

October 30, 2018
ASX: KAS
Share price: \$0.008



SEPTEMBER 2018 QUARTERLY REPORT

“During the quarter Kasbah released a new and updated Definitive Feasibility Study for its world class Achmmach Tin Project in Morocco and began work to secure funding for the Project and offtake for its tin output, as well as a high calibre Engineering, Procurement and Construction (EPC) contractor to build the Project. Significant progress has been made on these fronts and the Company remains on schedule to secure project financing in the first half of 2019 prior to commencing construction of the Project.”

September 2018 quarter highlights

- **Project financing underway;** Expressions of interest received from several commercial financial institutions to provide project debt financing on competitive terms. Kasbah’s joint venture partners are supporting discussions with Japanese industry agencies to underpin a competitive multi-element Japanese funding package. Kasbah is encouraged by the level of high calibre financing options received and expects to secure project debt financing in the first half of 2019.
- **Multiple expressions of interest from EPC contractors;** A prequalification process confirmed that multiple highly experienced engineering firms are prepared to undertake a fixed price EPC contract for the construction of the processing plant and civil works. Following a Request for Tender (RFT) to undertake Front End Engineering Design (FEED), a preferred supplier will be identified, and an award confirmed imminently.
- **Offtake arrangements progressed;** An offtake tender process was completed during the quarter. The outcome confirmed strong demand for the Project’s tin production, and responses are currently under review with contracts targeted to be awarded in Q1 2019.
- **Moroccan Investment Agreement advanced towards finalisation;** Requisite submissions to relevant Moroccan government bodies have been completed in relation to an Investment Agreement. This is a key overarching agreement that consolidates available infrastructure incentives and imbeds the ongoing fiscal regime for the Project. The Agreement is anticipated to be completed in Q1 2019.
- **Negotiations for design and construction of Achmmach power line;** Negotiations have commenced for the construction of the power line for the Project, which has been identified as a long lead item. Design is targeted for completion in Q1 2019 with construction targeted to commence in Q2 2019.
- **Additional interim funding of \$1.5 Million secured;** via a \$5 Million convertible loan from Kasbah’s cornerstone strategic investor Pala Investments Limited.
- **Very positive 2018 Achmmach DFS announced;** The DFS has resulted in a significantly de-risked project and incorporates proven technology that delivers significantly improved project economics.
- **Updated Ore Reserve Estimate;** delivering a 7% increase in total ore tonnes and a 4% increase in total contained tin.

ABOUT KASBAH

Kasbah is an Australian listed mineral exploration and development company.

The company (75%) and its Joint Venture partners, Toyota Tsusho Corp (20%) and Nittetsu Mining Co. (5%), are advancing the Achmmach tin project towards production in the Kingdom of Morocco.

PROJECTS

Achmmach Tin Project
Bou El Jaj Tin Project

CAPITAL STRUCTURE

Shares on Issue:	1,045m
Unlisted Options:	6m
Unlisted Rights:	52m
Cash @ 30/09/18:	\$1.5m

MAJOR SHAREHOLDERS

Pala Investments	21.5%
African Lion Group	13.1%

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Kasbah's Chief Executive, Russell Clark commented:

"Since the release of the 2018 DFS, we have made great progress in advancing the financing and development of the Achmmach Tin Project. We have been pleased with the level of interest and commercial terms proposed by offtakers and debt providers and will be looking to finalise both workstreams in the near term. On the engineering side, we have engaged with reputable firms and confirmed through a prequalification process their ability to deliver an EPC contract in Morocco. Kasbah will be looking to make significant announcements on the progress of financing, offtake and engineering over the next three to four months."



SEPTEMBER 2018 QUARTERLY REPORT

Kasbah Resources Limited (ASX: KAS) (Kasbah or The Company) is pleased to provide this update to the market for the quarter ending 30 September 2018.

ACHMMACH TIN PROJECT IN MOROCCO

Achmmach Tin Project Financing

Following the release of the 2018 Achmmach DFS, Kasbah has progressed the Achmmach funding workstream and is in discussions with a number of parties in relation to project financing debt facilities and offtake arrangements. Following an expression of interest (EOI) process undertaken, there has been significant interest from commercial financial institutions to provide project funding at commercially competitive rates.

Separately, Kasbah's joint venture partners (Toyota Tsusho Corporation and Nittetsu Mining Co Ltd) are supporting discussions with Japanese industry agencies regarding potential credit agency support to underpin a competitive Japanese funding package for the project.

AMC Consultants has been appointed as the Independent Technical Expert (ITE) and will provide an independent assessment of the design, technical parameters, project implementation and execution as well as cost estimates underpinning the 2018 DFS. Herbert Smith Freehills has commenced the legal due diligence required by lenders. The technical and legal due diligences' will support lenders credit approval.

Kasbah has also conducted Request for Proposals (RFPs) to select an independent tin market consultant and independent environmental and safety consultants. The selection of the appropriate consultants will be made on completion of the ITE process and in collaboration with the shortlisted lenders.

Kasbah remains on track to secure project financing in the first half of 2019.

Offtake

Kasbah has progressed the offtake stream by issuing an RFP for Achmmach's tin concentrate. Multiple international tin traders confirmed interest for Achmmach's high quality tin concentrate and have submitted competitive terms. These offtake terms are currently under review to determine the best commercial terms for the project. The offtake contracts are expected to be awarded in Q1 2019.

Engineering and Design Work

Following the release of the 2018 Achmmach DFS, Kasbah has also progressed the engineering and design workstream. An EOI process confirmed the interest of multiple capable engineering firms to undertake an Engineering, Procurement and Construction (EPC) contract for the construction of Achmmach's processing plant and related civil works.

A Request for Tender (RFT) was issued to the two preferred firms to undertake Front End Engineering Design (FEED) to further optimise the flow sheet which should provide greater certainty in the price offered by an EPC contractor. Tender submissions have been received and following evaluation, a preferred supplier will be identified and an award to perform the FEED will be confirmed imminently.

The FEED is expected to be completed by end of February following which Kasbah will proceed with the selection of a capable EPC contractor.

In addition, the Company continues with optimisation work to improve both the plant layout and design as well as test work aimed at further improving the tin concentrate product specification.

Powerline

The construction of a 60kV powerline to the Achmmach site is one of the longest lead items in the construction of the project. Consequently, Kasbah has commenced negotiations with The Office National de l'Electricité et de l'Eau Potable (ONEE) on the design and construction of the power line.

Kasbah anticipates finalising the design phase contract in the next quarter with the design work being completed in Q1 2019. Following the completion of the design work, Kasbah is expected to commence the construction of the powerline in Q2 2019.

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 has reviewed and approved Kasbah's submission. The submission is currently under review of the Agence marocaine de développement des investissements et des exportations (AMDIE).

Kasbah is well progressed with these negotiations and expects to conclude the Investment Agreement during Q1 2019.

Achmmach 2018 Definitive Feasibility Study

On July 16, 2018, Kasbah released its 2018 Achmmach Definitive Feasibility Study (**DFS**) for the Achmmach Tin Project (the Project) in Morocco (ASX announcement, July 16, 2018).

The DFS delivered very positive results and confirmed Achmmach's robust project economics, enhancing the Project's outstanding development potential as a new, world class tin mining operation.

The Project includes a proposed underground mine with an initial 10-year life, producing 750,000 tonnes of ore per annum at an average head grade of 0.82% Sn (tin). The associated processing plant will incorporate ore sorting and HPGR technology to produce approximately 4,500 tonnes of tin per annum in a concentrate containing 60% tin.

The 2018 DFS follows on from extensive drilling and test work completed on the project since 2008, and incorporates elements of previous studies conducted in 2014, 2015 and 2016.

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 (Real) per tonne and an 8% discount rate (Real).
- Every additional US\$1,000 per tonne increase in tin price, increases the Project NPV and ungeared returns by approximately US\$20 million and 3% respectively. Consensus price for tin when Achmmach is expected to come into production remains circa US\$23,000 per tonne
- Capital cost of US\$96.4 million
- C1¹ cash cost of US\$9,176/tonne of tin, and a payback period of 4 years
- All in Sustaining Cost (AISC²) of US\$11,435/tonne of tin
- 7% increase in Ore Reserve to 7.0 million tonnes at a grade of 0.82% Sn
- Initial 10-year mine life via an underground mining operation. The orebody is open along strike and at depth providing excellent potential for resource extensions
- Ore Sorting and HPGR technology increases tin recovery, lowers operating costs and reduces overall Project footprint and required equipment in the plant
- Overall tin recovery of 77%, with annual tin production of approximately 4,500 tonnes of tin in concentrate, averaging 60% tin

¹ C1 Cash costs are operating costs including mining, processing, G&A, concentrate transport and treatment

²AISC Includes C1 costs, royalties, corporate overheads and sustaining capex

Based on the positive outcomes of the Achmmach 2018 DFS, the Kasbah Board and the Company's Joint Venture partners in the Project, Toyota Tsusho and Nittetsu Mining, requested that management proceed with securing funding for the Project, offtakers for the tin product, and identifying a suitable EPC engineering contractor and a capable underground mining contractor with the aim of commencing construction in 2019 and production in 2020.

Further details of the DFS are contained in the DFS Summary released to the ASX on July 16, 2018, which is also available on the Kasbah Resources website: (<http://www.kasbahresources.com/site/content/>)

EXPLORATION

In addition to the Achmmach Tin Project, Kasbah holds several 100% owned tin exploration prospects throughout central Morocco – the Bou El Jaj, Zaer and Ment prospects. The Company also owns the Tamlalt Gold Project (100%), in north eastern Morocco.

Kasbah continues to progress the development of its exploration strategy which aims to evaluate and prioritise the many exploration opportunities in the region. The Achmmach Tin Project remains open along strike and at depth on both the Sidi Addi and Meknes zones. In addition, Kasbah owns 100% of the Bou El Jaj tin prospect located 13 kms from Achmmach. In 2013, approximately 8,000 m of diamond drilling was completed at Bou El Jaj. While the prospects at Bou El Jaj, Zaer and Ment offer early stage tin exploration opportunities, Kasbah is currently evaluating the merits of undertaking a small drilling program to better define the potential strike extent of resources at Achmmach. Kasbah is also looking to progress with the development of a maiden JORC compliant resource at Bou El Jaj. The introduction of ore sorting technology provides an opportunity to develop

a larger scale project at Bou El Jaj, with the aim of supplementing production feed and extending the mine life of Achmmach project.

The Company is also progressing an Environmental and Social Impact Assessment (“ESIA”) on both the Bou El Jaj and Tamlalt Gold Projects.

CORPORATE

Additional Funding of \$1.5 Million Secured Through a \$5 Million Convertible Loan

Subsequent to the end of the quarter, Kasbah secured up to \$1.5 million of additional funding through a \$5 million convertible loan from its cornerstone strategic investor, Pala Investments Limited.

The balance of the existing Pala loan, which at the time of shareholder approval in December 2018 will be A\$3.5 million (plus accrued interest and capitalised charges), will be further increased, extended and rolled into the convertible loan, providing up to \$1.5 million of additional funding.

The convertible loan, which is subject to satisfaction of certain conditions precedent including receipt of Kasbah shareholder approval, will be priced at A\$0.012, being approximately 32% premium to Kasbah’s 20 trading day VWAP and 50% premium to the closing price immediately prior to the date of the announcement (ASX Announcement October 15, 2018).

Pala has made an immediate advance of A\$500,000 under the existing loan agreement and extend the maturity date of the existing loan from 31 December 2018 to 31 March 2019 to allow Kasbah to continue with the execution of its plans while shareholder approval is sought for the convertible loan, expected in December 2018. The additional proceeds received from the advance under the existing loan agreement and convertible loan, if approved by shareholders, will be used to fund preliminary development expenditure in relation to the Achmmach Tin Project for project financing, engineering and technical optimisation work, and provide working capital.

Legal Proceedings against BDO Corporate Finance WA Pty Ltd

Following failed attempts to reach a commercial settlement with BDO Corporate Finance WA Pty Ltd (“BDO”), Kasbah commenced legal proceedings against BDO in the Supreme Court of Western Australia on December 18, 2017 for a series of claims including breach of contract, negligence and misleading and deceptive conduct associated with BDO’s role as Independent Expert during the failed scheme of arrangement between Kasbah and Asian Mineral Resources Ltd.

Kasbah representatives attended Court ordered mediation in Perth on April 30, 2018. The mediation proceedings failed to reach a commercial settlement and were adjourned to a future date yet to be relisted.

On September 13, 2018, the Court approved Kasbah’s application to join two directors of BDO, Mr Sherif Andrawes and Mr Adam Myers, as the second and third defendant respectively to these legal proceedings.

Resignation of Non-executive Director

Mr Hedley Widdup stepped down as a non-executive director with effect from July 31, 2018. Having played a key role in the advancement of the Company and the Achmmach Project to the point where the Project is now development-ready, African Lion is very satisfied with the calibre of the Kasbah Board and executive management and is confident the Company now has the skillset and experience necessary to deliver the project.

The resignation of Mr Widdup further strengthens the independence of the Kasbah board, which now comprises three independent non-executive directors and one non-independent non-executive director.

Annual General Meeting

Following an application under Section 250P of the Corporations Act 2001, Kasbah was granted approval to extend the period within which the Company must hold its Annual General Meeting from November 30, 2018 to December 21, 2018.

The application was made following the announcement on October 15, 2018 with respect to the convertible loan facility. Kasbah made the application as it considered to be in the best interests of its shareholders, for its AGM to be deferred so that the notice of AGM (including the resolution on the above mentioned transaction) could be finalised and dispatched to shareholders at the same time such that all matters to be put to shareholders can be considered at one single meeting, therefore avoiding the cost and inconvenience of two separate meetings in close proximity.

MARKETING

Conferences and Marketing Events

Kasbah continued to actively promote the Company and the Achmmach Project to existing and potential investors as well as financiers, brokers and offtakers.

Kasbah management presented at the Melbourne Mining Club on July 17, 2018, the Noosa Mining and Exploration Conference from July 18-20, 2018, Africa Down Under in Perth, WA from August 20-31, 2018 and at the 2018 World Lithium, Cobalt, Tech Minerals & Mining, Batteries Summit in Perth on September 20, 2018.

Kasbah will be presenting at the IMARC conference in Melbourne from November 29, 2018 to October 1, 2018, BEER & Co Tin Conference in Melbourne on November 7, 2018 and will be attending the Mining 121 Conference in London from November 20-21, 2018, the ITA Tin Forum in London from November 22-23, 2018 as well as the Arlington Pre-Indaba and Indaba 121 Conference in Cape Town in February 2019.

Investor/Analyst Call

Kasbah held an Investor/Analyst conference call on July 25, 2018. The results and activities for the June quarter and results of the 2018 DFS were presented by Russell Clark, Chief Executive Officer.

An Investor/Analyst conference call has also been scheduled for November 15, 2018 at 11.30 PM AEST. Russell Clark will discuss the September quarter and will provide an overview of current developments, including the recently announced convertible loan transaction (ASX Announcement, October 15, 2018).

October 30, 2018
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Details for the conference call is as follows:

Dial in details	
Australia Dial-in Number	1800 280 741
International Dial-in Number	+61 3 8687 0650

For updates on the investor call and other Kasbah related news and announcements, please follow us on **Twitter:** <https://twitter.com/kasbahresource> and **LinkedIn:** <https://www.linkedin.com/company/kasbah-resources-ltd/> as well as the Kasbah Resources website: <http://www.kasbahresources.com/site/content/>.

FINANCIAL

Cash and debt

Cash and short-term deposits at September 30, 2018 were \$1.5 million.

Debt plus capitalised interest as at June 30, 2018 was \$3.3 million.

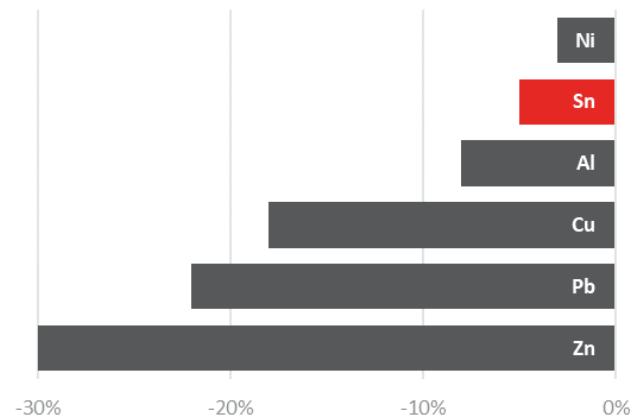
Please refer to the attached Appendix 5B for further information.

TIN MARKET

Prices

Tin prices were depressed during the quarter on the back of higher LME tin stocks following the end of the export quota restrictions in Indonesia and continuing speculator sentiment towards trade tensions between the US and China, which saw further US tariffs imposed on Chinese imports. During the quarter, LME tin price traded between a high of \$20,100/t and a low of \$18,650/t, with average price of \$19,263/t.

Subsequent to the end of the quarter, the tin price strengthened, trading over \$19,000/t for most of October. Whilst LME tin price has been challenged in 2018, it should be noted that the relative decline in tin price has been smaller compared to other base metals. The graph on the right shows the % decline in metal prices in 2018. The short-term volatility has not changed Kasbah’s longer-term outlook for tin price, which continues to be strong.



Source: ITA – Metal prices to 9 September 2018

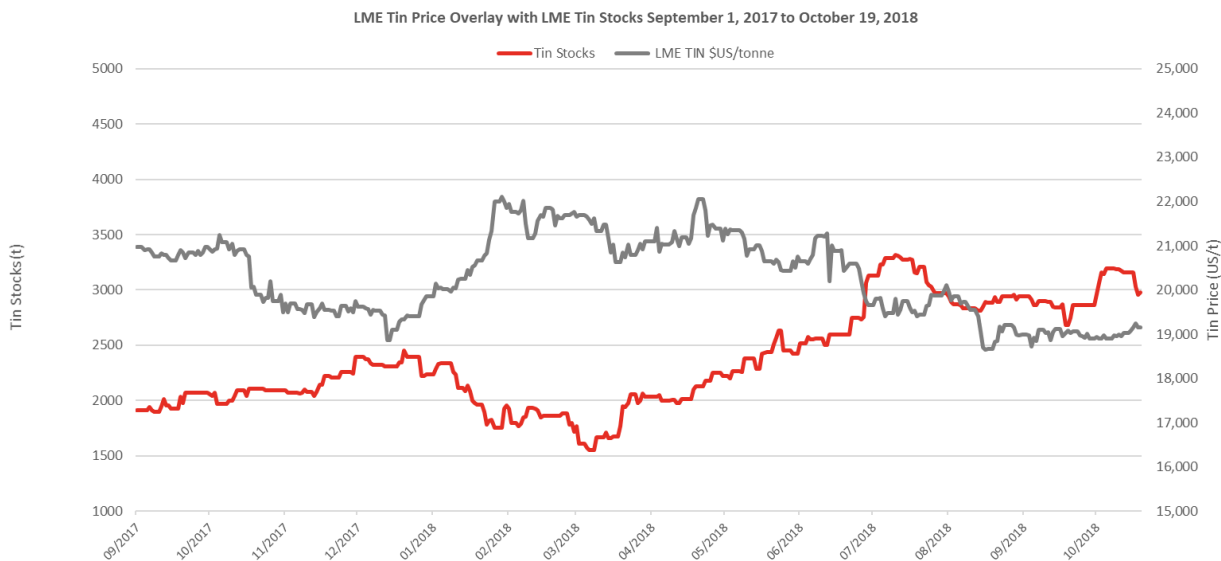


Figure 1: LME Tin Price vs LME Stocks – September 1, 2017 to October 19, 2018

“Macquarie’s commodity price forecasts (as at 25 June 2018) suggests that tin price will continue to increase and hitting \$23,250 at about the time Achmmach is expected to be in production”

Supply side: higher inventory levels, slowing mine supply

London Metal Exchange (“LME”) stockpiles for tin whilst still low in historical terms, were higher than any time in the last twelve months, reaching 3,320t in early July 2018. This was largely due to the end of the export quota restrictions in Indonesia which resulted in robust and increasing volumes.

Furthermore, the ITA notes that the demand for refined tin from Chinese downstream companies continues to be weak amidst the escalating China-United States trade tensions.

In spite of the increased tin stocks, current stockpile levels make up less than 1% of annual global demand. The ITA estimates that existing global tin mine reserves will only last 7 years, in the absence of further resource conversion.

Major tin producers in the world include Myanmar, Indonesia, China and Peru. The ITA retains the view that future production from Myanmar is likely to fall on an underlying decline in mining activity as easy to mine alluvial deposits are depleted. ITA forecast indicates a decline in Myanmar’s tin mine output in 2018 of approximately 10%, with further declines of between 11% to 30% forecasted in 2019. However, it should be noted that Myanmar forecasts have been historically very difficult to accurately predict.

African tin exports, which have been growing steadily since 2015 appear to have been impacted by the Democratic Republic of Congo’s (Africa’s largest tin producer) introduction of a new mining code. The new mining code increases the mining royalties to 3.5 % (from 2%), doubles the government’s free share of mining projects to 10%, reduces the period of guaranteed contract stability to five years and introduces a super-profits tax if commodity prices rise above a certain threshold. ITA estimates that the 2018 tin mine output from Africa will decline by 8%.

Demand side: solder continues to be the largest driver, upside from EV revolution

Solder continues to be the largest use of tin, contributing 47% of tin demand, followed by chemicals (18%) and tin plate (14%). The demand from tin from these existing applications is expected to grow with the increasing use of solder in electronics and solar panels and the ongoing conversion to lead free solders. The demand for tin plate continues to grow in emerging economies. Furthermore, the trends in energy and technology are expected to drive future tin demand with exponential increase in the use of tin in computing and advanced robotics, renewable energy and storage and autonomous and electric vehicles.

The themes of supply pressure and increasing demand from existing and new technology applications remains firmly in place and supportive of a robust price outlook. Solder remains the likely largest consumer of tin with the miniaturisation of electronics more than offset by the growth of electronic components.

Outlook looks promising


Our view for the outlook for tin remains positive. The medium term price outlook remains strong with mine supply continuing to face challenges, and demand continuing to outpace supply resulting in a global deficit of tin. Kasbah believes that the timing of production at Achmmach will coincide with the continuing supply deficit in the market and as a result stands to benefit from an increase in tin price in the medium to long term.


October 30, 2018
ASX: KAS



Russell Clark
Chief Executive Officer

Follow us on Twitter and LinkedIn for updates.

 : @KasbahResource

 : Kasbah Resources Ltd

Links to Kasbah's Twitter and LinkedIn pages can be found at the Company's website.

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ABOUT KASBAH RESOURCES

Kasbah Resources Limited (**Kasbah**) is an Australian ASX listed mineral exploration and development company.

Our commodity is tin.

Kasbah has two tin projects (the Achmmach Tin Project and the Bou El Jaj Tin Project) located in the Kingdom of Morocco:

- **Achmmach Tin Project JV in Morocco (75% Kasbah, 20% Toyota Tsusho and 5% Nittetsu Mining)**

Kasbah is the manager and operator of the Achmmach Tin Project JV. Toyota Tsusho Corporation (TTC) and Nittetsu Mining Co. Ltd (NMC) of Japan are Kasbah's strategic development partners in this JV. Achmmach is one of the world's largest and most advanced undeveloped tin projects with projected low operating costs and located in a mining friendly jurisdiction at the gateway to Europe.

- **Bou El Jaj Tin Project in Morocco (100% Kasbah)**

Kasbah retains a 100% interest in the prospective Bou El Jaj Tin Project. This project is 10km from the Achmmach Tin Project and is an early stage exploration opportunity that could become a satellite ore source for Achmmach. It is currently pre-resource and additional drilling is required on multiple targets within the Bou El Jaj permits.

FORWARD LOOKING STATEMENTS

This announcement 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 announcement. No obligation is assumed to update forward looking statements if these beliefs, opinions and estimates should change or to reflect other future developments.

MINING TENEMENT CHANGES DURING THE QUARTER

Project / Tenements	Location	Permit Number	Held at end of quarter	Acquired during the quarter	Disposed during the quarter
Ment	Morocco	2138097	-	-	100%
		2138099	-	-	100%
		2138100	-	-	100%

FARM-IN / FARM OUT AGREEMENT CHANGES

Project / Tenements	Location	Permit Number	Held at end of quarter	Acquired during the quarter	Disposed during the quarter
NIL					

INTERESTS IN MINING TENEMENTS

Project	Permit Type	Permit Number	Registered Interest
Achmmach	LE	332912	75%*
	PE	193172	75%*
Bou El Jaj	PE	213172	100%
	PE	193313	100%
Tamlalt	PE	223197	100%
	PE	223198	100%
	PE	223203	100%
Ezzhiliga (Zaer)	PR	2137997	100%
	PR	2137999	100%
Ment	PR	1940002	100%
	PR	1940003	100%
	PR	1940004	100%
	PR	1940082	100%
	PR	1940095	100%
	PR	1940099	100%
	PR	3558383	100%
	PR	3558384	100%
	PR	3558385	100%

All permits are located in the Kingdom of Morocco.

LEGEND : PE – *Permis Exploitation* PR – *Permis Recherche*

* 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.

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/13, 01/09/16

Name of entity

KASBAH RESOURCES LIMITED

ABN

78 116 931 705

Quarter ended ("current quarter")

30 SEPTEMBER 2018

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	(743)	(743)
(b) development	-	-
(c) production	-	-
(d) staff costs	(263)	(263)
(e) administration and corporate costs	(624)	(624)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	7	7
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Research and development refunds	-	-
1.8 Other (provide details if material)	-	14
1.9 Net cash from / (used in) operating activities	(1,623)	(1,623)

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	(1)	(1)
(b) tenements (see item 10)	-	-
(c) investments	-	-
(d) other non-current assets	-	-

Mining exploration entity and oil and gas exploration entity quarterly report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) property, plant and equipment	-	-
	(b) tenements (see item 10)	-	-
	(c) investments	-	-
	(d) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (refund of bank guarantees)	19	19
2.6	Net cash from / (used in) investing activities	18	18

3.	Cash flows from financing activities		
3.1	Proceeds from issues of shares	-	-
3.2	Proceeds from issue of convertible notes	-	-
3.3	Proceeds from exercise of share options	-	-
3.4	Transaction costs related to issues of shares, convertible notes or options	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (transactions with non-controlling interests)	57	57
3.10	Net cash from / (used in) financing activities	57	57

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	3,017	3,017
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,623)	(1,623)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	18	18
4.4	Net cash from / (used in) financing activities (item 3.10 above)	57	57
4.5	Effect of movement in exchange rates on cash held	6	6
4.6	Cash and cash equivalents at end of period	1,475	1,475

5. Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1 Bank balances	712	1,308
5.2 Call deposits	425	645
5.3 Bank overdrafts	-	-
5.4 Other (provide details) – Cash held in Morocco	338	1064
5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)	1,475	3,017

6. Payments to directors of the entity and their associates

- 6.1 Aggregate amount of payments to these parties included in item 1.2
- 6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

Current quarter \$A'000
41
-

7. Payments to related entities of the entity and their associates

- 7.1 Aggregate amount of payments to these parties included in item 1.2
- 7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

Current quarter \$A'000
-
-

Mining exploration entity and oil and gas exploration entity quarterly report

8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1 Loan facilities	3,000	3,000
8.2 Credit standby arrangements	-	-
8.3 Other (please specify)	-	-
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

The loan from Pala Investments Limited was initially drawn down in two tranches of \$500,000 in August 2016 and November 2016 to provide working capital for the Company. A further increase of the facility amounting to \$2,000,000 was drawn down on 11 June 2018. The 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. Repayment of the total loan facility is before 31 December 2018. On 14 October 2018, the loan facility was further increased by \$500,000 and maturity extended to 31 March 2018.

9. Estimated cash outflows for next quarter	\$A'000
9.1 Exploration and evaluation	944
9.2 Development	-
9.3 Production	-
9.4 Staff costs	434
9.5 Administration and corporate costs	610
9.6 Other (provide details if material)	-
9.7 Total estimated cash outflows	1,988

10. Changes in tenements (items 2.1(b) and 2.2(b) above)	Tenement reference and location	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
10.1 Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced	Morocco:	Exploration permits (Permis recherche)		
	PR2138097		100%	0%
	PR2138099		100%	0%
	PR2138100		100%	0%
10.2 Interests in mining tenements and petroleum tenements acquired or increased				

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Sign here:
(Company secretary)

Date: 30 October 2018

Print name: Keith Pollocks

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 6: Exploration for and Evaluation of Mineral Resources and AASB 107: Statement of Cash Flows apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.