

# Appendix 5B

## Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001.

Name of entity

|                                 |
|---------------------------------|
| <b>KASBAH RESOURCES LIMITED</b> |
|---------------------------------|

ABN

|                |
|----------------|
| 78 116 931 705 |
|----------------|

Quarter ended ("current quarter")

|               |
|---------------|
| DECEMBER 2008 |
|---------------|

### Consolidated statement of cash flows

|   | Current quarter<br>\$A'000 | Year to date<br>(12 months)<br>\$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 and evaluation                 | (548)                      | (1,186)                                |
| (b) development   | (52)                       | (87)                                   |
| (c) production  |                            |  |
| (d) administration  | (410)                      | (743)                                  |
| 1.3 Dividends received  |                            |  |
| 1.4 Interest and other items of a similar nature received       | 85                         | 182                                    |
| 1.5 Interest and other costs of finance paid                    | -                          | -                                      |
| 1.6 Income taxes paid   | -                          | -                                      |
| 1.7 Other (provide details if material)                         | -                          | -                                      |
| <b>Net Operating Cash Flows</b>                                 | <b>(925)</b>               | <b>(1,834)</b>                         |
| <b>Cash flows related to investing activities</b>               |                            |  |
| 1.8 Payment for purchases of: (a)prospects                      |                            |  |
| (b)equity investments   |                            |  |
| (c) other fixed assets  | (8)                        | (33)                                   |
| 1.9 Proceeds from sale of: (a)prospects                         |                            |  |
| (b)equity investments   |                            |  |
| (c)other fixed assets   |                            |  |
| 1.10 Loans to other entities/subsidiaries                       |                            |  |
| 1.11 Loans repaid by other entities                             |                            |  |
| 1.12 Other (provide details if material)                        |                            |  |
| <b>Net investing cash flows</b>                                 | <b>(8)</b>                 | <b>(33)</b>                            |
| 1.13 Total operating and investing cash flows (carried forward) | (933)                      | (1,867)                                |

+ See chapter 19 for defined terms.

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|   |  |              |              |
|---|--|--------------|--------------|
| 1.13  | Total operating and investing cash flows (brought forward) | (933)        | (1,867)      |
| <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   |              |              |
| 1.19  | Other - Share issue costs                                  |              |              |
|   | <b>Net financing cash flows</b>                            | -            | -            |
|   | <b>Net increase (decrease) in cash held</b>                | (933)        | (1,867)      |
| 1.20  | Cash at beginning of quarter/year to date                  | 5,739        | 6,673        |
| 1.21  | Exchange rate adjustments to item 1.20                     | -            | -            |
| 1.22  | <b>Cash at end of quarter</b>                              | <b>4,806</b> | <b>4,806</b> |

**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<br>\$A'000 |
|-----|--|----------------------------|
| 1.2 | Aggregate amount of payments to the parties included in item 1.2 | 63                         |
| 1.2 | Aggregate amount of loans to the parties included in item 1.10   | -                          |

1.2 Explanation necessary for an understanding of the transactions

Nil

**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

Nil

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

Nil

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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<br>\$A'000 | Amount used<br>\$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 | 374        |
| 4.2 Development                | 315        |
| <b>Total</b>                   | <b>689</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<br>\$A'000 | Previous quarter<br>\$A'000 |
|--|----------------------------|-----------------------------|
| 5.1 Cash on hand and at bank                     | 154                        | 41                          |
| 5.2 Deposits at call                             | 3,407                      | 4,619                       |
| 5.3 Bank overdraft                               |                            |                             |
| 5.4 Other (provide details)-Cash held in Morocco | 1,245                      | 1,079                       |
| <b>Total: cash at end of quarter</b> (item 1.22) | <b>4,806</b>               | <b>5,739</b>                |

### Changes in interests in mining tenements

|     | Tenement<br>reference   | Nature of interest<br>(note (2)) | Interest at<br>beginning<br>of quarter | Interest at<br>end of<br>quarter |
|-----|---|----------------------------------|--|----------------------------------|
| 6.1 | Interests in mining tenements relinquished, reduced or lapsed | Not Applicable.                  |  |                                  |
| 6.2 | Interests in mining tenements acquired or increased           | Not Applicable                   |  |                                  |

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**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>Performance +securities</b><br><i>(description)</i>   | 15,000,003   | Nil           |   |  |
| 7.2 Changes during quarter<br>(a) Increases through issues<br>(b) Decreases through returns of capital, buy-backs, redemptions |              |               |   |  |
| 7.3 <b>+Ordinary securities</b>  | 88,500,003   | 73,208,000    |   |  |
| 7.4 Changes during quarter<br>(a) Increases through issues<br>(b) Decreases through returns of capital, buy-backs              |              |               |   |  |
| 7.5 <b>+Convertible debt securities</b><br><i>(description)</i>  |              |               |   |  |
| 7.6 Changes during quarter<br>(a) Increases through issues<br>(b) Decreases through securities matured, converted              |              |               |   |  |

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|      |  |                                   |     |                                 |                  |
|------|--|-----------------------------------|-----|---------------------------------|------------------|
| 7.7  | <b>Options</b><br><i>(description and conversion factor)</i> | 9,000,000<br>Management Options   | Nil | <i>Exercise price</i><br>\$0.25 | 15 Nov 2011      |
|      |  | 5,625,000<br>Director A Options   | Nil | \$0.25                          | 15 Nov 2011      |
|      |  | 1,450,000<br>Director B Options   | Nil | \$0.20                          | 10 May 2011      |
|      |  | 2,070,00<br>Argonaut Options      | Nil | \$0.30                          | 10 April 2010    |
|      |  | 1,000,000<br>Management A Options | Nil | \$0.35                          | 1 May 2013       |
|      |  | 1,000,000<br>Management B Options | Nil | \$0.25                          | 12 July 2013     |
| 7.8  | Issued during quarter  | 1,125,000<br>Director C Options   | Nil | \$0.25                          | 15 November 2011 |
| 7.9  | Exercised during quarter                                     |                                   |     |                                 |                  |
| 7.10 | Expired during quarter                                       |                                   |     |                                 |                  |
| 7.11 | <b>Debentures</b><br><i>(totals only)</i>                    |                                   |     |                                 |                  |
| 7.12 | <b>Unsecured notes</b><br><i>(totals only)</i>               |                                   |     |                                 |                  |

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## **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 4).
- 2 This statement does ~~not~~ *(delete one)* give a true and fair view of the matters disclosed.



Sign here:

Date: January 29<sup>th</sup>, 2009.  
Chief Financial Officer & Company Secretary

Print name: Peter R. Youd