



**26 April 2018**

**ASX CODE: KAS**

**TIN IS OUR PRIME COMMODITY**

**LME TIN PRICE (24/04/18)**

**US\$21,225 / t**

**(CASH BUYER)**

### ABOUT KASBAH

KASBAH IS AN AUSTRALIAN LISTED MINERAL EXPLORATION AND DEVELOPMENT COMPANY.

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

### PROJECTS

ACHMMACH TIN PROJECT  
BOU EL JAJ TIN PROJECT

### CAPITAL STRUCTURE

SHARES ON ISSUE:	1,045M
UNLISTED OPTIONS:	6M
UNLISTED RIGHTS:	52M
CASH @ 31/03/18:	\$2.3M

### MAJOR SHAREHOLDERS

PALA INVESTMENTS	21.5%
AFRICAN LION GROUP	13.1%

### CONTACT US

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## MARCH 2018 QUARTERLY REPORT

*“The March quarter saw Kasbah continue to successfully advance its project enhancing test work program at the Achmmach Tin Project, which included the confirmation of the suitability of Ore Sorting and High Pressure Grinding Rolls (HPRGs) for use at Achmmach - and their ability to deliver robust improvements to project economics. Kasbah remains on track to deliver a new Definitive Feasibility Study (DFS) in H1 2018.”*

### March 2018 quarter highlights

- **Successful completion of 2 tonne bulk sample ore sorting program;** confirmed a potential 34% increase in tin head grade, a reduction in the size of the process plant from 750,000 tpa to 500,000 tpa, and a resultant reduction in the required tailings dam capacity which will have a positive impact on operating and capital costs. Ore sorting results and other test work results will be included in Achmmach’s new DFS.
- **Positive results from ongoing test work;** HPGR, grind size and comminution tests also generated positive results with the potential to further reduce operating costs. The provisional test results are currently being analysed.
- **Lycopodium ADP awarded contract for engineering design and pricing for the DFS;** Lycopodium ADP will provide engineering design and costing support for the revised plant design and flow sheet.
- **Engagement commenced with relevant Moroccan government ministries;** the Moroccan government is very supportive of the development of Achmmach and is willing to enter into formal discussions to provide fiscal stability, concessions and investment incentives for the Project.
- **Tin price increased during the quarter and the outlook remains positive;** the LME tin price ranged from US\$19,850 to US\$22,100 during the quarter, closing at US\$21,100 at the end of March. The LME cash price increased by 6.3% over the quarter. LME stocks of tin remain at historically low levels reaching a low of 1,555 tonnes in early March.
- **Legal proceedings against BDO Corporate Finance WA Pty Ltd rescheduled;** a series of claims were filed in December associated with BDO’s role as Independent Expert during the failed AMR scheme of arrangement in 2016. A mediation hearing is scheduled for 30 April 2018.
- **Investor relations;** the Company will hold a conference call with CEO, Russell Clark and analysts, investors and other interested parties on Thursday, May 3, 2018 to discuss the development of Achmmach. A new corporate video was released in March and is available on the Kasbah website.

Commenting on the quarter, CEO Russell Clark said:

*“The results achieved with the success of the bulk test with the ore sorter are significant. The benefits of the reduced plant size, operating costs and tailings requirements will be reflected in the DFS. The other test work performed to date has also generated positive results, making the additional time and effort we have taken worthwhile. As we get closer to the release of the 2018 DFS, we remain focused on producing a fully costed robust project with limited and well understood risks.”*

## MARCH QUARTERLY REPORT

Kasbah Resources Limited (“**Kasbah**” or “**the Company**”) is pleased to provide this update to the market for the quarter ending 31 March 2018.

### ACHMMACH TIN PROJECT IN MOROCCO

#### Achmmach 2018 Definitive Feasibility Study

Kasbah continues to progress the 2018 Definitive Feasibility Study (“**DFS**”) through initiatives to de-risk the project and improve project economics. As previously announced, Kasbah is undertaking a test work program to validate the use of Ore Sorting, High Pressure Grinding Rolls (“**HPGR**”) and the comminution circuit (ASX announcement, 12 December 2017). A detailed test work program has been developed to test HPGR, comminution and concentrate upgrading opportunities (ASX announcement, 17 January 2018). The results of the test work program are expected to deliver significant enhancements to Project economics, and will be incorporated in the DFS.

#### Ore Sorting

Following the successful initial “Sighting tests” (“**Phase 1**”) discussed in the December Quarterly Report, Kasbah completed a very successful 2 tonne bulk sample ore sorting program (“**Phase 2**”) with run of mine ore from Achmmach. This program delivered exceptional results confirming the suitability of ore sorting technology for use in the Achmmach process plant and its ability to deliver robust improvement to the Project’s economics.

In Phase 2 of the ore sorting test work program, two tonnes of representative ore were sorted through a full size Steinert KSS multi-sensor ore sorting machine in Perth, Western Australia. The program involved the measurement of accept/reject rates, as well as recoveries and ore grade improvement through the machine.

The bulk sample comprised drill core spanning the width of known stope shapes along the strike length of the ore body, and as such was the most representative sample of planned run of mine ore currently available from the Achmmach deposit.

Prior to the test work being undertaken the ore was crushed and screened, with material less than 10 mm removed to represent a true ore sorter feed profile. The fines material represented 25% of the total crushed material.

The coarser screened fraction was then processed through the ore sorting machine. The ore sorter utilised the DE-XRT sensor methodology with laser overlay that successfully recognised the cassiterite mineralisation in the Phase 1 test work.

The results of the test work have been aggregated to model the proposed life of mine production profile for Achmmach, and these modelled results are summarised in Table 1 below. These assume that in a full sized plant the screened fine fraction of ore feed that bypasses the sorter is then combined with the “Accept” fraction from the ore sorter before advancing to the tin separation processes.

<b>Indicative Production Profile without Ore Sorting</b>			
<b>Processed tonnes</b>	t	6,558,000*	
<b>Processed grade</b>	Sn%	0.85%	
<b>Processing recovery</b>	%	72.7%	
<b>Recovered metal</b>	t	40,369	

*\*Ore reserve per SSO Feasibility Study 2016*

<b>Indicative Production Profile with Ore Sorting</b>			
<b>Crushed tonnes</b>	t	6,558,000	
<b>Mass to reject</b>	t	1,994,000	
<b>Processed tonnes</b>	t	4,564,000	Reduced
<b>Processed grade</b>	Sn%	1.14	Improved
<b>Processing recovery</b>	%	80.6%	Improved
<b>Recovered metal</b>	t	41,932	Improved

**Table 1:** Ore Sorting test work results modelled on the proposed life of mine production schedule for Achmmach

In summary, modelling of the “Post-sort” performance indicates a 40% rejection of waste through the sorter resulting in a total reduction of almost 2 million tonnes having to be processed over the 10 year mine life. Processed head grade increases by 34% (from 0.85% Sn to 1.14% Sn). The increased head grade delivers an associated increase in processing plant recovery, from 72.7% to 80.6%, which in turn results in greater tin concentrate production.

It should be noted that these predicted results are based on initial bulk ore sorting tests. Further optimisation of the sorting algorithm in production is expected to lead to further improvements in performance.

**Benefits of Ore Sorting to the Achmmach Project**

**1. Improved ore grades into the processing plant**

The average feed grade of tin ore into the processing plant will increase by 34%, with a resultant increase in recovery through the plant. Whilst 6% of the tin will be lost in reject material from the ore sorter, the improved recovery through the processing plant offsets these losses.

**2. Reduced throughput through the processing plant**

Annual processing plant throughput will reduce from 750,000tpa to 500,000tpa, requiring less processing equipment, less water for processing, less reagents, and less power. As a result, the capital and operating costs associated with the processing plant are expected to reduce.

**3. Reduced tailings space required**

As a direct result of less tonnage being treated through the processing plant, less tailings capacity will be required. Alternatively, the tailings capacity previously designed could be utilised to support a longer mine life, of 14 years rather than the initial 10 years planned.

**4. Opportunity to re-optimize the mine plan**

With lower operating costs comes the opportunity to reassess the cut off and mining grades within the mine with the potential to increase reserves and mine life.

## 5. Improved Project economics

Whilst test work is continuing and finalisation of Project costs has yet to occur, the successful introduction of ore sorting technology, combined with an improving tin price provides the opportunity to significantly improve the Project economics.

### High Pressure Grind Rollers ('HPGR')

The HPGR test work has been completed. Test results have confirmed that the HPGR will deliver the expected size reduction ratio of greater than 4:1 over a range of pressure settings while operating at significantly lower power ratings when compared with a conventional rod mill. While the HPGR results are positive, the remaining test work results will confirm if there is any impact to recovery through creation of slimes resulting from the HPGR crushing.

### Update on Outstanding Test Work

The test work program has now moved to the final phase, with QUEM Scan and the flotation test works underway. The test work is expected to be completed in early May following which Kasbah will undertake a period of analysis and interpretation before finalising the design parameters and updated flow sheet.

Kasbah remains on track to deliver the new and updated 2018 DFS in H1 2018.

### Engagement with Key Stakeholders

Kasbah maintains active relationships with various Moroccan government agencies. During the quarter, the Company met with The Moroccan Agency for Investment and Export Development ("**AMDIE**"), National Office of Hydrocarbons and Mines ("**ONHYM**"), Le Ministère de l'Energie, des Mines et du Développement Durable ("**MEM**") and Centre Régional d'Investissement ("**CRI**") to provide an update on the development of the Achmmach Project and progress of the 2018 DFS.

These meetings were positive with all parties committed to the development of a substantial tin project in Morocco. Subject to the outcome of the 2018 DFS, the parties expressed a desire to enter formal discussions to provide fiscal stability, concessions and investment incentives to improve prospects of a positive investment decision in relation to the Project.

Once the 2018 DFS is completed, Kasbah will re-engage with these parties with the aim of securing an Investment Agreement which will formalise fiscal concessions, investment incentives and stability of the same over the life of mine.

Kasbah also hosted the Australian Ambassador to Morocco, Her Excellency Ms Berenice Owen-Jones at the Achmmach Project site in February 2018. Ms Owen Jones was briefed on the Project and has since referenced Achmmach as "a model of successful Australian projects in Morocco" and as an example of Morocco and Australia cooperation.

### DFS Engineering Design Contract Awarded to Lycopodium ADP

Lycopodium ADP Pty Ltd ("**Lycopodium ADP**") has been awarded the contract to complete the engineering design and pricing for the 2018 DFS. Lycopodium ADP has previously worked on Achmmach feasibility studies and are familiar with the requirements of the Project.

### Legal Advisors Contract Awarded to Herbert Smith Freehills

Herbert Smith Freehills (“**HSF**”) has been engaged to act as legal advisors for Kasbah and Atlas Tin following a competitive tender process. HSF will provide legal advice and support in relation to all aspects of the project including, but not limited to, financing, off-take, construction contracting, and Moroccan legal matters.

## EXPLORATION

In addition to the Achmmach Project, Kasbah holds a number of 100% owned tin exploration prospects throughout central Morocco – the Bou El Jaj, Zaer, Ment and Sofz prospects. The Company also owns the Tamlalt Gold Project (100%), in north eastern Morocco.

Kasbah completed an assessment of the geological prospectivity of its exploration tenements, and has developed a prospectivity matrix to rank the tenements. The assessment confirmed the Achmmach tenement and Bou El Jaj tenement as having the best near-term development potential. Kasbah will continue to consider the merits, or otherwise, of pursuing further exploration on the other tenements over the next 12 months to determine if there is potential for resource definition.

The Company has also commenced an Environmental and Social Impact Assessment (“**ESIA**”) on the prospective Tamlalt Gold Project. Kasbah continues to engage with third parties who have expressed interest in either acquiring or working collectively with Kasbah to progress exploration of the Tamlalt Project.

## CORPORATE

### Legal proceedings against BDO Corporate Finance WA Pty Ltd

Following failed attempts to reach a commercial settlement, Kasbah commenced legal proceedings against BDO Corporate Finance WA Pty Ltd (“**BDO**”) in the Supreme Court of Western Australia on December 18, 2017 for a series of claims including breach of contract, negligence and misleading and deceptive conduct associated with BDO’s role as Independent Expert during the failed AMR scheme of arrangement.

Court ordered mediation initially scheduled for March was postponed to April 30, 2018 at the request of BDO and its counsel. Respecting the court ordered mediation process, no further details can be provided at this stage of the proceedings.

### Corporate Video

Kasbah released its new Corporate Video on March 13, 2018. The corporate video provides an overview of the Company and its plans to develop the Achmmach Tin Project, as well as highlighting some of the benefits of operating in Morocco.

## MARKETING

### Conferences and Marketing Events

Kasbah has been actively promoting the Company and the Achmmach Project to existing and potential investors as well as financiers, brokers and offtakers. Kasbah management attended numerous industry conferences during the quarter, including the Arlington Predaba, Indaba 121 Conference in South Africa and the Australian Energy Conference in Brisbane. Kasbah will also attend the International Tin Association Conference in Budapest from April 23, 2018 to April 25, 2018.

Market sentiment continues to be positive with considerable interest and confidence in the Achmmach Project and a renewed understanding of the tin market. Kasbah will continue to actively market the Company, the Achmmach Project as well as the positive outlook for tin in the forthcoming quarters.

### Investor/Analyst Call

Kasbah will hold an Investor/Analyst conference call on May 3, 2018 at 11.30 A.M. (AEST). The results and activities for the quarter will be presented by Russell Clark, Chief Executive Officer, who will also field questions from participants. Interested investors and analysts are welcome to participate by dialling into the conference as follows:

Dial in details	
Australia Dial-in Number	1800 280 741
International Dial-in Number	+61 3 8687 0650

For updates on the investor call and other Kasbah related news and announcements, please follow us on; **Twitter @KasbahResource and LinkedIn; Kasbah Resources Ltd.** Links to Kasbah's Twitter and LinkedIn pages can be found at the Company website.

### Site Visit

A site visit to the Achmmach Project has been planned for the end of May 2018. Kasbah will host a number of analysts and brokers at the Achmmach site, who will gain a first-hand understanding of the Project, its location and existing infrastructure, as well as an exposure to the broader operating environment in Morocco.

## FINANCIAL

### Cash and debt

Cash and short-term deposits at March 31, 2018 were \$2.3 million.

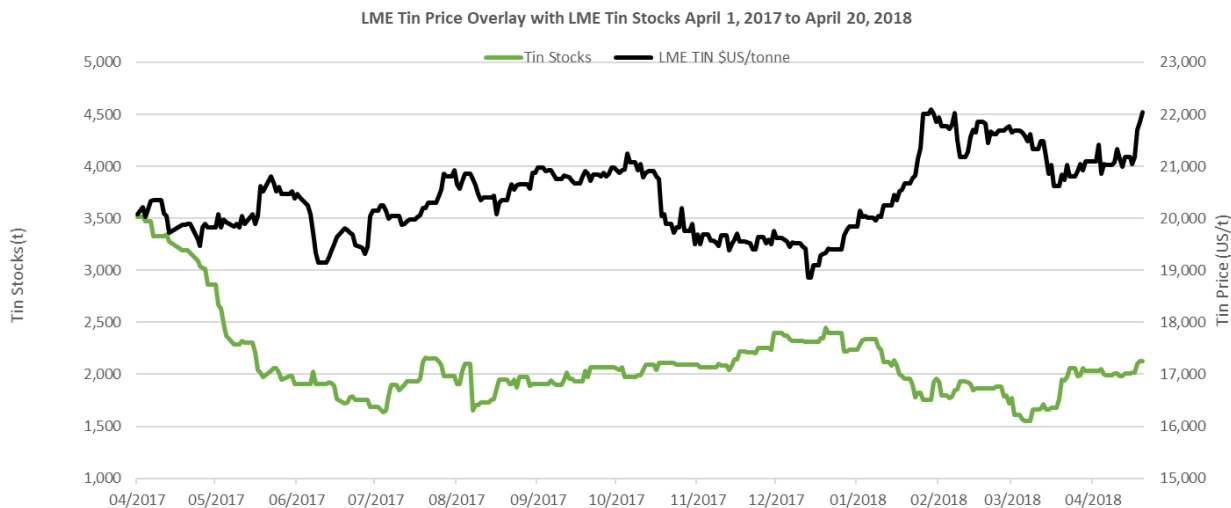
Debt plus capitalised interest as at March 31, 2018 was \$1.2 million.

Please refer to the attached Appendix 5B for further information.

## TIN MARKET

### Prices

Tin prices remained strong over the quarter, averaging US\$21,150/t with a high of US\$22,100/t. The strong tin price performance continued in April 2018, increasing 4.5% to US\$22,045/t (April 20, 2018).



**Figure 1: LME Tin Price vs LME Stocks – April 1, 2017 to April 20, 2018**

The International Tin Association (previously ITRI), a tin industry representative body, estimates that the second half of the year may see an increase in tin price as a result of reduced supply from Myanmar and Indonesia.

### Supply side: lower inventory levels, slowing mine supply

London Metal Exchange (“LME”) stockpiles for tin have continued to decline during the year and ended the quarter at 2,035t compared to the end of the previous quarter of 2,235t. LME stocks have continued to decline in April, reaching 2015t on April 18, 2018. Current stockpile levels make up less than 1% of annual global demand. The International Tin Association estimates that present global tin mine reserves will last a minimum of 7 years, in the absence of further resource conversion.

Major tin producers in the world include Myanmar, Indonesia, China and Peru. The International Tin Association retains the view that future production from Myanmar is likely to fall on an underlying decline in mining activity as easy to mine alluvial deposits are depleted. The Indonesian government’s attempt to overhaul export license regulation have resulted in a freeze on license renewal and scrutiny of existing licenses, resulting in lower shipments of refined tin (down 24% compared to the December quarter).

African tin exports, which have been growing steadily since 2015 may also be impacted by the Democratic Republic of Congo (Africa’s largest tin producer) introduction of a new mining code. The new mining code increases the mining royalties to 3.5 % (from 2%), doubling the government’s free share of mining projects to 10%, reducing the period of guaranteed contract stability to five years and introduction of a super-profits tax if commodity prices rise above a certain threshold.



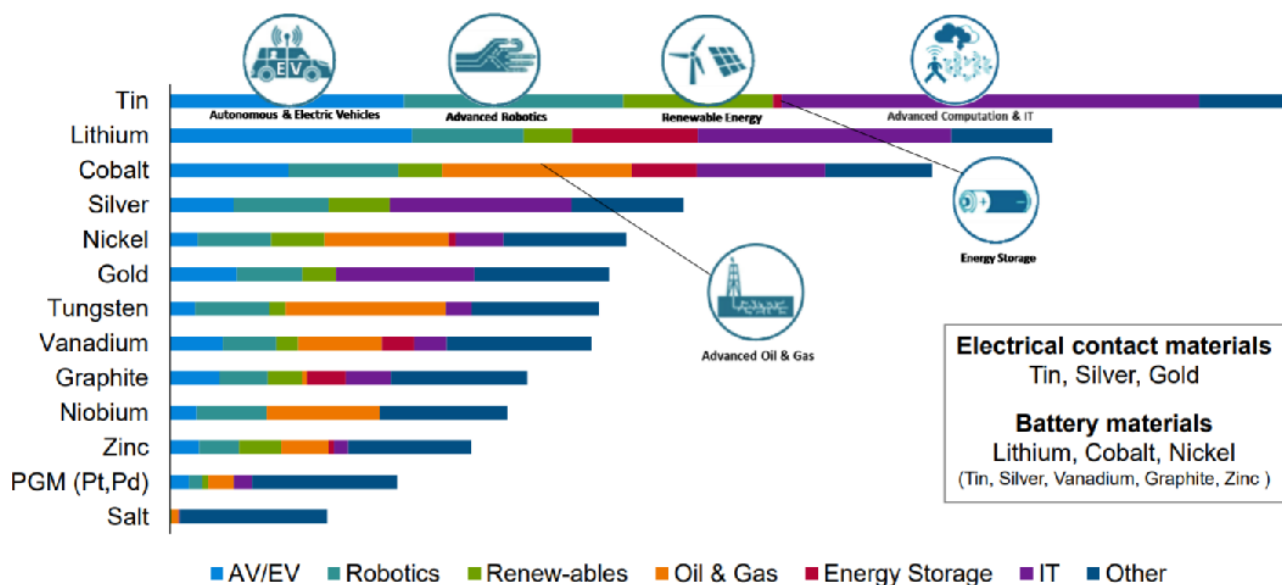
**Demand side: the potential game changer**

A growing use for tin is in semi-conductors. World Semiconductor Trade Statistics expects the semiconductor market to grow in 2018 to US\$437 billion, representing a 7% growth for 2018. Growth in the semiconductor market during 2016 and 2017 has been significant increasing overall tin demand. The outlook for semiconductor growth remains strong. In addition, the trend in energy generation, storage and the switch from hydrocarbons towards sustainable energies and batteries, paints an attractive outlook for longer term tin demand.

The recent escalation of the trade tension between China and United States may have a negative impact on short term demand as the US provisionally imposed a 25% import tariff on solder intensive domestic consumer products.

The themes of supply pressure and increasing demand from existing and new technology applications remains firmly in place and supportive of a robust price outlook. Solder remains the likely largest consumer of tin with the miniaturisation of electronics more than offset by the growth of electronic components. This was supported by a recent study by the Massachusetts Institute of Technology (“MIT”), commissioned by Rio Tinto, which put tin ahead of other metals, including lithium and cobalt, as the mineral most impacted by emerging technologies. The demand for tin in emerging technologies include autonomous and electric vehicles, advanced robotics, renewable energy and advanced computation.

**Metals most impacted by new technology**



**Figure 2: Metals most impacted by new technology (Source: MIT)**

CRU and the International Tin Association have recently revised their baseline annual average consumption growth expectation upwards from 0.4% pa to 1.15% pa to 2030. CRU also forecasts that higher tin prices will be required to incentivise sufficient investment to meet the supply deficit and therefore expects prices to trend generally to a projected market equilibrium of US\$25,000 by 2022, reflecting production costs increases.



**Outlook looks promising**

Our view on the outlook for tin remains unchanged. The price outlook remains positive with mine supply continuing to face challenges, and demand continuing to outpace supply resulting in a global deficit of tin. This is expected to persist for the medium/longer term, making it increasingly likely that the 2018 deficit will be larger than that seen in 2017. Kasbah believes that the timing of production at Achmmach will coincide with the continuing supply deficit in the market and as a result stands to benefit from an increase in tin price in the medium to long term.



**Russell Clark**  
**Chief Executive Officer**

For further information please visit [www.kasbahresources.com](http://www.kasbahresources.com)

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: Kasbah Resources Ltd

*Links to Kasbah's Twitter and LinkedIn pages can be found at the Company website.*

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## ABOUT KASBAH RESOURCES

Kasbah Resources Limited (Kasbah) is an Australian ASX 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. Achmmach is one of the world's largest and most advanced undeveloped tin projects with low operating costs and located in a mining friendly jurisdiction at the gateway to Europe.

- **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
NIL					

## FARM-IN / FARM OUT AGREEMENT CHANGES

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

**INTERESTS IN MINING TENEMENTS**

Project	Permit Type	Permit Number	Registered Interest
Achmmach	LE	332912	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	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 and oil and gas 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, 01/05/13, 01/09/16

### Name of entity

KASBAH RESOURCES LIMITED

### ABN

78 116 931 705

### Quarter ended ("current quarter")

31 MARCH 2018

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	(386)	(1,888)
(b) development	-	-
(c) production	-	-
(d) staff costs	(224)	(1,462)
(e) administration and corporate costs	(432)	(1,200)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	15	66
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Research and development refunds	-	-
1.8 Other (provide details if material)	14	14
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(1,013)</b>	<b>(4,470)</b>
<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire:		
(a) property, plant and equipment	(17)	(41)
(b) tenements (see item 10)	-	-
(c) investments	-	-
(d) other non-current assets	-	-

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (9 months) \$A'000</b>
2.2	Proceeds from the disposal of:		
	(a) property, plant and equipment	-	-
	(b) tenements (see item 10)	-	-
	(c) investments	-	-
	(d) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (refund of bank guarantees)	30	(54)
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>13</b>	<b>(95)</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of shares	-	4,984
3.2	Proceeds from issue of convertible notes	-	-
3.3	Proceeds from exercise of share options	-	-
3.4	Transaction costs related to issues of shares, convertible notes or options	-	(403)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	(30)
3.8	Dividends paid	-	-
3.9	Other (transactions with non-controlling interests)	191	545
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>191</b>	<b>5,096</b>

<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	3,068	1,721
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,013)	(4,470)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	13	(95)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	191	5,096
4.5	Effect of movement in exchange rates on cash held	12	19
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>2,271</b>	<b>2,271</b>

5. <b>Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1 Bank balances	779	307
5.2 Call deposits	1,045	2,345
5.3 Bank overdrafts	-	-
5.4 Other (provide details) – Cash held in Morocco	447	416
<b>5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>2,271</b>	<b>3,068</b>

6. <b>Payments to directors of the entity and their associates</b>	Current quarter \$A'000
6.1 Aggregate amount of payments to these parties included in item 1.2	48
6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	-
6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2	

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7. <b>Payments to related entities of the entity and their associates</b>	Current quarter \$A'000
7.1 Aggregate amount of payments to these parties included in item 1.2	-
7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	-
7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2	

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## Mining exploration entity and oil and gas exploration entity quarterly report

<b>8. Financing facilities available</b> <i>Add notes as necessary for an understanding of the position</i>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
8.1 Loan facilities	1,000	1,000
8.2 Credit standby arrangements	-	-
8.3 Other (please specify)	-	-
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

The loan from Pala Investments Limited was drawn down in two tranches of \$500,000 in August 2016 and November 2016 to provide working capital for the Company. The loan is secured against the assets of Kasbah Resources Limited other than Kasbah's interest in the Atlas Tin Project joint venture (which requires the consent of the other joint venture parties pursuant to the terms of the Atlas Tin Shareholders Agreement), with interest charged at 12% per annum. Repayment of the loan was due on or before 10 August 2017 however on 18 December 2016, Kasbah and Pala agreed to extend the maturity of the loan, at no penalty to 31 December 2017. Kasbah has elected to extend the maturity for a further 6 months (to 30 June 2018) with a payment of \$30,000 pursuant to the terms of the debt agreement.


<b>9. Estimated cash outflows for next quarter</b>	<b>\$A'000</b>
9.1 Exploration and evaluation	1,142
9.2 Development	-
9.3 Production	-
9.4 Staff costs	477
9.5 Administration and corporate costs	339
9.6 Other (provide details if material)	-
<b>9.7 Total estimated cash outflows</b>	<b>1,958</b>

<b>10. Changes in tenements (items 2.1(b) and 2.2(b) above)</b>	<b>Tenement reference and location</b>	<b>Nature of interest</b>	<b>Interest at beginning of quarter</b>	<b>Interest at end of quarter</b>
10.1 Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced				
10.2 Interests in mining tenements and petroleum tenements acquired or increased				



**Compliance statement**

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Sign here: .....  ..... Date: 26 April 2018  
(Company secretary)

Print name: Keith Pollocks

**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 that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, 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. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.