



2015 ANNUAL REPORT

ACN 116 931 705

CORPORATE DIRECTORY

DIRECTORS

Rod Marston (Non-executive Chairman)
Wayne Bramwell (Managing Director)
Ian McCubbing (Non-executive Director)
Gabrielle Moeller (Non-executive Director)
Giles Robbins (Non-executive Director)
Mike Brook (Non-executive Director)

SHARE REGISTRY

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COMPANY SECRETARY

Trevor O'Connor

BANKERS

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West Perth WA 6005

NOTICE OF ANNUAL GENERAL MEETING

The Annual General Meeting of
Kasbah Resources Limited will be held at:

Seminar Room 2
Perth Zoo Conference Centre
20 Labouchere Road, South Perth
Time: 10.00am
Date: Friday 20 November 2015

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STOCK EXCHANGE LISTING

The Company is listed on the Australian Securities
Exchange Limited under the trading code **KAS**.

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CHAIRMAN'S LETTER

Dear Shareholders,

The past year has been one of the most challenging for the natural resource sector in modern history. Most commodities have been in a bear market since 2011 with global equity markets and investor sentiment collapsing in parallel. The tin sector has not been spared and during the 2015 financial year the LME cash tin price has retreated from US\$22,575 / t to US\$13,975 / t – a fall of approximately 38%.

Kasbah, unlike many others, has continued to advance the Achmmach Tin Project during these very challenging times.

Continued exploration success at Achmmach in the Western Zone saw Kasbah commence a Definitive Feasibility Study enhancement programme (EDFS) in late 2014. This programme successfully incorporated the smaller, yet high grade Western Zone resource into the expanded mine, extending mine life and bringing higher grade ore forward in the revised mine schedule. Importantly, pre-production capital costs declined, and the project-critical C3 operating cost was reduced to US\$13,296 / t of tin in concentrate.

Post completion of the EDFs in March 2015, project financing activities commenced with non-binding debt term sheets being received from a range of European commercial banks and export credit agencies. At this time and against a background of significant and continuing weakness in the commodity and equity markets the Kasbah Board agreed to defer a financing decision on the project until metal markets have stabilised.

Tin's poor performance has been exacerbated by several industry specific factors including:

- Surge of new, low cost tin production from north eastern Myanmar;
- Commodity fund speculation; and
- Erratic Indonesian tin exports.

Against this backdrop, an interim development strategy and significant corporate cost reduction programme was announced in June 2015 alongside a \$3M placement to our major shareholders. Dr Robert Weinberg and Mr Gary Davidson left the Board after many years of solid service to the company, and in August 2015 Kasbah welcomed Mr Mike Brook and Mr Giles Robbins, representatives from two of the Company's long standing shareholder groups, to the Board.

The positive from the sector turmoil is that a weaker tin price has seen a supply side contraction from tin producers in Indonesia, South America and Africa. Further supply disruptions are expected from 1 November 2015 as new 'Clean and Clear' legislation pertaining to certification of mining leases constrains the Indonesian tin sector. Any further contraction in global tin supply during 2015 should set the commodity for a rapid price correction in 2016-2017.

I would like to reaffirm to all our shareholders that the company remains focused on seeking alternative mechanisms to advance the company's tin strategy and the Achmmach Tin Project in particular. I would also like to thank you, our loyal shareholders and Kasbah's dedicated staff for the continued support given during these difficult and challenging times.



Rod Marston
Chairman



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

Our prime commodity is tin

Kasbah's corporate strategy is to:

- Grow the Company into a new generation producer of high quality tin concentrates;
- Leverage our exploration and development expertise into new tin production opportunities; and
- Target high margin tin assets with growth potential.

Kasbah's project assets include:

- The Achmmach Tin Project (Morocco – Kasbah Resources Limited 75%, Toyota Tsusho Corporation 20%, Nittetsu Mining Co. Ltd 5%); and
- The Bou El Jaj Tin Project (Morocco – Kasbah Resources Limited 100%).

HIGHLIGHTS 2015

2015 HIGHLIGHTS

Kasbah achieved
the following corporate
and technical
milestones during the
last 12 months

In June 2015, based upon a 38% deterioration in the tin price over the last 12 months (Figure 6), the Kasbah Board announced a deferment of a financing decision on Achmmach until the tin price improves towards an average LME tin price of circa US\$18,000 / t.

Kasbah announced an Interim Development and funding strategy that included a \$3M Placement to Kasbah's major shareholders and implementation of a corporate cost reduction programme.

HIGHLIGHTS 2015

**Established an
Exploration presence
in Rwanda**

Successfully extended the high grade Western Zone target through drilling and increased the Western Zone metallurgical recovery to 78% in October 2014

**Released an
updated Ore Reserve and
Enhanced Definitive Feasibility
Study for Achmmach in March 2015,
extending mine life and reducing project
pre-production capital and the critical
C3 operating cost to a competitive
US\$13,296 / t**

**Completed a non-
renounceable rights
issue in September 2014
to raise approximately
\$3,900,000**

Received four key approvals and agreements in January 2015 including the final acceptance of the Achmmach Environmental and Social Impact Assessment (ESIA) including final Environmental and Social Monitoring and Management Plan (ESMMP)

Extensional drilling at the Western Zone in November 2014 upgraded the Indicated Mineral Resource to 340,000 t @ 1.25% Sn for approximately 4,200 t of contained tin

During the last year the Achmmach Tin Project remained the Company's prime focus. The objective remains to advance the project through its final stages of evaluation and achieve all the key project approvals, such that a development decision can be made.



OPERATIONS REVIEW

Additional exploration success at the Western Zone (WZ) of the largely unexplored Sidi Addi trend at Achmmach saw Kasbah extend the penultimate project evaluation assessment and commence a EDFS to incorporate this high grade target into the Achmmach mining inventory. A new Ore Reserve was announced in early March 2015 that saw the March 2015 Achmmach Ore Reserve increase to 9.2 Mt @ 0.77% Sn for approximately 71,300 t of contained tin.

This represented a 9% increase in Ore Reserve tonnage above the 2014 DFS Maiden Reserve tonnage and a 9% increase in contained tin.

The EDFS was completed in March 2015 (announced 18 March 2015) and successfully delivered the following key changes and improvements from the 2014 DFS (announced 31 March 2014) including:

- A **9%** increase in Ore Reserve for Achmmach (announced 12 March 2015);
- An extension in mine life to approximately **10 years**;
- Enhancement in life of mine metallurgical recovery from **70.3%** to **71.8%**;
- The connection of the high grade WZ to the Meknès Trend;
- A revised mine design and schedule that brings tonnage and grade forward in the early years of production; and
- A review of project capital and operating costs that saw the critical C3 production cost fall from US\$15,309 to **US\$13,296** / t of tin in concentrate.

In addition to these enhancements, there had been significant devaluation of the three key currencies that underpin in excess of 80% of all Achmmach

capital and operating costs (i.e. the Moroccan Dirham (MAD), the Euro (EUR) and the South African Rand (ZAR)). All of these factors combined lead to significant reductions in project capital (down 5.5% from the 2014 DFS) and operating costs (down 18% from the 2014 DFS) and confirmed Achmmach as a low cost tin production opportunity.

It is important to reiterate that Kasbah has advanced Achmmach from scoping study, pre-feasibility, definitive feasibility to the EDFS stage and has now defined a large, long life underground project with very competitive C3 operating costs. Achmmach has all the major approvals in place and pending an appropriate funding solution, can be rapidly advanced to construction. In addition Kasbah is investigating options to enable the commencement of mining on a smaller scale at Achmmach with a corresponding reduction in capital costs. This phased approach could set a platform for transition to full EDFS scale production at a later date.

There are few other opportunities in the tin sector of the scale or quality of Achmmach that are ‘development ready’.



OPERATIONS REVIEW (CONTINUED)

1. PROJECT DEVELOPMENT

During the 2014-2015 period Kasbah achieved additional exploration success in the WZ and advanced the Achmmach Tin Project through to EDFs stage.

1.1 Resource Estimation

At 30 June 2014, the Company's defined resource at Achmmach stood at **14.6Mt @ 0.85% Sn (for 123.1kt of contained tin)** (Table 1) as released to the market on 10 September 2013.

Table 1:
September 2013 - Mineral Resource Estimate Achmmach Tin Project
(@ 0.5% Sn cut-off grade^A)

Category	M Tonnes	Sn %	Contained Tin (kt)
Measured	1.6	1.0	16.1
Indicated	13.0	0.8	107.0
Inferred	-	-	-
Total	14.6	0.85	123.1

^A 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/t and a total estimated operating cost of US\$79/t (mining US\$27/t, processing US\$38/t and smelting US\$14/t). 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.

On 6 February 2014, the Company announced an upgraded Indicated Mineral Resource for its WZ target at Achmmach. The **WZ – February 2014 Mineral Resource Estimate (Table 2)** comprises 221kt of Indicated Resource at 0.95% Sn for 2.1kt contained tin (at 0.35% Sn cut-off) and is located on the highly prospective Sidi Addi Trend at Achmmach.

Table 2:
Western Zone – February 2014 Mineral Resource Estimate
(@ 0.35% Sn cut off grade^B)

Category	K Tonnes	Sn %	Contained Tin (kt)
Measured	-	-	-
Indicated	221	0.95	2.1
Inferred	-	-	-
Total	221	0.95	2.1

^B The Sn grade in this table 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 is based on a tin price of US \$23,000/t, with open pit mining costs of US \$2/t of rock for waste and \$3/t for ore. The strip ratio within the pit shell is 18:1, giving an overall mining cost of \$2.1/t. Total processing costs (including smelting) are US \$38/t of ore, with processing recoveries of 75% at an average head grade of 0.9% Sn.

After assessing the possibility of developing the WZ as an open pit, the concept was dismissed due to unfavourably high stripping ratio and difficult terrain, the Company then formed the view that the deposit would be best mined by underground methods.

On 25 November 2014, the Company announced an upgrade of the Western Zone Mineral Resource estimate to 340kt @ 1.25% Sn for 4.2kt of contained tin (Table 3).

OPERATIONS REVIEW (CONTINUED)



Table 3:
Western Zone – November 2014 Mineral Resource Estimate
(@ 0.5% Sn cut off grade^c)

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

^c 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/t and a total estimated operating cost of US\$79/t (mining US\$27/t, processing US\$38/t and smelting US\$14/t). 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.

1.2 Ore Reserve

On 12 March 2015, the company announced to the market an upgraded Ore Reserve for the Meknès Underground of **9.219Mt @ 0.77% Sn for 71,300t of contained tin** (Table 4).

This Ore Reserve has been estimated by Entech of Perth, Western Australia and is based on the Achmmach September 2013 Measured and Indicated Resource reported to the market on 10 September 2013 and the Western Zone Indicated Resource reported to the market on 25 November 2014.

Table 4:
March 2015 Achmmach Ore Reserve ^D
(@ 0.55% Sn Cut-off grade for High Grade Ore and 0.25% Sn for Low Grade Development Ore)

Achmmach	Proven		Probable		Total	
	tonnes	% Sn	tonnes	% Sn	tonnes	% Sn
Total High Grade Ore	1,258,000	0.98	7,463,000	0.76	8,721,000	0.80
Total Low Grade Development Ore	13,000	0.56	485,000	0.41	498,000	0.39
Total	1,271,000	0.97	7,948,000	0.74	9,219,000	0.77

^D The cut-off grade of 0.55% tin is based on a tin price of US\$23,000/t, mining costs of US\$33.75/t of ore, including sustaining capital, processing cost of US\$18.13/t of ore, G&A costs of US\$4.67/t of ore, mine development costs of US\$1,309/m and shipping & concentrate treatment charges of US\$1,173/t of tin. All reported numbers are rounded to 1,000t ore, 0.01% Sn.

OPERATIONS REVIEW (CONTINUED)

1.3 Achmmach Enhanced Definitive Feasibility Study

On 18 March 2015, Kasbah announced to the market that it had completed its EDFS for the Achmmach Tin Project. The EDFS has determined that a 1.05Mtpa underground tin project with a 10 year life is technically and commercially feasible and can generate strong cash flows at competitive industry operating costs.

EDFS highlights included:

- An increased Ore Reserve of **9.22Mt @ 0.77% Sn** for **71,300** of contained tin;
- Mine life of 10 years;
- Underground access via twin declines has been retained;
- Long-hole open stoping with paste fill has been retained as the most appropriate mining method;
- Average production of 1.05Mtpa is scheduled to produce approximately 5,850t of tin in concentrate per annum;
- Pre-production capital cost of **US\$148M**;
- On an after tax, ungeared basis (using an average Sn price of US\$21,511/t and an 8% discount rate), the EDFS delivers a Net Present Value of US\$171M with an Internal rate of return of 32.9%;
- Life of mine C3 cash costs of US\$13,269/t of tin; and
- A payback period of 2.3 years.



OPERATIONS REVIEW (CONTINUED)

Table 5 summarises the key financial outputs from the EDFS base case.

Table 5:
Achmmach EDFS Technical and Economic Summary

Parameter	Unit	2014 DFS Base Case LME Cash Buyer Sn Price @ 28/03/2014 US\$23,025/t	2015 EDFS Base Case LME Cash Buyer Sn Price US\$21,511/t ^E
Mining Reserve ^F	Mt	8,445	9,219
Life of Mine (LOM) Mined Ore Grade	% Sn	0.78	0.77
Average Mill Throughput	Mtpa	1.0	1.05
Average annual Tin in tin concentrate produced	tpa	5,300	5,850
LOM Project Revenue	US\$M	915	1,036
LOM Operating Costs	US\$M	343	369
LOM Post- tax Free Cash Flow	US\$M	270	316
Pre-production Capital	US\$M	181	148
Sustaining Capital	US\$M	71	57
Post-tax NPV8%	US\$M	126	171
IRR (ungeared)	%	23.3	32.9
Payback period	years	3.2	2.3
C1 costs ^G	US\$/t ore treated	46.88	46.85
C1 costs	US\$/t tin in concentrate	8,623	8,318
C3 costs ^H	US\$/t tin in concentrate	15,309	13,296

^E LME cash buyer price average 14/02/14 to 13/02/15

^F Mining 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.

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

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

OPERATIONS REVIEW (CONTINUED)

The EDFS integrated the WZ ore body into the overall Achmmach underground mine design by incorporating a link drive from the western end of the Meknes Trend as illustrated in **Figure 1**.

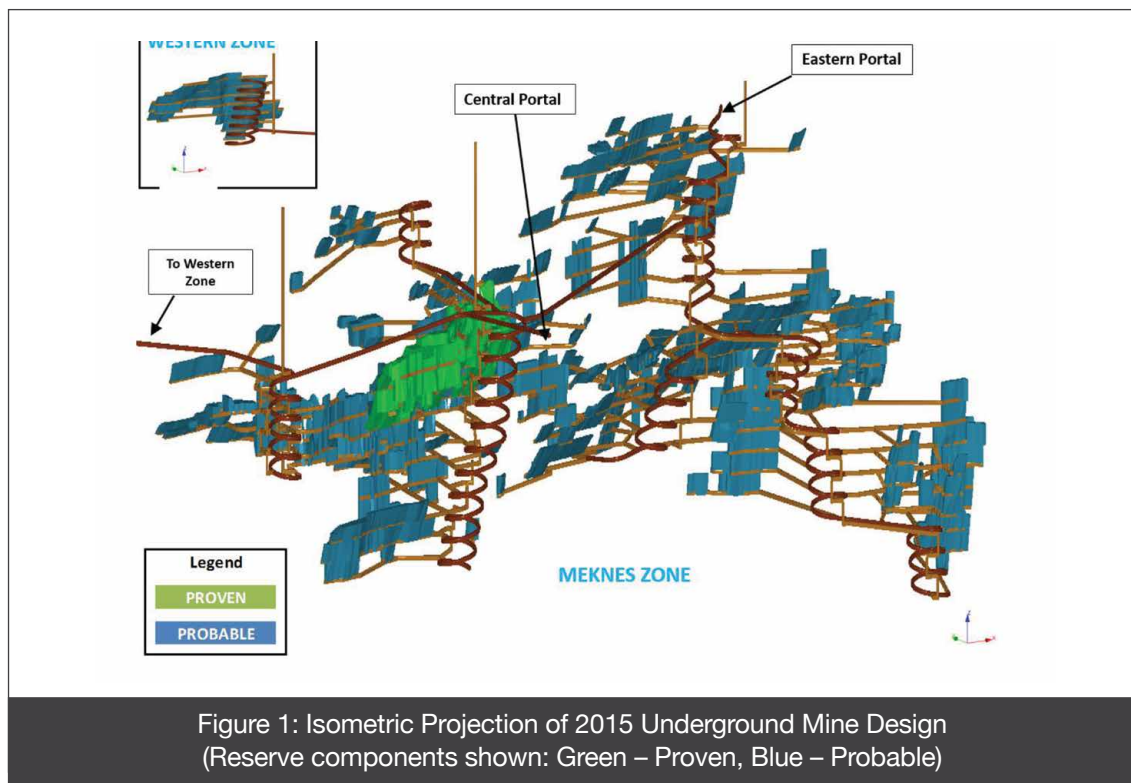
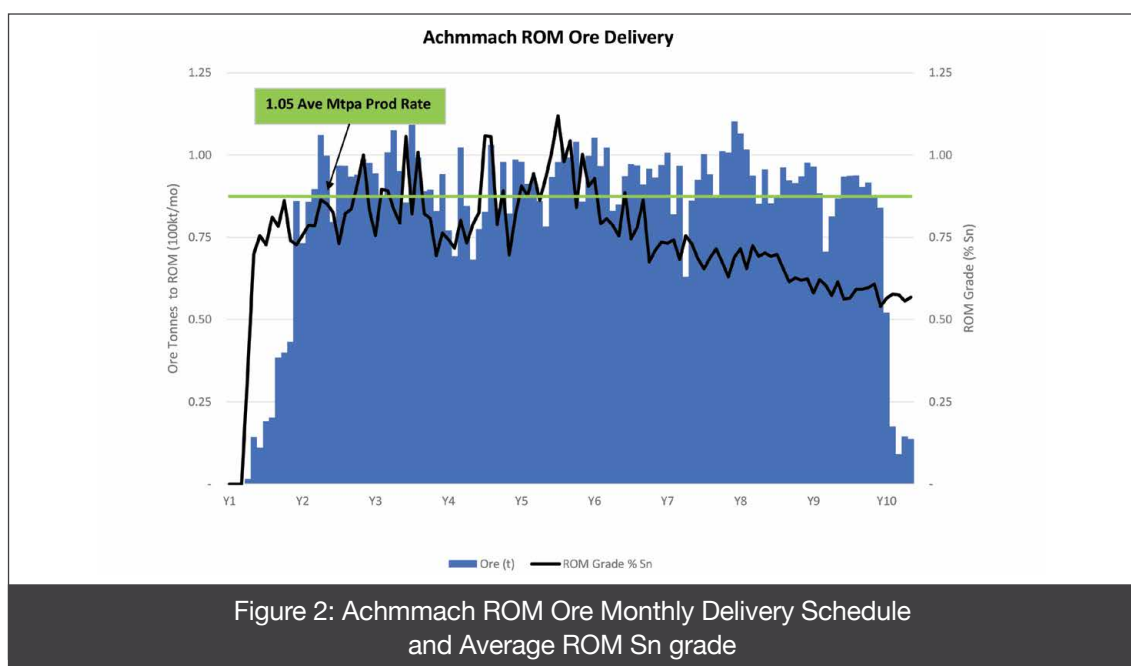


Figure 2 shows the monthly ROM ore delivery schedule compared with the EDFS average 1.05 Mtpa ore processing rate.



OPERATIONS REVIEW (CONTINUED)

1.4 Project Approvals

On 13 January 2015, the Company announced the finalisation of permitting for the Achmmach Project. These comprised 4 key approvals as follows:

- **Final acceptance of the Achmmach ESIA incorporating final ESMMP by the Moroccan Ministry of Environment**

The Environmental and Social Impact Assessment (ESIA) was accepted by the National Committee in October 2013 with a request that the accompanying draft Environmental and Social Monitoring and Management Plan (ESMMP) be completed to the satisfaction of the National Committee prior to final acceptance. Moroccan-based consultancy Phénixa completed the ESMMP during the year to the satisfaction of the National Committee.

- **Completion of collective farmland rental agreement with the Ministry of Interior**

Securing access to the collective land that will be disturbed by the project is an essential precursor to being able to commence construction activities at Achmmach. As part of the DFS process Kasbah provided details of Project land use to the Department of Rural Affairs within the Ministry of the Interior, who set the terms of the land rental agreement with the collectives.

- **Signing of in principle Community Development agreements with the Communes of Ait Ouikhalfen and Ras Jerri**

Kasbah has worked closely with the communes surrounding the project since 2007. This agreement establishes the principle that Atlas Tin and the communes will work together in the future to identify and promote community development activities that will enhance the quality of life of those affected by the operation of the Achmmach Tin Project.

- **Acceptance of the proposed Achmmach water management strategy by the Sebou Basin Agency**

The proposed water management strategy incorporates surface harvesting systems to maximise reliance on seasonal run-off and minimise the need to extract groundwater for process purposes. The water collection and storage system will be designed to provide a permanent water source for local farmers beyond mine closure.

Table 6 summarises the completed approvals.

**Table 6:
Achmmach Project Approvals**

Approval	Date issued	Authority
Environmental & social	22/12/2014	Ministry of Environment. Decision No. 36/2014
Collective land rental agreement	25/11/2014	Ministry of Interior. File 10 776
Community development agreements	17/10/2014	Presidents of Ait Ouikhalfen and Ras Jerri communes
Project water supply and management	19/12/2014	Sebou Basin Agency, Fes. ABHS/DEPRE/SDE 2433/14

OPERATIONS REVIEW (CONTINUED)



OPERATIONS REVIEW (CONTINUED)

1.5 Environment and Community Engagement

The Company has continued its forest rehabilitation programme and is preparing to plant a further 4,000 native oak seedlings on drill pads and other disturbed ground during the winter 2015 planting season. Baseline water sampling has continued on a quarterly basis.

The Company has maintained its close relationships with the communes and local administration.

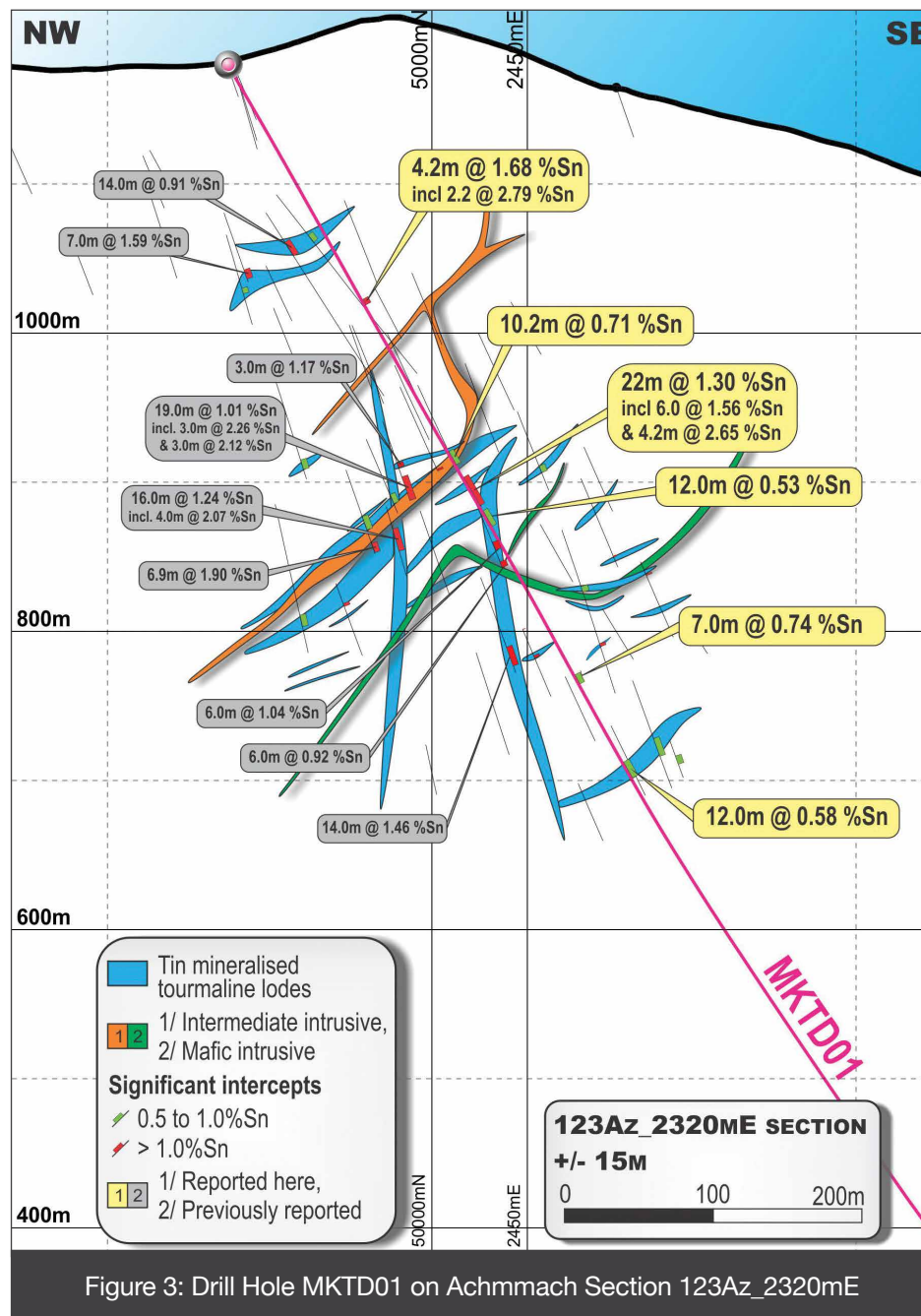


OPERATIONS REVIEW (CONTINUED)

2. EXPLORATION

2.1 Morocco

On 11 December 2014 the Company reported the results of MKTD01, a deep structural diamond drill hole aimed at confirming the extent of mineralisation at depth within the Meknes Trend at Achmmach. **Figure 3** illustrates the extent of this hole.



This hole confirmed the spatial occurrence of the mineralised zones expected on this section. No further exploration work has been carried out at Achmmach.

OPERATIONS REVIEW (CONTINUED)

No major work was completed at the Company's Bou El Jaj prospect during the year but Kasbah continued its low-level assessments of areas prospective for tin in the vicinities of the Ment and Zaer Granite structures. This work incorporated activities including:

- Gravity surveys;
- Stream sediment sampling and rock chipping; and
- Mapping.

Figure 4 shows the results of stream sediment and pan concentrate sampling in the Ment Granite, together with local geology and Kasbah tenements.

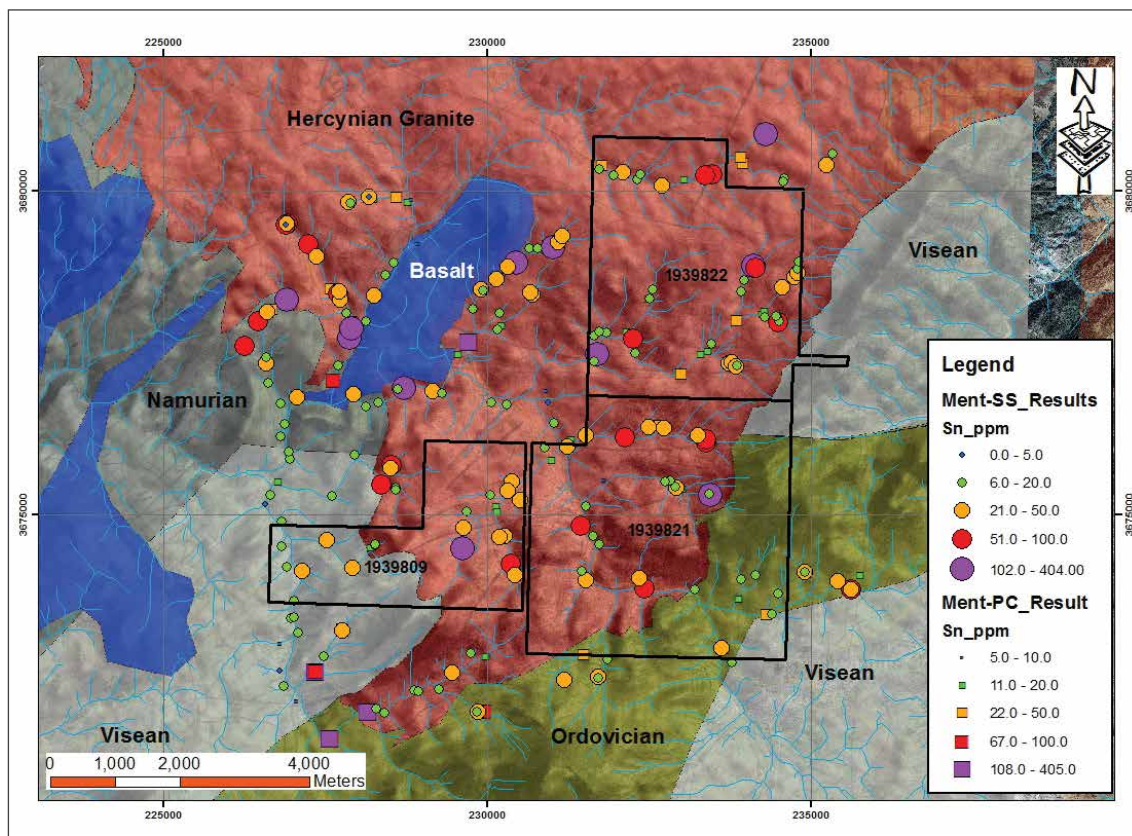


Figure 4: Ment Granite Stream Sediment and Pan Concentrate Sample Distribution

OPERATIONS REVIEW (CONTINUED)



Figure 5 illustrates the extent and results of surface sampling over the Zaer Granite exploration target. Results obtained to date support the development of a follow-up work programme for 2015-16.

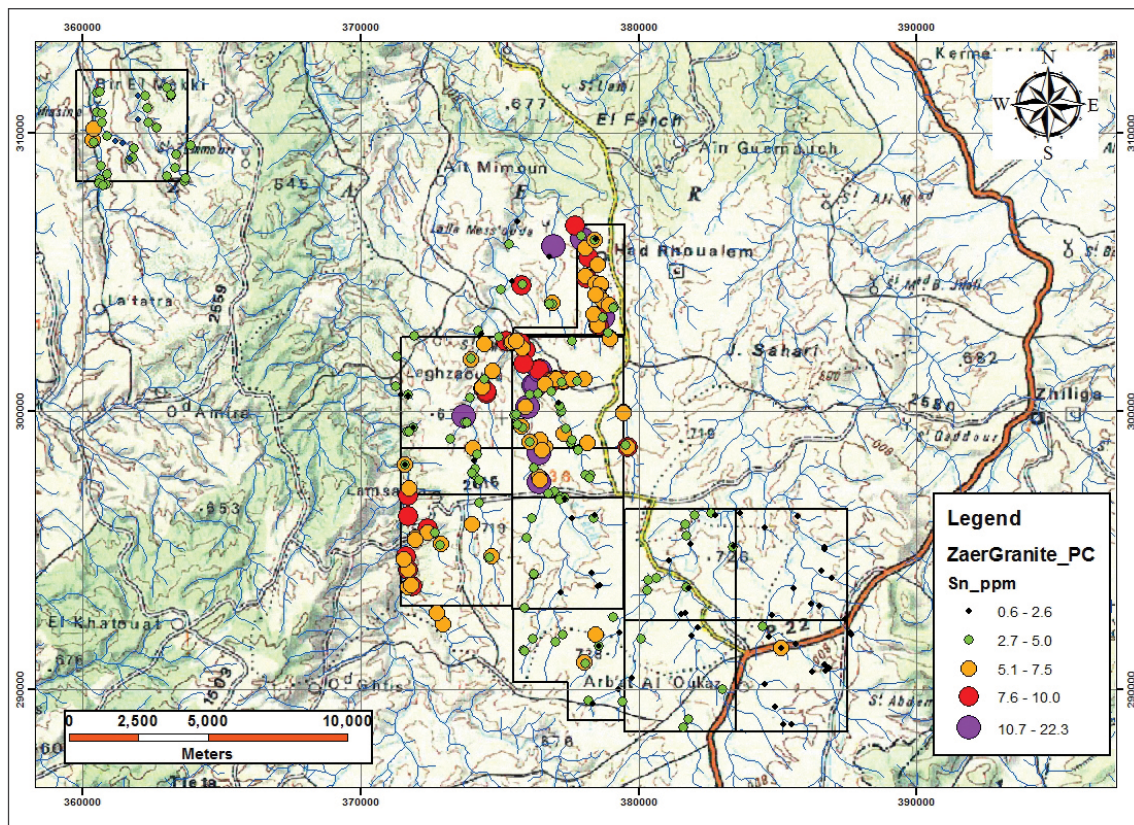


Figure 5: Zaer Granite Exploration – Alluvial Sample Data

OPERATIONS REVIEW (CONTINUED)

2.2 Tamlalt Gold Prospect (100% KAS)

The Company has engaged in discussion with various parties over possible options for realising value from the Tamlalt gold prospect, however nothing material has emerged to date.

2.3 Rwanda

In December 2014 the Company relocated its Exploration Manager to Rwanda in view of the prospectivity for tin in that country. During the balance of the year the Company has identified a number of artisanal and small miner (ASM) tin and tantalum opportunities that may form the basis for future commercial activity in Rwanda.

3. CORPORATE

3.1 Pro-rata non-renounceable rights issue

Kasbah announced a pro-rata non-renounceable rights issue to raise \$8.3M in September 2014 through the issuance of three (3) fully paid ordinary shares in the capital of the Company for every ten (10) Shares held by eligible shareholders at the record date. The Rights Issue price was \$0.07 per new Share (representing a 13.9% discount to the 20 day VWAP at the time).

The Company received applications for 55,502,427 new Shares from eligible shareholders under the Offer and raised approximately \$3.9M (a 46.7% take up of the offer).

3.2 Farm-in for Kikagati Tin Project in Uganda

In December 2014 Kasbah announced it would not proceed to the next stage of expenditure and terminated the Memorandum of Understanding with respect to an exploration farm-in agreement with the Ugandan subsidiaries of the Australian private company Starfield Metals Limited in Starfield's Kikagati Tin Project in south-western Uganda.

3.3 Project Financing and Off-take

Post the release of the EDFs in March 2015, Kasbah recommenced discussions with potential debt providers and off takers for the Achmmach Tin Project. The company received non-binding debt term sheets from a group of international commercial banks, European development institutions and Kasbah's principal shareholder (the International Finance Corporation) in regards to project funding for the development of the Achmmach Tin Project. Off-take proposals were received in parallel from potential purchasers of the Achmmach concentrates.

In June 2015, based predominantly upon the volatility in the tin market and 38% fall in tin price over the preceding 12 months, the Board of Kasbah announced a deferment of a financing decision.

Discussions with potential debt providers and concentrate off-takers can be quickly reactivated once the tin market stabilises.

3.4 Placement to raise \$3M and Corporate Cost Reduction Programme

Kasbah announced on 16 June 2015 that it has received commitments for up to approximately 104,590,412 shares at \$0.029 to raise up to approximately \$3.0M.

Kasbah received strong support for its interim development strategy and Placement from several long-term shareholders including the two largest shareholders, the International Finance Corporation (IFC) and the African Lion Fund (AFL). Alongside these two major shareholders, key tin industry players Thailand Smelting

OPERATIONS REVIEW (CONTINUED)

and Refining (Thaisarco) and Traxys also increased their interests to become substantial shareholders in Kasbah.

Thailand Smelting and Refining (Thaisarco) is one of Kasbah's long standing shareholders and increased its shareholding to 5.6% to become a substantial shareholder in the Company. Thaisarco is the fifth largest tin smelter in the world and is an industry leader in the manufacture of tin, with its LME registered Thaisarco and Phuket brands, tin alloys and other tin-related, value-added, products.

The tin smelter and refinery is located in Phuket, Thailand and has been in operation for 50 years, typically producing in excess of 20,000 tonnes per annum of high grade tin metal for domestic and export markets. Thaisarco's parent company, the AMC Group (www.amcgroup.com) has origins as a founder member of the London Metal Exchange and AMC has grown into an international group which trades, distributes and manufactures a broad range of metals, metal products and construction materials.

Traxys is another long standing Kasbah shareholder and a major physical commodity trader and merchant in the metals and natural resources sector. Traxys (www.traxys.com) is a significant tin industry participant and increased its shareholding to approximately 5.3% to become a substantial shareholder in Kasbah.

In addition, Kasbah implemented a series of cost reduction initiatives to preserve capital including:

- **Board restructure** – Dr Robert Weinberg and Mr Gary Davison stepped down from the Kasbah Board, effective from 10 June 2015 as a part of the Cost Reduction Programme.
- **Reduction in Board fees** – all remaining non-executives reduced their total Board and committee fees by 40-55% on an annual basis.
- **Reduction in management remuneration** – the Managing Director and all senior executives agreed to a 20% reduction in salaries and superannuation on an annual basis until Kasbah's corporate circumstances changes.
- **Reduction in expatriate operations personnel and site staff.**
- **Suspension of short term incentive (STI) programme for all staff.**
- **Corporate overheads** – have been reduced and during July 2015 Kasbah relocated its corporate office to lower cost premises.

These initiatives demonstrated the commitment of the Board and management to the Company's strategy. They will also deliver significant cost savings to the business, whilst retaining the core team and project capability such that when the LME tin price has stabilised, Kasbah will be in a position to quickly accelerate the project financing process.

3.5 Financial Resources

The financial position of the Group remains strong with a cash position of \$4,087,167 as at 30 June 2015 (2014: \$4,402,999). The consolidated loss after income tax for the financial year was \$6,481,906 (2014: loss of \$12,750,086).

OPERATIONS REVIEW (CONTINUED)

4. TIN MARKET

4.1 Three key market factors drives LME tin lower

The tin market remains a supply side story in 2014-2015. The interim surplus of refined tin seen in the world market in the second quarter of 2014 persisted during late 2014 and early 2015. Global economic indicators remained largely negative with ongoing turmoil in Greece and several significant market corrections in China fuelling negative investor sentiment. These global macro factors and weak industrial demand forecasts for all commodities have seen all natural resource companies impacted negatively.

The tin sector has not been spared and since 1 July 2014 the London Metal Exchange (LME) cash tin price has retreated from US\$22,575 / t to US\$13,975 / t – a fall of approximately 38% across a 12 month period. LME tin stocks dropped to less than 7,000 tonnes in mid-2015 yet this stock level (not seen since 2008) did not catalyse a sustained price breakout above US\$16,500 / t of tin (refer Figure 6).

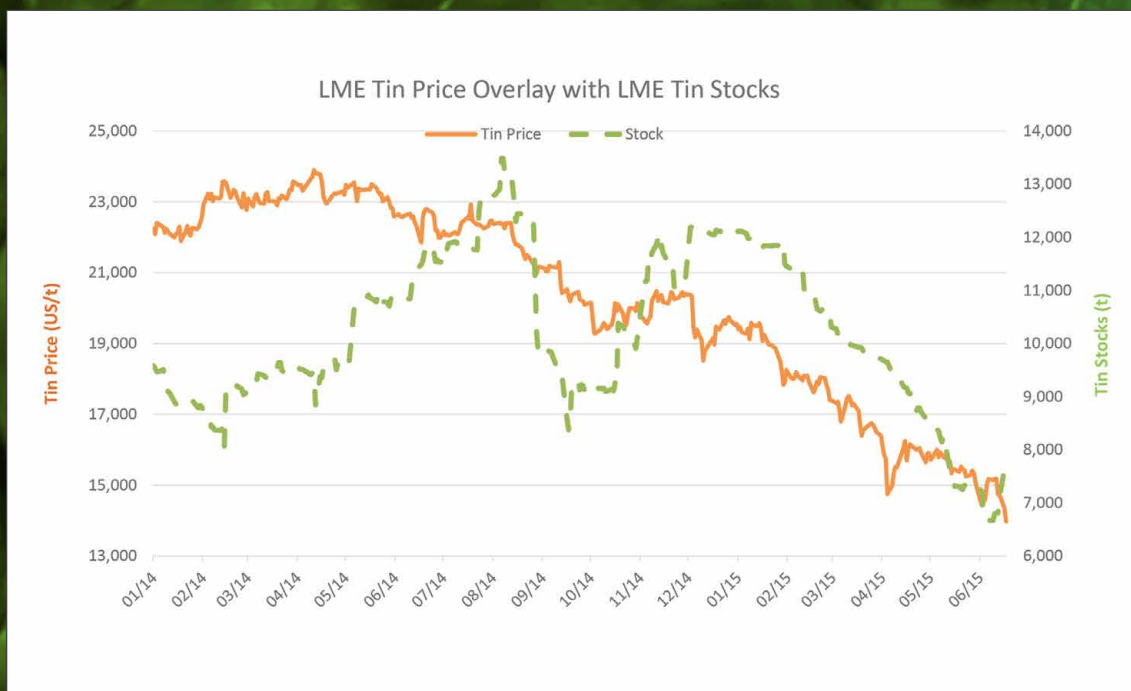


Figure 6: LME Tin Price and LME Tin Stocks (2014 – June 2015)

The significant fall in stocks should logically have seen a significant upwards correction in the LME tin price. The incongruence seen in the graph above of tin price versus tin stocks has been caused broadly by several industry specific factors including:

- Surge of new, low cost tin production from north eastern Myanmar;
- Commodity fund speculation in tin; and
- Erratic Indonesian tin exports.

OPERATIONS REVIEW (CONTINUED)

▪ Myanmar

Industry estimates for 2015 tin production from Myanmar range from 35,000 – 38,000t. In 2014 Myanmar produced an estimate 30,000 / t, predominantly from the Wa state in the north east of the country.

Production estimates from this region are difficult to substantiate but it is clear that production from this region in 2014 shifted the global production picture in tin from one of a potential small deficit to that of surplus. These lower grade ore and concentrates were predominantly refined in China, providing a low cost feed input to the Chinese tin sector, much of which was refined domestically and exported to world markets.

With modest demand growth over the period of between 1-2%, lower cost Chinese tin production tipped the finely balanced tin market towards surplus.

▪ Commodity fund speculation

Tin, as the smallest of the LME metal markets is one area where individual commodity trading advisors (CTA) often seek to build positions to manipulate commodity prices. In late 2014 and early 2015, CTA activity was unusually high, and its influence has been exacerbated by the fact that tin is traditionally such a thinly traded market. Fund manipulation of the tin market distorts the true demand-supply position and shifts the price quickly in either direction.

▪ Indonesia

Indonesia has made 3 changes to export regulations around tin over the last 2 years in an attempt to effect greater control over the international tin sector. As a major tin exporter these changes were all aimed at directing Indonesian tin through the Indonesia Commodity and Derivatives Exchange (ICDX). The ICDX would then be the only avenue for Indonesian tin into the world market and also be a mechanism to control tin supply to export markets.



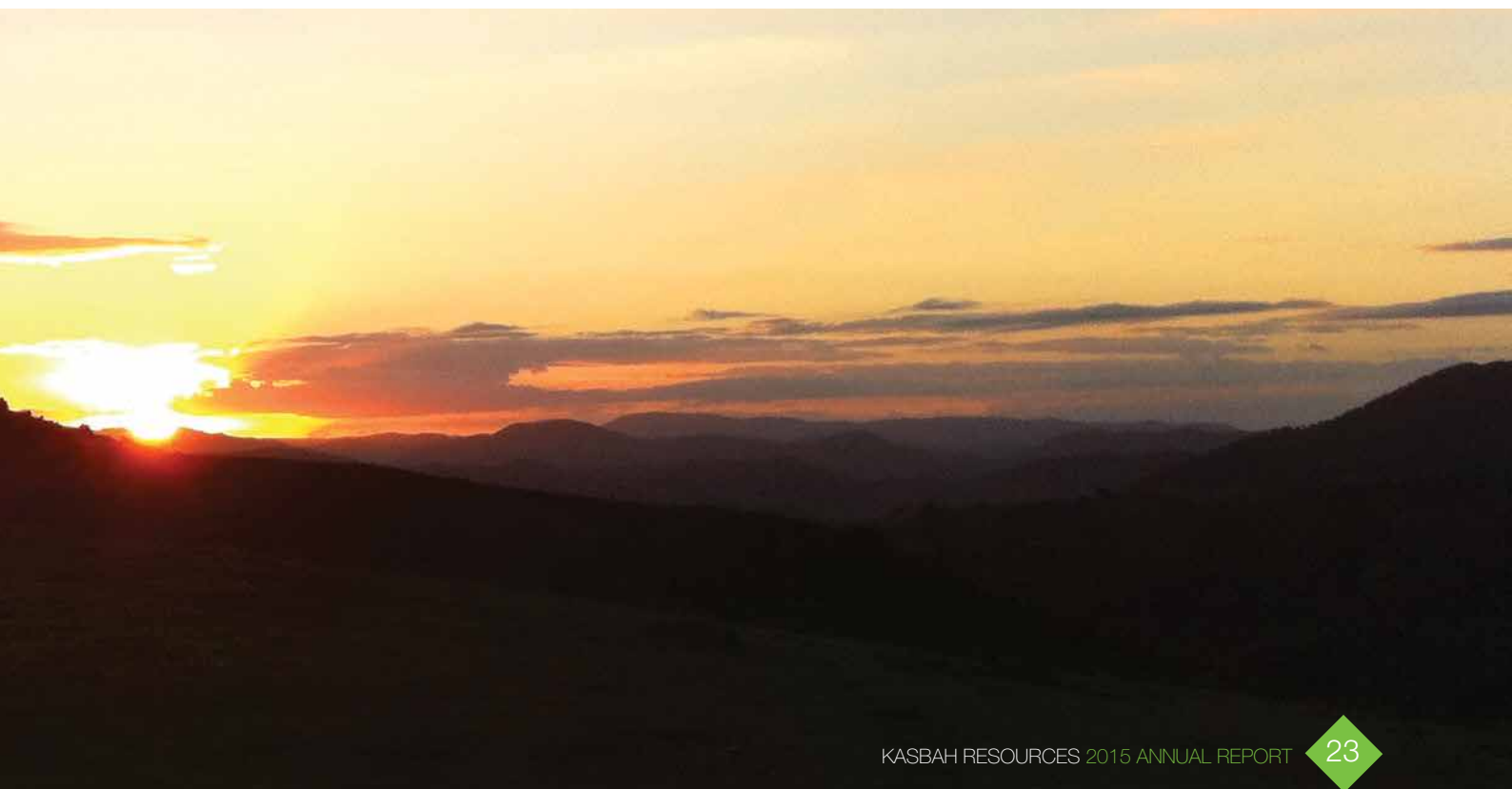
OPERATIONS REVIEW (CONTINUED)

To date, each time a regulation has been implemented, local producers have found loopholes to frustrate and sidestep the LCDX (such as shipping tin as solder wire or products). A surge of Indonesian material trying to beat the closure of this loophole (alongside the Myanmar sourced Chinese metal) culminated in additional metal supply hitting the market in late 2014, catalysing further price falls.

This specific loophole was closed in November 2014 and a third change took effect on 1 August 2015. New requirements to obtain export licences will make it harder for smaller producers to comply and this should see production reduced. Further disruptions to supply are forecast for November 2015 when a new tier of regulations (known as "Clean and Clear") become enforceable. Tin producers will need to achieve certification of their mining leases by presenting plausible exploration and production plans. As such operating and compliance costs are increasing for Indonesian tin producers.

Each time a regulation changes there are both temporary and permanent effects on Indonesian tin supply. Overall total production from Indonesia has been steadily falling since 2006-2007 (from > 120,000 t) to a forecast of 73,000 t of refined metal in 2015.

Continual supply side reductions should, particularly in light of LME tin stocks, see a return to tin prices well above the current levels.



OPERATIONS REVIEW (CONTINUED)

Statement of Governance Arrangements and Internal Controls

Governance of Kasbah Resources Limited's mineral resources development and management activities is a key responsibility of the Executive Management of the Company.

The Exploration Manager and Chief Operating Officer of Kasbah Resources Limited oversee reviews and technical evaluations of the estimates and evaluate these with reference to actual physical and cost and performance measures. The evaluation process also draws upon internal skill sets in operational and project management, ore processing and commercial/financial areas of the business.

The Exploration Manager is responsible for monitoring the planning, prioritisation and progress of exploratory and resource definition drilling programs across the company with the estimation and reporting of resources and reserves done by QG. These definition activities are conducted within a framework of quality assurance and quality control protocols covering aspects including drill hole siting, sample collection, sample preparation and analysis as well as sample and data security.

A three-level compliance process guides the control and assurance activities:

1. Provision of internal policies, standards, procedures and guidelines;
2. Resources and reserves reporting based on well-founded assumptions and compliance with external standards such as the Australasian Joint Ore Reserves Committee (JORC) Codes;
3. Internal assessment of compliance and data veracity.

The objectives of the estimation process are to promote the maximum conversion of identified mineralisation into JORC compliant Mineral Resources and Ore Reserves.


Kasbah Resources reports its mineral resources and ore reserves on an annual basis, in accordance with the Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (The JORC Code 2012 Edition).

Reserve and Resource Estimates

The Company confirms that it is not aware of any new information or data that materially affects the most current 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. The Company acknowledges that one assumption (the tin price) has fallen significantly since the current Reserve and Resources were announced, however the Company believes that the tin price assumption used in calculating the Reserve and Resources is still materially correct. The company considers the current low tin price to be unsustainable and is a temporary, cyclical low. This view is supported by a comparison to the 5 year historical average of tin and the long-term outlook for the tin price by industry experts.

Forward-Looking Statements

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



I would like to reaffirm to all our shareholders that the company remains focused on seeking alternative mechanisms to advance the company's tin strategy and the Achmmach Tin Project in particular. I would also like to thank you, our loyal shareholders and Kasbah's dedicated staff for the continued support given during these difficult and challenging times.

Rod Marston
Chairman

DIRECTORS' REPORT

The Directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as 'the Group') consisting of Kasbah Resources Limited and the entities it controlled for the year ended 30 June 2015.

Directors

The following persons were Directors of Kasbah Resources Limited during the whole of the financial year and up to the date of this report, unless otherwise stated:

- Wayne Bramwell
- Rod Marston
- Ian McCubbing
- Gabrielle Moeller
- Giles Robbins (appointed on 3 August 2015)
- Mike Brook (appointed on 3 August 2015)
- Robert Weinberg (resigned on 10 June 2015)
- Gary Davison (resigned on 10 June 2015)

Principal Activities

The principal activities of the Group during the year were the exploration and evaluation of tin projects in Africa and the advancement of the Achmmach Tin Project.

Dividends – Kasbah Resources Limited

There were no dividends paid, recommended or declared during the current or previous financial year.

Review of Operations

The consolidated loss after income tax for the financial year was \$6,481,906 (2014: loss of \$12,750,086).

The cash position of the Group as at 30 June 2015 was \$4,087,167 (2014: \$4,402,999). The Company completed an Enhanced Definitive Feasibility Study for the Achmmach Tin Project during the financial year and has continued to review financing opportunities.

A full review of the operations is set out in the Operations Review on pages 6-25.

Significant Changes in the State of Affairs

On 18 September 2014 the Company announced a 3 for 10 non-renounceable rights issue at \$0.07 per new share. The issue was closed on 15 October 2014 and 55,502,427 new shares were issued, raising a total of \$3,885,170 before costs.

On 12 March 2015 the Company announced a 9% increase in the Achmmach Ore Reserve, taking the total reserve to 9.2 Mt at 0.77% Sn for 71,300 t of contained tin.

DIRECTORS' REPORT (CONTINUED)

On 18 March 2015 the Company released the Enhanced Definitive Feasibility Study for the Achmmach Tin Project, lifting the base case NPV by 33%.

On 16 June 2015 the Company announced a share placement to raise approximately \$3.0M and provided details of the Company's interim development strategy and cost reduction initiatives. A total of 104,590,412 shares were issued at \$0.029 per share.

Matters Subsequent to the End of the Financial Year

On 3 August 2015, Mr Giles Robbins and Mr Mike Brook were appointed as Non-executive Directors.

No other matters or circumstances have arisen since 30 June 2015 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

Likely Developments and Expected Results of Operations

The Group will continue to explore funding options for the Achmmach Tin Project and in addition is investigating options to enable the commencement of mining on a smaller scale at Achmmach with a corresponding reduction in capital costs. This phased approach could set a platform for transition to full EDFs scale production at a later date. The Group is also continuing to review other exploration and development projects in Morocco and Rwanda.

Environmental Regulation

In the course of its normal exploration activities the Group adheres to environmental regulations imposed upon it by the various regulatory authorities. The Group has complied with all material environmental requirements to the date of this report. The Directors have considered compliance with the National Greenhouse and Energy Reporting Act 2007 which requires entities to report annual greenhouse gas emissions and energy use. Due to the location of the Group's projects in Morocco the Directors have assessed that there are no current reporting requirements, but this may change in the future.

The Group is not aware of any matter that requires disclosure regarding any significant environmental regulation in respect of its operating activities.



DIRECTORS' REPORT (CONTINUED)

Information on Directors

Dr Rodney Marston BSc (Hons), Ph.D., MAIG, MSEG

Non-executive Chairman

Rod is a Geologist with over 46 years' experience in the mineral exploration and mining industry, both in Australia and internationally. He played a key role in the discovery, development and management of the multi-million ounce Damang Gold Mine in Ghana, West Africa. Rod was appointed a Director of the Company on 15 November 2006.

Rod was a Non-executive Director (and formerly Chairman) of Independence Group NL (resigned 20 November 2014) and was a Director of Ranger Minerals Limited prior to its merger with Perilya Limited.

Rod has not held any other publicly listed company directorships in the last three years.

Rod is a member of both the Audit Committee and the Remuneration Committee.

Mr Wayne Bramwell BSc (Mineral Science), Grad Dip Bus, MSC (Mineral Economics), GAICD

Managing Director

Wayne is a Metallurgist and Mineral Economist with over 23 years' experience in operations, engineering, project evaluation and management. He has held senior commercial, project management and development positions with Iberian Resources Limited, Breakaway Resources Limited, Harmony Gold (Australia) Pty Limited, Hill 50 Limited and several Australian engineering companies. Wayne is a co-founder of Kasbah Resources Limited and was appointed a Director of the Company on 31 October 2005.

Wayne has not held any other publicly listed company directorships in the last three years.

Mr Ian McCubbing BCom (Hons), MBA (Ex), CA, GAICD

Non-executive Director

Ian is a Chartered Accountant with more than 30 years' corporate experience including mergers and acquisitions, project finance and investment banking from both the borrower's and provider's side. Ian has spent more than 15 years' working with ASX 200 and other listed companies in senior finance roles, including positions as Finance Director and Chief Financial Officer in mining and industrial companies. Ian was appointed as a Director of the Company on 1 March 2011.

Ian was previously the Chief Financial Officer of GRD Limited, a Director of Territory Resources Limited, Chairman of Eureka Energy Limited and a Director of Alcyone Resources Limited. Ian resigned as Chairman of Eureka Energy Limited on 20 June 2012, as a Director of Alcyone Resources Limited on 8 March 2013 and as Chairman of Mirabela Nickel Limited on 7 April 2014.

Ian is currently a Non-executive Director of Swick Mining Services Limited and Minemakers Limited.

Ian is Chairman of the Audit Committee and Chairman of the Remuneration Committee.

DIRECTORS' REPORT (CONTINUED)

Ms Gabrielle Moeller BSc (Economics) MSc (Applied Economics), MAICD

Non-executive Director

Gabrielle is a senior business executive with more than 40 years' experience in international banking, project financing, trade finance, commodity marketing and mergers and acquisitions. Gabrielle was appointed a Director of the Company on 28 May 2014.

Previously Gabrielle has held senior corporate and finance roles including Managing Director with International banks and commodity trading houses such as Chase Manhattan Bank, Credit Agricole, Banque Paribas, Transamininvest, Transamine Trading, Finsearch SA and the Balli Group.

Gabrielle has not held any other publicly listed company directorships in the last three years.

Gabrielle was appointed as a member of both the Audit Committee and the Remuneration Committee on 10 June 2015.

Mr Giles Robbins, MA, MBA, C Eng. MI Mech. E

Non-executive Director – Appointed 3 August 2015

Giles Robbins has an MA in Engineering Science from the University of Oxford, an MBA specialising in Business Strategy from The University of Bradford and is a Chartered Mechanical Engineer. His practical engineering experience was gained in the minerals extraction industry, in chemicals and process engineering and in project management.

He has worked for the AMC Group since 1990 rising from a role in business development to the Group Managing Director. He has detailed knowledge and experience of the tin industry gained as Chairman of both Thailand Smelting & Refining Co Ltd (Thaisarco) the tin smelter based in Phuket and of Amalgamated Metal Trading Ltd, which is a ring dealing member of the London Metal Exchange (LME).

Giles has not held any other publicly listed company directorships in the last three years.

Giles is not a member of any of the Board sub-committees.

Mr Mike Brook BSc (Mining Geology), CEng MIMMM MAusIMM

Non-executive Director – Appointed 3 August 2015

Mike Brook graduated with a Bachelor of Science in Mining Geology from the University of Wales (Cardiff) in 1981. He joined MIM Holdings Limited in Queensland in 1983 as a mine geologist in the copper and lead-zinc-silver operations, progressing to become Chief Geologist for the copper mining operation.

Mike joined stockbroker J B Were & Son in 1993 as a resource analyst specialising in emerging resource companies in the gold, base metals and mineral sands sectors. His research was recognised by the industry with an award from the Australian Gold Council for best junior company research in Australia. Mike joined the Lion team in 2001 as Manager African Funds. Mike became an executive director of Lion Manager Pty Limited in August 2004.

Mike has not held any other publicly listed company directorships in the last three years.

Mike is not a member of any of the Board sub-committees.

DIRECTORS' REPORT (CONTINUED)

Dr Robert Weinberg MA, DPhil, FGS, FIMMM

Non-executive Director – Resigned 10 June 2015

London based Robert gained his Doctorate in Geology from Oxford University and has more than 40 years' experience in the international mining industry. He is a Fellow of the Geological Society of London and also of the Institute of Materials, Minerals and Mining. He has previously held executive positions including Managing Director, Institutional Investment at the World Gold Council and was a Director of the investment banking division at Deutsche Bank in London after having been head of the global mining research team at SG Warburg Securities and head of the mining team at James Capel & Co. He was formerly Marketing Manager of the gold and uranium division of Anglo American Corporation of South Africa Ltd. Robert resigned as a Non-executive Director of Chaarat Gold Holdings Limited on 4 May 2014.

Robert is currently a Non-executive Director of SolGold PLC, which is listed on AIM, as well as Medusa Mining Ltd, which is listed on the ASX.

Robert was formally a member of the Audit Committee and the Remuneration Committee.

Mr Gary Davison Dip Min Eng., MSc (MEE)

Non-executive Director – Resigned 10 June 2015

Gary is a Mining Engineer with 37 years of experience and is the Managing Director of Australian mining consultancy Mining One Pty Limited and was a founding director of Lightning Nickel Pty Ltd, the nickel operating arm of Independence Group NL. Gary resigned as a Director of the Company on 15 June 2015.

Gary was appointed a Non-executive Director of Unity Mining Limited on 13 September 2013.

Gary was not a member of any of the Board sub-committees.

Company Secretary

Mr Trevor O'Connor BBus (Acc), FGIA, CA

Chief Financial Officer and Company Secretary

Trevor is a Chartered Accountant with over 20 years' corporate experience. He has over 11 years' experience in the resources and mining services industry.

Prior to joining Kasbah, Trevor held the position as Chief Financial Officer and Company Secretary for ipernica Limited, an ASX listed company involved in intellectual property. He has also held the position of Company Secretary for a number of public and private companies within the mining, property development, and e-commerce sectors.

DIRECTORS' REPORT (CONTINUED)

Directors' Meetings

The numbers of meetings of the Company's Board of Directors and of each board committee held during the year ended 30 June 2015, and the numbers of meetings attended by each Director were:

Name of Director	Board Meetings		Audit Committee Meetings		Remuneration Committee Meetings	
	Attended	Held	Attended	Held	Attended	Held
Rodney Marston	13	13	3	3	4	4
Wayne Bramwell	13	13	-	-	-	-
Robert Weinberg	11	11	3	3	3	3
Gary Davison	9	11	-	-	-	-
Ian McCubbing	13	13	3	3	4	4
Gabrielle Moeller	12	13	-	-	1	1

Held represents the number of meetings held during the time the director held office or was a member of the relevant committee.

Remuneration Report – Audited

The remuneration report, which has been audited, outlines the key management personnel remuneration arrangements for the Company, in accordance with the requirements of the Corporations Act 2001 and its regulations.

The remuneration report is set out under the following main headings:

- A. Principles used to determine the nature and amount of remuneration
- B. Details of remunerations
- C. Service agreements
- D. Share-based compensation
- E. Additional disclosures relating to key management personnel

A. PRINCIPLES USED TO DETERMINE THE NATURE AND AMOUNT OF REMUNERATION

The objective of the Group's executive reward framework is to attract and maintain appropriately qualified and experienced Directors and Executives.

The Remuneration Committee is responsible for determining and reviewing remuneration arrangements for its Directors and Executives. In consultation with external remuneration consultants (refer to the section 'use of remuneration consultants' below), the Remuneration Committee has structured an executive remuneration framework that is competitive and appropriate given the stage of development of the Company and the activities which it undertakes and is consistent in aligning shareholder and corporate objectives.

In accordance with best practice corporate governance, the structure of Non-executive Directors and executive remunerations are separate.

DIRECTORS' REPORT (CONTINUED)

Non-executive Directors' Remuneration

In June 2015, the Group announced a series of cost reduction initiatives including the reduction in Non-executive Directors' remuneration. No remuneration is provided where Non-executive Directors have been appointed as representatives of significant shareholders.

Generally fees payable to Non-executive Directors reflect the demands which are made on, and the responsibilities of, the Directors. The Remuneration Committee may, from time to time, receive advice from independent remuneration consultants to ensure Non-executive Directors' fees and payments are appropriate and in line with the market. The Chairman's fees are determined independently to the fees of other Non-executive Directors based on comparative roles in the external market.

ASX listing rules require the aggregate Non-executive Directors remuneration be determined periodically by a general meeting. The most recent determination was at the Annual General Meeting on 24 November 2011, where the shareholders approved the maximum aggregate amount of fees that can be paid to Non-executive Directors be \$400,000.

Executive Remuneration

The Group aims to reward executives with a mix of remuneration based on their position and responsibility, which is both fixed and variable.

The executive remuneration framework has four components:

- Base salary;
- Short-term performance incentives;
- Share-based payments; and
- Other remuneration such as superannuation and long service leave.

The fixed remuneration of executives comprising base salary and superannuation, is reviewed annually by the Remuneration Committee based on overall performance and comparable market remunerations. In June 2015, as part of the Group's cost reduction initiatives, the Managing Director and all senior executives agreed to a 20% reduction in salaries and superannuation on an annual basis until Kasbah's corporate circumstances changes.

The short-term incentives ('STI') plans are reviewed annually by the Remuneration Committee and are granted to executives based on targets being achieved. These targets will generally include key operational and non-operational aims that reflect the current strategy of the Group to further the Group's goals. In addition, in special cases the Remuneration Committee may recommend performance related discretionary bonuses be paid. In June 2015 the Company suspended its STI program and no bonuses were paid for the 2015 financial year.

The long-term incentives ('LTI') include long service leave, share-based payments in the form of options and a shared cash bonus pool for Key Management Personnel ("KMP") payable at the absolute discretion of the Board. Benefits from both option grants and the payment of any cash bonus pool to KMP will only be received if the eligible KMP remain in the Company's employment.

On 24 July 2014 the Board resolved to award KMP a maximum cash bonus pool of \$1,000,000 upon the Achmmach Project commencing commercial production. The amount payable, if any, would be at the complete discretion of the Board, who will weigh up the achievement at the time in light of factors such as final capital costs of construction of the project, the Company's timeline to development, anticipated future operating costs, bankable feasibility study and an individual's performance ('Bonus Factors').

The bonus will only be payable after the Company reaches commercial production and if the KMP remain in employment until the time the Achmmach Project reaches commercial production.

DIRECTORS' REPORT (CONTINUED)

In addition where extraordinary circumstances may arise which may prevent individual members of the KMP from completing commercial production for the Achmmach Project, the Board at its absolute discretion will have the right to pay some, none or all of the total bonus pool early to KMP, on an individual or group basis. This will only occur after consideration of various factors including interim progress to commercial production, Bonus Factors outlined above and shareholder returns at the time.

The Board believes that the selected Bonus Factors against which the award of any cash bonus pool is to be assessed represent the most appropriate method of ensuring KMP motives and drivers are directly aligned with Shareholders' interests.

Group's Financial Performance and Link to Remuneration

Currently there is no link to the financial performance of the Group to executive remuneration. The Remuneration Committee deems this appropriate given that the Group is currently in an exploration and development phase.

Use of Remuneration Consultants

During the financial year ended 30 June 2015, no remuneration consultants were engaged by the Company.

Voting at the Company's 2014 Annual General Meeting (AGM)

At the 2014 AGM, 87% of the votes received supported the adoption of the remuneration report for the year ended 30 June 2014. The company did not receive any specific feedback at the AGM regarding its remuneration practices.

B. DETAILS OF REMUNERATION

Details of the remuneration of the key management personnel of the consolidated entity are set out in the following tables.

The key management personnel of the consolidated entity consisted of the following directors of Kasbah Resources Limited:

- | | |
|---------------------|---|
| ■ Wayne Bramwell | Managing Director |
| ■ Rodney Marston | Non-executive Chairman |
| ■ Ian McCubbing | Non-executive Director |
| ■ Gabrielle Moeller | Non-executive Director |
| ■ Robert Weinberg | Non-executive Director (<i>resigned 10 June 2015</i>) |
| ■ Gary Davison | Non-executive Director (<i>resigned 10 June 2015</i>) |

And the following persons:

- | | |
|-------------------|---|
| ■ Mike Kitney | Chief Operating Officer |
| ■ Trevor O'Connor | Chief Financial Officer and Company Secretary |

DIRECTORS' REPORT (CONTINUED)

Name	Year	Short-term		Post Employment Superannuation	Long-term Long Service Leave	Share based payments Options	Total
		Salaries & Fees	Cash Bonus				
		\$	\$	\$	\$	\$	\$
Executive Directors							
Wayne Bramwell - Managing Director ***	2015	355,243	-	30,000	11,493	(124,559)	272,177
	2014	330,188	105,662	25,000	11,498	23,043	495,390
Non-Executive Directors							
Rodney Marston - Non-Executive Chairman	2015	78,577	-	7,465	-	-	86,042
	2014	86,270	-	7,980	-	7,269	101,519
Gabrielle Moeller - Non-Executive Director*	2015	46,667	-	-	-	7,519	54,185
	2014	4,704	-	-	-	-	4,704
Ian McCubbing - Non-Executive Director	2015	49,694	-	4,681	-	-	54,375
	2014	53,776	-	4,974	-	7,269	66,019
Robert Weinberg - Non-Executive Director **	2015	48,495	-	-	-	-	48,495
	2014	52,500	-	-	-	7,269	59,769
Gary Davison - Non-Executive Director **	2015	41,096	-	3,904	-	-	45,000
	2014	45,767	-	4,233	-	7,269	57,269
Total	2015	619,771	-	46,050	11,493	(117,041)	560,274
Total	2014	573,204	105,662	42,188	11,498	52,120	784,671

DIRECTORS' REPORT (CONTINUED)

Name	Year	Short-term		Post Employment Superannuation	Long-term Long Service Leave	Share based payments Options	Total
		Salaries & Fees	Cash Bonus				
		\$	\$				
Key Management Personnel							
Mike Kitney (Chief Operating Officer) ***	2015	283,019	-	34,987	10,556	(62,280)	266,282
	2014	275,625	62,016	25,495	6,073	13,676	382,885
Trevor O'Connor (CFO & Company Secretary) ***	2015	240,048	-	22,805	8,296	(62,280)	208,868
	2014	227,821	51,260	21,073	4,748	13,676	318,578
Total	2015	523,067	-	57,791	18,851	(124,559)	475,150
Total	2014	503,446	113,276	46,569	10,821	27,352	701,463

* Ms Moeller was appointed Non-executive Director on 28 May 2014. On 21 November 2014, shareholders approved the issue of 500,000 options to Ms Gabrielle Moeller (refer to Note 27 for further details). The issue of options was done to align the interest of Ms Moeller with those of shareholders and the approach was consistent with that done in previous years to Non-executive Directors. Ms Moeller was appointed to the Board on 24 May 2014.

** Dr Weinberg and Mr Davison resigned as Directors on 10 June 2015.

*** During the current financial year, management reviewed the targets relating to options with target based vesting conditions and determined that due to the current market conditions these targets will not be met before the expiry date of the options. Therefore the expenditure previously recognised on these options has been reversed.

DIRECTORS' REPORT (CONTINUED)

The relative proportions of remuneration that are linked to performance and those that are fixed are as follows:

Name	Fixed Remuneration		At risk - STI		At risk - LTI*	
	2015	2014	2015	2014	2015	2014
Executive Directors						
Wayne Bramwell	100%	74%	-	21%	-	5%
Non-Executive Directors						
Rodney Marston	100%	93%	-	-	-	7%
Ian McCubbing	100%	89%	-	-	-	11%
Gabrielle Moeller	86%	100%	-	-	14%	-
Robert Weinberg	100%	88%	-	-	-	12%
Gary Davison	100%	87%	-	-	-	13%
Key Management Personnel						
Mike Kitney	100%	80%	-	16%	-	4%
Trevor O'Connor	100%	80%	-	16%	-	4%

* Since the long term incentives are provided exclusively by way of options, the percentages disclosed reflect the value of remuneration consisting of options, based on the value of options expensed during the year.

The proportion of the cash bonus paid or payable is as follows:

Name	Cash bonus paid or payable		Cash bonus not achieved	
	2015	2014	2015	2014
Executive Directors				
Wayne Bramwell	0%	100%	100%	0%
Key Management Personnel				
Mike Kitney	0%	100%	100%	0%
Trevor O'Connor	0%	100%	100%	0%

DIRECTORS' REPORT (CONTINUED)

C. SERVICE AGREEMENTS

On appointment to the Board all Non-executive Directors enter into a service agreement with the Company in the form of a letter of appointment. The letter summarises the Board's policies and terms including compensation relevant to the office of Non-executive Directors.

Remuneration and other terms of employment for the Managing Director are formalised in a service agreement.

A summary of the key conditions of service contracts for current Executives is set out as follows:

Wayne Bramwell – Executive Director

- Term of Agreement – No fixed term.
- Total salary inclusive of superannuation of \$310,433 to be reviewed annually.
- Compensation to be paid in cash.
- Short term incentives of up to 37.5% of base salary as per STI achievement and Remuneration Committee approval (suspended).
- Share of Long term incentive of cash bonus pool in regards to bringing the Achmmach Mine into production.
- The Executive may terminate the agreement by providing three months written notice.
- The Company may terminate the agreement by providing twelve months written notice.
- There are no termination benefits to be paid.

Mike Kitney – Chief Operating Officer

- Term of Agreement – No fixed term.
- Total salary inclusive of superannuation of \$263,178 to be reviewed annually.
- Compensation to be paid in cash.
- Short term incentives of up to 27.5% of base salary as per STI achievement and Remuneration Committee approval (suspended).
- Share of Long term incentive of cash bonus pool in regards to bringing the Achmmach Mine into production.
- The Executive may terminate the agreement by providing six months written notice prior to 30 June 2016 and three months' notice after 30 June 2016.
- The Company may terminate the agreement by providing twelve months written notice prior to 30 June 2016 and six months' notice after 30 June 2016.
- There are no termination benefits to be paid.

DIRECTORS' REPORT (CONTINUED)

Trevor O'Connor – Chief Financial Officer and Company Secretary

- Term of Agreement – No fixed term.
- Total salary inclusive of superannuation of \$217,533 to be reviewed annually.
- Compensation to be paid in cash.
- Short term incentives of up to 27.5% of base salary as per STI achievement and Remuneration Committee approval (suspended).
- Share of Long term incentive of cash bonus pool in regards to bringing the Achmmach Mine into production.
- The Executive may terminate the agreement by providing six months written notice prior to 30 June 2016 and three months' notice after 30 June 2016.
- The Company may terminate the agreement by providing twelve months written notice prior to 30 June 2016 and six months' notice after 30 June 2016.
- There are no termination benefits to be paid.

D. SHARE-BASED COMPENSATION

The terms and conditions of each grant of options affecting remuneration in the previous, current or future reporting periods are as follows:

Grant Date	Vesting and Exercise Date	Expiry Date	Exercise Price of Options \$	Value per Option at Grant Date \$	Vested (%)
23 August 2011	26 August 2013	26 August 2014	0.25	0.052	100
23 November 2012	23 November 2013	23 November 2015	0.26	0.073	100
23 November 2012	Specified Targets	23 November 2014	0.26	0.073	0
27 November 2014	27 November 2014	27 November 2017	0.12	0.019	100
27 November 2014	27 November 2015	27 November 2017	0.12	0.019	0

The exercise price of options is based on the weighted average price at which the Company's shares are traded on the Australian Securities Exchange during the week up to and including the date of grant.

DIRECTORS' REPORT (CONTINUED)

The number of options over ordinary shares granted to and vested by Directors and other key management personnel as part of compensation during the year ended 30 June 2015 are set out below:

Name	Number of Options Granted during the Year		Number of Options Vested during the Year	
	2015	2014	2015	2014
Rodney Marston	-	-	-	250,000
Wayne Bramwell	-	-	-	-
Ian McCubbing	-	-	-	250,000
Gabrielle Moeller	500,000	-	250,000	-
Robert Weinberg	-	-	-	250,000
Gary Davison	-	-	-	250,000
Mike Kitney	-	-	-	-
Trevor O'Connor	-	-	-	-

Values of options over ordinary shares granted, exercised and lapsed for directors and other key management personnel as part of compensation during the year ended 30 June 2015 are set out below:

Name	Value of Options Granted during the Year *	Value of Options Exercised during the Year	Value of Options Lapsed during the Year **	Remuneration Consisting of Options for the Year
	\$	\$	\$	%
Rodney Marston	-	-	-	-
Wayne Bramwell	-	-	-	-
Ian McCubbing	-	-	-	-
Gabrielle Moeller	9,463	-	-	14
Robert Weinberg	-	-	-	-
Gary Davison	-	-	-	-
Mike Kitney	-	-	-	-
Trevor O'Connor	-	-	-	-

* The value at grant date calculated in accordance with AASB 2 Share Based Payment of options granted during the year as part of the remuneration.

** The value at lapse date of options that were granted as part of the remuneration and that lapsed during the year. The value is determined at the time of lapsing, but assuming the condition was satisfied.

DIRECTORS' REPORT (CONTINUED)

The assessed fair value at grant date of options granted to the individuals is allocated equally over the period from grant date to vesting date, and the amount is included in the remuneration tables above. Fair values at grant date are independently determined using a Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk-free interest rate for the term of the option.

No options were exercised by Directors or other key management personnel during the year.

Trading in the Company's Securities by Directors, Officers and Employees

The Board has adopted a policy in relation to dealing in the securities of the Company which applies to all Directors, Officers and employees. Under the policy, these persons are prohibited from dealing in the Company's securities whilst in possession of price sensitive information and are also prohibited from short term or "active" trading in the Company's securities during specific blackout periods. The Company Secretary must be notified as soon as practical upon the trading of securities under these circumstances.

It would be impractical in this exploration phase of the Group's development to provide a measure of executive reward against the performance of the Company to date. More meaningful comparisons can be made once operations progress to development and mining. There is no relationship between the Company's current remuneration policy for key management personnel and the Company's performance.

E. ADDITIONAL DISCLOSURES RELATING TO KEY MANAGEMENT PERSONNEL

Shareholding

The number of shares in the company held during the financial year by each director and other members of key management personnel of the consolidated entity, including their personally related parties, is set out below:

	Balance at the start of the year	Received as part of remuneration	Additions	Other	Balance at the end of the year
Rodney Marston	1,439,244	-	886,774	-	2,326,018
Wayne Bramwell	9,286,942	-	1,513,058	-	10,800,000
Ian McCubbing	200,000	-	60,000	-	260,000
Gabrielle Moeller	1,764,500	-	529,350	-	2,293,850
Robert Weinberg*	475,912	-	285,774	(761,686)	-
Gary Davison*	-	-	520,000	(520,000)	-
Mike Kitney	413,776	-	124,133	-	537,909
Trevor O'Connor	-	-	-	-	-

* Other represents shares held at time of resignation as a Non-executive Director.

DIRECTORS' REPORT (CONTINUED)

Option holding

The number of options over ordinary shares in the company held during the financial year by each director and other members of key management personnel of the consolidated entity, including their personally related parties, is set out below:

	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
Rodney Marston	500,000	-	-	-	500,000
Wayne Bramwell	9,000,000	-	-	(4,000,000)	5,000,000
Ian McCubbing	500,000	-	-	-	500,000
Gabrielle Moeller	-	500,000	-	-	500,000
Robert Weinberg*	500,000	-	-	(500,000)	-
Gary Davison*	500,000	-	-	(500,000)	-
Mike Kitney	3,500,000	-	-	(1,000,000)	2,500,000
Trevor O'Connor	3,500,000	-	-	(1,000,000)	2,500,000

* Expired/forfeited/other represents options held at time of resignation as a Non-Executive Director.

Other transactions with key management personnel and their related parties

During the financial year, payments for consultancy and engineering design services from Mining One Pty Ltd (director-related entity of Mr Gary Davison) of \$12,606 were made. There was no trade payable balance as at 30 June 2015. All transactions were made on normal commercial terms and conditions and at market rates.

Loans to key management personnel

There were no loans to any key management personnel during the financial year.

This concludes the remuneration report, which has been audited.

DIRECTORS' REPORT (CONTINUED)

Shares under Option

Unissued ordinary shares of Kasbah Resources Limited under option at the date of this report are as follows:

Date Options Granted	Expiry Date	Exercise Price of Options \$	Number of Options
17 February 2010	5 October 2015	0.10	500,000
23 November 2012	23 November 2015	0.26	11,000,000
27 November 2014	27 November 2017	0.12	500,000
			12,000,000

No option holder has any right under the options to participate in any other share issue of the Company or any other entity.

Shares Issued on the Exercise of Options

There were no ordinary shares of Kasbah Resources Limited issued during the year ended 30 June 2015 and up to the date of this report on the exercise of options granted to shareholders and employees.

Indemnity and insurance of officers

During the financial year, the company paid a premium in respect of a contract to insure the directors and executives of the company against a liability to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of liability and the amount of the premium.

Indemnity and insurance of auditor

The company has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the company or any related entity against a liability incurred by the auditor.

During the financial year, the company has not paid a premium in respect of a contract to insure the auditor of the company or any related entity.

Proceedings on behalf of the company

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the company, or to intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or part of those proceedings.

DIRECTORS' REPORT (CONTINUED)

Non-Audit Services

Details of the amounts paid or payable to the auditor for non-audit services provided during the financial year by the auditor are outlined in note 19 to the financial statements.

The Board of Directors is satisfied that the provision of non-audit services during the year is compatible with the general standard of independence of auditors imposed by the Corporations Act 2001. The Directors are satisfied the services disclosed in note 19 did not compromise the external auditor's independence for the following reasons:

- All non-audit services have been reviewed and approved to ensure that they do not impact the integrity and objectivity of the auditor; and
- None of the services undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants issued by the Accounting Professional and Ethical Standards Board, including reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the company, acting as advocate for the company or jointly sharing economic risks and rewards.

Officers of the company who are former audit partners of BDO Audit (WA) Pty Ltd

There are no officers of the company who are former audit partners of BDO Audit (WA) Pty Ltd.

Auditor's Independence Declaration

The copy of the auditor's independence declaration as required under sections 307C of the Corporations Act 2001 is set out on page 44.

Auditor

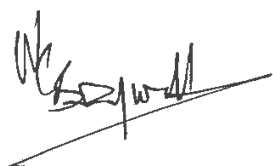
BDO Audit (WA) Pty Ltd continues in office in accordance with section 327 of the Corporations Act 2001.

Corporate Governance

The Directors of the Group support and adhere to the principles of corporate governance, recognising the need for the highest standard of corporate behaviour and accountability. Please refer to the Corporate Governance Statement dated 21 September 2015 which is available on the Company's website at <http://www.kasbahresources.com/index.php/about/corporate-governance>.

This report is made in accordance with a resolution of the Directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

On behalf of the directors



Wayne Bramwell

Managing Director

22 September 2015
Perth

AUDITOR'S INDEPENDENCE DECLARATION



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Australia

DECLARATION OF INDEPENDENCE BY GLYN O'BRIEN TO THE DIRECTORS OF KASBAH RESOURCES LIMITED

As lead auditor of Kasbah Resources Limited for the year ended 30 June 2015, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Kasbah Resources Limited and the entities it controlled during the period.

A handwritten signature in blue ink, appearing to read 'Glyn O'Brien', is written over a faint, larger version of the same signature.

Glyn O'Brien
Director

BDO Audit (WA) Pty Ltd
Perth, 22 September 2015

BDO Audit (WA) Pty Ltd ABN 79 112 284 787 is a member of a national association of Independent entities which are all members of BDO Australia Ltd ABN 77 050 110 275, an Australian company limited by guarantee. BDO Audit (WA) Pty Ltd and BDO Australia Ltd are members of BDO International Ltd, a UK company limited by guarantee, and form part of the International BDO network of Independent member firms. Liability limited by a scheme approved under Professional Standards Legislation other than for the acts or omissions of financial services licensees

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 30 June 2015

	Note	Consolidated	
		2015 \$	2014 \$
Revenue from continuing operations	4	103,516	244,291
Other Income	4	489,057	1,544,015
Exploration and evaluation expenditure		2,977,226	5,063,072
Fair value loss / (gain) on revaluation of put option	9	-	5,333,333
Impairment expense	5	806,154	130,229
Employee option based payment expense		(239,649)	117,452
Accounting and corporate fees		516,609	601,524
Employee benefits expenses		1,303,558	1,788,042
Administration expenses		509,031	554,912
Project financing expenses		394,969	275,410
Depreciation and amortisation expenses	5	316,062	414,789
Occupancy expenses		198,481	162,119
Other expenses from ordinary activities		292,038	97,510
(Loss) from continuing operations before tax expense		(6,481,906)	(12,750,086)
Income tax benefit/(expense)	6	-	-
(Loss) after tax from continuing operations		(6,481,906)	(12,750,086)
Other comprehensive income			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Foreign currency translation difference on foreign operations		(185,892)	83,803
Total comprehensive loss for the year		(6,667,798)	(12,666,283)

The consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 30 June 2015

	Note	Consolidated	
		2015 \$	2014 \$
Total loss for the year is attributable to:			
Non-controlling interest		(892,963)	(90,770)
Owners of Kasbah Resources Limited		(5,588,943)	(12,659,316)
		(6,481,906)	(12,750,086)
Total comprehensive loss for the year is attributable to:			
Non-controlling interest		(933,250)	(90,090)
Owners of Kasbah Resources Limited		(5,734,548)	(12,576,193)
		(6,667,798)	(12,666,283)
Loss per share for the year attributable to the members of Kasbah Resources Limited:			
Basic (loss) per share (cents per share)	26	(1.48)	(3.22)
Diluted (loss) per share (cents per share)	26	n/a	n/a

The consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

CONSOLIDATED BALANCE SHEET

For the year ended 30 June 2015

	Note	Consolidated	
		2015 \$	2014 \$
Current Assets			
Cash and cash equivalents	7	4,087,167	4,402,999
Trade and other receivables	8	1,774,806	1,313,740
Derivative financial instrument	9	-	-
Non-current assets classified as held for sale	10	1	1
Total Current Assets		5,861,974	5,716,740
Non-Current Assets			
Property, plant and equipment	11	355,227	659,705
Exploration and evaluation expenditure	12	5,302,014	4,923,440
Total Non-current Assets		5,657,241	5,583,145
TOTAL ASSETS		11,519,215	11,299,885
Current Liabilities			
Trade and other payables	13	2,428,976	2,169,275
Total Current Liabilities		2,428,976	2,169,275
Non-Current Liabilities			
Trade and other payables	13	-	1,828,448
Provisions	14	44,548	105,647
Total Non-Current Liabilities		44,548	1,934,095
TOTAL LIABILITIES		2,473,524	4,103,370
NET ASSETS		9,045,691	7,196,515
Equity			
Issued capital	15	63,293,010	56,526,222
Reserves	16	28,307,707	28,692,961
Accumulated losses		(82,079,062)	(76,490,119)
Parent Entity Interest		9,521,655	8,729,064
Non-Controlling Interest	17	(475,964)	(1,532,549)
TOTAL EQUITY		9,045,691	7,196,515

The consolidated balance sheet should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2015

Consolidated	Issued Capital \$	Accumulated Losses \$	Shared Based Payments Reserves \$	Foreign Currency Translation Reserves \$	Other Reserves \$	Subtotal \$	Non-controlling Interest \$	Total \$
Balance 1 July 2013	56,526,222	(63,830,804)	3,614,540	(995,503)	8,392,292	3,706,747	(1,142,292)	2,564,455
Loss for the period	-	(12,659,315)	-	-	-	(12,659,315)	(90,770)	(12,750,085)
Other comprehensive income								
Foreign currency translation differences	-	-	-	83,122	-	83,122	680	83,802
Total comprehensive loss for the period	-	(12,659,315)	-	83,122	-	(12,576,193)	(90,090)	(12,666,283)
Transactions with owners in their capacity as owners								
Share based payments	-	-	117,452	-	-	117,452	-	117,452
Issue of fully paid shares	-	-	-	-	-	-	-	-
Gain on sale to non-controlling interest	-	-	-	-	17,481,058	17,481,058	-	17,481,058
Non-controlling interest on deemed disposal	-	-	-	-	-	-	(300,167)	(300,167)
Balance 30 June 2014	56,526,222	(76,490,119)	3,731,992	(912,381)	25,873,350	8,729,064	(1,532,549)	7,196,515
Balance 1 July 2014	56,526,222	(76,490,119)	3,731,992	(912,381)	25,873,350	8,729,064	(1,532,549)	7,196,515
Loss for the period	-	(5,588,943)	-	-	-	(5,588,943)	(892,963)	(6,481,906)
Other comprehensive income								
Foreign currency translation differences	-	-	-	(145,605)	-	(145,605)	(40,287)	(185,892)
Total comprehensive loss for the period	-	(5,588,943)	-	(145,605)	-	(5,734,548)	(933,250)	(6,667,798)
Transactions with owners in their capacity as owners								
Share based payments	-	-	(239,649)	-	-	(239,649)	-	(239,649)
Issue of fully paid shares	6,918,292	-	-	-	-	6,918,292	-	6,918,292
Share issue costs	(151,504)	-	-	-	-	(151,504)	-	(151,504)
Gain on sale to non-controlling interest	-	-	-	-	-	-	-	-
Non-controlling interest contributed assets	-	-	-	-	-	-	1,989,835	1,989,835
Balance 30 June 2015	63,293,010	(82,079,062)	3,492,343	(1,057,986)	25,873,350	9,521,655	(475,964)	9,045,691

The consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 30 June 2015

	Note	Consolidated	
		2015 \$	2014 \$
Cash flows from operating activities			
Cash paid to suppliers and employees		(3,037,659)	(3,415,330)
Payments for exploration and evaluation		(4,769,392)	(7,719,272)
Interest received		109,966	256,786
Other Income		478,637	1,100,584
Net cash outflow from operating activities	25a	(7,218,448)	(9,777,232)
Cash flows from investing activities			
Payments for security deposits and bonds		(30,390)	(14,657)
Payments for mining assets		(1,360,631)	(1,066,503)
Payments for plant and equipment		(12,177)	(28,604)
Proceeds from sale of plant and equipment		33,312	14,877
Net cash outflow from investing activities		(1,369,886)	(1,094,887)
Cash flow from financing activities			
Proceeds from share issues		6,918,292	-
Share issue costs		(128,407)	-
Share issue costs - subsidiary		(309,733)	-
Proceeds from non-controlling interests		1,782,695	1,180,891
Net cash inflow from financing activities		8,262,847	1,180,891
Net increase/(decrease) in cash held		(325,487)	(9,691,227)
Cash at the beginning of the financial year		4,402,999	14,109,909
Effect of exchange rate fluctuations on cash held in foreign currencies		9,655	(15,683)
Cash at the end of the financial year	7a	4,087,167	4,402,999

The consolidated statement of cash flows should be read in conjunction with the accompanying notes.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2015

1. SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Basis of Preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board, including Australian Accounting Interpretations and the Corporations Act 2001. Kasbah Resources Limited is a for-profit entity domiciled in Australia for the purpose of preparing the financial statements.

The financial statements are presented in Australian dollars.

The financial statements have been prepared on a going concern basis.

Compliance with IFRS

The consolidated financial statements of Kasbah Resources Limited comply with International Financial Reporting Standards as issued by the International Accounting Standards Board (IASB).

Historical Cost Convention

These financial statements have been prepared on the accruals basis under the historical cost convention.

Financial Statement Presentations

The following is a summary of the material accounting policies adopted by the Group in the preparation of the financial report.

Accounting Policies

a) Principles of Consolidation

Subsidiaries

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Kasbah Resources Limited (the Company) or (Parent Entity) as at 30 June 2015 and the results of all subsidiaries for the year then ended.

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date control ceases.

Inter-company transactions, balances and unrealised gains on transactions between Group companies are eliminated on consolidation. Unrealised losses are also eliminated unless a transaction provides evidence of the impairment of the asset transferred.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated balance sheet respectively.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 June 2015

b) Income Tax

The charge for current income tax expense is based on the profit for the year adjusted for any non-assessable or disallowed items. It is calculated using the tax rates that have been enacted or are substantially enacted by the reporting date.

Deferred tax is accounted for using the liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination where there is no effect on accounting or taxable profit or loss.

Deferred tax is calculated at the tax rates expected to apply to the period when the asset is realised or liability is settled. Deferred tax is credited in the profit or loss except where it relates to items which may be credited directly to equity, in which case the deferred tax is adjusted directly against equity.

Deferred tax assets are recognised to the extent it is probable future tax profits will be available against which deductible temporary differences can be utilised.

The amount of benefits brought to account, or which may be realised in the future, is based on the assumption that no adverse change will occur in income taxation legislation, and the anticipation that the entity will derive sufficient future assessable income to enable the benefit to be realised and to comply with the conditions of deductibility imposed by the law.

c) Trade and Other Receivables

Trade and other receivables, which generally have 30-90 day terms, are recognised and carried at original invoice amount less an allowance for any uncollectible amounts. An allowance for doubtful debts is made when there is objective evidence that the Group will not be able to collect the debts. Bad debts are written off when identified.

d) Trade and Other Payables

These amounts represent liabilities for goods and services provided to the group prior to the end of the financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months from the reporting date. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

e) Property, Plant and Equipment

Each class of property, plant and equipment is carried at cost less any accumulated depreciation and impairment losses.

Plant and Equipment

Plant and equipment is measured on the cost basis, less impairment.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. All other repairs and maintenance are charged to profit or loss in the financial period in which they are incurred.

The depreciable amount of all fixed assets is depreciated on a straight-line basis over their useful lives from the time the asset is held ready for use.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 June 2015

The depreciation rates used for each class of depreciable assets are:

Class of Fixed Asset	Depreciation Rate
Plant and equipment	20 – 33%
Computer equipment	20 – 30%
Motor vehicles	20 – 30%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in profit or loss.

At each reporting date, the entity reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and its value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to profit or loss.

Where it is not possible to estimate the recoverable amount of an individual asset, the entity estimates the recoverable amount of the cash-generating unit to which the asset belongs.

f) Leases

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but where legal ownership is not transferred to the entity, are classified as finance leases.

Finance leases are capitalised by recording an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the year.

Leased assets are depreciated on a straight-line basis over the shorter of their estimated useful lives or the lease term.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged to the profit or loss on a straight line basis over the period of the lease.

Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term.

g) Financial Instruments Recognition

Financial instruments are initially measured at fair value on trade date, including transaction costs, when the related contractual rights or obligations exist. Subsequent to initial recognition these instruments are measured as set out below.

Loans and Receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments not quoted in an active market and are stated at amortised cost using the effective interest rate method. Trade receivables, which generally have 30-90 day terms, are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less an allowance for any uncollectable amounts.

Collectability of trade receivables is reviewed on an ongoing basis. Debts known to be uncollectable are written off when identified. An allowance for doubtful debts is raised when there is objective evidence the entity will not be able to collect the debt.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 June 2015

Financial Liabilities

Non-derivative financial liabilities are recognised at amortised cost, comprising original debt less principal payments and amortisation.

Liabilities are recognised for amounts to be paid in the future for goods and services received, whether or not billed to the entity. Trade accounts are normally settled within 60 days. Payables to related parties are carried at amortised cost. Interest, when charged by the lender, is recognised using the effective interest rate method.

Fair Value

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

h) Issued Capital

Issued and paid up capital is recognised at the fair value of the consideration received by the Company. Any transaction costs arising on the issue of ordinary shares are recognised directly in equity as a reduction of the proceeds received.

i) Foreign Currency Transactions and Balances

Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the functional currency). The consolidated financial statements are presented in Australian dollars, which is Kasbah Resources Limited's functional and presentation currency.

Transactions and Balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end of monetary assets and liabilities denominated in foreign currencies are recognised in the profit or loss.

Group Companies

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) which have a functional currency different from the presentation currency are translated into the presentation currency as follows:

Assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of the statement of financial position.

Income and expenses for each item in the statement of profit or loss and other comprehensive income are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions) and all resulting exchange differences are recognised as a separate component of equity.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities, and of borrowings and other financial instruments designated as hedges of such investments, are taken to shareholders' equity. When a foreign operation is sold or any borrowings forming part of the net investment is repaid, a proportionate share of such exchange differences are recognised in the income statement, as part of the gain or loss on sale where applicable.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 June 2015

j) Employee Benefits

Provision is made for the Company's liability for employee benefits arising from services rendered by employees at reporting date. Employee benefits which are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits. The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least 12 months after the reporting period, regardless of when the actual settlement is expected to occur.

Equity-settled Compensation

The Company issues share-based compensation. This includes a share option arrangement whereby fair value is measured by using Black-Scholes option pricing model. The fair value determined at grant date of the equity-settled share based payments is expensed on a straight-line basis over the vesting period and is recognised as an expense in profit or loss.

k) Provisions

Provisions are recognised when the entity has a legal or constructive obligation, as a result of past events, for which it is probable an outflow of economic benefits will result and the outflow can be reliably measured.

The liability for long service leave is recognised in the provision for employee benefits and measured at the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period. Consideration is given to the expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the end of the reporting period on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

l) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of six months or less.

m) Revenue

Revenue from the sale of goods is recognised upon the delivery of goods to customers. Interest revenue is recognised on a proportional basis using the effective interest rate method. All revenue is stated net of the amount of goods and services tax (GST).

n) Goods and Services Tax (GST) and Value Added Tax (VAT)

Revenues, expenses and assets are recognised net of the amount of GST/VAT. Receivables and payables in the statement of financial position are shown inclusive of GST/VAT.

Cash flows are presented in the statement of cash flows on a gross basis. The GST/VAT component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

o) Earnings per Share

Basic earnings per share is calculated as net profit or loss attributable to members of the parent entity, adjusted to exclude any costs of servicing equity (other than dividends) and preference share dividends, divided by the weighted average number of ordinary shares, adjusted for any bonus elements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 June 2015

The diluted earnings per share is calculated as net profit attributable to members of the parent entity, adjusted for:

- costs of servicing equity (other than dividends) and preference share dividends;
- the after tax effect of dividends and interest associated with dilutive potential ordinary shares have been recognised as expenses; and
- other non-discretionary changes in revenues or expenses during the period which would result from the dilution of potential ordinary shares;

divided by the weighted average number of ordinary shares and dilutive potential ordinary shares, adjusted for any bonus element.

p) Segment Reporting

AASB 8 requires a management approach under which segment information is presented on the same basis as that used for internal reporting purposes. Operating segments are now reported in a manner that is consistent with the internal reporting to the chief operating decision maker (CODM), which has been identified by the Company as the Managing Director and other members of the Board of Directors.

q) Parent Entity Financial Information

Financial information for the parent entity, Kasbah Resources Limited, is disclosed in Note 23 and has been prepared on the same basis as the consolidated financial statements.

r) Exploration and Evaluation Expenditure

Exploration and evaluation expenditure is written off in the year incurred, except for acquisition of exploration properties which is capitalised and carried forward.

When production commences, any accumulated costs for the relevant area of interest which have been capitalised and carried forward will be amortised over the life of the area according to the rate of depletion of the economically recoverable resources.

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs. Initially a review is undertaken to see whether any circumstances indicate that the area of interest should be tested for impairment. If after this initial review circumstances are identified the Company will undertake an assessment to determine if any provision should be made for the impairment of the carrying value.

The carrying value of capitalised exploration and evaluation expenditure is assessed for impairment at the cash generating unit level whenever facts and circumstances suggest that the carrying amount of the asset may exceed its recoverable amount. An impairment exists when the carrying amount of an asset or cash-generating unit exceeds its estimated recoverable amount. The asset or cash-generating unit is then written down to its recoverable amount. Any impairment losses are recognised in the income statement.

s) Borrowing costs

Borrowing costs attributable to qualifying assets are capitalised as part of the asset. All other borrowing costs are expensed in the period in which they are incurred.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 June 2015

t) Non-current Assets Held for Sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell.

An impairment loss is recognised for any initial or subsequent write-down of the asset to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset, but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset is recognised at the date of derecognition.

Non-current assets (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale continue to be recognised.

Non-current assets classified as held for sale are presented separately from the other assets in the statement of financial position.

u) Comparative Figures

Where required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

v) Share Based Payments

The costs of equity-settled transactions, in the form of options over shares, that are provided to employees or Directors of the Company are measured at fair value on grant date. The fair value is determined by using the Black-Scholes model that takes into account the exercise price, the term of the option, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option.

w) New, revised or amending Accounting Standards and Interpretations adopted

The consolidated entity has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that are mandatory for the current reporting period.

Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the consolidated entity.

x) New accounting standards and interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the consolidated entity for the annual reporting period ended 30 June 2015. The consolidated entity has not yet assessed the impact of these new or amended Accounting Standards and Interpretations.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 June 2015

2. CRITICAL ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. There are no critical accounting judgements, estimates and assumptions that are likely to materially affect the current or future financial years apart from those detailed below.

Share Based Payments

The consolidated entity measures the cost of equity-settled transactions with Non-executive Directors and employees by reference to the fair value of the equity instruments at the date at which they are granted and applying an estimated probability that they will vest. The fair value is determined by using a Black-Scholes model.

For the options where the vesting conditions are target based, management has reviewed the targets and determined that due to the current market conditions these targets will not be met before the expiry date of the options. Therefore the expenditure previously recognised on these options has been reversed.

Recoverability of Exploration and Evaluation Expenditure

The Directors are required to exercise judgement on future events and the likelihood of defining an economic reserve. Assumptions made are altered as exploration and evaluation continues and more information becomes available. Where it is evident that the value of exploration and evaluation expenditure cannot be recovered the capitalised amount will be impaired through the statement of profit or loss and other comprehensive income.

Taxation

The Group is subject to various taxes in Australia and offshore jurisdictions and at times significant judgement is required in determining the Group's liability associated with these taxes. The Group estimates its tax liabilities based on its understanding of the transactions and the tax laws in the local jurisdictions in which it operates. Should the final outcome of these matters be different from the initial assessment, such differences will impact the Group's liabilities in the period in which such determination is made.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 June 2015

3. SEGMENT INFORMATION

The Board has determined that the Company has one reportable segment, being mineral exploration. As the Company is focused on mineral exploration, the Board monitors the Company based on actual versus budgeted exploration expenditure incurred by area of interest.

This internal reporting framework is the most relevant to assist the Board with making decisions regarding the Group and its ongoing exploration activities.

	Consolidated	
	2015 \$	2014 \$
Segment information provided to the Board:		
Revenue from external customers	-	-
Reportable segment loss	(5,071,935)	(6,099,333)
Reportable segment assets	8,058,531	6,874,206
Reportable segment liabilities	(1,935,460)	(3,292,344)
Reconciliation of revenue from external customers to total revenue is as follows:		
Segment Revenue	-	-
Unallocated		
- Interest	103,516	244,292
Total revenue as per continuing operations	103,516	244,292
Reconciliation of reportable segment loss to operating loss before income tax is as follows:		
Total loss for reportable segment	(5,071,935)	(6,099,333)
Unallocated		
- Corporate expenses	(1,992,444)	(8,439,059)
- Interest revenue	103,516	244,292
- Other	478,957	1,544,015
Loss before income tax from continuing operations	(6,481,906)	(12,750,085)
Reconciliation of reportable segment assets to total assets is as follows:		
Segment Assets	8,058,531	6,874,206
Segment Assets includes: Additions to non-current assets:	11,847	115,909
Unallocated		
- Cash	3,343,929	4,223,833
- Other	116,755	201,846
Total assets as per consolidated balance sheet	11,519,215	11,299,885
Reconciliation of reportable segment liabilities to total liabilities is as follows:		
Segment Liabilities	(1,935,460)	(3,292,344)
Unallocated		
- Payables	(403,415)	(705,379)
- Provisions	(134,648)	(105,647)
Total liabilities as per consolidated balance sheet	(2,473,523)	(4,103,370)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 June 2015

4. REVENUE

	Consolidated	
	2015 \$	2014 \$
Revenue from continuing operations:		
Interest revenue	103,516	244,291
Other Income:		
- Interest income from amortisation of Toyota Tsusho liability	-	443,431
- Research & Development rebate received	465,106	1,095,767
- Profit on disposal of fixed assets	10,100	-
- Other revenue	13,851	4,817
	489,057	1,544,015

5. EXPENSES

	Consolidated	
	2015 \$	2014 \$
Loss before income tax includes the following items:		
Rental expenses relating to operating leases	198,481	147,226
Superannuation expense	157,070	150,687
Depreciation and amortisation:		
- Plant and equipment	246,551	307,787
- Motor vehicles	46,209	54,308
- Amortisation - Software	23,302	52,694
	316,062	414,789
Impairment of other assets:		
- Value Added Tax Receivable	806,154	130,229

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 June 2015

6. INCOME TAX EXPENSE

	Consolidated	
	2015 \$	2014 \$
a) Income tax expense (benefit)		
Current tax	-	-
Deferred tax	-	-
	-	-
b) Reconciliation of income tax expense to prima facia tax payable:		
Profit/(Loss) before income tax expense	(6,481,906)	(12,750,086)
Tax at the tax rate 30% (2014: 30%)	(1,944,572)	(3,825,026)
Tax effect of amounts not deductible (taxable) in calculating taxable income:		
- Non deductible expenses	(72,934)	749,165
- R&D tax offset payment	(139,532)	(328,730)
Deferred tax assets not brought to account on tax losses and temporary difference	2,157,038	3,404,591
	-	-
c) Deferred tax assets		
Temporary differences	464,811	343,716
Tax losses - Revenue	10,513,300	18,551,622
	10,978,111	18,895,338
d) Offset against deferred tax		
Liabilities recognised	(1,891)	(2,837)
Offset by Deferred Assets not brought to account	10,976,220	18,892,501
e) Deferred tax liabilities		
Temporary differences	(1,891)	(2,837)
Offset by Deferred Assets not recognised	1,891	2,837
	-	-

Tax Losses

No deferred tax asset has been recognised on the unused tax losses as the future recovery of those losses is subject to the Company satisfying the requirements imposed by the regulatory taxation authorities in the relevant jurisdictions. The benefits of deferred tax assets not brought to account will only be brought to account if:

- future assessable income is derived of a nature and of an amount sufficient to enable the benefit to be realised;
- the conditions for deductibility imposed by tax legislation continue to be complied with; and
- no changes in tax legislation adversely affect the Company in realising the benefit.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 June 2015

7. CASH & CASH EQUIVALENTS

	Consolidated	
	2015 \$	2014 \$
Cash at bank and in hand	1,127,167	1,629,326
Short-term deposits at call	2,960,000	2,773,673
	4,087,167	4,402,999

a) Reconciliation to cash at the end of the year

The above figures are reconciled to cash at the end of the financial year as shown in the statement of cash flows as follows:

	Consolidated	
	2015 \$	2014 \$
Balances as above	4,087,167	4,402,999
Bank overdrafts	-	-
Balances per statement of cash flows	4,087,167	4,402,999

8. TRADE AND OTHER RECEIVABLES

	Consolidated	
	2015 \$	2014 \$
Current:		
Trade and other receivables (i)	382,688	118,579
Prepayments	78,990	137,361
Other current assets (ii)	1,313,128	1,057,800
VAT receivable	806,154	130,229
Impairment of VAT	(806,154)	(130,229)
	1,774,806	1,313,740

(i) As at 30 June 2015 the trade debtors of the Group were \$35,342. (2014: Nil). Other receivables include outstanding cash calls payable to Atlas Tin SAS from Toyota Tsusho Corporation and Nittetsu Mining Co. Limited of \$202,585 (2014: Nil). No trade and other receivables balances were past their due date at 30 June 2015 (2014: Nil) and hence no impairment has been recognised. Refer Note 18 for the Group entity's credit risk policy. The carrying amount of trade and other receivables approximates fair value and no allowance has been made for non-recovery.

(ii) Other current assets include a US\$1M bank guarantee deposit held in Morocco. The deposit will be released back to the Group upon the completion of payments made to ONHYM in relation to the acquisition of the Achmmach permits (refer Note 13).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 June 2015

Impaired VAT Receivable

As at 30 June 2015 the Group had VAT receivable in Morocco of \$806,154 (2014: \$130,229). The VAT is recoverable against generation of revenue. The Company has determined that at this stage of exploration it is not probable that it would generate sufficient revenue in the next twelve months to recoup the VAT and as such the whole of the VAT receivable has been treated as impaired for the year. VAT impaired for more than 12 months has been written off during the year.

	Consolidated	
	2015 \$	2014 \$
Opening balance VAT receivable	130,229	2,742,830
Unrecoverable VAT written off during the year	(130,229)	(2,742,830)
VAT receivable for year	806,154	130,229
Closing balance of VAT receivable	806,154	130,229
Opening balance impairment of VAT	(130,229)	(2,742,830)
Unrecoverable VAT written off during the year	130,229	2,742,830
Provision for impairment recognised for the year	(806,154)	(130,229)
Total provision for impairment of VAT	(806,154)	(130,229)

9. DERIVATIVE FINANCIAL INSTRUMENT

	Consolidated	
	2015 \$	2014 \$
Non-Current:		
Put Option Opening Balance (i)	-	5,333,333
Change in Fair Value (i)	-	(5,333,333)
	-	-

(i) As at 30 June 2014, Toyota Tsusho Corporation had made the final T3 payment and therefore the put option and remaining fair value were derecognised. Refer Note 18 for the Group entity's credit risk policy. The carrying amount of trade and other receivables approximates fair value and no allowance has been made for non-recovery.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 June 2015

10. NON-CURRENT ASSETS CLASSIFIED AS HELD FOR SALE

	Consolidated	
	2015 \$	2014 \$
Current:		
Tamlalt permits held for sale	1	1
	1	1

During the 2011 financial year the Board made the decision to focus on the Company's Achmmach Tin Project. Capitalised exploration and evaluation costs associated with the Tamlalt Gold Project were impaired. Subsequently the Company decided to divest the Tamlalt exploration permits. As it is highly probable the asset will be realised through a sale rather than continuing use, the asset was reclassified as a non-current asset held for sale.

11. PROPERTY, PLANT AND EQUIPMENT

	Consolidated	
	2015 \$	2014 \$
Plant and equipment – at cost	1,573,900	1,711,115
Less: Accumulated depreciation	(1,286,823)	(1,206,924)
Total plant and equipment at net book value	287,077	504,191
Motor vehicles – at cost	144,192	238,976
Less: Accumulated depreciation	(83,969)	(114,691)
Total motor vehicles at net book value	60,223	124,285
Computer software – at cost	55,948	245,848
Less: Accumulated amortisation	(48,021)	(214,619)
Total computer software at net book value	7,927	31,229
Total property plant and equipment	355,227	659,705

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 June 2015

Reconciliations

Reconciliations of the carrying amounts for each class of property, plant and equipment are set out below:

	Consolidated	
	2015 \$	2014 \$
Plant and Equipment:		
Carrying amount at beginning of year	504,191	823,623
- Additions	11,847	4,537
- Disposals	(920)	(1,183)
- Movement due to foreign exchange	18,510	(14,999)
- Depreciation	(246,551)	(307,787)
Carrying amount at end of year	287,077	504,191
Motor Vehicles:		
Carrying amount at beginning of year	124,285	192,474
- Additions	-	-
- Disposals	(22,043)	(14,068)
- Movement due to foreign exchange	4,190	187
- Depreciation	(46,209)	(54,308)
Carrying amount at end of year	60,223	124,285
Computer Software:		
Carrying amount at beginning of year	31,229	83,923
- Additions	-	-
- Disposals	-	-
- Movement due to foreign exchange	-	-
- Amortisation	(23,302)	(52,694)
Carrying amount at end of year	7,927	31,229

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 June 2015

12. EXPLORATION AND EVALUATION EXPENDITURE

	Consolidated	
	2015 \$	2014 \$
Costs carried forward in respect of areas of interest in:		
Exploration and/or evaluation phase:		
Balance at beginning of year	4,923,440	4,367,217
- Capitalised borrowing costs	191,844	258,207
- Movement due to foreign exchange	186,730	298,016
Total exploration and evaluation expenditure	5,302,014	4,923,440

As outlined in Note 1(r), capitalised Exploration and Evaluation Expenditure includes the costs for the acquisition of exploration properties. Other Exploration and evaluation expenditure is written off in the year incurred.

13. TRADE AND OTHER PAYABLES

	Consolidated	
	2015 \$	2014 \$
Current:		
Trade payables	500,461	359,648
Other payables and accruals (a)	1,928,515	1,809,627
	2,428,976	2,169,275
Non-Current:		
Other payables (b)	-	1,828,448
	-	1,828,448

a) The other payables and accruals balance includes the final instalment of the Achmmach Tin Project purchase consideration as well as employee entitlements and other amounts. The final instalment of US\$1,000,000 in relation to the Achmmach Tin Project is due in May 2016. Included in Other Current Assets in Trade and Other Receivables is a US\$1,000,000 bank guarantee deposit held in Morocco (see note 8(ii)). Upon payment of this final instalment the bank guarantee deposit will be released back to the group.

b) The other payables balance represents the remaining payments owing in relation to the acquisition of the Achmmach Tin Project that are not expected to be payable within 12 months.

Risk exposure

Information about the Group's exposure to foreign exchange risk is provided in Note 18.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 June 2015

14. NON-CURRENT LIABILITIES – PROVISIONS

	Consolidated	
	2015 \$	2014 \$
Employee benefits – long service leave	44,548	105,647
	44,548	105,647

15. CONTRIBUTED EQUITY

	Consolidated		Consolidated	
	2015 Number of Shares	2014 Number of Shares	2015 \$	2014 \$
Issued and Paid-up Capital				
Ordinary shares, fully paid	556,005,435	395,912,596	63,293,010	56,526,222
Movements in ordinary share capital:				
Balance at the beginning of the financial year	395,912,596	395,912,596	56,526,222	56,526,222
Rights Issue at 7 cents (Oct 2014)	55,502,427	-	3,885,170	-
Less rights issue costs	-	-	(76,890)	-
Share placement at 2.9 cents (Jun 2015)	104,590,412	-	3,033,122	-
Less share placement costs	-	-	(74,614)	-
Issued capital at end of period	556,005,435	395,912,596	63,293,010	56,526,222

Terms and Conditions

Holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at shareholders' meetings. On a show of hands every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote. In the event of winding up of the Company, ordinary shareholders rank after creditors and are entitled to any proceeds of liquidation.

Ordinary shares have no par value and the Company does not therefore have a limit to the amount of its authorised capital.

Options have no voting rights and upon exercise each option is converted to an ordinary share. The Company has no authorised capital nor any par value shares.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 June 2015

Capital Management

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. As a junior explorer the Board does not establish a target return on capital. Capital management requires the maintenance of strong cash balances to support ongoing exploration expenditure and development.

There were no changes in the Group's approach to capital management during the year. Neither the Company nor any of its subsidiaries are subject to externally imposed capital requirements.

16. RESERVES

Nature and purpose of reserves

i) Share based payment reserve

The share based payment reserve is used to recognise the fair value of options issued but not exercised.

ii) Foreign Currency Translation Reserve

Exchange differences arising on translation of the foreign controlled entities are taken to the foreign currency translation reserve, as described in Note 1(i).

iii) Other Reserves

This reserve is used to recognise the deemed gain on sale to a non-controlling interest.

17. EQUITY – NON-CONTROLLING INTEREST

The non-controlling interest is represented by two Japanese companies, Nittetsu Mining Co. Ltd (NMC) and Toyota Tsusho Corporation (TTC).

	Consolidated	
	2015 \$	2014 \$
Nittetsu Mining Co. Ltd (NMC) – 5% NCI		
Opening Balance - NCI	(1,232,382)	(1,142,292)
Funds received from NMC	397,542	-
Share of Comprehensive Loss for the year	(186,650)	(90,090)
	(1,021,490)	(1,232,382)
Toyota Tsusho Corporation (TTC) – 20% NCI		
Opening Balance - NCI	(300,167)	-
Funds received from TTC	1,592,293	17,180,891
Gain on sale to non-controlling interest	-	(17,481,058)
Share of Comprehensive Loss for the year	(746,600)	-
	545,526	(300,167)
Total Non-Controlling Interest	(475,964)	(1,532,549)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 June 2015

18. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

Financial Risk Management

Overview

The Group has exposure to the following risks from their use of financial instruments:

- Credit Risk
- Liquidity Risk
- Market Risk

This note presents information about the Group's exposure to each of the above risks, their objectives, policies and processes for measuring and managing risk, and the management of capital.

The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework. Management monitors and manages the financial risks relating to the operations of the Group through regular reviews of the risks.

Credit Risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Groups' surplus cash investments.

In Australia funds are deposited with financial institutions which have AA credit ratings and in Morocco with financial institutions which have A+ credit ratings. Sufficient funds to cover only one quarter's funding requirements are maintained in Morocco.

Other Receivables

The Group operates in the mining exploration sector, has only minor trade receivables who are also major suppliers of services to the Group and therefore is not exposed to credit risk in relation to trade receivables.

Exposure to Credit Risk

The carrying amount of the Group's financial assets represents the maximum credit exposures, with none of the receivables being past due or impaired. The Group's maximum exposure to credit risk at the reporting date was:

	Consolidated	
	2015 \$	2014 \$
Trade and other receivables	43,700	14,475
Cash and cash equivalents	4,087,167	4,402,999

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 June 2015

Liquidity Risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure that it should always have sufficient liquidity to meet its liabilities when they fall due.

The Group manages liquidity risk by maintaining adequate reserves by continuously monitoring forecast and actual cash flows.

The decision on how the Company will raise future capital and its success will depend on market conditions existing at that time.

Typically the Group ensures that it has sufficient cash on demand to meet expected operational expenses for a period of 60 days, including the servicing of financial obligations, this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

The following are the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements:

	Carrying Amount \$	6 Mths or less \$	6-12 Mths \$	1-2 Years \$	2-5 Years \$	More than 5 years \$
Consolidated 30 June 2015						
Trade and other payables	2,041,499	834,968	1,206,531	-	-	-
	2,041,499	834,968	1,206,531	-	-	-
Consolidated 30 June 2014						
Trade and other payables	2,492,735	620,700	1,059,400	1,059,400	-	-
	2,492,735	620,700	1,059,400	1,059,400	-	-

Market Risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 June 2015

Fair Value of Financial Instruments

The following tables detail the consolidated entity's fair values of financial instruments categorised by the following levels:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices).

Level 3: Inputs for assets or liabilities that are not based on observable market data (unobservable inputs).

	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Consolidated 30 June 2015				
<i>Assets</i>				
Derivative financial instruments	-	-	-	-
Consolidated 30 June 2014				
<i>Assets</i>				
Derivative financial instruments	-	-	-	-

There were no transfers between levels during the financial year.

Currency Risk

The Group is exposed to currency risk on investments, purchases and borrowings that are denominated in a currency other than the respective functional currencies of Group entities. The currencies in which these transactions primarily are denominated are US Dollars (USD), Euros (EUR) and British Pounds (GBP).

Exposure to Currency Risk

The Group's exposure to foreign currency risk at reporting date was as follows, based on notional amounts:

Consolidated	30 June 2015			30 June 2014		
	USD	EUR	GBP	USD	EUR	GBP
Cash and cash equivalents	36,717	-	-	30,528	-	-
Trade and other receivables	1,000,000	-	-	1,000,000	-	-
Trade and other payables	(1,006,325)	(426)	(19,149)	(1,782,601)	(18,949)	(8,489)
Gross statement of financial position exposure	30,392	(426)	(19,149)	(752,073)	(18,949)	(8,489)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 June 2015

Sensitivity Analysis

A 10% strengthening or weakening of the Australian dollar against the following currencies at 30 June would have increased (decreased) profit or loss by the amounts shown below. This analysis is based on foreign currency exchange rate variances that the Group considered to be reasonable at the end of the reporting period. The analysis assumes that all other variables, in particular interest rates, remain constant. The analysis is performed on the same basis for 2014.

	Profit or loss
30 June 2015	
USD	3,039
EUR	(43)
GBP	(1,915)
30 June 2014	
USD	75,207
EUR	1,895
GBP	849

Interest Rate Risk

The Group is exposed to interest rate risk. The Group's exposure to market interest rates relate primarily to cash and cash equivalents held in Australian financial institutions. At 30 June 2015 all cash and cash equivalents in Australia were held with two financial institutions.

At the reporting date, if interest rates had been 50 basis points (0.5%) higher or lower and all other variables were held constant, the Group's net profit would increase by \$20,436 or decrease by \$20,436 (2014: \$22,015). This is mainly attributable to the Group's exposure to interest rates on its deposits.

	Consolidated	
	2015 \$	2014 \$
Cash and cash equivalents	1,127,167	1,629,326
Short term cash deposits	2,960,000	2,773,673
	4,087,167	4,402,999

The Group is also exposed to interest rate risk in relation to its liability to ONHYM for the acquisition of the Achmmach permits held at amortised cost. The calculation uses an effective interest rate of 10%.

Net Fair Values of Financial Assets and Liabilities

The fair value of all financial assets and financial liabilities which are current, approximates their carrying values because of the short term nature of these items. The Group does not carry any financial instruments at fair value therefore their disclosures are not presented.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 June 2015

19. REMUNERATION OF AUDITORS

	Consolidated	
	2015 \$	2014 \$
Audit Services:		
- Auditors of the Company – BDO Audit (WA) Pty Ltd	44,309	50,838
- Remuneration of other auditor for subsidiaries	16,621	25,628
Total remuneration for Audit services	60,930	76,466
Amounts received, or due and receivable, for taxation and other services by:		
- Affiliated companies to BDO Audit (WA) Pty Ltd	16,588	11,949

20. CONTINGENCIES

The Group is subject to various taxes in Australia and offshore jurisdictions and at times significant judgement is required in determining the Group's liability associated with these taxes. The Group estimates its tax liabilities based on its understanding of the transactions and the tax laws in the local jurisdictions in which it operates. Should the final outcome of these matters be different from the initial assessment, such differences will impact the Group's liabilities in the period in which such determination is made.

Under the terms of the agreement with ONHYM for the transfer of the Achmmach permits to Atlas Tin SAS, ONHYM is entitled to a 3% Net Smelter Return (NSR) once production commences. The royalty is due for payment before the end of the second quarter following the year that the production relates to.

Under the terms of the agreement to purchase the BLJ tenements in Hamada Minerals SARLAU, a one off payment of 2,000,000 Moroccan Dirhams (A\$270,113 as at 30 June 2015) is payable to the previous holders of the tenements (1,000,000 Moroccan Dirhams each). The payment is contingent upon mining commencing from these permits and is payable on the commencement of mining.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 June 2015

21. COMMITMENTS

	Consolidated	
	2015 \$	2014 \$
Lease/hire purchase commitments		
Operating lease repayments are payable as follows:		
- not later than one year	7,563	133,397
- later than one year but not later than five years	-	266,802
	7,563	400,199

22. RELATED PARTY DISCLOSURES

a) Remuneration of Key Management Personnel

Remuneration of Directors and other Key Management Personnel:

	Consolidated	
	2015 \$	2014 \$
Short-term employee benefits	1,142,838	1,295,589
Post-employment benefits	103,841	88,756
Long term employment benefits	30,344	22,318
Share based payments	(241,600)	79,471
	1,035,423	1,486,134

b) Transactions with Directors' related entities

Transactions between parties are on normal commercial terms and conditions unless otherwise stated.

A Director, Mr Gary Davison, is a Director and shareholder of Mining One Pty Ltd (Mining One). Mining One was paid \$12,606 (2014: \$694,057) during the year for consultancy and engineering design services provided to Kasbah. At 30 June 2015 no amounts were payable to Mining One (2014: \$4,224).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 June 2015

23. PARENT ENTITY INFORMATION

The following information relates to the parent entity, Kasbah Resources Limited, at 30 June 2015. The information presented has been prepared using consistent accounting policies as presented in Note 1.

	Parent	
	2015 \$	2014 \$
Current Assets	3,603,162	4,425,680
Non-Current Assets	3,959,078	2,107,607
Total Assets	7,562,240	6,533,287
Current Liabilities	552,835	872,645
Non-Current Liabilities	44,548	105,647
Total Liabilities	597,383	978,292
Contributed Equity	63,293,010	56,526,222
Accumulated Losses	(59,820,497)	(54,703,219)
Option Reserve	3,492,343	3,731,992
Total Equity	6,964,856	5,554,995
Profit / (Loss) for the Year	(14,115,914)	4,922,164
Other Comprehensive Income	-	-
Total Comprehensive Loss for the Year	(14,115,914)	4,922,164

The parent entity has not entered into any guarantees with its subsidiaries.

There are no contingent liabilities of the parent entity.

There are no contractual commitments of the Parent.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 June 2015

24. INTERESTS IN SUBSIDIARIES

Interest Held	
2015 %	2014 %

a) Particulars in relation to controlled entities

Parent Entity

Kasbah Resources Limited

Controlled Entities

Atlas Tin SAS	75	75
Hamada Minerals SARLAU	100	100
Sahara Exploration SARLAU	100	100
Meseta Exploration SARLAU	100	-
Arena Minerals Limited	100	-

The above controlled entities are incorporated in the Kingdom of Morocco, with the exception of Arena Minerals Limited which is incorporated in the Republic of Uganda. The shares are fully paid ordinary shares

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 June 2015

b) Particulars in relation to controlled entities

The following table sets out the summarised financial information for each subsidiary that has non-controlling interests that are material to the group. Amounts disclosed are before intercompany eliminations.

	Atlas Tin SAS	
	2015 \$	2014 \$
<i>Summarised statement of financial position</i>		
Current Assets	2,933,706	1,795,947
Non-current Assets	5,460,338	5,307,271
Total Assets	8,394,044	7,103,218
Current Liabilities	2,005,308	1,283,697
Non-current Liabilities	-	7,310,607
Total Liabilities	2,005,308	8,594,304
Net Assets	6,388,736	(1,491,086)
<i>Summarised statement of profit or loss and other comprehensive income</i>		
Revenue	39,612	601,694
Expenses	(4,835,535)	(1,815,389)
Other Comprehensive Income	(185,892)	83,802
Total Comprehensive Loss for the Year	(4,981,815)	(1,129,893)
<i>Statement of cash flows</i>		
Net cash used in operating activities	(5,001,879)	(2,980,572)
Net cash used from investing activities	(1,292,939)	(1,091,835)
Net cash used in financing activities	6,848,536	3,989,489
Net increase / (decrease) in cash and cash equivalents	553,718	(82,918)
<i>Other financial information</i>		
Profit attributable to non-controlling interests	(892,963)	(90,770)
Accumulated non-controlling interests at the end of report period	(475,964)	(1,532,549)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 June 2015

25. NOTES TO STATEMENTS OF CASH FLOWS

a) Reconciliation of profit/(loss) after income tax to net cash provided by operating activities

	Consolidated	
	2015 \$	2014 \$
Profit/(loss) after income tax	(6,481,906)	(12,750,085)
<i>Adjustments for:</i>		
- Depreciation	316,062	414,789
- Option based payment expense	(239,649)	117,452
- Gain/(loss) on sale of non-current assets	(10,100)	373
- Fair value loss/(gain) on revaluation of put option	-	5,333,333
- Interest income from amortisation of Toyota Tsusho liability	-	(443,431)
- Net exchange differences	173,715	(102,749)
<i>Change in operating assets and liabilities</i>		
- (Increase) / decrease in trade and other receivables	(30,764)	(196,597)
- Increase/(decrease) in trade and other payables	(945,806)	(2,150,317)
Net cash utilised in operating activities	(7,218,448)	(9,777,232)

26. (LOSS) PER SHARE

	2015 Cents	2014 Cents
Basic earnings / (loss) per share (cents per share)	(1.48)	(3.22)
Diluted earnings / (loss) per share (cents per share)	N/A	N/A
Weighted average number of ordinary shares used in the calculation of basic and diluted loss per share	437,992,365	395,912,596
Net (loss) attributed to EPS	(6,481,906)	(12,750,085)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 June 2015

27. SHARE BASED PAYMENTS EMPLOYEE BENEFITS

The Company granted 500,000 new options to directors and employees during the financial year (2014: Nil).

Under the Company's Incentive Option Scheme all options issued can be exercised to acquire one ordinary share. The exercise price of the options is determined by the Directors. Share options are granted at the discretion of the Board.

All unvested employee options expire on the earlier of their expiry date or upon termination of the employee's employment.

There are no voting or dividend rights attached to the options.

Details of options as at the beginning and end of the reporting periods and movements during the year are set out below:

Expiry Date	Exercise Price	Number of Options at Beginning of Year	Options Granted	Options Expired	Options Exercised	Number of Options on Issue at End of Year	
						Vested	Unvested
5 Oct 2015	\$0.10	500,000	-	-	-	500,000	-
26 Aug 2014	\$0.25	2,500,000	-	(2,500,000)	-	-	-
24 Nov 2014	\$0.25	4,000,000	-	(4,000,000)	-	-	-
23 Jul 2015	\$0.28	1,500,000	-	-	-	1,500,000	-
23 Nov 2015	\$0.26	2,450,000	-	(450,000)	-	2,000,000	-
23 Nov 2015	\$0.26	10,000,000	-	-	-	-	10,000,000
27 Nov 2017	\$0.12	-	500,000	-	-	250,000	250,000
		20,950,000	500,000	(6,950,000)	-	4,250,000	10,250,000

Using a Black-Scholes option valuation methodology, the fair value of the options issued during the year was calculated using the following assumptions:

Input	Value
Grant date	27 November 2014
Share price	\$0.07
Exercise price	\$0.12
Expected volatility	57.55%
Expiry date	27 November 2017
Expected dividend	Nil
Risk free interest rate	2.66%

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 June 2015

The options outstanding at 30 June 2015 had a weighted average exercise price of \$0.252 (2014: \$0.255) and a weighted average remaining life of 0.43 years (2014: 1.03 years).

The annualised historical volatility of share prices is calculated as the standard deviation of the log of the differences between share prices multiplied by an annualisation factor.

	2015 Number of Options	2015 Weighted Average Price \$	2014 Number of Options	2014 Weighted Average Price \$
Outstanding at the beginning of the year	20,950,000	0.255	21,950,000	0.254
Granted	500,000	0.120	-	-
Exercised	-	-	-	-
Expired / Cancelled	(6,950,000)	0.251	(1,000,000)	0.250
Outstanding at Year End	14,500,000	0.252	20,950,000	0.255
Exercisable at Year End	4,250,000	0.240	10,200,000	0.247

28. EVENTS SUBSEQUENT TO REPORTING DATE

On 3 August 2015, Mr Giles Robbins and Mr Mike Brook were appointed as Non-executive Directors.

No other matters or circumstances have arisen since 30 June 2015 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

DIRECTORS' DECLARATION

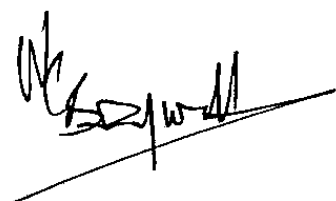
In the director's opinion:

1. The attached financial statements and notes comply with the Corporations Act 2001, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
2. the attached financial statements and notes comply with International Financial Reporting Standards as issued by the international Accounting Standards Board as described in note 1 to the financial statements;
3. the attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 30 June 2015 and of its performance for the financial year ended on that date; and
4. there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

The directors have been given the declarations required by section 295A of the Corporations Act 2001.

Signed in accordance with a resolution of directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the directors

A handwritten signature in black ink, appearing to read 'Wayne Bramwell', with a long horizontal line extending from the end of the signature.

Wayne Bramwell

Managing Director

Dated: this day 22 September 2015



INDEPENDENT AUDITORS' REPORT



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INDEPENDENT AUDITOR'S REPORT

To the members of Kasbah Resources Limited

Report on the Financial Report

We have audited the accompanying financial report of Kasbah Resources Limited, which comprises the consolidated balance sheet as at 30 June 2015, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply with *International Financial Reporting Standards*.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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INDEPENDENT AUDITORS' REPORT (CONTINUED)



Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Kasbah Resources Limited, would be in the same terms if given to the directors as at the time of this auditor's report.

Opinion

In our opinion:

- (a) the financial report of Kasbah Resources Limited is in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2015 and of its performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and
- (b) the financial report also complies with *International Financial Reporting Standards* as disclosed in Note 1.

Report on the Remuneration Report

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2015. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Opinion

In our opinion, the Remuneration Report of Kasbah Resources Limited for the year ended 30 June 2015 complies with section 300A of the *Corporations Act 2001*.

BDO Audit (WA) Pty Ltd

A handwritten signature in blue ink, appearing to read 'Glyn O'Brien', is written over the printed name.

Glyn O'Brien

Director

Perth, 22 September 2015

BDO Audit (WA) Pty Ltd ABN 79 112 254 787 is a member of a national association of independent entities which are all members of BDO Australia Ltd ABN 77 050 110 275, an Australian company limited by guarantee. BDO Audit (WA) Pty Ltd and BDO Australia Ltd are members of BDO International Ltd, a UK company limited by guarantee, and form part of the International BDO network of independent member firms. Liability limited by a scheme approved under Professional Standards Legislation other than for the acts or omissions of financial services licensees.

ASX ADDITIONAL INFORMATION

Additional information required by the Australian Stock Exchange Limited Listing Rules and not disclosed elsewhere in this report. The information was prepared based on share registry information processed up to 16 September 2015.

Capital Structure

556,005,435 fully paid shares listed on the Australian Stock Exchange. The Company has 12,000,000 unquoted options on issue.

Distribution of Shareholders

The distribution of shareholdings as at 16 September 2015 was:

Range	Number of Holders	Number of Securities
1-1,000	151	16,496
1,001-5,000	693	2,302,257
5,001-10,000	634	5,247,086
10,001-100,000	1,993	74,337,115
100,001 + over	428	474,102,481
Total	3,899	556,005,435
Less than a marketable parcel	2,428	24,712,721

Substantial Shareholders

The Company has received the following Substantial Holding notices:

Shareholder Name	Number of Shares	% of Issued Shares
International Finance Corporation	81,178,342	17.98
Lion Selection Group Limited	59,830,090	15.11
Thailand Smelting & Refining Co Ltd	31,865,085	5.73
Traxys Projects L.P.	29,583,470	5.32

Voting Rights

Under the Company's constitution, every member present in person or by representative, proxy or attorney shall have one vote on a show of hands and on a poll have one vote for every ordinary share held.

Unquoted Securities (Options)

	Number of Holders	Number on Issue
Options over ordinary shares issued	7	12,000,000

ASX ADDITIONAL INFORMATION (CONTINUED)

Kasbah - Twenty Largest Quoted Equity Security Holders

#	Name	Number of Shares	% of Total Issued Shares
1.	Citicorp Nominees Pty Limited	84,127,866	15.13
2.	African Lion 3 Limited	64,136,741	11.54
3.	Thailand Smelting & Refining Company Limited	31,197,990	5.61
4.	J P Morgan Nominees Australia Limited	28,045,417	5.04
5.	Merrill Lynch (Australia) Nominees Pty Limited	20,880,970	3.76
6.	African Lion 2 Limited	18,000,000	3.24
7.	International Finance Corporation	17,362,977	3.12
8.	Traxys Projects L.P.	8,863,470	1.59
9.	Tarifa Investments Pty Ltd <Tarifa Investments A/C>	8,200,000	1.47
10.	African Lion 3 Limited	7,250,000	1.30
11.	Spektra Jeotek A.S	6,896,552	1.24
12.	BNP Paribas Noms (NZ) Ltd <DRP>	6,833,536	1.23
13.	Lujeta Pty Ltd <The Margaret Account>	5,200,000	0.94
14.	Mr Rupert James McCammon	4,643,340	0.84
15.	Transaminvest SA	4,293,500	0.77
16.	Mr Peter Turcovsky	4,194,155	0.75
17.	Mr Brian Henry McCubbing and Mrs Adriana Maria McCubbing <B McCubbing Super Fund A/C>	4,000,000	0.72
18.	HSBC Custody Nominees (Australia) Limited	3,673,494	0.66
19.	BFM Superannuation Fund Pty Ltd	2,688,000	0.48
20.	Nizin Holdings Pty Ltd <Charles Cropper A/C>	2,500,000	0.45
		332,988,008	59.89

ASX ADDITIONAL INFORMATION (CONTINUED)

Annual Review of Mineral Resources and Ore Reserves

The Company has completed its annual review of its Mineral Resources and Ore Reserves and notes that during the year the following changes were announced to the ASX:

- 25 November 2014 – Western Zone Resource Upgrade; and
- 12 March 2015 – Achmmach Reserve Upgrade.

Mineral Resources Estimates – Consolidated Summary (100% Project Basis)

As at 30 June 2015			
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

Ore Reserves Estimate – Consolidated Summary (100% Project Basis)

As at 30 June 2015			
Mining Reserves are a subset of the Mineral Resource Estimates			
Category	M Tonnes	Sn %	Contained Tin (Kt)
Proven Reserves			
Meknes Trend	1,271	0.97%	12.4
Probable Reserves			
Meknes Trend	7,948	0.74%	58.9
Total	9,219	0.77%	71.3

ASX ADDITIONAL INFORMATION (CONTINUED)

Mineral Resources Estimates – Annual Comparison (100% Project Basis)

30 June 2013	M Tonnes	Sn %	Contained Tin (Kt)
Meknes Trend	14.6	0.85%	123.1
Western Zone	0.2	0.95%	2.1
Total Mineral Resource 2014	14.8	0.85%	125.2
Resources Additions			
Meknes Trend	-	-	-
Western Zone	0.1	1.81%	2.1
	0.1	1.81%	2.1
30 June 2015			
Meknes Trend	14.6	0.85%	123.1
Western Zone	0.3	1.25%	4.2
Total Mineral Resource 2015	14.9	0.85%	127.3

Notes:

- 1) 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 shown as 30 June 2015 balances. No further drilling on these areas has taken place post these announcements.
- 2) The geographical area for Tin Resources is Morocco.

Ore Reserves Estimates – Annual Comparison (100% Project Basis)

30 June 2013	M Tonnes	Sn %	Contained Tin (Kt)
Meknes Trend	8.445	0.78%	65.4
Western Zone	-	-	-
Total Ore Reserve 2014	8.445	0.78%	65.4
Resources Additions			
Meknes Trend	0.774	0.76%	5.9
Western Zone	-	-	-
	0.774	0.76%	5.9
30 June 2015			
Meknes Trend	9.219	0.77%	71.3
Western Zone	-	-	-
Total Ore Reserve 2015	9.219	0.77%	71.3

Notes:

- 1) Refer to Kasbah Announcements on 12 March 2015 for detailed information relating to the Ore Reserves Estimates shown as 30 June 2015 balances. No further drilling has taken place post this announcement.
- 2) The geographical area for Tin Reserves is Morocco.

ASX ADDITIONAL INFORMATION (CONTINUED)

Schedule of Permits

Project	Permit Type	Permit Number	Registered Interest
Achmmach	PE	2912	75%*
	PE	193172	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 (Zaer)	PR	2137996	100%
	PR	2137997	100%
	PR	2137998	100%
	PR	2137999	100%
	PR	2138000	100%
	PR	2138001	100%
	PR	2138002	100%
	PR	2138023	100%
Ment	PR	1939809	100%
	PR	1939821	100%
	PR	1939822	100%
	PR	2138066	100%
	PR	2138067	100%
	PR	2138097	100%
	PR	2138098	100%
	PR	2138099	100%
	PR	2138100	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.

ASX: KAS

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