



13 March 2018

ASX CODE: KAS

TIN IS OUR PRIME COMMODITY

LME TIN PRICE (12/03/18)

US\$21,477 / 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 @ 31/12/17:	\$3.1M

MAJOR SHAREHOLDERS

PALA INVESTMENTS	21.5%
AFRICAN LION GROUP	13.1%

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ASX RELEASE

VERY POSITIVE PHASE 2 ORE SORTING RESULTS AT ACHMMACH TIN PROJECT

- Kasbah has completed a highly successful 2 tonne bulk sample Ore Sorting program with run of mine ore from the Achmmach Tin Project in Morocco.
- Results confirm suitability of Ore Sorting for use at Achmmach and its ability to deliver robust improvements to project economics.
- Highlights of the Ore Sorting test-work results include:
 - 40% rejection of all material through the ore sorter
 - 34% increase in tin head grade into the tin separation process - from 0.85% Sn to 1.14% Sn.
- The impact of the test-work results on the current DFS study are:
 - Higher tin head grade will result in higher process recoveries, offsetting minor tin losses in the ore sorter rejects.
 - Tin concentrate production from the Achmmach project is predicted to increase with the inclusion of ore sorting equipment.
 - Potential to reduce the size of the process plant from 750,000tpa to 500,000tpa, lowering capital and operating costs for the processing plant.
 - Reduced processed tonnes over the mine life reduces the tailings dam capacity required.
- Ore sorting results and other ongoing project enhancing test-work will be included in new DFS to be completed H1, 2018.

Kasbah's Chief Executive, Russell Clark commented:

"These outstanding results confirm that ore sorting technology is appropriate to use in the Achmmach process plant and we should see robust project economics as a result. The advantages of this technology are considerable – the processing plant can be smaller, reducing capital costs. Reagent, power and water use will all reduce, as will tailings production, resulting in a smaller tailings facility being required, again saving costs. The tin price has strengthened in recent months and is forecast to remain strong in the foreseeable future. Our test work is almost complete and we remain on track to produce a new study on the Achmmach project in the first half of this year. It's an exciting time for the project and the Company."

Kasbah Resources Limited (“**Kasbah**” or “**the Company**”) is pleased to announce very positive results from its second phase ore sorting test-work at the Achmmach Tin Project (**The Project**) in Morocco.

A two-tonne bulk sample of ore from the Achmmach Tin Project was subjected to a detailed ore sorting program in February, 2018. This program has delivered exceptional results which have confirmed 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.

The results of the ore sorting program and other ongoing test-work will be included in a new Achmmach Definitive Feasibility Study scheduled to be completed in June 2018.

Phase 2 Bulk Ore Sorting Test-work

Phase 2 of the ore sorting test-work involved sorting two tonnes of representative ore 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 orebody, and as such was the most representative sample of planned run of mine ore that is 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. This fines material represented 25% of the total crushed material.

The coarser screened fraction was then processed through the ore sorting machine. The ore sorting utilised the DE-XRT sensor methodology with laser overlay that was successfully used to recognise 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.

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

**Ore reserve per SSO Feasibility Study 2016*

Indicative Production Profile with Ore Sorting			
Crushed tonnes	t	6,558,000	
Mass to reject	t	1,994,000	
Processed tonnes	t	4,564,000	Reduced
Processed grade	Sn%	1.14	Improved
Processing recovery	%	80.6%	Improved
Recovered metal	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% to 1.14% Sn). The increased head grade delivers an associated increase in processing plant recovery, from 72.7% to 80.6% due to the higher head grade, which in turn results in great 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 more than 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 10 years.

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 introduction of the ore sorting technology, combined with an improving tin price provides the opportunity to significantly improve the project economics.

Background on Ore Sorting Technology

As previously announced (ASX announcements: 12 December 2017, 17 January 2018), Kasbah is assessing the opportunity to utilise ore sorting technology at the front of the Achmmach tin processing plant, with the potential to significantly reduce the tonnage and increase the grade of ore entering the tin separation processes, thereby increasing tin recoveries, and delivering reduced capital and operating costs.

Ore sorting is a simple and established pre-concentration process that facilitates ‘upgrading’ of ore and mineralised material. It has successfully been used in commercial mining operations for more than 25 years in commodities such as tungsten, uranium and diamonds. In the tin sector, ore sorting has been successfully trialled at the Renison Mine in Tasmania (a commercial ore sorting plant is now under construction) and the San Rafael Mine in Peru (a commercial ore sorting plant was commissioned in 2016).

In ore sorting, individual ore particles are sorted from waste material based on physical properties. In recent times sensor-based sorting systems have been introduced using advanced technology to distinguish materials and sort minerals by scanning their unique properties.

Crushed and screened run of mine ore, with fines removed, is fed into the Ore Sorter via conveyor. Sensors detect which individual rocks in the feed have mineralisation (ore) and which is waste. As the rock continues

to the end of the conveyor and free falls, air jets are used to selectively “shoot” the ore (Accept) away from the waste stream (Reject), thus concentrating the grade of the ore in a reduced tonnage. See figure 1.

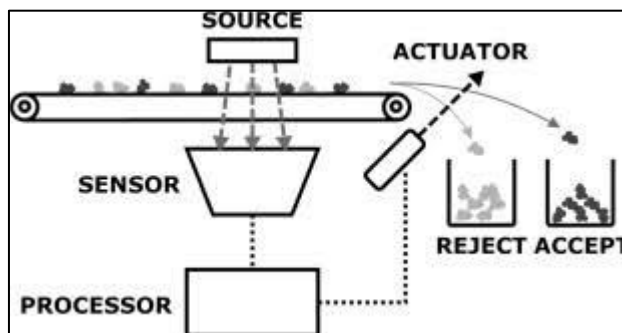


Figure 1: Schematic of ore sorting

The history of sensor technology is not short with sensor-based ore sorting invented for the mineral processing almost a century ago.

Advances in computer capacity, speed and power in the last 4-5 years, and development of multi-sensor units have significantly improved the application of ore sorting technology for numerous minerals, including tin, and in particular have enabled much higher tonnage throughput rates in commercial applications.

In mining, x-ray transmission (XRT) is one of the most versatile type of sensors; it can be widely used in narrow vein mining applications where there is a difference in density between the vein and the host rock, such as at Achmmach. The XRT sorter also has the advantage of being a dry process with no need to wash or scrub the feed to present a clean surface. Using a 3-D laser scan overlay improves the accuracy of the sort by assessing particle dimensions.

Phase 1 Ore Sorting Program

Kasbah’s phase 1 ore sorting program was conducted in January, 2018. The Company successfully tested two parcels of representative ore from core drilled at the Achmmach Project site. The parcels underwent a “sighting” test with various sensors being tested to see if the cassiterite mineralisation at Achmmach could be detected (ASX announcement: 17 January 2018).

As can be seen below (Image 1) the sensors, using XRT, clearly identified the cassiterite mineralisation with the cassiterite (tin ore) in the samples showing up as black and the host rock showing up as red.

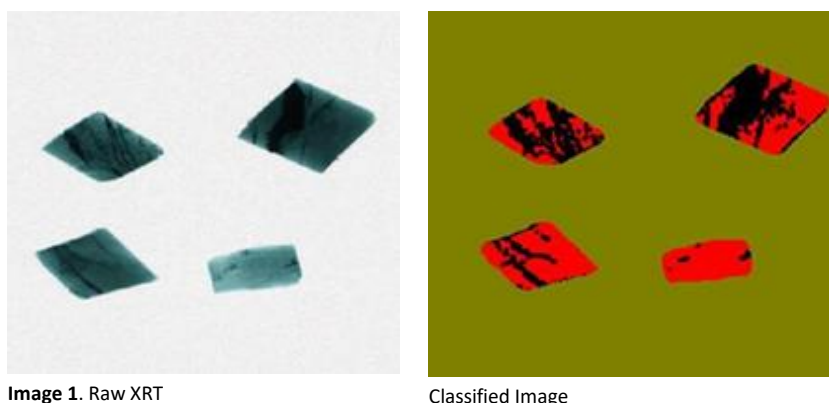


Image 1: Raw XRT image on left shows distinctive cassiterite veining. Classified image on left shows tin as black and host rock as red.

Following the success of the Phase 1 ore sorting test-work, the Phase 2 bulk sample ore sorting program was commissioned.

New Achmmach Definitive Feasibility Study – Due June 2018

The result of this test-work will be included in an Achmmach Feasibility Study currently scheduled to be completed in June 2018. Continuing test-work looking at the opportunity to include high pressure grinding rolls (HPGR) in the processing plant has potential to further improve the study.

About Kasbah

Kasbah Resources is an ASX listed mining company (ASX:KAS), developing the Achmmach Tin Project in northern Morocco, 150km east of the capital Rabat. Kasbah is one of the few “pure tin play” companies listed on the ASX. The Achmmach Tin Project is a globally significant advanced project, with over 120km of diamond drilling completed resulting in a measured and indicated mineral resource of 14.9 million tonnes @0.85% Sn and a mining reserve of 6.6 million tonnes @0.85% Sn, sufficient for a 10 year mine life treating 750,000 tonnes of ore per annum. The orebody remains open along strike and at depth. The project has its “Licence to Exploit”, the major permit required to commence mining and is in an area of rolling hills used for sheep herding and forestry, with a low population density.

Morocco, the “Economic Gateway to Africa”, lies to the south of Spain and is one of three countries with coasts on both the Mediterranean Sea and the Atlantic Ocean, which has resulted in the establishment of a number of large, modern port facilities. Morocco has become a major player in African economic affairs and is the 5th African economy by GDP. The World Economic Forum placed Morocco as the 1st most competitive economy in North Africa, in its African Competitiveness Report 2014-2015. Morocco boasts two car manufacturing plants (Peugeot and Nissan), a high-speed train, the largest solar farm on earth and a globally significant potash industry. Morocco is a constitutional monarchy and is politically and economically stable having revised its constitution during the Arab Spring. Mining is a recognised and supported industry (with well-established mining laws) with the Government aiming to increase revenue from mining three-fold by 2025.

Over the past 12 months the tin price has moved between US\$19,000 per tonne and \$US\$22,000 per tonne. The metal is traded on the London Metal Exchange (LME) where current stocks of the metal are at historic lows, resulting in a sharp increase in the tin price in early 2018. The primary use of tin is as solder, with its other major uses being in batteries, tin plate and semiconductors. As the electric vehicle revolution takes place, tin will be in increasing demand in batteries, semiconductors, solder and chemicals. Annual demand for tin is approximately 320,000 tonnes per annum and is expected to increase at 2-3% per annum. Importantly, production of tin from the major producing countries of Myanmar, Indonesia, China and Peru is forecast to fall as a result of lower grades, exhausted alluvial reserves and government intervention. With very little global tin resource development occurring in recent years, Kasbah’s Achmmach project is one of the largest, global near-term tin development projects in a safe jurisdiction with terrific infrastructure supporting it.

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