ASX RELEASE

DECEMBER 2014 QUARTERLY REPORT

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

- Final environmental acceptance achieved for Achmmach Tin Project and key collective land rental agreement signed
- Definitive Feasibility Study (DFS) Enhancement Programme including integration of the WZ underground mine design commenced
- Western Zone (WZ) metallurgical programme achieves 78% tin recovery
- Resource Upgrade for the WZ doubles contained tin:
  - **340 kt at 1.25% Sn for 4,200 t contained tin; and**
  - **Strike extended to 235 m**
- Drill hole MKDT001 confirms high grade area within Meknes while MKDT002, the second of two structural drill holes in the Meknes Zone, returned high grade intercepts of:
  - **7m @ 2.16% Sn from 214 m; and**
  - **12.3 m @ 1.35% Sn from 355.7 m**
- Rights Issue raises $3.9M

KASBAH RESOURCES

30 January 2015

ASX CODE: KAS

OUR PRIME COMMODITY IS TIN

LME TIN PRICE (27/01/15)

US$19,525/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

CAPITAL STRUCTURE

SHARES ON ISSUE:	451M
UNLISTED OPTIONS:	14.5M
CASH @ 31/12/14:	$4.8M

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%

CONTACTS

☎: **+61 8 9463 6651**
info@kasbahresources.com
www.kasbahresources.com

DECEMBER QUARTERLY REPORT

OVERVIEW

Kasbah is pleased to report the key technical and commercial deliverables for the Company from the December Quarter. During the period Kasbah made the following ASX releases (which can be viewed at **www.kasbahresources.com** for further detail).

- **06 October 2014** Drilling extends Western Zone Shallows;
- **07 October 2014** Kasbah Corporate Update
- **15 October 2014** Close of Rights Issue;
- **16 October 2014** 78% Tin Recovery from the Western Zone;
- **20 October 2014** Annual Report to Shareholders;
- **12 November 2014** Extensional Drilling at Sidi Addi Extends Western Zone Resource Model;
- **21 November 2014** Results of Annual General Meeting;
- **25 November 2014** Western Zone Resource Upgrade;
- **03 December 2014** Achmmach DFS Enhancement Programme Initiated;
- **11 December 2014** Structural Hole Confirms High Grade Area Within Meknès Resource;
- **29 December 2014** Close of Shortfall Share Issue Offer;
- **31 December 2014** Kikagati Farm In Agreement Update; and
- **14 January 2015** Kasbah Receives Achmmach Approvals.

Atlas Tin SAS (Atlas Tin – an incorporated joint venture between Kasbah (75%), Toyota Tsusho Corporation (20%) and Nittetsu Mining Co Ltd. (5%)) continued to advance the Achmmach Tin Project in Morocco towards development-ready status during the quarter. Key project approvals were finalised with the Moroccan Administration and local stakeholders and these approvals, along with the DFS Enhancement Programme, are critical pre-requisites for project financing.

The DFS Enhancement Programme of integrating the new WZ resource, increasing overall project life, reducing mine operating costs and increasing metallurgical recovery is well advanced and will strengthen project cash flows. This programme will be complete in Quarter 1, 2015 and an updated project financial model will be provided to potential financiers, after which updated debt proposals will be submitted to the Board of Atlas Tin for consideration.

With respect to the receipt of final environmental approval, Kasbah Managing Director Wayne Bramwell said:

> *"Receiving final environmental clearance from the Ministry of Environment represents one of the most important steps towards development readiness for the Achmmach Project. This, in addition to the equally important establishment of community-based agreements for the project, sets the basis for eventual commitment to project implementation."*

CORPORATE

During the quarter Kasbah achieved the following corporate milestones and advanced the following critical items:

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

  During the quarter, Kasbah announced that it would extend the financing and offtake negotiations to allow the company to incorporate possible enhancements to the DFS. These enhancements include:

  - integrating the Western Zone into the DFS mine schedule;
  - metallurgical advancements to increase tin recovery from the Meknès ore; and
  - refinement of the Life of Mine Plan including mine design, reserve, and ore schedule.

  These enhancements should improve project cash flow, increase operating margins and reduce total project capital requirements. An updated project financial model will be developed after completion of this programme.

- **Moroccan Approvals Update**

  During the quarter Kasbah has obtained key Moroccan approvals, including final environmental acceptance and collective land access.

  - **Environment and Social**

    The National Committee for Environmental Impact Studies ratified the project ESMMP on 27 November and Ministerial assent for project environmental acceptance was issued on 22 December 2014. In principle agreements for future community development activities were signed with the local communes during November.

  - **Water and Land Access**

    Kasbah received approval for its project water supply and management systems from the Sebou Basin Agency during December. The land rental agreement with collectives was completed and ratified by the Ministry of the Interior during December. The Forestry Department Agreement was ready for signature at the end of the quarter.

  - **Power Supply**

    The draft contract for the establishment of Project power supply is presently with the National Office of Electricity and Potable Water. Moroccan infrastructure development company Ateliers du Foncier has been engaged to advise on options for the transmission line route.

  - **Investment Convention**

    The Investment Convention remains with the Moroccan Agency for Development and Investment, pending final approval by the National Committee.

Non-Renounceable Rights Issue

During the quarter, Kasbah completed a pro-rata non-renounceable rights issue capital raising the details of which were originally announced on 16 September 2014. The Rights Issue closed on 10 October 2014, with Kasbah receiving applications for 55,502,427 new Shares from eligible shareholders under the Offer to raise approximately $3,885,170. Kasbah's largest shareholder, the International Finance Corporation, subscribed for its full entitlement in the Rights Issue. Five of Kasbah's Directors also subscribed for their full entitlement.

On 29 December 2015 Kasbah advised that the Directors had made the decision not to place the remaining 63,271,352 shortfall shares which they could have potentially issued at their discretion within three months of the close of the offer 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 for payment of extensional drilling at the WZ target, Achmmach DFS optimisation and for financing and off-take activities.

Cash Reserves

Cash reserves at 31 December 2014 were **$4.8M.**

PROJECT DEVELOPMENT UPDATE

- **Achmmach Tin Project (75% Kasbah, 20% Toyota Tsusho and 5% Nittetsu Mining)**

The DFS Enhancement programme announced to the market on 3 December 2014 focussed on the following key areas.

- **Meknes Trend Metallurgical Programme**

The WZ metallurgical programme completed during the quarter achieved 78% tin recovery. Although aided by a higher head grade, the programme successfully tested tin recovery from finer flotation feed resulting in a lower overall tails grade than was achieved with the Meknès Trend DFS programme. Follow-up testing of the Meknès Trend ore, aimed at improving flotation recoveries commenced during the quarter and was ongoing at quarter end.

This work will be completed during Q1 2015.

- **WZ Resource Upgrade**

During the December quarter, the Company completed a WZ resource update based on the final results from the infill drilling programme. The announcement of 25 November 2014 defined a doubling of contained tin **(Table 1**) from that previously reported and increased the tested strike length to 235m. Additional geotechnical data was also obtained to provide the basis for an assessment of the underground mining potential in the WZ.

Table 1: Western Zone - November 2014 Mineral Resource Estimate (@ 0.35% Sn cut off grade [A])

Category	k Tonnes	Sn %	Contained Tin (kt)
Measured	-	-	-
Indicated	**340**	**1.25**	**4.2**
Inferred	-	-	-
Total	**340**	**1.25**	**4.2**

[A] 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%.

The extensional programme returned new high-grade tin intercepts. The main intercepts of drill holes which were announced to the market on 12 November 2014 included:

WZD026:

- **14.0m @ 0.87% Sn from 153m (Including 3.5m @ 1.67% Sn from 159m).**

WZD027:

- **4.1m @ 1.14% Sn from 175m.**

The results of the extensional drilling programme show significant enlargement of the WZ resource as it extends along strike and down dip **(Figure 1).**

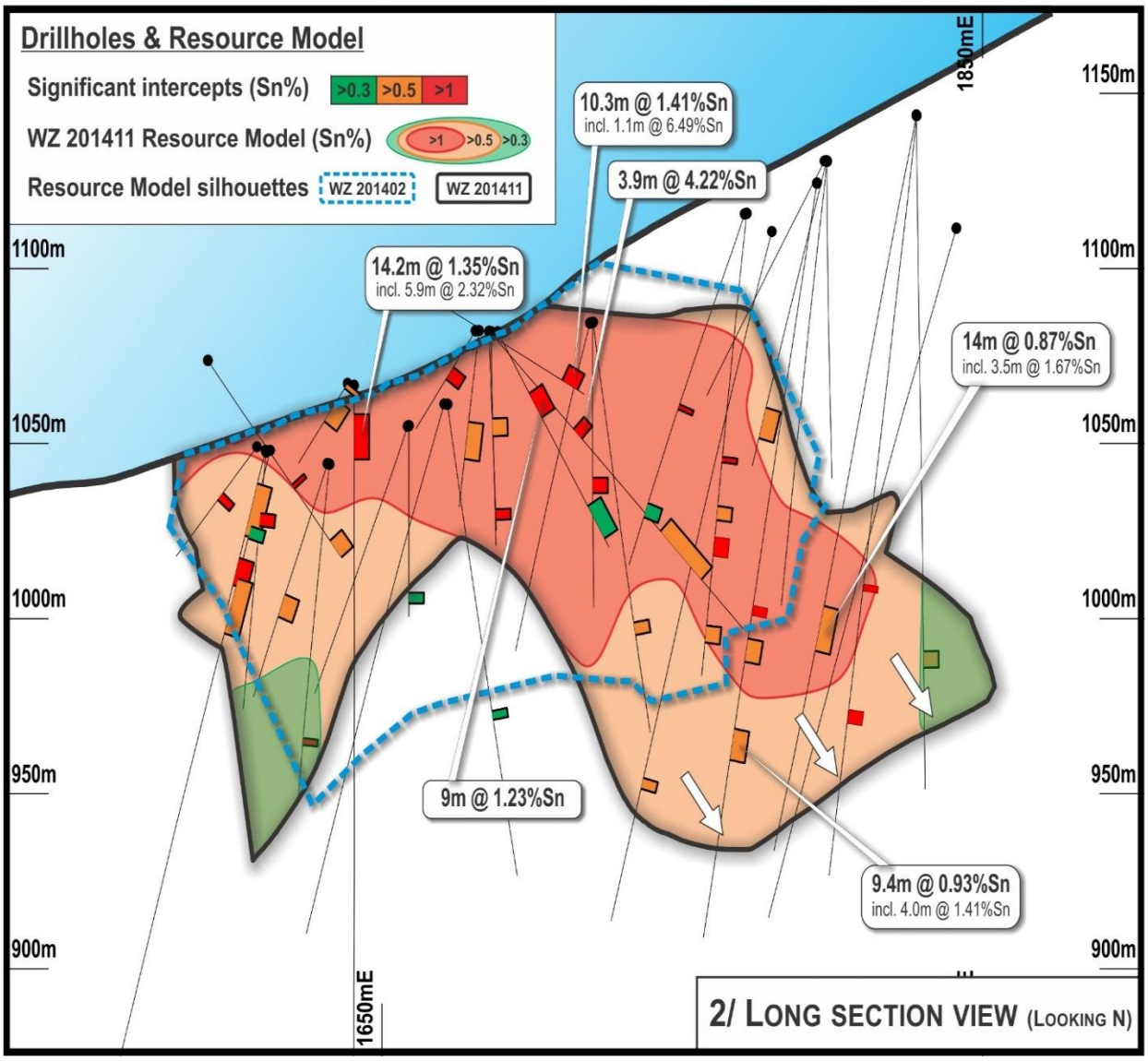

Figure 1: Achmmach Tin Project – WZ Long Section looking north

- **Meknes Structural Holes**

Two structural diamond drill holes into the Meknès Trend were completed during the quarter. Both holes were designed to test structural concepts as well as provide additional mineralisation data.

MKTD01 aimed to test the Marrakech Zone at depth and produced the following intercepts reported on 11 December 2014 (**Figure 2**):

- **4.2m @ 1.68% Sn from 180.8m including 2.2m @ 2.79% Sn from 180.8m;**
- **22.0m @ 1.30% Sn from 318.0m including 6.0m @ 1.56% Sn from 320.0m and 4.2m @ 2.65% Sn from 328.8m; and**
- **7.0m @ 0.74% Sn from 470.0m**

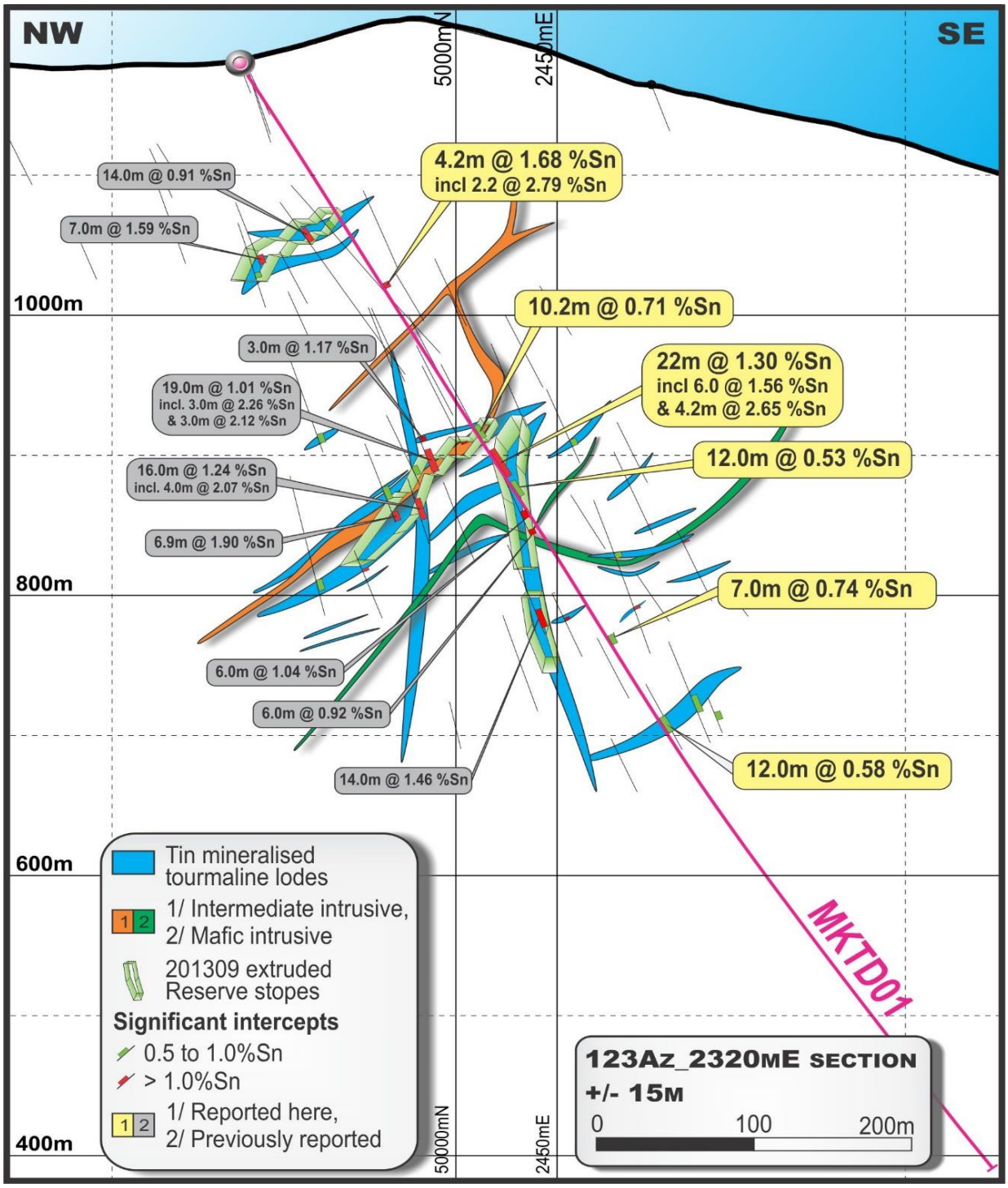

Figure 2 – Cross section along MKTD01

(Tin mineralised tourmaline envelopes depicted in blue and Reserve stopes as extruded green solids, orange and green shapes are intermediate and mafic intrusives, respectively)

Drill hole MKTD02 on Section 2320mE (reported here) confirmed the current Achmmach resource model, returning:

- **7m at 2.15% Sn from 214m in the Fes Zone; and**
- **12.3 m at 1.35% Sn from 355.7m from within the Measured Resource in the Meknès Zone (Figure 3).**

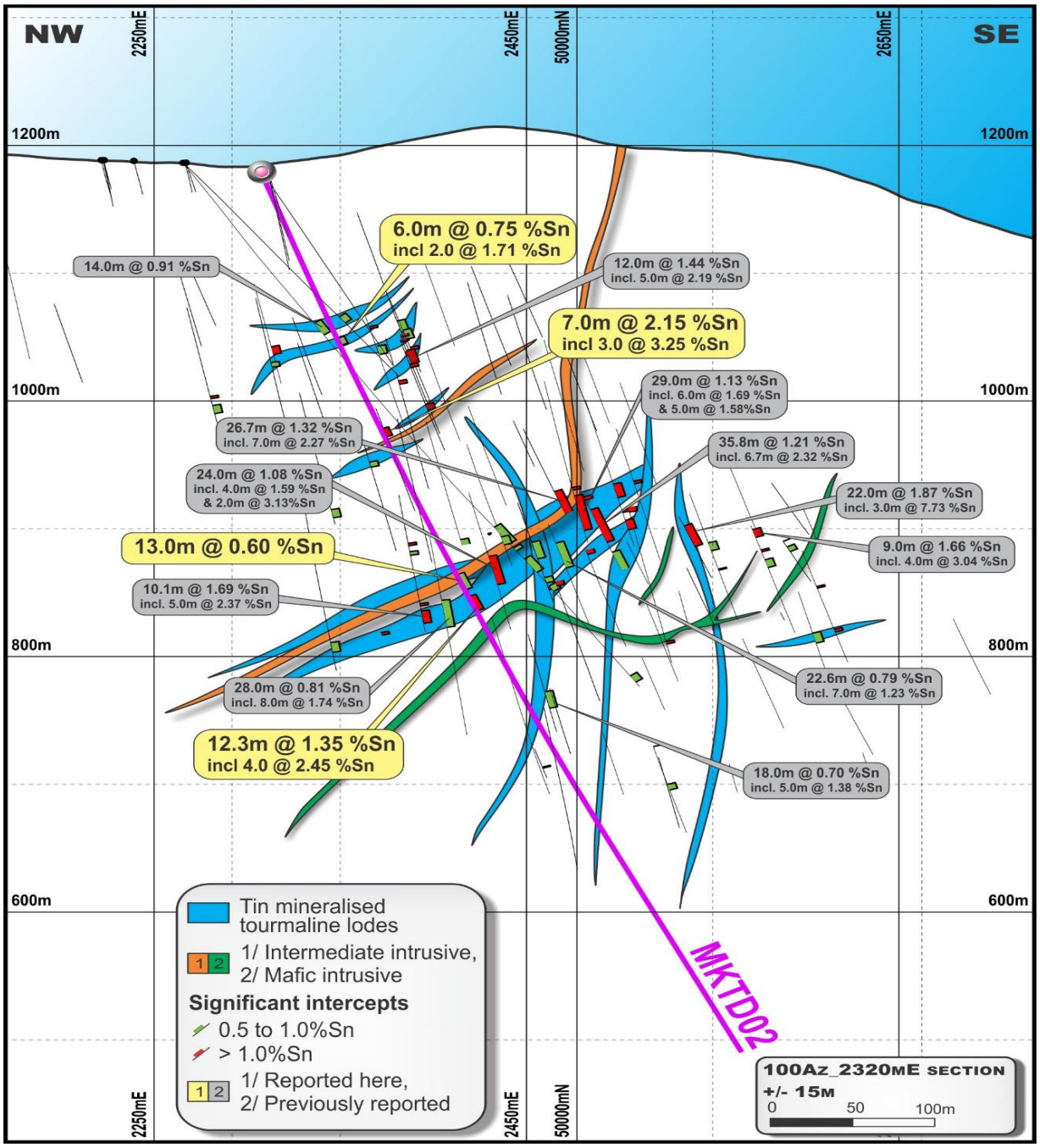

Figure 3 – Cross section along MKTD02

(Tin mineralised tourmaline envelopes depicted in blue, orange and green shapes are intermediate and mafic intrusives, respectively, reported hole in purple)

MKTD02 returned the significant intervals shown in **Table 2** with details of MKTD02 included in Appendices A, B and C.

Table 2

MKTD02 Significant Intersections [A]

Hole ID	Section ID	Collar LOCAL E	Collar LOCAL N	From (m)	To (m)	Down-hole interval (m)	Tin Grade [B] Sn %
MKTD02	100Az_2320mE	2313.9	50101.9	138.0	144.0	6.0	0.75
			incl.	142.0	144.0	2.0	1.71
				214.0	221.0	7.0	2.15
			incl.	216.0	219.0	3.0	3.25
				337.0	350.0	13.0	0.60
				355.7	368.0	12.3	1.35
			incl.	357.0	361.0	4.0	2.45

[A] Significant intersections

>100m below natural surface selection criteria:

≥ 0.5% Sn and ≥ 5m down-hole and ≤ 3m down-hole < 0.5% Sn included; or
≥ 0.5% Sn and ≥ 2.5 %Tin-metres metal accumulation down-hole and ≤ 3m down-hole consecutive < 0.5% Sn included.

[B] grades adjusted for recovery.

- **Meknes Trend Mine Design Programme**

  Refining the existing DFS mine design to incorporate the WZ provides the opportunity to access and schedule high grade ore from the WZ early in the mine development with consequent benefits to overall mine economics. By integrating the WZ into the overall mine design Kasbah also has the opportunity to refine development scheduling, waste and paste fill management, ventilation and stope design with possible reduction in overall mine capital.

  Entech Pty Ltd of Subiaco, Western Australia was appointed during the quarter to complete a DFS mine design enhancement programme with the aim of integrating the WZ Resource into the overall Achmmach Project (**refer Figure 4**) while quantifying opportunities to improve mining capital and operating cost estimates.

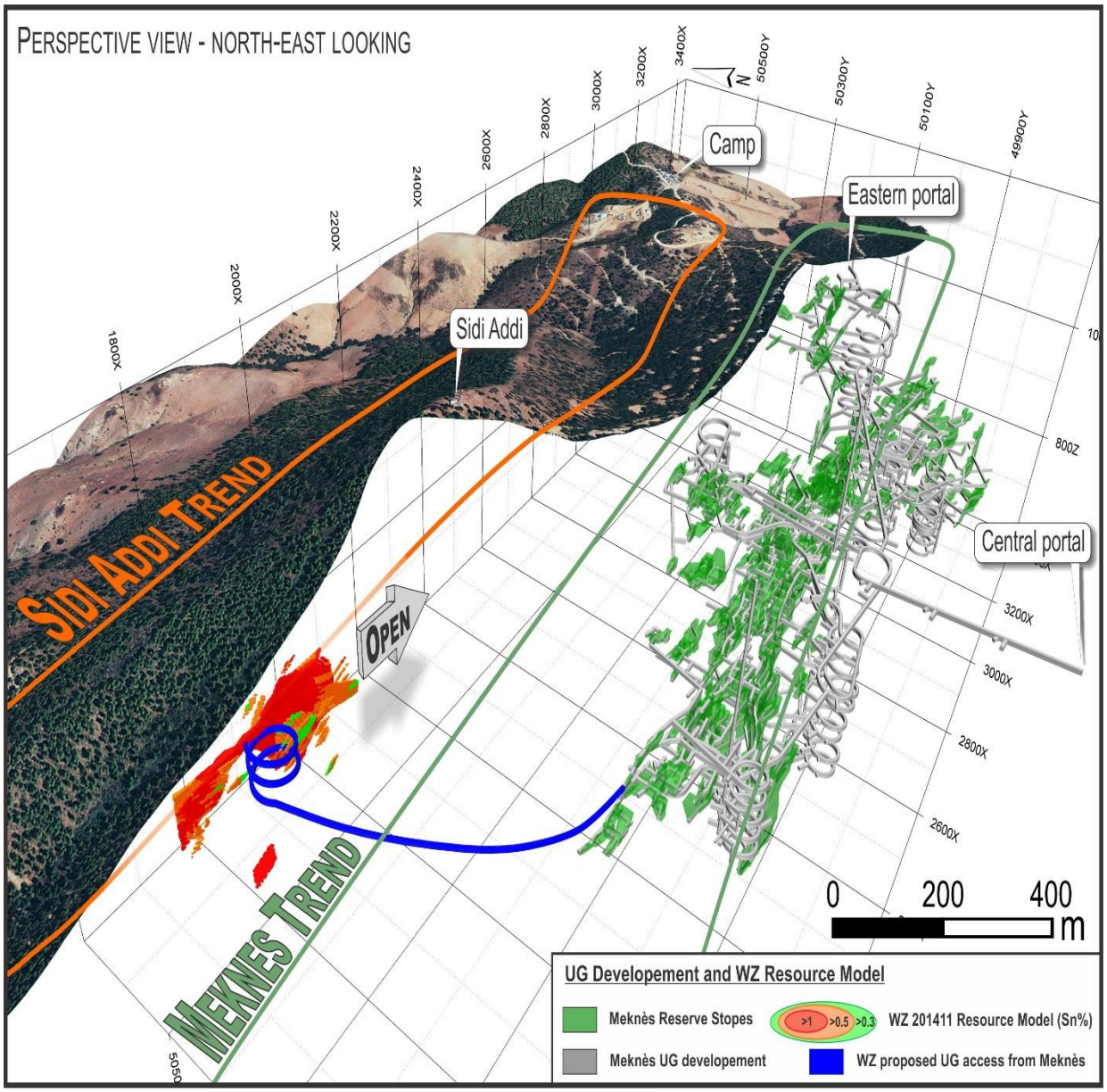

Figure 4

Perspective View of Proposed Meknes Trend Mine design (grey) and proposed access drive to Western Zone (in Blue) from Central Decline

EXPLORATION

Kasbah's exploration activities for the December Quarter are summarised below.

- ### Morocco Regional Exploration (100% Kasbah)

  Kasbah has an active green-fields exploration programme within Morocco. The company has acquired tenements in the regions of the Zaer and Ment Granites (**Figure 5**) which are prospective for tin. The Zaer Granite lies approximately 120 km to the SW of Achmmach and the Ment Granite is approximately 50 km to the SSW of Achmmach and by the end of the quarter Kasbah had carried out preliminary stream sediment sampling and mapping in each group of tenements.

  During the quarter Kasbah relinquished exploration permits in the Ezzhiligia region.

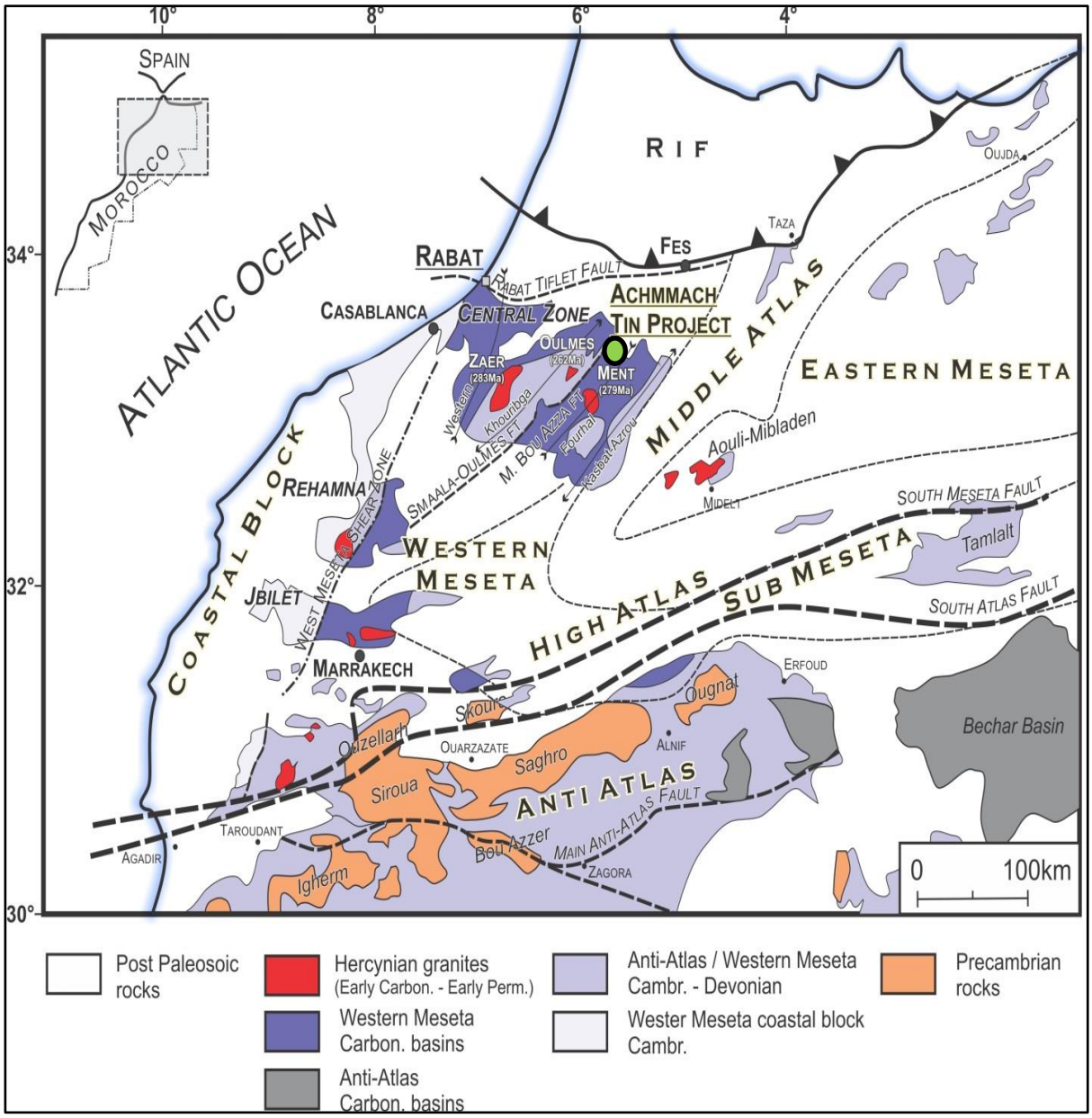

Figure 5 – Locations of Zaer and Ment Granites in Morocco

Central African Tin Strategy

In 2014 Kasbah developed a Central African Tin Strategy to identify opportunities where Kasbah's Exploration and Development team could add value to prospective targets with a view to small scale mining and production. Central Africa has a long history in tin, tungsten and tantalum production.

In many areas across Rwanda, the DRC, Burundi and Uganda there has been little systematic exploration for these minerals over several decades, particularly around historic operating mines or alluvial workings. Kasbah's Exploration Manager has an active brief to assess tin and tungsten opportunities in this prospective region and several new opportunities are currently being evaluated within Rwanda.

- **Kikagati Tin Project - Uganda**

  On the 31 December 2014 Kasbah announced it would not be proceeding to the next stage of expenditure under the Memorandum of Understanding with Starfield Metals Limited subsidiaries and as such had terminated the agreement announced to the market on 7 July 2014.

TIN MARKET OVERVIEW

The price of all LME complex of metals suffered due to global economic uncertainties during the quarter. The bell-weather metal copper, which frequently sets the direction of the base metal group and copper touched its 5 ½ year low in January 2015 of US$5,339 / t. Tin often follows the lead set by copper but unlike copper, the risk of oversupply of tin is less evident.

Global economic cues combined with weak tin demand, growing LME stocks and sales of tin into a weak market in December 2014 saw the tin price dip towards US$19,000 / t. The metal has moved within a narrow range between US$19,000 to US$20,000 / tonne.

Breaking through the US$20,000 / t upper limit may see short covering by hedge funds propel the price upwards. Geopolitical concerns and bearish global growth expectations still provide downside risk to the tin price in the short-term, however Chinese new year could see demand pick up for this important metal.

Figure 6: LME Tin Price overlayed with LME Tin Stocks

LOOKING FORWARD

During Q1, 2015 Kasbah's objectives include:

- Complete Achmmach Tin Project Enhancement Programme including ;
  - metallurgical optimisation test work on a 3,000kg Meknès Trend bulk sample;
  - underground mine design optimisation programme and;
  - reporting updated DFS project economics.
- Provide updated project financial model to Atlas Tin Board and international financiers.

For and on behalf of the Board

Wayne Bramwell
Managing Director

For further information please go to: www.kasbahresources.com
Or email: info@kasbahresources.com

Follow us on twitter @kasbahresources

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:

- **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 multiple targets within the Bou El Jaj permits.

COMPETENT PERSONS' STATEMENT

The information in this report that relates to Exploration Results is based on and fairly represents information and supporting documentation prepared by Mr Pierre Chaponniere, a Competent Person who is a Member of the Australasian Institute of Geoscientists (AIG). Mr Chaponniere is a full-time employee of Kasbah Resources Limited and has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'.

Mr Chaponniere consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

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	2138023	100%
Ment	PR	1939809	100%
	PR	1939821	100%
	PR	1939822	100%
	PR	1939809	100%
	PR	2138066	100%
	PR	2138067	100%
Miscellaneous Permits	PR	2137913	100%
	PR	1938815	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.*

MINING TENEMENT CHANGES DURING THE QUARTER

Project / Tenements	Location	Permit Number	Held at end of quarter	Acquired during the quarter	Disposed during the quarter
Ment	Morocco	PR1939809	100%	100%	
	Morocco	PR1939821	100%	100%	
	Morocco	PR1939822	100%	100%	
	Morocco	PR2138066	100%	100%	
	Morocco	PR2138067	100%	100%	
Ezzhiliga	Morocco	PR2138003	0%		100%
	Morocco	PR2138004	0%		100%
	Morocco	PR2138005	0%		100%
	Morocco	PR2138006	0%		100%
	Morocco	PR2138008	0%		100%

FARM-IN / FARM OUT AGREEMENT CHANGES

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

*** On the 31 December 2014 Kasbah announced it would not be proceeding to the next stage of expenditure under the Memorandum of Understanding with Starfield Metals Limited subsidiaries and as such had terminated the agreement announced to the market on 7 July 2014.*

APPENDIX A: DRILL-HOLE COLLAR DETAILS

Hole ID	Collar LOCAL E	Collar LOCAL N	RL (m)	Azimuth LOCAL	Dip	Depth
MKTD02	2313	50102	1179.1	120	-70.0	749.4

APPENDIX B: ASSAY DATA

Drill Hole	From (m)	To (m)	Sample Width	Tin Grade [B] Sn%
MKTD02	138.0	139.0	1.0	0.57
	139.0	140.0	1.0	0.18
	140.0	141.0	1.0	0.11
	141.0	142.0	1.0	0.22
	142.0	143.0	1.0	1.22
	143.0	144.0	1.0	2.20
	214.0	215.0	1.0	0.70
	215.0	216.0	1.0	1.70
	216.0	217.0	1.0	2.78
	217.0	218.0	1.0	4.77
	218.0	219.0	1.0	2.21
	219.0	220.0	1.0	1.92
	220.0	221.0	1.0	1.01
	337.0	338.0	1.0	0.76
	338.0	339.0	1.0	0.80
	339.0	340.0	1.0	0.27
	340.0	341.0	1.0	0.23
	341.0	342.0	1.0	0.45
	342.0	343.0	1.0	0.78
	343.0	344.0	1.0	0.31
	344.0	345.0	1.0	0.65
	345.0	346.0	1.0	0.15
	346.0	347.0	1.0	2.05
	347.0	348.0	1.0	0.54
	348.0	349.0	1.0	0.20
	349.0	350.0	1.0	0.57
	355.7	357.0	1.3	1.04
	357.0	358.0	1.0	2.74
	358.0	359.0	1.0	1.48
	359.0	360.0	1.0	2.35
	360.0	361.0	1.0	3.24
	361.0	362.0	1.0	1.02
	362.0	363.0	1.0	0.34

Drill Hole	From (m)	To (m)	Sample Width	Tin Grade [B] Sn%
MKTD02	363.0	364.0	1.0	0.82
	364.0	365.0	1.0	0.45
	365.0	366.0	1.0	1.15
	366.0	367.0	1.0	1.18
	367.0	368.0	1.0	0.55
	355.7	357.0	1.3	1.04
	357.0	358.0	1.0	2.74
	358.0	359.0	1.0	1.48
	359.0	360.0	1.0	2.35
	360.0	361.0	1.0	3.24
	361.0	362.0	1.0	1.02
	362.0	363.0	1.0	0.34
	363.0	364.0	1.0	0.82
	364.0	365.0	1.0	0.45
	365.0	366.0	1.0	1.15
	366.0	367.0	1.0	1.18
	367.0	368.0	1.0	0.55

[B] grades adjusted for recovery

APPENDIX C: JORC TABLES

JORC TABLE 1
Section 1: Sampling Techniques & Data

Criteria	Explanation	Commentary
Sampling techniques	*Nature and quality of sampling (e.g. cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc.). These examples should not be taken as limiting the broad meaning of sampling.*	The Achmmach Tin Project was entirely sampled using Diamond Drilling (DD). Sample diameters were PQ, HQ and NQ core sizes. One new DD hole was drilled for 749.4m. The drilling pattern previously achieved by Resource drilling was 20m in this area of the Meknes Trend.
	Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.	Sample representivity was ensured by: - locating collar using Differential GPS or Total Station with sub meter vertical and horizontal accuracy; - using Diamond Drilling to obtain high quality core samples that were exhaustively logged for lithology, alteration, mineralization, density, weathering and structural attributes; and - sampling half core on nominal 1m intervals using industry best practice protocols and QAQC procedures.
	Aspects of the determination of mineralisation that are Material to the Public Report. *In cases where 'industry standard' work has been done this would be relatively simple (e.g. 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was*	Each sample is analysed with a handheld Niton XRF analyser and anomalous samples are submitted to ALS laboratory for more precise analysis. Diamond core HQ and NQ sizes were sampled on a nominal 1m interval, cut by Kasbah into half core

Criteria	Explanation	Commentary
	pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (e.g. submarine nodules) may warrant disclosure of detailed information.	with automatic core saw, dried, crushed to 80% passing 200 microns to produce a 250g sample and dispatched to ALS laboratory. Sample was subsequently pulverised to 85% passing 75 microns to produce a 25g charge. Tin was assayed using fused bead preparations with XRF determination.
Drilling techniques	*Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc.) and details (e.g. core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc.).*	Diamond Drilling with core diameter PQ, HQ and NQ. The hole depth is 749.4m. Orientation of core has been performed using the ACT tool method.
Drill sample recovery	*Method of recording and assessing core and chip sample recoveries and results assessed.*	DD recoveries were measured and captured in the database.
	Measures taken to maximise sample recovery and ensure representative nature of the samples.	Drillers reduced core runs to sub meter intervals in difficult ground conditions. Logging depths were checked against core blocks and rod counts were routinely carried out by drillers and upon the geologist request.
	Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.	Released intercepts and assay values are adjusted for recovery with the formula: - Lab assay value x sample recovery = Corrected assay value; and - As core samples are conservative and in situ samples, it is expected that sample bias due to preferential loss / gain of fine / coarse material is negligible.
Logging	*Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.*	Geological and geotechnical logging was carried on all core produced. Lithology, alteration, mineralization, weathering and structures were all recorded. Geotechnical logging was also completed according to industry best practice. Logging was entered directly into a self-validated template and resulting tables were uploaded into a GBIS database post validation.
	Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc.) photography.	Logging of diamond core recorded both qualitative and quantitative parameters. Lithology, alteration, weathering, mineralization, structural and geotechnical logs collect both quantitative and qualitative fields. Diamond core was stored in clearly labelled core trays and photographed after mark up, before sampling with both Dry and Wet photos recorded.
	The total length and percentage of the relevant intersections logged.	All drill holes were logged from start to end of hole.
Sub-sampling techniques and sample preparation	*If core, whether cut or sawn and whether quarter, half or all core taken.*	Core was cut in half onsite by Kasbah using automatic core saw. Samples were collected the same side of the core.
	If non-core, whether riffled, tube sampled, rotary split, etc. and whether sampled wet or dry.	Only core samples.
	For all sample types, the nature, quality and appropriateness of the sample preparation technique.	The sample preparation of diamond core is considered adequate as per industry best practice involving onsite core samples collection, weighing and drying. Crushing and splitting of half core

Criteria	Explanation	Commentary
		samples was achieved onsite. 80% of sampled crushed material passing 200 microns and splitting using a rotary splitter to obtain a 250g sample. Samples were subsequently dispatched to ALS laboratories for pulverizing to 85% passing 75 microns.
	Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.	QC procedures involve the use of Certified Reference Material as assay standards along with blanks, field duplicates, coarse reject duplicates and pulp duplicates. The insertion rate of these averaged 1:7.
	Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.	Coarse crushed duplicates were taken at the rate of 1 in 17 and submitted for assay.
	Whether sample sizes are appropriate to the grain size of the material being sampled.	The sample sizes are on average 1m intervals and HQ or NQ diameter. This size is considered appropriate to the grain size of the material being sampled to correctly represent the tin mineralization at Achmmach.
Quality of assay data and laboratory tests	*The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.*	Kasbah tin assays were determined using fused bead X-Ray Fluorescence (XRF) which is the current industry standard for tin. This assay technique is considered "total" as it extracts and measures the entire element contained within the sample.
	For geophysical tools, spectrometers, handheld XRF instruments, etc., the parameters used in determining the analysis including instrument make and model, reading	No geophysical tools were used to determine any element concentrations used in the resource estimate.
	times, calibrations factors applied and their derivation, etc.	A Thermo Scientific Niton handheld XRF XL3t analyser was used as a complementary help to identify core intervals to be assayed.
	Nature of quality control procedures adopted (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established.	Internal laboratory QAQC involved the use of various Certified Reference Materials as assay standards along with pulp duplicate. For the entire drilling program, Kasbah regularly inserted Certified Reference Material independently having a range of values from 0.2 to 1.05% Sn at a rate of 1:18. Kasbah regularly inserted: - coarse reject duplicates at a rate of 1:17; and - blanks at a rate of 1:35. Duplicate and standard statistical analysis demonstrates the data to be reliable and unbiased.
Verification of sampling and assaying	*The verification of significant intersections by either independent or alternative company personnel.*	All significant intercepts are reviewed and confirmed by at least three senior personnel before release to the market.
	The use of twinned holes.	No twinned holes have been drilled at Achmmach to date.
	Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.	Data is collected by qualified geologists and entered into spread sheets with pre-determined lookup fields. The spread sheets are locked and

Criteria	Explanation	Commentary
		have validation rules attached in order to limit potential data entry errors. After entry and validation, data is being imported via a GBIS frontend onto a SQL server database. The import process also includes a validation step. Data is stored on a server located in a locked room on site and replicated to the Perth Office. Backups are made weekly. Regular data validation reviews are being conducted by Kasbah supervisors and audited prior to Resource Estimation.
	Discuss any adjustment to assay data.	No adjustments or calibration are made to the raw assay data. Data is imported directly into the database in raw original format.
Location of data points	*Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.*	Drill hole collars were set out using hand-held GPS or by offset from nearby previously drilled holes. The final drill hole collar coordinates were established by a licensed contract surveyor, using a DGPS Leica SR532. Sub-meter accuracy horizontally and vertically is expected from the surveying equipment used. Quality Control collar location checks were inserted at the survey campaign in order to monitor accuracy and consistency of the equipment at a rate of 1:4. Down hole surveys were conducted using single-shot Reflex. Down hole survey shots were taken at 25m intervals.
	Specification of the grid system used.	Coordinate system is UTM 30N and datum is WGS84. A Local grid was introduced locally over the Achmmach Tin Project with the Easting axis parallel to the overall tin mineralization. The Local grid is rotated 20deg anticlockwise from the UTM system.
	Quality and adequacy of topographic control.	The Digital Elevation Model of the Achmmach Tin Project used in Resource Estimation was derived from a stereo image pair of a GeoEye-1 acquisition from December 2011. 1m vertical accuracy is expected from the dataset.
Data spacing and distribution	*Data spacing for reporting of Exploration Results.*	Drill sections are 20m spaced over this part of the Meknès Trend. Multiple holes are drilled from the same drill pad in a fan configuration leading to various pierce point spacing.
	Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.	It is the opinion of the Competent Person that mineralized envelopes have sufficiently demonstrated geological and grade continuity to support the definition of Mineral Resource and Ore Reserve as defined in the 2012 JORC Code.
	Whether sample compositing has been applied.	For mineral resource estimation purpose, grades have been estimated on 1m composited assay data. Sample compositing was not applied to interval calculations reported to the market. Reported intercepts were calculated as per industry best practice.

Criteria	Explanation	Commentary
Orientation of data in relation to geological structure	*Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.*	In general, the orientation of the drill program has been designed to intersect tourmaline structures perpendicularly or nearly perpendicular.
	If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.	No orientation sampling bias has been identified in the data at this stage.
Sample security	*The measures taken to ensure sample security.*	Chain of custody is managed by Kasbah from the site up to Meknes. From there TNT is responsible to clear, air freight and deliver the samples to ALS laboratory Ireland. Sample bags in cardboard boxes are sealed with security tags for transport.
Audits or reviews	*The results of any audits or reviews of sampling techniques and data.*	Sample data review was not carried out. This will be done as part of a future resource estimation programme.

Section 2: Reporting of Exploration Results

Criteria	Explanation	Commentary
Mineral tenement and land tenure status	*Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.*	Mining permit – PE2912, located 40km south-west of the city of Meknes in Morocco is 100% owned by Atlas Tin SAS, a Moroccan company. Atlas Tin is 75% owned by Kasbah, 20% Toyota Tsusho Corporation and 5% by Nittetsu Mining Company Ltd.
	The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.	Signed agreements with the Moroccan Administration. The permits are in good standing and there are no known impediments.
Exploration done by other parties	*Acknowledgment and appraisal of exploration by other parties.*	The Achmmach Tin deposit was discovered in 1985 by the Moroccan government agency Bureau de Recherches et de Participations Minières (BRPM) following stream sediment anomalies to the source. BRPM undertook an extensive regional and project scale geological mapping, soil geochemistry, gravity surveying, surface trenching, 32 diamond drill holes totalling 14,463m (including three holes collared from the underground development), an 85m deep exploratory shaft with 827m of underground cross cut and drives, an underground bulk sampling program and metallurgical test work.
Geology	*Deposit type, geological setting and style of mineralisation.*	The Achmmach Tin deposit is hosted within a tightly folded sedimentary sequence of Visean-Namurian turbidite beds locally showing shear corridors overprinted by tourmaline alteration. The area has also been intruded by magmatic sills of intermediate and mafic composition. Current model sees the Achmmach deposit as a sector cross cut by several broadly NNE-WSW striking vertical mineralised structures. These vertical structures (the feeders) are the presumed conduits for the granite emanated fluids that have produced the tourmaline alteration halo and deposited mineralisation in favourable trap sites pervading up and down dip from them in the country rock (the branches) The tin mineralisation occurs as cassiterite (SnO_2) in disseminated form within the tourmaline, in association with sulphide veins or within quartz veins.
Drill hole Information	*A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:* • *easting and northing of the drill hole collar* • *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar* • *dip and azimuth of the hole* • *down hole length and interception depth* • *hole length.* *If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.*	Refer to Table 2, Appendix A and B.

Criteria	Explanation	Commentary
Data aggregation methods	*In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (egg cutting of high grades) and cut-off grades are usually Material and should be stated.*	All reported assays have been adjusted for recovery/length weighted. No top cuts have been applied. Selection criteria for significant intercepts are detailed in Table 2.
	Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.	High grade Tin intercepts internal to broader mineralised zones are reported as included intervals.
	The assumptions used for any reporting of metal equivalent values should be clearly stated.	No metal equivalent values are used for reporting exploration results.
Relationship between mineralization widths and intercept lengths	*These relationships are particularly important in the reporting of Exploration Results.* *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.* *If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (e.g. 'down hole length, true width not known').*	The tin mineralised envelopes are dominantly NNW dipping with some sub vertical component related to the feeding structures. The deposit is mostly drilled to grid south for Resource Estimation purpose but the purpose of this structural hole was to test the existing September 2013 Resource Model of the Meknes Trend and investigate deeper depths at an oblique angle (120deg Azimuth) to grid south. The drill hole was inclined at -70deg. The intersection angles for the drilling appear virtually perpendicular to the mineralised envelopes therefore minimizing the difference between down hole intersections and true width.
Diagrams	*Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported. These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.*	Refer to Figure 3.
Balanced reporting	*Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.*	All assay results of the hole constituting a structural drilling program over the Meknes Trend are reported.
Other Substantive exploration data	*Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.*	Samples tested by Niton XRF and expected to return significant intercepts are measured for their bulk density which average 2.9g/cm^3. Multi element assaying is conducted routinely on all samples for a suite of potentially deleterious elements including Arsenic, Sulphur, Zinc and Magnesium. Geotechnical logging was carried out on all DD holes for recovery and RQD.
Further work	*The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling).* *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	No further work is planned to date.

Rule 5.3

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	Quarter ended ("current quarter")
78 116 931 705	31 DECEMBER 2014

Consolidated statement of cash flows

		Current quarter $A'000	Year to date (6 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	(1,337)	(2,415)
	(b) development	-	-
	(c) production	-	-
	(d) administration	(749)	(1,742)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	14	41
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	(2,072)	(4,116)
	Cash flows related to investing activities		
1.8	Payment for purchases of:		
	(a) prospects	-	(100)
	(b) equity investments	-	-
	(c) other fixed assets	(4)	(12)
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	(26)	(30)
	Net investing cash flows	(30)	(142)
1.13	Total operating and investing cash flows (carried forward)	(2,102)	(4,258)

+ See chapter 19 for defined terms.

1.13	Total operating and investing cash flows (brought forward)	(2,102)	(4,258)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	3,950	3,950
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19A	Other – Transactions with non-controlling interests	1,007	1,007
1.19B	Other – Share issues costs	(348)	(348)
	Net financing cash flows	4,609	4,609
	Net increase (decrease) in cash held	2,507	351
1.20	Cash at beginning of quarter/year to date	2,259	4,403
1.21	Exchange rate adjustments to item 1.20	6	18
1.22	**Cash at end of quarter**	4,772	4,772

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	174
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

Details of Item 1.19A above "Other - Transactions with non-controlling interests":
Cash call funds received from Toyota Tsusho Corporation and Nittetsu Mining Co Ltd in relation to their share of costs for the Achmmach Tin Project in Morocco (75% Kasbah Resources Limited, 20% Toyota Tsusho Corporation and 5% Nittetsu Mining Co Ltd).

Details of Item 1.19B above "Other – Share issues costs":
Includes Moroccan registration fees relating to the issuing of shares by Kasbah's Moroccan subsidiary Atlas Tin SAS to reflect Toyota Tsusho Corporation's 20% interest and Nittetsu Mining Co Ltd's 5% interest.

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

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	1,242
4.2	Development	-
4.3	Production	-
4.4	Administration	736
	Total	**1,978**

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	761	627
5.2	Deposits at call	2,660	1,160
5.3	Bank overdraft	-	-
5.4	Other (provide details) - Cash held in Morocco	1,351	472
	Total: cash at end of quarter (item 1.22)	4,772	2,259

+ See chapter 19 for defined terms.

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	ML1047 EL0184 EL0653 EL0775 EL1333 TN1913	Farm in agreement signed with Starfield Metals Limited Ugandan subsidiaries to acquire up to a 51% interest was terminated during the quarter.	0% 0% 0% 0% 0% 0%	0% 0% 0% 0% 0% 0%
		PR2138003 PR2138004 PR2138005 PR2138006 PR2138008	Permits acquired during the September 2013 quarter in Morocco that have been relinquished.	100% 100% 100% 100% 100%	0% 0% 0% 0% 0%
6.2	Interests in mining tenements acquired or increased	PR1939809 PR1939821 PR1939822 PR2138066 PR2138067	Applications for new tenements in Morocco that have been granted.	0% 0% 0% 0% 0%	100% 100% 100% 100% 100%

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	**Preference +securities** *(description)*				
7.2	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3	**+Ordinary securities**	451,415,023	451,415,023		
7.4	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	55,502,427	55,502,427	$0.07	$3,885,169.89
7.5	**+Convertible debt securities** (*description)*				

+ See chapter 19 for defined terms.

7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7	**Options** *(description and conversion factor)*			*Exercise price*	*Expiry Date*
	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*
	KASAAF	500,000	-	*$0.12*	*27 November 2017*
7.8	Issued during quarter	500,000	-	$0.12	27 November 2017
7.9	Exercised during quarter				
7.10	Expired during quarter	4,000,000	-	$0.25	24 November 2014
7.11	**Debentures** *(totals only)*				
7.12	**Unsecured notes** *(totals only)*				

+ 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: 30 January 2015

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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