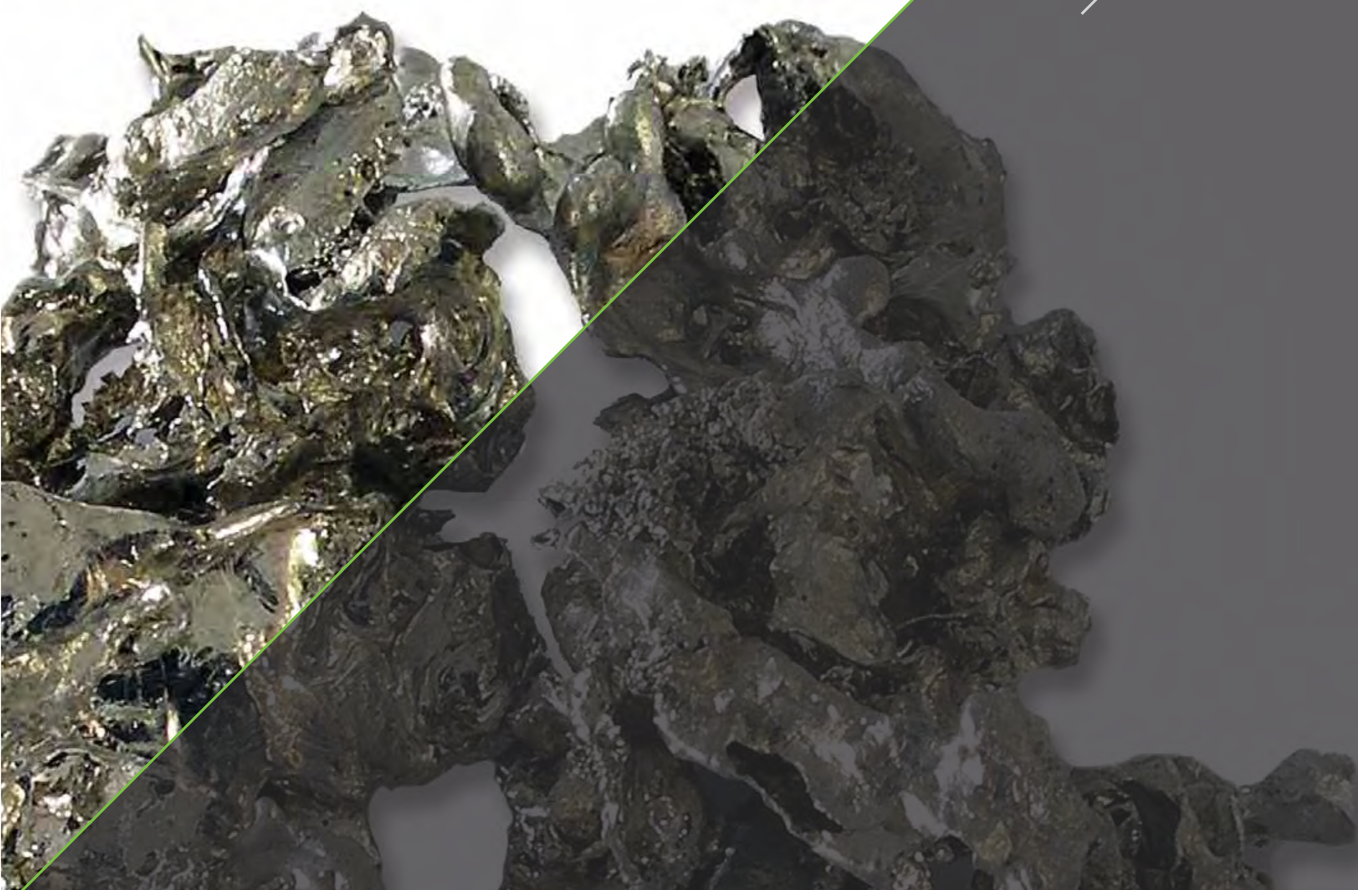
2016 ANNUAL REPORT



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)

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Trevor O'Connor

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Stock Exchange Listing

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

Auditors

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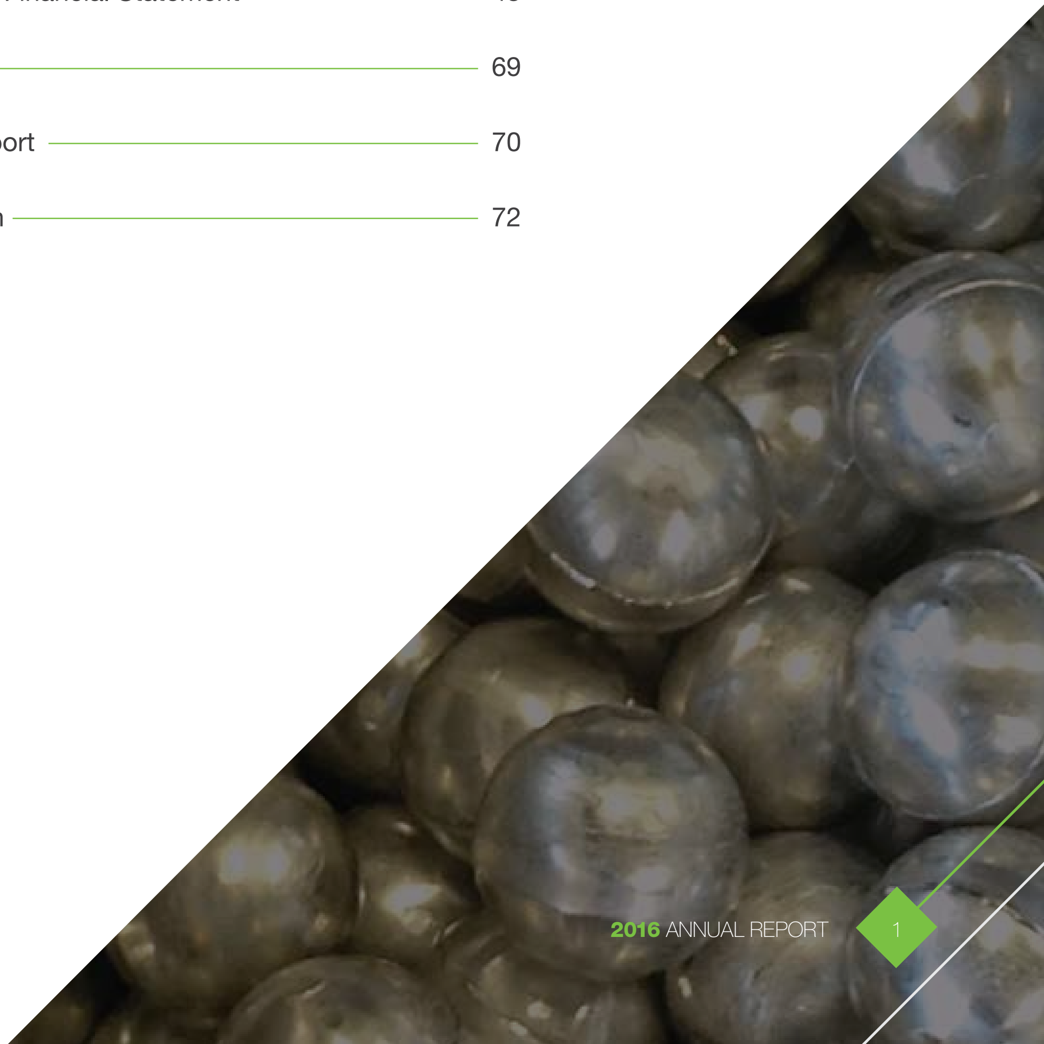


CHAIRMAN'S LETTER

Dear Shareholders,

The tin market has remained erratic during the last year with the LME tin price falling to US$13,000 / t in early 2016 then rebounding to above US$18,000 / t in August. In response to continued low tin prices and unpredictable market supply from countries such as Myanmar, the year began with Kasbah adopting an interim development strategy and a significant corporate cost reduction programme, alongside a $3M placement to our major shareholders.

These funds were principally used to examine a smaller scale, lower capital start up scenario, termed the Small Start Option (SSO) for the Achmmach Tin Project.

A Pre-Feasibility Study (PFS) on the SSO released in February 2016 confirmed the concept of a lower capital cost, higher grade, staged mine development commencing at 0.5Mtpa, was a more appropriate solution to a lower tin price environment than the 1 Mtpa scale, higher cost Enhanced Definitive Feasibility Study (EDFS) project developed in early 2015.

Kasbah and its Joint Venture partners in Atlas Tin SAS (Toyota Tsusho Corporation and Nittetsu Mining Company) have funded advancing the SSO concept from PFS to DFS status from January to August 2016. DFS construction capital costs for the SSO were estimated at US$62M, compared with US$131M for the larger 1Mtpa EDFS project.

The Company believes that with the SSO project, it is now in a position to seek finance for development, at current tin prices of around $18,000/t tin. However, the prospect of raising significant equity finance remains a major hurdle for Kasbah, given the ongoing constraints on junior companies to maintain the viability of their development projects.

Kasbah has for many years endeavoured to attract new cornerstone investors to assist in the development of Achmmach. This process finally succeeded when in August 2016 Kasbah announced, jointly with nickel mining company Asian Mineral Resources (AMR), a proposed scheme of arrangement transaction, which if approved by shareholders would result in a merger of the two companies to form a larger base metals company. This new entity would have proven expertise in exploration, resource development, underground mining development and mine operations. A key element in this transaction is the presence and financial support of Pala Investments Ltd., a leading mining investment fund, as a cornerstone investor of the combined entity of Kasbah and AMR.

The Board of Kasbah has unanimously recommended that all Kasbah shareholders vote in favour of the transaction in the absence of a superior proposal. Three major shareholders of Kasbah have also agreed, in the absence of a superior proposal, to vote in favour of the transaction.

As I said a year ago, I would like to reaffirm to all our shareholders that the company remains focused on seeking funding mechanisms to advance the Achmmach Tin Project to production and I believe that the proposed merger transaction can provide a mechanism to achieve that ultimate objective. I thank you, our loyal shareholders and Kasbah's dedicated staff for the continued support given during these difficult and challenging times.

Rod Marston
Chairman

CORPORATE STRATEGY

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.

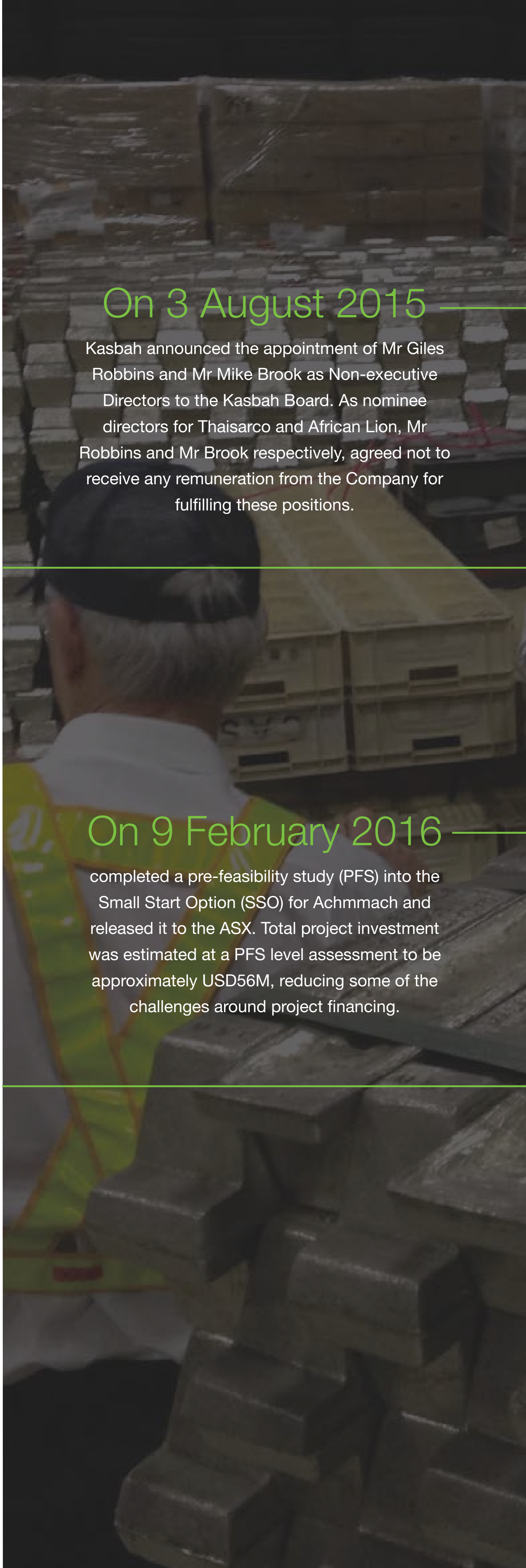
Kasbah's project assets include:

- 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%).

2016 HIGHLIGHTS

As in 2015, global tin demand remained weak and the LME tin price continued to fall, touching a 9 year low of $13,215 / t in January 2016. By 30 June 2016 the LME tin price had recovered to $17,050 / t as commodity fund and investor sentiment towards metals, not supply / demand factors began to drive the price sentiment.

Kasbah achieved the following corporate and technical milestones during the financial year:

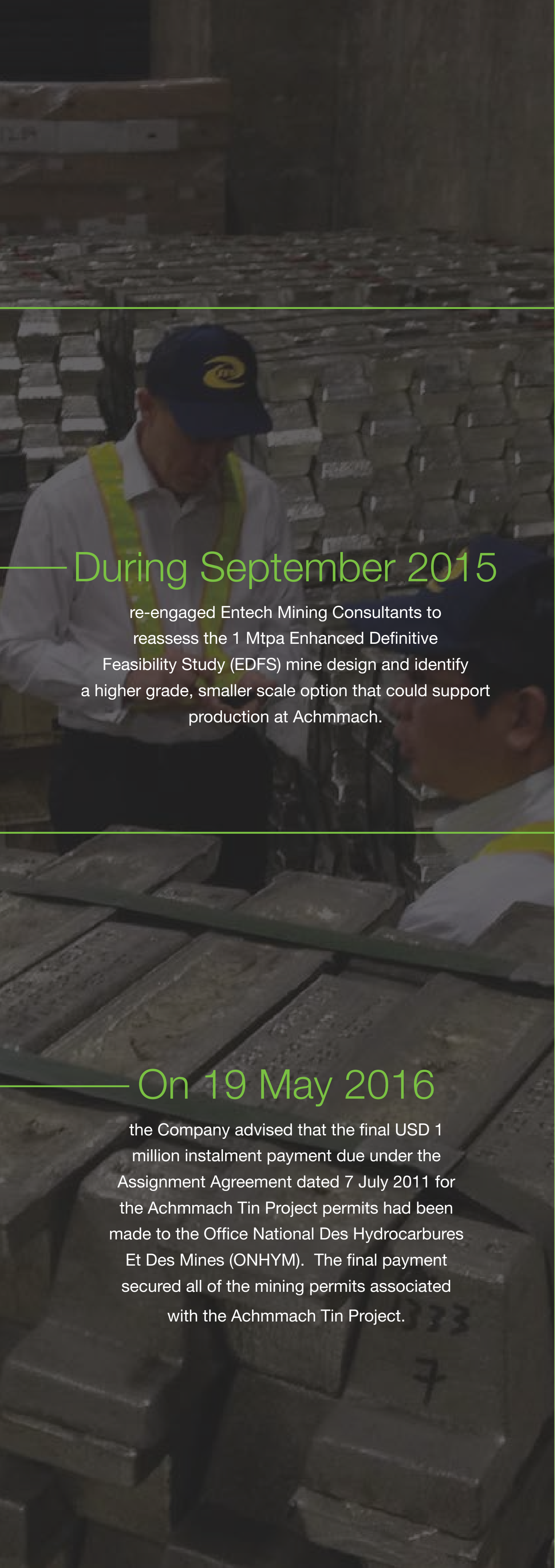


On 3 August 2015

Kasbah announced the appointment of Mr Giles Robbins and Mr Mike Brook as Non-executive Directors to the Kasbah Board. As nominee directors for Thaisarco and African Lion, Mr Robbins and Mr Brook respectively, agreed not to receive any remuneration from the Company for fulfilling these positions.

On 9 February 2016

completed a pre-feasibility study (PFS) into the Small Start Option (SSO) for Achmmach and released it to the ASX. Total project investment was estimated at a PFS level assessment to be approximately USD56M, reducing some of the challenges around project financing.



During September 2015

re-engaged Entech Mining Consultants to reassess the 1 Mtpa Enhanced Definitive Feasibility Study (EDFS) mine design and identify a higher grade, smaller scale option that could support production at Achmmach.

On 19 May 2016

the Company advised that the final USD 1 million instalment payment due under the Assignment Agreement dated 7 July 2011 for the Achmmach Tin Project permits had been made to the Office National Des Hydrocarbures Et Des Mines (ONHYM). The final payment secured all of the mining permits associated with the Achmmach Tin Project.

After 30 June 2016 Kasbah made the following key announcements:

On 10 August 2016

Kasbah announced the completion of a definitive feasibility study (DFS) into the Small Start Option at Achmmach. The 2016 Achmmach SSO DFS determined that a 0.5 Mtpa, high grade underground operation at Achmmach was technically and commercially feasible.

On 11 August 2016

a joint announcement was made that the Company had entered into a Scheme Implementation Agreement (SIA) with Asian Mineral Resources Limited ("AMR") pursuant to which AMR will, if implemented, acquire all of the shares of Kasbah by way of a scheme of arrangement under the Australian Corporations Act.

OPERATIONS REVIEW

During the last year assessment of a lower capital development option for the Achmmach Tin Project remained the Company's prime focus.

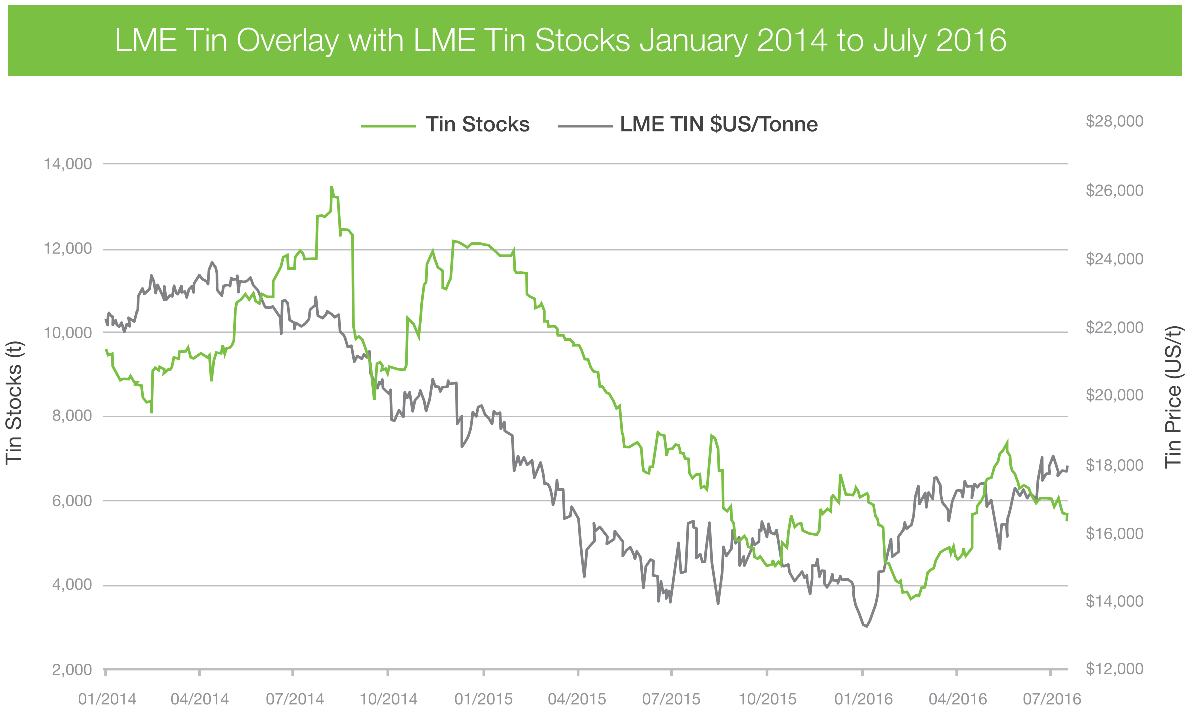
During 2015 Kasbah released an enhanced definitive feasibility study into a 1 Mtpa underground mine and processing facility for the Achmmach Tin Project to the market. This large scale, capital intensive project required construction capital of approximately USD 131 M to establish the 1 Mtpa project and in a weak financing, commodity and equity market, the capital requirement was a significant impost to project development.

To address these issues and the continued persistent fall in the LME tin price during 2015 (**Figure 1**), Kasbah commenced investigation into a lower cost development model for the Achmmach Tin Project.

On 9 February 2016 the Company completed a pre-feasibility study (PFS) into a Small Start Option (SSO) for Achmmach. Total project investment was estimated at a PFS level assessment to be approximately USD 56M reducing some of the challenges around project financing.

Importantly, this two stage, lower capital approach with a shift to contract mining, ore transport and crushing increased operational flexibility while maintaining the long term integrity of the Achmmach resource. These combined factors indicated that the SSO PFS concept provided a technically and economically viable option for the development of the Achmmach Tin Project and as such it was advanced to a definitive feasibility study (DFS) level of assessment.

Figure 1: LME Tin Price and LME Tin Stocks (2014 – July 2016)



On 10 August 2016 the Achmmach SSO DFS was released to the market[1]. The 2016 Achmmach SSO DFS defined a lower capital, higher grade, staged development opportunity that is technically and economically feasible at current LME tin prices (Table 1).

Importantly the Project Construction capital (on a 100% basis) is estimated to be USD 61.7 M with all in sustaining costs (AISC) of USD 11,507 / t of tin in concentrate.

The Achmmach SSO DFS is premised upon a hard rock underground tin mine with a ten year life that is developed in two stages. Stage 1 production initially commences at 0.5 Mtpa for 42 months then is expanded in Stage 2 to 0.75 Mtpa for 80 months (the remainder of the mine life).

This staged approach utilises contract mining, contract crushing and modular plant design and unlike the 1 Mtpa scale contemplated in the EDFS where the full capacity was installed upfront, the SSO offers greater operational flexibility.

Table 1: Achmmach SSO DFS Metrics

@ LME Sn price @ 21/07/16 of USD 17,830 / t						
SSO	**Ore Reserve**	**Life of Mine (LOM)**	**Project Construction Capital USD**	**All in sustaining costs (AISC) USD / t of tin in concentrate**	**NPV[8] after tax USDM (100% of Project)**	**IRR%**
DFS	6.56 Mt @ 0.85 % Sn for 55,500 t of contained tin	10.5 Years	61.7 M	11,507	51	20.6

The SSO has maintained competitive all-in sustaining costs and at current LME tin prices generates positive substantial returns.

[1] *refer to ASX release of 10 August 2016 "DFS Confirms Project Economics for Achmmach Tin Project" for full details of the SSO DFS.*

1. PROJECT DEVELOPMENT

1.1 ACHMMACH TIN PROJECT (75% Kasbah, 20% Toyota Tsusho Corp, 5% Nittetsu Mining Co. Ltd)

The 2016 Achmmach SSO DFS incorporates:

- **Mining an ore reserve of 6.56 Mt of ore -** grading 0.85% Sn for a total of 55,500 t of tin metal over a 10.5 year mine life (**table 5**);
- **Adopting a staged approach to mill production –** Stage 1 has an annual throughput of 0.5M tpa and treats ≈1.65 Mt tonnes of tin ore at ≈1.00 % Sn over 42 months. Stage 2 sees production expanded to 0.75 Mtpa and treating 4.9 Mt of ore at ≈ 0.79 % Sn for the remaining 80 months (**table 2**);
- **A simplified, modern mine design –** utilising an experienced underground mining contractor with long hole open stoping and crushed rock fill as the primary mining method;
- **Contract mining and crushing –** project construction capital is reduced and project ramp up is accelerated by utilising experienced third parties to provide these services;
- **Increased metallurgical recovery -** higher run of mine grades in Stage 1 facilitates metallurgical recoveries of 73.4% which enhances cash flow in the crucial first years of production;
- **Modular plant design –** this type of engineering design reduces processing capital, operating power requirements, construction complexity and field installation costs; and
- **Reduction in surface infrastructure –** the smaller project scale and a fit for purpose design philosophy has reduced costs in this area.

The staged mining approach (**Table 2**) is premised upon a 0.8% Sn mine cut-off grade in Stage 1 delivering run of mine grades of approximately 1.00 % Sn. The reduction to a 0.55% cut-off grade in Stage 2 sees production expand to 0.75 Mtpa and tin production maintained at a consistent level of **≈3,970 tonnes** of tin in concentrate per annum across the life of mine.

The higher run of mine ore grades in Stage 1 of ≈1.0% Sn result in an increase in metallurgical recovery to 73.4%, with production of approximately 292 tonnes/month of tin in concentrate. In Stage 2, as run of mine ore grade returns to approximately 0.80% Sn, metallurgical recovery reduces to 72.2% to produce approximately 351 tonnes/month of tin in concentrate. Tin concentrates will be a saleable industry standard of ≈55% Sn.

Table 2: 2016 DFS - Staged Mining Metrics

DFS metrics	Stage 1	Stage 2
Cut-off grade	0.8% Sn	0.55% Sn
ROM tonnes and grade	**1.89 Mt @ 0.96 % Sn**	**4.67 Mt @ 0.80 % Sn**
Delivering	18,235 t contained tin to mill	37,310 t contained tin to mill
Processing	0.5 Mtpa over 42 months	0.75 tpa over 80 months
Total Tin in Concentrate produced	12,255 tonnes (292 tpm)	28,114 tonnes (351 tpm)

Tables 3 and **4** summarise the key technical and financial outputs from the August 2016 DFS.

Table 3: Achmmach 2016 DFS Technical Summary

Parameter	Units	DFS
Ore Reserve[A]	Mt	6.56
Stage 1 mined ore grade	%	0.96
Stage 2 mined ore grade	%	0.80
Average annual tin in concentrate produced	t	3,970
Total Tin concentrate shipped	t	73,950
Tin Concentrate grade	%	55
Total LOM Tin in concentrate shipped	t	40,370
Total Project life	months	132
Mine production period	months	126
Mill production period	months	122
Project construction capital	**USD M**	**61.7**
Operating costs		
C1[B]	USD/t tin	8,999
C3[C]	USD/t tin	13,778
All in sustaining cost (AISC)	**USD/t tin**	**11,507**

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

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

[C] *C3 cost is the sum of C1 cost, depreciation & amortisation, royalties and project related corporate costs.*

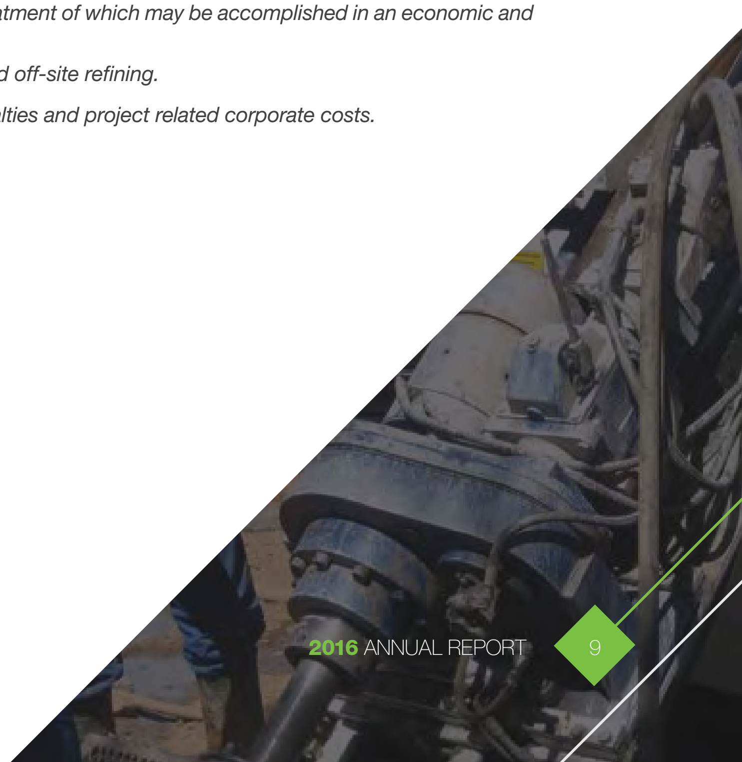


Table 4: Achmmach 2016 DFS Financial Summary

Parameter		DFS
Project construction capital	USD M	61.7
+ First fill, spares and working capital	USD M	8.2
+ Contingency	USD M	5.4
+ VAT and other charges	USD M	3.2
Total Project Investment to Peak Funding	USD M	78.5
Revenue @ LME Sn price @ 21/7/16 of USD 17,830	USD M	678
Free cash	USD M	120
Payback	**months**	**46**
NPV_8 after tax (100% of Project)	**USD**	**51**
NPV_8 after tax (Kasbah 75% share of Project)	**USD**	**38**
Project IRR	**%**	**20.6**

Peak funding excludes financing costs for the project and covers the period from the first drawdown of Project funds to the date upon which the Project generates positive cash flow.

2016 Achmmach Ore Reserve

The Ore Reserve that supports the 2016 SSO DFS was announced concurrently and has been estimated by Entech of Perth, Western Australia and uses Measured and Indicated Resources reported to the market on 10 September 2013 (for Meknes Trend) and 25 November 2014 (for the Western Zone).

The 2016 Ore Reserve (**Table 5**) is defined entirely within the main mining permit at Achmmach (PE2192), covers the Meknes Trend and the Sidi Addi Trend (the main tin mineralised structures defined within PE2912) and underpins the DFS mine life of **10.5 years** (126 months).

Table 5: Achmmach Ore Reserve 2016

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

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

While the DFS is based solely upon the Achmmach Ore Reserve, exploration upside and mine life extension at Achmmach is probable from repetition of deeper targets within the main 1.6 km long Meknes Trend and the parallel, 1.6km long Sidi Addi Trend. The Meknes Trend has been extensively drilled from natural surface across its full 1.6 km of strike to a depth of approximately 550m. It has not been drilled below 600m and deeper extensions to the known tin structures may exist.

The Western Zone target is the first ore reserve to be defined on the Sidi Addi Trend at Achmmach. Limited shallow drilling across 200m of the full 1.6 km strike has defined the Western Zone reserve. Limited exploration has been undertaken across Sidi Addi and deeper and along strike targets may exist.

Figure 2: Achmmach Tin Project - two parallel, 1.6km long tin mineralised trends

DFS Conclusions

The more modest capital requirements of the Small Start Option, higher early run of mine grades and the competitive operating cost profile for the Achmmach Tin Project confirm the staged development as a lower capital proposition than the 1 Mtpa model previously considered. The Small Start Option can provide an operating platform with attractive operating margins at an estimated all in sustaining cost (AISC) of USD 11,507 / t and it can also be expanded to maximise returns to our shareholders as the LME tin price rises.

1.2 Environment and Community Engagement

The Project environmental status is good, supported by valid permits. The rehabilitation planting programme has been completed and forestry care and maintenance is continuing.

Water bore monitoring continued through 2015-16 with no changes in status or condition observed.

The Company continued to interact with the local Administration.

2. EXPLORATION

2.1 Morocco

During the year the Company's exploration programme focussed on low cost exploration on regional targets across the Ment and Zaer Granite areas.

Ment Granite package (100% KAS)

The regional Ment Granite package is prospective for tin mineralisation. A field visit to the Ment permits during the year revealed new surface tin mineralisation of up to 2% Sn identified with a hand held Niton XRF.

Zaer Granite package (100% KAS)

A surface trenching programme has been prepared across these prospective tin permits and will be commenced once access issues are resolved with the local authorities and the agriculture cooperative.

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.

2.2 Rwanda

In the 2015 December quarterly report released on 28 January 2016 the Company announced it had terminated its investigations in Rwanda to focus on the completion of the Definitive Feasibility Study on the Achmmach Small Start Option.

3. CORPORATE

3.1 Relocation of Corporate Head Office

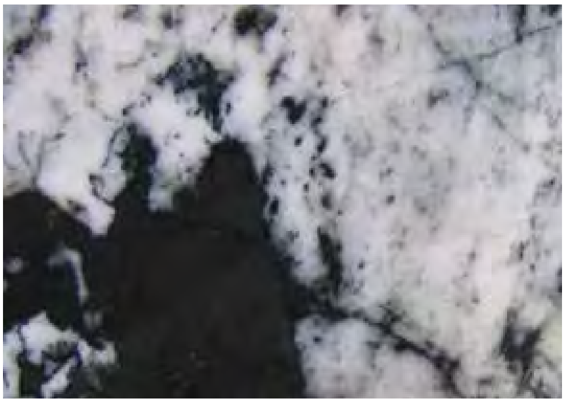
As per the Corporate Cost Reduction programme previously announced to the market, Kasbah relocated its Corporate Head office in July 2015 to 11 Moreau Mews, Applecross, WA 6153.

3.2 New Director Appointments

On 3 August 2015 Kasbah announced the appointment of Mr Giles Robbins and Mr Mike Brook as Non-executive Directors to the Kasbah Board. As nominee directors for Thaisarco and African Lion, Mr Robbins and Mr Brook respectively, will not receive any remuneration from the Company for fulfilling these positions.

3.3 Final Achmmach Instalment Payment

On 19 May 2016 the Company advised that the final USD 1 million instalment payment due under the Assignment Agreement dated 7 July 2011 for the Achmmach Tin Project permits has been made to the Office National Des Hydrocarbures Et Des Mines (ONHYM). The final payment secured all of the mining permits associated with the Achmmach Tin Project.



Post the end of the 2015/2016 financial year the Company made the following key announcement.

3.4 Asian Mineral Resources to Acquire Kasbah Resources

On 11 August 2016, Kasbah and Asian Mineral Resources Limited (**"AMR"**) (TSX-V: ASN) announced that they had entered into a Scheme Implementation Agreement (the **"SIA"**) pursuant to which AMR will, if implemented, acquire all of the ordinary outstanding shares of Kasbah (the **"Kasbah Shares"**) by way of a scheme of arrangement under the Australian Corporations Act (the **"Transaction"**).

The Board of Kasbah has unanimously recommended that all Kasbah shareholders vote in favour of the Transaction in the absence of a superior proposal. Major shareholders of Kasbah, being Lion Selection Group (African Lion Fund), Traxys Projects L.P. and Thailand Smelting and Refining Co. together holding approximately 26.7% of Kasbah's issued share capital, have agreed to vote in favour of the Transaction based on the disclosed terms of the scheme and in the absence of a superior proposal[1].

Closing of the Transaction is expected to occur during November 2016.

[1] The individual shareholdings of the relevant major shareholders are as follows: Lion Selection Group (African Lion Fund) (15.7%), Traxys Projects (5.3%) and Thailand Smelting and Refining Co. (5.7%)

HIGHLIGHTS OF THE PROPOSED TRANSACTION

- **AMR brings an experienced management team with a track record of successful underground mine development and operations arising from its operation of the Ban Phuc Nickel Mine in Vietnam;**
- **As a cornerstone shareholder of the combined entity, Pala Investments Ltd ("Pala") has provided a commitment to provide its pro rata share of any equity raising in relation to the Achmmach Tin Project, as well as an interim A$1,000,000 bridge loan to Kasbah;**
- **Once completed, the Transaction will provide a clear path to the commencement of construction at Achmmach (subject to the decision of the AMR board on an appropriate project financing package); and**
- **The Transaction provides upside opportunities for both AMR and Kasbah shareholders with exposure to upswings in both tin and nickel, a diversified asset base and potential for future growth.**

Under the SIA, in exchange for each of their shares, Kasbah shareholders will receive (together, the "**Scheme Consideration**"):

a. either 1.3 common shares of AMR (**"AMR Shares"**) to be listed on the TSX Venture Exchange (the **"TSX-V"**) or 0.13 CHESS Depositary Interests (**"CDIs"**), with each CDI representing a beneficial interest in 10 AMR Shares (**"AMR Share CDIs"**) which, subject to the approval of the Australian Securities Exchange (the **"ASX"**), will be quoted on the ASX following the implementation of the Transaction; and

b. either 0.4 of a warrant to subscribe for one AMR Share (**"AMR Warrants"**) to be listed on the TSX-V or 0.04 of a CDI, with each CDI representing a beneficial interest in 10 AMR Warrants (**"AMR Warrant CDIs"**) which, subject to the approval of ASX, will be quoted on the ASX following implementation of the Transaction.[2]

Based on the closing price of AMR common shares on TSX-V on 5 August 2016 of C$ 0.025 and using a currency exchange rate of A$ 0.9965 per C$1, the Scheme Consideration:

- values each Kasbah Share at A$ 0.038[3]; and
- represents premiums of 15.3% over the 60-day volume weighted average price ("VWAP") of Kasbah Shares and 19.6% over the 90-day VWAP of Kasbah Shares, each up to and including trading on 19 July 2016 (being the last trading day for Kasbah Shares prior to its current trading suspension.[4]

The SIA has been unanimously approved by the boards of directors of Kasbah and AMR. The Transaction will be subject to, among other things, Kasbah shareholder approval, TSX-V approval, ASX approval of the quotation of AMR Share CDIs and AMR Warrant CDIs, receipt of all necessary regulatory and Australian court approvals, as well as the satisfaction of certain other conditions customary for a transaction of this nature.

Full details of the conditions to the Transaction and all other material terms are set out in the Company's ASX announcement dated 11 August 2016.

[2] Kasbah shareholders will receive a form on which they can elect which type of consideration they wish to receive.

[3] This includes a Black-Scholes valuation of the AMR Warrants of C$0.0138 per warrant.

[4] Based on the 60 day and 90 day VWAPs of AMR Shares, a total 556,005,400 Kasbah Shares on issue and the period prior to the suspension of trading of Kasbah's shares on 19 July 2016. In addition, 222,402,160 AMR Warrants or 22,240,216 AMR Warrant CDIs will be issued to Kasbah shareholders as part of the Transaction.

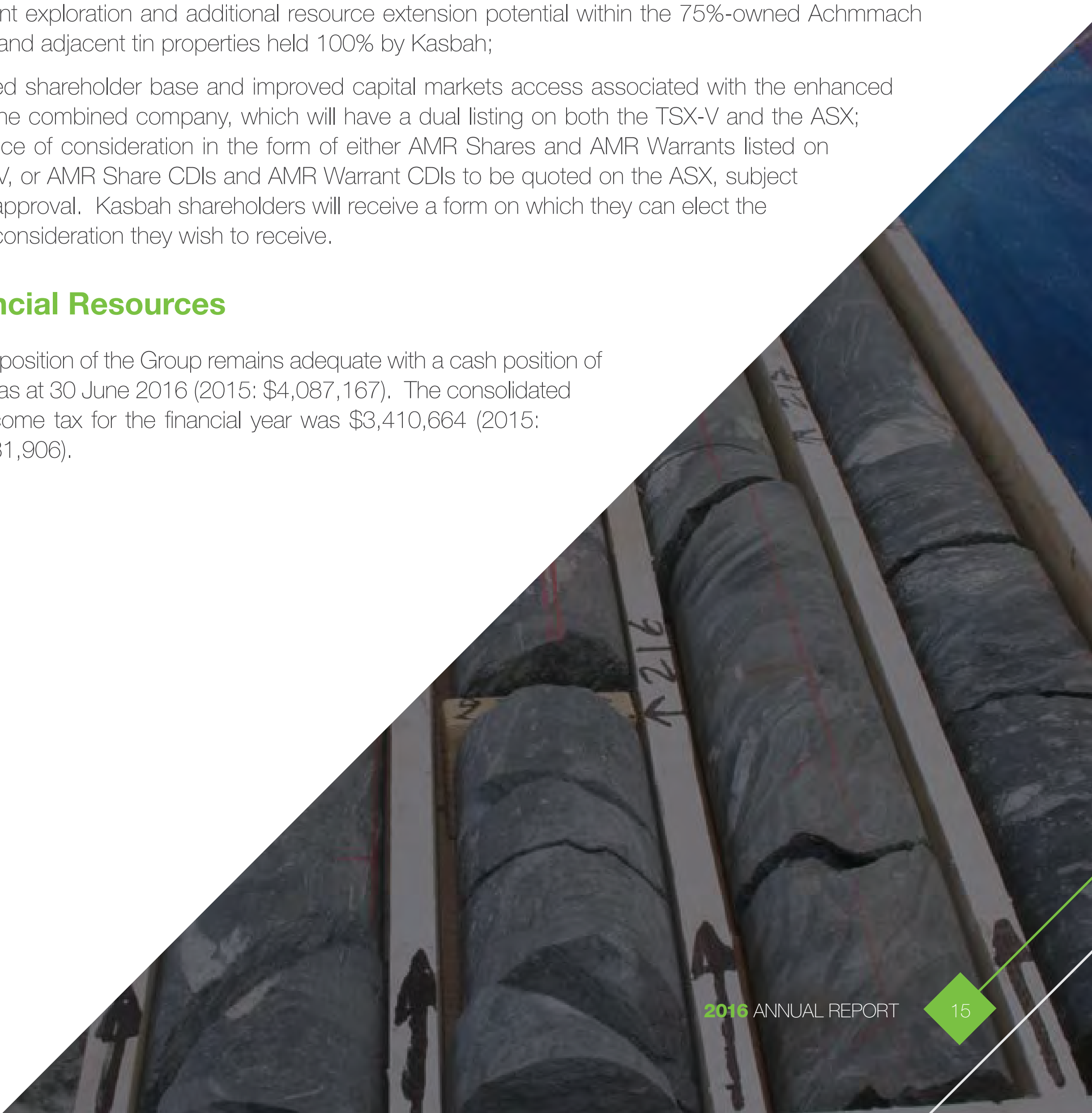
BENEFITS OF THE PROPOSED TRANSACTION TO SHAREHOLDERS

Shareholders of AMR and Kasbah are expected to realize the following benefits from the Transaction:

- Material upfront premium to Kasbah shareholders of 15.3% over the 60-day VWAP and 19.6% over the 90-day VWAP of Kasbah Shares (up to and including trading on 19 July 2016 being the last trading day for Kasbah Shares prior to its trading suspension);
- Ongoing support from Pala, a leading mining investment fund, and a clear path to proceeding with the financing and development of the Achmmach Tin Project;
- Ability to participate in the creation of a geographically diversified base metals platform;
- Experienced combined management team with a strong track record of successfully exploring, developing, constructing and operating similar-sized underground base metal mines in challenging jurisdictions;
- Ability to leverage board and management expertise to use the combined group as an international base metals consolidation platform;
- Significant exploration potential associated with the Ban Phuc sulphide nickel project in Vietnam;
- Significant exploration and additional resource extension potential within the 75%-owned Achmmach permits and adjacent tin properties held 100% by Kasbah;
- Diversified shareholder base and improved capital markets access associated with the enhanced size of the combined company, which will have a dual listing on both the TSX-V and the ASX; andChoice of consideration in the form of either AMR Shares and AMR Warrants listed on the TSXV, or AMR Share CDIs and AMR Warrant CDIs to be quoted on the ASX, subject to ASX approval. Kasbah shareholders will receive a form on which they can elect the type of consideration they wish to receive.

3.5 Financial Resources

The financial position of the Group remains adequate with a cash position of \$1,170,691 as at 30 June 2016 (2015: \$4,087,167). The consolidated loss after income tax for the financial year was \$3,410,664 (2015: loss of \$6,481,906).

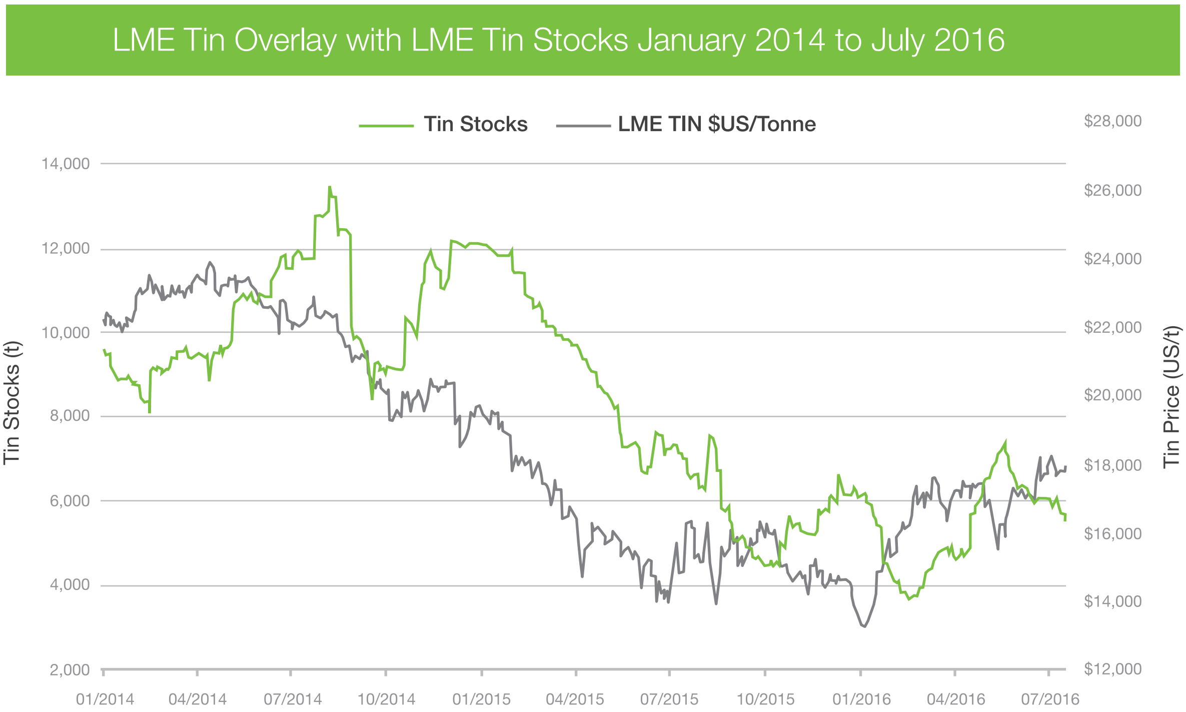


4. TIN MARKET

4.1 Three key market factors continue to drive LME tin lower

LME Tin remained a volatile space during 2015-2016 as is evident in the wild price swings depicted in Figure 4 below.

Figure 4: LME Tin Price and LME Tin Stocks (2014 – July 2016)



Tin demand globally remained weak in 2015-2016 with the key factors impacting the sector remaining as:

- Uncertainty as to sustainability and volume of new, low cost tin production from North Eastern Myanmar;
- Erratic Indonesian and Chinese tin exports; and
- Commodity fund speculation in tin.

Myanmar

The CRU Tin Monitor in June 2016 estimated 2016 tin in concentrate production from Myanmar to rise 17% to some 49,000 tonnes, but based upon some widely divergent underlying trends. Mining activity at some 200 sites in the Man Maw area (of the Wa State, North Eastern Myanmar) was reported by informal sources to have declined considerably this year, with the number of workers having more than halved from peak levels of some 50,000 – 60,000 to around 20,000 currently. However, there were sizeable stockpiles of ore above ground and available for processing and that there is always a possibility of new sites being discovered and exploited.

OPERATIONS REVIEW (continued)

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. The CRU Tin Monitor in June 2016 had noted that money managers had built up significant net long positions in all main LME contracts, with tin and zinc mostly heavily bought relative to the overall size of the markets. However from early May, the US dollar began a strong revival in expectation of interest rate rises in June or July and the money moved out of metals, with tin falling by $2,000/t in three weeks.

Chinese Production Cutbacks not implemented

In January 2016 a group of large Chinese tin smelters announced that they would reduce tin production by up to 17,000 t in 2016 in response to the weak tin price. This 17,000 ton planned cutback would have represented a 12 percent drop from 2015 production levels and been equivalent to 4-5 percent of global output.

By June 2016 the CRU Tin Monitor reported that the proposed cuts had not occurred and that, although there are no official statistics available this year, the CRU estimates that China's refined tin production has increased in the past few months because of the higher price.

Indonesia

Indonesian tin exports were very weak in the first quarter of 2016. Since then exports have revived in April-May, although there has been no big surge in supply, as has occurred in the recent past when temporary regulatory constraints have been relaxed.

The 66,000 tonnes export volume forecast by the Association of Indonesian Tin Exporters (AETI) is now at the top of the range, with the low end seen at around or a little below 60,000 tonnes. The CRU forecast of refined metal production (for 2016) is in the middle, at 63,000 tonnes.

On an industry basis, the CRU Tin Monitor noted that the ongoing attempts to control the Indonesian tin sector more strictly were evident in the report on recent smelter audits announced by the energy and mineral resources ministry in mid-May. The ministry's inspector general noted that there has been a sharp drop in the number of active producers (from 47 to 29) and that only 498 out of 755 mining licences had been passed as "clean and clear". The active smelter numbers are consistent with the number of companies on the membership lists of AETI and ICDX, with many smelters unable to meet quality standards or document their ore sources dropping out of the business. Industry rationalisation will continue.

Smelter capacity utilisation was calculated at only 21% last year and is still much lower than in the rest of the world, while control of or access to legitimate mining leases has become a critical factor.

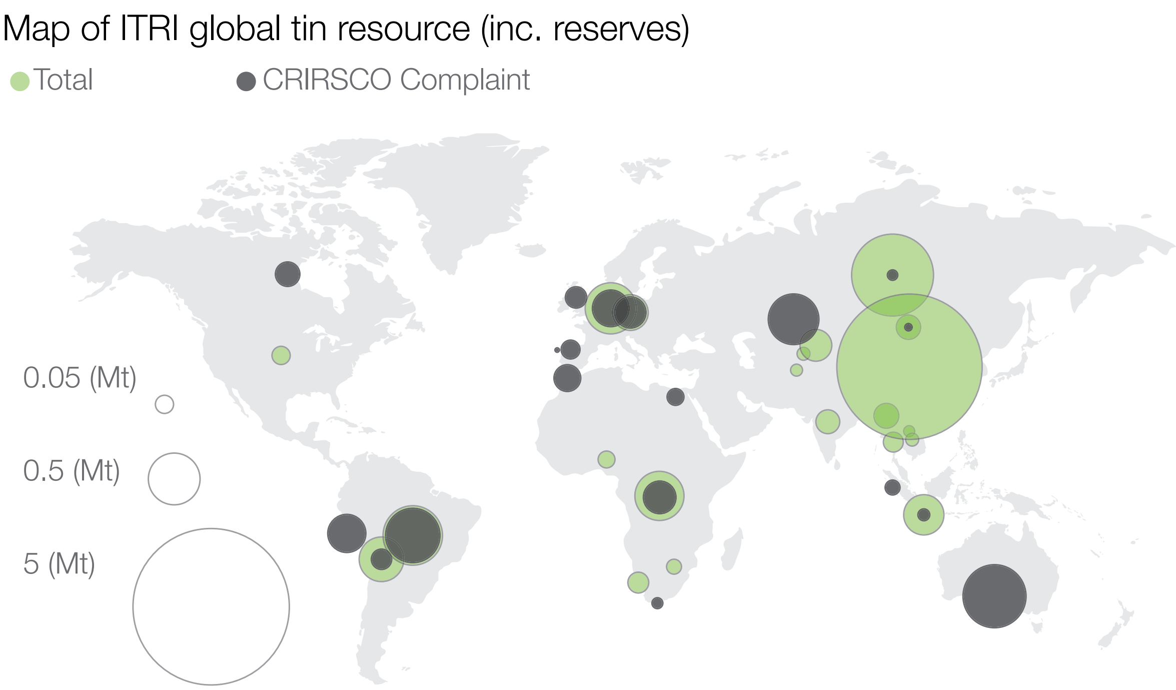
4.2 Outlook for tin supply

The April 2016 CRU Tin Monitor stated that World tin production has been quite stable in recent years, with refined tin production between roughly 330,000 tpa and 370,000 tpa and mine production between 280,000 tpa and 310,000 tpa, the difference between the two filled by some 50,000 - 70,000 tpa of secondary refined tin production. Whether the market share of recycled tin will grow or decline in the future will largely depend on the balance between improvements in tin recycling technology and economics versus the falling concentrations of tin found in end-of-life products as a result of economisation.

It is clear that many existing tin mines and mining regions globally are past their peak and production is declining, Peru and Indonesia being good examples. The need for a new generation of tin mines will grow over the next decade and it is expected that resources and reserves from promising projects will grow significantly over this period, particularly when a recovery in tin prices can renew investor interest in tin exploration and development.

From this analysis, at a global level there is no reason to suggest that remaining tin deposits will be unable to sustain a long term, gradual upward trend in primary tin demand well into the future, although for many tin projects, a rise in tin prices or development of more efficient exploration and mining technologies will be required to make the economic case for development.

Figure 5: ITRI Map of Global Tin Resources [1]



Data: ITRI, *Resources reported by country and do not reflect location of individual mineral deposits

[1] *CRIRSCO - Committee for Mineral Reserves International Reporting Standards*

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 Chief Operating Officer of Kasbah Resources Limited oversees reviews and technical evaluations of the estimates and evaluates these with reference to actual physical, 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 Chief Operating Officer 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 and Entech respectively. 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.

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.

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 2016.

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)
- **David Sher** (Alternate Director for Giles Robbins – appointment term 9 August 2016 to 5 September 2016)

Principal Activities

The principal activity of the Group during the year was the evaluation of its flagship Achmmach Tin Project in Morocco through the Small Start Option Feasibility Studies.

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 $3,410,664 (2015: loss of $6,481,906).

The cash position of the Group as at 30 June 2016 was $1,170,691 (2015: $4,087,167). The Company undertook the Small Start Option Pre-Feasibility Study for the Achmmach Tin Project during the financial year and subsequent to the end of the financial year released the Small Start Option Definitive Feasibility Study results.

A full review of the operations is set out in the Operations Review on pages 6 - 19.

Significant Changes in the State of Affairs

On 9 February 2016 the Company released the Pre-Feasibility Study for the Achmmach Tin Project Small Start Option.

On 19 May 2016 the Company announced that it had completed the final payment to Office National Des Hydrocarbures Et Des Mines (ONHYM) in Morocco, securing all the mining permits associated with the Achmmach Tin Project.

Matters Subsequent to the End of the Financial Year

On 10 August 2016, the Company released the Definitive Feasibility Study for the Achmmach Tin Project Small Start Option. The Definitive Feasibility Study determined that a 0.5 Mtpa, high grade underground operation at Achmmach is technically and commercially feasible.

On 11 August 2016, the Company announced together with Asian Mineral Resources Limited (TSX-V: AMR) that they have entered into a Scheme Implementation Agreement pursuant to which Asian Mineral Resources Limited will, if implemented, acquire all of the ordinary outstanding shares of Kasbah Resources Limited by way of a scheme of arrangement under the Australian Corporations Act.

On 5 September 2016, the Company announced it had received A$500,000 from Pala Investments Limited as the first instalment of a A$1,000,000 loan facility made available to Kasbah Resources Limited pursuant to the Scheme Implementation Agreement entered into between Kasbah Resources Limited and Asian Mineral Resources Limited.

No other matters or circumstances have arisen since 30 June 2016 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 now explore funding options for the Achmmach Tin Project.

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 47 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 24 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 16 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 and Non-executive Chairman of Rimfire Pacific Mining NL (appointed 25 July 2016).

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

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

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)

Mr David Sher, MBA, MMath, CFA

Non-executive Alternate Director for Giles Robbins – Appointment term 9 August 2016 to 5 September 2016

David Sher holds a Masters in Mathematics from the University of Cambridge and an MBA from INSEAD, and is a CFA Charterholder. He is currently Group Managing Director at the AMC Group, and has been a Director of the AMC Group since 2015. David has not held any other publicly listed company directorships in the last three years.

David 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 12 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' Meetings

The numbers of meetings of the Company's Board of Directors and of each board committee held during the year ended 30 June 2016, and the numbers of meetings attended by each Director were:

	Board Meetings		Audit Committee Meetings		Remuneration Committee Meetings	
Name of Director	Attended	Held	Attended	Held	Attended	Held
Rodney Marston	15	15	3	3	1	1
Wayne Bramwell	15	15	-	-	-	-
Ian McCubbing	15	15	3	3	1	1
Gabrielle Moeller	15	15	3	3	1	1
Giles Robbins	15	15	-	-	-	-
Mike Brook	15	15	-	-	-	-

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.

Non-executive Directors' Remuneration

In June 2015, the Group announced a series of cost reduction initiatives including the reduction in Non-executive Directors' remuneration which have remained in place throughout the 2016 financial year. 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. This initiative remained in place throughout the 2016 financial year.

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 and 2016 financial years.

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.

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 2016, no remuneration consultants were engaged by the Company.

Voting at the Company's 2015 Annual General Meeting (AGM)

At the 2015 AGM, 67% of the votes received did not support the adoption of the remuneration report for the year ended 30 June 2015 and as such the Company has recorded a first strike in accordance with the Corporations Act 2001. 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
- **Giles Robbins** – Non-executive Director (appointed 3 August 2015)
- **Mike Brook** – Non-executive Director (appointed 3 August 2015)

And the following persons:

- **Mike Kitney** – Chief Operating Officer
- **Trevor O'Connor** – Chief Financial Officer and Company Secretary

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	2016	283,500	-	26,933	7,074	-	317,506
	2015	355,243	-	30,000	11,493	(124,559)	272,177
Non-executive Directors							
Rodney Marston – Non-executive Chairman	2016	41,096	-	3,904	-	-	45,000
	2015	78,577	-	7,465	-	-	86,042
Gabrielle Moeller – Non-executive Director	2016	30,000	-	-	-	1,944	31,944
	2015	46,667	-	-	-	7,519	54,185
Ian McCubbing – Non-executive Director	2016	32,397	-	2,603	-	-	35,000
	2015	49,694	-	4,681	-	-	54,375
Giles Robbins – Non-executive Director *	2016	-	-	-	-	-	-
Mike Brook – Non-executive Director *	2016	-	-	-	-	-	-
Robert Weinberg – Non-executive Director **	2015	48,495	-	-	-	-	48,495
Gary Davison – Non-executive Director **	2015	41,096	-	3,904	-	-	45,000
Total	**2016**	**386,993**	**-**	**33,439**	**7,074**	**1,944**	**429,451**
Total	**2015**	**619,771**	**-**	**46,050**	**11,493**	**(117,041)**	**560,274**

Name	Year	Short-term		Post Employment	Long-term	Share based payments	Total
		Salaries & Fees	Cash Bonus	Superannuation	Long Service Leave	Options	
		$	$	$	$	$	$
Key Management Personnel							
Mike Kitney (Chief Operating Officer)	2016	232,248	-	30,930	12,556	-	275,733
	2015	283,019	-	34,987	10,556	(62,280)	266,282
Trevor O'Connor (CFO & Company Secretary)	2016	198,660	-	18,873	9,972	-	227,505
	2015	240,048	-	22,805	8,296	(62,280)	208,868
Total	**2016**	**430,908**	**-**	**49,803**	**22,527**	**-**	**503,238**
Total	**2015**	**523,067**	**-**	**57,791**	**18,851**	**(124,559)**	**475,150**

* *Mr Robbins and Mr Brook were appointed to the Board on 3 August 2015. In accordance with the Company's Remuneration Policy, no remuneration is provided where Non-executive Directors have been appointed as representatives of significant shareholders.*

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

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*	
	2016	2015	2016	2015	2016	2015
Executive Directors						
Wayne Bramwell	100%	100%	-	-	-	-
Non-executive Directors						
Rodney Marston	100%	100%	-	-	-	-
Ian McCubbing	100%	100%	-	-	-	-
Gabrielle Moeller	94%	86%	-	-	6%	14%
Giles Robbins	-	-	-	-	-	-
Mike Brook	-	-	-	-	-	-
Robert Weinberg	-	100%	-	-	-	-
Gary Davison	-	100%	-	-	-	-
Key Management Personnel						
Mike Kitney	100%	100%	-	-	-	-
Trevor O'Connor	100%	100%	-	-	-	-

* *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	
	2016	2015	2016	2015
Executive Directors				
Wayne Bramwell	N/A	0%	N/A	100%
Key Management Personnel				
Mike Kitney	N/A	0%	N/A	100%
Trevor O'Connor	N/A	0%	N/A	100%

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.
- Mr Bramwell may terminate the agreement by providing three months written notice. In addition should Mr Bramwell's role and duties as described in his Executive Services Agreement materially change, a redundancy situation occurs or the Company is in material default of its obligations, Mr Bramwell can terminate the contract immediately with the Company required to pay 12 months' salary inclusive of superannuation.
- The Company may terminate the agreement by providing twelve months written notice.
- There are no termination benefits to be paid other than in the circumstances above.

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 three months' written notice.
- The Company may terminate the agreement by providing six months' written notice.
- There are no termination benefits to be paid.

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 three months' written notice.
- The Company may terminate the agreement by providing six months' written notice.
- 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 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	100

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.

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 2016 are set out below:

Name	Number of Options Granted during the Year		Number of Options Vested during the Year	
	2016	2015	2016	2015
Rodney Marston	-	-	-	-
Wayne Bramwell	-	-	-	-
Ian McCubbing	-	-	-	-
Gabrielle Moeller	-	500,000	250,000	250,000
Giles Robbins	-	-	-	-
Mike Brook	-	-	-	-
Mike Kitney	-	-	-	-
Trevor O'Connor	-	-	-	-

No options over ordinary shares were granted or exercised for directors and other key management personnel as part of compensation during the year ended 30 June 2016. 11,000,000 options lapsed during the year at nil value. The value is determined at the time of lapsing, but assuming the condition was satisfied.

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	Purchased	Other	Balance at the end of the year
Rodney Marston	2,326,018	-	-	2,326,018
Wayne Bramwell	10,800,000	-	-	10,800,000
Ian McCubbing	260,000	-	-	260,000
Gabrielle Moeller	2,293,850	4,293,500	-	6,587,350
Giles Robbins	-	-	-	-
Mike Brook	-	-	-	-
Mike Kitney	537,909	-	-	537,909
Trevor O'Connor	-	-	-	-

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	5,000,000	-	-	(5,000,000)	-
Ian McCubbing	500,000	-	-	(500,000)	-
Gabrielle Moeller	500,000	-	-	-	500,000
Giles Robbins	-	-	-	-	-
Mike Brook	-	-	-	-	-
Mike Kitney	2,500,000	-	-	(2,500,000)	-
Trevor O'Connor	2,500,000	-	-	(2,500,000)	-

This concludes the remuneration report, which has been audited.

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
27 November 2014	27 November 2017	0.12	500,000
			500,000

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 2016 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 16 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 16 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 37.

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 16 September 2016 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

16 September 2016
Perth

AUDITOR'S INDEPENDENCE DECLARATION

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Australia

DECLARATION OF INDEPENDENCE BY JARRAD PRUE TO THE DIRECTORS OF KASBAH RESOURCES LIMITED

As lead auditor of Kasbah Resources Limited for the year ended 30 June 2016, 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.

JPrue

Jarrad Prue

Director

BDO Audit (WA) Pty Ltd

Perth, 16 September 2016

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the year ended 30 June 2016

		Consolidated	
	Note	2016 $	2015 $
Revenue from continuing operations	3	50,801	103,516
Other Income	3	1,000	489,057
Exploration and evaluation expenditure		1,501,009	2,977,226
Impairment expense	4	251,431	806,154
Employee option based payment expense		1,944	(239,649)
Accounting and corporate fees		199,838	516,609
Employee benefits expenses		921,382	1,303,558
Administration expenses		175,941	509,031
Project financing expenses		-	394,969
Depreciation and amortisation expenses	4	220,731	316,062
Occupancy expenses		53,738	198,481
Other expenses from ordinary activities		136,451	292,038
(Loss) from continuing operations before tax expense		(3,410,664)	(6,481,906)
Income tax benefit/(expense)	5	-	-
(Loss) after tax from continuing operations		**(3,410,664)**	**(6,481,906)**
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss			
Foreign currency translation difference on foreign operations		186,783	(185,892)
Total comprehensive loss for the year		**(3,223,881)**	**(6,667,798)**

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

for the year ended 30 June 2016

	Note	Consolidated 2016 $	Consolidated 2015 $
Total loss for the year is attributable to:			
Non-controlling interest		(388,207)	(892,963)
Owners of Kasbah Resources Limited		(3,022,457)	(5,588,943)
		(3,410,664)	**(6,481,906)**
Total comprehensive loss for the year is attributable to:			
Non-controlling interest		(344,788)	(933,250)
Owners of Kasbah Resources Limited		(2,879,093)	(5,734,548)
		(3,223,881)	**(6,667,798)**
Loss per share for the year attributable to the members of Kasbah Resources Limited:			
Basic (loss) per share (cents per share)	22	(0.54)	(1.48)
Diluted (loss) per share (cents per share)	22	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

as at 30 June 2016

	Note	Consolidated 2016 $	Consolidated 2015 $
Current Assets			
Cash and cash equivalents	6	1,170,691	4,087,167
Trade and other receivables	7	154,054	1,774,806
Non-current assets classified as held for sale	8	1	1
Total Current Assets		1,324,746	5,861,974
Non-current Assets			
Property, plant and equipment	9	151,826	355,227
Exploration and evaluation expenditure	10	5,617,412	5,302,014
Total Non-current Assets		5,769,238	5,657,241
TOTAL ASSETS		**7,093,984**	**11,519,215**
Current Liabilities			
Trade and other payables	11	742,040	2,428,976
Total Current Liabilities		742,040	2,428,976
Non-current Liabilities			
Employee Entitlements		69,953	44,548
Total Non-Current Liabilities		69,953	44,548
TOTAL LIABILITIES		**811,993**	**2,473,524**
NET ASSETS		**6,281,991**	**9,045,691**
Equity			
Issued capital	12	63,293,010	63,293,010
Reserves	13	28,453,016	28,307,707
Accumulated losses		(85,101,519)	(82,079,062)
Parent Entity Interest		6,644,507	9,521,655
Non-Controlling Interest	14	(362,516)	(475,964)
TOTAL EQUITY		**6,281,991**	**9,045,691**

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 2016

Consolidated	Issued Capital $	Accumulated Losses $	Share Based Payments Reserves $	Foreign Currency Translation Reserves $	Other Reserves $	Subtotal $	Non-controlling Interest $	Total $
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)
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**
Balance 1 July 2015	**63,293,010**	**(82,079,062)**	**3,492,343**	**(1,057,986)**	**25,873,350**	**9,521,655**	**(475,964)**	**9,045,691**
Loss for the period	-	(3,022,457)	-	-	-	(3,022,457)	(388,788)	(3,410,664)
Other comprehensive income								
Foreign currency translation differences	-	-	-	143,364	-	143,365	43,419	186,783
Total comprehensive loss for the period	**-**	**(3,022,457)**	**-**	**143,364**	**-**	**(2,879,093)**	**(344,788)**	**(3,223,881)**
Transactions with owners in their capacity as owners								
Share based payments	-	-	1,944	-	-	1,944	-	1,944
Non-controlling interest contributed assets	-	-	-	-	-	-	458,236	458,236
Balance 30 June 2016	**63,293,010**	**(85,101,519)**	**3,494,287**	**(914,622)**	**25,873,350**	**6,644,507**	**(362,516)**	**6,281,991**

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

CONSOLIDATED STATEMENT OF CASH FLOWS

as at 30 June 2016

	Note	Consolidated 2016 $	Consolidated 2015 $
Cash flows from operating activities			
Cash paid to suppliers and employees		(1,394,288)	(3,037,659)
Payments for exploration and evaluation		(2,163,463)	(4,769,392)
Interest received		52,535	109,966
Other Income		-	478,637
Net cash outflow from operating activities	**21a**	**(3,505,216)**	**(7,218,448)**
Cash flows from investing activities			
Payment of security deposits and bonds		(9,137)	(63,665)
Refund of security deposits and bonds		1,389,922	33,275
Payments for mining assets		(1,336,977)	(1,360,631)
Payments for plant and equipment		(5,127)	(12,177)
Proceeds from sale of plant and equipment		1,000	33,312
Net cash outflow from investing activities		**39,681**	**(1,369,886)**
Cash flow from financing activities			
Proceeds from share issues		-	6,918,292
Share issue costs		(23,096)	(128,407)
Share issue costs - subsidiary		(95,476)	(309,733)
Proceeds from non-controlling interests		649,987	1,782,692
Net cash inflow from financing activities		**531,414**	**8,262,847**
Net increase/(decrease) in cash held		(2,934,121)	(325,487)
Cash at the beginning of the financial year		4,087,167	4,402,999
Effect of exchange rate fluctuations on cash held in foreign currencies		17,645	9,655
Cash at the end of the financial year	**6**	**1,170,691**	**4,087,167**

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

1. 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.

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.

Going Concern

For the year ended 30 June 2016 the consolidated entity recorded a loss of $3,410,664 (2015: $6,481,906) and had net cash outflows from operating activities of $3,505,216 (2015: $7,218,448) and has working capital of $582,706 at 30 June 2016 (2015: $3,432,998).

On 5 September 2016, the Company announced it had received $500,000 of a $1,000,000 loan facility provided by Pala Investments Ltd to cover working capital and transaction costs relating to the Scheme Implementation Agreement with Asian Mineral Resources Limited. The loan is repayable 12 months from execution date unless the scheme is terminated. If the Independent Technical Expert advises that the transaction is not in the best interests of shareholders, or the shareholders of Kasbah vote against the transaction, the loan is repayable within 3 months of such event.

The ability of the consolidated entity to continue as a going concern is dependent on the approval of the Scheme Implementation Agreement which will facilitate funding. If this does not proceed the consolidated entity will be required to secure additional funding through a capital raising to fund its operational activities and repay the loan facility.

The above conditions indicate a material uncertainty that may cast a significant doubt about the consolidated entity's ability to continue as a going concern and, therefore, that it may be unable to realise its assets and discharge its liabilities in the normal course of business.

The financial statements have been prepared on the basis that the entity is a going concern, which contemplates the continuity of normal business activity, realisation of assets and settlement of liabilities in the normal course of business.

This is on the basis that as outlined previously in note 24 of the accounts "Events Subsequent to Reporting Date", Kasbah Resources Limited has entered into a Scheme Implementation Agreement with Asian Mineral Resources Limited whereby if implemented, Asian Mineral Resources Limited will acquire all of the ordinary outstanding shares of Kasbah Resources Limited by way of a scheme of arrangement under the Australian Corporations Act. Upon completion of the Scheme, Kasbah Resources Limited will be a wholly owned subsidiary of Asian Mineral Resources Limited and the directors believe that Asian Mineral Resources Limited will provide the funding requirements of the consolidated entity, and/or the new merged group given a continuation in the recovery of commodity and capital markets could raise additional funds from other sources if required.

If the Scheme does not proceed, the directors believe that given a continuation in the recovery of commodity and capital markets that it will raise funds from an equity raising, sale of a further interest in the project or other sources which will provide the consolidated entity with sufficient funding to meet its ongoing expenditure and repay the loan facility.

Should the entity not be able to continue as a going concern, it may be required to realise its assets and discharge its liabilities other than in the ordinary course of business, and at amounts that differ from those stated in the financial statements and that the financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or liabilities that might be necessary should the entity not continue as a going concern.

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.

- Note 5 – Taxation
- Note 10 – Recoverability of Exploration and Evaluation Expenditure
- Note 23 - Share Based Payments

Principles of Consolidation

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 2016 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.

Accounting Policies

Refer to note 25 for further information as to the Group's accounting policies.

2. SEGMENT INFORMATION

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.

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	
	2016 $	2015 $
Segment information provided to the Board:		
Revenue from external customers	-	-
Reportable segment loss	(2,133,911)	(5,071,935)
Reportable segment assets	6,175,896	8,058,531
Reportable segment liabilities	(290,858)	(1,935,460)
Reconciliation of revenue from external customers to total revenue is as follows:		
Segment Revenue	-	-
Unallocated		
-Interest	50,801	103,516
Total revenue as per continuing operations	**50,801**	**103,516**
Reconciliation of reportable segment loss to operating loss before income tax is as follows:		
Total loss for reportable segment	(2,133,911)	(5,071,935)
Unallocated		
- Corporate expenses	(1,327,554)	(1,992,444)
- Interest revenue	50,801	103,516
- Other	-	478,957
Loss before income tax from continuing operations	**(3,410,664)**	**(6,481,906)**
Reconciliation of reportable segment assets to total assets		
Segment Assets	6,175,896	8,058,531
Segment Assets includes: Additions to non-current assets:	5,127	11,847
Unallocated		
- Cash	868,949	3,343,929
- Other	49,139	116,755
Total assets as per consolidated balance sheet	**7,093,984**	**11,519,215**
Reconciliation of reportable segment liabilities to total liabilities is as follows:		
Segment Liabilities	(290,858)	(1,935,460)
Unallocated		
- Payables	(328,334)	(403,415)
- Provisions	(192,801)	(134,648)
Total liabilities as per consolidated balance sheet	**(811,993)**	**(2,473,523)**

3. REVENUE AND OTHER INCOME

	Consolidated 2016 $	Consolidated 2015 $
Revenue from continuing operations:		
Interest revenue	50,801	103,516
Other Income:		
- Research & Development rebate received	-	465,106
- Profit on disposal of fixed assets	1,000	10,100
- Other revenue	-	13,851
	1,000	**489,057**

4. EXPENSES

	Consolidated 2016 $	Consolidated 2015 $
Loss before income tax includes the following items:		
Rental expenses relating to operating leases	53,738	198,481
Superannuation expense	96,293	157,070
Depreciation and amortisation:		
- Plant and equipment	182,258	246,551
- Motor vehicles	30,185	46,209
- Amortisation - Software	8,288	23,302
	220,731	316,062
Impairment of other assets:		
- Value Added Tax Receivable	251,431	806,154

5. INCOME TAX EXPENSE

	Consolidated 2016 $	Consolidated 2015 $
a) Income tax expense (benefit)		
Current tax expenses (benefit)	-	-
Deferred tax expenses (benefit)	-	-
	-	-
b) Reconciliation of the prima facie tax loss from ordinary activities before income tax to income tax expense (benefit):		
Profit/(Loss) before income tax expense	(3,410,664)	(6,481,906)
Tax at the tax rate 30% (2015: 30%)	(1,023,199)	(1,944,572)
Tax effect of amounts not deductible (taxable) in calculating taxable income:		
- Non deductible expenses	297,053	(72,934)
- R&D tax offset payment	-	(139,532)
- Deferred tax assets not recognised on tax losses and temporary difference	461,742	1,411,712
- Tax rate differential	264,404	745,326
Income tax expense (benefit)	-	-
c) Deferred tax assets		
Temporary differences	1,257	1,891
	1,257	1,891
Deferred tax liabilities		
Temporary differences	(1,257)	(1,891)
	(1,257)	(1,891)
Net deferred tax assets (liabilities)	0	0
d) Deferred tax assets not recognised		
Deferred tax assets have not been recognised in relation to the following matters:		
Temporary differences	945,900	462,920
Tax losses	8,234,090	7,706,168
	9,179,990	8,169,088

Significant accounting judgement

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.

Taxes

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.

6. CASH AND CASH EQUIVALENTS

	Consolidated	
	2016 $	2015 $
Cash at bank and in hand	525,691	1,127,167
Short-term deposits at call	645,000	2,960,000
	1,170,691	**4,087,167**

7. TRADE AND OTHER RECEIVABLES

	Consolidated	
	2016 $	2015 $
Current:		
Trade and other receivables (i)	91,824	382,688
Prepayments	62,230	78,990
Other current assets	-	1,313,128
VAT receivable	371,585	806,154
Impairment of VAT	(371,585)	(806,154)
	154,054	**1,774,806**

(i) As at 30 June 2016 the trade debtors of the Group were nil. (2015: $35,342). Other receivables include outstanding cash calls payable to Atlas Tin SAS of $17,922 (2015: $202,585). No trade and other receivables balances were past their due date at 30 June 2016 (2015: Nil) and hence no impairment has been recognised. Refer note 15 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.

Impaired VAT Receivable

As at 30 June 2016 the Group had VAT receivable in Morocco of $371,585 (2015: $806,154). The VAT is recoverable against generation of revenue. The Company has determined that at this stage of project development 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	
	2016 $	2015 $
Opening balance VAT receivable	806,154	130,229
Unrecoverable VAT written off during the year	(806,154)	(130,229)
VAT receivable for year	371,585	806,154
Closing balance of VAT receivable	**371,585**	**806,154**
Opening balance impairment of VAT	(806,154)	(130,229)
Unrecoverable VAT written off during the year	806,154	130,229
Provision for impairment recognised for the year	(371,585)	(806,154)
Total provision for impairment of VAT	**(371,585)**	**(806,154)**

8. NON-CURRENT ASSETS CLASSIFIED AS HELD FOR SALE

	Consolidated	
	2016 $	2015 $
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 seek 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.

9. PROPERTY, PLANT AND EQUIPMENT

	Consolidated	
	2016 $	2015 $
Plant and equipment – at cost	1,606,321	1,573,900
Less: Accumulated depreciation	(1,487,306)	(1,286,823)
Total plant and equipment at net book value	**119,015**	**287,077**
Motor vehicles – at cost	147,183	144,192
Less: Accumulated depreciation	(115,147)	(83,969)
Total motor vehicles at net book value	**32,036**	**60,223**
Computer software – at cost	57,084	55,948
Less: Accumulated amortisation	(56,309)	(48,021)
Total computer software at net book value	**775**	**7,927**
Total property plant and equipment	**151,826**	**355,227**

Reconciliations

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

	Consolidated	
	2016 $	2015 $
Plant and Equipment:		
Carrying amount at beginning of year	287,077	504,191
- Additions	3,991	11,847
- Disposals	-	(920)
- Movement due to foreign exchange	10,205	18,510
- Depreciation	(182,258)	(246,551)
Carrying amount at end of year	**119,015**	**287,077**
Motor Vehicles:		
Carrying amount at beginning of year	60,223	124,285
- Additions	-	-
- Disposals	-	(22,043)
- Movement due to foreign exchange	1,998	4,190
- Depreciation	(30,185)	(46,209)
Carrying amount at end of year	**32,036**	**60,223**
Computer Software:		
Carrying amount at beginning of year	7,927	31,229
- Additions	1,136	-
- Disposals	-	-
- Movement due to foreign exchange	-	-
- Amortisation	(8,288)	(23,302)
Carrying amount at end of year	**775**	**7,927**

10. EXPLORATION AND EVALUATION EXPENDITURE

	Consolidated	
	2016 $	2015 $
Costs carried forward in respect of areas of interest in:		
Exploration and/or evaluation phase:		
- Balance at beginning of year	5,302,014	4,923,440
- Capitalised borrowing costs	105,086	191,844
- Movement due to foreign exchange	210,312	186,730
Total exploration and evaluation expenditure	**5,617,412**	**5,302,014**

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.

Significant accounting judgement

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.

11. TRADE AND OTHER PAYABLES

	Consolidated	
	2016 $	2015 $
Current:		
Trade payables	154,776	500,461
Other payables and accruals (i)	587,264	1,928,515
	742,040	**2,428,976**

(i) The other payables and accruals balance as at 30 June 2015 included the final instalment of the Achmmach Tin Project purchase consideration of US$1,000,000 as well as employee entitlements and other amounts. The final instalment of US$1,000,000 in relation to the Achmmach Tin Project was made in May 2016.

Risk exposure

Information about the Group's exposure to foreign exchange risk is provided in note 15.

12. CONTRIBUTED EQUITY

	Consolidated		Consolidated	
	2016 Number of Shares	2015 Number of Shares	2016 $	2015 $
Issued and Paid-up Capital				
Ordinary shares, fully paid	556,005,435	556,005,435	63,293,010	63,293,010
Movements in ordinary share capital:				
Balance at the beginning of the financial year	556,005,435	395,912,596	63,293,010	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**	**556,005,435**	**63,293,010**	**63,293,010**

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.

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.

13. 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 25(d).

iii) Other Reserves

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

14. 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	
	2016 $	2015 $
Nittetsu Mining Co. Ltd (NMC) – 5% NCI		
Opening Balance - NCI	(1,021,490)	(1,232,382)
Funds received from NMC	92,527	397,542
Share of Comprehensive Loss for the year	(68,958)	(186,650)
	(997,921)	**(1,021,490)**
Toyota Tsusho Corporation (TTC) – 20% NCI		
Opening Balance - NCI	545,526	(300,167)
Funds received from TTC	365,710	1,592,293
Share of Comprehensive Loss for the year	(275,831)	(746,600)
	635,405	**545,526**
Total Non-Controlling Interest	**(362,516)**	**(475,964)**

15. 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 no trade receivables 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.

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 2016						
Trade and other payables	363,170	363,170	-	-	-	-
	363,170	**363,170**	-	-	-	-
Consolidated 30 June 2015						
Trade and other payables	2,041,499	834,968	1,206,531	-	-	-
	2,041,499	**834,968**	**1,206,531**	-	-	-

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.

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), South African Rand (ZAR) 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:

	30 June 2016			30 June 2015		
Consolidated	USD	ZAR	GBP	USD	ZAR	GBP
Cash and cash equivalents	-	-	-	36,717	-	-
Trade and other receivables	-	-	-	1,000,000	-	-
Trade and other payables	-	(269,502)	-	(1,006,325)	-	(19,149)
Gross statement of financial position exposure	**-**	**(269,502)**	**-**	**30,392**	**-**	**(19,149)**

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 2016 all cash and cash equivalents in Australia were held with two financial institutions.

	Consolidated	
	2016 $	2015 $
Cash and cash equivalents	525,691	1,127,167
Short term cash deposits	645,000	2,960,000
	1,170,691	**4,087,167**

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.

16. REMUNERATION OF AUDITORS

	Consolidated	
	2016 $	2015 $
Audit Services:		
- Auditors of the Company – BDO Audit (WA) Pty Ltd	41,500	44,309
- Remuneration of other auditor for subsidiaries	18,150	16,621
Total remuneration for Audit services	**59,650**	**60,930**
Amounts received, or due and receivable, for taxation and other services by:		
- Affiliated companies to BDO	4,151	16,588

17. 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$275,718 as at 30 June 2016) 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.

18. RELATED PARTY DISCLOSURES

a) Remuneration of Key Management Personnel

Remuneration of Directors and other Key Management Personnel:

	Consolidated	
	2016 $	2015 $
Short-term employee benefits	817,902	1,142,838
Post-employment benefits	83,242	103,841
Long term employment benefits	29,601	30,344
Share based payments	1,944	(241,600)
	932,689	**1,035,423**

b) Transactions with Directors' related entities

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

19. PARENT ENTITY INFORMATION

The following information relates to the parent entity, Kasbah Resources Limited, at 30 June 2016. The information presented has been prepared using consistent accounting policies as presented in note 25.

	Parent	
	2016 $	2015 $
Current Assets	970,510	3,603,162
Non-current Assets	4,729,688	3,959,078
Total Assets	**5,700,198**	**7,562,240**
Current Liabilities	455,529	552,835
Non-current Liabilities	69,953	44,548
Total Liabilities	**525,482**	**597,383**
Contributed Equity	63,293,010	63,293,010
Accumulated Losses	(61,612,581)	(59,820,497)
Option Reserve	3,494,288	3,492,343
Total Equity	**5,174,717**	**6,964,856**
Profit / (Loss) for the Year	(1,791,738)	(14,115,914)
Other Comprehensive Income	-	-
Total Comprehensive Loss for the Year	**(1,791,738)**	**(14,115,914)**

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.

20. INTERESTS IN SUBSIDIARIES

	Interest Held	
	2016 %	2015 %
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	100
Arena Minerals Limited	100	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 is in the process of being voluntarily liquidated. All shares are fully paid ordinary shares

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	
Summarised statement of financial position	2016 $	2015 $
Current Assets	1,008,223	2,933,706
Non-current Assets	5,617,168	5,460,338
Total Assets	**6,625,391**	**8,394,044**
Current Liabilities	325,984	2,005,308
Non-current Liabilities	-	-
Total Liabilities	325,984	2,005,308
Net Assets	**6,299,407**	**6,388,736**
Summarised statement of profit or loss and other comprehensive income		
Revenue	-	39,612
Expenses	(2,137,369)	(4,835,535)
Other Comprehensive Income	186,783	(185,892)
Total Comprehensive Loss for the Year	**(1,950,586)**	**(4,981,815)**
Statement of cash flows		
Net cash used in operating activities	(2,339,462)	(5,001,879)
Net cash used from investing activities	6,616	(1,292,939)
Net cash used in financing activities	1,920,539	6,848,536
Net increase / (decrease) in cash and cash equivalents	**(412,307)**	**553,718**
Other financial information		
Profit attributable to non-controlling interests	(388,207)	(892,963)
Accumulated non-controlling interests at the end of report period	(362,516)	(475,964)

21. NOTES TO STATEMENTS OF CASH FLOWS

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

	Consolidated	
	2016 $	2015 $
Profit/(loss) after income tax	(3,410,664)	(6,481,906)
Adjustments for:		
- Depreciation	220,731	316,062
- Option based payment expense	1,944	(239,649)
- Gain/(loss) on sale of non-current assets	(1,000)	(10,100)
- Net exchange differences	16,291	173,715
Change in operating assets and liabilities		
- (Increase) / decrease in trade and other receivables	187,296	(30,764)
- Increase/(decrease) in trade and other payables	(519,814)	(945,806)
Net cash utilised in operating activities	**(3,505,216)**	**(7,218,448)**

22. (LOSS) PER SHARE

	2016 cents	2015 cents
Basic earnings / (loss) per share (cents per share)	(0.54)	(1.48)
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	556,005,435	437,992,365
Net (loss) attributed to EPS	(3,022,457)	(6,481,906)

23. SHARE BASED PAYMENTS EMPLOYEE BENEFITS

The Company granted no new options to directors and employees during the financial year (2015: 500,000).

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 or Cancelled	Options Exercised	Number of Options on Issue at End of Year	
						Vested	Unvested
5 Oct 2015	$0.10	500,000	-	(500,000)	-	-	-
23 Jul 2015	$0.28	1,500,000	-	(1,500,000)	-	-	-
23 Nov 2015	$0.26	2,000,000	-	(2,000,000)	-	-	-
23 Nov 2015	$0.26	10,000,000	-	(10,000,000)	-	-	-
27 Nov 2017	$0.12	500,000	-	-	-	500,000	-
		14,500,000	**-**	**(14,000,000)**	**-**	**500,000**	**-**

The options outstanding at 30 June 2016 had a weighted average exercise price of $0.12 (2015: $0.252) and a weighted average remaining life of 1.41 years (2015: 0.43 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.

	2016 Number of Options	2016 Weighted Average Price $	2015 Number of Options	2015 Weighted Average Price $
Outstanding at the beginning of the year	14,500,000	0.252	20,950,000	0.255
Granted	-	-	500,000	0.120
Exercised	-	-	-	-
Expired / Cancelled	(14,000,000)	0.256	(6,950,000)	0.251
Outstanding at Year End	**500,000**	**0.120**	**14,500,000**	**0.252**
Exercisable at Year End	**500,000**	**0.120**	**4,250,000**	**0.240**

24. EVENTS SUBSEQUENT TO REPORTING DATE

On 10 August 2016, the Company released the Definitive Feasibility Study for the Achmmach Tin Project Small Start Option. The Definitive Feasibility Study determined that a 0.5 Mtpa, high grade underground operation at Achmmach is technically and commercially feasible.

On 11 August 2016, the Company announced together with Asian Mineral Resources Limited (TSX-V: AMR) that they have entered into a Scheme Implementation Agreement pursuant to which Asian Mineral Resources Limited will, if implemented, acquire all of the ordinary outstanding shares of Kasbah Resources Limited by way of a scheme of arrangement under the Australian Corporations Act.

On 5 September 2016, the Company announced it had received A$500,000 from Pala Investments Limited as the first instalment of a A$1,000,000 loan facility made available to Kasbah Resources Limited pursuant to the Scheme Implementation Agreement entered into between Kasbah Resources Limited and Asian Mineral Resources Limited.

No other matters or circumstances have arisen since 30 June 2016 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.

25. OTHER 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.

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) 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.

b) 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.

c) 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.

25. OTHER ACCOUNTING POLICIES

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.

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.

d) 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.

e) 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.

f) Parent Entity Financial Information

Financial information for the parent entity, Kasbah Resources Limited, is disclosed in note 19 and has been prepared on the same basis as the consolidated financial statements.

g) 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.

h) Comparative Figures

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

i) 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.

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

The following Australian Accounting Standard was early adopted by the Group from 1 July 2015:

AASB 2015-2 'Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 101'

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

k) 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 2016. The consolidated entity has not yet assessed the impact of these new or amended Accounting Standards and Interpretations.

DIRECTOR'S DECLARATION

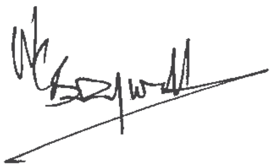
In the director's opinion:

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 2016 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



Wayne Bramwell
Managing Director

Dated: this day 16 of September 2016

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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 2016, 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 Stat*ements, 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.

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*.

BDO

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 2016 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.

Emphasis of matter

Without modifying our opinion, we draw attention to Note 1 in the financial report which describes the events and conditions which give rise to the existence of a material uncertainty that may cast significant doubt about the consolidated entity's ability to continue as a going concern and therefore the consolidated entity may be unable to realise its assets and discharge its liabilities in the normal course of business.

Report on the Remuneration Report

We have audited the Remuneration Report included in pages 25 to 34 of the directors' report for the year ended 30 June 2016. 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 2016 complies with section 300A of the *Corporations Act 2001*.

BDO Audit (WA) Pty Ltd

BDO
J Prue

Jarrad Prue
Director

Perth, 16 September 2016

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 14 September 2016.

Capital Structure

556,005,435 fully paid shares listed on the Australian Stock Exchange. The Company has 500,000 unquoted options on issue.

Distribution of Shareholders

The distribution of shareholdings as at 14 September 2016 was:

Range	Number of Holders	Number of Securities
1-1,000	150	14,315
1,001-5,000	646	2,139,438
5,001-10,000	571	4,740,612
10,001-100,000	1,782	66,863,765
100,001 + over	416	482,247,305
Total	**3,565**	**556,005,435**
Less than a marketable parcel	1,859	14,140,418

Substantial Shareholders

The Company has received the following Substantial Holding notices:

Shareholder Name	Number of Shares	% of Issued Shares
International Finance Corporation *	98,541,319	17.72
Lion Selection Group Limited	87,150,716	15.67
Thailand Smelting & Refining Co Ltd	31,865,085	5.73
Traxys Projects L.P.	29,583,470	5.32

* International Finance Corporation (IFC) lodged a Substantial Shareholder Notice on 21 October 2014 advising that they hold 81,178,342 shares (17.98% shareholding interest of Kasbah). IFC are not required to lodge an updated substantial shareholder notice as their % has not changed by more than 1% but the above figures have been restated to allow for changes in IFC's shareholding interest since that date.

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	1	500,000

Kasbah - Twenty Largest Quoted Equity Security Holders

#	Name	Number of Shares	% of Total Issued Shares
1.	Citicorp Nominees Pty Limited	83,702,068	15.05
2.	African Lion 3 Limited	79,900,716	14.37
3.	Thailand Smelting & Refining Company Limited	31,197,990	5.61
4.	J P Morgan Nominees Australia Limited	29,350,128	5.28
5.	Merrill Lynch (Australia) Nominees Pty Limited	20,974,636	3.77
6.	International Finance Corporation	17,362,977	3.12
7.	Traxys Projects L.P.	8,863,470	1.59
8.	Tarifa Investments Pty Ltd <Tarifa Investments A/C>	8,200,000	1.47
9.	African Lion 3 Limited	7,250,000	1.30
10.	BNP Paribas Noms (NZ) Ltd <DRP>	6,413,268	1.15
11.	Mr Peter Turcovsky	5,400,000	0.97
12.	Lujeta Pty Ltd <The Margaret Account>	5,200,000	0.94
13.	Mr Brian Henry McCubbing and Mrs Adriana Maria McCubbing <B McCubbing Super Fund A/C>	5,000,000	0.90
14.	Mr Rupert James McCammon	4,643,340	0.84
15.	Mr Klaus Volker Willi	4,293,500	0.77
16.	HSBC Custody Nominees (Australia) Limited	3,721,869	0.67
17.	ABN AMRO Clearing Sydney Nominees Pty Ltd <Custodian A/C>	3,554,220	0.64
18.	Dr Peter John Pollard & Dr Deborah Alice Kuchler <Perin Super Fund A/C>	2,800,000	0.50
19.	BFM Superannuation Fund Pty Ltd	2,688,000	0.48
20.	Braham Investments Pty Ltd <Braham Staff Super Fund A/C>	2,580,676	0.46
		333,096,858	**59.91**

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 no changes were announced to the ASX. Subsequent to the end of the financial year, on 10 August 2016 the Company announced the results of the Achmmach Small Start Option Definitive Feasibility Study, which included an updated Ore Reserve. Details of the updated Ore Reserve have been included in the Operations Report.

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

As at 30 June 2016			
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 2016 Ore 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**

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

30 June 2015	M Tonnes	Sn %	Contained Tin (Kt)
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**
Resources Additions			
Meknes Trend	-	-	-
Western Zone	-	-	-
	-	-	-
30 June 2016			
Meknes Trend	14.6	0.85%	123.1
Western Zone	0.3	1.25%	4.2
Total Mineral Resource 2016	**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 2016 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 2015	M Tonnes	Sn %	Contained Tin (Kt)
Meknes Trend	9.219	0.77%	71.3
Western Zone	-	-	-
Total Ore Reserve 2015	**9.219**	**0.77%**	**71.3**
Resources Additions			
Meknes Trend	-	-	-
Western Zone	-	-	-
	-	-	-
30 June 2016			
Meknes Trend	9.219	0.77%	71.3
Western Zone	-	-	-
Total Ore Reserve 2016	**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 2016 balances. No further drilling has taken place post this announcement.*
2) *On 10 August 2016 the Company announced an updated Ore Reserve in conjunction with the results of the Achmmach Small Start Option Definitive Feasibility Study. Summary details of the new Ore Reserve are included in the Operations Report of this Annual Report and full details are included in the announcement.*
3) *The geographical area for Tin Reserves is Morocco.*

Schedule of Permits

Project	Permit Type	Permit Number	Registered Interest
Achmmach	PE	2912	75%*
	PE	193172	75%*
Bou El Jaj	PE	213172	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	2138023	100%
Ment	PR	1939809	100%
	PR	1939821	100%
	PR	1939822	100%
	PR	1940002	100%
	PR	1940003	100%
	PR	1940004	100%
	PR	1940082	100%
	PR	1940095	100%
	PR	1940099	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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