



22 June 2017

Notification under Section 708AA(2)(f) of Corporations Act 2001 (Cth)

Kasbah Resources Limited (ACN 116 931 705) (**Company**) (ASX Code: KAS) has today announced that it is undertaking a fully underwritten, pro-rata accelerated non-renounceable entitlement offer (**Entitlement Offer**) to raise up to approximately \$5.2 million (before offer costs).

The Entitlement Offer will comprise an accelerated institutional component and a retail component.

Under the retail component of the Entitlement Offer, eligible shareholders will be invited to subscribe for 1 fully paid ordinary share (**New Share**) for every 2 existing shares in the Company held as at the Record Date, 5.00pm AWST on Monday, 26 June 2017, at an issue price of \$0.015 per New Share.

The Entitlement Offer is fully underwritten by Taylor Collison Limited (**Underwriter**).

Further details regarding the Entitlement Offer are set out in the ASX announcement accompanying this notice.

The Company advises that it will offer the New Shares for issue to investors under Part 6D.2 of the Corporations Act 2001 (Cth) (**Act**) and states that this notice is given to ASX under paragraph 708AA(2)(f) of the Act, as modified by ASIC Corporations Instruments 2016/73 and 2016/84.

Accordingly the Company confirms that:

1. The Company will offer the New Shares under the Entitlement Offer without disclosure to investors under Part 6D.2 of the Act.
2. This notice is being given under section 708AA(2)(f) of the Act.
3. As at the date of this notice, the Company has complied with:
 - a) the provisions of Chapter 2M of the Act as they apply to the Company; and
 - b) section 674 of the Act.
4. As at the date of this notice, there is no excluded information as defined in sections 708AA(8) and 708AA(9) of the Act which is required to be disclosed by the Company.
5. The potential effect that the issue of New Shares will have on the control of the Company, and the consequences of that effect, will depend on a number of factors, including investor demand for New Shares. However, given the structure of the

Entitlement Offer as a fully underwritten pro rata issue, the potential effect that the issue of the New Shares will have on the control of Company is as follows:

- a) if all eligible shareholders take up their entitlements under the Entitlement Offer, the Entitlement Offer will have no significant effect on the control of the Company in comparison to shareholdings on the Record Date;
- b) if some eligible shareholders do not take up their entitlements under the Entitlement Offer then the interests of those eligible shareholders will be diluted;
- c) the proportional interests of eligible shareholders with an address outside of Australia, New Zealand, Mauritius, Thailand, Jersey, Switzerland, South Africa and Hong Kong will be diluted because such shareholders are not entitled to participate in the Retail Entitlement Offer;
- d) the issue of New Shares which are not taken up by eligible shareholders under the Entitlement Offer may increase the voting power of the investors who may be allocated New Shares via the shortfall offer and the voting power of the Underwriter (and sub-underwriters); and
- e) as at the date of this notice, Pala Investments (**Pala**) is a substantial shareholder and has a relevant interest in 138,133,684 Shares (constituting a voting power of 19.90%). Pala has agreed to subscribe for its full entitlement and sub-underwrite a portion of the retail component of the Entitlement Offer such that its relevant interest in the Company will not exceed 22.9% upon completion of the Entitlement Offer.

Apart from Pala, no other shareholder (or sub-underwriter) will increase their voting power in the Company to a point that is above 20%.

If eligible shareholders and investors (other than the Underwriter and sub-underwriters) take up shares under the shortfall offer, the proportion of New Shares that the underwriter, and sub-underwriters, including Pala, will hold will decrease by the proportion of shares taken up under the shortfall offer.

Signed for and on behalf of the Board of Kasbah Resources Limited

Yours sincerely



Trevor O'Connor
Company Secretary