

January 31, 2019
ASX: KAS
Share price: \$0.12



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:	106m
Unlisted Options:	0.6m
Unlisted Rights:	13m
Cash @ 31/12/18:	\$1.7m

MAJOR SHAREHOLDERS

Pala Investments	21.2%
African Lion Group	12.9%

CONTACT US

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DECEMBER 2018 QUARTERLY REPORT

"Kasbah continues with initiatives to secure funding for the Project and offtake for its tin output. The Company remains confident of securing an attractive debt funding package to advance the construction of the Achmmach Tin Project. Kasbah awarded the FEED contract to Ausenco during the quarter and has made significant progress with plant design optimisation, providing opportunity for capex savings and a more efficient flow sheet."

HIGHLIGHTS

- **Project financing advanced;** Kasbah's joint venture partners have been supporting discussions with a Japanese industry agency regarding credit support for a competitive multi-element Japanese funding package. This process continues to advance but at a slower pace than was previously envisaged, with financier due diligence and commercial negotiations ongoing. Kasbah's joint venture partners remain committed to this process.
- **Convertible Loan transaction completed;** During the quarter, shareholders approved the Pala convertible loan. The Pala convertible loan provided \$1.1m of additional funding and removed a near term maturity event.
- **FEED contract awarded;** Following a Request for Tender (**RFT**) to undertake Front End Engineering Design (**FEED**), Ausenco Services Pty Ltd (Ausenco) was awarded the fixed price contract. The FEED work is due for completion in early February and will result in better definition of the process flow and process plant layout than was provided in the 2018 DFS.
- **Annual General Meeting (AGM);** Kasbah held its AGM on December 20, 2018. All resolutions put forth to the meeting were approved by shareholders, however a first strike was delivered on the Remuneration Report.
- **Robust tin price;** Tin price has increased 13% since mid-November, rising above \$21,000/t for the first time since June 2018. LME warehouse inventory remain at low levels at 1,870 tonnes (as at January 28, 2019)

Kasbah's Chief Executive, Russell Clark commented:

"We continue to work closely with our joint venture partners in an effort to secure an attractive Japanese financing package for the project. It is unfortunate that this process is taking longer than originally envisaged. We also continue to see interest from non-Japanese lenders to fund the construction of the project should the Japanese opportunity not eventuate. Based on feedback received to date on the ongoing Japanese due diligence process, we remain confident that the Japanese package will materialise, although the associated timeline is uncertain. These processes generally take time and the rights issue announced today allows us to progress the Japanese funding and also provides optionality for other project funding opportunities. We would like to thank all our shareholders for their continued support as the company works towards a final investment decision for the Achmmach Project"

DECEMBER 2018 QUARTERLY REPORT

Kasbah Resources Limited (ASX: KAS) (Kasbah or The Company) is pleased to provide this update to the market for the quarter ended December 31, 2018.

ACHMMACH TIN PROJECT IN MOROCCO

Achmmach Tin Project Financing

Kasbah's joint venture partners (Toyota Tsusho Corporation (**TTC**) and Nittetsu Mining Co Ltd (**NMC**)) continue to support discussions with Japanese industry agencies regarding potential credit support for the project. This process is well advanced with due diligence by a major agency nearing completion.

A Japanese funding package, if secured, will be multi-faceted and involve debt, offtake for all of Achmmach's tin concentrate, a sales and marketing agency agreement with TTC and an agreement with the joint venture partners on the provision of sponsor debt guarantees. Negotiation of the commercial terms surrounding these elements is ongoing. Kasbah recognises that the overall Japanese package potentially represents an attractive option for the project, but maximising shareholder returns remains the focus of the Company.

Whilst the Company and its joint venture partners remain confident of a positive result with the Japanese funding process, the outcome and its timing remain uncertain. Accordingly, Kasbah continues to engage with non-Japanese commercial financial institutions who remain interested in supporting the project.

Kasbah continues to target finalisation of project financing in the first half of 2019.

Front End Engineering Design

Following a Request for Tender (**RFT**) process to undertake Front End Engineering Design (**FEED**), the FEED contract was awarded to Ausenco Services Pty Ltd (**Ausenco**) on a fixed price basis. The FEED will further optimise the flow sheet which should provide greater certainty in the price offered by an EPC contractor to build the project.

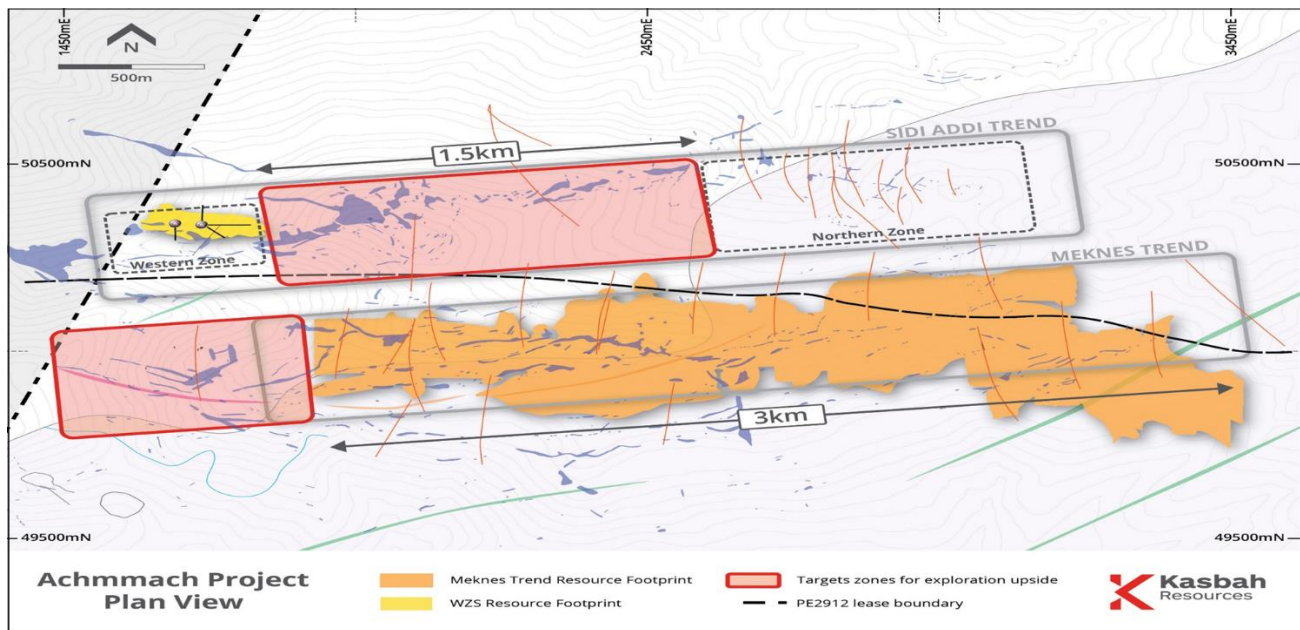
Ausenco has reviewed the processing plant flowsheet and design of the 2018 Definitive Feasibility Study (**DFS**) and is further optimising plant layout and design with the aim of improving efficiencies and providing a cost for the plant to a greater accuracy than that in the DFS. The FEED will be completed in February 2019.

Ausenco is a global company with local offices in Perth and Brisbane and provides consulting, engineering, project delivery and management of assets, management and optimisation solutions to the minerals and metals, oil and gas and industrial sectors. Ausenco has the capability and experience to deliver EPC contracts in the North African region.

EXPLORATION

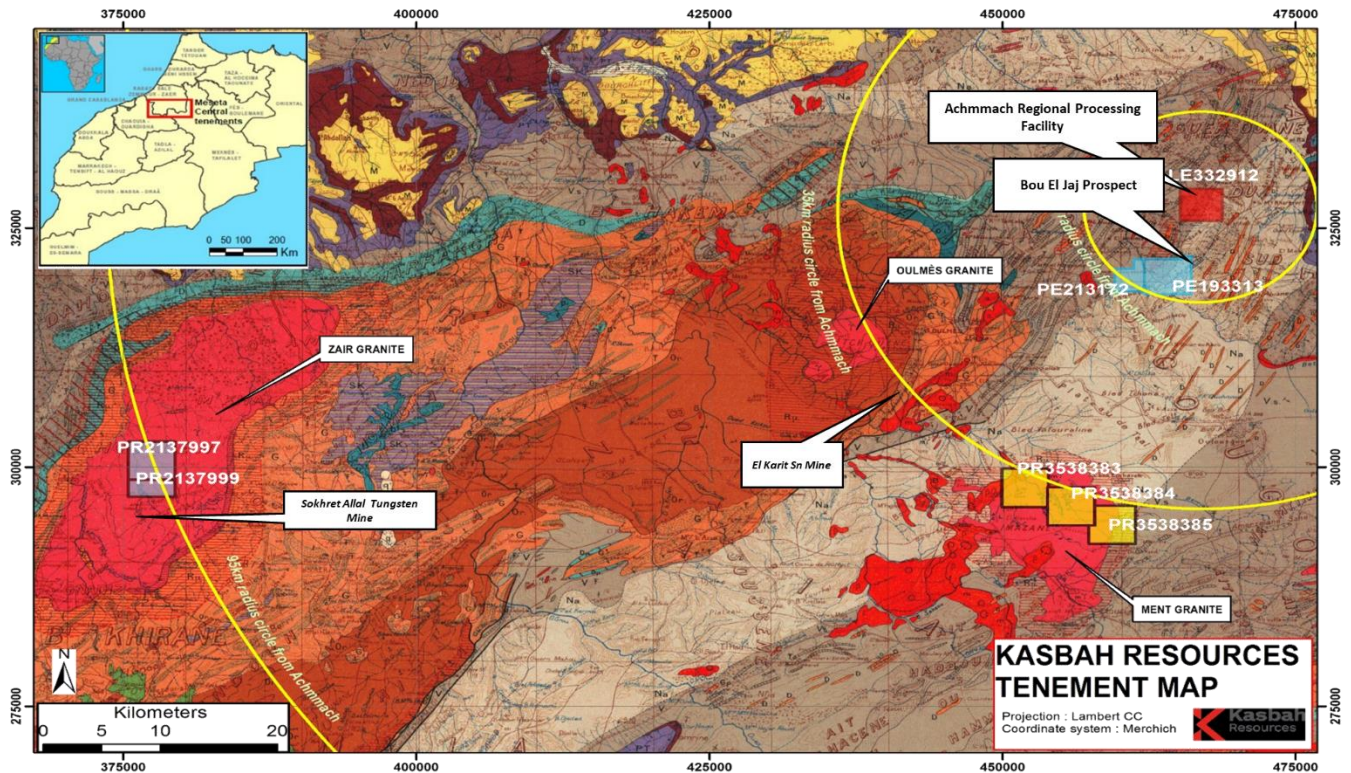
Kasbah continues to progress the development of its exploration strategy which aims to evaluate and prioritise the many exploration opportunities in the region.

Mineralisation at the Achmmach Tin Project is contained within two geologic trends, the Meknes Trend and the Sidi Addi Trend, the mineralisation of which remain open along strike and at depth. Kasbah is currently evaluating the merits of undertaking a small drilling program to better define the potential for strike extension in these trends



In addition to the Achmmach Tin Project, Kasbah holds several 100% owned tin exploration prospects throughout central Morocco – the Bou El Jaj project, Zaer and Ment projects and also owns the Tamlalt Gold Project (100%), in north eastern Morocco.

The Bou El Jaj tin prospect is located 13 kms from Achmmach. In 2013, approximately 8,000m of diamond drilling was completed at Bou El Jaj. Kasbah is looking to progress with the establishment of a maiden JORC compliant resource at Bou El Jaj. Given the proximity of the Bou El Jaj project to the Achmmach Tin Project, and the introduction of ore sorting technology, there is the potential to develop a mining operation at Bou El Jaj, with the aim of supplementing production feed at Achmmach and extending the mine life of the Achmmach project, recognising that the Achmmach project is a joint venture and commercial arrangements would need to be in place to accept the Bou El Jaj feed, currently owned 100% by Kasbah. This approach could avoid the cost of a standalone processing plant at Bou El Jaj.



During the quarter, the Company received the Environmental and Social Impact Assessment (ESIA) approvals on both the Bou El Jaj and Tamlalt Gold Projects.

The ESIA on the Tamlalt Gold Projects facilitates the conversion of the exploration permits to exploitation permits under the new Mining Law. The receipt of the ESIA provides the company optionality on either advancing the development of the Tamlalt Gold Project individually or in partnership with other parties or to divest the project to interested parties.

The ESIA on Bou El Jaj allows the Company to apply for the occupation permits to further the exploration potential of the Bou El Jaj prospect as either a standalone project or as supplementary production feed for the Achmmach project given proximity to the Achmmach processing facility.

CORPORATE

Convertible Loan Transaction

During the quarter, Kasbah secured \$1.6 million of additional funding through an initial increase and extension of the existing \$3.5m loan followed by a rollover into a \$5 million convertible loan with its cornerstone strategic investor, Pala Investments Limited (**Convertible Loan**).

The Convertible Loan, which was subject to satisfaction of certain conditions precedent including receipt of Kasbah shareholder approval, was priced at A\$0.012 per share being approximately a 32% premium to Kasbah's 20 trading day VWAP and a 50% premium to the closing price immediately prior to the date of the announcement (ASX Announcement October 15, 2018).

Pala made an immediate advance of A\$500,000 in October 2018 under the existing loan agreement and extended the maturity date of the resulting \$3.5 million loan from 31 December 2018 to 31 March 2019 to allow Kasbah to continue with the execution of its plans while shareholder approval was sought for the Convertible Loan.

The Convertible Loan was approved by shareholders at the Annual General Meeting on December 20, 2018 (ASX Announcement December 21, 2018). Following approval of the Convertible Loan, Pala provided the Company with additional funding of A\$1.1, after repayment of the existing loan principal, interest and fees. The maturity date of the Convertible Loan is 31 December 2019, subject to a Kasbah option to extend the maturity to 31 December 2020 for a 2% extension fee. The deferral of the maturity to at least 31 December 2019 removed a near term maturity event.

As part of the Convertible Loan transaction, an independent expert report was issued, including an independent technical expert report (**ITSR**) from AMC Consultants. The ITSR contained a number of recommendations and also confirmed the robustness and technical feasibility of the 2018 Definitive Feasibility Study.

Share Purchase Plan

Following feedback received from shareholders on the proposed Convertible Loan transaction, Kasbah offered eligible shareholders the opportunity to apply for new fully paid ordinary shares (**Shares**) in the Company under a Share Purchase Plan (**SPP**) at an issue price of \$0.011 (1.1 cents) per Share alongside the convertible loan facility from Pala, which had a conversion price of \$0.012 (1.2 cents) and was subject to shareholder approval (ASX Announcement, November 19, 2018).

The Company received applications from 25 shareholders for a total of \$130,000, which equated to the issue of 11,818,165 Shares at the SPP issue price of \$0.011 (1.1 cents) per Share. The Shares issued pursuant to the SPP ranked equally in all respects with, the existing fully paid ordinary shares in the Company. Shareholder approval was not required for the SPP.

Annual General Meeting

Following an application under Section 250P of the Corporations Act 2001, Kasbah was granted approval to extend the period within which the Company could hold its Annual General Meeting from November 30, 2018 to December 20, 2018. The extension was sought to facilitate the Convertible Loan being put to shareholders at the same time as all other matters requiring shareholder approval, thereby avoiding the cost and inconvenience of two separate shareholder meetings in close proximity.

All resolutions put forth to the shareholders at the meeting were approved. Resolution 9 relating to the approval of potential termination benefits was withdrawn prior to the meeting.

Resolutions	For	Against	Abstain	Results
1. Adoption of Remuneration Report	453,520,477	179,858,838	1,284,464	Carried**
2. Re-election of Mr John Gooding as a Director of the Company	626,877,308	23,444,591	74,434	Carried
3. Election of Mr Graham Ehm as a Director of the Company	638,106,569	12,587,091	2,183,524	Carried
4. Election of Mr Martyn Buttenshaw as a Director of the Company	628,767,273	24,035,477	74,434	Carried
5. Consolidation of Share Capital	635,724,234	16,887,950	65,000	Carried
6. Renewal of Proportional Takeover Bid Provision in the Constitution	515,218,734	137,254,902	403,548	Carried
7. Approval of 10% Placement Facility	646,247,472	6,629,712	0	Carried
8. Approval of the Convertible Loan Facility	288,451,531	139,704,439	224,721,214	Carried

**Resolution 1 was passed as an ordinary resolution however a first strike has been noted.

Share Consolidation

Following shareholder approval at the AGM, Kasbah completed the consolidation of its share capital on a 10 to 1 basis, with fractional entitlements rounded up to the nearest whole share. As a result of the consolidation, the total number of fully paid ordinary shares on issue reduced from 1,060,042,560 to 106,004,549 shares. In addition, the conversion price of the Convertible Loan from Pala was consolidated on a 10 to 1 basis, to \$0.12 per share.

Unlisted options, unlisted performance rights and unlisted share rights on issue have similarly been consolidated on a 10 to 1 basis with the relevant exercise price for each unlisted option being increased by a factor of 10.

Retirement of Non-executive Director

Non-executive director, Mr Graham Freestone has advised the company of his intention to retire in March 2019, for personal reasons entirely unrelated to Kasbah. Mr Freestone, who is Chair of the Audit Committee will formally resign as non-executive director following release of the Company's half year financial statements in March 2019.

Mr John Gooding, Chairman of Kasbah commented *"Graham has been a non-executive director of the company since February 2017 and has been instrumental in supporting the company as it embarked on its transformation journey over the last two years. His experience in finance, corporate and governance matters has been instrumental in supporting the Company's activities and on behalf of the directors, employees and shareholders I thank him for his very valuable contribution and wish him the very best in retirement."*

Mr Freestone, 71, has had a long and distinguished career as a senior resource sector executive and independent director.

The Board has commenced a search to replace Mr Freestone and an announcement of the appointment will be made at the appropriate time.

Legal Proceedings against BDO Corporate Finance WA Pty Ltd

Following failed attempts to reach a commercial settlement with BDO Corporate Finance WA Pty Ltd (**BDO**), Kasbah commenced legal proceedings against BDO in the Supreme Court of Western Australia on December 18, 2017 for a series of claims including breach of contract, negligence and misleading and deceptive conduct associated with BDO's role as Independent Expert during the failed scheme of arrangement between Kasbah and Asian Mineral Resources Ltd.

Kasbah representatives attended Court ordered mediation in Perth on April 30, 2018. The mediation proceedings failed to reach a commercial settlement and were adjourned to a future date yet to be relisted.

On September 13, 2018, the Court approved Kasbah's application to join two directors of BDO, Mr Sherif Andrawes and Mr Adam Myers, as the second and third defendant respectively to these legal proceedings.

There were no significant updates on these legal proceedings during the quarter as both parties undertook discovery in advance of a second round of mediation, expected during the March quarter.

MARKETING

Conferences and Marketing Events

Kasbah continued to actively promote the Company and the Achmmach Project to existing and potential investors as well as financiers, brokers and traders.

Kasbah executives presented at the IMARC conference in Melbourne from November 29, 2018 to October 1, 2018, the BEER & Co Tin Conference in Melbourne on November 7, 2018 and attended the Mining 121 Conference in London from November 20-21, 2018 and the ITA Tin Forum in London on November 23, 2018

Kasbah will be attending the Arlington Pre-Indaba and Indaba 121 Conferences in Cape Town in February 2019.

Investor/Analyst Call

Kasbah held an Investor/Analyst conference call on November 15, 2018. The results and activities for the September quarter and an overview of recent developments, including the recently completed convertible loan transaction were presented by Russell Clark, Chief Executive Officer.

An Investor/Analyst conference call has also been scheduled for February 12, 2019 at 11.30 PM ADST. Russell Clark will discuss the December quarter and will provide an overview of current developments, including the non-renounceable, non-accelerated rights issue announced today. Shareholders, investors and analysts are encouraged to dial in to listen as well as to ask questions during the call.

Details for the conference call is as follows:

Dial in details	
Australia Dial-in Number	1800 280 741
International Dial-in Number	+61 3 8687 0650

For updates on the investor call and other Kasbah related news and announcements, please follow us on **Twitter:** <https://twitter.com/kasbahresource> and **LinkedIn:** <https://www.linkedin.com/company/kasbah-resources-ltd/> as well as the Kasbah Resources website: <http://www.kasbahresources.com/site/content/>.

FINANCIAL

Cash and debt

Cash and short-term deposits at December 31, 2018 were \$1.7 million.

Debt plus capitalised interest as at December 31, 2018 was \$5.1 million.

Please refer to the attached Appendix 5B for further information.

TIN MARKET

Prices

Tin prices were volatile during the quarter with price fluctuating between a low of \$18,400/t and a high of \$19,595/t, averaging \$19,151/t. Commodity prices have generally reacted to macro-economic sentiments towards the trade tensions between the United States and China and uncertainty around the United Kingdom's exit from the European Union. LME tin inventory fluctuated between a high of 3,235 tonnes and a low of 2,165 tonnes.

Subsequent to the end of the quarter, the tin price has strengthened considerably, trading over \$21,000/t for the first time since June 2018, reaching \$21,050/t on January 25, 2018. The LME inventory, of just under 2,000 tonnes is near historical lows. This can be largely attributed to continued delays in tin exports from Indonesia, the world's second largest global exporter, due to the suspension of major tin inspector PT Surveyor Indonesia.

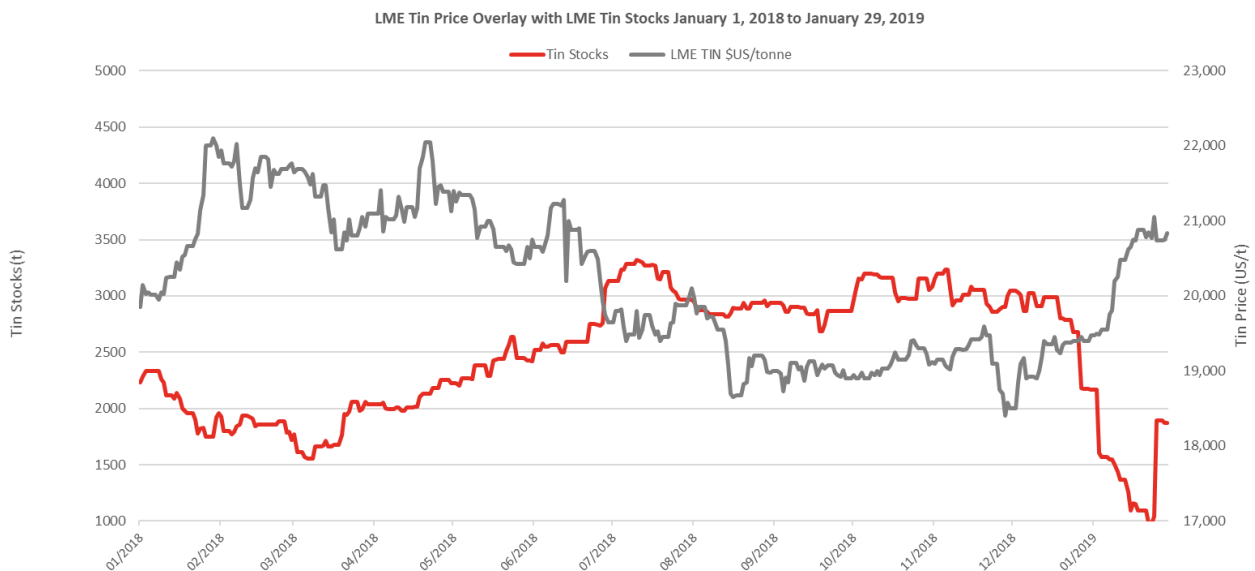


Figure 1: LME Tin Price vs LME Stocks – January 1, 2018 to January 29, 2019

“Macquarie’s commodity price forecasts suggest that tin price will continue to increase and hitting \$23,250 at about the time Achmmach is expected to be in production”

Supply side: higher inventory levels, slowing mine supply

London Metal Exchange (“LME”) stockpiles of tin are near record lows. Reduced mine supply is largely driven by continuing export delays from Indonesia as well as declining supply from Myanmar’s Wa Province as a result of significant grade depletion.

Furthermore, the International Tin Association (**ITA**) notes that the demand for refined tin from Chinese downstream companies continues to be weak amidst the escalating China-United States trade tensions with the result that tin inventories on the Shanghai Futures Exchange (**SFE**) has been rising.

The ITA continues to estimate that existing global tin mine reserves will only last 7 years, in the absence of further resource conversion.

Major tin producers in the world include Myanmar, Indonesia, China and Peru. The ITA retains the view that future production from Myanmar is likely to fall on an underlying decline in mining activity as easy to mine alluvial deposits are depleted and as tin grades decline. The ITA forecasts a decline in Myanmar’s tin mine output in 2018 of approximately 10%, with further declines of between 11% to 30% forecasted in 2019. However, it should be noted that Myanmar forecasts have been historically very difficult to accurately predict.

African tin exports, which have been growing steadily since 2015 appear to have been impacted by the Democratic Republic of Congo’s (Africa’s largest tin producer) introduction of a new mining code. The new mining code increases the mining royalties to 3.5% (from 2%), doubles the government’s free share of mining projects to 10%, reduces the period of guaranteed contract stability to five years and introduces a super-profits tax if commodity prices rise above a certain threshold.

Demand side: solder continues to be the largest driver, upside from EV revolution

Solder continues to be the largest use of tin, contributing 47% of tin demand, followed by chemicals (18%) and tin plate (14%). The demand from tin for these existing applications is expected to grow with the increasing use of solder in electronics and solar panels and the ongoing conversion to lead free solders. The demand for tin plate continues to grow in emerging economies. Furthermore, the trends in energy and technology are expected to drive future tin demand with exponential increase in the use of tin in computing and advanced robotics, renewable energy and storage and autonomous and electric vehicles.

The themes of supply pressure and increasing demand from existing and new technology applications remains firmly in place and supportive of a robust price outlook. Solder remains the likely largest consumer of tin with the miniaturisation of electronics more than offset by the growth of electronic components.

Outlook looks promising

Our view for the outlook for tin remains positive. The medium-term price outlook remains strong with mine supply continuing to face challenges, and demand continuing to outpace supply resulting in a global deficit of tin. Kasbah believes that the timing of production at Achmmach will coincide with the continuing supply deficit in the market and as a result stands to benefit from an increase in tin price in the medium to long term.

January 31, 2019
ASX: KAS



Russell Clark
Chief Executive Officer

Follow us on Twitter and LinkedIn for updates.

 : @KasbahResource

 : Kasbah Resources Ltd

Links to Kasbah's Twitter and LinkedIn pages can be found at the Company's website.

For further information please contact:

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ABOUT KASBAH RESOURCES

*Kasbah Resources Limited (**Kasbah**) is an Australian ASX listed mineral exploration and development company.*

Our commodity is tin.

Kasbah has two tin projects (the Achmmach Tin Project and the Bou El Jaj Tin Project) located in the Kingdom of Morocco:

- **Achmmach Tin Project Joint Venture (JV) in Morocco (75% Kasbah, 20% Toyota Tsusho and 5% Nittetsu Mining)**

Kasbah is the manager and operator of the Achmmach Tin Project JV. Toyota Tsusho Corporation (TTC) and Nittetsu Mining Co. Ltd (NMC) of Japan are Kasbah's strategic development partners in this JV. Achmmach is one of the world's largest and most advanced undeveloped tin projects with projected low operating costs and located in a mining friendly jurisdiction at the gateway to Europe.

- **Bou El Jaj Tin Project in Morocco (100% Kasbah)**

Kasbah retains a 100% interest in the prospective Bou El Jaj Tin Project. This project is 10km from the Achmmach Tin Project and is an early stage exploration opportunity that could become a satellite ore source for Achmmach. It is currently pre-resource and additional drilling is required on multiple targets within the Bou El Jaj permits.

FORWARD LOOKING STATEMENTS

This announcement contains forward-looking statements which involve a number of risks and uncertainties. These forward-looking statements are expressed in good faith and believed to have a reasonable basis. These statements reflect current expectations, intentions or strategies regarding the future and assumptions based on currently available information. Should one or more of the risks or uncertainties materialise, or should underlying assumptions prove incorrect, actual results may vary from the expectations, intentions and strategies described in this announcement. No obligation is assumed to update forward looking statements if these beliefs, opinions and estimates should change or to reflect other future developments.

MINING TENEMENT CHANGES DURING THE QUARTER

Project / Tenements	Location	Permit Number	Held at end of quarter	Acquired during the quarter	Disposed during the quarter
NIL					

FARM-IN / FARM OUT AGREEMENT CHANGES

Project / Tenements	Location	Permit Number	Held at end of quarter	Acquired during the quarter	Disposed during the quarter
NIL					

INTERESTS IN MINING TENEMENTS

Project	Permit Type	Permit Number	Registered Interest
Achmmach	LE	332912	75%*
	PE	193172	75%*
Bou El Jaj	PE	213172	100%
	PE	193313	100%
Tamlalt	PE	223197	100%
	PE	223198	100%
	PE	223203	100%
Ezzhiliga (Zaer)	PR	2137997	100%
	PR	2137999	100%
Ment	PR	1940002	100%
	PR	1940003	100%
	PR	1940004	100%
	PR	1940082	100%
	PR	1940095	100%
	PR	1940099	100%
	PR	3558383	100%
	PR	3558384	100%
	PR	3558385	100%

All permits are located in the Kingdom of Morocco.

LEGEND : PE – *Permis Exploitation* PR – *Permis Recherche*

* The Achmmach Tin Project is 100% owned by Moroccan incorporated Joint Venture Company Atlas Tin SAS. The shareholders of Atlas Tin SAS are Kasbah Resources Limited (75%), Toyota Tsusho Corporation (20%) and Nittetsu Mining Co. Ltd (5%). Kasbah is the Manager and Operator of the Achmmach Tin Project JV.

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/13, 01/09/16

Name of entity

KASBAH RESOURCES LIMITED

ABN

78 116 931 705

Quarter ended ("current quarter")

31 DECEMBER 2018

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	(788)	(1,531)
(b) development	-	-
(c) production	-	-
(d) staff costs	(402)	(666)
(e) administration and corporate costs	(534)	(1,158)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	4	11
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Research and development refunds	-	-
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(1,721)	(3,344)

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	(1)	(1)
(b) tenements (see item 10)	-	-
(c) investments	-	-
(d) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) property, plant and equipment	-	-
	(b) tenements (see item 10)	-	-
	(c) investments	-	-
	(d) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (refund of bank guarantees)	(1)	17
2.6	Net cash from / (used in) investing activities	(2)	16

3.	Cash flows from financing activities		
3.1	Proceeds from issues of shares	130	114
3.2	Proceeds from issue of convertible notes	5,000	5,000
3.3	Proceeds from exercise of share options	-	-
3.4	Transaction costs related to issues of shares, convertible notes or options	(7)	(7)
3.5	Proceeds from borrowings	500	500
3.6	Repayment of borrowings	(3,936)	(3,936)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (transactions with non-controlling interests)	292	366
3.10	Net cash from / (used in) financing activities	1,980	2,037

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	1,475	3,017
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,721)	(3,344)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(2)	16
4.4	Net cash from / (used in) financing activities (item 3.10 above)	1,980	2,037
4.5	Effect of movement in exchange rates on cash held	(2)	4
4.6	Cash and cash equivalents at end of period	1,730	1,730

5. Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1 Bank balances	1,476	712
5.2 Call deposits	25	425
5.3 Bank overdrafts	-	-
5.4 Other (provide details) – Cash held in Morocco	229	338
5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)	1,730	1,475

6. Payments to directors of the entity and their associates

- 6.1 Aggregate amount of payments to these parties included in item 1.2
- 6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

Current quarter \$A'000
35
-

7. Payments to related entities of the entity and their associates

- 7.1 Aggregate amount of payments to these parties included in item 1.2
- 7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

Current quarter \$A'000
-
-

8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1 Loan facilities	5,000	5,000
8.2 Credit standby arrangements	-	-
8.3 Other (please specify)	-	-
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

An additional \$500,000 was drawn down on 18 October 2018 under the initial bridge facility from Pala Investments Limited during the quarter, taking the principal amount of the loan to \$3,500,000. The outstanding principal, capitalised interest and fees totalling \$3,935,814 was repaid on 20 December 2018 and deemed to be the utilised portion of the Convertible Loan.

On 20 December 2018, following approval by shareholders at the Annual General Meeting, the Company drew down \$5,000,000 under the Convertible Loan Agreement with Pala Investments Limited. The loan is secured against the assets of Kasbah Resources Limited other than Kasbah's interest in the Atlas Tin Project joint venture (which requires the consent of the other joint venture parties pursuant to the terms of the Atlas Tin Shareholders Agreement), with interest charged at 12% per annum. Maturity of the loan is 31 December 2019, subject to a Kasbah option to extend the maturity to 31 December 2020 for a 2% extension fee and a step up in the interest rate to 15%.

9. Estimated cash outflows for next quarter	\$A'000
9.1 Exploration and evaluation	622
9.2 Development	-
9.3 Production	-
9.4 Staff costs	422
9.5 Administration and corporate costs	245
9.6 Other (provide details if material)	-
9.7 Total estimated cash outflows	1,289

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10. Changes in tenements (items 2.1(b) and 2.2(b) above)	Tenement reference and location	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
10.1 Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced				
10.2 Interests in mining tenements and petroleum tenements acquired or increased				

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Sign here:
(Company secretary)

Date: 31 January 2019

Print name: Keith Pollocks

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 6: Exploration for and Evaluation of Mineral Resources and AASB 107: Statement of Cash Flows apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.