



ACN 116 931 705



Corporate
Governance
Statement

2019

Corporate Governance Statement

This statement has been approved by the Kasbah Resources Limited (**Kasbah** or **Company**) Board of Directors (**Board**) and covers the period 1 July 2018 to 30 June 2019. It is current as at 30 September 2019.

This Statement explains how Kasbah addresses the ASX Corporate Governance Council's, 'Corporate Governance Principles and Recommendations – 3rd Edition' (**ASX Principles** or **Recommendations**).

Principle 1: Lay solid foundations for management and oversight

Recommendation 1.1 – Role of the Board and Management

The Board's ultimate responsibility is to oversee the Company's business activities and management for the benefit of all shareholders. The Board delegates authority to the Chief Executive Officer (**CEO**) to carry out the day-to-day management and in support of the objectives of the Company.

The Board Charter sets out the functions and responsibilities of the Board and is available on Kasbah's website (www.kasbahresources.com) under "Corporate Governance".

The specific responsibilities of the Board include (but are not limited to):

- a. Driving the strategic direction of the Company, ensuring appropriate resources are available to meet objectives and monitoring management's performance.
- b. Appointment, and where necessary, the replacement, of the CEO and the determination of the terms and conditions including remuneration and termination.
- c. Approving the Company's remuneration framework.
- d. Approving and monitoring the progress of major capital expenditure, capital management and significant acquisitions and divestitures.
- e. Approving and monitoring the budget and the adequacy and integrity of financial and other reporting such that the financial performance of the company has sufficient clarity to be actively monitored.
- f. Approving decisions affecting the Company's capital, including determining the Company's dividend policy and declaring dividends.
- g. Ensuring a high standard of corporate governance practice and regulatory compliance and promoting ethical and responsible decision making.

Recommendation 1.2 – Appointment of Directors

The Board oversees arrangements for the effective appointment of new Directors. When considering the appointment of a new Director, the Board may engage the services of an executive recruitment firm to assist identifying suitable candidates to be shortlisted for consideration for appointment to the Board and to carry out appropriate reference checks before the Board makes an offer to a preferred candidate.

Newly appointed directors must stand for election at the next Annual General Meeting (AGM). The Notice of Meeting for the AGM provides shareholders with information about each Director standing for election or re-election including details of relevant skills and experience.

Recommendation 1.3 – Appointment Terms

New Directors consent to act as a director and receive a formal letter of appointment which sets out duties and responsibilities, rights, and remuneration entitlements.

Each Executive is employed under an Agreement which sets out the terms on which the Executive is employed including details of the Executive's duties and responsibilities, rights, and remuneration entitlements.

Recommendation 1.4 – Company Secretary

Kasbah's Company Secretary also fulfils the Chief Financial Officers role. As a result, the formal reporting line of the Company Secretary is to the CEO but for any matter relevant to the company secretarial duties or conduct of the Board, the Company Secretary has a direct reporting line and is accountable to the Chair of the Board.

All Directors have unfettered access to the Company Secretary and the appointment and removal of the Company Secretary must be made or approved by the Board.

Corporate Governance Statement – continued

Recommendation 1.5 – Diversity

The Company values diversity and recognises the benefits it can bring to the organisation's ability to achieve its goals. Accordingly, the Company has developed a diversity policy which can be found on Kasbah's website (www.kasbahresources.com) under "Corporate Governance." This policy outlines the Company's objectives in relation to gender, age, cultural background and ethnicity. It includes requirements for the Board, at the appropriate time, to establish measurable objectives for achieving diversity and for the board to assess annually both the objectives and the Company's progress in achieving them.

Due to the current size, nature and scale of the Company's activities the Board has not yet developed measurable diversity objectives. As the size and scale of the Company grows, the Board will set and aim to achieve diversity objectives as Director and Senior Executive positions become vacant and appropriately qualified candidates become available. The following table reflects gender diversity for the Company at the date of this report:

	Total	Women	% of Women
Employees at site in Morocco	8	0	0%
Employees in Australia	4	1	25%
Employees in whole organisation	12	1	8%
Senior Executives	2	0	0%
Board members	4	0	0%

Recommendation 1.6 – Board Performance Assessment

The evaluation of the performance of the Board, its Committees and individual directors is undertaken annually. In light of the recent changes in Board composition and focus of the Board on significant corporate activities a formal review was not completed during the period but is currently underway. However, the Board and Committees review their performance after each meeting by informal discussion.

Recommendation 1.7 – Senior Executive Performance Assessment

The performance assessment of the CEO is conducted by the Chair on behalf of the Board and a review took place during this past reporting period. The performance of Senior Executives of the Company is to be reviewed annually with the appraisal carried out by the CEO. During the financial year, Kasbah conducted Senior Executive staff reviews.

Principle 2: Structure the Board to add value

Recommendation 2.1 – Nomination Committee

The Board has not set up a separate Nomination Committee. The Board as a whole assesses the necessary competencies of the Board, reviews Board succession plans and develops policies and processes for evaluation of the Board and the nomination, appointment and re-election of Directors.

These responsibilities, as set out in the Board Charter which can be found on Kasbah's website (www.kasbahresources.com) under "Corporate Governance".

Recommendation 2.2 – Board Skills Matrix

The Company seeks to maintain a Board of Directors with a broad range of skills, experience and knowledge relevant to overseeing the business of a junior exploration and development company. The Board has developed a matrix to consider the mix of appropriate skills, experience, expertise and diversity for Board Membership. As well as general skills expected for Board membership the matrix includes items such as relevant experience within geology, mining, metallurgy, project development and the tin industry. Diversity of the Board, including gender diversity, is a consideration included in the matrix.

Corporate Governance Statement – continued

Recommendation 2.3 – Independent Directors

Kasbah considers a Director to be independent where they are free of any interest, position, association or relationship that might influence, or reasonably be perceived to influence, in a material respect his or her capacity to bring an independent judgement to bear on issues before the Board and to act in the best interest of the entity and its security holders generally.

The Board has adopted a definition of independence based on that set out in Principle 2.3 of the ASX Principles and Recommendations. The Board reviews the independence of each Director in light of interests disclosed to the Board from time to time.

Details of the current Board of Directors, their appointment date, resignation date and independence status is as follows:

Director	Appointment Date	Independence Status
John Gooding	8 February 2017	Independent Non-executive Chairperson
Martyn Buttenshaw	22 January 2018	Non-Independent Non-executive Director
Graham Ehm	22 January 2018	Independent Non-executive Director
Philip Baker	1 May 2019	Independent Non-executive Director

In relation to the current Board, the Board has made the determination that Mr John Gooding, Mr Graham Ehm and Mr Philip Baker are Independent Directors. Mr Martyn Buttenshaw is considered to be a Non-Independent Director as he represents a significant shareholder in the Company.

Recommendation 2.4 – Majority Independence

The Board comprises a majority of Independent Directors. As set out in the ASX Recommendations, the Board acknowledges that having a majority of independent directors makes it harder for small groups of individuals to dominate the board's decision-making and maximises the likelihood that decisions of the board will reflect the best interests of the Company and its shareholders generally.

The Board also notes that appropriate mechanisms are in place to avoid perceived or actual conflicts of interests.

Recommendation 2.5 – Independent Chair

The role of Kasbah's Chair and CEO are exercised by separate individuals, being Mr John Gooding and Mr Evan Spencer.

Recommendation 2.6 – Induction, Education and Training

New Directors are provided with copies of all relevant documents and policies governing the Company's business, operations and management, at the time of joining the Board. The Company is able to provide appropriate professional development opportunities for Directors to assist in their roles.

Members of the Board are encouraged to undertake the Australian Institute of Company Directors Association Directors course and maintain their own professional development by attending appropriate seminars.

Principle 3: Promote ethical and responsible decision making

Recommendation 3.1 – Code of Conduct.

Kasbah has a Code of Conduct that applies to Kasbah and its Directors, Senior Executives, employees and contractors. The Code of Conduct is published on the Company's website (www.kasbahresources.com) under "Corporate Governance".

The Code of Conduct sets out a number of overarching principles of ethical behaviour including:

- Respect for the law
- Personal and Professional Behaviour
- Exercising care and diligence in employment

Corporate Governance Statement – continued

Principle 4: Safeguard integrity in corporate reporting

Recommendation 4.1 – Audit Committee

The Board maintains an Audit Committee, the members of which are:

Director	Independence Status
Philip Baker	Independent Non-executive Director
Graham Ehm	Independent Non-executive Director
John Gooding	Independent Non-executive Director

All Committee members are deemed independent. Details of the qualifications and experience of all Committee members including the number of meetings held and the individual attendees of the Committee members at those meetings are disclosed in the Director's Report section of the Company's Annual Report.

In accordance with the Audit Committee Charter which can be found on Kasbah's website (www.kasbahresources.com) under "Corporate Governance" the primary function of the Committee is to assist the Board in fulfilling its responsibilities relating to accounting and reporting practices of the Company. In addition, the Committee will:

- oversee, co-ordinate and appraise the quality of the audits conducted by both the Company's external and internal auditors (if and when appointed);
- determine the independence and effectiveness of the external and internal auditors;
- maintain open lines of communications among the Board, the internal and external auditors to exchange views and information, as well as confirm their respective authority and responsibilities;
- review the financial information submitted by management to the Board for issue to shareholders, regulatory authorities and the general public; and
- review the adequacy of the reporting and accounting controls of the Company.

The CEO and CFO/Company Secretary attend Committee meetings at the discretion of the Committee. Other Directors may be invited to attend meetings as required.

The Company Secretary is the secretary to the Committee. Copies of the minutes of a meeting of the Committee are distributed to the Board for discussion at the next full Board meeting. The Chair of the Committee reports to the Board on the Committee's conclusions and recommendations.

The Committee collectively, and its members individually, have access to internal and external resources, including access to advice from external consultants or specialists.

Recommendation 4.2 – Assurances

Both the CEO and CFO make a statement to the Board prior to approval of the annual and half-yearly accounts that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.

Recommendation 4.3 – External Auditor Attends AGM

The external auditor attends Kasbah's Annual General Meeting. Shareholders may submit written questions to the auditor to be considered at the meeting in relation to the conduct of the audit and the preparation and content of the Independent Audit Report by providing the questions to Kasbah at least five business days before the day of the meeting.

Shareholders are also given a reasonable opportunity at the meeting to ask the auditor questions relevant to the conduct of the audit, the Independent Audit Report, the accounting policies adopted by Kasbah and the independence of the auditor.

Corporate Governance Statement – continued

Principle 5: Make timely and balanced disclosure

Recommendation 5.1 – Continuous Disclosure Policy

Market Disclosure

Kasbah's Continuous Disclosure Policy describes Kasbah's continuous disclosure obligations and how they are managed by Kasbah. The Policy is published on Kasbah's website (www.kasbahresources.com) under "Corporate Governance".

The CEO and the Company Secretary have been designated as the Company's disclosure officers responsible for implementing and administering this policy.

All ASX announcements are available in the Investor Centre section of Kasbah's website.

Communication with the financial market and the media is the responsibility of the CEO, Chairman and Chief Financial Officer.

The Continuous Disclosure Policy covers briefings to institutional investors and stockbroking analysts, general briefings, one-on-one briefings, blackout periods, compliance and review as well as media briefings.

Principle 6: Respect the rights of shareholders

Recommendation 6.1 – Information and Governance

Kasbah's website at www.kasbahresources.com provides detailed information on the Company, including its background, objectives, projects, contact details and all key corporate policies and statements. ASX announcements, Company Reports and presentations are uploaded to the website following release to the ASX.

Recommendation 6.2 – Investor Relations Program

The Company respects the rights of its shareholders and seeks to facilitate the effective exercise of those rights by promoting effective proactive communication with shareholders and encouraging shareholder participation at General Meetings. Shareholder feedback through Kasbah's website and third-party sites provide the opportunity to address questions to the company. Appropriate measures are also taken to keep shareholders informed about the Company's activities and to listen to issues or concerns raised by shareholders. The Company has established a Shareholder Communications Policy which is available on the Company's website (www.kasbahresources.com) under "Corporate Governance".

Fundamental to Kasbah's investor relations program is the management of its continuous disclosure obligations which facilitates all shareholders having access to important company information. In addition to lodging this information with the ASX, Kasbah uses its website and social media to make available to shareholders information about the company and its activities.

The Board papers include a section of feedback from shareholders and issues raised by the investing community. Kasbah also regularly engages with government bodies, local community groups and other stakeholders in jurisdictions where the Company has developing projects to keep them up to date on progress of projects.

Recommendation 6.3 – Shareholder Meeting Participation

Shareholders are forwarded the Company's Annual Report, if requested (it is otherwise made available on the Company's website), and documents relating to each General Meeting, being the Notice of Meeting and Explanatory Memorandum and Proxy Form, and shareholders are invited to attend these meetings. Shareholders may elect to receive communications electronically. The Board regards the Annual General Meeting as an important opportunity to communicate with shareholders and it provides a key forum for shareholders to ask questions about the Company, its strategy and performance. Shareholders are also invited to submit questions before the meeting which the Chair will attempt to answer at the meeting as far as practicable.

Recommendation 6.4 – Electronic Communication with Shareholders

Shareholders have the option of electing to receive all shareholder communications, by e-mail. Kasbah provides a printed copy of the Annual Report only to those shareholders who have specifically elected to receive a printed copy.

All announcements made to the ASX are available to shareholders by email notification when a shareholder provides the Company with an email address and elects to be notified of all Kasbah ASX announcements.

The Kasbah Share Register is managed and maintained by Link Market Services Limited. Shareholders can access their shareholding details or make enquiries about their current shareholding electronically by quoting their Shareholder Reference Number (SRN) or Holder Identification Number (HIN), via the Link Market Services investor centre at: <https://investorcentre.linkmarketservices.com.au/Login/Login>

Corporate Governance Statement – continued

Principle 7: Recognise and manage risk

Recommendation 7.1 – Risk Committee

The Board has not set up a separate Risk Committee and approaches risk on a full Board basis. The Board as a whole assesses:

- the adequacy of the Company's processes for managing risk;
- any incident involving fraud or other break down of the Company's internal controls; and
- the Company's insurance program having regard to the Company's insurable risks associated with its business.

The Company is committed to the identification, monitoring and management of material business risks of its activities. The Company has a Risk Management and Internal Compliance and Control Policy which can be found on Kasbah's website (www.kasbahresources.com) under "Corporate Governance". Senior Management is responsible for overseeing and approving risk management strategy and policies, internal compliance and internal control. Senior Management provides specific recommendations to the Board regarding the existence and status of business risks. The Company has established a risk register that is maintained by the CFO on an ongoing basis.

The Board oversees the Company's management of risks and receives reports from Senior Management at regular intervals with the view to ensure that the Company has appropriate measures in place to protect the assets of the Company.

Recommendation 7.2 – Risk Management Framework

The Board oversees the Company's management of risks and receives reports from Senior Management at regular intervals. In addition, the Board annually reviews the Company's risk management framework to satisfy itself that it continues to be sound.

This review process did take place during the period.

Recommendation 7.3 – Internal Audit

The Company does not have an internal audit function due to its size and stage of development of Kasbah's operations. The Board believes that the external financial audits and the Company's regular reviews of risks management and internal control processes is sufficient for a company of our size.

Recommendation 7.4 – Economic, Environmental and Social Sustainability Risk

The Company has exposure to the following risks:

- Equity Capital Markets – the Company is without a cash flow and is reliant upon its existing shareholders and equity capital markets to fund the Company's activities. The Company maintains close control on its finances and communicates frequently to its shareholders and the market as to the Company's strategy to manage this risk.
- Commodity price – the Company, like all resource companies, is exposed to commodity price volatility. At this stage (pre-development) the Company's risk exposure in this area is limited.
- Environmental risks – at the present stage of pre-project development the Company is exposed to few environmental risks. The Company has an Environmental Policy and an active Risk / Hazard identification programme at its operating site.
- Social sustainability risks – the Company is exposed to few social and sustainability risks. The Company maintains close awareness of its social responsibilities and to this end in Morocco, it has established a pattern of frequent personal contact between Senior Management and representatives of the local community and regional administration. At this stage of project pre-development, the Company uses these contact sessions to manage local expectations of employment and community development in particular.

Corporate Governance Statement – continued

Principle 8: Remunerate fairly and responsibly

Recommendation 8.1 – Remuneration Committee

The Board has established a Remuneration Committee to assist the Board. The members of the Remuneration Committee are:

Director	Independence Status
Graham Ehm – Chair	Independent Non-executive Director
John Gooding	Independent Non-executive Director
Martyn Buttenshaw	Non-Independent Non-Executive Director
Philip Baker	Independent Non-executive Director

The responsibilities of the Remuneration Committee are set out in a formal Charter approved by the Board which is available on Kasbah’s website (www.kasbahresources.com) under “Corporate Governance”.

The majority of Committee members are deemed independent. Details of the qualifications and experience of all Committee members including the number of meetings held and the individual attendees of the Committee members at those meetings are disclosed in the Director’s Report section of the Company’s Annual Report.

The Remuneration Committee monitors and reviews the performance of the CEO and Senior Executives. The Remuneration Committee also has responsibility for ensuring the Company:

- Has coherent remuneration policies and practices to attract and retain Directors and Senior Executives who aim to create value for shareholders;
- Observes those remuneration policies and practices; and
- Fairly and responsibly rewards Senior Executives having regard to their performance, the performance of the Company and general remuneration practices adopted by other publicly listed companies.

Further details of the remuneration structure of the Executive Directors, Non-Executive Directors and Senior Executives’ remuneration are set out in the Remuneration Report section of the Company’s Annual Report.

Recommendation 8.2 – Remuneration Policies and Practices

Kasbah’s remuneration structure distinguishes between Non-Executive Directors and that of the CEO and Senior Executive team. A Remuneration Report required under Section 300A(1) of the Corporations Act is provided in the Directors’ Report of the Company’s Annual Report.

Recommendation 8.3 – Equity Based Remuneration Scheme

Directors and Senior Executives are not permitted to enter into transactions with securities (or any derivative thereof) which limit the economic risk of any unvested entitlements awarded under any equity-based remuneration scheme currently in operation or which will be offered by the Company in the future. However, Directors and Senior Executives will consult with the Chair if they are considering, or if they are not sure, as to whether entering into transactions may limit the economic risk of unvested entitlements they may have.



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