

Welcome to the 2019 Annual General Meeting of Kasbah Resources Limited, I am John Gooding, Non-Executive Chairman of the Company.

Let me begin by introducing our Company representatives and auditors:

- Mr Evan Spencer (Chief Executive Officer);
- Mr Keith Pollocks (Chief Financial Officer and Company Secretary); and
- Mr Brad McVeigh (Company's Audit Partner from HLB Mann Judd).

Before I commence the formal part of the meeting, I will provide a brief overview of the 2019 year. After this we will conduct the formal business of the meeting. CEO, Mr Evan Spencer will then provide a brief operational update (*presentation slides are appended to this Chairman's address*). We will then open the floor to any questions from those present.

I apologise on behalf of my fellow Directors Mr Graham Ehm and Mr Martyn Buttenshaw who were both unable to attend today as they are overseas.

Kasbah has had a very busy year. Whilst we have made progress and achieved some great outcomes, our progress has been severely hampered by adverse market developments and a lack of shareholder support in capital raisings.

In July 2018, we released the 2018 DFS which demonstrated a viable tin project with healthy project economics. The 2018 DFS addresses the shortcomings of the 2016 SSO highlighted by independent consultants. Since the release of the 2018 DFS, 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 and importantly confirmed the technical viability and the reasonableness of the capital and operating costs estimates.

In addition to project financing activities, the Company has continued advancing several operational optimisation initiatives, which indicate positive opportunities for the Company to pursue when it advances the development of the Achmmach Tin Project. We 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 undeveloped tin assets in the world. The results to date indicate that the Sidi Addi trend could be a parallel resource that improves productivity and extends 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.

As we advanced the project, we also saw a number of personnel changes. I would like to take this opportunity to thank Mr Graham Freestone and Mr Phil Baker who resigned from the Board during the year. The Company also saw the resignation of Mr Russell Clark, who decided to pursue other opportunities and the appointment of Mr Evan Spencer as his replacement.

I am also 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 was great to put this behind us and move forward.

In parallel with our efforts to progress the project and secure project financing, the tin price has declined significantly to below the price assumed 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 very challenging.

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.

Given the tin price remains low and global uncertainty continues to affect demand, the Board has decided to slow down the financing work (due to a number of reasons including concerns around the amount of debt which could be secured in the current price environment and broader ability to raise equity) and restructure 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 and reposition the Company for a more conducive market for raising capital in the future. Concurrently, the Board will continue exploring all strategic options in the near and medium term to protect and maximise shareholder value.

Despite current market challenges, the Achmmach Tin Project remains the most advanced greenfield tin project in the world located in a safe, secure, conflict free and mining friendly jurisdiction, and we strongly believe that under the appropriate market conditions, the project will advance to construction and production. I urge our shareholders to continue their support to help us achieve the best outcome for the Company.

As you all know we will be discussing and seeking approval for a number of important resolutions at this meeting that are designed to ensure that your company operates efficiently while remaining solvent.

In particular, I want to make a brief comment about Resolution 3 and the equity capital raisings undertaken during this year to support the company's key activities prior to a decision to commit to developing the Achmmach project, while providing an alternative source of funding for the Company.

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 (e.g. shareholders other than Pala Investments and Directors and Officers of Kasbah Resources subscribed for approximately 12% or \$300,000 of the \$2.5m entitlement offer undertaken in February 2019 and for \$100,000 of the Share Purchase Plan that was offered in December 2018). Interim funding challenges constrained resources, which would otherwise have been dedicated to preparations for project development and slowed progress, but we persisted nevertheless as we firmly believe in the potential of this project.

For the last three years our main financial supporter has been PALA as we have developed the company's main project, the Achmmach Tin Project, to Definitive Feasibility status. I am going to elaborate on the convertible loan facility later in the meeting but just wanted to say that after extensively exploring a variety of funding and refinancing options for the Company, including the raisings earlier in the year, the increase in the Principal Amount of the existing convertible loan is the only viable path for the Company to continue as a going concern and remain solvent. Inability to raise the required capital would likely result in the

Company and/or the Achmmach Tin Project being placed into some form of administration. That would certainly be the worst outcome for all shareholders. Accordingly, we appreciate Pala's support through this process, and I can say confidently that conversion is not Pala's preferred option - but as a business like any other, it needs to have a contingency in place should unforeseen events occur.

The convertible loan provides for an additional \$1.3m of funding and an extension of the time for repayment to the 31 December 2020 and in the Boards, view represents the best available funding option currently available to the Company. I am therefore asking you all to carefully consider all the resolutions being put forward today and to support the Board's recommendations, which we believe is in all shareholders best interests.

Finally, aligned with the Company's current phase and near-term strategy to slow progress and adapt its cost structure to the current suppressed market environment, you will see further changes to the corporate cost structure of the Company, including changes to the Board and management team as the Company allocates resources to ensure that the Achmmach Tin Project remains in good standing and is ready for development when the market improves.

On that note I would like to thank my fellow Board members for their input and support and our hardworking senior management team, our shareholders, our dedicated staff and consultants, and all our other stakeholders for their continued support throughout the year.