
KASBAH RESOURCES LIMITED

ACN 116 931 705

NOTICE OF ANNUAL GENERAL MEETING

TIME: 10:00am (WST)

DATE: Friday, 21 November 2014

PLACE: Rothschild's Function Room
The Perth Zoo Conference Centre
20 Labouchere Road
SOUTH PERTH WA 6151

This Notice of Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.

Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on +61 8 9463 6651.

CONTENTS

Business of the Meeting (setting out the proposed Resolutions)	3
Explanatory Statement (explaining the proposed Resolutions)	6
Glossary	20
Schedule 1 – Terms and Conditions of Related Party Options	22
Schedule 2 – Valuation of Related Party Options	24
Schedule 3 - Issues of Equity Securities since 21 November 2013	25
Proxy Form	26

IMPORTANT INFORMATION

Time and place of Meeting

Notice is given that the Company's Annual General Meeting will be held at 10:00am (WST) on Friday, 21 November 2014 at:

Rothschild's Function Room
The Perth Zoo Conference Centre
20 Labouchere Road
SOUTH PERTH WA 6151

Your vote is important

The business of the Meeting affects your shareholding and your vote is important.

Voting eligibility

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered Shareholders at 4:00pm (WST) on Wednesday, 19 November 2014.

Voting in person

To vote in person, attend the Meeting at the time, date and place set out above.

Voting by proxy

To vote by proxy, please complete and sign the enclosed Proxy Form and return by the time and in accordance with the instructions set out on the Proxy Form.

In accordance with section 249L of the Corporations Act, Shareholders are advised that:

- each Shareholder has a right to appoint a proxy;
- the proxy need not be a Shareholder of the Company; and
- a Shareholder who is entitled to cast 2 or more votes may appoint 2 proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the member appoints 2 proxies and the appointment does not specify the proportion or number of the member's votes, then in accordance with section 249X(3) of the Corporations Act, each proxy may exercise one-half of the votes.

Shareholders and their proxies should be aware that changes to the Corporations Act made in 2011 mean that:

- if proxy holders vote, they must cast all directed proxies as directed; and
- any directed proxies which are not voted will automatically default to the Chair, who must vote the proxies as directed.

Further details on these changes are set out below.

Proxy vote if appointment specifies way to vote

Section 250BB(1) of the Corporations Act provides that an appointment of a proxy may specify the way the proxy is to vote on a particular resolution and, **if it does:**

- the proxy need not vote on a show of hands, but if the proxy does so, the proxy must vote that way (ie as directed); and
- if the proxy has 2 or more appointments that specify different ways to vote on the resolution, the proxy must not vote on a show of hands; and
- if the proxy is the chair of the meeting at which the resolution is voted on, the proxy must vote on a poll, and must vote that way (ie as directed); and
- if the proxy is not the chair, the proxy need not vote on the poll, but if the proxy does so, the proxy must vote that way (ie as directed).

Transfer of non-chair proxy to chair in certain circumstances

Section 250BC of the Corporations Act provides that, if:

- an appointment of a proxy specifies the way the proxy is to vote on a particular resolution at a meeting of the Company's members; and
- the appointed proxy is not the chair of the meeting; and
- at the meeting, a poll is duly demanded on the resolution; and
- either of the following applies:
 - the proxy is not recorded as attending the meeting; or
 - the proxy does not vote on the resolution,

the chair of the meeting is taken, before voting on the resolution closes, to have been appointed as the proxy for the purposes of voting on the resolution at the meeting.

BUSINESS OF THE MEETING

AGENDA

1. FINANCIAL STATEMENTS AND REPORTS

To receive and consider the annual financial report of the Company for the financial year ended 30 June 2014 together with the declaration of the directors, the director's report, the Remuneration Report and the auditor's report.

2. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

To consider and, if thought fit, to pass, with or without amendment, the following resolution as a **non-binding resolution**:

“That, for the purposes of section 250R(2) of the Corporations Act and for all other purposes, approval is given for the adoption of the Remuneration Report as contained in the Company's annual financial report for the financial year ended 30 June 2014.”

Note: the vote on this Resolution is advisory only and does not bind the Directors or the Company.

Voting Prohibition Statement:

A vote on this Resolution must not be cast (in any capacity) by or on behalf of either of the following persons:

- (a) a member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report; or
- (b) a Closely Related Party of such a member.

However, a person (the **voter**) described above may cast a vote on this Resolution as a proxy if the vote is not cast on behalf of a person described above and either:

- (a) the voter is appointed as a proxy by writing that specifies the way the proxy is to vote on this Resolution; or
- (b) the voter is the Chair and the appointment of the Chair as proxy:
 - (i) does not specify the way the proxy is to vote on this Resolution; and
 - (ii) expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

3. RESOLUTION 2 – RE-ELECTION OF DIRECTOR – MS GABRIELLE MOELLER

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purpose of clause 13.4 of the Constitution, ASX Listing Rule 14.4 and for all other purposes, Ms Gabrielle Moeller, a Director who was appointed as an additional Director on 28 May 2014, retires, and being eligible, is elected as a Director.”

4. RESOLUTION 3 – RE-ELECTION OF DIRECTOR – DR ROD MARSTON

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purpose of clause 13.2 of the Constitution, ASX Listing Rule 14.4 and for all other purposes, Dr Rod Marston, a Director, retires by rotation, and being eligible, is re-elected as a Director.”

5. RESOLUTION 4 – RE-ELECTION OF DIRECTOR – MR GARY DAVISON

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purpose of clause 13.2 of the Constitution, ASX Listing Rule 14.4 and for all other purposes, Mr Gary Davison, a Director, retires by rotation, and being eligible, is re-elected as a Director.”

6. RESOLUTION 5 – ISSUE OF OPTIONS TO RELATED PARTY – MS GABRIELLE MOELLER

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

“That, subject to the passing of Resolution 2, for the purposes of section 208 of the Corporations Act, ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue 500,000 Options to Ms Gabrielle Moeller (or her nominee) on the terms and conditions set out in the Explanatory Statement.”

ASX Voting Exclusion: The Company will disregard any votes cast on this Resolution by Ms Gabrielle Moeller (or her nominee) and any of their associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Voting Prohibition Statement:

A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
 - (i) a member of the Key Management Personnel; or
 - (ii) a Closely Related Party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution.

However, the above prohibition does not apply if:

- (a) the proxy is the Chair; and
- (b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

7. RESOLUTION 6 – APPROVAL OF 10% PLACEMENT CAPACITY

To consider and, if thought fit, to pass the following resolution as a **special resolution**:

“That, for the purposes of Listing Rule 7.1A and for all other purposes, approval is given for the issue of Equity Securities totalling up to 10% of the issued capital of the Company at the time of issue, calculated in accordance with the formula prescribed in Listing Rule 7.1A.2 and on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast on this Resolution by any person who may participate in the issue of Equity Securities under this Resolution and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the Resolution is passed and any associates of those persons. However, the Company will not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

8. RESOLUTION 7 – RENEWAL OF PROPORTIONAL TAKEOVER PROVISIONS IN THE CONSTITUTION

To consider and, if thought fit, to pass the following resolution as a **special resolution**:

“That, for the purposes of section 136(2) of the Corporations Act and for all other purposes, approval is given for the Company to modify its existing Constitution by renewing clause 35 for a period of 3 years from the date of approval of this Resolution.”

Dated: 9 October 2014

By order of the Board



Wayne Bramwell
Managing Director

EXPLANATORY STATEMENT

This Explanatory Statement has been prepared to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions.

1. FINANCIAL STATEMENTS AND REPORTS

In accordance with the Constitution, the business of the Meeting will include receipt and consideration of the annual financial report of the Company for the financial year ended 30 June 2014 together with the declaration of the directors, the directors' report, the Remuneration Report and the auditor's report.

The Company will not provide a hard copy of the Company's annual financial report to Shareholders unless specifically requested to do so. The Company's annual financial report is available on its website at www.kasbahresources.com.

2. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

2.1 General

The Corporations Act requires that at a listed company's annual general meeting, a resolution that the remuneration report be adopted must be put to the shareholders. However, such a resolution is advisory only and does not bind the company or the directors of the company.

The remuneration report sets out the company's remuneration arrangements for the directors and senior management of the company. The remuneration report is part of the directors' report contained in the annual financial report of the company for a financial year.

The chair of the meeting must allow a reasonable opportunity for its shareholders to ask questions about or make comments on the remuneration report at the annual general meeting.

2.2 Voting consequences

Under changes to the Corporations Act which came into effect on 1 July 2011, a company is required to put to its shareholders a resolution proposing the calling of another meeting of shareholders to consider the appointment of directors of the company (**Spill Resolution**) if, at consecutive annual general meetings, at least 25% of the votes cast on a remuneration report resolution are voted against adoption of the remuneration report and at the first of those annual general meetings a Spill Resolution was not put to vote. If required, the Spill Resolution must be put to vote at the second of those annual general meetings.

If more than 50% of votes cast are in favour of the Spill Resolution, the company must convene a shareholder meeting (**Spill Meeting**) within 90 days of the second annual general meeting.

All of the directors of the company who were in office when the directors' report (as included in the company's annual financial report for the most recent financial year) was approved, other than the managing director of the company, will cease to hold office immediately before the end of the Spill Meeting but may stand for re-election at the Spill Meeting.

Following the Spill Meeting those persons whose election or re-election as directors of the company is approved will be the directors of the company.

2.3 Previous voting results

At the Company's previous annual general meeting the votes cast against the remuneration report considered at that annual general meeting were less than 25%. Accordingly, the Spill Resolution is not relevant for this Annual General Meeting.

2.4 Proxy voting restrictions

Shareholders appointing a proxy for this Resolution should note the following:

Proxy	Directed	Undirected
Key Management Personnel ¹	Voted	Not voted ³
Chair ²	Voted	Voted at discretion of Proxy ⁴
Other	Voted	Voted at discretion of Proxy

Notes:

1. Refers to Key Management Personnel (other than the Chair) whose remuneration details are included in the Remuneration Report, or a Closely Related Party of such a member.
2. Refers to the Chair (where he/she is also a member of the Key Management Personnel whose remuneration details are included in the Remuneration Report), or a Closely Related Party of such a member).
3. Undirected proxies granted to these persons will not be voted and will not be counted in calculating the required majority if a poll is called on this Resolution.
4. The Proxy Form notes it is the Chair's intention to vote all undirected proxies in favour of all Resolutions.

3. RESOLUTION 2 – RE-ELECTION OF DIRECTOR – MS GABRIELLE MOELLER

Clause 13.4 of the Constitution allows the Directors to appoint at any time a person to be a Director, either to fill a casual vacancy or as an addition to the existing Directors, but only where the total number of Directors does not at any time exceed the maximum number specified by the Constitution.

Pursuant to clause 13.4 of the Constitution and ASX Listing Rule 14.4, any Director so appointed holds office only until the next following annual general meeting and is then eligible for re-election by Shareholders but shall not be taken into account in determining the Directors who are to retire by rotation (if any) at that meeting.

Ms Gabrielle Moeller, having been appointed on 28 May 2014, will retire in accordance with clause 13.4 of the Constitution and ASX Listing Rule 14.4 and being eligible, seeks re-election from Shareholders.

Information on the skills and experience of Ms Gabrielle Moeller is set out in the annual financial report of the Company for the financial year ended 30 June 2014.

The Board has considered Ms Moeller's independence and considers that she is an independent Director.

The Directors, other than Ms Gabrielle Moeller, support the re-election of Ms Gabrielle Moeller and recommend that Shareholders vote in favour of Resolution 2.

4. RESOLUTIONS 3 AND 4 – RE-ELECTION OF DIRECTORS – DR ROD MARSTON AND MR GARY DAVISON

ASX Listing Rule 14.4 provides that a director of an entity must not hold office (without re-election) past the third annual general meeting following the director's appointment or 3 years, whichever is the longer.

Clause 13.2 of the Constitution provides that:

- (a) at the Company's annual general meeting in every year, one-third of the Directors for the time being, or, if their number is not a multiple of 3, then the number nearest one-third (rounded upwards in case of doubt), shall retire from office, provided always that no Director (except a Managing Director) shall hold office for a period in excess of 3 years, or until the third annual general meeting following his or her appointment, whichever is the longer, without submitting himself or herself for re-election;
- (b) the Directors to retire at an annual general meeting are those who have been longest in office since their last election, but, as between persons who became Directors on the same day, those to retire shall (unless they otherwise agree among themselves) be determined by drawing lots; and
- (c) a Director who retires by rotation under clause 13.2 of the Constitution is eligible for re-election.

In determining the number of Directors to retire, no account is to be taken of:

- (a) a Director who only holds office until the next annual general meeting pursuant to clause 13.4 of the Constitution; and/ or
- (b) a Managing Director,

each of whom are exempt from retirement by rotation. However, if more than one Managing Director has been appointed by the Directors, only one of them (nominated by the Directors) is entitled to be excluded from any determination of the number of Directors to retire and/or retirement by rotation.

The Company currently has six (6) Directors and, as Ms Gabrielle Moeller is resigning and seeking re-election pursuant to Resolution 2, an additional two (2) Directors must retire.

Dr Rod Marston and Mr Gary Davison, the Directors longest in office since their last election, retire by rotation and seek re-election. Dr Rod Marston was first appointed as a Director on 15 November 2006 and Mr Gary Davison was first appointed as a Director on 1 March 2011.

Information on the skills and experience of Dr Rod Marston and Mr Gary Davison are set out in the annual financial report of the Company for the financial year ended 30 June 2014.

The Board has considered Dr Marston's independence and considers that he is an independent Director.

The Board has considered Mr Davison's independence and considers that he is an independent Director.

The Directors, other than Dr Rod Marston, support the re-election of Dr Rod Marston and recommend that Shareholders vote in favour of Resolution 3.

The Directors, other than Mr Gary Davison, support the re-election of Mr Gary Davison and recommend that Shareholders vote in favour of Resolution 4.

5. RESOLUTION 5 – ISSUE OF OPTIONS TO RELATED PARTY – MS GABRIELLE MOELLER

5.1 General

The Company has agreed, subject to obtaining Shareholder approval, to issue a total of 500,000 Options (**Related Party Options**) to Ms Gabrielle Moeller on the terms and conditions set out below.

The Related Party Options will be issued at an exercise price of 150% of the 5 day VWAP of the Company's Shares calculated up to the trading day immediately prior to the date of the Meeting with an expiry date of three years from the date of issue and otherwise on the terms and conditions set out below and in Schedule 1.

The Related Party Options will vest as follows:

- (a) 250,000 Options are exercisable at any time on and from the date of issue of the Options; and
- (b) 250,000 Options are exercisable at any time on and from the date that is 12 months from the date of issue of the Options.

For a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

- (a) obtain the approval of the public company's members in the manner set out in sections 217 to 227 of the Corporations Act; and
- (b) give the benefit within 15 months following such approval,

unless the giving of the financial benefit falls within an exception set out in sections 210 to 216 of the Corporations Act.

The grant of the Related Party Options constitutes giving a financial benefit and Ms Moeller is a related party of the Company by virtue of being a Director.

In addition, ASX Listing Rule 10.11 also requires shareholder approval to be obtained where an entity issues, or agrees to issue, securities to a related party, or a person whose relationship with the entity or a related party is, in ASX's opinion, such that approval should be obtained unless an exception in ASX Listing Rule 10.12 applies.

It is the view of the Company that the exceptions set out in sections 210 to 216 of the Corporations Act and ASX Listing Rule 10.12 do not apply in the current circumstances. Accordingly, Shareholder approval is sought for the grant of Related Party Options to the Related Party.

Resolution 5 is conditional on the passing of Resolution 2 of this Notice of Meeting.

5.2 Shareholder Approval (Chapter 2E of the Corporations Act and Listing Rule 10.11)

Pursuant to and in accordance with the requirements of section 219 of the Corporations Act and ASX Listing Rule 10.13, the following information is provided in relation to the proposed grant of Related Party Options:

- (a) the related party is Ms Gabrielle Moeller who is a related party by virtue of being a Director.;
- (b) the maximum number of Related Party Options (being the nature of the financial benefit being provided) to be granted to Ms Moeller (or her nominee) is 500,000;

- (c) the Related Party Options will be granted to Ms Moeller no later than 1 month after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the ASX Listing Rules) and it is anticipated the Related Party Options will be issued on one date;
- (d) the Related Party Options will be granted for nil cash consideration, accordingly no funds will be raised;
- (e) the terms and conditions of the Related Party Options are set out in Schedule 1;
- (f) the value of the Related Party Options and the pricing methodology is set out in Schedule 2;
- (g) the relevant interests of Ms Moeller in securities of the Company are set out below:

Related Party	Shares	Options
Ms Gabrielle Moeller	1,764,500	Nil

- (h) the remuneration and emoluments from the Company to Ms Moeller for the previous financial year and the proposed remuneration and emoluments for the current financial year (not including the value of the proposed Options the subject of this Resolution 5) are set out below:

Related Party	Current Financial Year	Previous Financial Year
Ms Gabrielle Moeller	\$50,000	\$4,704 ¹

Note:

^{1.} Ms Moeller was appointed as a Director on 28 May 2014.

- (i) if the Related Party Options granted to Ms Moeller are exercised, a total of 500,000 Shares would be issued. This will increase the number of Shares on issue from 395,912,596 to 396,412,596 (assuming that no other Options are exercised and no other Shares are issued) with the effect that the shareholding of existing Shareholders would be diluted by 0.13%. As announced on 16 September 2014, the Company is currently in the process of undertaking a rights issue. As at the date of this Notice of Meeting, the rights issue has not yet been completed. Shares issued pursuant to the rights issue will decrease the dilutionary effect of the exercise of the Related Party Options proposed to be granted to Ms Moeller.

The market price for Shares during the term of the Related Party Options would normally determine whether or not the Related Party Options are exercised. If, at any time any of the Related Party Options are exercised and the Shares are trading on ASX at a price that is higher than the exercise price of the Related Party Options, there may be a perceived cost to the Company.

- (j) the trading history of the Shares on ASX in the 12 months before the date of this Notice is set out below:

	Price	Date
Highest	\$0.16	8, 17, 22, 28, 29 & 30 October 2013
Lowest	\$0.058	2,3 October 2014
Last	\$0.069	8 October 2014

- (k) the Board acknowledges the grant of Related Party Options to Ms Moeller is contrary to Recommendation 8.3 of The Corporate Governance Principles and Recommendations (3rd Edition) as published by The ASX Corporate Governance Council. However, the Board considers the grant of Related Party Options to Ms Moeller reasonable in the circumstances for the reasons set out in paragraph (o);
- (l) the primary purpose of the grant of the Related Party Options to Ms Moeller is to provide a performance linked incentive component in the remuneration package for Ms Moeller to motivate and reward the performance of Ms Moeller in her role as a Director;
- (m) Ms Gabrielle Moeller declines to make a recommendation to Shareholders in relation to Resolution 5 due to her material personal interest in the outcome of the Resolution on the basis that she is to be granted Related Party Options in the Company should Resolution 5 be passed.
- (n) with the exception of Ms Moeller, no other Director has a personal interest in the outcome of Resolution 5;
- (o) Dr Rod Marston recommends that Shareholders vote in favour of Resolution 5 for the following reasons:
 - (i) the grant of Related Party Options to Ms Moeller, in particular, the vesting conditions of the Related Party Options, will align the interests of Ms Moeller with those of Shareholders;
 - (ii) the grant of the Related Party Options is a reasonable and appropriate method to provide cost effective remuneration as the non-cash form of this benefit will allow the Company to spend a greater proportion of its cash reserves on its operations than it would if alternative cash forms of remuneration were given to Ms Moeller; and
 - (iii) it is not considered that there are any significant opportunity costs to the Company or benefits foregone by the Company in granting the Related Party Options upon the terms proposed;
- (p) Mr Wayne Bramwell recommends that Shareholders vote in favour of Resolution 5 for the reasons set out in paragraph (o);
- (q) Mr Gary Davison recommends that Shareholders vote in favour of Resolution 5 for the reasons set out in paragraph (o);
- (r) Mr Ian McCubbing recommends that Shareholders vote in favour of Resolution 5 for the reasons set out in paragraph (o);
- (s) Dr Robert Weinberg recommends that Shareholders vote in favour of Resolution 5 for the reasons set out in paragraph (o);
- (t) in forming their recommendations, each Director considered the experience of Ms Moeller, the current market price of Shares, the current market practices when determining the number of Related Party Options to be granted as well as the exercise price and expiry date of those Related Party Options; and
- (u) the Board is not aware of any other information that would be reasonably required by Shareholders to allow them to make a decision whether it is in the best interests of the Company to pass Resolution 5.

Approval pursuant to ASX Listing Rule 7.1 is not required in order to issue the Related Party Options to Ms Moeller as approval is being obtained under ASX Listing Rule 10.11. Accordingly, the issue of Related Party Options to Ms Moeller will not be included in the 15% calculation of the Company's annual placement capacity pursuant to ASX Listing Rule 7.1.

6. RESOLUTION 6 – APPROVAL OF 10% PLACEMENT CAPACITY – SHARES

6.1 General

ASX Listing Rule 7.1A provides that an Eligible Entity may seek Shareholder approval at its annual general meeting to allow it to issue Equity Securities up to 10% of its issued capital (**10% Placement Capacity**).

The Company is an Eligible Entity.

If Shareholders approve Resolution 6, the number of Equity Securities the Eligible Entity may issue under the 10% Placement Capacity will be determined in accordance with the formula prescribed in ASX Listing Rule 7.1A.2 (as set out in section 6.2 below).

The effect of Resolution 6 will be to allow the Company to issue Equity Securities up to 10% of the Company's fully paid ordinary securities on issue under the 10% Placement Capacity during the period up to 12 months after the Meeting, without subsequent Shareholder approval and without using the Company's 15% annual placement capacity granted under Listing Rule 7.1.

Resolution 6 is a special resolution. Accordingly, at least 75% of votes cast by Shareholders present and eligible to vote at the Meeting must be in favour of Resolution 6 for it to be passed.

6.2 ASX Listing Rule 7.1A

ASX Listing Rule 7.1A came into effect on 1 August 2012 and enables an Eligible Entity to seek shareholder approval at its annual general meeting to issue Equity Securities in addition to those under the Eligible Entity's 15% annual placement capacity.

An Eligible Entity is one that, as at the date of the relevant annual general meeting:

- (a) is not included in the S&P/ASX 300 Index; and
- (b) has a maximum market capitalisation (excluding restricted securities and securities quoted on a deferred settlement basis) of \$300,000,000.

The Company is an Eligible Entity as it is not included in the S&P/ASX 300 Index and has a current market capitalisation of \$27,317,969.

Any Equity Securities issued must be in the same class as an existing class of quoted Equity Securities. The Company currently has one class of Equity Securities on issue, being the Shares (ASX Code: KAS).

The exact number of Equity Securities that the Company may issue under an approval under Listing Rule 7.1A will be calculated according to the following formula:

$$(A \times D) - E$$

Where:

- A** is the number of Shares on issue 12 months before the date of issue or agreement:
- (i) plus the number of Shares issued in the previous 12 months under an exception in ASX Listing Rule 7.2;
 - (ii) plus the number of partly paid shares that became fully paid in the previous 12 months;
 - (iii) plus the number of Shares issued in the previous 12 months with approval of holders of Shares under Listing Rules 7.1 and 7.4. This does not include an issue of fully paid ordinary shares under the entity's 15% placement capacity without shareholder approval; and
 - (iv) less the number of Shares cancelled in the previous 12 months.
- D** is 10%.
- E** is the number of Equity Securities issued or agreed to be issued under ASX Listing Rule 7.1A.2 in the 12 months before the date of issue or agreement to issue that are not issued with the approval of holders of Ordinary Securities under ASX Listing Rule 7.1 or 7.4.

6.3 Technical information required by ASX Listing Rule 7.1A

Pursuant to and in accordance with ASX Listing Rule 7.3A, the information below is provided in relation to this Resolution 6:

(a) Minimum Price

The minimum price at which the Equity Securities may be issued is 75% of the volume weighted average price of Equity Securities in that class, calculated over the 15 ASX trading days on which trades in that class were recorded immediately before:

- (i) the date on which the price at which the Equity Securities are to be issued is agreed; or
- (ii) if the Equity Securities are not issued within 5 ASX trading days of the date in section 6.3(a)(i), the date on which the Equity Securities are issued.

(b) Date of Issue

The Equity Securities may be issued under the 10% Placement Capacity commencing on the date of the Meeting and expiring on the first to occur of the following:

- (i) 12 months after the date of this Meeting; and
- (ii) the date of approval by Shareholders of any transaction under ASX Listing Rules 11.1.2 (a significant change to the nature or scale of the Company's activities) or 11.2 (disposal of the Company's main undertaking) (after which date, an approval under Listing Rule 7.1A ceases to be valid),

(10% Placement Capacity Period).

(c) **Risk of voting dilution**

Any issue of Equity Securities under the 10% Placement Capacity will dilute the interests of Shareholders who do not receive any Shares under the issue.

If Resolution 6 is approved by Shareholders and the Company issues the maximum number of Equity Securities available under the 10% Placement Capacity, the economic and voting dilution of existing Shares would be as shown in the table below.

The table below shows the dilution of existing Shareholders calculated in accordance with the formula outlined in ASX Listing Rule 7.1A(2), on the basis of the current market price of Shares and the current number of Equity Securities on issue as at the date of this Notice.

The table also shows the voting dilution impact where the number of Shares on issue (Variable A in the formula) changes and the economic dilution where there are changes in the issue price of Shares issued under the 10% Placement Capacity.

Number of Shares on Issue (Variable 'A' in ASX Listing Rule 7.1A2)	Dilution			
	Issue Price (per Share)	\$0.035 50% decrease in Issue Price	\$0.069 Issue Price	\$0.138 100% increase in Issue Price
514,686,375 (Current Variable A)	Shares issued - 10% voting dilution	51,468,637 Shares	51,468,637 Shares	51,468,637 Shares
	Funds raised	\$1,775,668	\$3,551,336	\$7,102,672
772,029,563 (50% increase in Variable A)	Shares issued - 10% voting dilution	77,202,956 Shares	77,202,956 Shares	77,202,956 Shares
	Funds raised	\$2,663,502	\$5,327,004	\$10,654,008
1,029,372,750 (100% increase in Variable A)	Shares issued - 10% voting dilution	102,937,275 Shares	102,937,275 Shares	102,937,275 Shares
	Funds raised	\$3,551,336	\$7,102,672	\$14,205,344

**The number of Shares on issue (Variable A in the formula) could increase as a result of the issue of Shares that do not require Shareholder approval (such as under a pro-rata rights issue or scrip issued under a takeover offer) or that are issued with Shareholder approval under ASX Listing Rule 7.1.*

The table above uses the following assumptions:

1. There is currently 514,686,375 Shares potentially on issue comprising:
 - a. 395,912,596 existing Shares as at the date of this Notice of Meeting; and
 - b. 118,773,779 Shares, being the maximum number of Shares which may be issued pursuant to the rights issue announced on 16 September 2014. As at the date of this Notice of Meeting, the rights issue has not yet been completed. Accordingly, the number of Shares issued on completion of the rights issue may vary.
2. The issue price set out above is the closing price of the Shares on the ASX on 8 October 2014.

3. The Company issues the maximum possible number of Equity Securities under the 10% Placement Capacity.
4. The Company has not issued any Equity Securities in the 12 months prior to the Meeting that were not issued under an exception in ASX Listing Rule 7.2 or with approval under ASX Listing Rule 7.1.
5. The issue of Equity Securities under the 10% Placement Capacity consists only of Shares. It is assumed that no Options are exercised into Shares before the date of issue of the Equity Securities.
6. The calculations above do not show the dilution that any one particular Shareholder will be subject to. All Shareholders should consider the dilution caused to their own shareholding depending on their specific circumstances.
7. This table does not set out any dilution pursuant to approvals under ASX Listing Rule 7.1.
8. The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.
9. The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 10% Placement Capacity, based on that Shareholder's holding at the date of the Meeting.

Shareholders should note that there is a risk that:

- (i) the market price for the Company's Shares may be significantly lower on the issue date than on the date of the Meeting; and
- (ii) the Shares may be issued at a price that is at a discount to the market price for those Shares on the date of issue.

(d) Purpose of Issue under 10% Placement Capacity

The Company may issue Equity Securities under the 10% Placement Capacity for the following purposes:

- (i) as cash consideration in which case the Company intends to use funds raised for the continued exploration expenditure on the Company's current assets, additional optimisation of feasibility study, ongoing project administration, acquisition of new resources, assets and investments (including expenses associated with such an acquisition) and general working capital; or
- (ii) as non-cash consideration for the acquisition of new resources assets and investments, in such circumstances the Company will provide a valuation of the non-cash consideration as required by listing Rule 7.1A.3.

The Company will comply with the disclosure obligations under Listing Rules 7.1A(4) and 3.10.5A upon issue of any Equity Securities.

(e) **Allocation policy under the 10% Placement Capacity**

The Company's allocation policy for the issue of Equity Securities under the 10% Placement Capacity will be dependent on the prevailing market conditions at the time of the proposed placement(s).

The recipients of the Equity Securities to be issued under the 10% Placement Capacity have not yet been determined. However, the recipients of Equity Securities could consist of current Shareholders or new investors (or both), none of whom will be related parties of the Company.

The Company will determine the recipients at the time of the issue under the 10% Placement Capacity, having regard to the following factors:

- (i) the purpose of the issue;
- (ii) alternative methods for raising funds available to the Company at that time, including, but not limited to, an entitlement issue or other offer where existing Shareholders may participate;
- (iii) the effect of the issue of the Equity Securities on the control of the Company;
- (iv) the circumstances of the Company, including, but not limited to, the financial position and solvency of the Company;
- (v) prevailing market conditions; and
- (vi) advice from corporate, financial and broking advisers (if applicable).

Further, if the Company is successful in acquiring new resources, assets or investments, it is likely that the recipients under the 10% Placement Capacity will be vendors of the new resources, assets or investments.

(f) **Previous approval under ASX Listing Rule 7.1A**

The Company previously obtained approval from its Shareholders pursuant to ASX Listing Rule 7.1A at its annual general meeting held on 22 November 2013 (**Previous Approval**).

The Company has not issued any Equity Securities pursuant to the Previous Approval.

During the 12 month period preceding the date of the Meeting, being on and from 21 November 2013, the Company will have otherwise issued a maximum of 118,773,779 Shares (pursuant to the rights issue announced on 16 September 2014) which represents approximately 28.52% of the total diluted number of Equity Securities on issue on 21 November 2013, which was 416,412,596. As at the date of this Notice of Meeting, the rights issue has not yet been completed. Accordingly, the number of Shares issued on completion of the rights issue may vary.

Further details of the issues of Equity Securities by the Company during the 12 month period preceding the date of the Meeting are set out in Schedule 3.

(g) **Compliance with ASX Listing Rules 7.1A.4 and 3.10.5A**

When the Company issues Equity Securities pursuant to the 10% Placement Capacity, it must give to ASX:

- (i) a list of the recipients of the Equity Securities and the number of Equity Securities issued to each (not for release to the market), in accordance with Listing Rule 7.1A.4; and
- (ii) the information required by Listing Rule 3.10.5A for release to the market.

6.4 Voting Exclusion

A voting exclusion statement is included in this Notice. As at the date of this Notice, the Company has not invited any existing Shareholder to participate in an issue of Equity Securities under ASX Listing Rule 7.1A. Therefore, no existing Shareholders will be excluded from voting on Resolution 6.

7. RESOLUTION 7 – RENEWAL OF PROPORTIONAL TAKEOVER PROVISIONS IN THE CONSTITUTION

7.1 General

Section 648G(1) of the Corporations Act provides that a company's proportional takeover approval provisions, unless sooner omitted from its constitution, cease to apply at the end of 3 years from adoption or renewal as appropriate unless otherwise specified.

When the provisions cease to apply the company's constitution is modified by omitting the provisions.

A company may renew its proportional takeover approval provisions in the same manner in which a company can modify its constitution (i.e. by special resolution of shareholders).

The Company's constitution (including the proportional takeover provisions set out in clause 35) was adopted on 24 November 2011. Accordingly the proportional takeover provisions included in the Constitution apply until 24 November 2014 unless sooner omitted or renewed.

Resolution 7 is a special resolution which will enable the Company to modify its Constitution by renewing clause 35 for a period of 3 years from the date of Shareholder approval. It is noted that Shareholder approval will not result in a change to the wording of clause 35.

The Company is permitted to seek further Shareholder approval to renew this clause for further periods of up to 3 years on each occasion.

A copy of the Proposed Constitution is available at the Company's registered office or can also be sent to Shareholders upon request to the Company Secretary (+61 8 9463 6651).

7.2 Proportional takeover provisions (clause 35 of Constitution)

(a) General

A proportional takeover bid is a takeover bid where the offer made to each shareholder is only for a proportion of that shareholder's shares.

The proportional takeover provisions set out in clause 35 of the Constitution provides that a proportional takeover bid for Shares may only proceed after the bid has been approved by a meeting of Shareholders held in accordance with the terms set out in the Corporations Act.

This clause will cease to have effect on the third anniversary of the date of the adoption of the last renewal of the clause.

(b) **Information required by section 648G of the Corporations Act**

(i) Effect of proportional takeover provisions

Where offers have been made under a proportional off-market bid in respect of a class of securities in a company, the registration of a transfer giving effect to a contract resulting from the acceptance of an offer made under such a proportional off-market bid is prohibited unless and until a resolution to approve the proportional off-market bid is passed or the deadline for obtaining such approval has passed.

(ii) Reasons for proportional takeover provisions

A proportional takeover bid may result in control of the Company changing without Shareholders having the opportunity to dispose of all their Shares. By making a partial bid, a bidder can obtain practical control of the Company by acquiring less than a majority interest. Shareholders are exposed to the risk of being left as a minority in the Company and the risk of the bidder being able to acquire control of the Company without payment of an adequate control premium. These amended provisions allow Shareholders to decide whether a proportional takeover bid is acceptable in principle, and assist in ensuring that any partial bid is appropriately priced.

(iii) Knowledge of any acquisition proposals

As at the date of this Notice, no Director is aware of any proposal by any person to acquire, or to increase the extent of, a substantial interest in the Company.

(iv) Advantages and disadvantages of proportional takeover provisions during the period in which they have been in effect

The Directors consider that the proportional takeover provisions had no advantages or disadvantages for them during the period in which they have been in effect.

The advantages and disadvantages of the proportional takeover provisions for Shareholders include those set out immediately below, which were applicable during the period in which they have been in effect.

(v) Potential advantages and disadvantages of proportional takeover provisions

The Directors consider that the proportional takeover provisions have no potential advantages or disadvantages for them and that they remain free to make a recommendation on whether an offer under a proportional takeover bid should be accepted.

The potential advantages of the proportional takeover provisions for Shareholders include:

- (A) the right to decide by majority vote whether an offer under a proportional takeover bid should proceed;
- (B) assisting in preventing Shareholders from being locked in as a minority;
- (C) increasing the bargaining power of Shareholders which may assist in ensuring that any proportional takeover bid is adequately priced; and

- (D) each individual Shareholder may better assess the likely outcome of the proportional takeover bid by knowing the view of the majority of Shareholders which may assist in deciding whether to accept or reject an offer under the takeover bid.

The potential disadvantages of the proportional takeover provisions for Shareholders include:

- (A) proportional takeover bids may be discouraged;
- (B) lost opportunity to sell a portion of their Shares at a premium; and
- (C) the likelihood of a proportional takeover bid succeeding may be reduced.

(c) **Recommendation of the Board**

The Directors do not believe the potential disadvantages outweigh the potential advantages of renewing the proportional takeover provisions and as a result consider that renewal of the proportional takeover provision set out in clause 35 of the Constitution is in the interest of Shareholders and unanimously recommend that Shareholders vote in favour of Resolution 7.

GLOSSARY

\$ means Australian dollars.

10% Placement Capacity has the meaning given in section 6.1 of the Explanatory Statement.

Annual General Meeting or Meeting means the meeting convened by the Notice.

ASIC means the Australian Securities & Investments Commission.

ASX means ASX Limited (ACN 008 624 691) or the financial market operated by ASX Limited, as the context requires.

ASX Listing Rules means the Listing Rules of ASX.

Board means the current board of directors of the Company.

Business Day means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day, and any other day that ASX declares is not a business day.

Chair means the chair of the Meeting.

Closely Related Party of a member of the Key Management Personnel means:

- (a) a spouse or child of the member;
- (b) a child of the member's spouse;
- (c) a dependent of the member or the member's spouse;
- (d) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealing with the entity;
- (e) a company the member controls; or
- (f) a person prescribed by the Corporations Regulations 2001 (Cth) for the purposes of the definition of 'closely related party' in the Corporations Act.

Company means Kasbah Resources Limited (ACN 116 931 705).

Constitution means the Company's constitution.

Corporations Act means the *Corporations Act 2001* (Cth).

Directors means the current directors of the Company.

Eligible Entity means an entity that, at the date of the relevant general meeting:

- (a) is not included in the S&P/ASX 300 Index; and
- (b) has a maximum market capitalisation (excluding restricted securities and securities quoted on a deferred settlement basis) of \$300,000,000.

Equity Securities includes a Share, a right to a Share or Option, an Option, a convertible security and any security that ASX decides to classify as an Equity Security.

Explanatory Statement means the explanatory statement accompanying the Notice.

Key Management Personnel has the same meaning as in the accounting standards issued by the Australian Accounting Standards Board and means those persons having authority and responsibility for planning, directing and controlling the activities of the Company, or if the Company is part of a consolidated entity, of the consolidated entity, directly or indirectly, including any director (whether executive or otherwise) of the Company, or if the Company is part of a consolidated entity, of an entity within the consolidated group.

Notice or **Notice of Meeting** means this notice of meeting including the Explanatory Statement and the Proxy Form.

Option means an option to acquire a Share.

Optionholder means a holder of an Option or Related Party Option as the context requires.

Ordinary Securities has the meaning set out in the ASX Listing Rules.

Proxy Form means the proxy form accompanying the Notice.

Related Party Option means an Option granted pursuant to Resolution 5 with the terms and conditions set out in Schedule 1.

Remuneration Report means the remuneration report set out in the Director's report section of the Company's annual financial report for the year ended 30 June 2014.

Resolutions means the resolutions set out in the Notice, or any one of them, as the context requires.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a registered holder of a Share.

Variable A means "A" as set out in the calculation in section 6.3 of the Explanatory Statement.

WST means Western Standard Time as observed in Perth, Western Australia.

SCHEDULE 1 – TERMS AND CONDITIONS OF RELATED PARTY OPTIONS

- (a) Each Option entitles the holder, when exercised, to subscribe for one fully paid ordinary share in the capital of the Company (**Share**) upon exercise of the Option.
- (b) Subject to paragraph (c), the Options are exercisable on or before 5:00pm (WST) on that date which is 3 years from the date of issue of the Options (**Expiry Date**) on the following basis:
 - (i) 250,000 Options are exercisable at any time on and from the date of issue of the Options; and
 - (ii) 250,000 Options are exercisable at any time on and from the date that is 12 months from the date of issue of the Options,

PROVIDED THAT in the event the holder ceases to be a director of the Company, those Options which have not yet vested at the date of termination of office (**Ceasing Date**) will automatically lapse and for those Options which have already vested but remain unexercised the holder will have a further 60 days from the Ceasing Date to exercise the Options after which they will automatically expire (**Exercise Period**).

- (c) An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.
- (d) In the event a Shareholder acquires a relevant interest in 50.1% or more of the voting shares of the Company, all Options (to the extent not already exercised or capable of exercise) shall vest and become capable of exercise at any time up to the Expiry Date.
- (e) Subject to paragraph (o), the exercise price for each Option shall be 150% of the 5 day volume weighted average price (**VWAP**) calculated up to the trading day immediately prior to the date of the Meeting (**Exercise Price**).
- (f) The Options held by the holder may be exercised in whole or in part, and if exercised in part, multiples of 100,000 must be exercised on each occasion.
- (g) The holder may exercise their Options during the Exercise Period by lodging with the Company:
 - (i) a written notice of exercise of Options specifying the number of Options being exercised; and
 - (ii) a cheque or electronic funds transfer for the Exercise Price for the number of Options being exercised;

(Exercise Notice).

- (h) An Exercise Notice is only effective when the Company has received the full amount of the Exercise Price for each Option being exercised in cleared funds.
- (i) Within 10 business days of receipt of the Exercise Notice accompanied by the Exercise Price, the Company will issue the number of Shares required under these terms and conditions in respect of the Options specified in the Exercise Notice.
- (j) The Options are not transferable.
- (k) An Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the Option can be exercised.
- (l) All Shares issued upon exercise of the Options will rank pari passu in all respects with the Company's then issued Shares. The Company will apply to the ASX for quotation of any Shares issued upon exercise of the Options within 10 business days after the date of issue of those Shares.
- (m) The Company will not apply for quotation of the Options on ASX.

- (n) There are no participating rights or entitlements inherent in the Options and the holder will not be entitled to participate in new issues of capital offered to shareholders during the currency of the Options without first exercising the Options.
- (o) In the event of any reconstruction (including consolidation, sub-division, reduction or return) of the issued capital of the Company prior to the Expiry Date, all rights of the holder will be varied in accordance with the ASX Listing Rules and the Corporations Act.

SCHEDULE 2 – VALUATION OF RELATED PARTY OPTIONS

The Related Party Options to be issued to Ms Gabrielle Moeller pursuant to Resolution 5 have been valued by internal management.

Using [the Black & Scholes option model and based on the assumptions set out below, the Related Party Options were ascribed the following value:

Assumptions:	
Valuation date	9 October 2014
Market price of Shares	6.9 cents
Exercise price	10.0 cents
Expiry date (length of time from issue)	3 years
Risk free interest rate	2.66%
Volatility (discount)	56.09%
Indicative value per Related Party Option	1.96 cents
Total Value of Related Party Options	\$9,820

Note: The valuation noted above is not necessarily the market price that the Related Party Options could be traded at and is not automatically the market price for taxation purposes.

SCHEDULE 3 – ISSUES OF EQUITY SECURITIES SINCE 21 NOVEMBER 2013

Date	Quantity	Class	Recipients	Issue price and discount to Market Price (if applicable) ¹	Form of consideration
Issue – 17 October 2014 Appendix 3B – 18 September 2014	Up to 118,773,779 ²	Shares ³	Existing Shareholders who subscribe for their entitlements under the rights issue made pursuant to the Offer Document dated 18 September 2014.	\$0.07 per Share (premium of 1.45%)	Cash Amount raised ² = up to \$8,314,165 Amount spent = \$Nil Amount remaining ² = up to \$8,314,165 Proposed use of remaining funds ^{2,4} : Funds raised from the rights issue will be applied towards Definitive Feasibility Study optimisation, resource development and additional exploration, project financing and process establishment costs, costs of the rights issue and for working capital purposes. Further details of the use of funds raised from the rights issue are set out in the Offer Document dated 18 September 2014.

Notes:

1. Market Price means the closing price on ASX (excluding special crossings, overnight sales and exchange traded option exercises). For the purposes of this table the discount/premium is calculated on the Market Price on the last trading day on which a sale was recorded prior to the date of this Notice of Meeting.
2. As at the date of this Notice of Meeting, the rights issue has not yet been completed. Accordingly, the number of Shares issued, and funds raised, on completion of the rights issue may vary.
3. Fully paid ordinary shares in the capital of the Company, ASX Code: KAS (terms are set out in the Constitution).
4. This is a statement of current intentions as at the date of this Notice. As with any budget, intervening events and new circumstances have the potential to affect the manner in which the funds are ultimately applied. The Board reserves the right to alter the way the funds are applied on this basis.

PROXY FORM

KASBAH RESOURCES LIMITED
ACN 116 931 705

ANNUAL GENERAL MEETING

I/We

of:

being a Shareholder entitled to attend and vote at the Meeting, hereby appoint:

Name:

OR: the Chair of the Meeting as my/our proxy.

or failing the person so named or, if no person is named, the Chair, or the Chair's nominee, to vote in accordance with the following directions, or, if no directions have been given, and subject to the relevant laws as the proxy sees fit, at the Meeting to be held at 10.00am (WST) on Friday, 21 November 2014 at Rothschilds Function Room, The Perth Zoo Conference Centre, 20 Labouchere Road, South Perth, WA 6151, and at any adjournment thereof.

AUTHORITY FOR CHAIR TO VOTE UNDIRECTED PROXIES ON REMUNERATION RELATED RESOLUTIONS

Where I/we have appointed the Chair as my/our proxy (or where the Chair becomes my/our proxy by default), I/we expressly authorise the Chair to exercise my/our proxy on Resolutions 1 and 5 (except where I/we have indicated a different voting intention below) even though Resolutions 1 and 5 are connected directly or indirectly with the remuneration of a member of the Key Management Personnel, which includes the Chair.

CHAIR'S VOTING INTENTION IN RELATION TO UNDIRECTED PROXIES

The Chair intends to vote undirected proxies in favour of all Resolutions. In exceptional circumstances the Chair may change his/her voting intention on any Resolution. In the event this occurs an ASX announcement will be made immediately disclosing the reasons for the change.

Voting on business of the Meeting		FOR	AGAINST	ABSTAIN
Resolution 1	Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Re-election of Director – Ms Gabrielle Moeller	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Re-election of Director – Dr Rod Marston	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Re-election of Director – Mr Gary Davison	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5	Issue of Options to Related Party – Ms Gabrielle Moeller	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6	Approval of 10% Placement Capacity	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 7	Renewal of Proportional Takeover Provisions in the Constitution	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

If two proxies are being appointed, the proportion of voting rights this proxy represents is: _____ %

Signature of Shareholder(s):

Individual or Shareholder 1

Sole Director/Company Secretary

Shareholder 2

Director

Shareholder 3

Director/Company Secretary

Date:

Contact name: _____

Contact Ph (daytime): _____

E-mail address: _____

Consent for contact by e-mail in relation to this Proxy Form: YES NO

Instructions for completing Proxy Form

1. **(Appointing a proxy):** A Shareholder entitled to attend and cast a vote at the Meeting is entitled to appoint a proxy to attend and vote on their behalf at the Meeting. If a Shareholder is entitled to cast 2 or more votes at the Meeting, the Shareholder may appoint a second proxy to attend and vote on their behalf at the Meeting. However, where both proxies attend the Meeting, voting may only be exercised on a poll. The appointment of a second proxy must be done on a separate copy of the Proxy Form. A Shareholder who appoints 2 proxies may specify the proportion or number of votes each proxy is appointed to exercise. If a Shareholder appoints 2 proxies and the appointments do not specify the proportion or number of the Shareholder's votes each proxy is appointed to exercise, each proxy may exercise one-half of the votes. Any fractions of votes resulting from the application of these principles will be disregarded. A duly appointed proxy need not be a Shareholder.
2. **(Direction to vote):** A Shareholder may direct a proxy how to vote by marking one of the boxes opposite each item of business. The direction may specify the proportion or number of votes that the proxy may exercise by writing the percentage or number of Shares next to the box marked for the relevant item of business. Where a box is not marked the proxy may vote as they choose subject to the relevant laws. Where more than one box is marked on an item the vote will be invalid on that item.
3. **(Signing instructions):**
 - **(Individual):** Where the holding is in one name, the Shareholder must sign.
 - **(Joint holding):** Where the holding is in more than one name, all of the Shareholders should sign.
 - **(Power of attorney):** If you have not already provided the power of attorney with the registry, please attach a certified photocopy of the power of attorney to this Proxy Form when you return it.
 - **(Companies):** Where the company has a sole director who is also the sole company secretary, that person must sign. Where the company (pursuant to Section 204A of the Corporations Act) does not have a company secretary, a sole director can also sign alone. Otherwise, a director jointly with either another director or a company secretary must sign. Please sign in the appropriate place to indicate the office held. In addition, if a representative of a company is appointed pursuant to Section 250D of the Corporations Act to attend the Meeting, the documentation evidencing such appointment should be produced prior to admission to the Meeting. A form of a certificate evidencing the appointment may be obtained from the Company.
4. **(Attending the Meeting):** Completion of a Proxy Form will not prevent individual Shareholders from attending the Meeting in person if they wish. Where a Shareholder completes and lodges a valid Proxy Form and attends the Meeting in person, then the proxy's authority to speak and vote for that Shareholder is suspended while the Shareholder is present at the Meeting.
5. **(Return of Proxy Form):** To vote by proxy, please complete and sign the enclosed Proxy Form and return by:
 - (a) post to Kasbah Resources Limited, PO Box 398, South Perth, Western Australia 6951; or
 - (b) facsimile to the Company on facsimile number +61 8 9463 6652; or
 - (c) email to the Company at admin@kasbahresources.com,so that it is received not less than 48 hours prior to commencement of the Meeting.

Proxy Forms received later than this time will be invalid.