



NOT FOR RELEASE OR DISTRIBUTION IN THE UNITED STATES

26 June 2017

Dear Shareholder

KASBAH RESOURCES LIMITED ENTITLEMENT OFFER – NOTIFICATION TO ELIGIBLE RETAIL SHAREHOLDERS

I am writing to you as the registered holder of shares with a registered address in Australia, New Zealand, Mauritius, Thailand, Jersey, Switzerland, South Africa and Hong Kong in Kasbah Resources Limited (**Kasbah** or the **Company**) as at today's date.

As announced on Thursday, 22 June 2017, the Company is undertaking an accelerated non-renounceable pro rata entitlement offer on the basis of one new fully paid ordinary share (**New Share**) for every two fully paid ordinary shares in the Company (**Share**) held by eligible shareholders at an issue price of \$0.015 per New Share to raise approximately \$5.2 million (before costs) (**Entitlement Offer**). The Entitlement Offer will be made by way of an offer document pursuant to section 708AA of the *Corporations Act 2001* (Cth) (as modified by ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84), meaning that no prospectus needs to be prepared (**Offer Document**).

The Entitlement Offer is fully underwritten by Taylor Collison and comprises of an institutional component (**Institutional Entitlement Offer**) and an offer to Eligible Retail Shareholders (as defined below) (**Retail Entitlement Offer**). The Institutional Entitlement Offer raised approximately \$3.06 million, and the Retail Entitlement Offer is expected to raise approximately A\$2.15 million. A total of approximately 347,069,560 New Shares will be issued (subject to rounding) under the institutional and retail components of the Entitlement Offer.

The Company will use the funds raised from the Entitlement Offer (after costs) to meet expenditures relating to pre-project development and project financing activities for its Achmmach tin project and for working capital purposes.

The Retail Entitlement Offer is only available to shareholders whose registered address is in Australia, New Zealand, Mauritius, Thailand, Jersey, Switzerland, South Africa and Hong Kong as recorded with the Company's share registry as at 5.00pm (WST) on Monday, 26 June 2017 (**Record Date**) (**Eligible Shareholders**).

As a non-renounceable offer, rights are not tradeable on the ASX or otherwise transferable. New Shares will rank equally with the Company's existing Shares.

Indicative Timetable

The indicative timetable for the Entitlement Offer is as follows:

Event	Date
Announcement of Entitlement Offer	22 June 2017
Record Date (5.00pm WST)	26 June 2017
Retail Entitlement Offer opens	29 June 2017
Institutional Entitlement Offer settlement	6 July 2017
Issue and quotation of New Shares under Institutional Entitlement Offer	7 July 2017
Retail Entitlement Offer closes (5.00pm WST)	17 July 2017
Issue of New Shares under Retail Entitlement Offer (Retail Settlement Date)	24 July 2017
Quotation of New Shares under Retail Entitlement Offer	25 July 2017
Despatch of holding statements for New Shares under the Retail Entitlement Offer	26 July 2017

The above timetable is indicative only and subject to change. Subject to the Listing Rules, the directors (subject to the agreement of underwriter) reserve the right to vary these dates, including the Closing Date, without prior notice. Any extension of the Closing Date will have a consequential effect on the anticipated date for issue of the New Shares. The directors also reserve the right not to proceed with the whole or part of the offers at any time prior to allotment. In that event, the relevant application monies will be returned without interest in accordance with the Corporations Act.

Shortfall Offer

If the Entitlement Offer is not fully subscribed, the directors reserve the right, subject to any restrictions imposed by the *Corporations Act 2001* (Cth) and Listing Rules, to issue New Shares not otherwise taken up under the Entitlement Offer (**Shortfall Shares**) in accordance with the shortfall allocation policy detailed in the Offer Document (**Shortfall Offer**).

The Shortfall Offer will be a separate offer made pursuant to the Offer Document. The issue price of the Shortfall Shares will be \$0.015 each, being the same price as the New Shares being offered under the Entitlement Offer.

Capital Structure

The capital structure of the Company following the issue of New Shares, assuming the maximum number of New Shares is issued under the Entitlement Offer, will be as follows:

	Number of Shares	Number of options
Balance as at the date of the Offer Document	694,139,119	6,500,000
To be issued under the Entitlement Offer*	347,069,560	-
Total following the Entitlement Offer*	1,041,208,679	6,500,000

*Subject to rounding. Assumes no Shares are issued pursuant to the exercise of options.

Offer Document


The Company lodged the Offer Document with ASX on Monday, 26 June 2017, and it is available on the ASX website at www.asx.com.au and also on the Company's website at www.kasbahresources.com. The Company expects to dispatch the Offer Document to shareholders of the Company on or about Thursday, 29 June 2017. The Offer Document will provide further details of the Entitlement Offer and the Shortfall Offer in detail.

The Offer Document will attach a personalised **Entitlement and Acceptance Form**, which will set out the number of Shares which you are entitled to under the Entitlement Issue, details of payment options and other instructions. Please read and follow these instructions carefully to ensure your acceptance is completed according to your intentions. Please note the Offer Closing Date of 5.00pm (WST) on Monday, 17 July 2017, which is the deadline by which your completed Entitlement and Acceptance Form and application monies (in full) must be received. If you wish to apply for additional Shortfall Shares (in excess of your entitlement), you may do so by completing the relevant section on your Entitlement and Acceptance Form.

If you have any queries in relation to the Entitlement Offer or the Shortfall Offer, please do not hesitate to contact the Company Secretary of Kasbah, Trevor O'Connor, on +61 8 9463 6651.

On behalf of the Board, we thank you for your continued support of the Company.

Yours faithfully



John Gooding
Non-Executive Chairman

Important Notices

This notice is issued by Kasbah Resources Limited. This notice is not a prospectus or offering document under Australian law or under any other law. It is for information purposes only and does not constitute an offer, invitation or recommendation to subscribe for, retain or purchase any securities in Kasbah in any jurisdiction. This letter does not constitute financial product advice and does not and will not form part of any contract for the acquisition of Kasbah ordinary shares.

This letter does not constitute an offer to sell, or the solicitation of an offer to buy, any securities in the United States or any other country. No action has been or will be taken to register, qualify or otherwise permit a public offering of the New Shares in any jurisdiction outside Australia, New Zealand, Mauritius, Thailand, Jersey, Switzerland, South Africa or Hong Kong. In particular, the New Shares have not been, and will not be, registered under the U.S. Securities Act of 1933 or the securities laws of any state or other jurisdiction of the United States. Accordingly, the New Shares may not be offered or sold to persons in the United States except in a transaction exempt from, or not subject to, the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws.

Because of legal restrictions, you must not send copies of this letter or any material in relation to the Entitlement Offer to any person outside Australia, New Zealand, Mauritius, Thailand, Jersey, Switzerland, South Africa and Hong Kong. Failure to comply with these restrictions may result in violations of applicable securities law.

The provision of this document is not, and should not be considered as, a securities recommendation or financial product advice. The information in this document is general information only, and does not take into account your individual objectives, taxation position, financial situation or needs. Before acting on the information, you should consider the appropriateness of the information, having regard to your objectives, taxation position, financial situation or needs. If you are unsure of your position, please contact your stockbroker, accountant, taxation adviser, financial adviser or other professional adviser.