

9 March 2020

ASX: KAS

Share price: \$0.011



Corporate Update

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:	135m
Unlisted Options:	0.3m
Unlisted Rights:	22m
Cash @ 31/12/19:	\$0.9m

MAJOR SHAREHOLDERS

Pala Investments	33.7%
African Lion Group	10.1%

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Kasbah Resources Limited (**Kasbah** or the **Company**) provides a corporate update in light of recent world events. The Company disclosed in its Quarterly Activities and Cashflow Report (ASX Announcement, 31 January 2020), that over the last few months it has undertaken concrete steps to significantly reduce costs and minimize expenditure across its business in response to a depressed tin price and weak macro-economic environment.

Kasbah notes that the recent outbreak of the COVID-19 virus and potential pandemic has further exacerbated global macro-economic conditions and significantly impacting commodity prices, including tin. The present scenario is expected to persist in the medium term which will have an impact on the ability for Kasbah to successfully secure project funding, strategic partnerships or find corporate opportunities for the business in the short to medium term. This has been compounded by the ongoing delays in the delivery of a Japanese ECA backed finance package being driven by the Company's joint venture partners in the Achmmach Tin Project. This Japanese funding process remains significantly behind schedule with no firm schedule in place.

In light of the deterioration in market conditions, the Company is considering all options to further reduce costs whilst keeping our projects in good standing and ensure that everything possible is done so that the Company can navigate through an extended downturn during 2020. Kasbah will engage with shareholders and other stakeholders to discuss options to reduce costs and also increase liquidity so that the Company will have sufficient funds over the next 12 - 18 months to navigate the challenging conditions.

Notwithstanding the current situation, the company recognizes that the Achmmach Tin Project is the most advanced greenfield tin project in the world, located in a safe, conflict free and mining friendly jurisdiction. It is important that Kasbah positions itself to be ready to take advantage of opportunities when market conditions recover in order to realize maximum value for all shareholders. Accordingly, the Company continues to evaluate all value enhancing optimization initiatives aimed at increasing project value.

Commenting on recent events, Executive Chairman, Mr Evan Spencer said: *"While the company is working responsibly to continue to reduce costs and preserve shareholder value through these difficult market conditions, our focus and commitment to Achmmach remains unwaivered. We continue to explore and progress value enhancing project work to further enhance the Achmmach project while we navigate through this period."*

For and on behalf of the Board of Directors.

For further information, contact Evan Spencer, Executive Chairman at +61 3 9482 2223.

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