



18 September 2014

KASBAH ANNOUNCES A NON-RENOUNCEABLE RIGHTS ISSUE - CLEANSING NOTICE PURSUANT TO SECTION 708AA(2)(f) OF THE CORPORATIONS ACT 2001

This notice is given by Kasbah Resources Limited (ASX: KAS) (**Company**) under section 708AA(2)(f) of the *Corporations Act 2001* (Cth) (**Corporations Act**), as notionally modified by ASIC Class Order [08/35] (**Class Order**).

On 16 September 2014, the Company announced that it would be offering eligible shareholders the opportunity to acquire additional fully paid ordinary shares in the capital of the Company (**Shares**) via a pro rata non-renounceable rights issue (**Rights Issue**) on the basis of three (3) fully paid ordinary shares in the capital of the Company (**New Shares**) for every ten (10) Shares held at 5.00pm (WST) on the record date of 25 September 2014 to raise approximately \$8,314,165 (before costs).

New Shares under the Rights Issue will be offered at \$0.07 per Share. Based on the capital structure (and assuming no convertible securities are converted into Shares prior to the record date for the Rights Issue) the maximum number of New Shares which may be issued under the Rights Issue is 118,773,779 Shares (subject to rounding). The Rights Issue will not be underwritten.

Under the terms of the Rights Issue, eligible shareholders will also be given the opportunity to apply for Shares in excess of their entitlement through a top-up facility (**Top-Up Offer**). Shares will only be available under the Top-Up Offer in the event that other shareholders do not take up their entitlements. Allocations under the Top-Up Offer will be determined by the Company in its sole discretion.

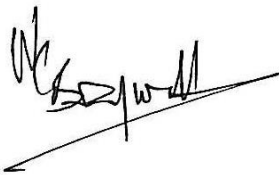
An offer document relating to the Rights Issue (**Offer Document**) will be mailed to eligible shareholders on 30 September 2014 together with a personalised Entitlement and Acceptance Form. For informational purposes, a sample copy of the Offer Document has been attached to this notice.

The Company hereby gives notice under section 708AA(2)(f) of the Corporations Act that:

- (a) the Company will offer the Shares under the Rights Issue for issue without disclosure to investors under Part 6D.2 of the Act, as notionally modified by the Class Order;
- (b) the Company is providing this notice under section 708AA(2)(f) of the Corporations Act, as notionally modified by the Class Order;
- (c) at the date of this notice, the Company has complied with the provisions of Chapter 2M of the Corporations Act as they apply to the Company;
- (d) at the date of this notice, the Company has complied with section 674 of the Corporations Act;
- (e) at the date of this notice, there is no information that is “excluded information” within the meaning of section 708AA(8) and section 708AA(9) of the Corporations Act; and

- (f) the potential effect that the issue of the Shares under the Rights Issue will have on the control of the Company is as follows:
- (i) if all eligible shareholders take up their entitlements under the Rights Issue, the issue of Shares under the Rights Issue will have no effect on the control of the Company and all shareholders will hold the same percentage interest in the Company, subject only to changes resulting from ineligible shareholders being unable to participate in the Rights Issue;
 - (ii) in the more likely event that there is a shortfall, eligible shareholders who do not subscribe for their full entitlement of Shares under the Rights Issue and ineligible shareholders unable to participate in the Rights Issue will be diluted relative to those shareholders who subscribe for some or all of their entitlement;
 - (iii) in respect of any shortfall, eligible shareholders will be entitled to top-up their shareholding, by subscribing for additional shares to be issued from the shortfall pool (**Top-Up Offer**). However, the Company will only issue such Shares pursuant to an application received where the Directors are satisfied, in their discretion, that the issue of the Shares will not increase the applicant's voting power above 19.9%; and
 - (iv) The Lead Manager in conjunction with the Company will endeavour to place the shortfall not allocated under the Top-Up Offer (if applicable) to a combination of existing shareholders of the Company and various other institutional and high net worth parties (**Shortfall Offer**). The Lead Manager in conjunction with the Company will ensure that no person will be issued, through participation in the Shortfall Offer, Shares if such issue will result in their voting power in the Company exceeding 19.9%. Having regard to the number of Shares to be issued under the Rights Issue, even if a substantial shortfall eventuated, a participant in the Shortfall Offer would not be in a position to exercise any substantive control in the Company.

Signed on behalf of the Company:



Wayne Bramwell
MANAGING DIRECTOR



KASBAH RESOURCES LIMITED ACN 116 931 705

OFFER DOCUMENT

For a pro rata non-renounceable Rights Issue to Eligible Shareholders on the basis of three (3) New Shares for every ten (10) existing Shares held by Eligible Shareholders on the Record Date at an issue price of \$0.07 per new Share to raise approximately \$8,314,165 (before costs) (**Offer**).

The Offer opens on 30 September 2014 and closes at 5:00pm (WST) on 10 October 2014 (unless it is lawfully extended). Valid acceptances must be received before that time.

Applications for New Shares by Eligible Shareholders can only be made by using or following the instructions on an Entitlement and Acceptance Form, as sent with this Offer Document. The Entitlement and Acceptance Form sets out the Eligible Shareholders' Entitlement to participate in the Offer.

Please read the instructions in this Offer Document and on the accompanying Entitlement and Acceptance Form.

CANACCORD Genuity

Lead Manager
AFS License No: 234666



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1. IMPORTANT INFORMATION

No person is authorised to give any information or to make any representation in connection with the Offer which is not contained in this Offer Document. Any information or representation not so contained may not be relied on as having been authorised by the Company in connection with the Offer.

1.2 This document is not a prospectus

This Offer Document is dated 18 September 2014, has been prepared by Kasbah Resources Limited and is for a rights issue of continuously quoted securities (as defined in the Corporations Act) of the Company. This Offer Document is not a prospectus under the Corporations Act and has not been lodged with the ASIC. It does not contain all of the information that an investor would find in a prospectus or which may be required in order to make an informed investment decision regarding, or about the rights attaching to, the Shares offered by this document.

This Offer Document including each of the documents attached to it and which form part of this Offer Document are important and should be read in their entirety prior to making an investment decision. In particular, Shareholders should refer to the risk factors set out in section 5 of this document. If you do not fully understand this Offer Document or are in any doubt as to how to deal with it, you should consult your professional adviser.

1.3 Section 708AA of the Corporations Act

This Offer Document has been prepared in accordance with section 708AA of the Corporations Act and applicable ASIC Class Order [08/35]. In general terms, section 708AA permits certain companies to undertake rights issues without being required to use or provide to shareholders a prospectus or other disclosure document. Accordingly, the level of disclosure in this Offer Document is significantly less than the level of disclosure required in, and what you would expect in, a prospectus. Eligible Shareholders should rely on their own knowledge of the Company, refer to disclosures made by the Company to ASX and consult their professional advisers before deciding to accept the Offer.

1.4 Eligibility

Applications for Shares by Eligible Shareholders can only be made on an original Entitlement and Acceptance Form, as sent with this Offer Document. The Entitlement and Acceptance Form sets out an Eligible Shareholder's Entitlement to participate in the Offer.

1.5 Overseas Eligible Shareholders

This Offer Document does not, and is not intended to, constitute an offer in any place or jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer or to issue this Offer Document.

The Offer is not being extended and Shares will not be issued to Shareholders with a registered address which is outside Australia, New Zealand, Mauritius, Thailand or the United Kingdom. It is not practicable for the Company to comply with the securities laws of overseas jurisdictions (other than those mentioned above) having regard to the number of overseas Shareholders, the number and value of Shares these Shareholders would be offered and the cost of complying with regulatory requirements in each relevant jurisdiction.

Further details in relation to foreign jurisdictions is set out below.

New Zealand Shareholders

The Offer is being made in New Zealand pursuant to the Securities Act (Overseas Companies) Exemption Notice 2013.

Shareholders resident in Australia or New Zealand holding Shares on behalf of persons who are resident overseas are responsible for ensuring that taking up an Entitlement under the Offer does not breach regulations in the relevant overseas jurisdiction. Return of a duly completed Entitlement and Acceptance Form will be taken by the Company to constitute a representation that there has been no breach of those regulations.

United Kingdom

Neither the information in this document nor any other document relating to the offer has been delivered for approval to the Financial Conduct Authority in the United Kingdom and no prospectus (within the meaning of section 85 of the Financial Services and Markets Act 2000, as amended (**FSMA**)) has been published or is intended to be published in respect of the New Shares. This document is issued on a confidential basis to fewer than 150 persons (other than "qualified investors" (within the meaning of section 86(7) of FSMA)) in the United Kingdom, and the New Shares may not be offered or sold in the United Kingdom by means of this document, any accompanying letter or any other document, except in circumstances which do not require the publication of a prospectus pursuant to section 86(1) FSMA. This document should not be distributed, published or reproduced, in whole or in part, nor may its contents be disclosed by recipients to any other person in the United Kingdom.

Any invitation or inducement to engage in investment activity (within the meaning of section 21 FSMA) received in connection with the issue or sale of the New Shares has only been communicated or caused to be communicated and will only be communicated or caused to be communicated in the United Kingdom in circumstances in which section 21(1) FSMA does not apply to the Company.

In the United Kingdom, this document is being distributed only to, and is directed at, persons (i) who fall within Article 43 (members of certain bodies corporate) of the Financial Services and Markets Act 2000 (Financial Promotions) Order 2005, or (ii) to whom it may otherwise be lawfully communicated (together "relevant persons"). The investments to which this document relates are available only to, and any invitation, offer or agreement to purchase will be engaged in only with, relevant persons. Any person who is not a relevant person should not act or rely on this document or any of its contents.

Mauritius

In accordance with The Securities Act 2005 of Mauritius, no offer of the New Shares may be made to the public in Mauritius without the prior approval of the Mauritius Financial Services Commission. Accordingly this Offer is being made on a private placement basis only and does not constitute a public offering. As such, this document has not been approved or registered by the Mauritius Financial Services Commission and is for the exclusive use of the person to whom it is addressed. The document is confidential and should not be disclosed or distributed in any way without the express written permission of the Company.

Thailand

This Offer Document is not intended to be an offer, sale or invitation for subscription or purchase of securities in Thailand. This Offer Document has not been registered as a prospectus with the Office of the Securities and Exchange Commission of Thailand. Accordingly, this Offer Document and any other documents and material in connection with the offer, sale or invitation for subscription or purchase, of the Shares may not be circulated or distributed, nor may the Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to the public or any members of the public in Thailand.

1.6 Notice to nominees and custodians

Shareholders resident in Australia, New Zealand, Mauritius, Thailand or the United Kingdom holding Shares on behalf of persons who are resident overseas are responsible for ensuring that taking up an Entitlement under the Offer does not breach regulations in the relevant overseas jurisdiction. Return of a duly completed Entitlement and Acceptance Form will be taken by the Company to constitute a representation that there has been no breach of those regulations.

1.7 Forward-looking statements

This Offer Document contains forward-looking statements which are identified by words such as 'may', 'could', 'believes', 'estimates', 'targets', 'expects', or 'intends' and other similar words that involve risks and uncertainties.

These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions regarding future events and actions that, as at the date of this Offer Document, are expected to take place.



Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of our Company, the Directors and our management.

We cannot and do not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this Offer Document will actually occur and investors are cautioned not to place undue reliance on these forward-looking statements.

We have no intention to update or revise forward-looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this Offer Document, except where required by law.

These forward looking statements are subject to various risk factors that could cause our actual results to differ materially from the results expressed or anticipated in these statements. These risk factors are set out in Section 7 of this Offer Document.

1.8 Privacy Act

If you complete an Entitlement and Acceptance Form, you will be providing personal information to the Company (directly or by the Company's share registry). The Company collects, holds and uses that information to assess your application, service your needs as a Shareholder, facilitate distribution payments and corporate communications to you as a Shareholder and carry out administration.

The information may also be used from time to time and disclosed to persons inspecting the register, bidders for your securities in the context of takeovers, regulatory bodies, including the Australian Taxation Office, authorised securities brokers, print service providers, mail houses and the Company's share registry.

You can access, correct and update the personal information that we hold about you. Please contact the Company or its share registry if you wish to do so at the relevant contact numbers set out in this Offer Document.

Collection, maintenance and disclosure of certain personal information is governed by legislation including the Privacy Act 1988 (Cth) (as amended), the Corporations Act and certain rules such as the ASX Settlement Operating Rules. You should note that if you do not provide the information required on the Entitlement and Acceptance Form, the Company may not be able to accept or process your application.

2. CORPORATE DIRECTORY

Directors

Dr Rodney Marston
Non-Executive Chairman

Mr Wayne Bramwell
Managing Director

Dr Robert Weinberg
Non-Executive Director

Mr Gary Davison
Non-Executive Director

Mr Ian McCubbing
Non-Executive Director

Ms Gabrielle Moeller
Non-Executive Director

Company Secretary

Mr Trevor O'Connor

Registered Office

Unit 3, 77 Mill Point Road
South Perth, WA, 6151
Telephone: +61 8 9463 6651
Facsimile: +61 8 9463 6652

ASX Code

KAS

Share Registry*

Link Market Services Limited
Level 4 Central Park
152 St Georges Terrace
Perth WA 6000
Telephone: +61 1300 554 474
Facsimile: +61 2 9287 0303

Legal Advisers

Steinepreis Paganin
Level 4, The Read Buildings
16 Milligan Street
Perth WA 6000

Lead Manager

Canaccord Genuity (Australia) Limited
AFS License No: 234666
Level 4
60 Collins Street
Melbourne VIC 3000

Auditor*

BDO Audit (WA) Pty Ltd
38 Station Street
Subiaco, WA, 6008

**These parties have been included for information purposes only. They have not been involved in the preparation of this Offer Document.*

3. DETAILS OF THE OFFER

3.1 The Offer

The Offer is being made as a non-renounceable entitlement offer of three (3) New Shares for every ten (10) Shares held by Eligible Shareholders registered at the Record Date at an issue price of \$0.07 per Share. Fractional entitlements will be rounded up to the nearest whole number.

Based on the capital structure of the Company as set out in Section 3.8 of this Offer Document, a maximum of approximately 118,773,779 Shares will be issued pursuant to this Offer to raise up to \$8,314,165.

As at the date of this Offer Document, the Company has 18,000,000 unquoted Options on issue.

All of the Shares offered under this Offer Document will rank equally with the Shares on issue at the date of this Offer Document.

The Directors may at any time decide to withdraw this Offer Document and the offer of Shares made under this Offer Document in which case the Company will return all Application monies (without interest) within 28 days of giving such notice of withdrawal.

3.2 Use of Funds

Completion of the Offer will result in an increase in cash in hand of up to approximately \$8,314,165 (before the payment of costs associated with the Offer).

The Company intends to apply the funds raised under the Offer as follows:

Item	Proceeds of the Offer	\$	%
1	Definitive Feasibility Study optimisation	\$1,000,000	12%
2	Resource development and additional exploration	\$1,700,000	20%
3	Project financing and process establishment costs	\$4,650,000	56%
4	Estimated costs of the Rights Issue	\$325,000	4%
5	Working capital and other	\$639,165	8%
	Total	\$8,314,165	100%

The above statement is a statement of current intentions as of this Offer Document. As with any budget, intervening events and new circumstances have the potential to affect the ultimate way funds will be applied. The Board reserves the right to alter the way funds are applied on this basis.

3.3 Indicative Timetable

Event	Date
Release of Offer Document and Cleansing Notice to ASX	18 September 2014
Appendix 3B lodged with ASX	18 September 2014
Notice sent to Optionholders	18 September 2014
Notice sent to Shareholders	22 September 2014
Ex date (date from which securities commence trading without the Entitlement to participate in the Offer)	23 September 2014
Record Date (date for determining Entitlements of Eligible Shareholder to participate in the Offer)	5:00pm (WST) 25 September 2014
Offer Document and personalised Entitlement and Acceptance Forms sent to Shareholders	30 September 2014
Last day to extend the Offer Closing Date	7 October 2014
Closing Date (Offer closes)	5:00pm (WST) 10 October 2014
Securities quoted on a deferred settlement basis	13 October 2014
Notification to ASX of Shortfall	15 October 2014
Issue date/New Shares entered into Shareholders' holdings	17 October 2014

** Subject to the ASX Listing Rules, the Directors reserve the right to extend the Closing Date for the Offer at their discretion. Should this occur, the extension will have a consequential effect on the anticipated date of issue for the New Shares.*

*** These dates are indicative only and are subject to change.*

3.4 Entitlements and acceptance

Details of how to apply under the Offer are set out in Section 4 of this Offer Document.

The Entitlement of Eligible Shareholders to participate in the Offer will be determined on the Record Date. Your Entitlement is shown on the Entitlement and Acceptance form accompanying this Offer Document.

You can also apply for Additional Shares under the Top-Up Offer in addition to your Entitlement by following the instructions set out in Section 4. The Top-Up Facility is described in Section 3.5 below.

3.5 Application under Top-Up Offer

Under the Top-Up Offer, Eligible Shareholders will be entitled to apply for Additional Shares in excess of their Entitlement, at the same price as New Shares under the Offer.

Shareholders wishing to subscribe for Additional Shares under the Top-Up Offer must apply for the Additional Shares at the same time as they apply for New Shares under their Entitlement by completing the appropriate section of their Entitlement and Acceptance Form. There is no limit on the number of Additional Shares that Eligible Shareholders may apply for under the Top-Up Offer, however, applications under the Top-Up Offer will only be satisfied to the extent that there is a Shortfall under the Offer.

In addition, no Additional Shares will be issued to any Eligible Shareholders if, in the view of the Directors, to do so would increase that Eligible Shareholders voting power above 19.9%.

The issue of Additional Shares under the Top-Up Offer is at the discretion of the Directors. Should such applications exceed the Shares available, a scale-back will be applied in a manner determined by the Directors.

3.6 Shortfall

If you do not wish to take up any part of your Entitlement you are not required to take any action. That part of your Entitlement not taken up, and which is not subscribed for under the Top-Up Offer will form part of the Shortfall.

The Company has appointed the Lead Manager to assist with the placing of applications under the Shortfall Offer. The Lead Manager may offer any remaining Shares under the Shortfall Offer to sophisticated and professional investors only, at the same price that New Shares are offered to Eligible Shareholders under the Offer.

3.7 No rights trading

The rights to New Shares under the Offer are non-renounceable. Accordingly, there will be no trading of rights on the ASX and you may not dispose of your rights to subscribe for New Shares under the Offer to any other party. If you do not take up your Entitlement to New Shares under the Offer by the Closing Date, the Offer to you will lapse.

3.8 Capital structure

The effect of the Offer on the capital structure of the Company, assuming all Entitlements are accepted, is set out below:

Shares	Number
Shares currently on issue	395,912,596
New Shares offered pursuant to the Offer ¹	118,773,779
Total Shares on issue after completion of the Offer¹	514,686,375

Options	Number
Unquoted Options exercisable at \$0.25 each on or before 24 November 2014 (KASAAB) ²	4,000,000
Unquoted Options exercisable at \$0.10 each on or before 5 October 2015 (KASAQ) ²	500,000
Unquoted Options exercisable at \$0.28 each on or before 20 July 2015 (KASAAC) ²	1,500,000
Unquoted Options exercisable at \$0.26 each on or before 23 November 2015 (KASAAD) ²	2,000,000
Unquoted Options exercisable at \$0.26 each on or before 23 November 2015 (KASAAE) ³	10,000,000
Total Options	18,000,000

Notes:

1. *This number may vary due to rounding of Entitlements and may increase depending on the number of Options exercised prior to the Record Date and as a result of the rounding up of New Shares offered under the Offer.*
2. *These Options may be exercised prior to the Record Date and increase the number of Shares to be issued under the Offer.*
3. *These Options are subject to the following vesting conditions:*
 - (a) *50% of the Options will vest on the date of Board approval of a project financing package for the Achmmach Project; and*
 - (b) *50% of the Options will vest on the date of first sale of tin concentrates attributable to the Company and/or its related entities.*

3.9 Lead Manager

The Company has appointed Canaccord Genuity (Australia) Limited as the Lead Manager to the Offer.

The Company has agreed to pay the Lead Manager a fee of up to 5.5% of the gross amount raised under shortfall applications received from parties introduced by the Lead Manager and accepted by the Company.

3.10 Underwriting

The Offer is not underwritten.

3.11 Dilution

Shareholders should note that if they do not participate in the Offer, their holdings are likely to be diluted by approximately 23.08% (as compared to their holdings and number of Shares on issue as at the date of this Offer Document).

Examples of how the dilution may impact Shareholders are set out in the table below:

Holder	Holding as at Record date	Approximate % at Record Date ¹	Entitlements under the Offer	Holdings if Offer not taken Up	Approximate % post Offer
Shareholder 1	50,000,000	12.63%	15,000,000	50,000,000	9.71%
Shareholder 2	25,000,000	6.31%	7,500,000	25,000,000	4.86%
Shareholder 3	10,000,000	2.53%	3,000,000	10,000,000	1.94%
Shareholder 4	1,000,000	0.25%	300,000	1,000,000	0.19%
Shareholder 5	100,000	0.03%	30,000	100,000	0.02%

Notes:

1. This is based on a share capital of 395,912,596 Shares at the date of this Offer Document.

3.12 Directors Interests and Participation

Each Director's interest in the securities of the Company at the date of this Offer Document and their Entitlement is set out in the table below.

Director	Shares	Options	Entitlement	\$
Dr Rodney Marston	1,789,244	500,000 ¹	536,774	\$37,574
Mr Wayne Bramwell	9,286,942	9,000,000 ²	2,786,083	\$195,026
Dr Robert Weinberg	585,912	500,000 ¹	175,774	\$12,304
Mr Gary Davison	400,000	500,000 ¹	120,000	\$8,400
Mr Ian McCubbing	200,000	500,000 ¹	60,000	\$4,200
Ms Gabrielle Moeller	1,764,500	Nil	529,350	\$37,055

Notes:

1. Unquoted Options exercisable at \$0.26 expiring 23 November 2015.
2. Of these Options, 4,000,000 are unquoted Options exercisable at \$0.25 each expiring on 24 November 2014 and 5,000,000 are unquoted Options exercisable at \$0.26 expiring 23 November 2015.

All of the Directors have indicated that they will participate in the Offer, with five of the six Directors indicating that they will take up their maximum Entitlements. On the basis that the Offer is not underwritten (and notwithstanding individual intentions to participate), the Directors are not able to subscribe for Additional Shares under the Top-Up Offer.

3.13 Effect of the Rights Issue on control and voting power in the Company

The issue of New Shares under the Offer is not expected to have any effect on the control of the Company on the basis that the Company will ensure that any Shortfall (after the issues under the Top-Up Offer) will be placed with a number of different sophisticated investors, none of whom will be able to acquire an interest in the Company in excess of 19.9% on completion of the Offer.

3.14 Market Price of Shares

The Company is a disclosing entity for the purposes of the Corporations Act and its Shares are enhanced disclosure securities quoted on ASX.

The highest, lowest and last market sale prices of the Shares on ASX during the three months immediately preceding the date of release of this Offer Document and the respective dates of those sales were:

	(\$)	Date
Highest	\$0.09	18 & 19 August 2014
Lowest	\$0.071	16 & 17 September 2014
Last	\$0.07	18 September 2014

3.15 Opening and Closing Dates

The Offer opens on the Opening Date, being 30 September 2014, and closes on the Closing Date, being 5:00pm (WST) on 10 October 2014 (or such other dates as the Directors in their discretion shall determine subject to the ASX Listing Rules). The Company will accept Entitlement and Acceptance Forms until the Closing Date or such other date as the Directors in their absolute discretion shall determine, subject to the ASX Listing Rules.

3.16 Issue and dispatch

Shares issued pursuant to the Offer will be issued in accordance with the ASX Listing Rules and the indicative timetable set out in Section 3.3 of this Offer Document. Shares issued pursuant to the Shortfall Offer will be issued on a progressive basis.

Pending the issue of the Shares or payment of refunds pursuant to this Offer Document, all Application monies will be held by the Company in trust for the Applicants in a separate bank account as required by the Corporations Act. The Company, however, will be entitled to retain all interest that accrues on the bank account and each Applicant waives the right to claim interest by completing and returning the Entitlement and Acceptance Form.

The expected dates for issue of New Shares offered by this Offer Document and dispatch of holding statements is expected to occur on the dates specified in the Timetable set out in Section 3.3 of this Offer Document.

It is the responsibility of Applicants to determine the allocation prior to trading in the New Shares. Applicants who sell New Shares before they receive their holding statements will do so at their own risk.

3.17 ASX listing

Application for official quotation by ASX of the New Shares offered pursuant to this Offer Document will be made.

The fact that ASX may grant official quotation to the New Shares is not to be taken in any way as an indication of the merits of the Company or the New Shares now offered for subscription.

3.18 Chess

The Company is a participant in CHESS, for those investors who have, or wish to have, a sponsoring stockbroker. Investors who do not wish to participate through CHESS will be issuer sponsored by the Company. Because the sub-registers are electronic, ownership of securities can be transferred without having to rely upon paper documentation.

Electronic registers mean that the Company will not be issuing certificates to investors. Instead, investors will be provided with a statement (similar to a bank account statement) that sets out the number of New Shares allotted to them under this Offer Document. The notice will also advise holders of their Holder Identification Number or Security Holder Reference Number and explain, for future reference, the sale and purchase procedures under CHESS and issuer sponsorship.

Further monthly statements will be provided to holders if there have been any changes in their security holding in the Company during the preceding month.

3.19 Risk Factors

An investment in New Shares should be regarded as speculative. In addition to the general risks applicable to all investments in listed securities, there are specific risks associated with an investment in the Company which are non-exhaustively. Please refer to Section 5 of this Offer Document for further details.

3.20 Taxation implications

The Directors do not consider it appropriate to give Shareholders advice regarding the taxation consequences of subscribing for New Shares under this Offer Document. The Company, its advisers and its officers do not accept any responsibility or liability for any such taxation consequences to Shareholders.

Shareholders should consult their professional tax adviser in connection with subscribing for New Shares under this Offer Document.

3.21 Enquiries concerning Offer Document

Enquiries relating to this Offer Document should be directed to the Company Secretary, Mr Trevor O'Connor, by telephone on +61 8 9463 6651.

4. ACTION REQUIRED BY SHAREHOLDERS

4.1 How to Accept the Offer

Your acceptance of the Offer must be made on the Entitlement and Acceptance Form accompanying this Offer Document. You may participate in the Offer as follows:

- (a) **If you wish to accept your Entitlement in full:**
 - (i) Complete the Entitlement and Acceptance Form, filling in the details in the spaces provided; and
 - (ii) Attach your cheque for the amount indicated on the Entitlement and Acceptance Form; or
- (b) **If you only wish to accept part of your Entitlement:**
 - (i) Fill in the number of New Shares you wish to accept in the space provided on the Entitlement and Acceptance Form; and
 - (ii) Attach your cheque for the appropriate Application monies (at \$0.07 per New Share); or
- (c) **If you wish to accept your full Entitlement and apply for Additional Shares under the Top-Up Offer:**
 - (i) Complete the Entitlement and Acceptance Form including filling in the number of New Shares under the Top-Up Offer you wish to apply for in the Top-Up Offer section on the Entitlement and Acceptance Form; and
 - (ii) Attach your cheque for the appropriate application monies (at \$0.07 per New Share) for your Entitlement plus the Additional Shares you wish to apply for under the Top-Up Offer; or
- (d) If you do not wish to accept all or part of your Entitlement, you are not obliged to do anything.

Your completed Entitlement and Acceptance Form and payment must reach the Company no later than 5:00pm (WST) on the Closing Date.

The Offer is non-renounceable. Accordingly, a holder of Shares may not sell or transfer all or part of their Entitlement.

4.2 Implications of an acceptance

Returning a completed Entitlement and Acceptance Form or paying any Application monies by BPAY® will be taken to constitute a representation by you that:

- (a) you have received a copy of this Offer Document and the accompanying Entitlement and Acceptance Form, and read them both in their entirety; and
- (b) you acknowledge that once the Entitlement and Acceptance Form is returned, or a BPAY® payment instruction is given in relation to any Application monies, the Application may not be varied or withdrawn except as required by law.

4.3 Payment by cheque/bank draft

All cheques must be drawn on an Australian bank or bank draft made payable in Australian currency to “Kasbah Resources Limited” and crossed “Not Negotiable”.

Your completed Entitlement and Acceptance Form and cheque must reach the Company’s share registry at the address set out on the Entitlement and Acceptance Form by no later than 5:00pm WST on the Closing Date.

4.4 Payment by BPAY®

For payment by BPAY®, please follow the instructions on the Entitlement and Acceptance Form. You can only make a payment via BPAY® if you are the holder of an account with an Australian financial institution that supports BPAY® transactions. Please note that should you choose to pay by BPAY®:

- (a) you do not need to submit the Entitlement and Acceptance Form but are taken to have made the declarations on that Entitlement and Acceptance Form; and
- (b) if you do not pay for your Entitlement in full, you are deemed to have taken up your Entitlement in respect of such whole number of Shares which is covered in full by your application monies.

It is your responsibility to ensure that your BPAY® payment is received by the share registry by no later than 2:00pm (WST) on the Closing Date. You should be aware that your financial institution may implement earlier cut-off times with regards to electronic payment and you should therefore take this into consideration when making payment.

4.5 If you do not wish to accept any of your Entitlement

If you do not wish to accept any of your Entitlement, you are not obliged to do anything. In that case, shares not accepted by the Closing Date will become Shortfall Shares and you will receive no benefit.

5. RISK FACTORS

5.1 Introduction

The Shares offered under this Offer Document should be considered speculative because of the nature of the Company's business.

There are numerous risk factors involved with the Company's business. Some of these risks can be mitigated by the use of safeguards and appropriate systems and controls, but some are outside the control of the Company and cannot be mitigated. Accordingly, an investment in the Company carries no guarantee with respect to the payment of dividends, return of capital or price at which securities will trade.

The following is a summary of the more material matters to be considered. However, this summary is not exhaustive and potential investors should examine the contents of this Offer Document in its entirety and consult their professional advisors before deciding whether to apply for the New Shares.

Based on the information available, a non-exhaustive list of risk factors which may affect the Company's financial position, prospects and the price of its listed securities include the following.

5.2 Company Specific Risks

(a) Tin Price Volatility

It is anticipated that any revenues derived from mining will primarily be derived from the sale of tin concentrates. Consequently, any future earnings are likely to be closely related to the price of tin. Tin prices fluctuate and are affected by numerous factors beyond the control of the Company. These factors include the relatively small size of the tin industry, low barriers to entry, history of uncontrolled small scale artisanal production and the majority of production occurring in countries with strong political influences on mining and production programs.

These factors may have an adverse effect on the Company's exploration, development and production activities, as well as on its ability to fund those activities.

(b) Sovereign Risk

The Company's key projects are located in the North African Kingdom of Morocco. Possible sovereign risks associated with operating in Morocco include, without limitation, changes in the terms of mining legislation, changes in the foreign ownership requirements in Morocco, changes to royalty arrangements, changes to taxation rates and concessions, expropriation by the government or private sector entities and changes in the ability to enforce legal rights.

All of these factors are inherent with any mining investment in any jurisdiction and may, in the future, adversely affect the financial performance of the Company and the market price of its Shares.

No assurance can be given regarding future stability in Morocco or any other country in which the Company may, in the future, have an interest.

(c) **Currency risk**

Currency fluctuations will affect the cash flow that the Company may realise from its operations, as mineral production will be sold in the world market in United States Dollars (**USD**). Currency fluctuations will also have an effect on exploration and development costs. Costs will be denominated in currencies other than USD, for example the Dirham, which is the national currency of Morocco where the Company's current assets are based, or in Australian Dollars. Fluctuations in exchange rates that the Company is exposed to will cause fluctuations in its financial results, which are not necessarily related to the Company's underlying operations.

(d) **Additional Requirements for Capital**

The Company will require additional financial resources to continue funding its future expansion and the development of its projects. No assurance can be given that any such additional financing will be available or that, if available, it will be available on terms acceptable to the Company or its shareholders. The Company may in the future raise additional funds through public or private financing.

If additional funds are raised through the issue of equity securities, the percentage ownership of the current shareholders of the Company will be reduced and such securities may, subject to requisite Shareholder approval, have rights, preferences or privileges senior to those of the holders of the Company's shares then in issue.

If adequate funds are not available to satisfy either short or long-term capital requirements, the Company may be required to limit its operations significantly.

(e) **Key Personnel**

The Company is highly dependent on the Directors and key management personnel. Whilst the Board has sought to and will continue to ensure that Directors and any key employees are appropriately incentivised, their services cannot be guaranteed. The Company currently has a small management team and the loss of any Director or key management personnel may have an adverse effect on its operational performance, growth plans and ability to raise further funds. The continued involvement of key employees, consultants and Directors is not assured, and the loss of their services to the Company may have a material adverse effect on the performance of the Company.

(f) **Project Development Risks**

There can be no assurance that the Company will be able to manage effectively the development of its operations or that the Company's current personnel, systems, procedures and controls will be adequate to support the Company's operation. Any failure of management to manage effectively the Company's growth and development could have a material adverse effect on the Company's business, financial condition and results of operations. There is no certainty that all or, indeed, any of the elements of the Company's current strategy will develop as anticipated.

5.3 Industry Specific Risks

(a) **Exploration and Production Risks**

Exploration and production are endeavours which may be hampered by mining, heritage, community and environmental legislation, industrial disputes, cost overruns, land claims and compensation, and other unforeseen events.

The success of the Company also depends on access to required development capital, movements in the price of tin, maintaining title to its exploration tenements and obtaining all consents and approvals necessary for the conduct of its exploration and mining activities.

Exploration for additional resources may be unsuccessful, resulting in a reduction of the value of tenements and diminution in the cash reserves of the Company.

Whether or not income will result from projects undergoing exploration, development and production programmes depends on successful establishment of mining operations. Factors including costs, actual mineralisation, consistency and reliability of ore grades, and mineral prices affect successful project development, as does the design and construction of efficient processing facilities, competent operation and management and prudent financial administration, including the availability and reliability of appropriately skilled and experienced consultants.

(b) **Operational Risks**

The Company's operational targets are subject to the completion of planned operational goals on time and according to budget, and are dependent on the effective support of the Company's personnel, systems, procedures and controls. Any failure of these may result in delays in the achievement of operational targets with a consequent material adverse impact on the business, operations and financial performance of the Company.

The locations of the Company's current exploration activities dictate that climatic conditions and infrastructure (or lack thereof) may have an impact on operations and, in particular, as with any remote mining operation, severe weather and other matters affecting infrastructure, road and transport could disrupt the delivery of supplies, equipment and fuel. It is possible that exploration and extraction activity levels might fluctuate. Unexpected interruptions in the Company's operations due to mechanical or other failures, or industrial relations related issues, or problems or issues with the supply of goods or services could have a serious impact on the financial performance of those operations.

(c) **Resource and Reserve Estimates**

Resource and reserve estimates are expressions of judgement based on knowledge, experience and industry practice. Historical calculations or estimates which were valid when originally calculated may alter significantly when new information or techniques become available. In addition, by their very nature, resource and reserve estimates are imprecise and depend to some extent on interpretations, which may prove to be inaccurate. As further information becomes available through additional drilling and analysis, the estimates are likely to change. This may result in alterations to development and production plans which may, in turn, adversely affect the Company's operations.

5.4 General Risks

General economic conditions, movements in interest and inflation rates and currency exchange rates may have an adverse effect on the Company's exploration, development and production activities, as well as on its ability to fund those activities.

Further, share market conditions may affect the value of the Company's quoted securities regardless of the Company's operating performance. Share market conditions are affected by many factors such as:

- (a) general economic outlook;
- (b) interest rates and inflation rates;
- (c) currency fluctuations;
- (d) changes in investor sentiment toward particular market sectors;
- (e) the demand for, and supply of, capital; and
- (f) terrorism or other hostilities.

6. DEFINED TERMS

\$ or A\$ means an Australian dollar.

Additional Shares means those New Shares not issued under the Offer.

Applicant refers to a person who submits an Entitlement and Acceptance Form, or submits a payment of subscription monies in respect of the Offer.

Application refers to the submission of an Entitlement and Acceptance Form or Shortfall Application Form (as the case may be).

ASX means ASX Limited (ACN 008 624 691) or, where the context permits, the Australian Securities Exchange operated by ASX Limited.

ASX Listing Rules means the Listing Rules of the ASX.

Closing Date means the closing date set out in Section 3.3 or such other date as may be determined by the Directors.

Company means Kasbah Resources Limited (ACN 116 931 705).

Corporations Act means the *Corporations Act 2001* (Cth).

Directors mean the directors of the Company.

Eligible Shareholder means a Shareholder whose details appear on the Company's register of Shareholders as at the Record Date whose registered address is in Australia, New Zealand, Mauritius, Thailand or the United Kingdom.

Entitlement means the entitlement to subscribe for three (3) New Shares for every ten (10) Shares held by an Eligible Shareholder on the Record Date.

Entitlement and Acceptance Form means the Entitlement and Acceptance Form accompanying this Offer Document.

Lead Manager means Canaccord Genuity (Australia) Limited (ACN 075 071 466).

New Share means a new Share proposed to be issued pursuant to this Offer.

Offer or Rights Issue means the pro rata non-renounceable offer of New Shares at an issue price of \$0.07 each on the basis of three (3) New Shares for every ten (10) Shares held on the Record Date subscribed for pursuant to this Offer Document.

Offer Document means this Offer Document dated 18 September 2014.

Opening Date means the opening date set out in Section 3.3 of this Offer Document.



Record Date means the record date set out in Section 3.3 of this Offer Document.

Section means a section of this Offer Document.

Share means an ordinary fully paid share in the capital of the Company.

Shareholder means a holder of Shares.

Shortfall means those Shares under the Offer not applied for by Shareholders under their Entitlement or under the Top-Up Offer.

Shortfall Offer means the offer for the remaining Shares not taken up by Eligible Shareholders under the Offer or the Top-Up Offer, that are offered to the Lead Manager, at the discretion of the Directors.

Top-Up Offer means the offer to Eligible Shareholders of additional New Shares in excess of their Entitlement.

WST means Australian Western Standard Time.