ltd. Entech Pty Ltd has been engaged by Kasbah Resources Ltd on behalf of Atlas Tin SAS to prepare the documentation for the Achmmach Tin Project on which the report is based. Matthew Keenan consents to the inclusion in the report of the matters based upon his information in the form and context in which it appears.

The Company confirms that it is not aware of any new information or data that materially affects the most current Reserve and Resource Estimates included in this report and that all material assumptions and technical parameters underpinning the estimates continue to apply and have not materially changed.

Forward-Looking Statements

This report contains forward-looking statements which involve a number of risks and uncertainties. These forward-looking statements are expressed in good faith and believed to have a reasonable basis. These statements reflect current expectations, intentions or strategies regarding the future and assumptions based on currently available information. Should one or more of the risks or uncertainties materialise, or should underlying assumptions prove incorrect, actual results may vary from the expectations, intentions and strategies described in this report. No obligation is assumed to update forward-looking statements if these beliefs, opinions and estimates should change or to reflect other future developments.

Kasbah Resources Limited

Financial Report 2019

Directors' Report

The Directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as "the Group") consisting of Kasbah Resources Limited ("Kasbah" or the "Company") and the entities it controlled for the year ended 30 June 2019.

DIRECTORS

The following persons were Directors of Kasbah Resources Limited during the whole of the financial year and up to the date of this report, unless otherwise stated:

- **John Gooding**
- **Graham Ehm**
- **Martyn Buttenshaw**
- **Phil Baker** (appointed on 1 May 2019)
- **Graham Freestone** (resigned on 7 March 2019)
- **Stephen Gill** (resigned as Alternate Non-executive Director on 13 August 2018)
- **Hedley Widdup** (resigned on 31 July 2018)

PRINCIPAL ACTIVITIES

The principal activity of the Group during the year was the evaluation of its flagship Achmmach Tin Project in Morocco, including advancing technical and financing activities.

DIVIDENDS – KASBAH RESOURCES LIMITED

There were no dividends paid, recommended or declared during the current or previous financial year.

REVIEW OF OPERATIONS

A full review of the operations is set out in the Operations Review on pages 8 - 17.

The consolidated loss after income tax for the financial year was \$7,211,020 (2018: loss of \$6,343,602). Included in the consolidated loss after income tax were exploration and evaluation expenditure of \$1,752,477 (2018: \$2,094,817), project financing costs of \$958,221 (2018: \$177,359), employee benefits expenses of \$1,368,115 (2018: \$1,851,105) and employee share based payment expenses of \$694,421 (2018: 353,705). Other significant expenses during the year include interest and borrowing costs of \$702,283 (2018: \$163,130) and transaction fees and other associated costs of \$259,620 (credit) (2018: \$55,501 (credit)).

The exploration and evaluation costs were lower than the previous year and mainly related to costs associated with finalising the Achmmach Tin Project 2018 Definitive Feasibility Study (2018 DFS), Front End Engineering and Design (FEED) as well as ongoing project optimisation initiatives. The FEED was undertaken by Ausenco Services Pty Ltd, a globally established engineering firm, and confirmed the capital costs estimates of the 2018 DFS. Following completion of the 2018 DFS, the Group significantly increased financing activities during the year, including completing the Independent Technical Specialist Report (ITSR), commencement of certain financing due diligence streams and continuing engagement with Moroccan stakeholders to agree an Investment Agreement. The ITSR was completed by AMC

Consultants and confirmed the technical viability of the project. Overall direct project related expenditure was higher as the Group advances towards securing project financing and commence development of the Achmmach Tin Project. The Group progressed discussions with potential financiers to undertake a project finance debt facility. This process has been deferred as a result of the current depressed tin market environment. In addition, the Company's joint venture partners continue to progress discussions with a Japanese government agency on credit support for a parallel multi-element Japanese funding package. Subject to improving market conditions and the Company's ability to raise additional interim funding and arranging project funding, the Group will aim to subsequently enter into offtake arrangements and appoint experienced, capable and credit worthy engineering firms to undertake construction.

Employee benefits expense were lower compared to the previous year as the company restructured its remuneration to incentivise directors and employees through equity securities as a cash conservation strategy as well as to align shareholder and directors/executive interests. In addition, the executive team was restructured to reduce the number of executives commensurate with the immediate priorities of the Company.

Interest and borrowing costs were significantly higher than the previous year as the Company increased the amount of debt to \$5 million through the convertible loan approved by shareholders at the 2018 Annual General Meeting. Transaction and other associated costs are expenses related to the failed Scheme of Arrangement during FY2017. The credit in the current year represents the net amount of the settlement proceeds of the legal proceedings against BDO Corporate Finance (WA) Pty Ltd and legal and other costs associated with these proceedings. Non-recoverable Moroccan TVA expense was higher due to the increased project expenditure in Morocco.

The cash position of the Group as at 30 June 2019 was \$1,916,223 (2018: \$3,016,898). The Group incurred net operating cash outflows of \$6,363,226 (2018: \$6,416,240). Total net cash inflows from financing activities were \$5,249,811 (2018: \$7,804,249). During the year, the Company entered into a convertible loan with Pala Investments Limited, which provided additional funding of \$1,564,186, after repayment of the existing shareholder loan and capitalised interest. The Company also received \$2,652,183 from the non-renounceable rights issue and the share purchase plan, partially offset by share issue costs of \$312,140. The cash contribution of the non-controlling interest's portion of project costs was \$939,768.

FY2019 saw a number of personnel changes within the Company. Following completion of the 2018 DFS, Mr Hedley Widdup, a representative of the African Lion Fund, resigned as non-executive director. The African Lion Fund remains the Company's second largest shareholder. In March 2019, following a long and distinguished career as a senior resources sector executive and independent director, Mr Graham Freestone resigned as non-

executive director. Mr Phil Baker, an experienced non-executive director with significant project development and financing experience joined the board in May 2019. Mr Russell Clark resigned as Chief Executive Officer to pursue other opportunities, and was succeeded by Mr Evan Spencer, who was previously the Company's Chief Operating Officer.

MATTERS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

Subsequent to the end of the financial year, the Group commenced and concluded a drilling program at its Achmmach Tin Project, proving the continuity of the mineralised structure of the approximately 1.2km Sidi Addi strike.

The Group also successfully renewed the Environmental and Social Impact Assessment (ESIA) for the Achmmach Tin Project, which was due to expire in December 2019, for a further 5 years.

On 2 September 2019, the Company issued 8,189,418 Performance Rights under its Long-Term Incentive Plan pursuant to the terms of employee contracts.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS OF OPERATIONS

While good progress has been made on technical and financial fronts to make the Achmmach Tin Project ready for construction, the recent weakness in the tin market has prompted the Group to limit the expenditure on the non-Japanese project financing activities until the market rebounds. However, the Group aims to progress financing options to bring Achmmach into production. Subject to debt and equity funding being secured, the Group will undertake the construction of the Achmmach Tin Project prior to commissioning the mine. The Group also continues to evaluate other strategic options available to the Company.

ENVIRONMENTAL REGULATION

In the course of its normal exploration activities the Group adheres to environmental regulations imposed upon it by the various regulatory authorities. The Group has complied with all material environmental requirements to the date of this report. The Directors have considered compliance with the National Greenhouse and Energy Reporting Act 2007 which requires entities to report annual greenhouse gas emissions and energy use. Due to the location of the Group's projects in Morocco the Directors have assessed that there are no current reporting requirements under the Act, but this may change in the future. The Group is not aware of any matter that requires disclosure regarding any significant environmental regulation in respect of its operating activities.

INFORMATION ON DIRECTORS

Mr John Gooding, Assoc Dip. Mining Eng, FIE Aust, F.Aus. IMM, MAICD

Independent Non-executive Chairman

John is a mining engineer with over 40 years of experience in gold and base metals operations including mining, exploration, smelting and refining, sales and marketing and major capital expansion projects.

He most recently served as the Managing Director and Chief Executive Officer of Highlands Pacific for nine and a half years until November 2016, and prior to this held executive management positions with Normandy Mining, MIM, Xstrata, Ok Tedi Mining and Roche Mining. He holds both NT and NSW Mine Managers Certificates, is a Fellow of both the Institute of Engineers and the Australasian Institute of Mining and Metallurgy and is a member of the Australian Institute of Company Directors.

John is a Non-executive Chairman of Hillgrove Resources Limited and Non-executive Director of KGL Resources Limited.

John has not held any other publicly listed company directorships in the last three years.

John is a member of both the Audit Committee and the Remuneration Committee.

Mr Graham Ehm, BSc (Metallurgy)

Independent Non-executive Director

Graham is a highly experienced and successful resource sector executive with more than 40 years of diverse experience in mine operations and project management, covering the nickel, phosphate, copper, uranium and gold sectors. He has forged a long and successful career with major global gold miner, AngloGold Ashanti Ltd. He is currently Executive Vice President for Group Planning and Technical and prior to this appointment in 2013 served as Executive Vice President of Australasia overseeing the development of the Tropicana Gold mine in Western Australia.

Previous senior roles with AngloGold Ashanti include Executive Vice President of Tanzania, General Manager-Sunrise Dam Gold Mine, Project Manager- Union Reefs Gold Mine and Project Manager- Boddington Gold Mine. Graham was a Non-Executive Director of Mining3 (previously CRC Mining) and served as Non- Executive Director of the Minerals Council of Australia.

Graham is a member of the Audit Committee and the Chairman of the Remuneration Committee.

Mr Phil Baker, CPA, BBus, PGDipBA, MAICD

Independent Non-executive Director – appointed 1 May 2019

Phil is a Certified Practicing Accountant with over 30 years in the mining industry. He has significant experience in project development and financing, corporate and governance matters across a spectrum of companies within the mining industry.

Phil started with MIM Holdings Ltd in 1980 undertaking various roles before leading the development and construction of the Ernest Henry copper/gold mine from 1995-97, and then was responsible for the copper refinery and other operations in North Queensland. He became Group Treasurer and later EGM - Strategy, Planning and Development, leaving when MIM was acquired by Xstrata in 2003. Phil was then Chief Financial Officer (CFO) and Company Secretary at Peplin Limited and later QMAG Limited before joining Lihir Gold Limited in 2007 as CFO, serving as Chief Executive Officer for three months in 2010 before the takeover by Newcrest.

After a period consulting, Phil joined Rio Tinto in 2012 as CFO of Pacific Aluminum to help prepare it for divestment, but left in late 2013 when it was reintegrated into Rio Tinto Alcan.

Phil is an independent non-executive director of ASX-listed miner Hillgrove Resources Ltd since 2014. Phil has not held any other publicly listed company directorships in the last three years.

Phil is the Chairman of the Audit Committee and a member of the Remuneration Committee.

Mr Martyn Buttenshaw, MBA, MEng

Non-executive Director

Martyn is a mining engineer, having qualified with a MEng (First Class) in Mining Engineering from the Royal School of Mines, Imperial College, London. Martyn also holds an MBA (with distinction) from the London Business School. Martyn is currently interim Chief Executive Officer of Melior Resources. Martyn was previously Managing Director with Pala Investments Ltd and has worked closely with several of Pala's portfolio companies including Sierra Rutile, Norcast Wear Solutions and Melior Resources, to assist in their execution of strategic plans, growth projects, product marketing strategy, development of corporate governance and achievement of operational goals.

Prior to joining Pala in 2010, Martyn was a Business Development Manager with Anglo American in its ferrous metals business unit. Martyn's primary responsibilities centered on the review and evaluation of potential iron ore investments globally. Martyn also spent five years working as a senior mining engineer with Rio Tinto in their technical services and industrial minerals groups.

Martyn is currently the Chairman and Interim Chief Executive Officer of Melior Resources (TSX:MLR) and was previously a director of Asian Mineral Resources (TSX.V:ASN) (resigned 2 August 2017). Martyn has not held any other publicly listed company directorships in the last three years.

Martyn is a member of the Remuneration Committee.

Mr Graham Freestone, BEc (Hons)

Independent Non-executive Director – resigned 7 March 2019

Graham has over 45 years experience in the petroleum and natural resources industry. He has a broad finance, corporate and commercial background obtained in Australia and internationally through senior positions with the Shell Group, Acacia Resources and AngloGold. He served as Chief Financial Officer and Company Secretary of Acacia and AngloGold until 2001. Since 2001 he has held non-executive director roles with the Lion Selection Group (2001 to 2009) and Catalpa Resources (2009 to 2011), and chaired their Audit Committees.

Graham is a Non-executive Director of Evolution Mining Limited (since 2011) and was Lead Independent Director until 2015 and chaired its Audit Committee until June 2018. Graham has not held any other publicly listed company directorships in the last three years.

Graham was the Chairman of both the Audit Committee and the Remuneration Committee.

Mr Stephen Gill MBA, MSc, BSc

Non-executive Director – resigned as Alternate Non-Executive Director for Martyn Buttenshaw on 13 August 2018

Stephen is currently a Managing Partner at Pala Investments Ltd. Stephen has been at Pala since 2008, during which time he has been involved in many of Pala's principal investments covering a range of commodities, as well as mining services and consumables sectors. Stephen has also supported many of Pala's investee companies in defining and implementing strategic initiatives. Stephen is also involved in the oversight of Pala's liquid investments portfolio. Prior to joining Pala, Stephen was at AMEC Plc., an engineering consulting firm, where he advised on a range of natural resources transactions.

Stephen also acted as an advisor across a range of private equity transactions, including investments in businesses spanning mining, metals processing, and mining consumables manufacturing industries. Stephen holds an MBA from the IE Business School in Madrid. He also holds an MSc from the University of North Carolina and a BSc from the University of Wales.

Stephen is currently a director of Nevada Copper (TSX: NSU) and was previously a director of Sierra Rutile (AIM: SRX) (resigned 8 December 2016).

Stephen has not held any other publicly listed company directorships in the last three years.

Mr Hedley Widdup, BSc (Hons Geology), MAusIMM

Non-executive Director – resigned 31 July 2018

Hedley graduated as a geologist with first class honours from the University of Melbourne in 2000 and has extensive experience across mine and resource geology having worked at Mt Keith (WMC), Olympic Dam (WMC), Mt Isa (Xstrata) and the St Ives Gold Mine (Gold Fields). Hedley joined Lion Manager Pty Limited in July 2007 as an analyst, providing investment management services to Lion Selection Group and the African Lion funds.

Hedley is a Non-executive Director of Egan Street Resources Limited and an Executive Director of Lion Manager Pty Limited.

Hedley has not held any other publicly listed company directorships in the last three years.

Hedley was a member of both the Audit Committee and the Remuneration Committee from 27 February 2017 till his resignation on 31 July 2018.

COMPANY SECRETARY

Mr Keith Pollocks, BBus (Econs, Acc), MCommerce, CPA, MCT

Company Secretary

Keith has an extensive background in the natural resources sector and extensive experience in a variety of senior finance roles, having led and managed finance teams, major commercial negotiations and projects within globally significant corporations.

Prior to joining Kasbah, Keith was the CFO of the Newcastle Coal Infrastructure Group, a consortium of major coal producers, including BHP, which owns and operates one of Australia's largest coal export terminals. Prior to this, Keith was General Manager Treasury, Taxation and Business Evaluation at MMG Limited, a dual listed globally diversified base metals company, where he was responsible for those functions and senior finance / Company Secretary positions with Lyondellbasell (formerly Shell Chemicals).

DIRECTORS' MEETINGS

The numbers of meetings of the Company's Board of Directors and of each board committee held during the year ended 30 June 2019, and the numbers of meetings attended by each Director were:

Name of Director	Board Meetings		Audit Committee Meetings		Remuneration Committee Meetings	
	Attended	Held	Attended	Held	Attended	Held
John Gooding	10	10	2	3	2	2
Graham Ehm	9	10	3	3	2	2
Martyn Buttenshaw	10	10	—	—	2	2
Phil Baker	2	2	1	1	—	—
Graham Freestone	8	8	2	2	2	2
Hedley Widdup	0	2	—	—	—	—

Held represents the number of meetings held during the time the director held office or was a member of the relevant committee.

INTERESTS IN SHARES, OPTIONS AND NON-EXECUTIVE DIRECTORS SHARE RIGHTS OF THE COMPANY AND RELATED BODIES CORPORATE

At the date of this report, shares, options and non-executive director share rights granted to Directors of the Company and the entities it controls are:

	Fully Paid Ordinary Shares Number [^]	Options Number [^]	NED Share Rights Number [^]
John Gooding	467,342	—	857,438
Graham Ehm	550,994	—	676,021
Martyn Buttenshaw	351,013	—	608,122
Phil Baker	—	—	—

[^] Number of securities and relevant prices have been adjusted to take into effect the 10 for 1 consolidation of share capital completed on 31 December 2018.

REMUNERATION REPORT – AUDITED

VOTING AT THE COMPANY'S 2018 ANNUAL GENERAL MEETING (AGM)

At the 2018 AGM, 71% of the votes received supported the adoption of the remuneration report for the year ended 30 June 2018. The resolution adopting the remuneration report was carried, however a first strike was noted. The Company did not receive any specific feedback at the AGM regarding its remuneration practices.

In response to the first strike noted at the 2018 AGM, the Remuneration Committee has reviewed the Company's remuneration practices. The Remuneration Committee continues to believe that the Company's remuneration practices are in line with the broader market considering the specific circumstances of the Group and the jurisdiction and stakeholders involved. The current Board and Executive team were established for the development of the Achmmach Tin Project. However, as a result of factors largely beyond the control of the Company, progress has been slow. Consequently, the Remuneration Committee has undertaken the following initiatives with the aim of managing the short and medium-term remuneration of the non-executive directors and key management personnel:

- The executive team was restructured, and the number of executives and employees were reduced commensurate with the immediate objectives of the Company. Following the resignation of Mr Clark, Mr Spencer was appointed as Chief Executive Officer under terms which were not materially different to Mr Spencer's remuneration as Chief Operating Officer. At this stage, no replacement is being sought for the role of Chief Operating Officer.
- Mr Gooding, Mr Ehm and Mr Buttenshaw have elected to take their entire director and committee fees in the form of NED Share Rights for the period January 2019 to November 2019.
- Executive and employee remuneration were frozen and no annual salary increase has been approved as of 1 July 2019.
- Discretionary STI was not awarded for the year 30 June 2019. The Remuneration Committee recognised that performance hurdles were not achieved due to reasons beyond the control of the executives. However, the Remuneration Committee has not modified these hurdles for the year ended 30 June 2019.
- 2019/2020 Short Term Incentives were set based on key activities and budget approved by the Board for the financial year. Long Term Incentives for the three-year period ending FY2022 were also established. The Remuneration Committee will review the executive and employee remuneration regularly to ensure this is aligned to the objectives of the company.

REMUNERATION FRAMEWORK

The remuneration report, which has been audited, outlines the key management personnel remuneration arrangements for the Company, in accordance with the requirements of the *Corporations Act 2001* and its regulations.

The remuneration report is set out under the following main headings:

- A. Remuneration principles
- B. Details of remuneration
- C. Service agreements
- D. Share-based compensation
- E. Additional disclosures relating to key management personnel

A. REMUNERATION PRINCIPLES

The objective of the Group's executive reward framework is to attract and maintain appropriately qualified and experienced Directors and Executives.

The Remuneration Committee is responsible for determining and reviewing remuneration arrangements for its Directors and Executives. Using market remuneration data for similar junior resources companies, the Remuneration Committee has structured an executive remuneration framework that is competitive and appropriate given the nature, stage of development of the Company and the activities which it undertakes and is consistent in aligning shareholder and corporate objectives.

During the current year, the Company continued to progress the Achmmach Tin Project through the project development and funding phases, including completing the Front-End Engineering and Design as well as the Independent Technical Specialist Report. Recognising the time frame to complete the funding and approval phases, the Company undertook to right-size the organisation and reduce costs to that required to achieve the next phase of the project's development.

The reward framework provides a mix of fixed and variable remuneration and a combination of short- and long-term incentives.

In accordance with best practice corporate governance, the structure of Non-executive Director and Executive remuneration are separate.

Non-executive Directors' Remuneration

Generally, fees payable to Non-executive Directors reflect the demands which are made on, and the responsibilities of, the Directors. The Remuneration Committee may, from time to time, receive advice from independent remuneration consultants to ensure Non-executive Directors' fees and payments are appropriate and in line with the market. The Chairman's fees are determined independently to the fees of other Non-executive Directors based on comparative roles in the external market. In accordance with the Company's constitution, alternate Non-executive Directors are not entitled to receive remuneration. There was no increase in Non-Executive Directors' fees during the period.

ASX listing rules require the aggregate Non-executive Directors remuneration be determined periodically by a general meeting. The most recent determination was at the Annual General Meeting on 24 November 2011, where the shareholders approved the maximum aggregate amount of fees that can be paid to Non-executive Directors to be \$400,000. There is no proposal to increase the maximum aggregate amount of fees at this time.

Non-Executive Director remuneration is delivered as a cash payment and is not linked to the performance of the Company. However, to align Director's interests with Shareholders' interests, Shareholders approved a Non-Executive Director (NED) Share Rights Plan at the Company's 2017 Annual General Meeting. The NED Share Rights Plan allows Non-Executive Directors to elect to receive all or part of their remuneration in the form of share rights, which vest at the earlier of 12 months after the grant date or upon ceasing to be a director. Vested shares are restricted from dealing for a minimum of 12 months from vesting up to a maximum of 15 years, at the discretion of the Non-Executive Director. This restriction does not apply upon resignation.

In January 2019, all non-executive directors at that time elected to receive all of the remuneration for the period December 2018 to November 2019 in the form NED Share Rights, demonstrating their commitment to the Company and saving the direct cash outflows of director and committee fees.

The following table outlines the annual remuneration payable to Non-Executive Directors, inclusive of all committee activities and superannuation.

Role	Remuneration
Non-Executive Chairman	\$90,000
Non-Executive Director	\$60,000
Chairman of the Audit Committee	\$5,000
Member of the Audit Committee	\$2,500
Chairman of the Remuneration Committee	\$3,750
Member of the Remuneration Committee	\$-

Executive Remuneration

The Group has restructured the remuneration system to one which aims to reward executives with a mix of remuneration based on their position and responsibility, with a fixed cash component and "at risk" components based on delivery of certain Company performance goals that are assessed over a short term basis delivered in cash or shares, and a longer term incentive plan component deliverable in Performance Rights that will vest 3 years after grant date.

The executive remuneration framework has three components:

- Total Fixed Remuneration comprising base salary and statutory superannuation;
- Short-term incentive plans (STIP); and
- Long term incentive plan (LTIP).

The Total Fixed Remuneration of executives comprising base salary and superannuation, is reviewed annually by the Remuneration Committee based on overall performance and comparable market remunerations.

The short-term incentives ("STI") plans are reviewed annually by the Remuneration Committee and are payable in cash or shares at the Board's discretion to executives based on specified targets being achieved. These targets will generally include key operational and non-operational aims that reflect the current strategy of the Group to further the Group's goals as well as performance against individual key performance indicators. The Board can decide not to pay, or to reduce, the STI in the event that key targets in the period have not been met.

Eligible executives must be employed by the Group, at the completion of the STI period.

If there is a change of control, the Board in its absolute discretion, may determine whether incentives will vest, up to the maximum amount held.

"At Risk" STI bonuses were not awarded to executives for the 2019 financial year based on performance hurdles and performance-based assessment determined by the Remuneration Committee.

The long-term incentives ("LTI") are based on the Group's Long Term Incentive Plan approved at the 2017 Annual General Meeting. Incentives under this plan are in the form of an annual issue of Performance Rights subject to a percentage threshold amount of Total Fixed Remuneration which will vest 3 years after issue date, after testing against predetermined performance hurdles reflecting achievement of the Company's key strategic targets and achieving targeted improvements in shareholder return over each period (refer below for further information). On vesting, Performance Rights will convert into fully paid ordinary shares in the Company at no cost to the recipient.

If there is a change of control, the Board in its absolute discretion, may determine whether the Performance Rights will vest, up to the maximum amount held.

Group's Financial Performance and Link to Remuneration

Currently there is no link to the financial performance of the Group to executive remuneration. The remuneration system through the implementation of STIP and LTIP's is aimed at aligning the interest of key management and shareholders through the achievement of the Company's key strategic goals and the delivery of improved shareholder returns over both the short term and the longer-term. The Remuneration Committee deems this appropriate given that the Group is currently moving towards the development phase of the Achmmach Tin Project.

Use of Remuneration Consultants

During the financial year ended 30 June 2019, no remuneration consultants were engaged by the Company.

B. DETAILS OF REMUNERATION

Details of the remuneration of the key management personnel of the consolidated entity are set out in the following tables.

The key management personnel of the consolidated entity consisted of the following directors of Kasbah Resources Limited:

- John Gooding – Non-executive Chairman
- Graham Ehm – Non-executive Director (appointed 22 January 2018)
- Martyn Buttenshaw – Non-executive Director (appointed 10 May 2017 as Alternate Director for Stephen Gill, appointed Non-executive Director in his own right on 22 January 2018)
- Phil Baker – Non-executive Director (appointed 1 May 2019)
- Graham Freestone – Non-executive Director (resigned 7 March 2019)
- Stephen Gill – Non-executive Director (resigned on 22 January 2018 and as Alternate Non-executive Director to Martyn Buttenshaw on 13 August 2018)
- Hedley Widdup – Non-executive Director (resigned on 31 July 2018)

And the following persons:

- Evan Spencer – Chief Executive Officer (appointed 1 April 2019, previously Chief Operating Officer)
- Russell Clark – Chief Executive Officer (appointed 16 October 2017, resigned 31 March 2019)
- Richard Hedstrom – Chief Executive Officer (resigned 6 September 2017)
- Keith Pollocks – Chief Financial Officer (appointed 17 July 2017) and Company Secretary (appointed 11 September 2017)
- Trevor O'Connor – Chief Financial Officer and Company Secretary (resigned 25 October 2017)

Name	Year	Short-term		Post Employment Superannuation \$	Long-term \$	Share based payments Options/ Rights \$	Total \$
		Director fees \$	Committee fees \$				
Non-executive Directors							
John Gooding –	2019	41,096	1,142	4,013	–	54,934	101,185
Non–executive Chairman ^(vii) ^(viii)	2018	100,457	2,283	9,760	–	11,667	124,167
Graham Ehm –	2019	–	–	–	–	63,646	63,646
Non–executive Director ⁽ⁱ⁾ ^(viii)	2018	–	–	–	–	25,000	25,000
Martyn Buttenshaw –	2019	–	–	–	–	58,485	58,485
Non–executive Director ⁽ⁱⁱ⁾ ^(viii)	2018	–	–	–	–	25,000	25,000
Phil Baker –							
Non–executive Director ⁽ⁱⁱⁱ⁾	2019	9,132	761	940	–	–	10,833
Graham Freestone –	2019	20,548	1,712	2,115	–	26,160	50,535
Non–executive Director ^(iv) ^(viii)	2018	44,140	7,991	4,952	–	17,500	74,583
Stephen Gill –							
Non–executive Director ^(v)	2018	–	–	–	–	10,417	10,417
Hedley Widdup –	2019	5,000	208	–	–	–	5,208
Non–executive Director ^(vi)	2018	60,000	2,500	–	–	–	62,500
Total	2019	75,776	3,823	7,068	–	203,225	289,892
Total	2018	204,597	12,774	14,712	–	89,584	321,667

(i) Appointed 22 January 2018

(ii) Appointed 22 January 2018. Previously Alternate Director to Mr Gill

(iii) Appointed 1 May 2019

(iv) Resigned 7 March 2019

(v) Resigned as Director and appointed and Alternate Director to Mr Buttenshaw 22 January 2018. Resigned as Alternate Director on 13 August 2018

(vi) Resigned 31 July 2018. Fees for Mr Widdup's services as Non-executive Director were paid to Lion Manager Pty Ltd

(vii) For FY2018, Mr Gooding received \$40,000 in remuneration for performing executive duties during the search for a CEO. Mr Gooding was remunerated with \$20,000 in cash (included in Director fees) and \$20,000 in NED Share Rights.

(viii) From January 2019, Mr Gooding, Mr Ehm, Mr Buttenshaw and Mr Freestone (until his resignation on 7 March 2019), elected to take their entire remuneration in NED Share Rights.

Name	Year	Short-term		Post Employment Superannuation \$	Long-term Long Service Leave \$	Share based payments Options/ Rights \$	Termination Benefits \$	Total \$
		Salaries \$	STI Bonus \$					
Key Management Personnel								
Evan Spencer – Chief Executive Officer ⁽ⁱ⁾	2019	329,119	–	20,531	4,857	163,910	–	518,417
	2018	320,047	101,000	20,288	1,903	93,870	–	537,108
Russell Clark – Chief Executive Officer ⁽ⁱⁱ⁾	2019	293,601	–	25,000	(912)	203,000	220,431	741,120
	2018	270,571	101,000	14,277	835	100,000	–	486,683
Richard Hedstrom – Chief Executive Officer ^{(iii) (vi)}	2018	58,600	–	8,827	(465)	(9,363)	190,789	248,388
Keith Pollocks – CFO & Company Secretary ^(iv)	2019	309,469	–	20,531	3,032	140,798	–	473,830
	2018	278,445	89,000	19,253	759	74,797	–	462,254
Trevor O'Connor – CFO & Company Secretary ^(v)	2018	75,192	–	24,052	–	–	–	99,244
Total	2019	932,189	–	66,062	6,977	507,708	220,431	1,733,367
Total	2018	1,002,855	291,000	86,697	3,032	259,304	190,789	1,833,677

(i) Appointed Chief Executive Officer 1 April 2019. Mr Spencer was previously the Chief Operating Officer of the Company.

(ii) Resigned 31 March 2019. Termination benefits include payment of unused leave entitlements of \$21,948

(iii) Resigned 6 September 2017. Termination benefits include payment of unused leave entitlements of \$17,396

(iv) Appointed 17 July 2017

(v) Resigned 25 October 2017. Termination benefits was accrued in 2017 but paid on resignation on 25 October 2018.

(vi) Negative Long-term long service leave accruals represent reversal of previously accrued Long Service Leave entitlements on termination of employment.

(vii) The cost of performance rights assumes 100% vesting of rights, determined for accounting purposes when the rights were granted. The cost above has not been adjusted for likelihood of the rights vesting subsequent to grant date.

The relative proportions of remuneration that are linked to performance and those that are fixed are as follows:

Name	Fixed Remuneration		At risk - STI		At risk - LTI*	
	2019	2018	2019	2018	2019	2018
Non-executive Directors						
John Gooding	100%	100%	0%	0%	0%	0%
Graham Ehm	100%	100%	0%	0%	0%	0%
Martyn Buttenshaw	100%	100%	0%	0%	0%	0%
Phil Baker	100%	–	0%	–	0%	–
Graham Freestone	100%	100%	0%	0%	0%	0%
Stephen Gill	100%	100%	0%	0%	0%	0%
Hedley Widdup	100%	100%	0%	0%	0%	0%
Key Management Personnel						
Evan Spencer	48%	64%	24%	19%	28%	17%
Russell Clark	40%	59%	30%	21%	30%	20%
Richard Hedstrom	–	100%	–	0%	–	0%
Keith Pollocks	48%	65%	24%	19%	28%	16%
Trevor O'Connor	–	100%	–	0%	–	0%

* Since the long-term incentives in place during the current year were via options and performance rights, the percentages disclosed are based on the value of options and performance rights expensed during the year.

At risk - STI

The proportion of the short-term incentive bonus paid or payable is as follows:

Name	2019		2018	
	Entitlement	Paid	Entitlement	Paid
Key Management Personnel				
Evan Spencer	50% of TFR	0%	50% of TFR	30%
Russell Clark	75% of TFR	0%	75% of TFR	45%
Keith Pollocks	50% of TFR	0%	50% of TFR	30%

At risk - LTI

Incentives under the Long Term Incentive Plan are in the form of an annual issue of Performance Rights which will vest 3 years after issue date, after testing against predetermined performance hurdles reflecting achievement of the Company's key strategic targets and achieving targeted improvements in shareholder return over each period. On vesting, Performance Rights will convert into fully paid ordinary shares in the Company at no cost to the recipient.

Performance Targets	Grant Date	Vesting date	Absolute Share Price	Relative Share Price	Project Development
Tranche 1	7 December 2017	30 June 2020	33.3%	33.3%	33.3%
<i>Outcomes if assessed at 30 June 2019*</i>			0% vesting	0% vesting	0% vesting
Tranche 2	8 November 2018	30 June 2021	33.3%	33.3%	33.3%
<i>Outcomes if assessed at 30 June 2019*</i>			0% vesting	0% vesting	0% vesting

* Pursuant to the terms of the Long Term Incentive Plan, vesting of the grants are assessed at the vesting date, three years from grant date. Performance rights which do not vest at the end of the three-year period, will lapse.

C. SERVICE AGREEMENTS

On appointment to the Board, all Non-executive Directors enter into a Service Agreement with the Company in the form of a letter of appointment. The letter summarises the Board's policies and terms including compensation relevant to the office of Non-executive Directors.

A summary of the key conditions of service contracts for Executives is set out as follows:

Evan Spencer – Chief Executive Officer (appointed 1 April 2019) (previously Chief Operating Officer from 1 May 2017)

- Term of Agreement – No fixed term.
- Total salary inclusive of superannuation of \$360,000 (Previously \$350,200 as Chief Operating Officer).
- Short term incentives of up to 60% of Total Fixed Remuneration depending on STI hurdle achievement and Remuneration Committee / Board approval.
- Long term incentives in the form of performance rights of up to 60% of Total Fixed Remuneration depending on LTI hurdle achievement and Remuneration Committee / Board approval.
- The Executive or Company may terminate the agreement by providing six months' written notice. In addition, termination benefits to the extent permitted under the Corporation Act are included in the contract in the event of certain termination events.
- There are no other termination benefits to be paid other than in the circumstances above.

Russell Clark – Chief Executive Officer (resigned 31 March 2019)

- Term of Agreement – No fixed term.
- Total salary inclusive of superannuation of \$400,000, revised to \$412,000 effective 1 July 2018.
- Short term incentives of up to 75% of Total Fixed Remuneration for the 2018 and 2019 financial years, and 60% thereafter depending on STI hurdle achievement and Remuneration Committee / Board approval.
- Long term incentives in the form of performance rights of up to 75% of Total Fixed Remuneration depending on LTI hurdle achievement and Remuneration Committee / Board approval.
- The Executive or Company may terminate the agreement by providing three months' written notice. In addition, termination benefits to the extent permitted under the Corporation Act are included in the contract in the event of certain termination events.
- There are no other termination benefits to be paid other than in the circumstances above.

Keith Pollocks – Chief Financial Officer and Company Secretary

- Term of Agreement – No fixed term.
- Total salary inclusive of superannuation of \$310,000, revised to \$330,000 effective 1 July 2018.
- Short term incentives of up to 50% of Total Fixed Remuneration depending on STI hurdle achievement and Remuneration Committee / Board approval.
- Long term incentives in the form of performance rights of up to 60% of Total Fixed Remuneration depending on LTI hurdle achievement and Remuneration Committee / Board approval.
- The Executive or Company may terminate the agreement by providing six months' written notice. In addition, termination benefits to the extent permitted under the Corporation Act are included in the contract in the event of certain termination events.
- There are no other termination benefits to be paid other than in the circumstances above.

D. SHARE-BASED COMPENSATION**NON-EXECUTIVE DIRECTOR SHARE RIGHTS PLAN**

Non-executive Directors are invited to salary sacrifice all or part of their remuneration and participate in the NED Share Rights Plan. The take up of rights under the NED Rights Plan are set out below:

	Grant Date	Number Granted [^]	Vesting and Exercise Date	Value per Share Right \$ [^]	Value of Share Rights \$
John Gooding	7 December 2017	125,787	7 December 2018	0.159	20,000
	21 December 2018	94,388	21 December 2019	0.098	9,250
	11 January 2019	763,050	11 January 2020	0.099	75,542
Graham Freestone	7 December 2017	188,680	7 December 2018	0.159	30,000
	21 December 2018	204,082	7 March 2019	0.098	20,000
	11 January 2019	413,505	7 March 2019	0.099	40,937
Graham Ehm	14 February 2018	287,357	7 December 2018	0.174	50,000
	21 December 2018	676,021	21 December 2019	0.098	66,250
Martyn Buttenshaw	6 February 2018	280,899	7 December 2018	0.178	50,000
	21 December 2018	204,082	21 December 2019	0.098	20,000
	11 January 2019	404,040	11 January 2020	0.099	40,000
Stephen Gill	7 December 2017	393,082	22 January 2018	0.159	62,500

[^] Number of securities and relevant prices have been adjusted to take into effect the 10 for 1 consolidation of share capital completed on 31 December 2018.

The number granted and value per share right of the NED Share Rights issued prior to 31 December 2018 has been adjusted by a factor of 10 to reflect the 10 to 1 consolidation of the Company's share capital completed during the year.

453,462 NED Share Rights lapsed on Mr Graham Freestone's resignation as Non-Executive Director on 7 March 2019. The remaining 164,125 NED Share Rights vested and were issued. Pursuant to the terms of the plan, no trading restrictions were placed on these shares.

694,043 NED Share Rights awarded to Mr John Gooding, Mr Graham Ehm and Mr Martyn Buttenshaw vested during the year and were exercised. Pursuant to the terms of the plan, these shares were placed in a trading restriction for a minimum of 12 months up to a maximum of 15 years, at the election of the respective non-executive director.

The number of NED Share Rights granted was based on each director's election to salary sacrifice all or part of their remuneration. The value of the NED Share Rights were calculated based on the 5-Day volume weighted average price (VWAP) before the grant date.

LONG TERM INCENTIVE PLAN

Executives of the Company were invited to participate in the Long Term Incentive Plan through the issue of Performance Rights, a component of their remuneration package. The amount of Performance Rights that ultimately vest is dependent on achieving the KPIs determined by the Board over a three-year period. The terms of the Performance Rights issued as part of the LTIPs are set out below:

	Grant Date	Number Granted [^]	Vesting Date	Value per Performance Right \$ [^]	Value of Performance Rights \$
Evan Spencer	7 December 2017	1,283,019	1 July 2020	0.159	204,000
	8 November 2018	1,500,858	1 July 2021	0.140	210,120
Russell Clark	7 December 2017	1,886,793	1 July 2020	0.159	300,000
	8 November 2018	2,207,145	1 July 2021	0.140	309,000
Keith Pollocks	7 December 2017	1,169,814	1 July 2020	0.159	186,000
	8 November 2018	1,414,287	1 July 2021	0.140	198,000

[^] Number of securities and relevant prices have been adjusted to take into effect the 10 for 1 consolidation of share capital completed on 31 December 2018.

The number granted and value per share right of the NED Share Rights issued prior to 31 December 2018 has been adjusted by a factor of 10 to reflect the 10 to 1 consolidation of the Company's share capital completed during the year.

On 2 September 2019, Mr Evan Spencer and Mr Keith Pollocks were granted 4,015,023 and 3,680,436 Performance Rights respectively, pursuant to the terms of their employment contracts. The value of the Performance Rights issued was \$0.054 and will vest on 1 July 2022, subject to achieving the vesting conditions.

Pursuant to the terms of the Long-Term Incentive Plan, the Performance Rights issued to employees who have ceased working with the Company (other than as a result of termination for poor performance or termination for cause) will continue to be held by or on behalf of the employee.

INCENTIVE OPTION SCHEME

The terms and conditions of each grant of options affecting remuneration in the previous, current or future reporting periods are as follows:

Number Granted	Grant Date	Vesting and Exercise Date	Expiry Date	Exercise Price of Options \$	Value per Option at Grant Date \$	Value of Options at Grant Date \$	Vested (%)
<i>Evan Spencer</i>							
150,000	4 May 2017	4 May 2018	4 May 2020	0.33	0.13	19,267	100
150,000	4 May 2017	4 May 2019	4 May 2020	0.33	0.13	19,267	100
<i>Keith Pollocks</i>							
150,000	25 July 2017	25 July 2018	25 July 2020	0.22	0.06	9,117	100
150,000	25 July 2017	25 July 2019	25 July 2020	0.22	0.06	9,117	0

[^] Number of securities and relevant prices have been adjusted to take into effect the 10 for 1 consolidation of share capital completed on 31 December 2018.

The exercise price of options is based on the weighted average price at which the Company's shares are traded on the Australian Securities Exchange during the week up to the date of grant.

The number of options over ordinary shares granted to and vested by Directors and other key management personnel as part of compensation during the year ended 30 June 2019 are set out below:

Name	Number of Options Granted during the Year [^]		Number of Options Vested during the Year [^]	
	2019	2018	2019	2018
Evan Spencer	–	–	150,000	150,000
Keith Pollocks	–	300,000	150,000	–

[^] Number of securities and relevant prices have been adjusted to take into effect the 10 for 1 consolidation of share capital completed on 31 December 2018.

Fair values at grant date are independently determined using a Black-Scholes option pricing model that considers the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk-free interest rate for the term of the option.

No options were exercised or lapsed during the year.

Trading in the Company's Securities by Directors, Officers and Employees

The Board has adopted a policy in relation to dealing in the securities of the Company which applies to all Directors, Officers and employees. Under the policy, these persons are prohibited from dealing in the Company's securities whilst in possession of price sensitive information and are also prohibited from short term or "active" trading in the Company's securities during specific blackout periods. The Company Secretary must be notified as soon as practical upon the trading of securities under these circumstances.

The Company's STI and LTI Plans have been designed to align the Company's remuneration policy for key management personnel with the Company's performance both in achieving its strategic goals and in the aim of improvement in returns to Shareholders.

E. ADDITIONAL DISCLOSURES RELATING TO KEY MANAGEMENT PERSONNEL**Shareholding**

The number of shares in the company held during the financial year by each director and other members of key management personnel of the consolidated entity, including their personally related parties, is set out below:

	Balance at the start of the year [^]	Purchased [^]	Vesting/ Exercise of Rights [^]	Other ⁽ⁱ⁾ [^]	Balance at the end of the year [^]
John Gooding	84,449	257,106	125,787	–	467,342
Graham Freestone	186,091	639,147	188,680	(1,013,918)	–
Graham Ehm	–	263,637	287,357	–	550,994
Martyn Buttenshaw	56,091	14,023	280,899	–	351,013
Phil Baker	–	–	–	–	–
Hedley Widdup	–	–	–	–	–
Stephen Gill	–	–	–	–	–
Evan Spencer	91,019	–	–	–	91,019
Russell Clark	14,200	117,187	–	(131,387)	–
Keith Pollocks	–	–	–	–	–

[^] Number of securities and relevant prices have been adjusted to take into effect the 10 for 1 consolidation of share capital completed on 31 December 2018.

(i) Movement due to appointment or resignation as a director or as key management personnel.

NED Share Rights holding

The number of NED Share Rights in the company held during the financial year by each director of the consolidated entity, including their personally related parties, is set out below:

	Balance at the start of the year [^]	Granted [^]	Vested [^]	Expired/ forfeited/ other [^]	Balance at the end of the year [^]	Vested and exercisable at the end of year [^]	Vested and un-exercisable at the end of year [^]
John Gooding	125,787	857,438	(125,787)	–	857,438	–	–
Graham Freestone	188,680	617,587	(188,680)	(617,587)	–	–	–
Graham Ehm	287,357	676,021	(287,357)	–	676,021	–	–
Martyn Buttenshaw	280,899	608,122	(280,899)	–	608,122	–	–
Phil Baker	–	–	–	–	–	–	–
Stephen Gill	–	–	–	–	–	–	–

[^] Number of securities and relevant prices have been adjusted to take into effect the 10 for 1 consolidation of share capital completed on 31 December 2018.

Performance Rights holding

The number of Performance Rights held during the financial year by each key management personnel of the consolidated entity, including their personally related parties, is set out below:

	Balance at the start of the year [^]	Granted [^]	Vested [^]	Expired/ forfeited/ other [^]	Balance at the end of the year [^]	Vested and exercisable at the end of year [^]	Vested and un-exercisable at the end of year [^]
Evan Spencer	1,283,019	1,500,858	–	–	2,783,877	–	–
Russell Clark	1,886,793	2,207,145	–	–	4,093,938	–	–
Keith Pollocks	1,169,812	1,414,287	–	–	2,584,099	–	–

[^] Number of securities and relevant prices have been adjusted to take into effect the 10 for 1 consolidation of share capital completed on 31 December 2018.

On 2 September 2019, Mr Evan Spencer and Mr Keith Pollocks were granted 4,015,023 and 3,680,436 Performance Rights respectively, pursuant to the terms of their employment contracts. The value of the Performance Rights issued was \$0.054 and will vest on 1 July 2022, subject to achieving the vesting conditions.

Option holding

The number of options over ordinary shares in the company held during the financial year by each director and other members of key management personnel of the consolidated entity, including their personally related parties, is set out below:

	Balance at the start of the year [^]	Granted [^]	Exercised [^]	Expired/ forfeited/ other [^]	Balance at the end of the year [^]	Vested and exercisable at the end of year [^]	Vested and un-exercisable at the end of year [^]
Evan Spencer	300,000	—	—	—	300,000	300,000	—
Keith Pollocks	300,000	—	—	—	300,000	150,000	—

[^] Number of securities and relevant prices have been adjusted to take into effect the 10 for 1 consolidation of share capital completed on 31 December 2018.

This concludes the remuneration report, which has been audited.

Shares Under Option

Unissued ordinary shares of Kasbah Resources Limited under option at the date of this report are as follows:

Date Options Granted	Expiry Date	Exercise Price of Options \$ [^]	Number of Options [^]
4 May 2017	4 May 2020	0.33	300,000
25 July 2017	25 July 2020	0.22	300,000
			600,000

[^] Number of securities and relevant prices have been adjusted to take into effect the 10 for 1 consolidation of share capital completed on 31 December 2018.

No option holder has any right under the options to participate in any other share issue of the Company or any other entity.

Shares Issued on the Exercise of Options

There were no ordinary shares of Kasbah Resources Limited issued during the year ended 30 June 2019 and up to the date of this report on the exercise of options granted to shareholders and employees.

Indemnity and Insurance of Officers

During the financial year, the company paid a premium in respect of a contract to insure the directors and executives of the company against a liability to the extent permitted by the *Corporations Act 2001*. The contract of insurance prohibits disclosure of the nature of liability and the amount of the premium.

Indemnity and Insurance of Auditor

The Company has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the Company or any related entity against a liability incurred by the auditor.

During the financial year, the company has not paid a premium in respect of a contract to insure the auditor of the company or any related entity.

Proceedings on behalf of the Company

No person has applied to the Court under section 237 of the *Corporations Act 2001* for leave to bring proceedings on behalf of the Company, or to 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 part of those proceedings.

Non-Audit Services

The Board of Directors review any non-audit services to be provided to ensure they are compatible with the general standard for independence of auditors imposed by the *Corporations Act 2001*.

During the year, the auditors did not provide any non-audit services to the Group.

Officers of the company who are former audit partners of HLB Mann Judd

There are no officers of the company who are former audit partners of HLB Mann Judd.

Auditor's Independence Declaration

The copy of the auditor's independence declaration as required under sections 307C of the *Corporations Act 2001* is set out on page 35.

Auditor

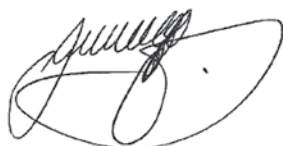
HLB Mann Judd continue in office in accordance with section 327 of the *Corporations Act 2001*.

Corporate Governance

The Directors of the Group support and adhere to the principles of corporate governance, recognising the need for the highest standard of corporate behaviour and accountability. Please refer to the Corporate Governance Statement dated 28 August 2019 which is available on the Company's website.

This report is made in accordance with a resolution of the Directors, pursuant to section 298(2)(a) of the *Corporations Act 2001*.

On behalf of the directors



John Gooding
Chairman

30 September 2019
Melbourne



Phil Baker
Director

30 September 2019
Melbourne

Auditor's Independence Declaration



AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the consolidated financial report of Kasbah Resources Limited for the year ended 30 June 2019, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- a) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- b) any applicable code of professional conduct in relation to the audit.

A handwritten signature in black ink, appearing to read 'B G McVeigh'.

Perth, Western Australia
30 September 2019

B G McVeigh
Partner

hlb.com.au

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HLB Mann Judd (WA Partnership) is a member of HLB International, the global advisory and accounting network.

Consolidated Statement of Profit or Loss and Other Comprehensive Income

for the year ended 30 June 2019

	Note	Consolidated 2019 \$	2018 \$
Revenue from continuing operations	3	10,219	75,250
Exploration and evaluation expenditure		1,752,477	2,094,817
Project financing expenses		958,221	177,359
Employee benefits expenses		1,368,115	1,851,105
Employee share based payment expense		694,421	353,705
Accounting and corporate fees		505,153	415,241
Occupancy expenses	4	117,012	90,018
Administration expenses		255,962	524,914
Marketing and investor relations		466,734	202,907
Transaction fees and other associated costs		(259,620)	(55,501)
Interest and borrowing costs		702,283	163,130
Non-recoverable Moroccan TVA expense	4	621,862	563,321
Depreciation and amortisation expenses	4	18,228	44,644
Foreign exchange losses/(gains)		20,391	(6,808)
(Loss) from continuing operations before tax expense		(7,211,020)	(6,343,602)
Income tax benefit/(expense)	5	–	–
(Loss) after tax from continuing operations		(7,211,020)	(6,343,602)
Other comprehensive income			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Foreign currency translation difference on foreign operations		234,795	178,441
Total comprehensive loss for the year		(6,976,225)	(6,165,161)

The consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

Consolidated Statement of Profit or Loss and Other Comprehensive Income continued

		Consolidated	
	Note	2019 \$	2018 \$
Total loss for the year is attributable to:			
Non-controlling interest		(781,300)	(695,778)
Owners of Kasbah Resources Limited		(6,429,720)	(5,647,824)
		(7,211,020)	(6,343,602)
Total comprehensive loss for the year is attributable to:			
Non-controlling interest		(720,306)	(640,296)
Owners of Kasbah Resources Limited		(6,255,919)	(5,524,865)
		(6,976,225)	(6,165,161)
Loss per share for the year attributable to the members of Kasbah Resources Limited:			
Basic (loss) per share (cents per share)	22	(5.65)	(5.51)
Diluted (loss) per share (cents per share)	22	(5.65)	(5.51)

The consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

Consolidated Statement of Financial Position

as at 30 June 2019

	Note	Consolidated 2019 \$	2018 \$
Current Assets			
Cash and cash equivalents	6	1,916,223	3,016,898
Trade and other receivables	7	345,445	337,105
Non-current assets classified as held for sale	8	1	1
Total Current Assets		2,261,669	3,354,004
Non-current Assets			
Property, plant and equipment	9	26,562	41,052
Exploration and evaluation expenditure	10	6,086,786	5,814,769
Total Non-current Assets		6,113,348	5,855,821
TOTAL ASSETS		8,375,017	9,209,825
Current Liabilities			
Trade and other payables	11	970,334	1,065,587
Borrowings	12	5,305,666	3,209,727
Total Current Liabilities		6,276,000	4,275,314
Non-current Liabilities			
Employee entitlements		12,911	4,494
Total Non-current Liabilities		12,911	4,494
TOTAL LIABILITIES		6,288,911	4,279,808
NET ASSETS		2,086,106	4,930,017
Equity			
Issued capital	13	74,233,355	71,729,616
Accumulated losses		(102,120,587)	(95,690,867)
Reserves	14	29,662,282	28,824,226
Parent entity interest		1,775,050	4,862,975
Non-controlling interest	15	311,056	67,042
TOTAL EQUITY		2,086,106	4,930,017

The consolidated statement of financial position should be read in conjunction with the accompanying notes.

Consolidated Statement of Changes in Equity

for the year ended 30 June 2019

Consolidated	Issued Capital \$	Accumulated Losses \$	Share Based Payments Reserves \$	Foreign Currency Translation Reserves \$	Other Reserves \$	Convertible Loan Equity Reserve \$	Subtotal \$	Non-controlling Interest \$	Total \$
Balance 1 July 2017	66,885,488	(90,043,043)	3,503,380	(1,018,751)	25,873,350	—	5,200,424	(331,605)	4,868,819
Loss for the period	—	(5,647,824)	—	—	—	—	(5,647,824)	(695,778)	(6,343,602)
Other comprehensive income									
Foreign currency translation differences	—	—	—	122,959	—	—	122,959	55,482	178,441
Total comprehensive loss for the period	—	(5,647,824)	—	122,959	—	—	(5,524,865)	(640,296)	(6,165,161)
Transactions with owners in their capacity as owners									
Share based payments	—	—	353,705	—	—	—	353,705	—	353,705
Issue of fully paid ordinary shares	5,264,858	—	(10,417)	—	—	—	5,254,441	—	5,254,441
Share issue costs	(420,730)	—	—	—	—	—	(420,730)	—	(420,730)
Non-controlling interest contributed assets	—	—	—	—	—	—	—	1,038,944	1,038,944
Balance 30 June 2018	71,729,616	(95,690,867)	3,846,668	(895,792)	25,873,350	—	4,862,975	67,042	4,930,017
Balance 1 July 2018	71,729,616	(95,690,867)	3,846,668	(895,792)	25,873,350	—	4,862,975	67,042	4,930,017
Loss for the period	—	(6,429,720)	—	—	—	—	(6,429,720)	(781,300)	(7,211,020)
Other comprehensive income									
Foreign currency translation differences	—	—	—	173,801	—	—	173,801	60,994	234,795
Total comprehensive loss for the period	—	(6,429,720)	—	173,801	—	—	(6,255,919)	(720,306)	(6,976,225)
Transactions with owners in their capacity as owners									
Share based payments	—	—	694,421	—	—	—	694,421	—	694,421
Issue of fully paid ordinary shares	2,811,333	—	(163,696)	—	—	—	2,647,637	—	2,647,637
Share issue costs	(307,594)	—	—	—	—	—	(307,594)	—	(307,594)
Convertible loan equity feature	—	—	—	—	—	133,531	133,531	—	133,531
Non-controlling interest contributed assets	—	—	—	—	—	—	—	964,320	964,320
Balance 30 June 2019	74,233,355	(102,120,587)	4,377,393	(721,991)	25,873,350	133,531	1,775,050	311,056	2,086,1076

The consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

Consolidated Statement of Cash Flows

for the year ended 30 June 2019

		Consolidated	
	Note	2019 \$	2018 \$
Cash flows from operating activities			
Cash paid to suppliers and employees		(2,686,615)	(3,396,726)
Payments for exploration and evaluation		(3,283,996)	(3,092,080)
Interest received		13,199	72,566
Interest paid		(405,814)	–
Net cash outflow from operating activities	6a	(6,363,226)	(6,416,240)
Cash flows from investing activities			
Refund/(Payment) of security deposits and bonds		3,477	(54,198)
Payments for plant and equipment		(3,440)	(46,978)
Net cash inflow/(outflow) from investing activities		37	(101,176)
Cash flow from financing activities			
Proceeds from share issues		2,652,183	4,984,171
Share issue costs		(312,140)	(387,655)
Proceeds from borrowings	6b	5,500,000	2,000,000
Repayment of Borrowing	6b	(3,530,000)	–
Borrowing costs		–	(30,000)
Proceeds from non-controlling interests		939,768	1,237,733
Net cash inflow from financing activities		5,249,811	7,804,249
Net increase/(decrease) in cash held		(1,113,378)	1,286,833
Cash at the beginning of the financial year		3,016,898	1,720,844
Effect of exchange rate fluctuations on cash held in foreign currencies		12,703	9,221
Cash at the end of the financial year	6	1,916,223	3,016,898

The consolidated statement of cash flows should be read in conjunction with the accompanying notes.

Notes to the Consolidated Financial Statements

for the year ended 30 June 2019

1. BASIS OF PREPARATION

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board, including Australian Accounting Interpretations and the *Corporations Act 2001*. Kasbah Resources Limited is a for-profit entity domiciled in Australia for the purpose of preparing the financial statements.

The financial statements are presented in Australian dollars.

Compliance with IFRS

The consolidated financial statements of Kasbah Resources Limited comply with International Financial Reporting Standards as issued by the International Accounting Standards Board (IASB).

Historical Cost Convention

These financial statements have been prepared on the accruals basis under the historical cost convention.

Going Concern

For the year ended 30 June 2019 the consolidated entity recorded a loss of \$7,211,020 (2018: \$6,343,602) and had net cash outflows from operating activities of \$6,363,226 (2018: \$6,416,240) and has a net working capital deficit of \$4,014,331 at 30 June 2019 (2018: working capital deficit of \$921,310).

The Group completed the Achmmach Tin Project 2018 Definitive Feasibility Study (2018 DFS) in early FY2019 and subsequently completed Front End Engineering and Design (FEED) and the Independent Technical Specialist Report (ITSR). In addition, since the completion of the 2018 DFS, the Group commenced parallel debt funding streams to secure project financing for the construction of the Achmmach Tin Project. Short term funding needs are expected to be met either through a refinancing or the extension of existing loan facilities or an interim capital raise. The ability of the consolidated entity to continue as a going concern will be dependent on the ability of the Group to achieve such an interim funding debt or equity solution.

The above conditions indicate a material uncertainty that may cast a significant doubt about the consolidated entity's ability to continue as a going concern and, therefore, whether it will be unable to realise its assets and discharge its liabilities in the normal course of business.

The annual report has been prepared on the basis that the entity is a going concern, which contemplates the continuity of normal business activity, realisation of assets and settlement of liabilities in the normal course of business.

Should the entity not be able to continue as a going concern, it may be required to realise its assets and discharge its liabilities other than in the ordinary course of business, and at amounts that differ from those stated in the financial statements.

The financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or liabilities that might be necessary should the entity not continue as a going concern.

Critical Accounting Judgements, Estimates and Assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. There are no critical accounting judgements, estimates and assumptions that are likely to materially affect the current or future financial years apart from those detailed below.

- Note 5 – Taxation
- Note 10 – Recoverability of Exploration and Evaluation Expenditure
- Note 23 – Share Based Payments

Principles of Consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Kasbah Resources Limited (the Company) or (Parent Entity) as at 30 June 2019 and the results of all subsidiaries for the year then ended.

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date control ceases.

Inter-company transactions, balances and unrealised gains on transactions between Group companies are eliminated on consolidation. Unrealised losses are also eliminated unless a transaction provides evidence of the impairment of the asset transferred.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated balance sheet respectively.

Accounting Policies

Refer to Note 25 for further information on the Group's accounting policies.

2. SEGMENT INFORMATION

AASB 8 requires a management approach under which segment information is presented on the same basis as that used for internal reporting purposes. Operating segments are now reported in a manner that is consistent with the internal reporting to the chief operating decision maker (CODM), which has been identified by the Company as the Chief Executive Officer and other members of the Board of Directors.

The Board has determined that the Company has one reportable segment, being mineral exploration and development, and one geographical segment, being Morocco. The reportable segment is the geographical segment. As the Company is focused on mineral exploration and development, the Board monitors the Company based on actual versus budgeted exploration and development expenditure incurred by area of interest.

This internal reporting framework is the most relevant to assist the Board with making decisions regarding the Group and its ongoing exploration activities.

	Consolidated	
	2019 \$	2018 \$
Segment information provided to the Board:		
Revenue from external customers	—	—
Reportable segment loss	(3,163,616)	(3,298,568)
Reportable segment assets	7,330,791	7,096,903
Reportable segment liabilities	(658,023)	(505,127)
Reconciliation of revenue from external customers to total revenue is as follows:		
Segment revenue	—	—
Unallocated		
– Interest	10,219	75,250
Total revenue as per continuing operations	10,219	75,250
Reconciliation of reportable segment loss to operating loss before income tax is as follows:		
Total loss for reportable segment	(3,163,616)	(3,298,568)
Unallocated		
– Corporate expenses	(4,057,624)	(3,120,284)
– Interest revenue	10,219	75,250
Loss before income tax from continuing operations	(7,211,020)	(6,343,602)
Reconciliation of reportable segment assets to total assets is as follows:		
Segment assets	7,330,791	7,096,903
Unallocated		
– Cash	896,551	1,953,070
– Other	147,675	159,852
Total assets as per statement of financial position	8,375,017	9,209,825
Reconciliation of reportable segment liabilities to total liabilities is as follows:		
Segment liabilities	(658,023)	(505,127)
Unallocated		
– Payables	(227,947)	(490,120)
– Provisions	(97,275)	(74,834)
– Loans	(5,305,666)	(3,209,727)
Total liabilities as per statement of financial position	(6,288,911)	(4,279,808)

2. SEGMENT INFORMATION (CONTINUED)

	Consolidated	
	2019 \$	2018 \$
Reconciliation of reportable segment cash flow from operating activities to total cash flow from operating activities is as follows:		
Segment cash flow from operating activities	(4,376,661)	(3,374,269)
Unallocated	(1,986,565)	(3,041,971)
Total cash flow from operating activities	(6,363,226)	(6,416,240)
Reconciliation of reportable segment cash flow from investing activities to total cash flow from investing activities is as follows:		
Segment cash flow from investing activities	499	(24,527)
Unallocated	(462)	(76,649)
Total cash flow from investing activities	37	(101,176)
Reconciliation of reportable segment cash flow from financing activities to total cash flow from financing activities is as follows:		
Segment cash flow from financing activities	939,768	1,237,733
Unallocated	4,310,043	6,566,516
Total cash flow from financing activities	5,249,811	7,804,249
Other Information		
Depreciation	3,260	34,286
Additions to non-current assets	3,053	2,588

3. REVENUE AND OTHER INCOME

	Consolidated	
	2019 \$	2018 \$
Revenue from continuing operations:		
Interest revenue	10,219	75,250

4. EXPENSES

	Consolidated	
	2019 \$	2018 \$
Loss before income tax includes the following items:		
Rental expenses relating to operating leases	117,012	90,018
Superannuation expense	102,621	135,818
Impairment of non-recoverable Moroccan TVA	621,862	563,321
Depreciation and amortisation:		
– Plant and equipment	18,209	38,703
– Motor vehicles	–	5,563
– Computer software	19	378
	18,228	44,644

5. INCOME TAX EXPENSE

	Consolidated	
	2019 \$	2018 \$
a) Income tax expense (benefit)		
Current tax expenses (benefit)	—	—
Deferred tax expenses (benefit)	—	—
	—	—
b) Reconciliation of the prima facie tax loss from ordinary activities before income tax to income tax expense (benefit):		
Profit/(Loss) before income tax expense	(7,211,020)	(6,343,602)
Tax at the tax rate 27.5% (2018: 27.5%)	(1,983,031)	(1,744,491)
Tax effect of amounts not deductible (taxable) in calculating taxable income:		
– Non-deductible expenses	505,047	607,947
– Deferred tax assets not recognised on tax losses and temporary difference	1,032,864	766,144
– Tax rate differential	445,120	370,400
Income tax expense (benefit)	—	—
c) Deferred tax assets		
Temporary differences	193	1,013
	193	1,013
Deferred tax liabilities		
Temporary differences	(193)	(1,013)
	(193)	(1,013)
Net deferred tax assets (liabilities)	—	—
d) Deferred tax assets not recognised		
Deferred tax assets have not been recognised in relation to the following matters:		
Temporary differences	913,889	880,651
Tax losses	10,933,676	9,597,693
	11,847,565	10,478,344

Significant accounting judgement**Tax Losses**

No deferred tax asset has been recognised on the unused tax losses as the future recovery of those losses is subject to the Company satisfying the requirements imposed by the regulatory taxation authorities in the relevant jurisdictions. The benefits of deferred tax assets not brought to account will only be brought to account if:

- future assessable income is derived of a nature and of an amount sufficient to enable the benefit to be realised;
- the conditions for deductibility imposed by tax legislation continue to be complied with; and
- no changes in tax legislation adversely affect the Company in realising the benefit.

Taxes

The Group is subject to various taxes in Australia and offshore jurisdictions and at times significant judgement is required in determining the Group's liability associated with these taxes. The Group estimates its tax liabilities based on its understanding of the transactions and the tax laws in the local jurisdictions in which it operates. Should the final outcome of these matters be different from the initial assessment, such differences will impact the Group's liabilities in the period in which such determination is made.

6. CASH AND CASH EQUIVALENTS

	Consolidated	
	2019 \$	2018 \$
Cash at bank and on hand	1,891,223	2,371,898
Short-term deposits at call	25,000	645,000
	1,916,223	3,016,898

a) Reconciliation of profit/(loss) after income tax to net cash provided by operating activities

	Consolidated	
	2019 \$	2018 \$
Loss after income tax	(7,211,020)	(6,343,602)
<i>Adjustments for:</i>		
– Depreciation	18,228	44,644
– Option based payment expense	694,421	353,705
– Borrowing costs	50,933	29,191
– Net exchange differences	12,910	(13,025)
<i>Change in operating assets and liabilities</i>		
– (Increase)/decrease in trade and other receivables	(8,340)	(80,533)
– Increase/(decrease) in trade and other payables	(86,836)	(539,969)
– Increase/(decrease) in interest accruals	166,478	133,348
Net cash utilised in operating activities	(6,363,226)	(6,416,240)

b) Changes in liabilities arising from financing activities

	Consolidated		
	Convertible Loan \$	Shareholder Loan \$	Total \$
Balance as at 1 July 2018	–	3,209,727	3,209,727
Net cash from financing activities	5,000,000	500,000	5,500,000
Net cash (used in) financing activities	–	(3,530,000)	(3,530,000)
Accrued interest	388,264	184,027	572,291
Payment of interest (cash flows from operating activities)	–	(405,814)	(405,814)
Amortisation of arrangement fee	50,933	42,060	92,993
Convertible loan equity feature	(133,531)	–	(133,531)
Balance as at 30 June 2019	5,305,666	–	5,305,666
Balance as at 1 July 2017	–	1,077,188	1,077,188
Net cash from (used in) financing activities	–	1,970,000	1,970,000
Accrued interest	–	133,348	133,348
Capitalised arrangement fee	–	30,000	30,000
Amortisation of arrangement fee	–	(809)	(809)
Balance as at 30 June 2018	–	3,209,727	3,209,727

7. TRADE AND OTHER RECEIVABLES

	Consolidated	
	2019 \$	2018 \$
Current:		
Trade and other receivables ⁽ⁱ⁾	228,741	219,687
Prepayments	116,704	117,418
	345,445	337,105

(i) As at 30 June 2019 the trade debtors of the Group were nil (2018: nil). No trade and other receivables balances were past their due date at 30 June 2019 (2018: nil) and hence no impairment has been recognised. Refer Note 16 for the Group entity's credit risk policy. The carrying amount of trade and other receivables approximates fair value and no allowance has been made for non-recovery.

8. NON-CURRENT ASSETS CLASSIFIED AS HELD FOR SALE

	Consolidated	
	2019 \$	2018 \$
Current:		
Tamlalt permits held for sale	1	1

During the 2011 financial year, the Board made the decision to focus on the Company's Achmmach Tin Project. Capitalised exploration and evaluation costs associated with the Tamlalt Gold Project were impaired. Subsequently the Company decided to review available strategic options, including the divestment of the Tamlalt exploration permits. As it is highly probable the asset will be realised through a sale or engagement with a third party for development, rather than continuing use, the asset was reclassified as a non-current asset held for sale.

9. PROPERTY, PLANT AND EQUIPMENT

	Consolidated	
	2019 \$	2018 \$
Plant and equipment – at cost	1,773,994	1,702,558
Less: Accumulated depreciation	(1,747,432)	(1,661,525)
Total plant and equipment at net book value	26,562	41,033
Motor vehicles – at cost	159,481	152,354
Less: Accumulated depreciation	(159,481)	(152,354)
Total motor vehicles at net book value	–	–
Computer software – at cost	57,084	57,084
Less: Accumulated amortisation	(57,084)	(57,065)
Total computer software at net book value	–	19
Total property plant and equipment	26,562	41,052

9. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Reconciliations

Reconciliations of the carrying amounts for each class of property, plant and equipment are set out below:

	Consolidated	
	2019 \$	2018 \$
Plant and Equipment:		
Carrying amount at beginning of year	41,033	31,961
– Additions	3,514	46,978
– Disposals	–	–
– Movement due to foreign exchange	224	797
– Depreciation	(18,209)	(38,703)
Carrying amount at end of year	26,562	41,033
Motor Vehicles:		
Carrying amount at beginning of year	–	5,448
– Additions	–	–
– Disposals	–	–
– Movement due to foreign exchange	–	115
– Depreciation	–	(5,563)
Carrying amount at end of year	–	–
Computer Software:		
Carrying amount at beginning of year	19	397
– Additions	–	–
– Disposals	–	–
– Movement due to foreign exchange	–	–
– Amortisation	(19)	(378)
Carrying amount at end of year	–	19

10. EXPLORATION AND EVALUATION EXPENDITURE

	Consolidated	
	2019 \$	2018 \$
Costs carried forward in respect of areas of interest in:		
Exploration and/or evaluation phase:		
Balance at beginning of year	5,814,769	5,536,952
Movement due to foreign exchange	272,017	277,817
Total exploration and evaluation expenditure	6,086,786	5,814,769

Exploration and Evaluation Expenditure

Exploration and evaluation expenditure is written off in the year incurred, except for the costs of acquisition of exploration properties which is capitalised and carried forward.

When commercial production is achieved, any accumulated costs for the relevant area of interest which have been capitalised and carried forward will be amortised over the life of the area according to the rate of depletion of the economically recoverable resources.

10. EXPLORATION AND EVALUATION EXPENDITURE (CONTINUED)

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs. Initially a review is undertaken to see whether any circumstances indicate that the area of interest should be tested for impairment. If after this initial review circumstances are identified the Company will undertake an assessment to determine if any provision should be made for the impairment of the carrying value.

The carrying value of capitalised exploration and evaluation expenditure is assessed for impairment at the cash generating unit level whenever facts and circumstances suggest that the carrying amount of the asset may exceed its recoverable amount. An impairment exists when the carrying amount of an asset or cash-generating unit exceeds its estimated recoverable amount. The asset or cash-generating unit is then written down to its recoverable amount. Any impairment losses are recognised in the income statement.

Significant accounting judgement

The Directors are required to exercise judgement on future events and the likelihood of defining an economic reserve. Assumptions made are altered as exploration and evaluation continues and more information becomes available. Where it is evident that the value of exploration and evaluation expenditure cannot be recovered the capitalised amount will be impaired through the statement of profit or loss and other comprehensive income.

11. TRADE AND OTHER PAYABLES

	Consolidated	
	2019 \$	2018 \$
Current:		
Trade payables	252,995	234,113
Employee entitlements	136,907	103,604
Other payables and accruals	580,432	727,870
	970,334	1,065,587

Risk exposure

Information about the Group's exposure to foreign exchange risk is provided in Note 16.

12. BORROWINGS

	Consolidated	
	2019 \$	2018 \$
Current:		
Convertible loan – secured	5,305,666	–
Shareholder loan – secured	–	3,209,727
	5,305,666	3,209,727

On 20 December 2018, following approval by shareholders at the Annual General Meeting, the Company drew down \$5,000,000 under the Convertible Loan Agreement with Pala Investments Limited. The convertible loan is secured against the assets of Kasbah Resources Limited other than Kasbah's interest in the Atlas Tin Project joint venture (which requires the consent of the other joint venture parties pursuant to the terms of the Atlas Tin Shareholders Agreement), with interest charged at 12% per annum. Maturity of the convertible loan is 31 December 2019, subject to a Kasbah option to extend the maturity to 31 December 2020 for a 2% extension fee and a step up in the interest rate to 15%.

The equity component of the convertible loan of \$133,531 is recognised within Other Reserves. Arrangement fees of \$100,000 was capitalised and incurs interest at 12% per annum. Arrangement fees are amortised over the period of the loan.

The shareholder loan facility was refinanced into the above convertible loan following shareholder approval on 20 December 2018. Proceeds from the convertible loan were used to offset the full repayment of the principal, capitalised interest and fees of the bridge loan facility totalling \$3,935,814.

13. ISSUED CAPITAL

	Consolidated		Consolidated	
	2019 Number of Shares	2018 Number of Shares	2019 \$	2018 \$
Issued and Paid-up Capital				
Ordinary shares, fully paid	133,238,371	1,045,078,742	74,233,355	71,729,616
Movements in ordinary share capital:				
Balance at the beginning of the financial year	1,045,079,742	694,139,119	71,729,616	66,885,488
Share placement at 1.5 cents (July 2017)	—	347,069,747	—	5,206,046
Less share placement costs	—	—	—	(420,730)
Shares issued as short-term incentive (September 2017)	—	3,203,176	—	48,395
Shares issued as part of NED Share Rights Scheme (February 2018)	—	667,700	—	10,417
Share purchase plan at 1.1 cents (December 2018)	11,818,165	—	130,000	—
Less share issue costs	—	—	(39,336)	—
Shares issued as part of NED Share Rights Scheme (December 2018)	3,144,653	—	50,000	—
10 to 1 share consolidation (December 2018)	(954,038,011)	—	—	—
Shares issued as part of NED Share Rights Scheme (February 2019)	568,256	—	100,000	—
Non-renounceable rights issue at 9.5 cents (March 2019)	26,501,441	—	2,517,637	—
Less share issue costs	—	—	(268,258)	—
Shares issued as part of NED Share Rights Scheme (April 2019)	164,125	—	13,696	—
Issued capital at end of period	133,238,371	1,045,079,742	74,233,355	71,729,616

Terms and Conditions

Holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at shareholders' meetings. On a show of hands every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote. In the event of winding up of the Company, ordinary shareholders rank after creditors and are entitled to any proceeds of liquidation.

Ordinary shares have no par value and the Company does not therefore have a limit to the amount of its authorised capital.

Performance rights and NED share rights have no voting rights and upon vesting, each right is converted to an ordinary share. Options have no voting rights and upon exercise each option is converted to an ordinary share.

Capital Management

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. As a junior explorer the Board does not establish a target return on capital. Capital management requires the maintenance of strong cash balances to support ongoing exploration expenditure and development.

There were no changes in the Group's approach to capital management during the year. Neither the Company nor any of its subsidiaries are subject to externally imposed capital requirements.

14. RESERVES**Nature and purpose of reserves**

- i) Share based payment reserve
The share-based payment reserve is used to recognise the fair value of options issued but not exercised, and the fair value of share rights issued under the NED Share Rights Plan and the Long-Term Incentive Plan.
- ii) Foreign Currency Translation Reserve
Exchange differences arising on translation of the foreign controlled entities are taken to the foreign currency translation reserve, as described in Note 25(d).
- iii) Other Reserves
This reserve is used to recognise the deemed gain on sale to a non-controlling interest.
- iv) Convertible Loan – Equity Reserve
This reserve is used to recognise the equity component (conversion rights) of the convertible loan issued.

15. EQUITY – NON-CONTROLLING INTEREST

The non-controlling interest is represented by two Japanese companies, Nittetsu Mining Co. Ltd (NMC) and Toyota Tsusho Corporation (TTC).

	Consolidated	
	2019 \$	2018 \$
Nittetsu Mining Co. Ltd (NMC) – 5% NCI		
Opening Balance – NCI	(912,033)	(991,763)
Funds received from NMC	192,864	207,789
Share of Comprehensive Loss for the year	(144,061)	(128,059)
	(863,230)	(912,033)
Toyota Tsusho Corporation (TTC) – 20% NCI		
Opening Balance – NCI	979,075	660,158
Funds received from TTC	771,456	831,155
Share of Comprehensive Loss for the year	(576,245)	(512,238)
	1,174,286	979,075
Total Non-Controlling Interest	311,056	67,042

16. FINANCIAL INSTRUMENTS

	Consolidated	
	2019 \$	2018 \$
Financial assets		
Cash and cash equivalents	1,916,223	3,016,898
Trade and other receivables	345,445	337,105
Non-current assets classified as held for sale	1	1
Financial liabilities		
Trade and other payables	970,334	1,065,587
Borrowings – secured	5,305,666	3,209,727

Overview

The Group has exposure to the following risks from their use of financial instruments:

- Credit Risk
- Liquidity Risk
- Market Risk

16. FINANCIAL INSTRUMENTS (CONTINUED)

This note presents information about the Group's exposure to each of the above risks, their objectives, policies and processes for measuring and managing risk, and the management of capital.

The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework. Management monitors and manages the financial risks relating to the operations of the Group through regular reviews of the risks.

Credit Risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Groups' surplus cash investments.

In Australia funds are deposited with financial institutions which have AA credit ratings and in Morocco with financial institutions which have A+ credit ratings. Sufficient funds to cover only one quarter's funding requirements are maintained in Morocco.

Other Receivables

The Group operates in the mining exploration and development sector at this stage in its development and has no trade receivables and therefore is not exposed to credit risk in relation to trade receivables.

Exposure to Credit Risk

The carrying amount of the Group's financial assets represents the maximum credit exposures, with none of the receivables being past due or impaired.

Liquidity Risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure that it should always have sufficient liquidity to meet its liabilities when they fall due.

The Group manages liquidity risk by maintaining adequate cash reserves by continuously monitoring forecast and actual cash flows.

The decision on how the Company will raise future capital and its success will depend on market conditions existing at that time.

Typically, the Group ensures that it has sufficient cash on demand to meet expected operational expenses for a period of 60 days, including the servicing of financial obligations, this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

The following are the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements:

		Carrying Amount \$	6 Mths or less \$	6-12 Mths \$	1-2 Years \$	2-5 Years \$	More than 5 years \$
Consolidated 30 June 2019							
Trade and other payables	0%	970,334	970,334	—	—	—	—
Convertible loan- Secured	12%	5,305,666	5,728,767	—	—	—	—
		6,276,000	6,699,101	—	—	—	—
Consolidated 30 June 2018							
Trade and other payables	0%	1,065,587	1,065,587	—	—	—	—
Loan - Secured	12%	3,209,727	3,375,081	—	—	—	—
		4,275,314	4,440,668	—	—	—	—

Market Risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

There has been no change to the Group's exposure to market risks or the manner in which it manages and measures the risk from the previous period.

16. FINANCIAL INSTRUMENTS (CONTINUED)**Foreign Currency Exchange Rate Risk Management**

The Group is exposed to currency risk on investments, purchases and borrowings that are denominated in a currency other than the respective functional currencies of Group entities. The currencies in which these transactions primarily are denominated are US Dollars (USD), South African Rand (ZAR) and British Pounds (GBP).

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the balance date expressed in Australian dollars are as follows:

	Consolidated			
	Assets		Liabilities	
	2019 \$	2018 \$	2019 \$	2018 \$
South African Rand	—	—	—	(58,277)
Swiss Franc	—	—	(4,748)	—

The sensitivity analyses below detail the Group's sensitivity to an increase/decrease in the Australian dollar against the United States dollar. The sensitivity analysis includes only outstanding foreign currency denominated monetary items, including external loans as well as loans to foreign operations within the Group where the denomination of the loan is in a currency other than the currency of the lender or the borrower and adjusts their translation balance date for a 500-basis point change in foreign currency rates.

At balance date, if foreign exchange rates had been 500 basis point higher or lower and all other variables were held constant, the Group's profit or loss would increase/decrease by \$2,374 (2018: \$29,831).

The Group's sensitivity to foreign exchange has not changed significantly from the prior year.

Interest Rate Risk Management

The Group is exposed to interest rate risk. The Group's exposure to market interest rates relate primarily to cash and cash equivalents held in Australian financial institutions. At 30 June 2019 all cash and cash equivalents in Australia were held with two financial institutions.

	Consolidated	
	2019 \$	2018 \$
Cash and cash equivalents	1,891,223	2,371,898
Short term cash deposits	25,000	645,000
	1,916,223	3,016,898

The sensitivity analysis below has been determined based on the exposure to interest rates for both derivative and non-derivative instruments at the balance date and the stipulated change taking place at the beginning of the financial year and held constant throughout the reporting period.

A 100-basis point increase or decrease is used when reporting interest rate risk internally to management and represents management's assessment of the change in interest rates.

At balance date, if interest rates had been 100 basis points higher or lower and all other variables were held constant, the Group's profit or loss would increase/decrease by \$1,022 (2018: \$1,928).

The Group's sensitivity to interest rate risk has not changed significantly from the prior year.

Net Fair Values of Financial Assets and Liabilities

The fair value of all financial assets and financial liabilities which are current, approximates their carrying values because of the short-term nature of these items. The Group does not carry any financial instruments at fair value therefore their disclosures are not presented.

17. REMUNERATION OF AUDITORS

	Consolidated	
	2019 \$	2018 \$
Audit Services:		
– Auditors of the Company – HLB Mann Judd	33,000	42,317
– Remuneration of other auditor for subsidiaries	23,064	20,961
Total remuneration for Audit services	56,064	63,278
Amounts received, or due and receivable, for taxation and other services provided by:		
– Affiliated companies to HLB Mann Judd	–	–

18. COMMITMENTS AND CONTINGENCIES

The Group is subject to various taxes in Australia and offshore jurisdictions and at times significant judgement is required in determining the Group's liability associated with these taxes. The Group estimates its tax liabilities based on its understanding of the transactions and the tax laws in the local jurisdictions in which it operates. Should the final outcome of these matters be different from the initial assessment, such differences will impact the Group's liabilities in the period in which such determination is made.

Under the terms of the agreement with L'Office Nationale des Hydrocarbures et des Mines (ONHYM) for the transfer of the Achmmach permits to Atlas Tin SAS, ONHYM is entitled to a 3% Net Smelter Return (NSR) once production commences. The royalty is due for payment before the end of the second quarter following the year that the production relates to.

Under the terms of the agreement to purchase the Bou El Jaj tenements in Hamada Minerals SARLAU, a one off payment of 2,000,000 Moroccan Dirhams (A\$298,754 as at 30 June 2019) is payable to the previous holders of the tenements (1,000,000 Moroccan Dirhams each). The payment is contingent upon mining commencing from these permits and is payable on the commencement of mining.

Operating Lease Commitments

The Group has entered a commercial lease for the office at Level 13, 459 Collins Street, Melbourne 3000 VIC. The lease is for a period of 3 years commencing 25 September 2017.

Future minimum rentals payable under non-cancellable operating leases as at 30 June are as follows:

	Consolidated	
	2019 \$	2018 \$
Within one year	85,036	56,292
After one year but not more than five years	20,343	73,004
More than five years	–	–
	105,379	129,296

19. RELATED PARTY DISCLOSURES**(a) Remuneration of Key Management Personnel**

Remuneration of Directors and other Key Management Personnel:

	Consolidated	
	2019 \$	2018 \$
Short-term employee benefits	1,011,788	1,511,226
Post-employment benefits	73,130	101,409
Long term employment benefits	6,977	3,032
Share based payments	710,933	348,888
Terminations	220,431	190,789
	2,023,259	2,155,344

(b) Transactions with Directors' related entities

Transactions between parties are on normal commercial terms and conditions unless otherwise stated. No loans were provided to related parties during the year.

(c) Borrowings

The Company has a convertible loan from its shareholder Pala Investments Limited. Details on the convertible loan are disclosed in Note 12.

20. PARENT ENTITY INFORMATION

The following information relates to the parent entity, Kasbah Resources Limited, as at 30 June 2019. The information presented has been prepared using consistent accounting policies as presented in Note 25.

	Parent	
	2019 \$	2018 \$
Current Assets	1,596,584	2,290,369
Non-current Assets	6,124,757	6,419,237
Total Assets	7,721,341	8,709,606
Current Liabilities	5,622,325	3,774,533
Non-current Liabilities	12,910	4,494
Total Liabilities	5,635,235	3,779,027
Contributed Equity	74,233,355	71,729,616
Accumulated Losses	(76,658,173)	(70,645,705)
Reserves	4,510,924	3,846,668
Total Equity	2,086,106	4,930,579
Profit/(Loss) for the Year	(6,012,468)	(4,114,335)
Other Comprehensive Income	—	—
Total Comprehensive Loss for the Year	(6,012,468)	(4,114,335)

The parent entity has not entered into any guarantees with its subsidiaries.

There are no contingent liabilities of the parent entity.

There are no contractual commitments of the Parent, other than the operating lease commitments disclosed in Note 18.

21. INTERESTS IN SUBSIDIARIES

(a) Particulars in relation to controlled entities

	Interest Held	
	2019 %	2018 %
Parent Entity		
Kasbah Resources Limited		
Controlled Entities		
Atlas Tin SAS	75	75
Hamada Minerals SARL	100	100
Sahara Exploration SARL	100	100
Meseta Exploration SARL	100	100

The above controlled entities are incorporated in the Kingdom of Morocco. All shares are fully paid ordinary shares

(b) Particulars in relation to controlled entities

The following table sets out the summarised financial information for each subsidiary that has non-controlling interests that are material to the group. Amounts disclosed are before intercompany eliminations.

	Atlas Tin SAS	
	2019 \$	2018 \$
<i>Summarised statement of financial position</i>		
Current Assets	1,869,179	1,221,802
Non-current Assets	5,992,306	5,724,369
Total Assets	7,861,485	6,946,171
Current Liabilities	1,187,973	655,757
Non-current Liabilities	—	—
Total Liabilities	1,187,973	655,757
Net Assets	6,673,512	6,290,414
<i>Summarised statement of profit or loss and other comprehensive income</i>		
Revenue	—	20,954
Expenses	(4,392,472)	(4,291,390)
Other Comprehensive Income	243,795	221,927
Total Comprehensive Loss for the Year	(4,148,677)	(4,048,509)
<i>Summarised statement of cash flows</i>		
Net cash used in operating activities	(3,917,776)	(3,289,900)
Net cash used from investing activities	(20,564)	(25,376)
Net cash used in financing activities	3,846,071	4,100,561
Net increase/(decrease) in cash and cash equivalents	(92,269)	785,285
<i>Other financial information</i>		
Profit attributable to non-controlling interests	(720,306)	(640,297)
Accumulated non-controlling interests at the end of report period	311,056	67,042

22. (LOSS) PER SHARE

	2019	2018
Basic earnings / (loss) per share (cents per share)	(5.65)	(5.51)
Diluted earnings / (loss) per share (cents per share)	(5.65)	(5.51)
Weighted average number of ordinary shares used in the calculation of basic loss per share [^]	113,840,631	102,541,917
Weighted average number of ordinary shares used in the calculation of diluted loss per share [^]	114,921,900	102,938,843
Net (loss) attributed to EPS (\$)	(6,429,720)	(5,647,824)

[^] Number of securities and relevant prices have been adjusted to take into effect the 10 for 1 consolidation of share capital completed on 31 December 2018.

23. SHARE BASED PAYMENTS**Non-Executive Director Share Rights Plan**

	Grant Date	Number Granted [^]	Vesting and Exercise Date	Value per Share Right \$ [^]	Value of Share Rights \$
John Gooding	7 December 2017	125,787	7 December 2018	0.159	20,000
	21 December 2018	94,388	21 December 2019	0.098	9,250
	11 January 2019	763,050	11 January 2020	0.099	75,542
Graham Freestone	7 December 2017	188,680	7 December 2018	0.159	30,000
	21 December 2018	204,082	7 March 2019	0.098	20,000
	11 January 2019	413,505	7 March 2019	0.099	40,937
Graham Ehm	14 February 2018	287,357	7 December 2018	0.174	50,000
	21 December 2018	676,021	21 December 2019	0.098	66,250
Martyn Buttenshaw	6 February 2018	280,899	7 December 2018	0.178	50,000
	21 December 2018	204,082	21 December 2019	0.098	20,000
	11 January 2019	404,040	11 January 2020	0.099	40,000
Stephen Gill	7 December 2017	393,082	22 January 2018	0.159	62,500

[^] Number of securities and relevant prices have been adjusted to take into effect the 10 for 1 consolidation of share capital completed on 31 December 2018.

453,462 NED Share Rights lapsed on Mr Graham Freestone's resignation as Non-Executive Director on 7 March 2019. The remaining 164,125 NED Share Rights vested and were issued. Pursuant to the terms of the plan, no trading restrictions were placed on these shares.

694,043 NED Share Rights awarded to Mr John Gooding, Mr Graham Ehm and Mr Martyn Buttenshaw vested during the year and were exercised. Pursuant to the terms of the plan, these shares were placed in a trading restriction for a minimum of 12 months up to a maximum of 15 years, at the election of the respective non-executive director.

The number of NED Share Rights granted was based on each director's election to salary sacrifice all or part of their remuneration. The value of the NED Share Rights were calculated based on the 5-Day volume weighted average price (VWAP) before the grant date.

23. SHARE BASED PAYMENTS (CONTINUED)**Long Term Incentive Plan**

	Grant Date	Number Granted	Vesting Date	Value per Performance Right \$	Value of Performance Rights \$
Evan Spencer	7 December 2017	1,283,019	1 July 2020	0.159	204,000
	8 November 2018	1,500,858	1 July 2021	0.140	210,120
Russell Clark	7 December 2017	1,886,793	1 July 2020	0.159	300,000
	8 November 2018	2,207,145	1 July 2021	0.140	309,000
Keith Pollocks	7 December 2017	1,169,814	1 July 2020	0.159	186,000
	8 November 2018	1,414,287	1 July 2021	0.140	198,000

[^] Number of securities and relevant prices have been adjusted to take into effect the 10 for 1 consolidation of share capital completed on 31 December 2018.

Pursuant to the terms of the Long-Term Incentive Plan, the Performance Rights issued to employees who have ceased working with the Company (other than as a result of termination for poor performance or termination for cause) will continue to be held by or on behalf of the employee.

The Performance Rights issued will vest subject to the satisfaction of the vesting conditions outlined below:

- The Company's relative share price benchmarked against the S&P/ASX Small Ordinaries Resources Index over the 3-year period to 30 June 2020;
- The Company's absolute share price growth over the 3-year period to 30 June 2020;
- Achmmach Tin Project's development progress (schedule and costs) against the approved project implementation plan; and
- In calculating the value of these share-based payments, the Group has assumed that all vesting conditions will be met. If the vesting conditions are assessed as at 30 June 2019, none of the vesting conditions have been met and therefore the performance rights will lapse.

Incentive Option Scheme

The terms and conditions of each grant of options affecting remuneration in the previous, current or future reporting periods are as follows:

Number Granted [^]	Grant Date	Vesting and Exercise Date	Expiry Date	Exercise Price of Options [^] \$	Value per Option at Grant Date [^] \$	Value of Options at Grant Date \$	Vested (%)
<i>Evan Spencer</i>							
150,000	4 May 2017	4 May 2018	4 May 2020	0.33	0.13	19,267	100
150,000	4 May 2017	4 May 2019	4 May 2020	0.33	0.13	19,267	100
<i>Keith Pollocks</i>							
150,000	25 July 2017	25 July 2018	25 July 2020	0.22	0.06	9,117	100
150,000	25 July 2017	25 July 2019	25 July 2020	0.22	0.06	9,117	0

[^] Number of securities and relevant prices have been adjusted to take into effect the 10 for 1 consolidation of share capital completed on 31 December 2018.

23. SHARE BASED PAYMENTS (CONTINUED)

The exercise price of options is based on the weighted average price at which the Company's shares are traded on the Australian Securities Exchange during the week up to the date of grant.

The number of options over ordinary shares granted to and vested by Directors and other key management personnel as part of compensation during the year ended 30 June 2019 are set out below:

Name	Number of Options Granted during the Year [^]		Number of Options Vested during the Year [^]	
	2019	2018	2019	2018
Evan Spencer	–	–	150,000	150,000
Keith Pollocks	–	300,000	150,000	–

[^] Number of securities and relevant prices have been adjusted to take into effect the 10 for 1 consolidation of share capital completed on 31 December 2018.

Fair values at grant date are independently determined using a Black-Scholes option pricing model that considers the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk-free interest rate for the term of the option.

Grant	4 May 2017	25 July 2017
Share price	\$0.21	\$0.14
Exercise price	\$0.33	\$0.22
Expected volatility	114.32%	82.97%
Expiry date	4 May 2020	25 July 2020
Expected dividend	Nil	Nil
Risk free interest rate	1.87%	1.94%

[^] Number of securities and relevant prices have been adjusted to take into effect the 10 for 1 consolidation of share capital completed on 31 December 2018.

No options were exercised or lapsed during the year.

23. SHARE BASED PAYMENTS (CONTINUED)

Details of share-based payments as at the beginning and end of the reporting periods and movements during the year are set out below:

Grant date	Expiry date	Exercise Price	Balance at the start of the year	Granted	Vested	Expired/ forfeited/ other	Balance at the end of the year	Vested and exercisable at the end of year	Vested and un-exercisable at the end of year
NON-EXECUTIVE DIRECTOR SHARE RIGHTS PLAN									
7 December 2017	n/a	n/a	314,467	–	(314,467)	–	–	–	–
6 February 2018	n/a	n/a	280,899	–	(280,899)	–	–	–	–
14 February 2018	n/a	n/a	287,357	–	(287,357)	–	–	–	–
21 December 2018	n/a	n/a	–	1,178,573	(54,235)	(149,847)	974,491	–	–
22 January 2019	n/a	n/a	–	1,580,595	(109,890)	(303,615)	1,167,090	–	–
Total			882,723	2,759,168	(1,046,938)	(453,462)	2,141,581	–	–
LONG TERM INCENTIVE PLAN									
7 December 2017	n/a	n/a	4,339,626	–	–	–	4,339,626	–	–
8 November 2018	n/a	n/a	–	5,312,106	–	–	5,312,106	–	–
Total			4,339,626	5,312,106	–	–	9,651,732	–	–
INCENTIVE OPTION SCHEME									
4 May 2017	4 May 2020	\$0.33	150,000	–	(150,000)	–	–	300,000	–
25 July 2017	25 July 2020	\$0.22	300,000	–	(150,000)	–	150,000	150,000	–
Total			450,000	–	(300,000)	–	150,000	450,000	–

^ Number of securities and relevant prices have been adjusted to take into effect the 10 for 1 consolidation of share capital completed on 31 December 2018.

The Non-executive Director Share Rights Plan and Long-Term Incentive Plan have no expiry date as pursuant to the terms of the plans, the rights will automatically convert to shares on vesting and will be subject to the stipulated dealing restrictions.

The options outstanding at 30 June 2019 had a weighted average exercise price of \$0.28 (2018: \$0.28) and a weighted average remaining life of 0.96 years (2018: 1.96 years).

The annualised historical volatility of share prices is calculated as the standard deviation of the log of the differences between share prices multiplied by an annualization factor.

	2019 Number of Options^	2018 Weighted Average Price^ \$	2018 Number of Options^	2018 Weighted Average Price^ \$
Outstanding at the beginning of the year	600,000	0.28	650,000	0.40
Granted	–	–	300,000	0.22
Exercised	–	–	–	–
Expired / Cancelled	–	–	350,000	0.27
Outstanding at Year End	600,000	0.28	600,000	0.28
Exercisable at Year End	450,000	0.29	150,000	0.33

^ Number of securities and relevant prices have been adjusted to take into effect the 10 for 1 consolidation of share capital completed on 31 December 2018.

24. EVENTS SUBSEQUENT TO REPORTING DATE

Subsequent to the end of the financial year, the Group commenced and concluded a drilling program at its Achmmach Tin Project, proving the continuity of the mineralised structure of the approximately 1.2km Sidi Addi strike.

The Group also successfully renewed the Environmental and Social Impact Assessment (ESIA) for the Achmmach Tin Project, which was due to expire in December 2019, for a further 5 years.

On 2 September 2019, the Company issued 8,189,418 Performance Rights under its Long-Term Incentive Plan pursuant to the terms of employee contracts.

25. OTHER ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Financial Statement Presentations

The following is a summary of the material accounting policies adopted by the Group in the preparation of the financial report.

Accounting Policies

(a) 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 that have been enacted or are substantially enacted by the reporting date.

Deferred tax is accounted for using the liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination where there is no effect on accounting or taxable profit or loss.

Deferred tax is calculated at the tax rates expected to apply to the period when the asset is realised, or liability is settled. Deferred tax is credited in the profit or loss except where it relates to items which may be credited directly to equity, in which case the deferred tax is adjusted directly against equity.

Deferred tax assets are recognised to the extent it is probable future tax profits will be available against which deductible temporary differences can be utilised.

The amount of benefits brought to account, or which may be realised in the future, is based on the assumption that no adverse change will occur in income taxation legislation, and the anticipation that the entity will derive sufficient future assessable income to enable the benefit to be realised and to comply with the conditions of deductibility imposed by the law.

(b) Trade and Other Payables

These amounts represent liabilities for goods and services provided to the group prior to the end of the financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months from the reporting date. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

(c) Financial Instruments Recognition

Financial instruments are initially measured at fair value on trade date, including transaction costs, when the related contractual rights or obligations exist. Subsequent to initial recognition these instruments are measured as set out below.

Loans and Receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments not quoted in an active market and are stated at amortised cost using the effective interest rate method. Trade receivables, which generally have 30-90 day terms, are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less an allowance for any uncollectable amounts.

Collectability of trade receivables is reviewed on an ongoing basis. Debts known to be uncollectable are written off when identified. An allowance for doubtful debts is raised when there is objective evidence the entity will not be able to collect the debt.

Financial Liabilities

Non-derivative financial liabilities are recognised at amortised cost, comprising original debt less principal payments and amortisation.

Liabilities are recognised for amounts to be paid in the future for goods and services received, whether or not billed to the entity. Trade accounts are normally settled within 60 days. Payables to related parties are carried at amortised cost. Interest, when charged by the lender, is recognised using the effective interest rate method.

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.

(d) Foreign Currency Transactions and Balances

Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the functional currency). The consolidated financial statements are presented in Australian dollars, which is Kasbah Resources Limited's functional and presentation currency.

25. OTHER ACCOUNTING POLICIES (CONTINUED)

Transactions and Balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end of monetary assets and liabilities denominated in foreign currencies are recognised in the profit or loss.

Group Companies

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) which have a functional currency different from the presentation currency are translated into the presentation currency as follows:

Assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of the statement of financial position.

Income and expenses for each item in the statement of profit or loss and other comprehensive income are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions) and all resulting exchange differences are recognised as a separate component of equity.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities, and of borrowings and other financial instruments designated as hedges of such investments, are taken to shareholders' equity. When a foreign operation is sold or any borrowings forming part of the net investment is repaid, a proportionate share of such exchange differences are recognised in the income statement, as part of the gain or loss on sale where applicable.

(e) Goods and Services Tax (GST) and Value Added Tax (VAT)

Revenues, expenses and assets are recognised net of the amount of GST/VAT. Receivables and payables in the statement of financial position are shown inclusive of GST/VAT.

GST/VAT which is deemed non-recoverable from the relevant tax authority is expensed in the period in which the expense is incurred or asset purchased.

Cash flows are presented in the statement of cash flows on a gross basis. The GST/VAT component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

(f) Parent Entity Financial Information

Financial information for the parent entity, Kasbah Resources Limited, is disclosed in Note 20 and has been prepared on the same basis as the consolidated financial statements.

(g) Borrowing Costs

Borrowing costs attributable to qualifying assets are capitalised as part of the asset. All other borrowing costs are expensed in the period in which they are incurred.

(h) Comparative Figures

Where required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

(i) Share Based Payments

The costs of equity-settled transactions, in the form of options over shares and rights to shares issued under the Non-executive Director Share Rights Plan and the Long-Term Incentive Plan, that are provided to employees or Directors of the Company are measured at fair value on grant date. The fair value is determined by using the Black-Scholes model that takes into account the exercise price, the term of the option, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk-free interest rate for the term of the option.

(j) Adoption of New and Revised Standards

Standards and Interpretations applicable to 30 June 2019

In the period ended 30 June 2019, the Group has reviewed all the new and revised Standards and Interpretations issued by the AASB that are relevant to the Company and effective for the current reporting period. As a result of this review, the Group has initially applied AASB 9 from 1 July 2018.

Due to the transition methods chosen by the Group in applying AASB 9, comparative information throughout the interim financial statements has not been restated to reflect the requirements of the new standard.

AASB 9 'Financial Instruments'

AASB 9 replaces AASB 139 Financial Instruments: Recognition and Measurement and makes changes to a number of areas including classification of financial instruments, measurements, impairment of financial assets and hedge accounting model.

Financial instruments are classified as either held at amortised costs or fair value. Financial instruments are carried at amortised costs if the business model concept can be satisfied.

All equity instruments are carried at fair value and the cost exemption under AASB 139 which was used when it was not possible to reliably measure the fair value of an unlisted entity has been removed. Equity instruments which are non-derivative and not held for trading may be designated as fair value through other comprehensive income (FVOCI). Previously classified available for sale investments, now carried at fair value are exempt from impairment testing and gains or loss on sale are no longer recognised in profit or loss.

25. OTHER ACCOUNTING POLICIES (CONTINUED)

The AASB 9 impairment model is based on expected loss at day 1 rather than needing evidence of an incurred loss, this is likely to cause earlier recognition of bad debt expense. Most financial instruments held at fair value are exempt from impairment testing.

The Group has applied AASB 9 retrospectively with the effect of initially applying this standard recognised at the date of initial application, being 1 July 2018 and has elected not to restate comparative information. Accordingly, the information presented for 31 December 2017 and 30 June 2018 have not been restated.

There is no material impact to the Group's profit or loss or net assets on the adoption of this new standard in the current or comparative years.

Standards and Interpretations in issue not yet adopted

The Group has also reviewed all Standards and Interpretations in issue not yet adopted for the period ended 30 June 2019. Those which may have a significant impact to the Group are set out below. The Group does not plan to adopt these standards early.

AASB 16 Leases

AASB 16 replaces the current AASB 17 Leases standard. AASB 16 removes the classification of leases as either operating leases or finance leases- for the lessee - effectively treating all leases as finance leases. Most leases will be capitalised on the statement of financial position by recognising a 'right-of-use' asset and a lease liability for the present value obligation. This will result in an increase in the recognised assets and liabilities in the statement of financial position as well as a change in expense recognition, with interest and depreciation replacing operating lease expense. The Group has lease arrangements for office premises which will not result in a material impact as a result of adopting AASB 16 Leases.

Directors' Declaration

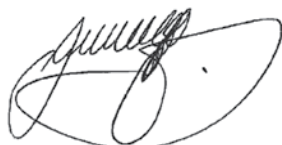
In the director's opinion:

1. The attached financial statements and notes comply with the *Corporations Act 2001*, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
2. the attached financial statements and notes comply with International Financial Reporting Standards as issued by the international Accounting Standards Board as described in Note 1 to the financial statements;
3. the attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 30 June 2019 and of its performance for the financial year ended on that date; and
4. on the basis of the matters set out under the heading "Going Concern" in the basis of preparation, there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

The directors have been given the declarations required by section 295A of the *Corporations Act 2001*.

Signed in accordance with a resolution of directors made pursuant to section 295(5)(a) of the *Corporations Act 2001*.

On behalf of the directors.



John Gooding
Chairman



Phil Baker
Director

Dated: this day 30th of September 2019

Independent Auditor's Report



INDEPENDENT AUDITOR'S REPORT

To the members of Kasbah Resources Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Kasbah Resources Limited ("the Company") and its controlled entities ("the Group"), which comprises the consolidated statement of financial position as at 30 June 2019, the consolidated statement of profit or 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:

- a) giving a true and fair view of the Group's financial position as at 30 June 2019 and of its financial performance for the year then ended; and
- b) 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 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

We draw attention to Note 1 in the financial report, which indicates that a material uncertainty exists that may cast significant doubt on the entity's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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. In addition to the matter described in the *Material uncertainty related to going concern* section, we have determined the matters described below to be the key audit matters to be communicated in our report.

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Key Audit Matter	How our audit addressed the key audit matter
Recoverability of capitalised exploration expenditure Note 10 to the financial report	
<p>In accordance with AASB 6 Exploration for and Evaluation of Mineral Resources, the Group capitalises acquisition costs of rights to explore and applies the cost model after recognition. All other exploration costs are expensed.</p> <p>Our audit focussed on the Group's assessment of the carrying amount of the capitalised exploration and evaluation asset, because this is one of the significant assets of the Group. There is a risk that the capitalised expenditure no longer meets the recognition criteria of the standard. In addition, we considered it necessary to assess whether facts and circumstances existed to suggest that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount.</p> <p>The group has two area of interests for which costs have been capitalised, the Achmmach Tin Project and the Bou El Jaj Tin Project. Both of these projects are located in Morocco.</p>	<p>Our procedures included but were not limited to:</p> <ul style="list-style-type: none"> • We obtained an understanding of the key processes associated with management's review of the exploration and evaluation asset carrying values; • We considered the Director's assessment of potential indicators of impairment; • We obtained evidence that the Group has current rights to tenure of its area of interest; • We performed an assessment of the definitive feasibility study; • We examined the exploration and evaluation budget for 2020 and discussed with management the nature of planned ongoing activities; • We enquired with management, reviewed ASX announcements and minutes of Directors' meetings to ensure that the Group had not decided to discontinue exploration and evaluation at its area of interest; and • We examined the disclosures made in the financial report.

Information other than the financial report and auditor's report thereon

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 2019, 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 have 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 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 within the directors' report for the year ended 30 June 2019.

In our opinion, the Remuneration Report of Kasbah Resources Limited for the year ended 30 June 2019 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

HLB Mann Judd

HLB Mann Judd
Chartered Accountants

Perth, Western Australia
30 September 2019

B G McVeigh

B G McVeigh
Partner

ASX Additional Information

Additional information required by the Australian Stock Exchange Limited Listing Rules and not disclosed elsewhere in this report. The information was prepared based on share registry information processed up to 24 September 2019.

CAPITAL STRUCTURE

133,238,371 fully paid shares listed on the Australian Stock Exchange. The Company has 600,000 unquoted options, 2,141,581 NED Share Rights and 17,841,150 Performance Rights on issue.

DISTRIBUTION OF SHAREHOLDERS

The distribution of shareholdings as at 24 September 2019 was:

Range	Number of Holders	Number of Securities
1-1,000	288	101,145
1,001-5,000	459	1,476,943
5,001-10,000	323	2,429,546
10,001-100,000	452	15,421,789
100,001 + over	115	113,817,948
Total	1,637	133,238,371
Less than a marketable parcel *	1,122	4,586,516

* Less than a marketable parcel represents holdings of less than \$500 worth of shares

SUBSTANTIAL SHAREHOLDERS

The Company has received the following Substantial Holding notices as at 24 September 2019:

Shareholder Name	Number of Shares	% of Issued Shares
Pala Investments Limited	45,561,586	34.24
Lion Selection Group Limited	13,712,607	10.30

VOTING RIGHTS

Under the Company's constitution, every member present in person or by representative, proxy or attorney shall have one vote on a show of hands and on a poll have one vote for every ordinary share held.

UNQUOTED SECURITIES (OPTIONS)

	Number of Holders	Number on Issue
Options over ordinary shares issued	2	600,000
Non-executive Directors Share Rights	3	2,141,581
Performance Rights	4	17,841,150

SECURITIES SUBJECT TO VOLUNTARY ESCROW

There were no securities subject to voluntary escrow at the date of this report.

DISCLOSURE OF TOP-UP RIGHT GRANTED TO PALA INVESTMENTS LIMITED PURSUANT TO ASX WAIVER LISTING RULE 6.18

Under the terms of the Placement Agreement entered into by Kasbah Resources Limited ("Kasbah") and Pala Investments Limited ("Pala") on 18 December 2016, Kasbah granted Pala the right to subscribe for additional ordinary shares to maintain its percentage shareholding in the Company on a fully diluted basis immediately prior to the issue of such ordinary shares. This right lapses if Pala holds less than 5% or more than 25% of Kasbah shares on a fully diluted basis, or if the strategic relationship between Kasbah and Pala ceases.

KASBAH – TWENTY LARGEST QUOTED EQUITY SECURITY HOLDERS AS AT 24 SEPTEMBER 2019

Name	Number of Shares	% of Total Issued Shares
1. J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	47,206,542	35.43
2. AFRICAN LION 3 LIMITED	12,625,108	9.48
3. HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	5,035,080	3.78
4. BRAHAM CONSOLIDATED PTY LTD	3,982,880	2.99
5. CITICORP NOMINEES PTY LIMITED	3,867,988	2.90
6. MR PETR TURCOVSKY	3,193,200	2.40
7. THAILAND SMELTING & REFINING COMPANY LIMITED	3,119,799	2.34
8. SWISS PARTNERS PTY LTD	1,484,002	1.11
9. RKL SUPER INVESTMENTS PTY LTD	1,300,000	0.98
10. NALMOR PTY LTD JOHN CHAPPELL SUPER FUND A/C	1,251,705	0.94
11. BRAHAM INVESTMENTS PTY LTD	1,133,262	0.85
12. AFRICAN LION 3 LIMITED	1,087,500	0.82
13. TARIFA INVESTMENTS PTY LTD	820,000	0.62
14. MATEMO PTY LTD	778,069	0.58
15. NURRAGI INVESTMENTS PTY LTD	768,115	0.58
16. CALAMA HOLDINGS PTY LTD	766,667	0.58
17. MR NICHOLAS PASQUALE COSTA	655,000	0.49
18. BFM SUPERANNUATION FUND PTY LTD	618,800	0.46
19. BNP PARIBAS NOMS (NZ) LTD	615,818	0.46
20. NEVILLE ALLAN HAMILTON & IAN LYALL HAMILTON	602,170	0.45
	90,616,705	68.01

ANNUAL REVIEW OF MINERAL RESOURCES AND ORE RESERVES

The Company has completed its annual review of its Mineral Resources and Ore Reserves and notes that on 16 July 2018 the Company announced the results of the Achmmach Tin Project 2018 Definitive Feasibility Study, which included an updated Ore Reserve.

MINERAL RESOURCES ESTIMATES – CONSOLIDATED SUMMARY (100% PROJECT BASIS)

Category	As at 30 June 2019		Contained Tin (Kt)
	M Tonnes	Sn %	
Measured			
Meknes Trend	1.6	1.00%	16.1
Sidi Addi Trend	—	—	—
Indicated			
Meknes Trend	13.0	0.80%	107.0
Sidi Addi Trend	0.3	1.25%	4.2
Inferred			
Meknes Trend	—	—	—
Sidi Addi Trend	—	—	—
Total	14.9	0.85%	127.3

ORE RESERVES ESTIMATE – CONSOLIDATED SUMMARY (100% PROJECT BASIS)

Category	As at 30 June 2019 Ore Reserves are a subset of the Mineral Resource Estimates		Contained Tin (Kt)
	M Tonnes	Sn %	
Proven Reserves			
Meknes Trend	1,100	0.99%	11.0
Probable Reserves			
Meknes Trend	5,600	0.78%	44.0
Sidi Addi Trend	0.300	0.86%	3.0
Total	5.900	0.79%	47.0
Total Reserves	7,000	0.82%	58.0

MINERAL RESOURCES ESTIMATES – ANNUAL COMPARISON (100% PROJECT BASIS)

	M Tonnes	Sn %	Contained Tin (Kt)
30 June 2018			
Meknes Trend	14.6	0.85%	123.1
Sidi Addi Trend	0.3	1.25%	4.2
Total Mineral Resource 2018	14.9	0.85%	127.3
Resources Additions			
Meknes Trend	–	–	–
Sidi Addi Trend	–	–	–
	–	–	–
30 June 2019			
Meknes Trend	14.6	0.85%	123.1
Sidi Addi Trend	0.3	1.25%	4.2
Total Mineral Resource 2019	14.9	0.85%	127.3

Notes:

- 1) Refer to Kasbah Announcements on 10 September 2013 (Meknes Trend) and 25 November 2014 (Western Zone) for detailed information relating to the Mineral Resource Estimates shown as 30 June 2018 balances. No further drilling on these areas has taken place post these announcements.
- 2) The geographical area for Tin Resources is Morocco.

ORE RESERVES ESTIMATES – ANNUAL COMPARISON (100% PROJECT BASIS)

	M Tonnes	Sn %	Contained Tin (Kt)
30 June 2018			
Meknes Trend	6.700	0.82%	55.0
Sidi Addi Trend	0.300	0.86%	3.0
Total Ore Reserve 2018	7.000	0.82%	58.0
Reserve Additions / (Subtractions)			
Meknes Trend	—	—	—
Sidi Addi Trend	—	—	—
	—	—	—
30 June 2019			
Meknes Trend	6.700	0.82%	55.0
Sidi Addi Trend	0.300	0.86%	3.0
Total Ore Reserve 2018	7.000	0.82%	58.0

Notes:

- 1) Refer to Kasbah Announcement on 16 July 2018 for detailed information relating to the Ore Reserves Estimates shown as 30 June 2018 balances. No further drilling has taken place post this announcement.
- 2) The geographical area for Tin Reserves is Morocco.

SCHEDULE OF PERMITS AS AT 24 SEPTEMBER 2019

Project	Permit Type	Permit Number	Registered Interest
Achmmach	LE	332912	75%*
Bou El Jaj	PE	213172	100%
	PE	193313	100%
Tamlalt	LE	323295	100%
Ezzhiliga (Zaer)	PR	2137997	100%
	PR	2137999	100%
Ment	PR	3538383	100%
	PR	3538384	100%
	PR	3534385	100%

All permits are located in the Kingdom of Morocco.

LEGEND: LE – Licence Exploitation (Exploitation Licence) PE – Permis Exploitation (Exploitation Permit) PR – Permis Recherche (Research Permit)

* The Achmmach Tin Project is 100% owned by Moroccan incorporated Joint Venture Company Atlas Tin SAS. The shareholders of Atlas Tin SAS are Kasbah Resources Limited (75%), Toyota Tsusho Corporation (20%) and Nittetsu Mining Co. Ltd (5%). Kasbah is the Manager and Operator of the Achmmach Tin Project JV.

Corporate Directory

DIRECTORS

John Gooding (Non-executive Chairman)

Phil Baker (Non-executive Director)

Graham Ehm (Non-executive Director)

Martyn Buttenshaw (Non-executive Director)

COMPANY SECRETARY

Keith Pollocks

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STOCK EXCHANGE LISTING

The Company is listed on the Australian Securities
Exchange Limited under the trading code KAS.

SHARE REGISTRY

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BANKERS

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AUDITORS

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SOLICITORS

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