

---

## **KASBAH RESOURCES LIMITED**

**ACN 116 931 705**

## **NOTICE OF ANNUAL GENERAL MEETING**

---

**TIME:** 10:00 am (WST)

**DATE:** 26 November 2010

**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 PAGE**

---

Notice of Annual General Meeting (setting out the proposed resolutions)	3
Explanatory Statement (explaining the proposed resolutions)	7
Glossary	12
Schedule 1 – Terms and conditions of Employee Share Option Plan	13

---

**TIME AND PLACE OF MEETING AND HOW TO VOTE**

---

**VENUE**

---

The Annual General Meeting of the Shareholders, to which this Notice of Meeting relates, will be held at 10:00 am (WST) on 26 November 2010 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 Annual General Meeting affects your shareholding and your vote is important.

**VOTING IN PERSON**

---

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

**VOTING BY PROXY**

---

To vote by proxy, please complete and sign the enclosed Proxy Form and return by:

- (a) post to the Company's share registry; Computershare Investor Services Pty Limited, GPO Box 242 Melbourne, Victoria 3001;
- (b) facsimile to; Computershare Investor Services Pty Ltd on facsimile number 1800 783 447 (within Australia) or +61 3 9473 2555 (outside Australia);

so that it is received not later than 10:00 am (WST) on 24 November 2010.

**Proxy Forms received later than this time will be deemed invalid.**

---

## NOTICE OF ANNUAL GENERAL MEETING

---

Notice is given that the Annual General Meeting of Shareholders will be held at 10:00 am (WST) on 26 November 2010 at Rothschild's Function Room, The Perth Zoo Conference Centre, 20 Labouchere Road, South Perth, Western Australia.

The Explanatory Statement to this Notice of Meeting provides additional information on matters to be considered at the Annual General Meeting. The Explanatory Statement and the Proxy Form are part of this Notice of Meeting.

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Annual General Meeting are those who are registered Shareholders of the Company at 4:00 pm (WST) on 24 November 2010.

Terms and abbreviations used in this Notice of Meeting and Explanatory Statement are defined in the Glossary.

### AGENDA

---

#### ORDINARY BUSINESS

##### Financial Statements and Reports

To receive and consider the annual financial report of the Company for the financial year ended 30 June 2010, together with the declaration of the directors, the directors' report, the remuneration report and the auditor's report.

---

#### 1. 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 purpose 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 2010.”*

---

#### 2. RESOLUTION 2 – RE-ELECTION OF DIRECTOR: DR RODNEY MARSTON

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

*“That, for the purposes of clause 13.2 of the Constitution and for all other purposes, Dr Rodney Marston, a Director who retires by rotation, and being eligible, is re-elected as a Director.”*

---

#### 3. RESOLUTION 3 – RE-ELECTION OF DIRECTOR: DR ROBERT WEINBERG

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

*“That, for the purposes of clause 13.2 of the Constitution and for all other purposes, Dr Robert Weinberg, a Director who retires by rotation, and being eligible, is re-elected as a Director.”*

---

4. **RESOLUTION 4 – RE-ELECTION OF DIRECTOR: MR DAVID SPRATT**

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

*“That, for the purposes of clause 13.4 of the Constitution and for all other purposes, Mr David Spratt, who was appointed a Director of the Company on 2 August 2010 and who retires, and being eligible, is re-elected as a Director.”*

---

5. **RESOLUTION 5 – RATIFICATION OF PRIOR ISSUE OF SHARES**

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

*“That, for the purpose of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the allotment and issue of 35,000,000 Shares on the terms and conditions set out in the Explanatory Statement.”*

**Voting Exclusion:** The Company will disregard any votes cast on this Resolution by a person who participated in the issue 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.

---

6. **RESOLUTION 6 – PLACEMENT OF SHARES**

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

*“That, for the purpose of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Directors to allot and issue up to 52,500,000 Shares 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 proposed issue and a person who might obtain a benefit; except a benefit solely in the capacity of a holder of ordinary securities, and any associates of those persons. 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.

---

7. **RESOLUTION 7 – PARTICIPATION OF DIRECTOR IN PLACEMENT: MR WAYNE BRAMWELL**

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

*“That, for the purpose of ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to allot and issue up to 62,500 Shares to Mr Wayne Bramwell (or his nominee) on the terms and conditions set out in the Explanatory Statement.”*

**Voting Exclusion:** The Company will disregard any votes cast on this Resolution by Mr Wayne Bramwell (or his nominee) or any of his 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.

---

8. **RESOLUTION 8 – PARTICIPATION OF DIRECTOR IN PLACEMENT: DR RODNEY 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 ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to allot and issue up to 83,333 Shares to Dr Rodney Marston (or his nominee) on the terms and conditions set out in the Explanatory Statement.”*

**Voting Exclusion:** The Company will disregard any votes cast on this Resolution by Dr Rodney Marston (or his nominee) or any of his 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.

---

9. **RESOLUTION 9 – PARTICIPATION OF DIRECTOR IN PLACEMENT: MR DAVID SPRATT**

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

*“That, for the purpose of ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to allot and issue up to 112,500 Shares to Mr David Spratt (or his nominee) on the terms and conditions set out in the Explanatory Statement.”*

**Voting Exclusion:** The Company will disregard any votes cast on this Resolution by Mr David Spratt (or his nominee) or any of his 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.

---

10. **RESOLUTION 10 – APPROVAL OF EMPLOYEE SHARE OPTION PLAN**

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

*“That, for the purposes of ASX Listing Rule 7.2 (Exception 9) and for all other purposes, approval is given for the Company to adopt the Employee Share Option Plan on the terms and conditions set out in the Explanatory Statement.”*

**Short Explanation:** An employee share option plan (**ESOP**) is a means of rewarding employees for their ongoing service and commitment to the Company. Please refer to the Explanatory Statement for details.

**Voting Exclusion:** The Company will disregard any votes cast on this Resolution by any Director, other than any Directors who are ineligible to participate in the Employee Share Option Plan, and any associates of those Directors. 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.

---

**DATED: 21 OCTOBER 2010**

**BY ORDER OF THE BOARD**

A handwritten signature in blue ink, appearing to read 'T. Hart', with a large, stylized flourish extending to the right.

**TREVOR HART  
KASBAH RESOURCES LIMITED  
COMPANY SECRETARY**

---

## **EXPLANATORY STATEMENT**

---

This Explanatory Statement has been prepared for the information of the Shareholders in connection with the business to be conducted at the Annual General Meeting to be held at 10:00 am (WST) on 26 November 2010 at Rothschild's Function Room, The Perth Zoo Conference Centre, 20 Labouchere Road, South Perth, Western Australia.

The purpose of this Explanatory Statement is to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions in the Notice of Meeting.

---

### **1. FINANCIAL STATEMENTS AND REPORTS**

In accordance with the Constitution, the business of the Annual General Meeting will include receipt and consideration of the annual financial report of the Company for the financial year ended 30 June 2010, together with the declaration of the directors, the directors' report, the remuneration report and the auditor's report.

In accordance with amendments to the Corporations Act, the Company is no longer required to provide a hard copy of the Company's annual financial report to Shareholders unless a Shareholder has specifically elected to receive a printed copy. These amendments may result in reducing the Company's printing costs.

Whilst the Company will not provide a hard copy of the Company's annual financial report unless specifically requested to do so, Shareholders may view the Company's annual financial report on its website at [www.kasbahresources.com](http://www.kasbahresources.com).

---

### **2. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT**

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 Directors or 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 the financial year ending 30 June 2010.

A reasonable opportunity will be provided for discussion of the remuneration report at the Annual General Meeting.

---

### **3. RESOLUTIONS 2 AND 3 – RE-ELECTION OF DIRECTORS**

#### **3.1 General**

Clause 13.2 of the Constitution requires that if the Company has three or more Directors, one third (or the number nearest one-third rounded upwards in case of doubt) of those Directors must retire at each annual general meeting, 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.

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.

A Director who retires by rotation under clause 13.2 of the Constitution is eligible for re-election. The Company currently has five Directors and accordingly two must retire.

Dr Rodney Marston and Dr Robert Weinberg, who have been the longest in office since their last election, retire by rotation and are seeking re-election.

---

4. **RESOLUTION 4 – RE-ELECTION OF DIRECTOR: MR DAVID SPRATT**

Clause 13.4 of the Constitution allows the Directors to appoint at any time a person to be a Director 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.

Any Director so appointed holds office only until the next annual general meeting and is then eligible for re-election.

Mr David Spratt will retire in accordance with clause 13.4 of the Constitution and being eligible seeks re-election.

---

5. **RESOLUTION 5 – RATIFICATION OF PRIOR ISSUE: SHARES**

5.1 **General**

On or about 28 October 2010, the Company will issue 35,000,000 Shares as consideration for \$8,400,000.

The subscribers pursuant to this issue will not be a related party of the Company.

Resolution 5 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of those Shares (**Share Ratification**).

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more equity securities during any 12 month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period.

ASX Listing Rule 7.4 sets out an exception to ASX Listing Rule 7.1. It provides that where a company in general meeting ratifies the previous issue of securities made pursuant to ASX Listing Rule 7.1 (and provided that the previous issue did not breach ASX Listing Rule 7.1) those securities will be deemed to have been made with shareholder approval for the purpose of ASX Listing Rule 7.1.

By ratifying this issue, the Company will retain the flexibility to issue equity securities in the future up to the 15% annual placement capacity set out in ASX Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

5.2 **Technical information required by ASX Listing Rule 7.4**

Pursuant to, and in accordance with, ASX Listing Rule 7.5, the following information is provided in relation to the Share Ratification:

- (a) 35,000,000 Shares will be allotted;
- (b) the issue price will be \$0.24 per Share;
- (c) the Shares issued will be all fully paid ordinary shares in the capital of the Company, issued on the same terms and conditions as the Company's existing Shares;
- (d) the Shares will be allotted and issued predominately to sophisticated and professional investor clients of Hartleys Limited; and
- (e) the funds raised from this issue will be used for the funding of an accelerated exploration and development programme at the Company's Achmmach Tin Project in Morocco.



---

## 6. RESOLUTION 6 – PLACEMENT: SHARES

### 6.1 General

Resolution 6 seeks Shareholder approval for the allotment and issue of up to 52,500,000 Shares at an issue price of \$0.24 per Share to raise up to \$12,600,000 (**Share Placement**).

A summary of ASX Listing Rule 7.1 is set out in Section 5.1 above.

The effect of Resolution 6 will be to allow the Directors to issue the Shares pursuant to the Share Placement during the period of 3 months after the Meeting (or a longer period, if allowed by ASX), without using the Company's 15% annual placement capacity.

### 6.2 Technical information required by ASX Listing Rule 7.1

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to the Share Placement:

- (a) the maximum number of Shares to be issued is 52,500,000;
- (b) the Shares will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that allotment will occur on the same date;
- (c) the issue price will be \$0.24 per Share;
- (d) the Shares will be allotted and issued predominately to sophisticated and professional investor clients of Hartleys Limited, African Lion Fund and International Finance Corporation. No other participants will have a substantial shareholding in the Company after the Placement;
- (e) the Shares issued will be fully paid ordinary shares in the capital of the Company, issued on the same terms and conditions as the Company's existing Shares; and
- (f) the Company intends to use the funds raised from the Share Placement towards the funding of an accelerated exploration and development programme at the Company's Achmmach Tin Project in Morocco.

---

## 7. RESOLUTIONS 7 TO 9 – PARTICIPATION OF RELATED PARTIES IN SHARE PLACEMENT

### 7.1 General

Resolutions 7 to 9 seek Shareholder approval for the issue of Shares to Mr Wayne Bramwell, Dr Rodney Marston and Mr David Spratt (together the **Participants**) on the same terms as those Shares issued under the Share Placement (refer to Resolution 6).

Mr Wayne Bramwell, Dr Rodney Marston and Mr David Spratt are related parties of the Company by virtue of being Directors of the Company.

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.

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.

The issue of Shares to the Participants requires the Company to obtain Shareholder approval because it will result in the Company issuing Shares to a related party of the Company and it is the view of the Directors that the exceptions set out in ASX Listing Rule 10.12 do not apply in the current circumstances.

The Directors consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the participation in the Share Placement by the Participants as the Shares will be issued to the related parties on the same terms as non-related party participants in the Share Placement (refer to Resolution 6) and as such the giving of the financial benefit is on arm's length terms.

## 7.2 ASX Listing Rules

Pursuant to, and in accordance with, ASX Listing Rule 10.13, the following information is provided in relation to Resolutions 7 to 9:

- (a) the maximum number of Shares subscribed for will be:
  - (i) Mr Wayne Bramwell – 62,500 Shares;
  - (ii) Dr Rodney Marston – 83,333 Shares; and
  - (iii) Mr David Spratt – 112,500 Shares;
- (b) the Shares will be issued at an issue price of \$0.24 each (the same issue price as all other Shares to be issued under the Share Placement);
- (c) the Shares will be issued to the Participants no later than one month after the date of the General Meeting (or such later date as permitted by any ASX waiver or modification of the ASX Listing Rules) and it is anticipated that the Shares will be issued on one date;
- (d) the Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares; and
- (e) the funds raised from the subscription for Shares by the Participants will be used for the same purposes as all other funds raised from the Share Placement (as set out in Section 6.2(f)).

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

---

## 8. RESOLUTION 10 – APPROVAL OF EMPLOYEE SHARE OPTION PLAN

ASX Listing Rule 7.1 requires a listed company to obtain shareholder approval prior to the issue of shares, or securities convertible into shares, representing more than 15% of the issued capital of that company in any rolling 12 month period.

An exception to ASX Listing Rule 7.1 is set out in ASX Listing Rule 7.2 (Exception 9) which provides that issues under an employee incentive plan are exempt for a period of 3 years from the date on which shareholders approve the issue of securities under the plan as an exception to ASX Listing Rule 7.1.

Resolution 10 seeks Shareholder approval for the adoption of the Employee Share Option Plan (**ESOP**) in accordance with Exception 9 of ASX Listing Rule 7.2.

If Resolution 10 is passed, the Company will be able to issue Options under the ESOP without impacting on the Company's ability to issue up to 15% of its total ordinary securities without Shareholder approval in any 12 month period.

Shareholders should note that no Options have previously been issued under this ESOP and the objective of the ESOP is to attract, motivate and retain key employees.

It is considered by the Directors that the adoption of the ESOP and the future grant of Options under the ESOP will provide selected employees with the opportunity to participate in the future growth of the Company.

A summary of the terms and conditions of the ESOP is set out in Schedule 1.

---

**9. ENQUIRIES**

Shareholders are required to contact Trevor Hart on (+ 61 8) 9463 6651 if they have any queries in respect of the matters set out in these documents.

---

## GLOSSARY

---

**\$** means Australian dollars.

**Annual General Meeting** means the meeting convened by the Notice of Meeting.

**ASX** means ASX Limited or the Australian Securities Exchange, as the context requires.

**ASX Listing Rules** means the Listing Rules of ASX.

**Board** means the current board of directors of the Company.

**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.

**Employee** means an employee of the Company.

**ESOP** or **Employee Share Option Plan** has the meaning given to it in section 8 of the Explanatory Statement.

**Explanatory Statement** means the explanatory statement accompanying the Notice of Meeting.

**Notice of Meeting** or **Notice of Annual General Meeting** means this notice of annual general meeting including the Explanatory Statement.

**Option** means an option to acquire a Share with the terms and conditions set out in Schedule 1.

**Participants** has the meaning given to it in section 7.1 of the Explanatory Statement.

**Proxy Form** means the proxy form accompanying the Notice.

**Resolutions** means the resolutions set out in the Notice of Meeting, 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 holder of a Share.

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

---

## SCHEDULE 1 – TERMS AND CONDITIONS OF EMPLOYEE SHARE OPTION PLAN

---

The key terms of the Employee Share Option Plan referred to in Resolution 10 are summarised below:

- (a) **Eligibility and Grant of Options:** The Board may grant Options to any full or part time employee or Director of the Company or an associated body corporate. Options may be granted by the Board at any time.
- (b) **Consideration:** Each Option issued under the Plan will be issued for nil cash consideration.
- (c) **Conversion:** Each Option is exercisable into one Share in the Company ranking equally in all respect with the existing issued Shares in the Company.
- (d) **Exercise Price and Expiry Date:** The exercise price and expiry date for Options granted under the Plan will be determined by the Board prior to the grant of the Options.
- (e) **Exercise Restrictions:** The Options granted under the Plan may be subject to conditions on exercise as may be fixed by the Directors prior to grant of the Options (**Exercise Conditions**). Any restrictions imposed by the Directors must be set out in the offer for the Options.
- (f) **Lapsing of Options:** An unexercised Option will lapse:
  - (i) on its Expiry Date;
  - (ii) if any Exercise Condition is unable to be met; and
  - (iii) subject to certain exceptions, on the eligible participant ceasing employment with the Company.
- (g) **Share Restriction Period:** Shares issued on the exercise of Options may be subject to a restriction that they may not be transferred or otherwise dealt with until a Restriction Period has expired, as specified in the offer for the Options.
- (h) **Disposal of Options:** Options will not be transferable and will not be quoted on the ASX, unless the offer provides otherwise or the Board in its absolute discretion approves.
- (i) **Trigger Events:** The Company may permit Options to be exercised in certain circumstances where there is a change in control of the Company (including by takeover) or entry into a scheme of arrangement.
- (j) **Participation in Rights Issues and Bonus Issues:**
  - (i) There are no participating rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options.
  - (ii) The Company will ensure that for the purposes of determining entitlements to any such issue, the record date will be at least six (6) Business Days after the issue is announced. This will give Option holders the opportunity to exercise their Options prior to the date for determining entitlements to participate in any such issue.
  - (iii) If the Company makes a pro rata issue of securities (except a bonus issue) to the holders of Shares (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment) the Option

Exercise Price shall be reduced according to the formula specified in the Listing Rules.

(iv) In the event of a bonus issue of Shares being made pro-rata to Shareholders, (other than an issue in lieu of dividends), the number of Shares issued on exercise of each Option will include the number of bonus Shares that would have been issued if the Option had been exercised prior to the record date for the bonus issue. No adjustment will be made to the exercise price per Share of the Option.

(k) **Reorganisation:** The terms upon which Options will be granted will not prevent the Options being re-organised as required by the Listing Rules on the re-organisation of the capital of the Company.

(l) **Limitations on Offers:** The Company must take reasonable steps to ensure that the number of Shares to be received on exercise of Options offered under an offer when aggregated with:

(i) the number of Shares that would be issued if each outstanding offer for Shares, units of Shares or options to acquire Shares under the Plan or any other employee share scheme of the Company were to be exercised or accepted; and

(ii) the number of Shares issued during the previous 5 years from the exercise of Options issued under the Plan (or any other employee share plan of the Company extended only to Eligible Participants);

does not exceed 5% of the total number of Shares on issue at the time of an offer (but disregarding any offer of Shares or option to acquire Shares) that can be disregarded in accordance with ASIC Class Order 03/184.

## Lodge your vote:



### By Mail:

Computershare Investor Services Pty Limited  
GPO Box 242 Melbourne  
Victoria 3001 Australia

Alternatively you can fax your form to  
(within Australia) 1800 783 447  
(outside Australia) +61 3 9473 2555


For Intermediary Online subscribers only  
(custodians) [www.intermediaryonline.com](http://www.intermediaryonline.com)

### For all enquiries call:

(within Australia) 1300 850 505  
(outside Australia) +61 3 9415 4000

000001 000 KAS  
MR SAM SAMPLE  
FLAT 123  
123 SAMPLE STREET  
THE SAMPLE HILL  
SAMPLE ESTATE  
SAMPLEVILLE VIC 3030

## Proxy Form

 For your vote to be effective it must be received by 10:00am (WST) Wednesday 24 November 2010

### How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

#### Appointment of Proxy

**Voting 100% of your holding:** Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote as they choose. If you mark more than one box on an item your vote will be invalid on that item.

**Voting a portion of your holding:** Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

**Appointing a second proxy:** You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

**A proxy need not be a securityholder of the Company.**

### Signing Instructions

**Individual:** Where the holding is in one name, the securityholder must sign.

**Joint Holding:** Where the holding is in more than one name, all of the securityholders should sign.

**Power of Attorney:** If you have not already lodged the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

**Companies:** Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held. Delete titles as applicable.

### Attending the Meeting

Bring this form to assist registration. If a representative of a corporate securityholder or proxy is to attend the meeting you will need to provide the appropriate "Certificate of Appointment of Corporate Representative" prior to admission. A form of the certificate may be obtained from Computershare or online at [www.investorcentre.com](http://www.investorcentre.com) under the information tab, "Downloadable Forms".

**Comments & Questions:** If you have any comments or questions for the company, please write them on a separate sheet of paper and return with this form.

**Turn over to complete the form** →



View your annual report:

[www.kasbahresources.com](http://www.kasbahresources.com)

Update your securityholding, 24 hours a day, 7 days a week:

[www.investorcentre.com](http://www.investorcentre.com)

Your secure access information is: SRN/HIN: I999999999



**PLEASE NOTE:** For security reasons it is important that you keep your SRN/HIN confidential.

MR SAM SAMPLE  
 FLAT 123  
 123 SAMPLE STREET  
 THE SAMPLE HILL  
 SAMPLE ESTATE  
 SAMPLEVILLE VIC 3030

**Change of address.** If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.



I 9999999999

I ND

# Proxy Form

Please mark  to indicate your directions

## STEP 1 Appoint a Proxy to Vote on Your Behalf

XX

I/We being a member/s of Kasbah Resources Limited hereby appoint

the Chairman of the meeting OR

**PLEASE NOTE:** Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, as the proxy sees fit) at the Annual General Meeting of Kasbah Resources Limited to be held at Rothschild's Function Room, The Perth Zoo Conference Centre, 20 Labouchere Road, South Perth Western Australia on Friday, 26 November 2010 at 10:00am (WST) and at any adjournment of that meeting.

## STEP 2 Items of Business

**PLEASE NOTE:** If you mark the **Abstain** box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

		For	Against	Abstain
Resolution 1	Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Re-election of Director - Dr Rodney Marston	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Re-election of Director - Dr Robert Weinberg	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Re-election of Director - Mr David Spratt	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5	Ratification of prior issue of Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6	Placement of Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 7	Participation of Director in Placement - Mr Wayne Bramwell	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 8	Participation of Director in Placement - Dr Rodney Marston	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 9	Participation of Director in Placement - Mr David Spratt	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 10	Approval of Employee Share Option Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business.

## SIGN Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

Contact Name \_\_\_\_\_

Contact Daytime Telephone \_\_\_\_\_

Date \_\_\_\_/\_\_\_\_/\_\_\_\_