



29 April 2016

ASX CODE: KAS

**OUR PRIME COMMODITY IS
TIN**

LME TIN PRICE (27/04/16)

US\$17,225 / t

(CASH BUYER)

ABOUT KASBAH

KASBAH IS AN AUSTRALIAN LISTED MINERAL EXPLORATION AND DEVELOPMENT COMPANY.

THE COMPANY (75%) AND IT'S JOINT VENTURE PARTNERS TOYOTA TSUSHO CORP (20%) AND NITTETSU MINING CO. (5%) ARE ADVANCING THE ACHMMACH TIN PROJECT IN THE KINGDOM OF MOROCCO TOWARDS PRODUCTION.

PROJECTS

ACHMMACH TIN PROJECT
BOU EL JAJ TIN PROJECT

CAPITAL STRUCTURE

SHARES ON ISSUE:	556M
UNLISTED OPTIONS:	0.5M
CASH @ 31/03/16:	\$1.9M

MAJOR SHAREHOLDERS

WORLD BANK (IFC)	17.7%
AFRICAN LION GROUP	15.7%
THAISARCO	5.6%
TRAXYS	5.3%

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MARCH 2016 QUARTERLY REPORT



Kasbah Resources Limited (ASX: KAS) is pleased to report its activities for the March 2016 Quarter. The highlights include:

- The Small Start Option (SSO) pre-feasibility study confirms lower capital cost, higher grade, staged development opportunity.
- Joint Venture partners endorse commencement of definitive feasibility study.
- LME tin price rises from a 9 year low of approximately \$13,100 / t in January 2016 to trade in \$16,500 - \$17,500 / t range as production cuts and significant reduction in Indonesian tin exports begin to push tin market towards forecast 2016 supply deficit.
- Cash position at 31 March is **\$1.9M**.

Wayne Bramwell, Managing Director of Kasbah Resources said:

"Supply constraints in the tin market remain significant and have underpinned a 30% rise in LME tin price since the beginning of 2016.

The 51% year on year fall in Indonesian tin exports in Q1 2016 are indicative of the supply being removed from the 2016 market and indicate the longer term trend from this important tin exporter.

Any recovery in tin demand will exacerbate the supply issues and should be positive for LME tin price. "

MARCH QUARTERLY REPORT

Kasbah Resources Limited (Kasbah or the Company) is pleased to provide this update to the market.

PROJECT DEVELOPMENT UPDATE

- **Achmmach Tin Project (75% Kasbah, 20% Toyota Tsusho Corp, 5% Nittetsu Mining Co. Ltd)**

A positive pre-feasibility assessment (PFS) for the Small Start Option (SSO) for the Achmmach Tin Project was announced on 9 February 2016. With a PFS level pre-production capital cost of the order of \$56M the PFS showed positive economic returns at an LME tin price of \$15,500 / tonne. Premised upon the improved economics of the SSO, the Achmmach Joint Venture partners then commenced a definitive feasibility study (DFS) to optimise the mine plan, the preferred flow sheet and hence define total project capital and operating costs more accurately. Toyota Tsusho Corp and Nittetsu Mining Co. Ltd continue to provide valuable input into the DFS process with visits to Perth and to South Africa.

These changes in mine operation and construction methodology have the additional benefit of reducing construction, ramp up and operational risks to ensure stronger cash flow in the critical early years of the project.

The DFS remains focussed on further refining the two-stage, high grade development opportunity defined in the PFS as this approach is more suited to a lower commodity price and challenging funding environment.

Mining

The SSO mine design incorporates:

- **A reduction in project scale** - with a corresponding significant reduction in capital requirements;
- **Adoption of a staged approach to mining** - increasing the stage 1 mine cut off-grade to raise run of mine ore grades to approximately 1.0% Sn for approximately 5 years;
- **Simplification in key areas including** - mine ventilation, access to the lower Eastern Zone and mine fill strategy.

During the quarter the mine ventilation, access, fill strategy and mine schedule were finalised with five underground mining contractors submitting quotations for the mining and delivery of underground ore. Assessment of these quotes and further engagement with selected contractors will be carried out by Entech Mining Consultants during Q2 2016.

Quotations from in-country contractors for box-cut and road construction, ore haulage from portals to ROM pad and ore crushing have been obtained and will be assessed during this quarter.

Process

The SSO flow sheet incorporates:

- **Contract surface crushing** – with experienced third parties to provide these services so as to remove the surface crushing capital requirements from pre-production capital costs;

- **Modular plant design** - reducing processing capital and power requirements, construction complexity and installation costs;
- **Increased metallurgical recovery** - higher run of mine grades in the early years facilitates metallurgical recovery rising to approximately 74% under this model; and
- **Reduction in surface infrastructure** - due to project scale and fit for purpose design philosophy.

Process related activity during the quarter saw the initiation of testing of a 5 tonne bulk sample of Achmmach ore. This work is being carried out in Johannesburg, South Africa and is aimed at equipment selection in three main areas of ore treatment:

- **High energy size reduction**

This test work is being carried out by Energy and Densification Services (EDS) (www.eds.co.za) in order to quantify the benefits of the EDS multi-shaft mill in replacing rod mills. This equipment has been utilised commercially since 2012 with the EDS mill offering equivalent size reduction at considerably reduced capital and lower energy consumption (and hence operating costs);

- **Enhanced spiral technology for recovery of fine cassiterite**

This gravity programme is being carried out by Multotec (www.multotec.com) on EDS milled ore. Current gravity spiral design offers the potential to recover cassiterite by gravity separation down to approximately 38 microns; and

- **Enhanced flotation technology**

This flotation programme will be carried out by Maelgwyn Mineral Services (www.maelgwyn.com) using the Imhoflot process. This equipment offers enhanced flotation kinetics and recovery with a smaller footprint than the more familiar cell configuration and at a lower energy consumption.

This work commenced during March and will continue into May.

Engineering

Data obtained from the programme above will be employed by ADP Modular & Marine (ADP) of Cape Town (www.adpgroup.com) to finalise modular process flowsheet development, equipment selection and process costing.

ADP expects to complete its estimates during this quarter.

Project Economics

New cost inputs will be integrated into the DFS financial model through Q2 2016 with completion due mid-year.

TIN MARKET OVERVIEW

After a massive fall in LME tin price in 2015, LME tin has outperformed all other LME metals in 2016. After touching a 9 year low in January 2016 the LME tin price has recovered and has tracked higher (**Figure 1**), closing at \$17,350 / tonne on 26 April 2016.

Supply constraints remained significant with first quarter Indonesian tin exports reporting a fall of approximately 51% year on year.

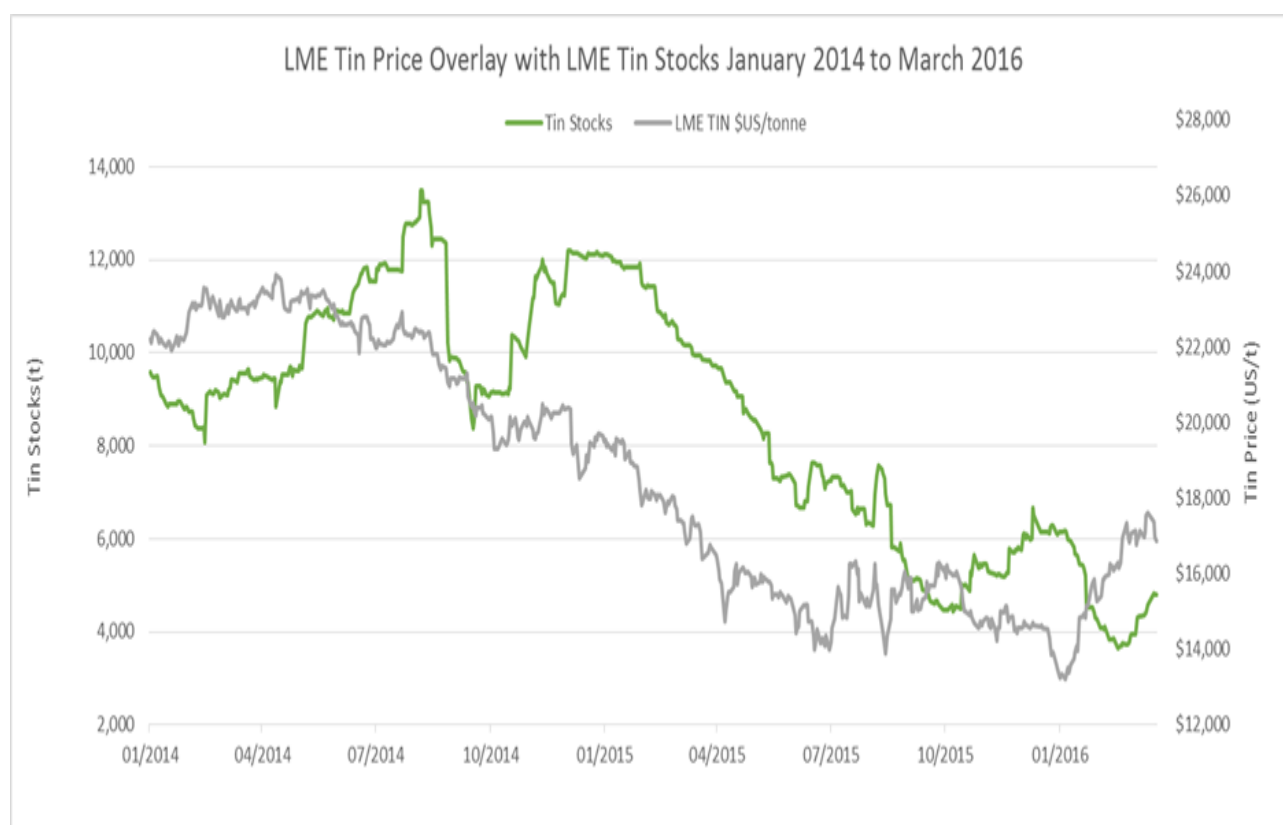


Figure 1: LME Tin Price vs. LME Tin stocks – Jan 2014 to March 2016

The CRU Tin Monitor on 14 April 2016 opined:

“The (tin) market may be poised for a further run-up in prices, although weak demand and an already large speculative long position on the LME may count against this in the immediate future”.

Balancing this statement was the CRU’s comments on supply, being:

*“Trends in supply from Myanmar and Indonesia over the rest of the year remain uncertain, but there is significant downside risk to our forecast of Indonesian production, potentially **widening a global supply deficit** currently forecast at a little over 10,000 tonnes”.*

EXPLORATION

Kasbah is an active explorer and continues to assess other tin exploration opportunities within Morocco. The company continually reviews its existing permit package with a focus on acquiring permits that have tonnage and grade opportunities. Where these prospects do not meet our corporate criteria they are then relinquished.

▪ Dam permit PR 2138098

Only 2 samples from the first pass geochemistry programme produced significant tin assays. As such this exploration permit within the Ment granite package will be relinquished.

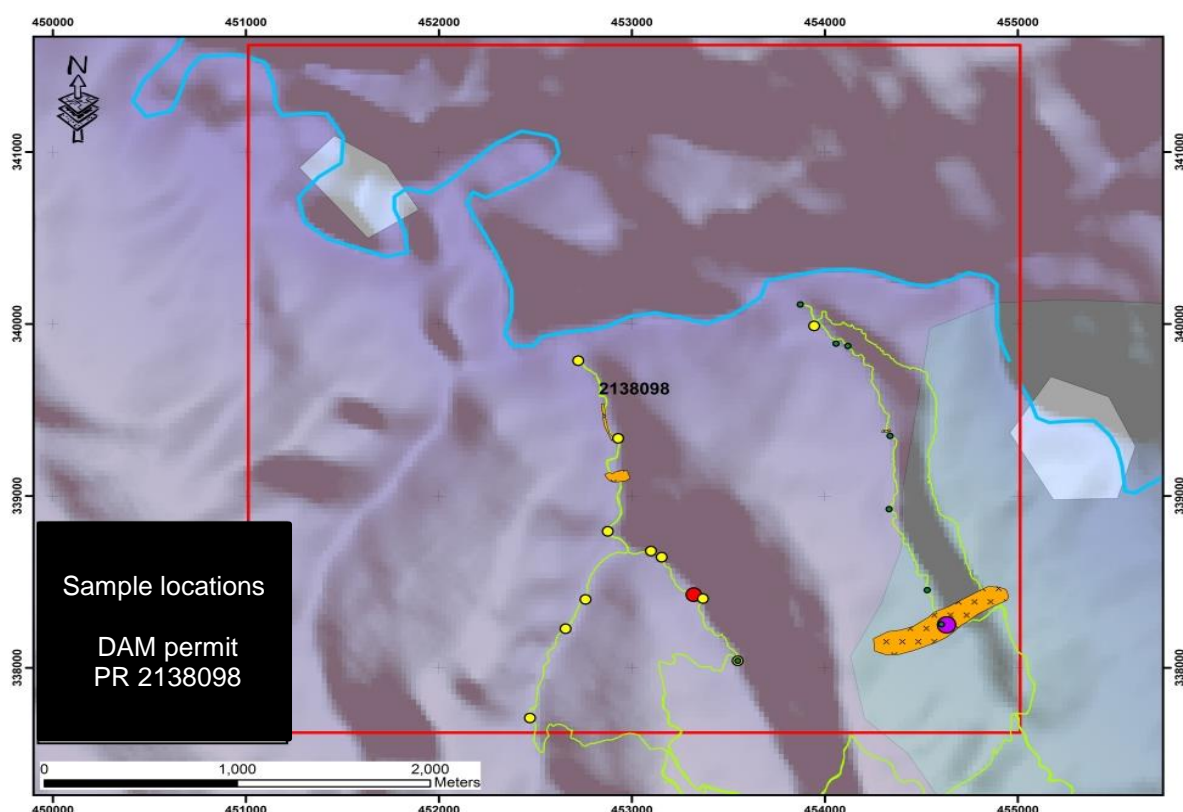


Figure 2 - Geochemistry assays results around the DAM permits PR2138098 (Rhyolite intrusive in orange)

▪ Ment Granite package

The regional Ment Granite package is prospective for tin mineralisation. A new field visit to the Ment permits during this quarter revealed new surface tin mineralisation of up to 2% Sn identified with the hand held Niton XRF. Thin sections have been selected by Kasbah geologists from the tourmaline lodes and have been sent for mineralogical assessment.

▪ Zaer Granite package

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.

Figure 3 identifies Kasbah's permit holding across this prospective tin belt.

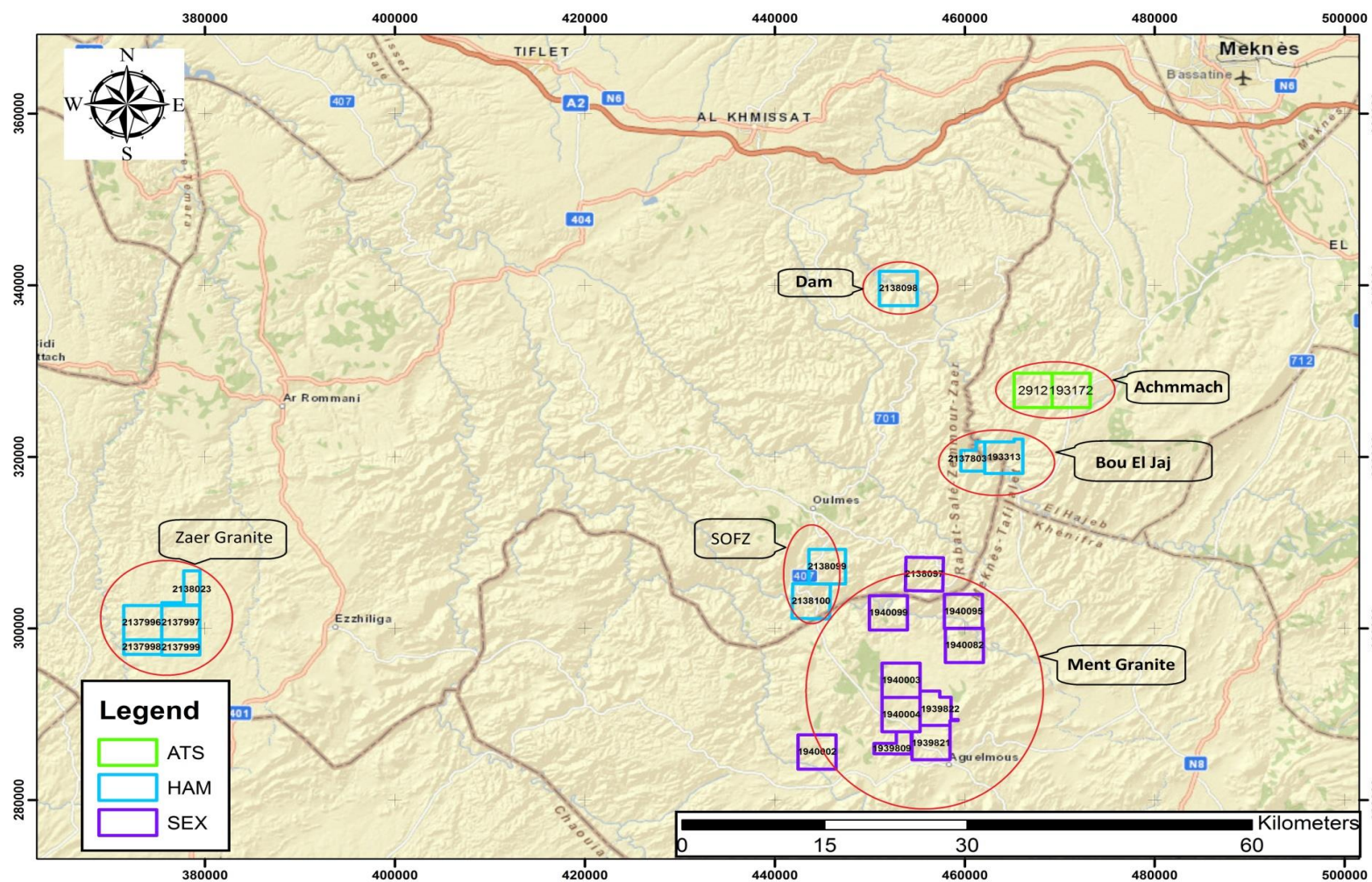


Figure 3 - Kasbah's tenement map of the Central Massif area showing all the Kasbah Subsidiary Permit Holdings

CORPORATE

During the Quarter Kasbah made the following significant ASX releases:

- 9 February Achmmach Small Start Option Pre-feasibility study; and
- 29 January December Quarterly Report.

These releases and tin related news articles can be viewed at www.kasbahresources.com.

▪ Cash Reserves

Cash reserves at 31 March 2016 were **\$1.9M**.

LOOKING FORWARD

Kasbah will continue to advance the Achmmach SSO DFS and anticipates finalising project economics by the middle of the year.

For and on behalf of the Board



Wayne Bramwell
Managing Director

For further information please go to:

Or email:

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ABOUT KASBAH RESOURCES

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

Our commodity is tin.

Kasbah has two tin projects (the Achmmach Tin Project and the Bou El Jaj Tin Project) located in the Kingdom of Morocco:

■ Achmmach Tin Project JV in Morocco (75% Kasbah, 20% Toyota Tsusho and 5% Nittetsu Mining)

Kasbah is the manager and operator of the Achmmach Tin Project JV. Toyota Tsusho Corporation (TTC) and Nittetsu Mining Co. Ltd (NMC) of Japan are Kasbah's strategic development partners in this JV. In response to a 25% fall in LME tin during 2015, the JV redesigned the project to reduce the scale, operating complexity and capital requirements. A positive pre-feasibility study (PFS) for the development of a 2 staged, lower throughput, lower capital cost 500,000 tpa underground mine, concentrator and associated infrastructure at Achmmach was completed in February 2016 with the JV partners endorsing the commencement of a definitive feasibility study (DFS).

■ Bou El Jaj Tin Project in Morocco (100% Kasbah)

Kasbah retains a 100% interest in the prospective Bou El Jaj Tin Project. This project is 10km from the Achmmach Tin Project and is an early stage exploration opportunity that could become a satellite ore source for Achmmach. It is currently pre-resource and additional drilling is required on multiple targets within the Bou El Jaj permits.

FORWARD LOOKING STATEMENTS

This announcement contains forward-looking statements which involve a number of risks and uncertainties. These forward looking statements are expressed in good faith and believed to have a reasonable basis. These statements reflect current expectations, intentions or strategies regarding the future and assumptions based on currently available information. Should one or more of the risks or uncertainties materialise, or should underlying assumptions prove incorrect, actual results may vary from the expectations, intentions and strategies described in this announcement. No obligation is assumed to update forward looking statements if these beliefs, opinions and estimates should change or to reflect other future developments.

MINING TENEMENT CHANGES DURING THE QUARTER

Project / Tenements	Location	Permit Number	Held at end of quarter	Acquired during the quarter	Disposed during the quarter

FARM-IN / FARM OUT AGREEMENT CHANGES

Project / Tenements	Location	Permit Number	Held at end of quarter	Acquired during the quarter	Disposed during the quarter

INTERESTS IN MINING TENEMENTS

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	2138097	100%
	PR	2138098	100%
	PR	2138099	100%
	PR	2138100	100%
	PR	1940002	100%
	PR	1940003	100%
	PR	1940004	100%
	PR	1940082	100%
	PR	1940095	100%
	PR	1940099	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.

Appendix 5B

Mining exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10

Name of entity

KASBAH RESOURCES LIMITED

ABN

78 116 931 705

Quarter ended ("current quarter")

31 MARCH 2016

Consolidated statement of cash flows

		Current quarter \$A'000	Year to date (9 months) \$A'000
Cash flows related to operating activities			
1.1	Receipts from product sales and related debtors	-	-
1.2	Payments for (a) exploration & evaluation	(501)	(1,658)
	(b) development	-	-
	(c) production	-	-
	(d) administration	(298)	(1,000)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	7	43
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Other	-	-
Net Operating Cash Flows		(792)	(2,615)
Cash flows related to investing activities			
1.8	Payment for purchases of:		
	(a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	-	(5)
1.9	Proceeds from sale of:		
	(a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	-	-
1.10	Loans to other entities	-	-
1.11	Loans repaid by other entities	-	-
1.12	Other – Payment / refund for security deposits & bonds	9	44
Net investing cash flows		9	39
1.13	Total operating and investing cash flows (carried forward)	(783)	(2,576)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(783)	(2,576)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	-	-
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19A	Other – Transactions with non-controlling interests	110	526
1.19B	Other – Share issues costs	-	(97)
	Net financing cash flows	110	429
	Net increase (decrease) in cash held	(673)	(2,147)
1.20	Cash at beginning of quarter/year to date	2,637	4,087
1.21	Exchange rate adjustments to item 1.20	(20)	4
1.22	Cash at end of quarter	1,944	1,944

Payments to directors of the entity and associates of the directors

Payments to related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	105
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

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

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

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2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

--

+ See chapter 19 for defined terms.

Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	Nil	Nil
3.2 Credit standby arrangements	Nil	Nil

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	596
4.2 Development	-
4.3 Production	-
4.4 Administration	307
Total	903

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	315	406
5.2 Deposits at call	1,210	1,721
5.3 Bank overdraft	-	-
5.4 Other (provide details) - Cash held in Morocco	419	510
Total: cash at end of quarter (item 1.22)	1,944	2,637

Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements relinquished, reduced or lapsed			
6.2	Interests in mining tenements acquired or increased			

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 Preference +securities (description)				
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 +Ordinary securities	556,005,435	556,005,435		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs				
7.5 +Convertible debt securities (description)				
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

7.7	Options <i>(description and conversion factor)</i> KASAAF	500,000	-	<i>Exercise price</i> \$0.12	<i>Expiry Date</i> 27 November 2017
7.8	Issued during quarter				
7.9	Exercised during quarter				
7.10	Expired during quarter				
7.11	Debentures <i>(totals only)</i>				
7.12	Unsecured notes <i>(totals only)</i>				

+ See chapter 19 for defined terms.

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 5).
- 2 This statement does give a true and fair view of the matters disclosed.



Sign here: _____ Date: 29 April 2016
Chief Financial Officer / Company Secretary

Print name: Trevor O'Connor

Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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