



**29 July 2016**

**ASX CODE: KAS**

**OUR PRIME COMMODITY IS  
TIN**

**LME TIN PRICE (27/07/16)**

**US\$17,790 / t**

**(CASH BUYER)**

### **ABOUT KASBAH**

KASBAH IS AN AUSTRALIAN LISTED MINERAL EXPLORATION AND DEVELOPMENT COMPANY.

THE COMPANY (75%) AND IT'S JOINT VENTURE PARTNERS TOYOTA TSUSHO CORP (20%) AND NITTETSU MINING CO. (5%) ARE ADVANCING THE ACHMMACH TIN PROJECT IN THE KINGDOM OF MOROCCO TOWARDS PRODUCTION.

### **PROJECTS**

ACHMMACH TIN PROJECT  
BOU EL JAJ TIN PROJECT

### **CAPITAL STRUCTURE**

SHARES ON ISSUE:	556M
UNLISTED OPTIONS:	0.5M
CASH @ 30/06/16:	\$1.2M

### **MAJOR SHAREHOLDERS**

WORLD BANK (IFC)	17.7%
AFRICAN LION GROUP	15.7%
THAISARCO	5.6%
TRAXYS	5.3%

### **CONTACT US**

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## **JUNE 2016 QUARTERLY REPORT**



**Kasbah Resources Limited (ASX: KAS) is pleased to report its activities for the June 2016 Quarter. The highlights include:**

- The Small Start Option (SSO) definitive feasibility study is finished and should be released later today (see separate announcement).
- LME tin price rises from \$13,085 / t in January 2016 to trade above \$18,000 / t on Chinese restocking and further reductions in Indonesian tin exports.
- Cash position at 30 June is **\$1.2M**.
- Company remains in a Voluntary Suspension pending an announcement in regards to a potential material corporate transaction, on or before Monday 8 August 2016.

## JUNE QUARTERLY REPORT

Kasbah Resources Limited (Kasbah or the Company) is pleased to provide this update to the market.

### PROJECT DEVELOPMENT UPDATE

▪ **Achmmach Tin Project (75% Kasbah, 20% Toyota Tsusho Corp, 5% Nittetsu Mining Co. Ltd)**

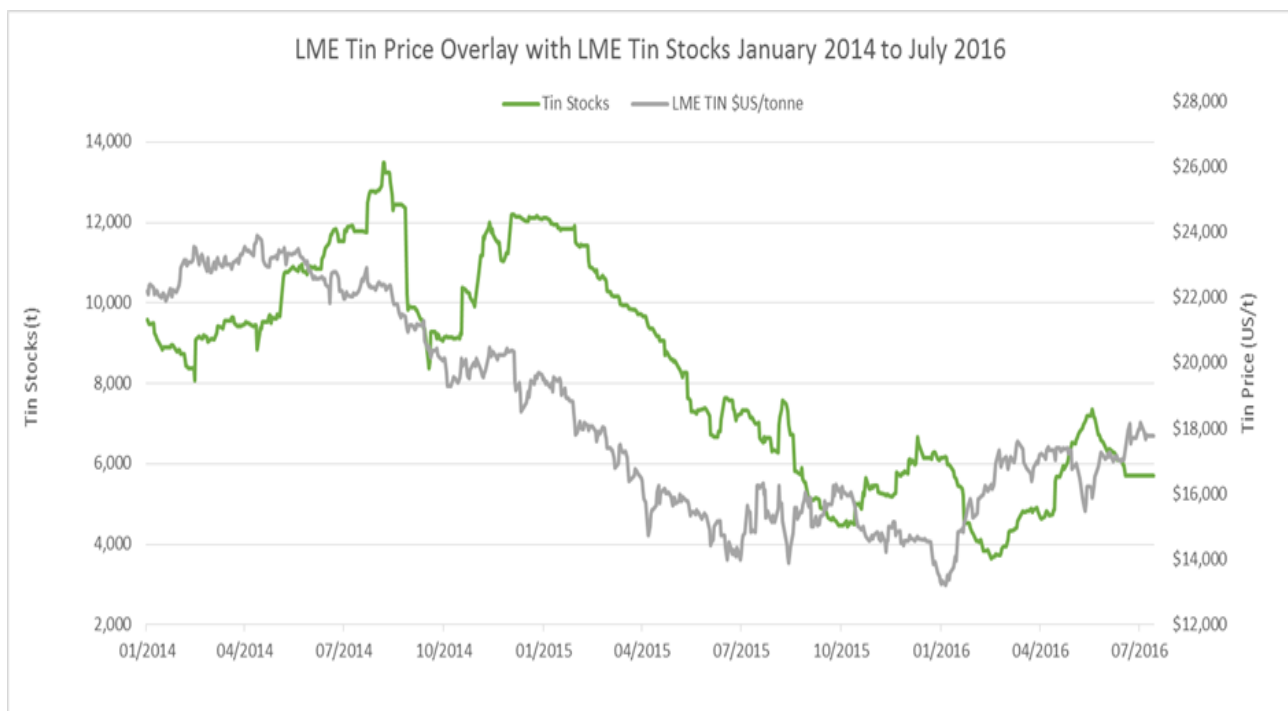
The definitive feasibility study (DFS) for the Small Start Option (SSO) at the Achmmach Tin Project was advanced during the quarter. Key items advanced during the quarter and finalised in late July included:

- Process design and capital cost estimate;
- Road works capital estimate;
- Site civils and earthworks capital estimate; and
- Structural steel supply and erection estimates.

The DFS, incorporating a new Ore Reserve has been completed and will be released today (refer separate announcement).

### TIN MARKET OVERVIEW

The persistent fall in LME tin price since 2014 appears to have found a bottom in January 2016. From this point onwards the LME tin price has rebounded strongly, peaking at \$18,195 / t on 15 July 2016.



**Figure 1: LME Tin Price vs. LME Tin stocks – Jan 2014 to July 2016**

Analysts' attribute this rebound in price to:

- renewed restocking of tin by Chinese end users;
- further reports of lower Indonesian tin exports;
- macro-economic news; and
- re-adjustment of investor portfolios.

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## EXPLORATION

Minimal exploration activities were undertaken during the quarter.

## CORPORATE

On 19 May 2016 the Company advised that the final USD 1 million instalment payment due under the Assignment Agreement dated 7 July 2011 for the Achmmach Tin Project permits has been made to the Office National Des Hydrocarbures et Des Mines (ONHYM). The final payment secures all of the mining permits associated with the Achmmach Tin Project.

On 21 July 2016 the Company made a request to the ASX for Voluntarily Suspension pending an announcement in relation to a potential material corporate transaction pertaining to the development of the Achmmach Tin Project. Negotiations are ongoing and the Company will be requesting to stay in voluntary suspension until it makes an announcement to the market, which is expected to occur on or before Monday 8 August 2016.

### ▪ Cash Reserves

Cash reserves at 30 June 2016 were **\$1.2M**.

## LOOKING FORWARD

Kasbah will release the 2016 Achmmach SSO DFS today.

For and on behalf of the Board



**Wayne Bramwell**  
**Managing Director**

For further information please go to:

Or email:

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## ABOUT KASBAH RESOURCES

*Kasbah Resources Limited (Kasbah) is an Australian 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. In response to a 25% fall in LME tin during 2015, the JV redesigned the project to reduce the scale, operating complexity and capital requirements. A positive pre-feasibility study (PFS) for the development of a 2 staged, lower throughput, lower capital cost 500,000 tpa underground mine, concentrator and associated infrastructure at Achmmach was completed in February 2016 with the JV partners endorsing the commencement of a definitive feasibility study (DFS).*

- **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

## FARM-IN / FARM OUT AGREEMENT CHANGES

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

**INTERESTS IN MINING TENEMENTS**

Project	Permit Type	Permit Number	Registered Interest
Achmmach	PE	2912	75%*
	PE	193172	75%*
Bou El Jaj	PE	213172	100%
	PE	193313	100%
Tamlalt	PE	223197	100%
	PE	223198	100%
	PE	223199	100%
	PE	223200	100%
	PE	223201	100%
	PE	223202	100%
	PE	223203	100%
	PE	223204	100%
Ezzhiliga (Zaer)	PR	2137996	100%
	PR	2137997	100%
	PR	2137998	100%
	PR	2137999	100%
	PR	2138023	100%
Ment	PR	1939809	100%
	PR	1939821	100%
	PR	1939822	100%
	PR	2138097	100%
	PR	2138098	100%
	PR	2138099	100%
	PR	2138100	100%
	PR	1940002	100%
	PR	1940003	100%
	PR	1940004	100%
	PR	1940082	100%
	PR	1940095	100%
	PR	1940099	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 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

Name of entity

<b>KASBAH RESOURCES LIMITED</b>
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ABN

78 116 931 705
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Quarter ended ("current quarter")

30 JUNE 2016
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### Consolidated statement of cash flows

	Current quarter \$A'000	Year to date (12 months) \$A'000
<b>Cash flows related to operating activities</b>		
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for		
(a) exploration & evaluation	(506)	(2,164)
(b) development	-	-
(c) production	-	-
(d) administration	(394)	(1,394)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	10	53
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other	-	-
<b>Net Operating Cash Flows</b>	<b>(890)</b>	<b>(3,505)</b>
<b>Cash flows related to investing activities</b>		
1.8 Payment for purchases of:		
(a) prospects	(1,337)	(1,337)
(b) equity investments	-	-
(c) other fixed assets	-	(5)
1.9 Proceeds from sale of:		
(a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	1	1
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other – Payment / refund for security deposits & bonds	1,337	1,381
<b>Net investing cash flows</b>	<b>1</b>	<b>40</b>
1.13 Total operating and investing cash flows (carried forward)	<b>(889)</b>	<b>(3,465)</b>

+ See chapter 19 for defined terms.

**Appendix 5B**  
**Mining exploration entity quarterly report**

1.13	Total operating and investing cash flows (brought forward)	(889)	(3,465)
	<b>Cash flows related to financing activities</b>		
1.14	Proceeds from issues of shares, options, etc.	-	-
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19A	Other – Transactions with non-controlling interests	124	650
1.19B	Other – Share issues costs	(22)	(119)
	<b>Net financing cash flows</b>	102	531
	<b>Net increase (decrease) in cash held</b>	(787)	(2,934)
1.20	Cash at beginning of quarter/year to date	1,944	4,087
1.21	Exchange rate adjustments to item 1.20	14	18
1.22	<b>Cash at end of quarter</b>	1,171	1,171

**Payments to directors of the entity and associates of the directors**

**Payments to related entities of the entity and associates of the related entities**

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	105
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

Details of Items 1.8(a) and 1.12(a): Payment of US\$1 million (A\$1.337m) was made during the quarter to ONHYM as the final instalment for the Achmmach Tin Project. Payment was made through the release of a US\$1 million (A\$1.337m) bank guarantee held in Morocco.

Details of Item 1.19A above “Other - Transactions with non-controlling interests”:  
Cash call funds received from Toyota Tsusho Corporation and Nittetsu Mining Co Ltd in relation to their share of costs for the Achmmach Tin Project in Morocco (75% Kasbah Resources Limited, 20% Toyota Tsusho Corporation and 5% Nittetsu Mining Co Ltd).

**Non-cash financing and investing activities**

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

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2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

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+ See chapter 19 for defined terms.

**Financing facilities available**

*Add notes as necessary for an understanding of the position.*

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	Nil	Nil
3.2 Credit standby arrangements	Nil	Nil

**Estimated cash outflows for next quarter**

	\$A'000
4.1 Exploration and evaluation	475
4.2 Development	-
4.3 Production	-
4.4 Administration	308
<b>Total</b>	<b>783</b>

**Reconciliation of cash**

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	224	315
5.2 Deposits at call	645	1,210
5.3 Bank overdraft	-	-
5.4 Other (provide details) - Cash held in Morocco	302	419
<b>Total: cash at end of quarter</b> (item 1.22)	<b>1,171</b>	<b>1,944</b>

+ See chapter 19 for defined terms.



**Appendix 5B**  
**Mining exploration entity quarterly report**

**Changes in interests in mining tenements**

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements relinquished, reduced or lapsed			
6.2	Interests in mining tenements acquired or increased			

**Issued and quoted securities at end of current quarter**

*Description includes rate of interest and any redemption or conversion rights together with prices and dates.*

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1	<b>Preference securities</b> <i>(description)</i>			
7.2		Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions		
7.3	<b>+Ordinary securities</b>	556,005,435	556,005,435	
7.4		Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs		
7.5	<b>+Convertible debt securities</b> <i>(description)</i>			
7.6		Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted		

+ See chapter 19 for defined terms.

**Appendix 5B**  
**Mining exploration entity quarterly report**

7.7	<b>Options</b> <i>(description and conversion factor)</i> KASAAF			<i>Exercise price</i>	<i>Expiry Date</i>
		500,000	-	\$0.12	27 November 2017
7.8	Issued during quarter				
7.9	Exercised during quarter				
7.10	Expired during quarter				
7.11	<b>Debentures</b> <i>(totals only)</i>				
7.12	<b>Unsecured notes</b> <i>(totals only)</i>				

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+ See chapter 19 for defined terms.

## Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 5).
- 2 This statement does give a true and fair view of the matters disclosed.



Sign here: \_\_\_\_\_ Date: 29 July 2016  
Chief Financial Officer / Company Secretary

Print name: Trevor O'Connor

## 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 wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 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.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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