

Kasbah Resources Limited:

Undergoing significant change

The Achmmach Tin Project:

Low Capital, High Grade, Development Ready

DISCLAIMER

This presentation 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 presentation. No obligation is assumed to update forward looking statements if these beliefs, opinions and estimates should change or to reflect other future developments.

Kasbah believes it has a reasonable basis for making the forward looking statements in this presentation, including with respect to any production targets and economic evaluation, based on the information contained in Kasbah's ASX announcement entitled "DFS Confirms Project Economics for Achmmach Tin Project" dated 10 August 2016. Kasbah confirms that it is not aware of any new information or data that materially affects the production targets contained in the previous announcement of the DFS and all material assumptions underpinning the production targets in the previous market announcement continue to apply and have not materially changed.



Major Shareholders

Pala Investments*	19.9 %
IFC (World Bank)	14.2 %
African Lion	12.6 %

Tin Industry Shareholders

Thaisarco (tin smelter)	4.6 %
Traxys (tin trader)	4.3 %

ASX : KAS

Capital Structure

Shares on Issue	694 M
Market Cap (@2.4 cps)	\$16.6 M
Cash @ 31/03/17	\$2.4 M

Achmmach Strategic Development Partners with project level investment

Toyota Tsusho Corp	20%
Nittetsu Mining Co.	5%

Note: Other Exploration ground in Morocco is 100% held by Kasbah

*Swiss based resource fund

KASBAH –significant changes undertaken



■ **New Strategic Investor**

- A\$4.7m in placement funds and loan from Pala Investments at end 2016
- Ongoing financial and technical support

■ **Entirely New Board**

Not one Board member currently in place was there in January 2017:

- John Gooding (Mining Engineer, significant management experience)
- Graham Freestone (Finance & Commercial)
- Hedley Widdup (Geologist, African Lion Rep)
- Stephen Gill (Finance & Commercial, Pala Rep)

■ **Entirely New Management**

- CEO: Richard Hedstrom (Business development & finance): Late Dec 2016
- COO: Evan Spencer (mine development & operations): May 2017
- CFO: New CFO being recruited

KASBAH –significant changes underway



■ **Achmmach Project Timeline**

- Final Independent Technical Review underway by AMC, results expected May
- Focus on processing flow sheet, optimized mining
- Review AMC recommendations during H2 2017
- Recommence pre-project activities in H2 2017
- Decision to mine end 2017/early 2018
- First production 12 months later
- The only significant near-term source of new tin supply globally, making it a strategic asset in an attractive market

■ **Finance/Other**

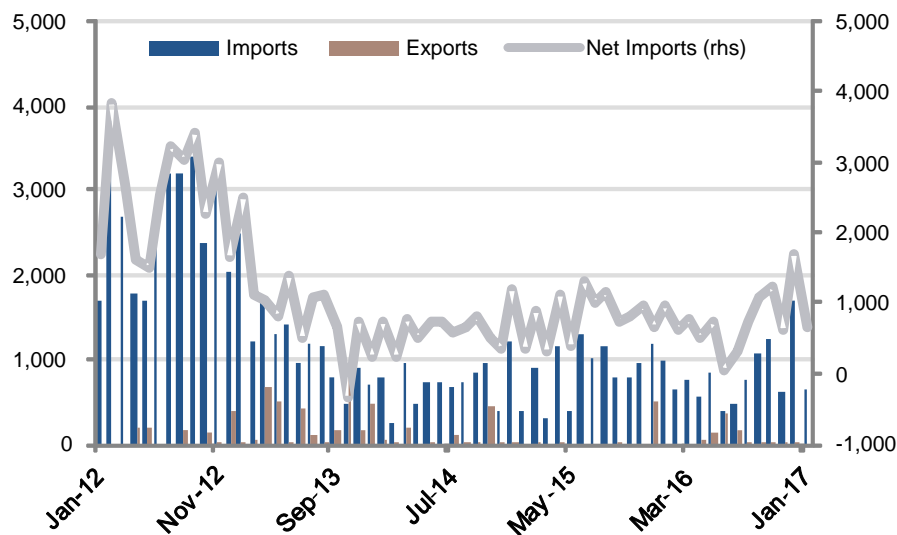
- Cash and debt injection from strategic investor Pala Resources at end 2016
- A\$2.4m in cash as at end March 2017. Still considering a rights issue in the June quarter, discussions underway with potential underwriters. Exploring all other funding options to complete the final work requirements of the Achmmach project
- Construction funding: combination of debt and equity. Significant interest already shown by international banks, metals offtakers, JV partners, equity / other investors

Tin –critical to today's electronic world



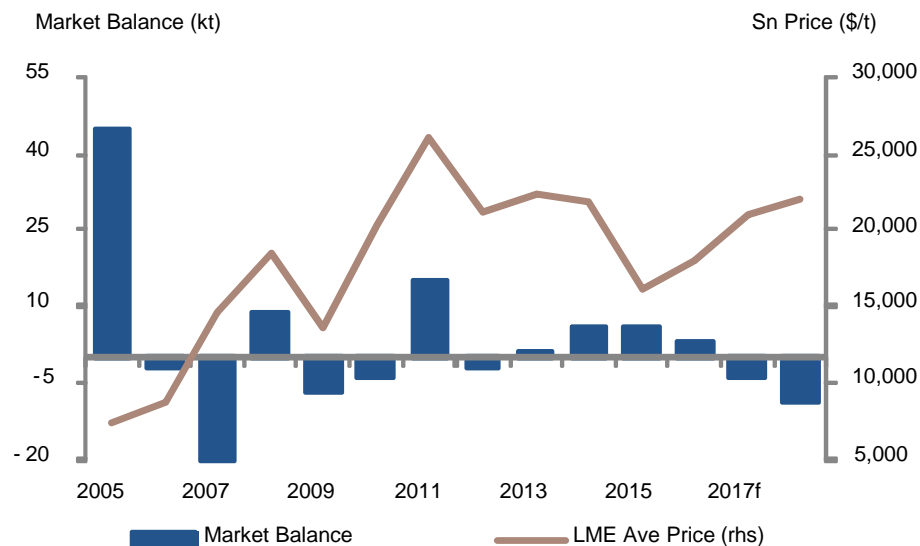
- **Demand:** re-bounding electronics and energy sectors (batteries and solar cells) is boosting tin consumption, aided by continued Chinese infrastructure spending and resurgent semiconductor sales
- **Chinese** ore and concentrate imports still strong, environmental crackdown is impacting domestic refined production
- **Supply:** Chinese abolition of export tax on refined metal may increase exports but new environmental restrictions in Indonesia and ongoing turbulence in Myanmar are impacting supply. Lower grades and depletion continue to impact globally: **Six of the world's ten largest tin producers saw output drop last year.** Longer term, new supply likely to enter the market but incentive price is around US\$25,000/t Sn

Tin: Chinese monthly trade in refined tin (tonnes)



Source: ITRI, SG Cross Asset Research

Tin market balance ('000t)



Source: ITRI, SG Cross Asset Research

10 Year LME Average Tin Price = US\$19,930/t

Morocco – Ideally located



Morocco – Excellent location, supports mining



- Geographically at northernmost point of Africa, bordered by **Spain only 15km to the north**
- Moroccans closely **identify with southern Europe**: 3 hour flight to London
- One of the most **stable political systems** in Africa. Constitutional monarchy with an elected parliament
- Population of 35m people. French and Arabic main spoken languages
- Well developed manufacturing sector. Tourism, agriculture, mining and energy the main economic drivers

Mining Friendly jurisdiction

- **Long history of mining activity**, dominated by phosphates ($\frac{3}{4}$ of the worlds reserves)
- Mining accounts for 10% of total GDP
- Government goal is to triple mining industry revenue by 2025
- New Mining Code aims to expand resource development

Achmmach Tin Project - Overview



- Large, primary tin deposit in Northern Morocco
- Joint Venture: Kasbah (75%), Toyota Tsusho (20%) and Nittetsu Mining (5%)
- Granted Mining Permits and an approved ESIA
- Grown from **2Mt** JORC Inferred resource in 2007 to **≈15Mt** JORC Measured & Indicated resource in 2015
- 2016 JORC Ore Reserve of **6.56 Mt @ 0.85% Sn for 55,500t** of contained tin
- Underground mining, conventional gravity and flotation processing plant, exporting tin concentrates
- High Quality Tin Concentrate (≈55%)
- Significant exploration potential at depth, along strike and regionally
- Achmmach will be a long life, 2nd lowest cost quartile tin producer

Achmmach is feasible at current tin prices

Independent Technical Review— Results due May

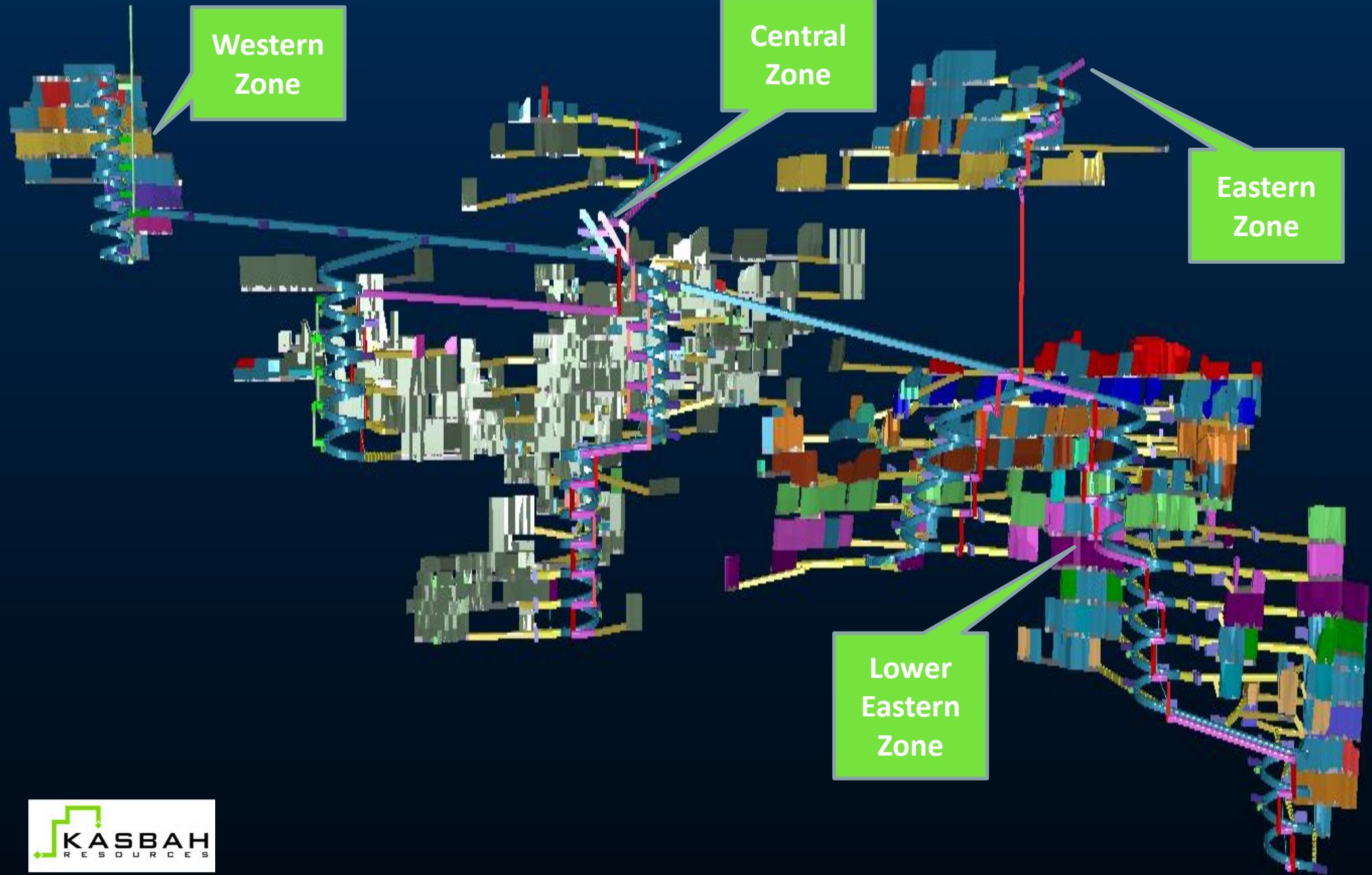


- Independent Technical Review of the Achmmach Project underway by AMC
- Part of moving to a construction decision and includes optimization trade-offs with the aim of ensuring the best route to a commencement of construction decision
- All facets of the SSO DFS are being reviewed:
 - Key technical and operation parameters and productivity assumptions;
 - Key operating / capital cost assumptions;
 - Mineral Resource; and
 - Critical Gap analysis

AMC's **interim results** identified areas requiring further study, opportunities to optimise and de-risk the project. No fatal flaws were identified

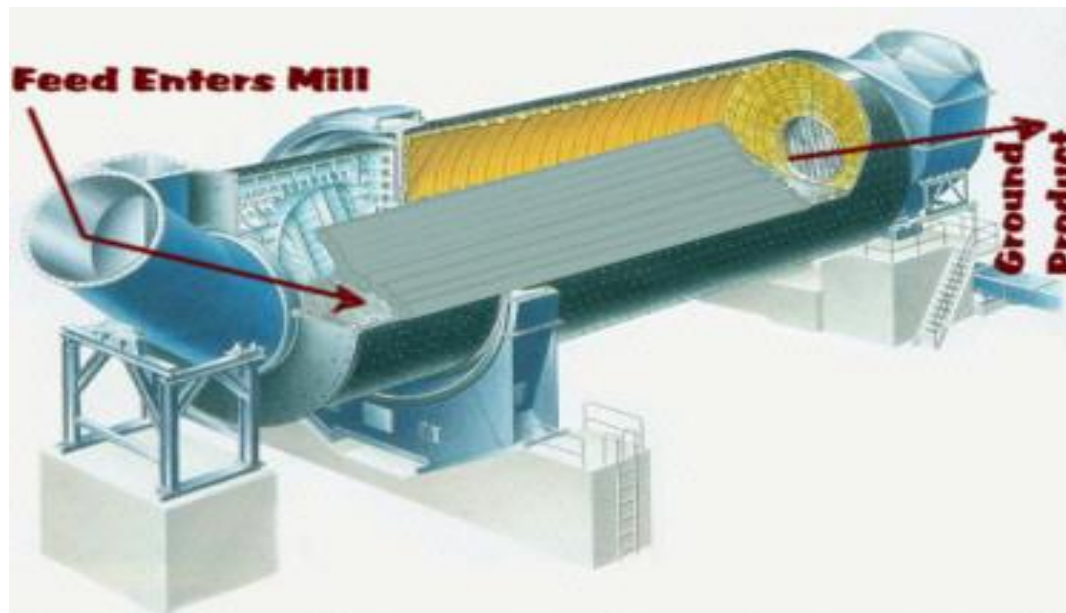
Kasbah will shortly commence work in anticipation of the study findings and, in combination with advancing discussions with prospective funding parties, is expected to be the major focus for the Company over the balance of this year

Mining – Contractor, bottom up long hole open stopping



Processing- Modular, simple, well understood

- Conventional tertiary crushing, gravity concentration, regrind milling, centrifugal upgrade of flotation concentrate, blending, filtration and bulk dispatch of concentrate
- Test work from DFS and EDFs which contemplated conventional comminution achieved highly acceptable recoveries, and clean marketable tin concentrate ($\approx 55\%$ Sn)
- The SSO contemplated new technologies for comminution and tailings clean up. This is now under review and it is highly likely that the previously proposed EDS mills will be replaced by standard rod mill technology as illustrated below:



Small Start Option (SSO)* – CURRENTLY UNDER REVIEW!

DFS @ US\$17,830/t tin price. Current price is ~US\$20,000/t

Parameter	Units	DFS
Ore Reserve ^A	Mt	6.56
Stage 1 mined ore grade	%	0.96
Stage 2 mined ore grade	%	0.80
Average annual tin in concentrate produced	t	3,970
Total Tin concentrate shipped	t	73,950
Tin Concentrate grade	%	55
Total LOM Contained Tin	t	55,500
Total Project life	months	132
Mine production period	months	126
Mill production period	months	122
Project construction capital	US\$ M	61.7
Operating costs		
C1 ^B	US\$/t tin	8,999
C3 ^C	US\$/t tin	13,778
All in sustaining cost (AISC)	US\$/t tin	11,507

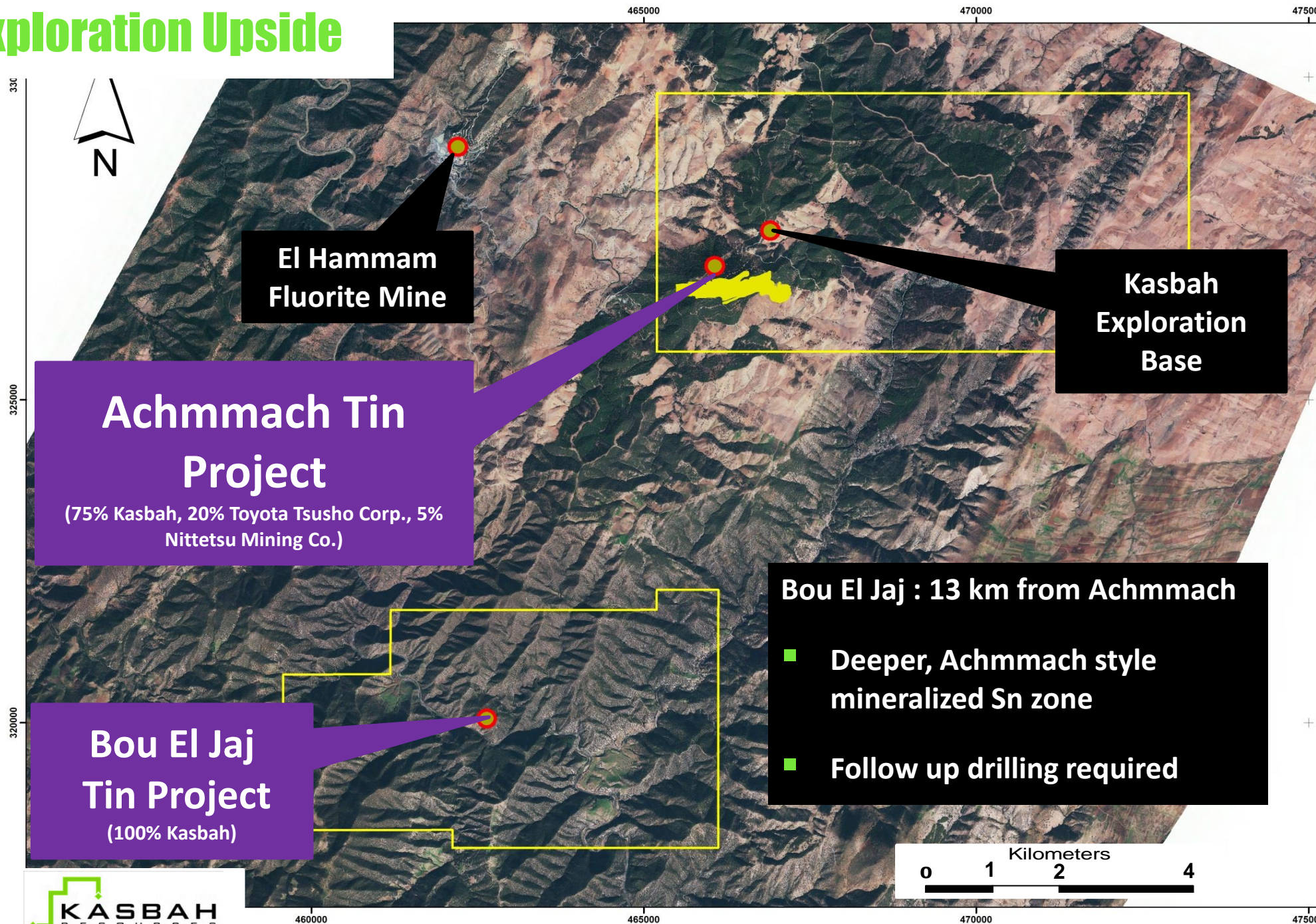
^A Ore Reserve is derived from Measured and Indicated Mineral Resources that have had mining dilution and recovery factors applied to the mine design, and ore treatment and other surface operational cost factors applied to create an inventory of mineable stope and development tonnes, the extraction and treatment of which may be accomplished in an economic and environmentally acceptable manner.

^B C1 cost is the sum of mining, processing, site administration and off-site refining.

^C C3 cost is the sum of C1 cost, depreciation & amortisation, royalties and project related corporate costs

*SSO is based on a DFS released 10 August 2016

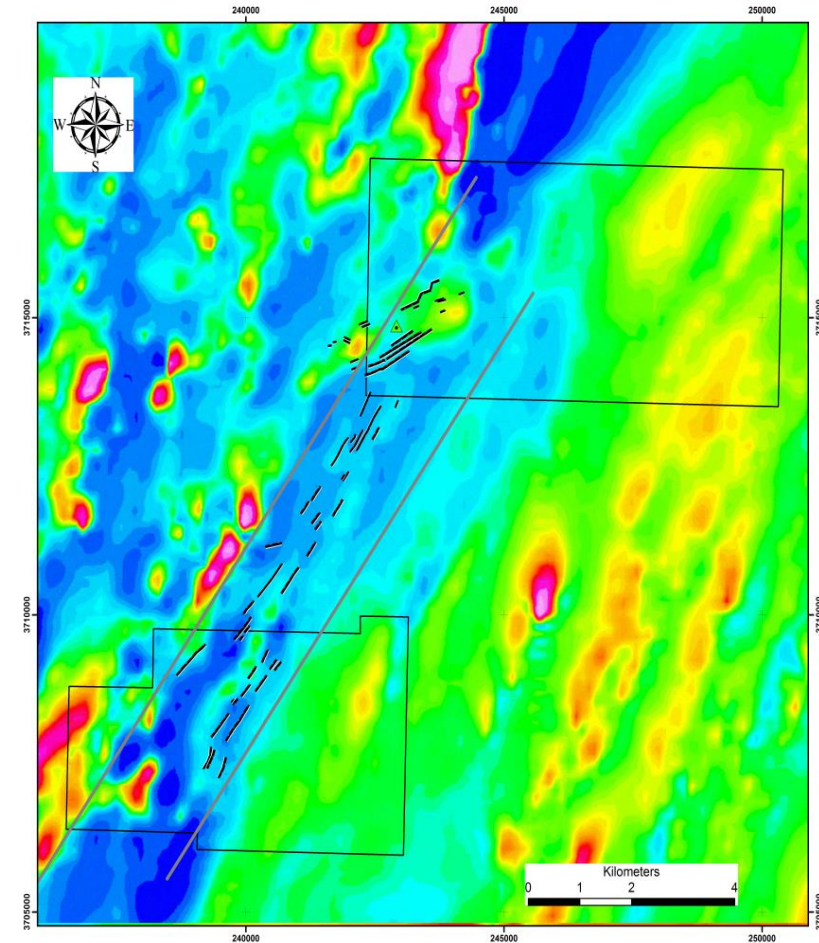
Exploration Upside



Exploration – Outcropping satellites with depth potential

- Bou El Jaj (BLJ): a significant tin target, 13km SW of the Achmmach Tin Project.
 - Part of a 3km wide / 12km long mineralized corridor
 - Unlike Achmmach, BLJ has a strong surface geochemical signature with outcropping tin mineralization evident along 2km of strike
 - Represents potential satellite ore bodies / supplementary feed
 - Initial drilling also identified potential deeper “Meknes style*” mineralisation
 - Achmmach and BLJ appear cassiterite (SnO_2) dominant
- Tourmaline alteration along bedding planes

Underlying magnetics of *mineralised* corridor with outcropping tourmaline breccias / lodes (black-white dashed lines) from Achmmach to BLJ.



*the same tourmaline - quartz hosted cassiterite as in the Meknes Trend at Achmmach

KASBAH – Our Value Proposition/ Project Observations



- **Kasbah - Changes underway**
 - Entirely new Board AND management team
- **Tin (Sn) - a commodity critical to today's electronic world**
 - 2016 producer supply cuts see LME tin price stabilizing around US\$20,000/t
 - Tin demand growing in electronics and energy sectors (batteries and solar cells)
 - High Quality Tin Concentrate
- **Achmmach Tin Project - nearing construction decision**
 - DFS undergoing **final** optimization, results to be quickly implemented
 - Project financing and construction decision to follow, first production ~12 months later
 - Strategic **project partners** – Toyota Tsusho/Nittetsu Mining
 - Strategic **financial partners** – Pala Investments, Thaisarco and Traxys
 - Achmmach: low capital, low cost, long life mine of > 10 years
 - Project is well understood following numerous project studies
 - Substantial **exploration** upside in multiple directions on existing mining permits
 - **Jurisdiction**: Morocco is low risk, well located and mining sophisticated
 - **Set to become a meaningful tin producer**: 4ktpa, ~1.5% global mine production, the only major new tin mine coming into production globally

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The background of the slide is a photograph of a densely packed, ancient city built into a hillside. The buildings are constructed from mud-brick, showing various architectural styles with small windows and flat roofs. Some buildings have decorative elements like arched windows or intricate wall patterns. The city is surrounded by palm trees and other vegetation at the base of the hill.

APPENDICES :

DFS Financial & Production metrics

Reserves & Resources

Small Start Option (SSO) – DFS (Under review)



- **Mining an ore reserve of 6.56Mt of ore** - grading 0.85% Sn for a total of 55,500t of tin metal over a 10.5 year mine life
- **Staged modular plant design** – reduces processing capital, operating power requirements, construction complexity and field installation costs. Stage 1: annual throughput of 0.5Mtpa treating ≈ 1.65 Mtpa of tin ore at ≈ 1.00 % Sn over 42 months. Stage 2: production expanded to 0.75Mtpa treating 4.9Mt of ore at ≈ 0.79 % Sn for the remaining 80 months
- **Simplified, modern mine design** – utilising an experienced underground mining contractor with long hole open stoping and crushed rock fill as the primary mining method
- **Contract mining and crushing** – project construction capital is reduced and project ramp up is accelerated by utilising experienced third parties
- **Increased metallurgical recovery** - higher run of mine grades in Stage 1 facilitates metallurgical recoveries of 73.4% which enhances cash flow in the crucial first years of production
- **Reduction in surface infrastructure** – smaller project scale and a fit for purpose design philosophy has reduced infrastructure requirements and costs
- Free cash generation of **US\$120M and** capital payback in 46 months

SSO 2016 DFS – Robust & Profitable

Parameter		DFS
Project construction capital	US\$ M	61.7
+ First fill, spares and working capital	US\$ M	8.2
+ Contingency	US\$ M	5.4
+ VAT and other charges	US\$ M	3.2
Total Project Investment to Peak Funding	US\$ M	78.5
Revenue @ LME Sn price @ DFS US\$17,830	US\$ M	678
Free cash	US\$ M	120
Payback	Months	46
NPV₈ after tax (100% of Project)	US\$	51
NPV₈ after tax (Kasbah 75% share of Project)	US\$	38
Project IRR	%	20.6

Updated metrics for LME Sn price of US\$20,000/t at **APRIL 2017**

= NPV ≈ US\$93M and IRR ≈ 29.9%

LME Sn Price US\$/t	NPV ₈ after tax US\$M (100% of Project)	IRR
16,000	14.6	11.8%
17,000	34.5	16.7%
DFS @ 17,830	50.9	20.6%
18,000	54.3	21.3%
19,000	74.1	25.7%
Current 20,000	93.9	29.9%

Tin – 10 year tin price averages \$US20,000/t



Achmmach Ore Reserve July 2016



As announced to the ASX on 10 August 2016

Achmmach	Proven			Probable			Total		
	Ore (t)	% Sn	Tin Metal (t)	Ore (t)	% Sn	Tin Metal (t)	Ore (t)	% Sn	Tin Metal (t)
Meknes Trend	877,000	1.10	9,700	5,359,000	0.80	43,100	6,236,000	0.85	52,800
Sidi Addi Trend	-	-	-	321,000	0.85	2,700	321,000	0.85	2,700
TOTAL	877,000	1.10	9,700	5,680,000	0.80	45,900	6,557,000	0.85	55,500

Cut-off grade of 0.55% Sn. All calculations have been rounded to the nearest 1,000 t of ore, 0.01% Sn grade and 100 t tin metal.

Achmmach Mineral Resource



Category	M Tonnes	Sn %	Contained Tin (Kt)
Measured			
Meknes Trend	1.6	1.00%	16.1
Western Zone	-	-	-
Indicated			
Meknes Trend	13.0	0.80%	107.0
Western Zone	0.3	1.25%	4.2
Inferred			
Meknes Trend	-	-	-
Western Zone	-	-	-
Total	14.9	0.85%	127.3

Refer to Kasbah Announcements on 10 September 2013(Meknes Trend) and 25 November 2014 (Western Zone) for detailed information relating to the Mineral Resource Estimates. No further drilling on these areas has taken place post these announcements.

Achmmach Meknes Trend Resource Estimate announced to the ASX on 10 September 2013.

The tin grade has been rounded to the nearest 0.05% Sn. The 0.5% Sn cut-off grade used for reporting the resource is based on a tin price of US\$23,000/tonne and a total estimated operating cost of US\$79/tonne (mining US\$27/tonne, processing US\$38/tonne and smelting US\$14/tonne). Processing recovery for tin at an average head grade of 0.85% Sn will be approximately 70%. Bulk density was estimated by Ordinary Kriging, and has an average value within the mineralised zones of 2.89t/m³.

Achmmach Western Zone Shallow Resource Estimate announced to the ASX on 25 November 2014.

The Sn grade in this table has been rounded to the nearest 0.05% Sn. The 0.5% Sn cut-off grade used for reporting the resource is based on a tin price of US\$23,000/tonne and a total estimated operating cost of US\$79/tonne (underground mining US\$27/tonne, processing US\$38/tonne and smelting US\$14/tonne). Processing recovery for tin at an average head grade of 1.25% Sn will be approximately 80%.