



31 October 2014

ASX CODE: KAS

**OUR PRIME COMMODITY IS
TIN**

LME TIN PRICE (29/10/14)

**US\$20,145/t
(CASH BUYER)**

ABOUT KASBAH

KASBAH IS AN AUSTRALIAN LISTED MINERAL EXPLORATION AND DEVELOPMENT COMPANY.

THE COMPANY IS ADVANCING THE ACHMMACH TIN PROJECT IN THE KINGDOM OF MOROCCO TOWARDS PRODUCTION.

PROJECTS

ACHMMACH TIN PROJECT
BOU EL JAJ TIN PROJECT
KIKAGATI TIN PROJECT

CAPITAL STRUCTURE

SHARES ON ISSUE: 451M
UNLISTED OPTIONS: 18M
CASH @ 24/10/14: \$5.5M

MAJOR SHAREHOLDERS

WORLD BANK (IFC) 18.0%
AFRICAN LION GROUP 14.8%
TRAXYS 4.6%
MGMT & DIRECTORS 3.6%
TRANSAMINE 2.9%
THAISARCO 2.3%

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✉: info@kasbahresources.com
🌐: www.kasbahresources.com

ASX RELEASE

SEPTEMBER 2014

QUARTERLY REPORT



Kasbah Resources Limited (ASX: KAS) is pleased to report its activities for the September 2014 Quarter. The Highlights for the period to date include:

- Diamond drilling intersects high-grade tin at Western Zone (WZ) target at Achmmach Project, Morocco, with results including:
 - **3.9m @ 4.21% Sn from 39.5m** (WZGTD004)
 - **14.2m @ 1.35% Sn from 9.2m** (WZGTD001) (including 5.9m @ 2.32% Sn from 12.6m)
- Drilling further extended tin mineralisation at WZ outside the current resource model down-dip and at depth
- **WZ metallurgical test work achieves 78% tin recovery**
- Due diligence by international project financiers now close to completion
- Non-renounceable Rights Issue raises \$3.9M to fund extensional drilling at WZ, Achmmach DFS optimisation and for financing and off-take activities
- LME tin stocks approaching 5 year low (9,140t @ 28/10/14)
- Cash position as at 24 October 2014 is \$5.5M

SEPTEMBER QUARTERLY REPORT

OVERVIEW

Kasbah is pleased to report the key technical and commercial deliverables for the Company from the September Quarter.

During the period Kasbah made the following important ASX releases (which can be found at www.kasbahresources.com for further detail).

- **7 July 2014** Kasbah signs exploration farm-in for Kikagati Tin Project;
- **18 August 2014** WZ Drilling Update;
- **16 September 2014** Kasbah announces Non-renounceable Rights Issue;
- **18 September 2014** Kasbah releases the Rights Issue Offer Document;
- **22 September 2014** Letters to Shareholders for Rights Issue;
- **26 September 2014** Full Year Statutory Accounts;
- **2 October 2014** Kikagati Update;
- **6 October 2014** WZ Drilling Update;
- **7 October 2014** Kasbah Corporate Update;
- **15 October 2014** Close of Rights Issue;
- **16 October 2014** WZ Metallurgical Results; and
- **20 October 2014** 2014 Annual Report.

Atlas Tin SAS (the joint venture between Kasbah (75%), Toyota Tsusho (20%) and Nittetsu Mining Co. (5%)) is actively progressing key in-country project approvals, project financing negotiations and definitive feasibility optimisation tasks. Project approvals are moving ahead such that once a financing solution is finalised, the Atlas Tin Joint Venture can consider full development of the Achmmach Tin Project. Stakeholder and community support for Achmmach is high and approvals are well-progressed with Kasbah being confident that they will be finalised soon.

The level of interest and competition to provide a project financing solution from international banks is significant as currently there is very few resource projects seeking development funding. The short listed banks are now close to completing their due diligence such that they can provide finalised term sheets to the Atlas Tin Joint Venture.

DFS optimisation works focussed on increasing mine life, reducing mine operating costs and increasing metallurgical recovery continue and are all geared towards strengthening project cash flows. Recent metallurgical test work on the WZ that achieved tin recoveries of 78% evidence Kasbah's success in optimising project parameters that can enhance the economics of this strategic tin asset.

With respect to the WZ metallurgical result, Kasbah Chief Operating Officer Mike Kitney said:

“The hard rock tin challenge is about extending metallurgical recoveries towards 80%. With Achmmach, the DFS model indicates that every 1% increase in metallurgical recovery has the potential to increase the Project NPV by approximately US\$7,000,000¹. Kasbah is committed to extending our metallurgical development effort to realise this additional project value.”

¹ The calculation of the effect of 1% increase in Metallurgical recovery on the NPV of the Project was calculated by simply comparing the NPV results of different recovery rates utilising the DFS Model prepared for the Company’s DFS Announcement of 31 March 2014. No other variables in the model have been modified, particularly with regard to any impact the flow sheet enhancements could have on capital and operating costs. It should be noted that the indicated increases in the metallurgical recovery of the Western Zone ore may not be fully achieved for Meknès ore. The Company confirms that all the material assumptions underpinning the release of the DFS Report as announced to the Market on 31 March 2014 continue to apply and have not materially changed.

CORPORATE

Since July Kasbah achieved the following corporate milestones and advanced the following critical items:

▪ **Project Funding and Off-take Update**

Kasbah and its project partners have been in active discussions with a wide range of parties regarding funding the development of the Achmmach project since the announcement of the DFS in March. During the quarter, Kasbah received draft term sheets from a number of international project finance banks who are now nearing completion of due diligence on the project. Kasbah is confident of being in a position to finalise commercial terms of the project loan and then mandate one or more lenders to deliver the debt solution.

With respect to Kasbah’s 75% share of the Project equity requirement, Kasbah has also now received non-binding Expressions of Interest (EOIs) to participate in the overall funding solution from a number of substantial tin industry participants. In some cases, these EOIs are accompanied by proposals to provide off-take of the concentrate stream that will flow from Achmmach.

In light of the proposals received to-date, Kasbah can now evaluate these options to determine the optimal project funding structure that maximises value and minimises dilution for Kasbah shareholders.

▪ **Moroccan Approvals Update**

In addition to the funding activities, Kasbah has also been steadily progressing key Moroccan approvals, including the Investment Convention and Environmental Monitoring and Management Plan. Stakeholder and community support for Achmmach is high and approvals are well-progressed with Kasbah being confident that they will be finalised soon.

▪ **Investment Convention**

The Investment Convention is now ready for the first tier of approval by the Technical Committee of the Moroccan Agency for Development and Investment, comprising all key project stakeholders in Morocco and once passed, this will be ready for final approval by the National Committee.

- **Environment and Social**

Environmental consultants Phénixa of Rabat were engaged during the quarter to prepare the Project Environmental and Social Monitoring and Management Plan (ESMMP), which will be ready for submission to the National Committee for Environmental Impact Studies during Q4 2014.

- **Water and Land Access**

Kasbah continued discussions with Moroccan agencies to advance the final applications for water and land access for the Project's operational requirements. Kasbah anticipates commencing bore field development during Q4 2014 and land rental agreements with collectives and the Forestry Department are expected to be ready for signature during Q4 2014.

- **Power Supply**

Kasbah continued discussions with the National Office of Electricity and Potable Water over a draft contract for the establishment of the Project power supply during the quarter. Draft options for the transmission line route were prepared and technical and social evaluation of these will commence during Q4 2014.

- **Non-Renounceable Rights Issue**

During the quarter, Kasbah announced a capital raising through a pro-rata non-renounceable rights issue (Rights Issue) of three (3) fully paid ordinary shares in the capital of the Company (Shares) for every 10 shares held by eligible shareholders on the record date, at an issue price of \$0.07 per share (representing at the time a 13.9% discount to the 20-day VWAP).

The Rights Issue closed on 10 October, with Kasbah receiving applications for 55,502,427 new Shares from eligible shareholders under the Offer to raise approximately \$3,885,170 with Kasbah's largest shareholder, the International Financial Corporation, subscribing for its full entitlement in the Rights Issue. Five of Kasbah's Directors also subscribed for their full entitlement.

Kasbah Directors reserve the right to place the 63,271,352 shortfall shares within three months of the close of the offer at their discretion with groups interested in subscribing for shares in the Company, subject to the Corporations Act 2001 and the ASX Listing Rules.

Kasbah will use proceeds of the Rights Issue to continue extensional drilling at the WZ target, Achmmach DFS optimisation and for financing and off-take activities.

- **Cash Reserves**

Cash reserves at 24 October were **\$5.5M**.

PROJECT DEVELOPMENT UPDATE
Achmmach Tin Project

Following the release of the definitive feasibility study (DFS), Kasbah commenced the optimisation of some key components of the DFS and advanced many of the critical project approvals required to commence development at Achmmach.

During the September quarter, the Company completed a short (388m) infill drilling programme over the WZ target on the Sidi Addi Trend at Achmmach. This focussed on infilling the February 2014 Mineral Resource announced to the market on 6 February 2014 (**Table 1**) and sought to define high-wall stability for pit optimisation studies. This information will permit conversion of the WZ resource to a higher classification and integrate into a revised mine plan for the Achmmach DFS project cash flow model.

Table 1: Western Zone Shallows - February 2014 Mineral Resource Estimate (@ 0.35% Sn cut off grade ^A)			
Category	K Tonnes	Sn %	Contained Tin (kt)
Measured	-	-	-
Indicated	221	0.95	2.1
Inferred	-	-	-
Total	221	0.95	2.1

^A The tin grade has been rounded to the nearest 0.05% Sn. The open pit resource has been reported within an optimised Whittle pit shell using a tin price of US\$23,000/t and overall slope angles of 45°. The 0.35% Sn cut-off grade used for reporting the resource is based on a tin price of US\$23,000/t, with open pit mining costs of US\$2/t of rock waste and US\$3/t for ore. The strip ratio within the pit shell is 18:1, giving an overall mining cost of US\$2.1/t. Total costs (including smelting) are US\$38/t of ore, with processing recoveries of 75% at an average head grade of 0.9% Sn.

The Company confirms that it is not aware of any new information or data, other than the additional drilling information contained in the ASX releases dated 18 August 2014 and 6 October 2014 which have not been factored into the February 2014 WZS Mineral Resource Estimate and that all material assumptions and technical parameters underpinning the February 2014 WZS Mineral Resource Estimate continue to apply and have not materially changed.

This programme returned new high-grade and shallow tin intercepts. The main intercepts of Drill holes which were announced to the market on 18 August 2014 included:

WZGTD004:

- **3.9m @ 4.21% Sn from 39.5m; and**
- **3.0m @ 1.12% Sn from 97m.**

WZGTD001:

- **14.2m @ 1.35% Sn from 9.2m (including 5.9m @ 2.32% Sn from 12.6m).**

WZGTD002:

- **9.0m @ 1.23% Sn from 23m (including 4.4m @ 1.75% Sn from 24.8m).**

These delivered the best two metal accumulations so far recorded over the WZ.

Kasbah also completed an extensional drilling programme at WZ across 200m-250m of strike of the under-explored Sidi Addi Trend (totalling 2,158m), aimed to extend the footprint of the current Mineral Resource for WZ by testing the down-dip extent of the existing resource (**Figure 1**).

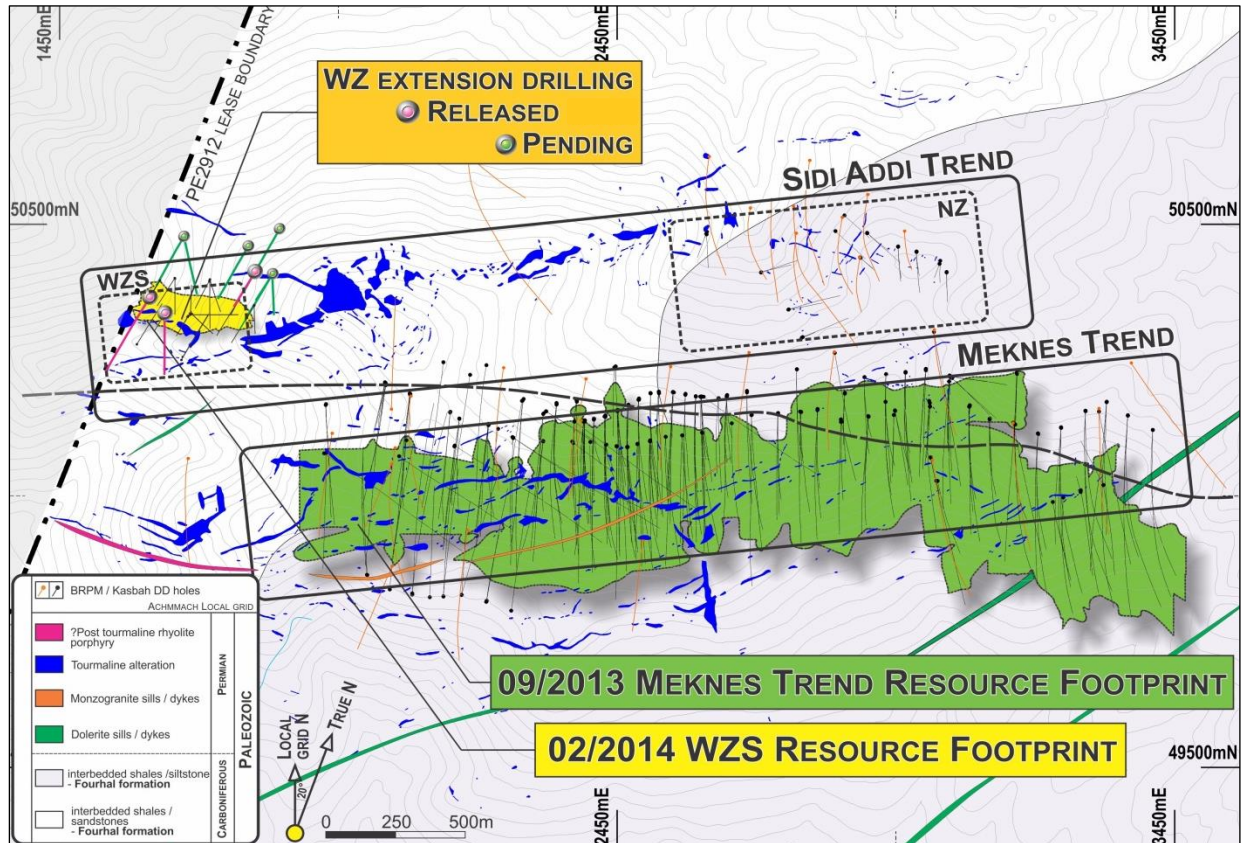


Figure 1: Achmmach Tin Project - Meknes Trend and Sidi Addi Trend Location Plan (WZ and Northern Zone drilling locations depicted and tourmalinised outcrops shown in blue)

Three reported drill holes announced to the market on 6 October 2014 extended the mineralisation outside the current WZ resource model, with best down-hole intercepts including:

WZD025:

- **3.0m @ 2.53% Sn from 127.5m; and**
- **9.4m @ 0.93% Sn from 164.8m (including 4.0m @ 1.41% Sn from 168m).**

WZGTD001:

- **2.2m @ 1.23% Sn from 120.8m.**

WZD023:

- **3.4m @ 0.93% Sn from 42.2m.**

Assays for seven additional diamond holes totalling 1,472m are pending and an updated resource estimate and mine design will be completed for the WZ once Kasbah receives the outstanding assays.

Metallurgical testwork completed on WZ during the quarter achieved exceptional results, with 78% tin recovery from WZ ore using the Definitive Feasibility Study (DFS) flow sheet (**Figure 2**). This was a superior result to that reported for the Meknès Trend (70.3%) and above that used in the March 2014 DFS.

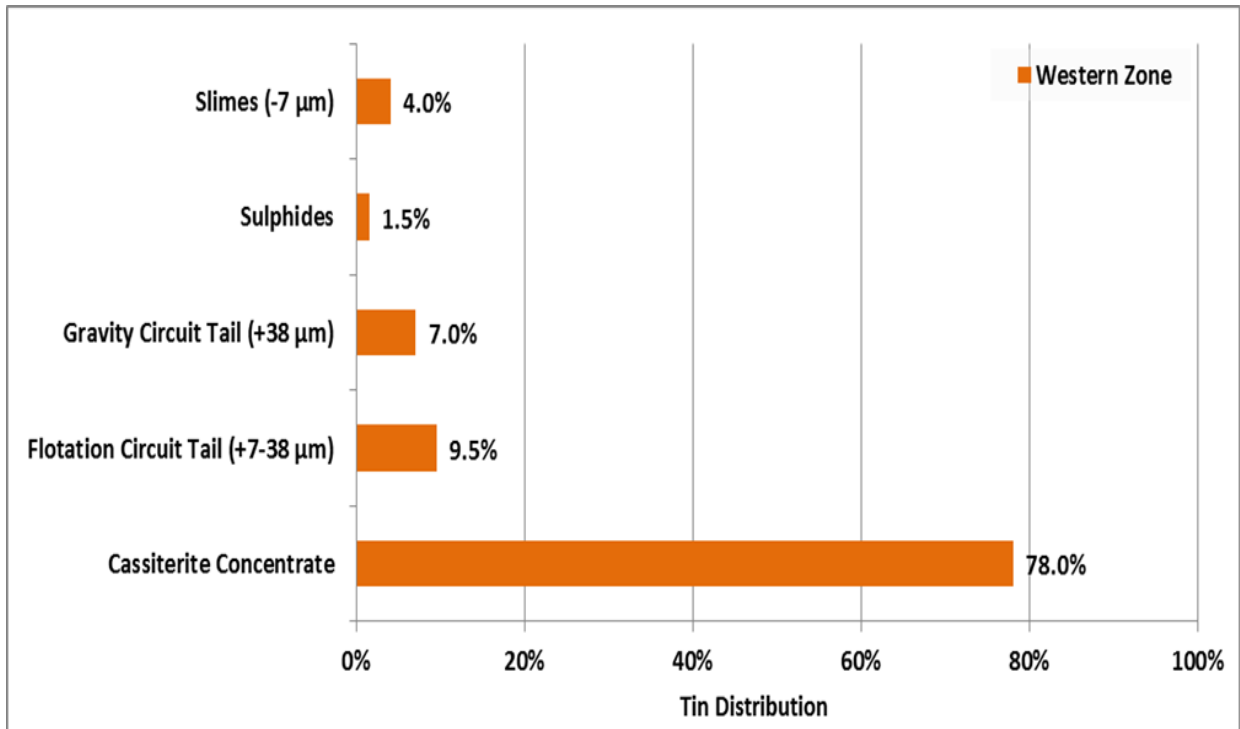


Figure 2: Tin Distribution to WZ Metallurgical Test Products

Process flow sheet enhancements, developed by Kasbah post-DFS and which contributed to the exceptional WZ results, are expected to translate to improved metallurgical performance of Meknès Trend ore. As such a post-DFS metallurgical development programme on a 3,000kg representative composite sample of Meknès ore is underway and expected to be completed in Q1 2015.

EXPLORATION

Kasbah’s exploration activities for the September Quarter are summarised below:

- **Morocco Regional Exploration**

Kasbah has applied for 21 permits in the recent reattribution held by the Administration. The reattribution is a process whereby the Ministry of Energy, Mines, Environment and Water (MEMEE) through its regional offices accepts applications for permits that have either been cancelled or which have lapsed. A committee headed by the MEMEE, in conjunction with the Centre for Regional Investment and other administration officials reviews the applications and then re-assigns the permits to the chosen applicants. The last reattribution was held in 2011.

Kasbah has focused its applications on three prospective tin areas proximate to the tin mineralised Achmmach - Bou El Jaj corridor.

▪ **Kikagati Tin Project - Uganda (KAS farm-in to 51%)**

Kasbah entered an exploration farm-in agreement with subsidiaries of Starfield Metals Limited (Starfield) over a package of six permits known as the Kikagati Tin Project in south-west Uganda in early July (refer ASX announcement dated 7 July 2014). During the quarter, Starfield’s Ugandan subsidiary received notification from the Ugandan Geological Survey and Mines Department that its Mining Licence ML1047 had been revoked.

Revocation of the permit was unexpected and Starfield lodged an appeal to the Mines Department on 15 October 2014. The department has 60 days to respond to this appeal. Kasbah will continue to evaluate the remaining exploration permits, monitor developments on ML1047 and review its position with respect to the farm-in agreement at the end of the six-month due diligence period.

TIN MARKET OVERVIEW

The tin price has not achieved widely reported price forecasts for 2014 for many reasons including speculative hedge funds short selling. Tin industry commentators point to the likelihood of a very small deficit to a balanced market for 2014 and point to the following reasons for the retraction of the tin price in 2014 (**Figure 3**):

- Second quarter tin production levels from Indonesia and China;
- Rapid Myanmar tin ore and concentrate production growth in 2014;
- Fragmented implementation of Indonesian Commodity Derivative Exchange (ICDX) rules with respect to trading of tin intermediate products;
- Sluggish electronic demand;
- Geopolitical concerns; and
- Bearish global growth expectations.

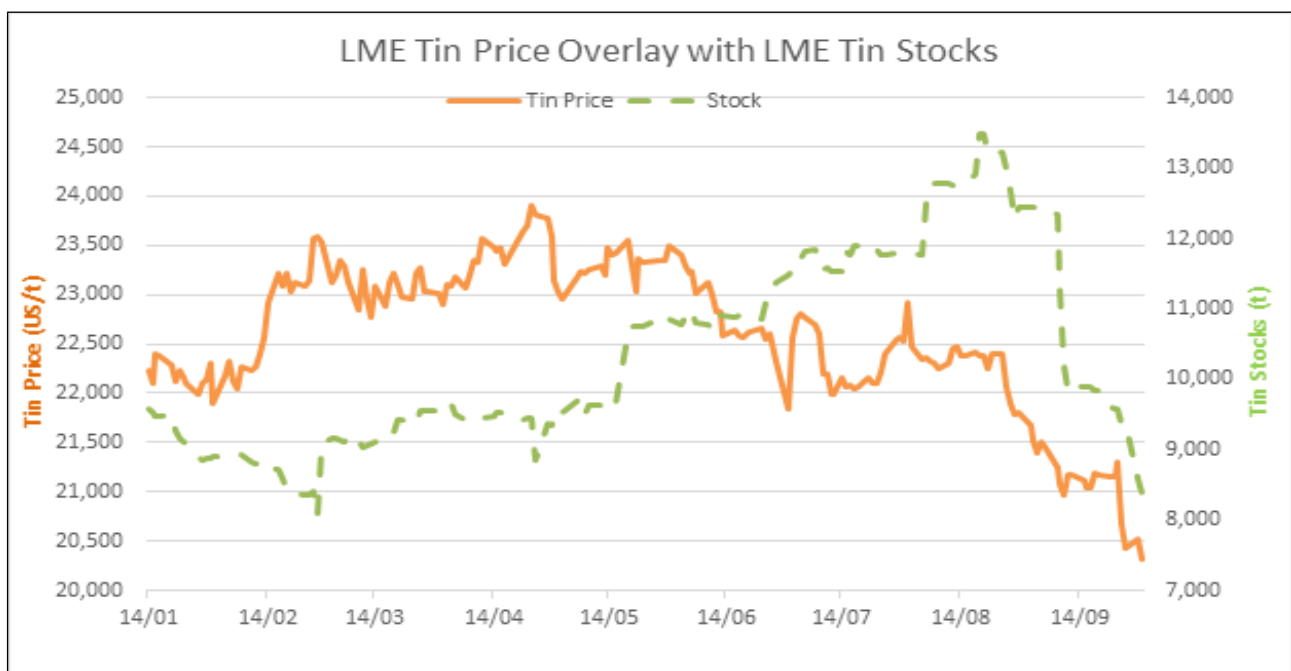


Figure 3: LME Tin Price overlayed with LME Tin Stocks

In periods where tin trades below US\$20,000/t it is clear that a significant number of producers curtail operations or resort to high-grading their mines to ensure financial viability. The impact of high grading is to sterilise certain areas of mineable resources, reducing future mineable tonnages and effectively shortening the mine life of these operations. This will have a long term impact on supply and exacerbate the need for new supply sources.

On a positive note LME Tin stocks are now approaching a 5 year low (9,140t @ 28/10/14) and on a macro level, the International Tin Research Institute (ITRI) point to a more positive long-term story (**Figure 4**) with statements such as “there is a high probability of supply shortages developing in the next five years, even if growth in usage is slow” (October 2014).

Improved electronic demand and/or further supply interruptions could see tin break above US\$19,000/t and this may trigger short fund covering which is likely to propel tin back above US\$20–22,000/t in the short term.

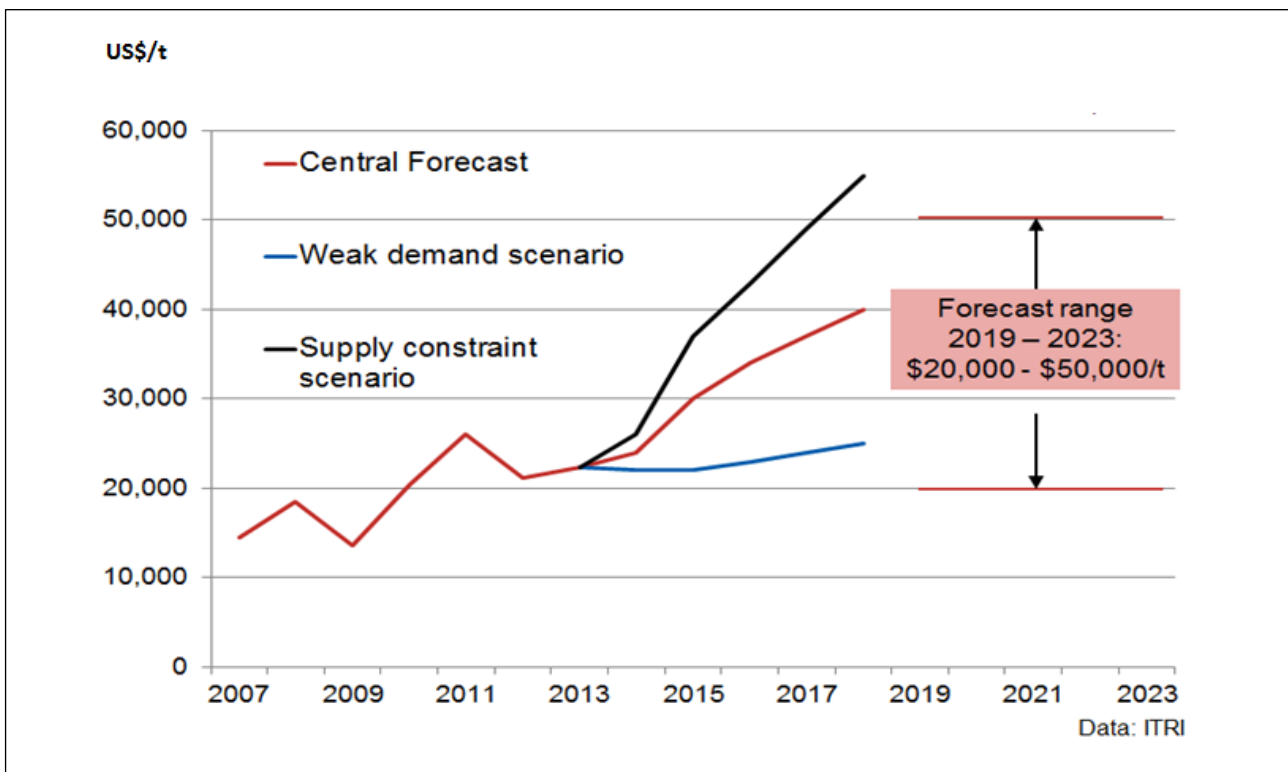


Figure 4: ITRI Tin Price Forecast Scenarios

LOOKING FORWARD

During Q4, 2014 Kasbah's objectives include:

- Receive and report results from remaining seven holes from the WZ extensional drilling programme;
- Completion of an updated resource estimate for the WZ and a new mine design;
- Continue metallurgical optimisation test work on a 3,000kg Meknès Trend bulk sample;
- Continue underground mine design optimisation programme;
- Commence pre-qualification of project engineers and equipment suppliers; and
- Determine optimum mix of debt and off-take that minimises Kasbah shareholder dilution.

For and on behalf of the Board



Wayne Bramwell
Managing Director

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ABOUT KASBAH RESOURCES

Kasbah Resources Limited (Kasbah) is an Australian 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 and a farm-in agreement over prospective licences comprising the Kikagati Tin Project in South Western Uganda (Figure 5).

▪ **Achmmach Tin Project 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 with the definitive feasibility study into the development of a 1Mtpa underground mine, concentrator and associated infrastructure at Achmmach completed in March 2014. The DFS at the base case scale of annual production of 5,300 tonnes of tin in concentrate, would make Achmmach the 8th largest tin mine in the world and the largest tin mine in Africa.

The JV is currently sourcing project financing and off-take agreements, and plans to be in production during 2016.

▪ **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 the Bou El Jaj permits.

▪ **Kikagati Tin Project in Uganda (Kasbah can earn 51%)**

Kasbah has signed an exploration farm-in agreement with the Ugandan subsidiaries of the Australian private company Starfield Metals Limited. This agreement encompasses Starfield’s 96km² Kikagati Tin Project in south-western Uganda and provides the opportunity for Kasbah to earn up to 51% in this project.

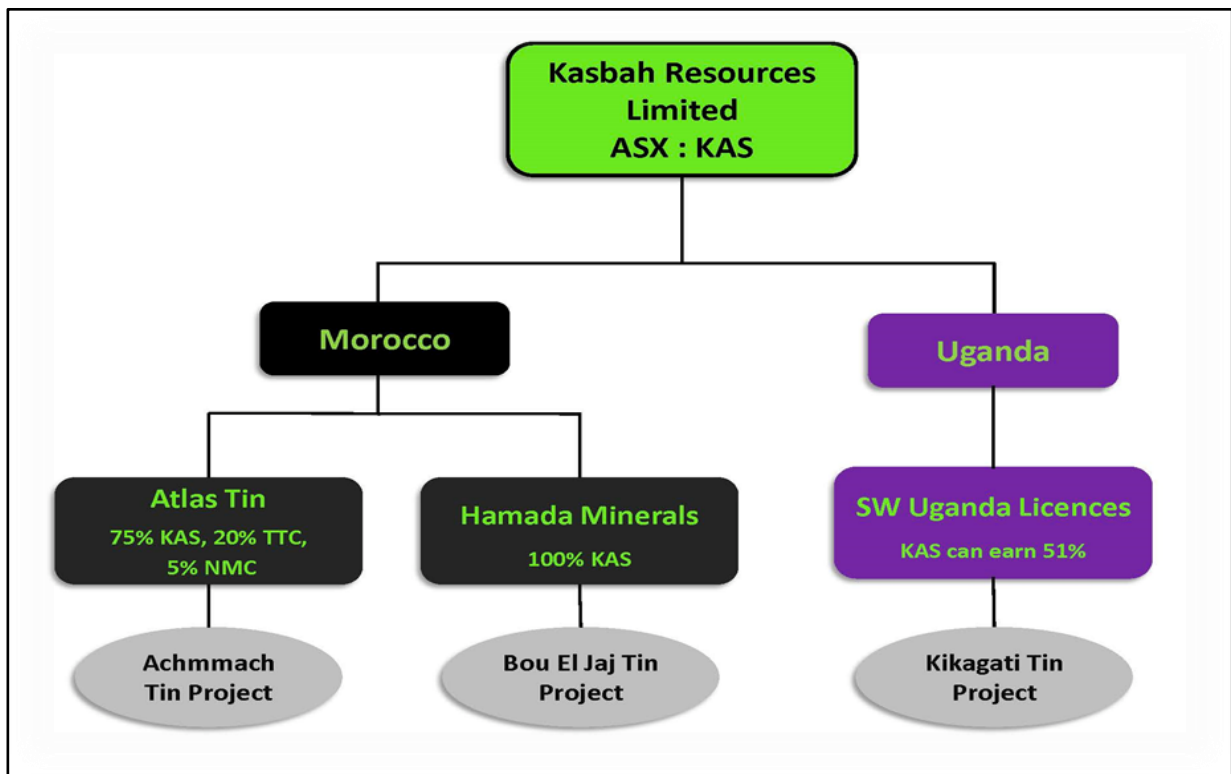


Figure 5: Kasbah Resources Limited’s Project Interests

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. The Company confirms that it is not aware of any new information or data that materially affects Production targets, Forecasted Financial Information, Reserve and Resource Estimates included in this report and that all material assumptions and technical parameters underpinning the estimates continue to apply and have not materially changed.

INTERESTS IN MINING TENEMENTS

Project	Permit Type	Permit Number	Registered Interest
Achmmach	PE	2912	75%*
	PE	193172	75%*
	PR	1939131	75%*
Bou El Jaj	PR	2137803	100%
	PE	193313	100%
Tamlalt	PE	223197	100%
	PE	223198	100%
	PE	223199	100%
	PE	223200	100%
	PE	223201	100%
	PE	223202	100%
	PE	223203	100%
	PE	223204	100%
Ezzhiliga	PR	213996	100%
	PR	213997	100%
	PR	213998	100%
	PR	213999	100%
	PR	2138000	100%
	PR	2138001	100%
	PR	2138002	100%
	PR	2138003	100%
	PR	2138004	100%
	PR	2138005	100%
	PR	2138006	100%
	PR	2138008	100%
	PR	2138023	100%
Miscellaneous Permits	PR	2137913	100%
	PR	1938815	100%
Kikagati	EL	0184	0%**
	EL	0653	0%**
	EL	0775	0%**
	EL	1333	0%**
	TN	1913	0%**
	ML	1047	0%***

All permits are located in the Kingdom of Morocco with the exception of the Kikagati licences which are located in Uganda.

LEGEND: PE – Permis Exploitation PR – Permis Recherche ML – Mining Licence EL – Exploration Licence TN – Exploration Licence

* Nittetsu Mining Co. Ltd (NMC) and Toyota Tsusho Corporation (TTC) of Japan are Kasbah's strategic development partners in the Achmmach Tin Project. NMC has secured a 5% interest in the Achmmach Tin Project and TTC has secured a 20% interest in the Achmmach Tin Project.

** As per the ASX announcement on 7 July 2014, Kasbah Resources Limited has signed a farm-in agreement to secure up to a 51% interest in the Kikagati licences through sole funding exploration expenditure.

*** On 2 October 2014 Kasbah announced that it had received notification from Starfield Metals that ML 1047 had been cancelled by the Ugandan Mines Department. Starfield has mounted a challenge to this revocation.

FARM-IN AGREEMENT CHANGES

Project / Tenements	Location	Permit Number	Held at end of quarter	Acquired during the quarter	Disposed during the quarter
Kikagati	Uganda	EL0184	0%	0%	
	Uganda	EL0653	0%	0%	
	Uganda	EL0775	0%	0%	
	Uganda	EL1333	0%	0%	
	Uganda	TN1913	0%	0%	
	Uganda	ML1047	0%*	0%	

** On 2 October 2014 Kasbah announced that it had received notification from Starfield Metals that ML 1047 had been cancelled by the Ugandan Mines Department. Starfield has mounted a challenge to this revocation.*

FARM-OUT AGREEMENT CHANGES

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

Appendix 5B

Mining 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

Name of entity

KASBAH RESOURCES LIMITED

ABN

78 116 931 705

Quarter ended ("current quarter")

30 SEPTEMBER 2014

Consolidated statement of cash flows

	Current quarter \$A'000	Year to date (3 months) \$A'000
Cash flows related to operating activities		
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for		
(a) exploration & evaluation	(1,078)	(1,078)
(b) development	-	-
(c) production	-	-
(d) administration	(993)	(993)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	27	27
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other – R &D Tax Rebate	-	-
Net Operating Cash Flows	(2,044)	(2,044)
Cash flows related to investing activities		
1.8 Payment for purchases of:		
(a) prospects	(100)	(100)
(b) equity investments	-	-
(c) other fixed assets	(8)	(8)
1.9 Proceeds from sale of:		
(a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	-	-
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other – Payment for security deposits & bonds	(4)	(4)
Net investing cash flows	(112)	(112)
1.13 Total operating and investing cash flows (carried forward)	(2,156)	(2,156)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(2,156)	(2,156)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	-	-
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other	-	-
	Net financing cash flows	-	-
	Net increase (decrease) in cash held	(2,156)	(2,156)
1.20	Cash at beginning of quarter/year to date	4,403	4,403
1.21	Exchange rate adjustments to item 1.20	12	12
1.22	Cash at end of quarter	2,259	2,259

Payments to directors of the entity and associates of the directors

Payments to related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	225
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

+ See chapter 19 for defined terms.

Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	Nil	Nil
3.2 Credit standby arrangements	Nil	Nil

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	2,635
4.2 Development	-
4.3 Production	-
4.4 Administration	883
Total	3,518

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	627	1,450
5.2 Deposits at call	1,160	2,774
5.3 Bank overdraft	-	-
5.4 Other (provide details) - Cash held in Morocco	472	179
Total: cash at end of quarter (item 1.22)	2,259	4,403

Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1		Interests in mining tenements relinquished, reduced or lapsed		

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

6.2	Interests in mining tenements acquired or increased	ML1047*	Farm in agreement signed	0%	0%
		EL0184	with Starfield Metals	0%	0%
		EL0653	Limited Ugandan	0%	0%
		EL0775	subsidiaries to acquire up to	0%	0%
		EL1333	a 51% interest.	0%	0%
		TN1913		0%	0%
* On 2 October 2014 Kasbah announced that it had received notification from Starfield Metals that ML1047 had been cancelled by the Ugandan Mines Department. Starfield has mounted a challenge to this revocation.					

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1				
7.2				
7.3	395,912,596	395,912,596		
7.4				
7.5				
7.6				

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

7.7	Options <i>(description and conversion factor)</i>			<i>Exercise price</i>	<i>Expiry Date</i>
	KASAAB	4,000,000	-	\$0.25	24 November 2014
	KASAQ	500,000	-	\$0.10	5 October 2015
	KASAAC	1,500,000	-	\$0.28	20 July 2015
	KASAAD	2,000,000	-	\$0.26	23 November 2015
	KASAAE	10,000,000	-	\$0.26	23 November 2015
7.8	Issued during quarter				
7.9	Exercised during quarter				
7.10	Expired during quarter	2,500,000	-	\$0.25	26 August 2014
7.11	Debentures <i>(totals only)</i>				
7.12	Unsecured notes <i>(totals only)</i>				

+ See chapter 19 for defined terms.

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 5).
- 2 This statement does give a true and fair view of the matters disclosed.



Sign here: _____ Date: 31 October 2014
Chief Financial Officer / Company Secretary

Print name: Trevor O'Connor

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 wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 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.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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