



15 June 2017

ASX CODE: KAS

**OUR COMMODITY IS
TIN**

LME TIN PRICE (13/06/17)

**US\$19,245 / 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 IN THE KINGDOM OF MOROCCO TOWARDS PRODUCTION.

PROJECTS

**ACHMMACH TIN PROJECT
BOU EL JAJ TIN PROJECT**

CAPITAL STRUCTURE

SHARES ON ISSUE:	694M
UNLISTED OPTIONS:	6.5M
CASH @ 31/03/17:	\$2.4M

MAJOR SHAREHOLDERS

PALA INVESTMENTS	19.9%
WORLD BANK (IFC)	14.2%
AFRICAN LION GROUP	12.6%
THAISARCO	4.6%
TRAXYS	4.3%

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TECHNICAL REVIEW IDENTIFIES OPPORTUNITIES TO ENHANCE FLAGSHIP TIN PROJECT

Highlights

- **AMC Consultants completes positive Independent Technical Review**
- **Achmmach project – No Fatal Flaws**
- **Identifies opportunities for project optimisation**
- **Final DFS preparation now underway – targeted completion during Q4 2017.**

Kasbah Resources (“Kasbah” or the “Company”), on behalf of the Achmmach Joint Venture Partners (Kasbah, Toyota Tsusho and Nittetsu Mining Co) is pleased to announce a positive report from the independent technical review conducted by AMC Consultants (“AMC”) on the Achmmach Tin Project in Morocco.

The aim of the technical review was to receive independent assessment of the Definitive Feasibility Study (“DFS”) and construction readiness of the Achmmach project, to identify opportunities for project optimisation, and to highlight areas for additional study required to de-risk key technical areas.

The technical review considered the Small Start Option (“SSO”) Definitive Feasibility Study, published in August 2016.

Kasbah CEO, Richard Hedstrom said, “AMC made a number of recommendations that will significantly enhance the Achmmach Tin Project. This is exactly the outcome Kasbah was hoping for. AMC’s recommendations will be incorporated into the feasibility study, construction financing and the Board’s decision to mine”.

The Company, on behalf of the Achmmach Joint Venture, has commenced a scope of works to address the key opportunities and enhancements identified by AMC in the technical review.

Geology

AMC's review of the Mineral Resource Estimation block model concluded *"the decisions made in the execution of the grade estimation were thorough, justifiable and reasonable"*.

The overall grade estimation is considered sound. However, geostatistical analysis identified short-range grade variability in grade continuity, which could have a bearing on the mine design.

Additional work required to better understand this grade variability includes;

1. Assaying of selected field duplicates (second half of core),
2. Assessment of variability within the different areas of the deposit to establish a minimum spacing for infill grade control drilling planned during operations, and
3. Confirmation that adequate time has been built into the schedule for infill drilling and grade control during production.

AMC noted the potential for additional mineralization from further exploration within the region. Kasbah shares this view regarding field prospectivity and further work to rank and prioritise targets will commence alongside project development as the technical team is bolstered. Whilst project development is the Company's absolute focus, understanding potential for mine life extension or operational expansion is an opportunity to be assessed in the medium term.

Mining

AMC recommended a number of enhancements to the mine design and schedule these include;

1. Review of the mine geotechnical data and model in regards to mine design and stoping parameters,
2. Redesign of the crown pillar between Western Zone stopes and surface,
3. Review of the recommended assumptions and schedule relating to cemented rock fill,
4. Review of the waste dump size and the waste mass balance through the mine life, and
5. Review of development ramp-up rates for stoping activities and ore trucking at peak production rates.

Processing Design

The DFS proposed several items of non-traditional processing equipment in an effort to reduce upfront capital and increase recoveries.

AMC identified a number of items for review including;

1. Impact of the primary grind size increasing from 100 μm to 150 μm in the DFS,
2. The inclusion of Imhoflot cells as part of the flotation circuit, and
3. The use of EDS mills as a replacement for rod mills in the grinding circuit.

Increasing the primary grind size to 150 μm represents a potential opportunity to reduce energy consumption and slimes generation, with the potentially beneficial effect of increased recovery through a reduction in fine tin loss. However, it was identified that more work is required to validate this assumption, and so, as recommended by AMC, Kasbah will conduct further metallurgical studies to test and hopefully confirm this.

AMC recommended replacing the proposed Imhoflot cells with conventional flotation cells for cassiterite flotation. The application of the Imhoflot cells versus conventional flotation cells will be further evaluated by Kasbah in combination with AMC's recommendation to further investigate the opportunity for recovery of liberated tin within the grinding circuit circulating load in the overall flow sheet.

AMC considers EDS mills insufficiently proven for a hard-rock implementation, especially when compared to rod mills which are widely applied to tin processing and are considered a far more conventional solution for hard-rock comminution. As a result, Kasbah has determined not to proceed with the EDS mills and will revert to a standard rod mill for the final process design.

Tailings Storage Facility and Water Storage Dam

AMC confirmed that geotechnical drilling is required to finalise the location and design of the tailings storage facility and the water storage dam. The following work is planned in the short term;

1. Confirmation of location and design of the tailings storage facility and water storage dam,
2. Detailed waste characterisation and mass balance determination to ensure suitability of waste rock for dam construction and site civil engineering works and suitability for cemented rock fill and back-fill as identified above, and
3. Subject to metallurgical testing confirming the optimal grind size as described above, further testing of the resulting tailings sample to derive optimal upstream raise rate and final settled density for tailings management and storage.

Updated project assessment timeline

The project optimisation phase is now underway and is expected to be completed by the end of third quarter 2017. The results will then be incorporated into a revised SSO DFS, the results of which will be announced during fourth quarter 2017.

Concurrent with this work, discussions will commence with potential financiers in the second half of 2017 with the aim of securing construction funding by first quarter 2018, at which point construction approval will be sought.

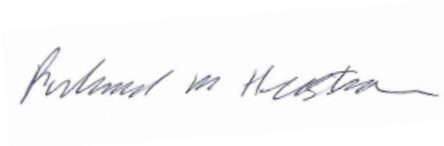
Conclusion

AMC's recommendations have been adopted by Kasbah and incorporated into the on-going works program for the development of the Achmmach project. The AMC review identified key issues and opportunities within the SSO DFS and provided Kasbah with a road map to expedite a decision to mine and the commencement of construction.

As a result of the recommendations from the AMC Technical Report, the capital cost estimate and financial model for the Achmmach project will be revised and updated and the results released later this year.

In conclusion, CEO Richard Hedstrom stated, "Kasbah is now entering the final stage of pre-development work and I'm very pleased that we have been able to identify further opportunities to enhance the Achmmach tin project. This can only make the Achmmach project more attractive to potential investors and financiers. Kasbah continues to enjoy a supportive and encouraging relationship with Moroccan government authorities and the local community, and I look forward to further updating the market and all our other stakeholders as further results come to hand".

For and on behalf of the Board



Richard Hedstrom
Chief Executive Officer

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